

# **Doctor of Business Administration (DBA)**

**Employee Engagement and Organizational  
Performance: A Study on the Pharmaceutical  
Industry in Bangladesh**

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**Employee Engagement and Organizational Performance:  
A Study on the Pharmaceutical Industry in Bangladesh**

**A Thesis Submitted to the Department of Management  
in Partial Fulfillment of the Requirements of the Degree  
of Doctor of Business Administration (DBA)**

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## STATEMENT OF DECLARATION

I, S.M. Rezaul Ahsan, declare that the thesis entitled — Employee Engagement and Organizational Performance: A Study on the Pharmaceutical Industry in Bangladesh is my original work. I have carried out the present study independently with the guidance and support of the research advisor, Prof. Md. Ali Akkas. Any other contributors or sources used for the study have been appropriately acknowledged. Moreover, this study has not been accepted or submitted previously for the award of any Degree or Diploma Program or other programs in this or any other Institution.

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## **DEDICATION**

**This research is lovingly dedicated to:**

- My parents late Abdul Halim Sarker and Delwara Halim
- My lovely wife Sanjida Ahmed Anu
- My sweetest daughter Arabi Ahsan and my son Araf Ahsan

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### **ABBREVIATIONS AND ACRONYMS**

API	Active Pharmaceutical Ingredient
BAPI	Bangladesh Association of Pharmaceutical Industries
BDT	Bangladesh Taka
BSC	Balanced Scorecard
CAGR	Compound Annual Growth Rate
GCC	Gulf Cooperation Council
DGDA	Directorate General of Drug Administration
EBSL	Eastern Bank Ltd (EBL) Securities Limited

EE	Employee Engagement
EPS	Earing Per Share
EU	European Union
FGD	Focus Group Discussion
cGMP	Current Good Manufacturing Practice
HR	Human Resource
HRM	Human Resource Management
IMS	Intercontinental Medical Statistics
KPI	Key Performance Indicators
MAT	Moving Annual Total
ROI	Return On Investment
ROE	Return On Equity
RMG	Ready-Made Garment
SPSS	Statistical Package for Social Sciences
SME	Subject Matter Expert
SRA	Stringent Regulatory Authority
TGA	Therapeutic Goods Administration
UK-MHRA	United Kingdom Medicines and Healthcare Products Regulatory Agency
USFDA	United States Food and Drug Administration

## OPERATIONAL DEFINITION OF KEY TERMS

**Employee:** An employee is an individual that is hired to work for a person or for a company that pays them a wage or salary in return. The employees who involve with the jobs related to clerical, administrative, secretarial or managerial roles in an office environment are considered for this research.

**Industry and Sector:** Although these two terms are often used interchangeably to describe a group of companies that operate in the same segment of the economy or share a similar business type with similar categories of products in a broader range, the terms industry and sector have slightly different meanings. Industry refers to a much more specific group of companies or businesses, while the term sector describes a large segment of the economy.

In this study, the terms industry and sector are synonymously used.

**Company, Organization, Firm, Business:** A company is any form of business dealing with specific products or services whether small or large. An organization is the larger form and generally comprises of a number of companies. Simply, a company is an organization, but an organization is not just a company. Firm, corporation and business are synonyms of "company".

In this study, all the terms are synonymously used.

**Determinant and Driver:** Determinant is a determining factor, an element that determines the nature of something while driver is something that drives or controls an element and its characteristics. In this study, these two terms are used synonymously.

**Employee Engagement:** Employee engagement is conceptualized as the extent to which an employee is involved, passionate and committed towards their job and the organization cognitively, emotionally and behaviorally.

**Organizational Performance:** Organizational performance as the set of financial and nonfinancial parameters that deals with information on the degree of achievement of organizational goals and objectives in meeting all stakeholders' expectations.

**Organizational Outcome:** Used as synonym of Organizational Performance

**Business Performance:** Used as synonym of Organizational Performance

**Organizational age:** Organizational Age is defined as number of years of its business operations from the inception as it has shown in its website and/ or annual report.

**Organizational size:** Organizational Size denotes the weighted average of number of employees considering Full-Time Equivalent (FTE) count in a particular year and sales volume of the organization for that particular year.

**Effectiveness:** Degree to which an organization's activities meet customer expectations

**Efficiency:** The degree to which an organization optimizes use of resources

**Pharmaceutical Company:** The company engaged in manufacturing, marketing, distributing of medicinal products.

## ABSTRACT

The Pharmaceutical industry is one of the most technologically developed and knowledge-based manufacturing sectors in Bangladesh that has been struggling to enrich its contribution to the overall economic development of the country since the early 80s. The evolution of this sector has started just after the endorsement of Drug (Control) Ordinance - 1982, while the domestic medicine manufacturing companies have taken the opportunity to expand their business and shown up their presence in the industry.

Customer satisfaction, employee retention and product innovation are considered as key success factors of the industry. Thus, the prime focus of all organizations within the industry is on the employee development and employee engagement. To survive in the present dynamic and hypercompetitive business environment, organizations are in tremendous pressure to use different engagement building tools and techniques in order to stay growing in the business and also improve overall performance. Employee engagement has appeared as a popular human resource management concept in recent years which implies the level of commitment and involvement an employee conserves towards their organization and its values.

An intensive review of the literature revealed that the meaning of employee engagement, the level of engagement and also its impact on the business performance still require further research attention in the area of Bangladesh pharmaceutical business sector. This research, therefore, aims to explore the definition of the employee engagement, examine the relationship between employee engagement and organizational performance and also identify the key factors or determinants that drive employee engagement at the pharmaceutical industry of Bangladesh.

The study utilized a quantitative research design to collect information from 100 employees working in different levels of the organizations in Bangladesh Pharmaceutical Industry through using purposive or judgmental sampling technique where response rate was 71.43%. Self-administered structured questionnaires were developed through addressing all necessary components of the constructs for collecting feedback of the respondents. Descriptive statistics was used to describe the characteristics of the variables using aggregate mean score and standard deviation. The hypotheses were tested using multiple regressions. Adjusted  $R^2$  was used to measure the amount of variation in the dependent variable that was attributed to change in the independent variables. The result indicates that employee engagement significantly influences the performance of pharmaceutical company of Bangladesh which is found to be moderated by organizational age and organizational size. The employees of the industry are found engaged towards their job and organization.

Hence, the study concluded that the employers should take into account establishing employee engagement culture as a continuous effort of integrated approach rather than considering it as a one-time exercise. Implications of the research for managers and leaders in context of strategic human resource practices have also been discussed. Limitations of the study and guidelines for future research using different approaches are also provided.

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Introduction and Background

Bangladesh Pharmaceutical Business is growing rapidly and contributing to the countrywide economic system significantly. This sector is performing extraordinarily to meet the market demand in terms of quality, safety and advanced technology adoption on the top of other manufacturing sectors in Bangladesh. It is marked as a speedy developing manufacturing sector in Bangladesh. Over the last twenty years this sector has increased at a remarkable rate in the local market. This sector has turned out to be a big concern for the entrepreneurs of the country. It is now fulfilling ninety-eight percent demand of the domestic market (Islam, Rahman and Al-Mahmood 2018). Bangladesh Pharmaceutical sector has been recognized as a highly potential industry in the international arena of medicinal market. This sector has expected to expand its horizon in the export market with a larger scale of quality products in the upcoming days. It is a technology and knowledge based hypercompetitive industry sector facing enormous economic challenges. Knowledge, skills, creativity and novelty of the people working in this sector are the critical success factors of the industry. According to Bangladesh Association of Pharmaceutical Industries (BAPI) and also Directorate General of Drug Administration (DGDA), the number of licensed pharmaceutical manufacturing companies are 257 from which approximately 150 are currently in operation to produce the larger portion of the medicines for meeting local medicinal demand of the country. A few number of specialized medicines such as biotech vaccines, oncology products and hormonal drugs are selectively purchased from the abroad for meeting a little part of country's medicinal demand. The local manufacturers produce mostly the generic drugs that constitutes about 80% and the rest 20% are patented drugs (BAPI website 2019). Bangladeshi medicinal products are being exported



to a number of countries from many years. To ensure consistency in business performance, this sector requires fully engaged employees who are to be highly committed towards their organizations. Moreover, focus group discussions with senior leaders of pharmaceutical practitioners revealed that Bangladesh pharmaceutical sector is currently facing moderate to high turnover in technical occupations. Therefore, assessing the existing level of engagement of the employees working in the pharmaceutical companies and also the main drivers that determine the engagement of the employees are great concern to the industry practitioners and high in demand in this sector.

Bangladesh Medicine manufacturing sector is technologically advanced hi-tech industry and recognized as a magnificent contributor in the society as well as country's economic system. Bangladesh medicine industry has been emerged rapidly once the endorsement of Drug (Control) Ordinance in 1982 (Laws of Bangladesh) when the Government anticipated to accelerate the development of Bangladesh medicine industry. Experts recognized professional knowledge, diverse skillfulness, resourcefulness and novelty of the pharmaceutical professionals employed in this industry as critical factors behind the rapid expansion of the sector. Due to the rapid advancement of this sector in terms technology adoption and infrastructural development Bangladesh is shipping medicines to the foreign market including European drug marketplace. Top Companies are escalating their sales revenue through exploring new markets in the global arena of pharma business. An enterprise that wishes to enter into the pharmaceutical business of Bangladesh need substantial amount of financial investment and meet stringent statutory requirement of the drug control regulatory body; that makes a major hindrance for entry barrier of this sector. Besides, reliability of the customer to the medicines of established brands and entrance to the delivery network also builds additional obstacle. Therefore, the threat of new player into the business is considerably

low. In recent times, a good number of enterprises have started their entrepreneurship with advanced technology and requisite facilities aiming to create difference in their business strategy for offering high quality products and service to the customers. Bangladesh Pharmaceutical industry is one of the proudest industry sectors in Bangladesh which is growing up rapidly with huge business opportunities.

Bangladesh Pharmaceutical sector has been considered a self-sufficient industry in meeting the country's overall medicinal requirements. The industry is the second highest revenue earning contributor of manufacturing enterprises apart from the RMG sector, and it is also recognized as the biggest management employment industry of Bangladesh (EBLSL 2019). Domestic manufacturers mainly dominate Bangladesh pharmaceutical industry. Bangladesh Pharmaceuticals industry is also creating huge business opportunities for easing other backward linkage businesses for the entrepreneurs. During the last few years, domestic market has expanded considerably and has reached to the market size of about BDT 23000 crores at the end of 2019 (IMS, MAT-09/ 2019). Last five years (From 2014 to 2018) the Compound Annual Growth Rate (CAGR) was reported as 15.6% in accordance with IMS Health statistics. As stated by the Subject Matter Expert (SME), the growth of the industry will continue growing at the rate of 15% in every year for reaching \$5.11 billion by the end of 2023 (EBLSL 2019).

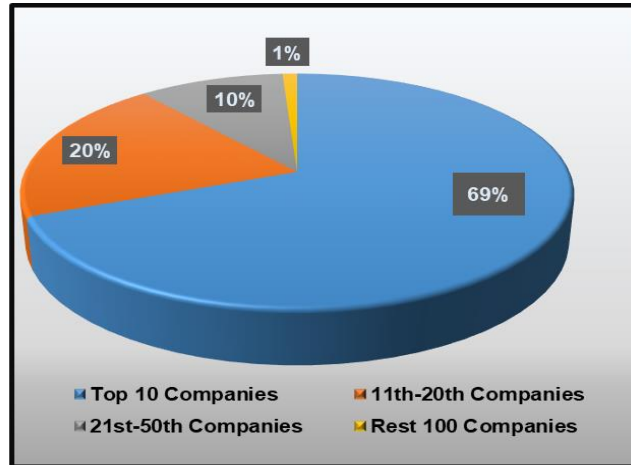
The below table 1.1 demonstrates year-over-year total size of Pharmaceutical market and its growth in Bangladesh for the last five years.

**Table: 1.1 Industry Growth Snapshot**

Parameter	2015	2016	2017	2018	2019
Market Size in Crs	13096	17715	19653	21194	23155
% of growth	15.1	35.27	10.94	7.84	9.26

*Source: IMS Health and Author 2019*

Bangladesh pharmaceutical industry is mainly dominated by top twenty (20) companies. The market share of the industry is highly concentrated. According to the IMS report of 2019, almost 89% of the total market is controlled by the top 20 companies while almost 99% market share is captured by top 50 companies and the rest 1% market share is occupied by the 100 companies. Amongst the top twenty, top ten companies hold about 69% market share. Top ten leading companies have adopted up-to-date technology and fulfilling stringent regulatory requirements for maintaining better quality practices in production, marketing and also customer servicing. The country's top pharmaceutical companies are enriching their infrastructures and also practicing modern tools and techniques to align themselves with global quality standards. The following figure 1.1 shows the concentration ratio of the industry in context of Market share shown in the IMS report.



**Figure: 1.1 Industry Concentration Ratio**

Industry analysis shows that square Pharmaceuticals holds the 1<sup>st</sup> position since its domestic sales is amounted to BDT 3824 Crs. in 2019 from the country's total BDT 23043 Crs. in local pharma market followed by the next player, Incepta Pharma. The total amount of sales revenue of the Incepta Pharma was BDT 2560 Crs. in 2019. Beximco Pharmaceuticals Ltd. holds the third position with the sales of BDT 1899 Crs. Healthcare Pharmaceuticals Ltd is in the 4<sup>th</sup> position with BDT 1303 Crs. while Renata took the fifth position. Total sales, market share and sales growth of top ten pharmaceutical companies have been shown in table 1.2.

**Table: 1.2 Top Ten Companies- Growth and Market Share**

Sl. No.	Company	Sales in BDT (Cr.)	Market Share (%)	Sales Growth (%)
1	SQUARE	3824	16.59	10.00
2	INCEPTA	2560	11.11	12.63
3	BEXIMCO	1899	8.24	13.27
4	HEALTHCARE	1303	5.66	22.81
5	RENATA	1209	5.25	13.41
6	OPSONIN	1195	5.19	14.69
7	DRUG INTERNATIONAL	1004	4.36	70.31
8	ARISTOPHARMA	9494	4.12	12.70
9	A.C.I.	9477	4.11	5.45
10	ESKAYEF	9221	4.00	2.95

*Source: IMS Health MAT/09/2019*

Bangladesh pharmaceutical manufacturing sector has reached into a newer height during the last two eras. In addition to meeting the 97% of local demand the industry has started to export medicines into more than 77 countries. Some of the Bangladeshi pharmaceutical companies have shown their performance to cross the threshold of the compliance level of global Stringent Regulatory Authority (SRA). They have already achieved their certification and recognition from UK-MHRA, USFDA, TGA Australia, EU and GCC authorities for ensuring pharmaceutical Current Good Manufacturing Practice (cGMP) and maintain better quality system (Islam, Rahman and Al-Mahmood 2018). The regulation of the industry is predominantly governed by the national regulatory body, Directorate General of Drug Administration (DGDA) administered by the Ministry of Health and Family Welfare. This regulatory body controls each and every requirements regarding exporting and importing of medicines, its production, warehousing, distribution, pricing, marketing and sales activities of different categories of products such as Human drugs, Veterinary drugs, Herbal, Nutraceuticals

and Ayurvedic etc. This national control body also ensures the issuance and renewal of drug licenses under a variety of sectors related to medicine and its auxiliary materials and products business. At present, DGDA has its local offices at the fifty-five districts of the country for serving the state on the top of everything required by the industry (DGDA website 2019). Other regulations related to pharmacy education practice and pharmacy professionals in Bangladesh is controlled by the Pharmacy Council of Bangladesh. This institution was established in 1976 to ensure uniform and standard practice of pharmacy related curriculum offered by different educational institutions and allied agencies in keeping close liaison with relevant wings of Ministry of Health & Family Welfare of Bangladesh Government. In Bangladesh, the pharmaceutical industry is in need of using starting materials known as Raw Materials which are generally purchased from various principal vendors of abroad. These raw materials are Active Pharmaceutical Ingredient (API) which are called the drug substance and also excipients which are subsidiary ingredients and are not used for direct therapeutic action. According to the report of the drug authority there are about 2805 approved sources of Raw Materials from where Bangladeshi Pharmaceutical companies purchase medicinal raw materials. To mitigate the risk of potential scarcity of raw materials in pharmaceutical industry, Bangladesh has started to establish API manufacturing project which is recognized as API manufacturing Park nearby Dhaka city situated at Munshigonj District in association with BAPI member organizations and the Government of Bangladesh.

The primary customers of the pharmaceutical industry are doctors and healthcare professionals who are considered as key promoters of the products. Other customers include drug houses, hospitals and clinics. Organizational advancement is exclusively influenced by the performance of the people dealing with the design & development, customer relationship management, planning & organizing and other key activities related to innovation & creativity

for ensuring competitive advantages of the business. In the current dynamic business atmosphere, highly dedicated and motivated employees are able to deliver sustainable business results with competitive advantages for the business (Bakker, Schaufeli, Leiter & Taris, 2008). Though customer choice in the pharmaceutical industry does not change so rapidly, customer satisfaction becomes the key business priority for all organizations with the aim of getting competitive advantage. Ironically, Customer Satisfaction is associated with employee engagement (Salanova, Agut & Perio, 2005). In today's organization and its business, the topic employee engagement has been one of the most discussed subjects in the field of HR. In the last couple of decades, academicians and industry practitioners explored the association of employee engagement with a number of critical human resource issues and business outcomes within organizations, including employee turnover, employee spirit, employee motivation and also employee satisfaction at workplace. Managers and Leaders are giving lots of efforts with a mixture of intrinsic and extrinsic resources for assessing and also improving the level of engagement of their employees. Professionals and Scholars are still trying to explore various factors that influence employee engagement at work by the help of periodic surveys, focus group discussions, observations etc. Defining engagement, measuring its impact on job performance and realizing the long-term consequences of engagement on business sustainability has been very critical to managers and supervisors. Some of the surveys claimed that engagement level is interrelated with overall atmosphere of the work and behaviors of the employers at their jobs.

Engaged employees perceive a sense of belongingness that inspire them to be efficient and creative at work. They prefer open communication, take new challenges, want to be a part of the success in creating a better workplace and always act for the greater interest of the organization. They are also connected emotionally to their workplace and are not simply

collecting a paycheck. In a study of Harvard Business Review (HBR 2013) on the companies with more than 500 employees, the researchers shown that 71% of managers acknowledged that engagement is the crucial element for the overall success of the organization. Research also shown that engaged workforce are found to have higher tendency to be involved at the job which leads to a higher amount of output produced. Engaged organizations create twice the rate of success in compared to the less engaged organizations according to the same study of Harvard Business Review (HBR). To stay alive in this competitive business environment, organizations need those employees who are highly dedicated, demonstrate creativity and stay devoted to perform higher outputs (Bakker & Leiter, 2010). Organizations are in need of those employees who display spirit, confidence, demonstrate sincerity and exhibit enthusiasm as well as passion for their work (Bakker & Schaufeli, 2008).

Engaged employees are intended to add more value to the business, display a sense of ownership, protect the organization, desire to give the best effort and are committed to stay with the organization for long time. Conversely, disengaged employees provide very little effort and harvest a disproportionate relationship with their employers which greatly affects an organization's financial performance (Saks 2017). The major objective of this investigation is to discover the influence of engagement on company's business outcome in the pharmaceutical manufacturing sector of Bangladesh. Producing of better quality medicines is not only dependent on the availability of up-to-date technology, but it also dependents on the people and their effective management. The success of the company greatly depends on worker's involvement, their commitment and their enthusiasm for work. In response to the performance challenges in the competitive marketplace, organizations should focus on building engagement among their employees considering it as one of the strategic mechanisms to achieve a competitive advantage for the business.



## **1.2 Rationale of the study**

Employee engagement is one of the most influential components in the arena of organizational behavior and has become a greater interest for the researchers to work on. It is a rising issue in the field of organizational behavior as well as human capital management arena (Wollard & Shuck, 2011). Employee engagement is described as the level of employees' involvement towards the job and organization. Gruman and Saks (2011) stated that employee engagement is the biggest element that contributes to the overall success of the company and its long term survival in the competition. In reality, the employees who are engaged to their jobs are vital for organizations as these employees are supposed to significantly contribute to the bottom line (Demerouti & Cropanzano, 2010). According to Macey, Schneider, Barbera & Young, (2009) employee engagement can facilitate organizations achieving competitive advantages. Therefore, employers emphasize on how employee engagement can be improved that results improvement of the performance of organization. Despite of recognizing the importance of engagement, very few study has been performed up to now by the scholars and practitioners with regards to the employee engagement (Robinson, Perryman & Hayday, 2004). As a matter of course, a number of studies were conducted for assessing employee performance in terms of engagement along with other constructs instead of focusing on overall business success. Taking into consideration of the significance of employee engagement towards the organizational results, it has become now a crucial issue to look for the status of existing engagement level and how it contributes to the performance of the organization, more specifically in the performance of one of the vital manufacturing sectors, Bangladesh Pharmaceutical industry.

Keeping this in mind the researcher attempted to conduct a comprehensive study to explore different aspects of employee engagement in pharmaceutical sector of Bangladesh. Moreover, focus group discussion (FGD) with head of HR explored that there exists confusion

among the industry about the role of employee engagement in workplace, its key determinants and its barriers in the field of organizational behavior. Thus, this investigation entails to clarify the effect of employee engagement on organizational performance, its key determinants and its existing status in the pharmaceutical industry of Bangladesh which is considered as a very vital contributing sector that meets most of the country's demand for medicinal products (Islam, Rahman, Al-Mahmood 2018). Although the study was conducted at Pharmaceutical sector of Bangladesh, it will be of benefits to a number of organizations, including other manufacturing firms, service sectors, government & private sectors, universities and colleges as well.

### **1.3 Statement of the Problem**

In this competitive business environment entrepreneurs and managers are in tremendous pressure to boost up their business performance through improving the engagement of their employees. In present academic field, researchers are very much interested to work on employee engagement across the world. Most of the scholars and researchers argued that employee engagement somewhat guides employee productivity, company achievement and business outcomes e.g. shareholders' return (Bates, 2004). Therefore, the previous studies point out that employee engagement is rigorously linked with organizational results. Some literatures also indicate that there is a definite and compulsive connection of employee engagement with organizational overall performance to be measured by key indicators such as greater productivity, revenue growth, profitability, efficiencies, employee turnover and customer satisfaction etc. (Harter, Schmidt, Killham, Angawal and Plowman 2013). Alternatively, organizations where employees are not engaged suffer from waste of effort, unproductive workforce, absence of employee morale, lack of devotion, higher absenteeism rate, lower customer loyalty, poor efficiency, failing to make both of operating and net profit (Rampersad, 2006). In order to survive in the global competition through overcoming the performance

challenges today's organizations must focus on appropriate strategies for enhancing employee engagement and team cohesiveness.

Furthermore, existing research appears to fail in evaluating the impact of organizational context at the time of establishing the link between engagement and outcomes of the organization. Many scholars conclude that an ambiguity still exists in academic researches and also in practices regarding the influence of engagement on the performance of the said industry, which is an element of Organizational Behavior. It has now become a need to explore how the employee behavior affects organizational performance and how those organizational behavioral issues can be transformed into desired business results on the management of the medicine manufacturing companies. Most of the study conducted over the past decade has been an increasing emphasis on leadership, organizational commitment, organizational communication, employee motivation and employee satisfaction under the scope of human resource development, but very few researches were performed on employee engagement. Since the concept of employee engagement has appeared just recently in the literature, the academicians and industry practitioners are in a lack of adequate information about the concept of engagement, its existing level among the employees, its determinants and its impact on business performance. Furthermore, most of the earlier researches with regards to the employee engagement were done on the service industry, a small number of them were performed on manufacturing sector but still there is an inadequacy of study in the area of pharmaceutical sector of Bangladesh. Moreover, the previous studies didn't consider the effect of moderating variables on employee engagement, which is still unclear to the leaders and managers. Besides, a comprehensive scrutiny of existing works also revealed that still there is a scarcity of information in the research world regarding the complete value proposition of employee engagement, its barriers at workplace and the best practices needed to improve the employee

engagement for greater interest of the practitioners and academicians in business and management field.

Therefore, in order to address the gaps of previous researches, this study focuses on investigating employee engagement status, its influence on organizational performance and how this relationship is moderated by organizational age and organizational size at the pharmaceutical industry of Bangladesh.

## **1.4 Objectives**

### **1.4.1 General Objective**

The main objective of this study is to assess the impact of employee engagement on organizational performance in the pharmaceutical industry of Bangladesh.

### **1.4.2 Specific Objectives**

For achieving the key objective of the study, a number of specific objectives are formulated:

- 1.** To determine the level of engagement among the employees of the study area.
- 2.** To establish the relationship between employee engagement and organizational performance.
- 3.** To determine the moderating effect of organizational age and organizational size on the relationship between employee engagement and organizational performance in the pharmaceutical industry of Bangladesh.
- 4.** To identify the key drivers influencing employee engagement in the Pharmaceutical companies of Bangladesh.
- 5.** To explore the barriers to the employee engagement in the workplace.
- 6.** To identify the best practices needed to improve employee engagement in the workplace.

## **1.5 Research Questions**

This study has been proceeded to answer the following research questions:

1. What are the level of employee engagement in the Pharmaceutical industry of Bangladesh?
2. Do employee engagement and organizational performance have relationships?
3. Do organizational age and organizational size moderate the relationship between employee engagement and organizational performance in the pharmaceutical industry of Bangladesh?

## **1.6 Hypotheses**

This research was based on the following null hypotheses:

- ❖ H01: There is no significant impact of employee engagement on organizational performance of pharmaceutical industry of Bangladesh
- ❖ H02: Organizational Age does not moderate the relationship between employee engagement and organizational performance in the pharmaceutical industry of Bangladesh.
- ❖ H03: Organizational Size does not moderate the relationship between employee engagement and organizational performance in the pharmaceutical industry of Bangladesh.

## **1.7 Organization of the Research**

The study is arranged in a very systematic manner so as to illustrate every required information point-by point in each chapter. To make it convenient the study is classified into five main chapters. Chapter one is titled as Introduction which consists of the study background, rationale, statement of the problem, research questions, objectives, hypothesis and organization of the research. Second chapter is titled as literature review which discusses the analysis of associated journals, books and literatures on the areas of the research topic to establish familiarity with and understanding of current research in the study area in order to find out

what research has already been done and identify what is unknown within the selected research field. This chapter also includes conceptual framework of the study and research gap within the study area. Chapter three named as research methodology consists of research philosophy, research designing, data type, data source, study population & sampling unit, sample size & sampling technique, data collection, research instruments including reliability and validity, operationalization of the study variables, analysis of data and also ethical issues. Chapter four includes research findings and discussions. Lastly, chapter five contains the summary, conclusions, implications, limitations of the study and scope of further research. Other accompanying parts are presented as acknowledgement, dedication, table of contents, abstract and appendix at the beginning and ending part of the study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This section covers the review of literatures regarding broader aspects of employee engagement including its definition, evolution, similar constructs, features, engagement drivers, engagement barriers, best practices to improve the level of engagement and the connection between employee engagement and organizational performance. This section also shows the research gaps and conceptual framework of the research.

#### **2.2 Employee Engagement**

Employee engagement is a critical matter for leaders and managers in organizations across the globe, since it is recognized as one of the most significant elements in evaluating the extent of organizational effectiveness, innovation and competitiveness. Employee engagement is somewhat a new concept in the academic research arena but has been greatly endorsed by various scholars and industry practitioners in the field of HR that explain employee behavior at work. Employee engagement has been a debatable issue in the recent years and has been the areas of interest of numerous researchers because of its influence on business performance and long-standing sustainability of the organization (Cook, 2008; Markos and Sridevi, 2010; Byrne, 2014; Mone and London, 2014). Since the employee engagement construct is very much multifaceted, there is no universal, standard definition for employee engagement. The term employee engagement has been interchangeably used over the past two decades by the terms “work engagement”, “job engagement” and “organizational commitment”. The notion of engagement was familiarized by Kahn (1990) in the academic literature to explain how people are personally engaged and disengaged at work. Kahn (1990) refers to engagement as the

'psychological presence' of individuals who behave out of momentary attachments and detachments during role performance. They act together and associate themselves to their work and others. According to Kahn the engagement is defined as "the harnessing of organizational members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances" (p. 694). Furthermore, he also defined personal disengagement as the "uncoupling of selves from work roles; in disengagement, people withdraw and defend themselves physically, cognitively, and emotionally during role performance" (p. 694). According to Kahn (1990), employees are fully engaged when they invest and display all aspects of themselves (physical, emotional, and cognitive) when performing their tasks, while disengaged individuals break away and dissociate themselves from their roles. Engagement is something from the inner side of the employee that can benefit the organization through commitment and devotion, encouragement, discretionary determination, using talents to the fullest and being loyal to the organization's goals and values. An engaged employee is willing to invest himself not only in his role but also in the entire organization for achieving its ultimate goals. Kahn (1990) recommended that significance, safety and availability are the crucial domains that explain why employees get engaged at work. Meaningfulness was defined as the person's self-investment in job performance, which improves his/her positive sense of self-return; safety is the ability to show the person's self-regard without undesirable consequences or fear to self-image, job or status, and availability is an individual's sense to possess the emotional, physical, and psychological resources needed for task completion. Accordingly, the definition of engagement is defined by Maslach and Leiter (1997) as "engagement is characterized by energy, involvement and efficacy, the direct opposites of the three burnout dimensions".



To explore the evolution of the concept employee engagement an earlier piece of engagement literature by Goffman (1961) puts forth that the concept of engagement is rooted in role theory. He stated that engagement is “the spontaneous connection in the role” and a “visible investment of attention and muscular effort”. Afterwards, Katz and Kahn (1966) stressed on the general need for employees to engage with their work and organizations. Although their work didn’t use the word employee engagement in a straightforward way, it recognized the necessity of engagement and its association with organizational effectiveness. Csikszentmihalyi (1982) articulated employee engagement as a flow concept, in which the flow is a holistic feeling which employees experience when they are totally involved in their work. Rothbard (2001) outlines that the employee engagement is all about a psychological presence but goes further to state that it involves two critical components such as attention and absorption. Attention is the cognitive convenience and the amount of time one spends thinking about a role while absorption means being engrossed in a role and refers to the intensity of one’s focus on a role. Schaufeli (2002:74) define engagement —as a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication and absorption. They further state that engagement is not a momentary and specific state, but rather, it is —a more persistent and pervasive affected cognitive state that is not focused on any particular object, event, individual, or behavior. May et al (2004) tested the Kahn’s model and their findings supported that the psychological conditions of meaningfulness, safety and availability are positively linked to engagement. Employee engagement is defined by Robinson, Perryman and Hayday (2004) as “a positive attitude held by the employee towards the organization and its value. An engaged employee is well aware of the business context, and responsibilities with colleagues to improve the performance within the job for the ultimate improvement of the organization. Hewitt Associates (2004), developed an 18-item instrument to calculate employee engagement in the workplace. It describes engagement as “the state in which individuals are passionately

and intelligently dedicated concerning to the organization or group, as defined by three major behaviors: Say (Employees will express positively about the organization to others within and outside the organization), Stay (Employees will display an intense desire for being a member of the organization) and Strive (Employees will exert extra effort beyond the call of duty and engage in behaviors that add value to the business).” Engaged employees display these three behaviors, named as Say, Stay and Strive.

Similarly, Wellins, Bernthal and Phelps (2005) also define engagement as the degree to which employees enjoy and trust at workplace in what they are doing and feeling valued for doing it which is divided into three aspects: enjoyment, belief and value. Enjoyment means people tend to be happier and enthusiastic in what they do if they are in the jobs that are related to their interest and skills; Belief means people feel more engaged if they realize their contribution to their job and organization is meaningful; and the value refers to the reward and recognition for their contributions they have made to their job. In general, the definition of engagement is all about how the employees “feel inside”. (Wellins, Bernthal & Phelps, 2005, p. 2). According to the definition of Stockley (2006) the engagement as the extent that an employee believes in the mission, vision, and core values of an organization, and demonstrates that commitment through their actions as an employee and their attitude towards the organizations and its customers. According to the study report conducted by Truss et al (2006) establishes that Kahn’s outlook of employee engagement is operationalized in such large survey which covered the sample size of 2000 respondents. CIPD (2006) published a report, named, ‘How Engaged Are British Employees’, which shows the findings of a survey on employee attitudes and engagement covering a sample of 2000 employees across United Kingdom. This research was conducted for the CIPD by Kingston Business School and Ipsos MORI. In this study the employee engagement was defined as the “passion for work’, which

involves a positive feeling about your job as well as being prepared to go the extra mile for the company for making sure that you are doing your work to the best of your ability”. The study categorizes three dimensions of employee engagement: Emotional Engagement – get involved emotionally with one’s job and organization for being emotionally attached with the culture of the organization; Cognitive Engagement – converging very hard while at work for being recognized as psychological investor for the organization; and Physical Engagement –eager to ‘go the extra mile’ for the company to become a devoted person for the company both mentally and physically. In the book of ‘Human Sigma: Managing Employee-Customer Encounter’ written by Fleming and Asplund (2007) of Gallup, employee engagement is defined as the ability to appeal the heads, hearts and souls of your employees for instilling an intrinsic desire and passion for excellence.” They also emphasize that engaged employees want their organization to be successful because they feel attached emotionally, socially, and even spiritually to its mission, vision, and purpose. Macey and Schneider (2008) suggested that engagement is a multidimensional construct that has three distinct facets: trait engagement, state engagement, and behavioral engagement. Dalal et al. (2008) claimed that the existing empirical studies, that defined engagement as a cognitive-affective construct with temporal stability, have exclusively measured the construct as trait (individuals with certain personality attributes remain engaged over a long period). The draft report of Kingston Business School to CIPD, Gatenby (2008) claim, “engagement is all about creating opportunities for employees to connect their coworkers, managers, organization and its core values. It is also about creating an environment where employees are fully motivated to want for connecting with their job and really care about doing a good job in organization”. In the research conducted by Newman and Harrison (2008) the engagement is defined as the simultaneous presence of three observable behaviors in employees at work, that is, their on-the-job performance, organizational citizenship behavior and their involvement towards the job. The engagement is a two-way

relationship between employers and employees which is to be cultivated by the organization.” (Markos & Sridevi, 2010, p. 90). Christian et al. (2011) conceptualized employee engagement as a state rather than a trait; they defined engagement as the “relatively enduring state of mind referring to the simultaneous investment of personal energies in the experience of work” (p. 95). According to Cook (2012) the engagement is “how confidently the employee thinks about the organization where he works with, how he feels about the organization and how proactive the employee is regarding achievement of organizational goals for customers, colleagues and all other stakeholders”. B. Shuck (2013) in his study states that engagement is more stable appropriation compared to loyalty: on the one hand, more difficult formed, on the other hand, gives in less change due to external factors. With research proving that employee engagement reduces occupational fatigue that makes them unable to function and perform their normal tasks, interest in engagement has grown even faster (Shuck and etc., 2013). Many researchers claim that employee engagement is mainly depends on a person’s predisposition to participate in particular job, which consists of three components: knowledge, interest, and performance (Meiyani and etc., 2019). Knowledge of the work that the employee carries out, in combination with the desire to understand trends, to be in the know innovations and obvious performance his work just forms his engagement.

In brief, employee engagement is operationally defined as a chain of psychological states such as cognitive, emotional, and behavioral which is conceptualized as the degree to which an employee is involved and committed towards their job and the organization cognitively, emotionally and behaviorally. Cognitive engagement represents Meaningfulness, Confidence; Emotional engagement represents Pride, Attachment and Behavioral engagement represents Commitment, Passionate and Discretionary effort at workplace. It is actually the enthusiasm that employees feel with regards to their work. In this study, employee engagement is measured the extent to which employees are passionate and enthusiastic about their job and

devote themselves to their work to go the extra mile and to put discretionary effort to contribute to the success of the organization.

### **2.3 Levels of Employee Engagement**

The levels of employee engagement reflect how employees feel about their job and about their organizational mission, vision and values. It measures how employees feel about their workplace can differ from person to person. Based on their perceptions, the engagement can be categorized into various levels. The levels of engagement can differ based on different biographical and personality dimensions. Newly joined employees may be positive when they start an organization, but can rapidly get disengaged. Highly assertive and flexible individuals find it easier to engage with their jobs and organizations. Engagement is considered as a choice which is dependent upon what the employees worth investing themselves in. Engagement levels vary according to seniority, occupation and length of service in an organization but not by sector. According to the Gallup (Gallup Organization, 2004), the Consulting organization, there are mainly three levels of engagement of employees that occur in the organization: Engaged, Not Engaged and Actively Disengaged. Engaged employees are builders. These group is highly committed to the organization. Engaged employees are indeed curious about their organization. They have their performance consistency towards higher levels. Engaged group of employees want to use their potentials and strengths at workplace every day. They work with passion and they drive innovation and try to move their organization forward. They are less likely to leave the organization. Not Engaged employees are intended to focus on completion of assigned tasks rather than the goals and outcomes they are expected to accomplish. The employees who are not engaged focus on accomplishing the tasks for achieving an outcome. Employees who are not-engaged certainly feel that their contributions are overlooked by the management and the company are not considering their potential. These

type of employees often think this way because they do have unproductive relationships with their managers or with their co-workers. The Actively Disengaged employees always offload responsibilities and not careerist at all. They are not just unhappy at work; they are busy acting out their discontent. They cultivate the practice of lacking enthusiasm at every opportunity. Every time, actively disengaged employees undermine what their engaged co-workers accomplish. Since the general workers are to rely on each other to generate high quality products and services, the problems and stiffness that are fostered by actively disengaged employees can cause great harm to an organization's routine functions. They increase the cost of the organization by low quality, customer dis-satisfaction, and missed opportunities.

According to Rheem (2017) there are three levels of employee engagement that could be found at mostly every organization and reformed version of Gallup's (Gallup Organization, 2004) classifications of employee engagement which are as follows:

**Highly Engaged Employees:** These employees are the alpha players of the company and are not at very high in numbers who convert the organization into productive, innovative, and enjoyable workplace. When the highly engaged group of employees work together with colleagues who are confident, dependable and trusted, they will be able to accomplish more than that they would if they do it alone. These alpha type of employees in companies could motivate their colleagues and less engaged employees to improve their engagement level up to a certain limit in the same period that they work together.

**Engaged Employees:** This group of employees represent about 20-25% of most companies (Rheem, 2017). This engaged group is recognized as the performance backbone for the company as they focused on their jobs and produce positive outcome. They are also recognized as hard worker and are dedicated for the mission of the organization. Some of the

engaged employees get inspired by highly engaged employees and converted into highly engaged group for creating their own self-motivation.

**Actively Disengaged:** This group represents the employees who join to work daily and who have specific roles that they don't tend to improve it any point. This type of employees makes up to 50% of most businesses (Rheem, 2017). They are just clock-punchers and are doing their work without positive intention to provide their full potential. This happens due to bad conditions of management. However, these disengaged employees try to prevent the feeling of attachment to the organization as much as possible and look at the company only as a check payer every month (Rheem, 2017).

Employee engagement has various levels that differentiate the level of commitment of employees towards their job as well as company overall. Engagement levels vary depending upon numerous factors considered for determining employee engagement. The levels of employee engagement in this research has been categorized based on employees' actions at workplace in all aspects of emotional, cognitive and behavioral engagement factors which has been expressed as **Highly Engaged:** Active ambassadors of the company who see themselves as a part of the company's future, **Engaged:** Has a favorable outlook towards the company but something holds them back and **Poorly Engaged:** Has negative opinions about the company and actively doubts the mission.

## **2.4 Employee Engagement and Similar Constructs**

The meaning of employee engagement has been controversial and suffered from a lack of consensus among practitioners and engagement scholars about its uniqueness from other recognized attitudinal constructs. Thus, the commonalities and contrasts between employee engagement and other related constructs such as organizational commitment, job involvement,

job satisfaction and organizational citizenship behavior have been analyzed. From this analysis, the aim is to put forward an operational definition of the construct. Little and Little (2006) noted that defining employee engagement in relation to other well-established constructs is misleading since the association of engagement and those concepts have not been clearly explained. For example, Gubman (2004) differentiated between employee engagement and satisfaction stating that engagement is beyond satisfaction in the sense of the emotional connections engaged individuals show towards their jobs and the organization. Saks (2006) conceptualized engagement as the intellectual commitment to the organization while Harter et al. (2002) interpreted engagement as people's satisfaction, involvement, and enthusiasm for jobs. Further, several researchers used their own definitions to show the uniqueness of employee engagement from other traditional constructs. Drawing on Kahn's definition of engagement, Rich et al. (2010) stated that engagement provides a more comprehensive explanation about individuals' representation of themselves in role performance than other attitudinal constructs such as job involvement and job satisfaction. Therefore, reviewing how engagement researchers have compared and contrasted employee engagement to well-established attitudinal constructs is seen as important to the meaning of the engagement construct.

### **i. Organizational Commitment**

Organizational commitment received wide attention during the 1990's. Mowday et al. (1979) stated that commitment should be defined as an attitudinal construct that results in behavioral outcomes; commitment results in behaviors that are beyond normative expectations. Mowday et al.'s (1979) focus on commitment related behaviors parallels the definitions of engagement that denote the "extra mile behavior" (Macey and Schneider, 2008; Saks, 2006; Zigarmi et al. 2009). Allen and Meyer (1990) argued that committed employees



are less likely to leave the organization since they have created a psychological connection between themselves and the organization. This argument supports the statement of some other scholars, that is, engagement leads to employees' retention (Alarcon and Edwards, 2011; Harter et al., 2002; Ram and Prabhakar, 2011; Shuck and Wollard, 2010).

Allen and Mayer (1990), from a multidimensional perspective, defined organizational commitment as a psychological state consisted of three components (affective, continuance, and normative commitment). Affective commitment is defined as the positive emotional attachment an individual has towards the organization. Being committed, employees identify themselves with the organizational goals and show a strong desire to remain in the organization because they “want to”. Continuance commitment is defined as the individuals' personal needs to stay because they “have to”, as it would be costly to leave the organization after ones have too many investments. Normative commitment refers to individuals' belief that they “ought to” stay with the organization because of personal allegiance or loyalty (Allen and Meyer, 1990). Of the three, affective commitment was considered, partially, similar to engagement since the first refers to individuals' identification, involvement, and emotional attachment to the organization (Macey and Schneider, 2008; Vigoda-Gadot, Eldor, and Schohat, 2012). Maslach, Schaufeli, and Leiter (2001) considered involvement, energy and efficacy as the main characteristics of engaged people while Kahn (1990) stated that employees engaged in their roles emotionally, psychologically and cognitively. Furthermore, Macey and Schneider (2008) considered commitment as a key ingredient of state engagement beside other attitudinal constructs such as involvement, satisfaction and empowerment. Similarly, Vance (2006) considered commitment as one of the major components of employee engagement.

Among the authors in favor of considering employee engagement as a unique construct, Saks (2006) noted that engagement is distinct from organizational commitment in that engagement refers to the degree to which individuals focus on performing their roles while commitment refers to an individual's attachment and attitude to the organization. Maslach et al. (2001) argued that commitment refers to individuals' allegiance to the organization while engaged employees concentrate on the work itself. Christian et al. (2011) conducted a meta-analysis to investigate the distinctiveness of engagement amongst other well-established attitudinal constructs, hence provide an operational definition of engagement. Christian et al. (2011) argued that engagement correlates to other attitudinal constructs (job satisfaction, organizational commitment, and job involvement) but it is still distinct since it is aligned to task-specific motivation. Engagement differs from organizational commitment as the former refers to individuals' psychological connection with performing their role-tasks rather than their attitudes towards work conditions (Christian, et al., 2011). This reflects the inconsistency between the conceptualization of engagement and its measures; some of the existing measures of engagement (e.g. GWA; Harter et al., 2002) include items that assess individuals' attitudes towards job characteristics, but not their experience of task performance. As shown by Christian, et al. (2011) in their research, organizational commitment (.59), job satisfaction (.53), and job involvement (.52) are the main factors of employee engagement. Further, Schaufeli et al. (2002) shared some commonalities and moderately correlated among these factors. Thus, they argued that engagement is a higher-order construct (Newman and Harrison, 2008) that includes multiple dimensions (cognitive, emotional, and physical), but not limited to the individual's emotional attachment to the organization as in the sense of organizational commitment. However, naming the construct as "work engagement" limits the scope of engagement at the individual level (attachment to work-tasks) and neglects the organizational level where engaged

employee tend to reach the extra mile of performance and proactively direct their behavior towards overcoming business-related challenges and achieving organizational goals. Therefore, we conclude here that the term “employee engagement” is more comprehensive as it includes the person, job and the organization, but not just “work” or “job” engagement.

## **ii. Job Involvement**

As any new construct, job involvement suffered from the lack of clear definition in the early stages of the construct development (Macey and Schneider, 2008). Lodahl and Kejner (1965) defined involvement as the degree to which individuals’ self-esteem is affected by their work performance. They argued that involved people are best described as those for whom work is an important part of their entire life and who are influenced personally by the work environment including the work itself, colleagues, and the organization. Lawler and Hall (1970) took another approach in defining involvement by focusing on the influence of the job in defining individuals’ identity. They defined involvement as “the psychological identification with one’s work” (Lawler and Hall, 1970, p. 310). Kanungo (1982) took a motivational approach and defined involvement in relation to the cognitive and psychological identification one has with work.

Similar to commitment, employee engagement has been defined in relation to job involvement. For example, Harter et al. (2002) equated engagement to both involvement and satisfaction. Paullay, Alliger, and Stone-Romero (1994), defined involvement as the level to which individuals are engaged in and concerned with, and preoccupied with their jobs. May, Gilson, and Harter (2004) defined job involvement as individuals’ cognitive judgment about the degree of which the jobs can satisfy their needs. Furthermore, they considered engagement as an antecedent of job involvement as engaged employees are more likely to identify themselves with their jobs. Brown et al. (1996), in their meta-analysis,

concluded that involved individuals find their job challenging and motivating, show commitment towards their jobs and the organization, and engage closely in professional relationships. Salanova, Agut, and Peiro (2005) argued that job involvement is a facet of employee engagement but not equivalent to it depending on the scope of both constructs. They argued that employee engagement is wider in scope where engaged employees focus on work and organization, while involved employees focus only on work (similar to Macey and Schneider, 2008; Schohat and Vigoda-Gadot, 2010). Maslach et al. (2001) stated that job involvement is one component or aspect of employee engagement besides the energy and effectiveness components. Saks (2006) differentiated between employee engagement and job involvement by arguing that engaged people employ themselves in their jobs cognitively, emotionally, and behaviorally, but not only cognitively like involved individuals. Christian et al.'s (2011) meta-analysis provides support for Sak's (2006) argument stating that job involvement is a facet of employee engagement since it is related to the cognitive part of the engagement construct. Furthermore, Christian et al. (2011) argued that job involvement refers to the degree where the individual's identity is defined by the job situation; job involvement refers to some aspects of the job where individuals' needs and expectations can be satisfied (May et al., 2004), while engagement is more comprehensive since it refers to all work tasks. Hallberg and Schaufeli (2006) found that employee engagement correlated negatively with health complaints (e.g. depressive symptoms and emotional exhaustion), while job involvement did not. They claimed that those results deliver a clear indication that the constructs are related, since they refer to positive attachment to job and share some hypothetical references, but different as engagement holds unique connotations not associated with job involvement.

### **iii. Job Satisfaction**

Drawing on the attitudinal nature of job satisfaction, some researchers in the engagement literature have conceptualized employee engagement in relation to job satisfaction. Harter et al. (2002) introduced the engagement-satisfaction notion to highlight the direct linkage between the two constructs. In their definition, they related engagement to satisfaction, along with involvement and enthusiasm. Harter et al. (2002) used the Gallup Workplace Audit, which contains items that conceptually relate to satisfaction facets such as opportunity for development, resource availability, and clarity of expectations. Others (e.g. Burke, 2005) used direct assessments of satisfaction as indicators of engagement levels. They used items that measure individuals' satisfaction with the organization, group, management, and job characteristics. For some (e.g. Towers-Perrin, 2003), satisfaction was seen as an emotional factor linked to the emotional component of engagement, as the latter is considered as a construct consisting of affective (emotional) and cognitive components. Towers-Perrin (2003) argued that the emotional component of engagement is tied to individuals' personal satisfaction and the sense of affirmation they get from their jobs, and from being part of the organization.

Other researchers (e.g. Christian et al., 2011; Macey and Schneider, 2008) suggest that there are fundamental differences between employee engagement and job satisfaction. In their meta-analysis, Christian et al. (2011) argued that satisfaction is similar to satiation (satisfied individuals have positive/negative emotions towards their jobs), while engagement connotes energy and activation. Further, Christian et al. (2011) considered satisfaction as an evaluative judgment of job characteristics or conditions and as a feature of attitude, whereas employee engagement refers to employees' experiences that result from performing tasks. Similarly, Macey and Schneider (2008) argued that employee engagement goes beyond the simple definition of satisfaction of just the positive or negative emotions individuals get about job

characteristics or conditions. They argued that engagement, in contrast, refers to individuals' commitment, passion, and the willingness to invest themselves and expend their discretionary efforts in achieving the organizational success. They proposed that satisfaction is a facet of the employee engagement construct when it is defined as a positive affected state that promotes enthusiasm and feeling of energy. Rich et al. (2010), in examining the antecedents of employee engagement in relation to job performance and organizational citizenship, found different patterns of associations between the antecedents in the study (value congruence, perceived organizational support, and core self-evaluation) and the attitudinal constructs of job satisfaction, job involvement, and intrinsic motivation compared to engagement. Further, the authors found that employee engagement exceeds job involvement, job satisfaction, and intrinsic motivation in mediating the relationship between the three antecedents and the two dimensions of job performance; engaged employees reported a wider array of behaviors that include performing daily tasks and those at the organizational level.

#### **iv. Organizational Citizenship Behavior**

Several researchers (e.g. Macey and Schneider, 2008; Newman and Harrison, 2008) argue that organizational citizenship behavior falls under the category of "reaching the extra mile" and meets most of the definitions of engagement. According to the definition of Organ (1988) organizational citizenship behavior is "individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system and that promotes the effective functioning of the organization". Again Organ (1990) and Elanain (2008) states that organizational citizenship behavior is employees' discretionary behaviors that are beyond their job descriptions and not formally recognized by reward systems; it is an individual's personal choice to contribute to organizational effectiveness. In other words, the discretionary behaviors are displayed by individual employees may not result in direct reward, but support

the interests of teams or the organization. Macey and Schneider (2008), in their classification of behavioral engagement, proposed that although organizational citizenship behavior is included in engagement behaviors, the latter include individuals' demonstration of initiative, innovative behavior, role expansion, and adaptability to serve the organizational purposes. However, Griffin, Parker, and Neal (2008) argued that all behaviors are multi-determined and should not be linked to a specific motivational state. Similarly, Saks (2006) noted that engaged employees do not focus on voluntary and extra-mile behavior but rather on formal task performance. He pointed to Kahn's (1990) early conceptualization of engagement; that it refers to the extent to which individuals are psychologically present in performing their roles. Saks (2006) stated that engaged employees do what they are supposed to do rather than being innovative and doing things differently. In addition, Saks (2006) considered the adaptive discretionary behavior to be an outcome of engagement, but not engagement itself as engaged employees might initiate change to support the organizational effectiveness. Similarly, Newman and Harrison (2008) disagreed with Macey and Schneider's (2008) definition of behavioral engagement in that it refers to "adaptive behavior intended to serve an organizational purpose, whether to defend and protect the status quo in response to actual or anticipated threats or to change and/or promote change in response to actual or anticipated events" (Macey and Schneider, 2008, p. 6). Newman and Harrison (2008) considered behavioral engagement as a higher order construct that underlies the co-variation among withdrawal, organizational citizenship, and job performance. They argued that Macey and Schneider (2008) neglected the focal work role behavior of citizenship, attendance, and doing what is expected to be done well. Newman and Harrison (2008) stated the engagement is achieved only when people invest time and energy in their task role. Further, Frese (2008) pointed out that individuals sometimes show high levels of state and behavioral engagement because they are negatively affected by negative feelings resulting from negative work

conditions and dissatisfaction. In response to these negative feelings, people seek to change and that compels engagement behaviors.

Of those who consider employee engagement as more than just organizational citizenship behavior, Robinson et al. (2004) argued that engagement is a two-way process between employees and their employers that is not involved in organizational citizenship behavior. This is consistent with Kahn's (1990) psychological condition of meaningfulness as employees are personally engaged when they expect a good return of investing their entire selves in task performance. Schohat and Vigoda-Gadot (2010) argued that employee engagement is like organizational citizenship as employees offer voluntary behavior in response to the organizational conditions (e.g. infrastructure, leadership, and resources), but it has an added value as they involve in formal and informal activities that need commitment, creativity, care, respect, and aspects of belonging (similar to Macey and Schneider, 2008).

## **2.5 Types of Employee Engagement**

According to Rich et al. (2010) and Shuck et al. (2011) engagement occurs on three distinct levels: (a) cognitive engagement, (b) emotional engagement, and (c) behavioral engagement. Shuck et al. (2011, p. 427) defines employee engagement as 'an individual employee's cognitive, emotional and behavioral state directed toward desired organizational outcomes'. The study also recommended that "employees who worked in jobs where the demands of the job correspond with interests and values (which means job fit) certainly feel as if they emotionally identify with their workplace and would be more likely to be engaged. Job fit is the degree to which a person feels their personality and values fit with his workplace".



Cognitive Engagement: Kahn (1990) proposed that levels of cognitive engagement originates from an employee's appraisal of whether their work is meaningful, safe (physically, emotionally, and psychologically), and if they have sufficient levels of resources to complete their work. This interpretation of the work environment is used to determine the overall significance of a situation and serves as the catalyst toward the intention to engage. Cognitive engagement is all about employee's assessment about their workplace climate as well as the tasks they are assigned to. Since the employees make an appraisal, they determine the level of positive or negative impact, which in turn influences behavior as demonstrated in the studies conducted earlier (e.g., Nimon, Zigarmi, Houson, Witt, & Diehl, 2011). The study conducted by Shuck and Reio (2013, p. 5) indicates that cognitively engaged employees would answer positively to questions such as "The work I do makes a contribution to the organization," "I feel safe at work; no one will make fun of me here," and "I have the resources to do my job at the level expected of me."

Emotional Engagement: Emotional engagement revolves around the broadening and investment of the emotional resources employees have within their influence. When employees are emotionally engaged with their work, they invest personal resources such as pride, trust, and knowledge (Brad & Thomas Jr. 2014). The investment of such resources may seem trivial at first glance; however, consider the work of prideful employees who fully trust their work environment. Some researchers refer cognitive engagement through enquiring the statement "My work is meaningful, it is safe and I am fully equipped to complete the tasks assigned to me" Crabb (2011, p. 31) denotes that the driver 'Managing emotions' is related to intrapersonal intelligence which is the ability of self-awareness, acknowledgement and understanding our own thoughts, feelings and own emotions. According to him an individual must be able to fully focus on their assigned tasks rather than being distracted by negative or irrelevant beliefs, if

they have to develop the right mindset for the engagement. Throughout the emotional engagement process, feelings and beliefs an employee holds influence and direct outward energies toward the task completion process (Rich et al., 2010). Employees who are emotionally engaged in their work answer affirmatively to questions such as “I feel a strong sense of belonging and identify with my organization” and “I am proud to work to work here.”

**Behavioral Engagement:** As a final focal point, behavioral engagement is the most evident form of the employee engagement process. It is the process what we can observe someone do. Understanding the physical manifestation of cognitive and emotional engagement combination, behavioral engagement can be understood as increased levels of effort directed toward organizational goals (Macey & Schneider, 2008; Shuck & Wollard, 2010). Put another way, behavioral engagement is the broadening of an employee’s available resources displayed overtly. Behavioral engagement can be described as Trait and State Engagement which lead to observable behaviors. This attitude is usually described by “putting forth discretionary effort to the company” or “going the extra mile for the company.” Other examples of behavioral engagement include but not limited to Extra-role behavior, Organizational Citizenship Behavior (OCB), Proactive/Personal Initiative, Role Expansion, Innovativeness & Creativity etc. which are observable actions. Employees who are found to be behaviorally engaged could answer positively to the questions “When I work, I try to put myself beyond what is expected of me” and “I work harder than it is expected to help my organization successful.”

## 2.6 Drivers of Employee Engagement

In the literature survey of employee engagement, one most frequently used term is the drivers of engagement, which has been promoted by various consulting firms as well as HR practitioners. A driver is something that drives or leads or results to a particular circumstance. According to the reviewed literatures, many scholars have tried to ascertain factors leading to employee engagement and developed models to draw implications of managers. Their diagnosis aims to identify the common drivers that increase employee engagement levels of employees. Josh Bershin (2015) in his article titled “Becoming irresistible a new model for employee engagement” identifies - meaningful work, hands on engagement, positive work environment, growth opportunity and trust in leadership as the five elements that drive engagement. Work can be made meaningful and interesting by doing job enrichment, the right fit between the jobholder and the job, giving tools and autonomy as well as leisure time to rest and create. Modern performance management system also aids in making employees engaged with positive work environment which includes a supportive and flexible work environment, recognition, diverse and inclusive work culture also drive people engagement. Opportunities for growth and development are another important driver of employee engagement. Tower Watson (2014) determines employee engagement based on the parameters of sustainable engagement which includes three essential components namely Engaged, Enabled and Energized. The outcome of the research conducted by CIPD (2007) revealed that employee engagement is driven by opportunities for upwards feedback, effective counselling and communication systems and also manager’s fair and strong commitment to the organization. John Gibbons (2006) 'referred to the conference board the basis of 12 major studies conducted by research firms such as Gallup, Towers Perrin, Blessing White, The Corporate Leadership Council and others identified 26 key drivers of employee engagement and found that most common drivers for driving engagement were trust and integrity, job nature or work pattern,

alignment between individual performance and company performance, career progression opportunities, pride in the company, relationship with coworker and team members. Seijts and Crim (2006) recommended ten factors while summarizing the existing literature on how leaders can 'engage employees' heads, hearts, and hands' which are familiarized as 'Ten C's of Engagement' that act as the determining factor of employee engagement. The Ten C's are enumerated as: Connect, Career, Clarity, Convey, Congratulate, Contribute, Control, Collaborate, Credibility and confidence. Khan built on Hackman and Oldham's (1980) Job Characteristics Model which represents the properties of motivating jobs. This model suggests that there are three characteristics that produce a sense of meaning at work and drive employee engagement. Robinson, Perryman, and Hayday (2004), Institute for Employment Studies pinpointed the fact that feeling valued and involved is the key driver of engagement, but also shows the main component of feeling valued and involved. The identification of these components give a pointer to organizations towards those aspects of working life that require serious attention if engagement levels are to be maintained or improved. The elements of feeling valued and getting involved and also the relative strength of each engagement driver, are likely to be varied from organization to organization. In addition, different employee groups within one organization will probably have a slightly different set of drivers. Finally, their survey explored ten major components that drive employee engagement at workplace which are: training, development and career; immediate management; performance and appraisal; communication; equal opportunities and fair treatment; pay and benefits; health and safety; co-operation; family friendliness and job satisfaction.

Many researches have tried to pinpoint factors leading to employee engagement and finally developed different models to draw implications for managers. Reviewing of various literatures related to this, we have picked five key drivers or factors which are main

determinants for leading employee engagement. These are: Leadership, Communication, Career opportunities, Reward & Recognition, Training & Development are discussed in the following work.

### **i. Leadership**

According to Xu and Thomas Cooper (2011) leadership is the significant originator of engagement. Research work on leadership shows that a good number of leadership behaviors have clear relationship with engagement related constructs such as motivation, job satisfaction, organizational commitment, proactive behaviors and organizational citizenship behavior. Trust in leader, cooperation from the leader and effort in creating a blame-free environment are considered as essential components of psychological safety, a condition proposed by Kahn, which leads to employee engagement (Xu and Thomas Cooper, 2011). Furthermore, other studies conducted by Judge and Piccolo (2004), Lee (2005), Erkutlu (2008), Griffin et al (2010) identify the evidences for the relationship between positive leadership behaviors and follower attitude towards the job and also establish that the behaviors are linked with engagement. A few other studies were found to provide direct evidence of the relationship between leadership and employee engagement (Xu and Thomas Cooper, 2011). Atwater and Brett (2006) recognizes three leadership behaviors such as employee development, consideration and performance-orientation. The first two behaviors are considered as relationship-oriented and the third one is considered as task oriented. They further point out that employee engagement is the facets of work on which leaders can take action in accordance with their leadership styles. Metcalfe and Metcalfe (2008) show positive correlation between leadership scales and engagement constructs, for instance job engagement, organizational commitment, employee motivation and job satisfaction. Papalexandris and Galanki (2009) recommend two factors which are positively connected

with employee engagement. These two factors are management and mentoring behaviors which are essential in all types of organizations in order to develop an effective, committed and motivated top management team which will ultimately bring the success of an organization. Their study points out the importance of sound vision development and articulation in entrepreneur-run businesses, as it appears that people working for such organizations expect more support from the leaders. More importantly, their study explored certain leadership behaviors that are related with employee engagement and those behaviors enhance followers' performance and which also enable followers for contributing towards achieving organizational goals and objectives. In the Studies conducted by May et al (2004), Saks (2006), Bakker et al (2007) reveal that higher levels of engagement are found for the employees who are experienced with predominately relationship-oriented behaviors from their supervisors (as cited in Xu and Thomas Cooper (2011)).

McLeod and Clarke (2009) also explore that a strong presence of leadership that provides a description about the purpose of an organization, its long-term vision and how each individual employee contributes to that purpose leads to the employee engagement. Many scholars identify leadership as a key factor that affects employee engagement. Scholars also recognize that effective leadership encourage clear communication, transparency, self-awareness, respect to others and ethical behavior to support for improving employee engagement (Dajani, 2015: Maximo, 2015). Furthermore, Maximo (2015:3-4) stated that authentic leadership consists of four different dimensions such as self-awareness, balanced processing, moral perspective and relational transparency. When leaders take expert decisions about growth and productivity, employees feel a sense of trust in the capabilities and competence of their leaders which consequently improve employee engagement. Bakar (2013: 6) pointed out previous studies that viewed empowerment as an essential tool for encouraging

leadership development to help individuals and teams in engaging better with the aim of accomplishing organizational goals. Zhang and Avery (2014:270) stated that there is a relationship between leadership paradigms such as classical, transactional, visionary and organic and employee engagement and that each on these paradigms have a different impact on employee engagement.

## **ii. Communication**

Communication is also a vital factor that also contributes greatly to employee engagement. When there is miscommunication among employees, there will always be problems in the accomplishment of any project or job within the company. In the present businesses world poor communication is the most common problem that every individual is facing. Prime Resources, Inc. (articles 2009) claims most employees, irrespective of the position in the organization agreed to the statement that the communication is an area at workplace where they need to be improved a lot. Employee Communication addresses these needs at workplace through allowing them to be in contact with what is happening within the organization overall and what should be their roles. In the study the employees recognize that the communication is one of the vital components of their relative value to their organization. If they are directly and regularly informed about key organizational issues what is happening throughout the organization, they would have been more committed and more engaged to contribute towards achieving organizational goals. The payoff is that employees who feel valued are more productive, more likely to take initiative and are frequently more willing to play a vital role in innovation and creativity. (Lloyd M. Field 2013). The research was done focusing on the relationship between employee communication and employee engagement, and examined the impact level of employee communication on employee engagement. With reference to a good number of research works conducted by Watson Wyatt Worldwide (2008,

2009, and 2010) revealed the fact that in organizations, engaged employees are twofold as likely to be top performers, whose have lower turnover rates, and who are more supportive and adaptive in compared to those employees who are less engaged. According to the research studies, employees who are highly engaged receive effective communication from their supervisors and managers more often than employees who are engaged less at workplace. Other studies conducted by White, Vance and Stafford (2010) pointed out that internal communication brought in a feeling of greater responsibility and sense of belongingness among employees of an organization, encouraging them to become advocates at a personal level voluntarily for their organization.

Mishra, Boynton and Mishra (2014: 199) declared that an important mechanism that an organization can adopt is internal communication, which can aid in the efforts of building trust with employees. Mishra, Boynton and Mishra (2014: 199) stated that to enhance employee engagement effective internal communication must be adopted to inform employees about the organization's vision and mission. Harter and Adkins, (2016) identified that communication forms the foundation of a strong, healthy and effective relationship between managers and employees. Welch (2011: 339) suggested that communication, when used as an effective tool to convey the organizational values to encourage employee participation in the achievement of organizational goals. Welch (2011: 339) also indicated that senior management should ensure open and effective communication for ensuring positive employee engagement towards the job. The study conducted by Krishnan, Gokula and Wesley (2013) explores that the employee communication has a significant relationship with employee engagement level and it is the key predictor of employee engagement level. Mmutle (2014:2) advocated that communication is a catalyst to produce organizational effectiveness and excellence and that employees command more information to assist them in achieving personal as well as organizational goals. Baik



(2016:16) argued that major elements that hinder effective communication are transparency, leadership, organizational relationship and trust.

### **iii. Career Opportunity**

Career development opportunity is another factor contributing to employee engagement at the workplace. While organizations invest both time and money in their employees' development at the workplace, employees realize that the company is also concerned regarding the progress in their career. Anitha (2014:312) pronounced that organizations must provide training and career development for ensuring their employees to remain engaged and build their confidence up in performing with the utmost effort towards organizational goals and objectives. Organization will certainly lead to the misalignment between individual goals and its business goals, if the organization fails to consider people development as one of the strategic tools (Caplan, 2014:78). Organizations must ensure that there are career development plans for all employees, thus identifying the stretch and challenge in the current role and a roadmap of future roles, thus taking care of developmental opportunities to suit their individual aspirations and needs. Sterling (2016:2) indicated that career development is a primary driver of employee happiness and emphasized that during the transition phase into a new job, managers must build strong working relationships with employees, taking full consideration of their successes, strengths and needs. One of the main factors of talent management in term of talent retention is the provision of learning opportunity and career development opportunities (Chitalu, 2011). Career development is significant for talent retention where if organization desires to reinforce their bond with their talented employees, they must spend some effort on the development of employees (Hall & Moss, 1998). The ultimate result of career development plan will ensure the organization retaining its experienced and qualified employees who are engaged and highly committed to the organization (Kibui, 2015).

Enhancing employee engagement and organizational commitment organizations are having their focus on career development which is now viewed as a tool to strengthen organizational capabilities through initiating training & developing intervention (Walker, 1980). Aguenza & Mat Som (2012) investigated on the Motivational Factors of Employee Retention and Engagement in Organizations in Malaysia, 7,500 employees were surveyed through a cross sectional research design, data was analyzed by use of trend analysis the results of this study revealed career development programs played an instrumental in influencing employees retention in the organization.

Many researches recognized that career growth and work engagement are closely interconnected. The study of Bakker (2008) regarding employee's psychological characteristics and work engagement found that individual psychological resources such as self-respect and optimism can effectively predict the degree of work engagement. The increase of professional values and the satisfaction of self needs which employees achieve in the organization will certainly encourage the individual to be of an enjoyable sensitive experience. When the psychological assets of the individual are more affluent, their expectations for self-interest (self-employment and creativity) are higher, but also have a higher sense of self-efficacy and personal initiative. Career growth also affects the impact of organizational members on work resources in addition to have the impact of individual psychology through increased capabilities, changing social and economic status and so on. Typical work resources are perceived organizational support, environmental free perception, innovation support, organizational justice, matching perception. Li et al. (2006) recommended that a high degree of fit between individual employees and organizations or jobs enables them to adapt quickly and get into work actively. The development opportunities such as challenging job, skills

utilization, which the organizations provide to employees for career management, will certainly encourage the development of their work contribution and quality.

#### **iv. Reward & Recognition**

Rewards and Recognition is an obligatory element to employee engagement that motivates an employee to accomplish more objectives and hence more focus more on the job and also personal development. Great companies know that the employees are the heart of the business. Satisfied and engaged employees would bring not only positive energy to the workplace but also improve the company's profit and sales. The employees will be engaged while they feel they have a encouraging personal connection with their management. Not only that, employees would feel valued whenever their contribution towards workplace is appreciated which encourages constructive employee engagement. A study conducted by Saks and Rotman (2006) explored that recognition and rewards are very important antecedents of employee engagement. When employees receive rewards and recognition from their organization, they will feel obliged to respond with higher levels of engagement (Saks and Rotman, 2006). Kahn (1990) reported that folks vary in their engagement as a function of their perceptions of the advantages they receive from a task. Maslach, Schaufeli, and Leiter (2001) point out that rewards and recognition is the perception of benefits received from performing a role in organization. Maslach et al. (2001) suggest that a scarcity of rewards and recognition can cause burnout, while the presence of rewards and recognition are often important for engagement. Eastman (2009) researched and consistently found that intrinsic motivation is conducive to producing creative work, while extrinsic motivation is unfavorable to producing creative work. Sharif et.al (2016) conducted the study about the relationship between Reward system and Work Engagement where the finding shows that, there is a relationship between

Reward System and Work Engagement. Four of the size for Reward system is significant towards work engagement.

Markos and Sridevi (2010:93) stated that incentivizing employees both financially and non-financially is an important management strategy to improve employee engagement. Markos and Sridevi (2010:93) also advocated that employees who are sufficiently rewarded and recognized for their performance at work, tend to be more engaged in their job. Ongel (2014:6) proposed that reward systems are key management tools that influence individual and group behavior thus contributing to organizational effectiveness. Anitha (2014:312) stated financial or non-financial compensation motivates employees to perform excellently in their jobs thus resulting in a stronger focus and self-development. Employees usually want their managers or leaders or supervisors to acknowledge their valuable contributions and performance (AbuKhalifeh and Som, 2013; Baik, 2016). These would include organizations offering employees formal rewards and recognition programs for their contributions and sharing of ideas such as thanking them for work well done or offering a monetary incentive for implementing innovative ideas. Recognition is therefore very vital element since it increases employees' energy, time and commitment levels, hence improving employee engagement (Baik, 2016:19).

Danish Rizwan Qaiser and Usman Ali (2010) claimed that reward & recognition have significant impact on employee motivation and also different magnitudes of work motivation and satisfaction are significantly correlated. Padmakumar Ram and Prabhakar Gantasala (2011) showed that there is a positive impact of reward on employee performance. A number of scholars revealed that employee engagement influences organizational performance (Markos and Sridevi, 2010; Devi, 2017; Wellins and Bernthal, 2005:). Markos and Sridevi (2010)

observed employee engagement as one of the significant factors of organizational performance. They stated that the more engaged employees are, the better the organization performs and has a positive influence on business results such as productivity, profitability, growth, employee retention, safety and customer loyalty. Devi (2017) showed the same observation and also recommended that organizations could improve various business functions by using employee engagement as a strategic tool. Wellins and Bernthal (2015) theorized that a positive work environment instigates employees to perform outstandingly through improving productivity, profitability, quality of products and services. Rahman (2016) discovered that employee engagement has greater impact on achieving company goals and objectives of Bangladeshi Banking sector. Abraham Susan (2012) in his research mentioned about the improvement of employee engagement by the improvement of employee satisfaction. The research has shown that employee satisfaction is the key to employee engagement. It has also been shown that engaged employees perform exceptionally well in their job. Sundaray Bijaya Kumar (2011) observed that organizations with higher levels of employee engagement outperform their competitors in terms of profitability.

Fareed Zeeshan, Abidan Zain Ul, Shahzad Farrukh, Umm-e-Amen, and Lodhi Rab Nawaz (2013) claimed that there is a positive relationship between rewards (both of extrinsic and intrinsic) and employee's job performance and job satisfaction. The study conducted by Hamid and Sadiqe, (2013) have mentioned that employee engagement is very essential for maximum utilization of its man power resources. Organizations failing to engage their employees cannot go long way with business viability. Sadiqe (2014) in his study on employee engagement has claimed that engaged employees care about products and services of the organization and also provide better customer services. In conclusion, it is observed that Reward system have an impact towards the Work Engagement. Therefore, the organizations

should have long term strategic directions in providing appropriate monetary and non-monetary incentives to the employees in order to improve the employee engagement with more satisfied customers that continuously improves overall organizational performance.

#### **v. Training & Development**

Learning and Development is considered as one of the vital factors that contributes to the employee engagement through encouraging employees to keep on training and developing new skills and knowledge continuously. Employees will get engaged themselves in organizational mission and goals when they understand that their employer is not only interested in making profits and sales, but also in improving and educating all of their staff. In consequence, company's learning culture will also be appreciated by the employees that results higher retention. Deloitte (2015) in their refreshed model of engagement also emphasized training and development as growth opportunity which ensures to improve the employee engagement in the organization apart from other factors such as meaningful work, hands on management, positive work environment and trust in leadership. Nawaz et.al. (2014) conducted a research work in Pakistan to assess whether there is a relationship among training, empowerment, employee engagement and creativity. The results of the researches shows that there is a positive relationship between training and development with employee engagement at work. The study conducted by Costen and Salazar (2011) to understand the effect of training and development on job satisfaction of the employees, their loyalty and intention to stay with the organization in the lodging industry of United States revealed that job satisfaction, loyalty and employee retention are higher among the employees who receive various learning interventions in different areas to develop their skills and competencies. Furthermore, AndrewaOlogbo & SaudahSofianBP (2012) claimed that employees get more engaged with respect to the job and the organization whenever they receive adequate level of employee

development programs like on-the-training, off-the-job training and any form of skill development initiatives.

Robinson et. al. (2004) identified Training and development, performance appraisal, communication, equal employment opportunities and fair treatment, salary and benefits, health and safety, collaboration, Family responsiveness and Job satisfaction as the main factors that lead to a feeling of valued and involvement which in turn enhances engagement in their IES (Institute of employment studies) engagement model. The research conducted by Roehl and Swerdlow (1999) for analyzing the attitude of Hotel employee in United States towards training and its relationship with employee commitment which summarized that the factors like satisfaction, morale, quality of management and awareness to rules, have an indirect impact on training where employee commitment was also taken into consideration. The findings of the study suggested that training is substantial to the benefit of franchise lodging organizations because it not only has a direct positive connection with perception of supervisor quality, morale and awareness of rules but also a significant indirect effect on organizational commitment.

Khan et.al. (2016) in their study acclaimed that training and development and job satisfaction are very crucial parameters of employee performance. In their research they made an attempt to examine the impact of training and development on employee performance through job satisfaction of 105 employees serving at the telecom companies in Pakistan. The results revealed that there is a positive impact of training and development on job satisfaction and performance of the employees. Finally, they concluded that employee job satisfaction will increase through the investment on training and development programs. Thus it is postulated that the satisfied employees will perform their assigned tasks responsibly with the utmost effort.

The study conducted by Nkosi (2015) in a Local Municipality situated in Mpumalanga Province of South Africa with a view to analyze the impact of training on commitment of the employees, their performance and retention. The study was conducted on 130 respondents using convenience sampling technique through applying regression analysis tool. The result shows that training has a significant impact on commitment of the employees, their performance and retention.

Deloitte (2015) in its refreshed model of engagement also highlighted training and development as growth opportunity which supports in improving the employee engagement in the organization apart from other factors like meaningful work, hands on management, positive work environment and trust in leadership. Terera and Ngirande (2014) studied the impact of training on employee job satisfaction and retention of employees at a selected tertiary institution using random sampling technique from 120 respondents. Although employee satisfaction and retention have a significant positive relationship the research showed that there is no significant relationship between training and employee retention. The results of the study conducted by Nawaz et.al. (2014) in Pakistan to examine the relationship among training, empowerment, employee engagement and creativity shows that there exists a positive relationship between training and employee engagement. They validated the social exchange theory which states that organizations which invest in the employee training and empowerment are likely to build a sense of commitment among the employees. And this commitment ultimately leads to employee engagement which further enhances creativity of the employees. Owoyemi, Oyelere, Elegbede and Gbajumo-Sherif (2011) concluded that employee commitment towards organization can be enhanced through training after conducting a study on 250 employees and management staff of a financial firm in Nigeria. Hewitt (2011) defined six categories which drives employee engagement in an organization. Category one: People



which includes senior leadership, manager, coworkers, customers; Category two: Total rewards which includes pay, benefits, recognition; Category three: Company practices which includes policies and people practices, performance assessment, company reputation; Category four: Work which includes work, resources, processes; Category five: Opportunities which includes career opportunities, learning and development and Category six: Quality of Life which includes work life balance.

A study conducted by Huang and Su (2016) to measure the effect of job training on job satisfaction level of employees and their intention to stay with the organization the employees working in various companies of Taiwan. The study established that job training as a structured effort by an organization to facilitate employees with job related learning, competencies, skills and attitudes. The research concluded that training and development of employee work as a good platform for providing a sense of accomplishment and improvement in employees and also work as a powerful tool to shape the attitude and motivation of employees towards the job hence improving employee engagement level in process. However, the main objective of the survey was analyzing the impact of training on satisfaction and employee retention. The study result established an arguable relationship between job training and employees intention to stay in the organization (Huang and Su, 2016). On the contrary, a study when tested a somewhat similar relationship between training and employee satisfaction and performance where employee engagement was considered as mediating variable, the result came out to be positive. Basically the analysis shows the mediating role of employee engagement which occurs due to training and development of employees and significantly influence the performance level of both that is organization and individual. The research was conducted using evidences from the health sector of Uganda by distributing questionnaire to 150 workers in hospitals founded by catholic organizations. Correlation analysis of the variables indicated a very positive

relationship between training and employee performance through employee engagement. In elaborated way, it is concluded in the study that training positively affects the employee performance when employee engagement mediates between the two variables (Sendawula et al., 2018). Siddiqui (2019) showed that there is a significant impact of Training & Development and Communication on Employee Engagement in the banking sector of Pakistan.

From the literature review it is observed that many researches have been conducted to measure the influence of training and development on employee performance, employee satisfaction and even on organizational performance overall. It is realized that the appropriate training and development can greatly enhance organizational performance by nurturing talent and encouraging them to learn new things to improve individual capability. Almost all individuals want to claim that they are doing a good job and also valued by the organization as part of reward. Training and development gives a way in addressing all of these human needs and greatly improves employee engagement. Many researches have empirically tested the impact of training and development on employee engagement in various sectors.

## **2.7 Barriers to the Employee Engagement**

Although most of the literatures have focused on the drivers of employee engagement, there is also an increasing focus upon recognizing those factors that will hinder employees' capability to engage. Key factors include Unfair Treatment, Lack of awareness, Poor Salary, Toxic work environment, Lack of trust, bureaucracy and heavy workloads etc. Lockwood (2007) maintains that bureaucratic behavior in organizations severely handicaps the potential of an organization to engage its employees, as well as being over-worked, as both increase an employee's susceptibility to stress. Speaking at the Employee Engagement Summit in 2009, John Purcell, Strategic Academic Advisor at Acas National, suggested six key factors that limit

or damage engagement are job insecurity, unfairness, job stress, lack of job autonomy, misbehavior & bullying and extremely long working hours. Other research, such as that of Beech and Akerson (2003, cited in Pech and Slade, 2006) and Blessing White (2008) found that a lack of trust may be a precursor to disengagement in organizations, particularly a lack of trust in senior leadership. May et al. (2004) found evidence to suggest that time spent on activities outside work predicted lower availability scores. They suggest that people only have so much of themselves that they can devote to their various life roles, and therefore individuals with significant commitments outside work may find it harder to engage than other employees. This emphasis on limited resources is supported by evidence that day-level engagement and proactive behavior are linked to the extent to which employees have recovered, during leisure time, from their previous day's work (Sonnentag, 2003). As a result, employees who do not 'unwind' seldom are likely to find it gradually hard to engage.

According to Anitha (2014), there is a significant impact of work environment on employee engagement. Conditions of the workplace play very vital roles to employees in whether they want to keep functioning in the organization. Since people want to work in a harmless workplace, the work atmosphere is considered playing very significant role in employee engagement. Previous studies have shown that the work atmosphere is a factor that can be used to determine the level of engagement for the employees working in the organization. Miles (2001) et al. (2001) suggested that various levels of employee engagement can be observed at various aspects of work environment. Organizations that are concern about their employees' requirements and outlooks, provide positive view and allow employees to make known their concerns, develop new skills and solve work-related problems are characterized as management that fosters a supportive working environment (Deci & Ryan, 1987). Hence, the absence of a good work environment encourages disengagement at works.

Heery and Noon (2001) defined pay as payment, in which include many components like basic salary, benefits, bonuses, pay for doing extra work and incentives. Scholars and Practitioners point out that employee's performance is increased if they are highly paid. Money is considered as the reward which is given to employees against work, to support their family, and payment for the work which is done. Barton (2002) suggested that financial rewards is to be taken into account deeply by the organization because it has strong influence on employee motivation and retention. Like other essential elements pay is also considered as one of the significant extrinsic factors which is responsible for job dissatisfaction (Robbins, 2003). Many managers and leaders in organizations are not aware of employee engagement. Others do not believe that employee engagement can impact on business and management, some of them do not fully understand the concept and the benefits it could have for their organization. Some view it as a soft and fluffy issue and do not know how to address the issue (catalyst 2013). From the reviewed literatures we have pulled out five key barriers that create obstacle towards employee engagement such as: Unfair treatment, Toxic work environment, Lack of awareness, Lack of trust and Poor Salary.

## **2.8 Best practices to improve Employee Engagement**

Employee engagement has multiple times been associated to the desirable results for all kinds of businesses. Many authors generally have claimed that employee engagement is critical factor to the overall success of the organizations in modern business. Some of them has given deeper thoughts and conducted a lot of quantitative studies to explore how employee engagement affects organizations and its businesses. For example, Xu & Cooper Thomas (2011) discuss how higher levels of employee engagement are linked with greater performance, reduced turnover and higher earnings per employee and other benefits. In parallel, Gallup (2016) compared organizations with highly engaged employees to organizations with low

employee engagement and found a median percentage difference of 21% profitability, 17% production productivity, 70% fewer safety incidents, 41% less absenteeism and 40% less quality defects. Furthermore, Thomas (2009) states that high levels of intrinsic rewards lead to higher professional development, job satisfaction, commitment to the organization, retention and reduced stress. Although the popularity of employee engagement is at an all-time high, Gallup (2019) show that 87% of employees worldwide are not engaged at work. During the last two decades, organizations have been focusing on improving the capabilities and talent of their human resources by the best use of employee engagement strategies. Although most organizations and industry practitioners conducted engagement surveys, only the survey cannot ensure improving employee engagement, if there's no noticeable actions from the top of the organizations. To achieve the best results, managers and leaders ought to formulate a comprehensive strategy for engaging their employees rather than simply measuring engagement scores (Van Rooy & Oehler 2013). Many organizations have formulated engagement strategies and have also communicated among the employees of the organization and finally have been successful in getting their employees engaged and motivated. Developing a strong communication component is essentially required for establishing a good engagement strategy as well. Managers and Leaders should focus on the strategies to increase engagement and consequently, the performance irrespective of offering merely monetary reward. Organizations can consider some nonmonetary strategies for improving employee engagement and thus increasing organizational performance. Organizations should not use financial incentives as a part of reward policy through applying gamification as a strategy to increase engagement (Dale, 2014). Today employees ask for the set of benefits over and above financial rewards, for instance (a) job flexibility (b) additional training and development and (c) additional paid time off and work abroad opportunities (Custers, 2013). Employee engagement can be increased by the use of gamification strategies via surveys, contest participation and

comments on blogs and discussion forums (Dale, 2014). Visiting to selective areas on the company website, entering into the social networks and downloading corporate information can also be considered as a part of further strategy (Dale, 2014).

Another study claimed that employee job security considered as a critical element at work in improving their job performance which is eventually fostered by employee engagement and employee motivations (Miller, Erickson, & Yust, 2001). Kemal Et al. (2010) pointed out that empowerment leads employee's psychological attachment to the organization, that is commitment and empowerment also leads to employee engagement. Many scholars recognized that (Gamage and Imbulana 2013, Nawaz et.al. 2014) in the current dynamic business scenario, training and development has been found significance in keeping employees engaged, committed, performed and sustained a competitive edge. Appropriate training and development plans to nurture talent can increase the level of engagement. It also assists in enhancing employee performance by widening the learning base of the employees which would ultimately lead to better organizational performance overall. Additionally, some researchers also found that performance based culture contributes towards the employee engagement at workplace. Being positively associated to employee engagement, performance management is a very vital element in the field of human resources that contribute to the employee engagement. In order to ensure employees' participation physically, emotionally and cognitively at the time of performing the role (i.e. exhibiting engagement), performance appraisals are to be practiced as a fair process (Latham, Almost, Mann, and Moore, 2005). A study in Bangladesh pharmaceutical industry (Akhter 2017), found that employee relations programs have huge implication on employee relations of industrial employees of Bangladesh. The literature review explored that the key elements which are considered as the best practices in improving employee engagement and are recognized by various scholars and practitioners

are named as providing job security, establishing employee empowerment, introducing employee development programs, formulating engagement strategy and promoting performance-based culture.

## **2.9 Organizational performance**

All along organizational performance has been considered as one of the most essential variables in social science research, and certainly the most significant and most popular terminology in the business world. Though the term organizational performance is very common in the academic literature, the concept and definition of organizational performance is still debatable because of its numerous meanings. This is why, there is no universal definition of organizational performance. Organizations are struggling for maximizing shareholders' value and spending a lot of time to assess the results of their decisions and actions. Venkatraman & Ramanujam (1986) quoted that organizational performance is not at all a simple concept; rather, it is a multifaceted and complex phenomenon. Cameron (1986) refers to the organizational performance as fundamentally contradictory because, while a given indicator may indicate good performance, but at the same time another indicator may indicate the opposite. Sometimes a given performance parameter of a certain process or function can only be improved at the expense of another. Also, individuals may have different choices about which aspects are most related to define and evaluate performance (Zammuto, 1984) and, as a consequence, may disagree on which measures to use, the level of importance to assign parameters, and how to explain results. Combs et al. (2005) claim that the operational performance as stated by Venkatraman and Ramanujan (1986) is the best viewed as an originator of financial performance which is mediated by the effect of resources. The definition of organizational performance and its appropriate indicators continues to challenge academics due to its complication. The concept of organizational performance was pronounced by the

author, Lebars & Euske (2006: p. 71) in a set of definitions for elucidating the perception of organizational performance explicitly which are as follows:

- Performance is a set of financial and nonfinancial indicators which offer information on the degree of achievement of objectives and results (Lebars & Euske 2006 after Kaplan & Norton, 1992).
- Performance is a continuous process, required for judgment, evaluation and clarification.
- Organizational performance can be explained through using a causative model that defines how various actions of present situation may affect future results.
- Organizational performance can be defined and varied in a different ways depending upon the circumstances, time and person involved in the assessment.
- To clarify the perception about performance it is essentially required to understand relevant elements and features of each area of responsibility with regards to the performance.
- To describe the performance level of an organization, it is essentially required to calculate the results quantitatively.

To evaluate the performance of an organization it is well understandable that profit and growth parameters are the most vital indicators which must be included in all attempt of measuring performance of the firm. Stakeholder theory (Freeman, 1984) is the powerful concept that promotes the relationships between a business and its customers, suppliers, employees, investors, communities and others who have interests in the organization. The performance measures under this conceptualization involves identifying the stakeholders and defining the set of performance outcomes that measure the satisfaction of all stakeholders (Connolly et al., 1980; Hitt, 1988; Zammuto, 1984). The stakeholder theory deals with various perspectives to the objectives of the firm that accounts for the impact assessment of the business



in context of all stakeholder groups such as employees, owners, suppliers, consumers, society and others so as to give economic view of value maximization for the improvement of organizational performance. The use of stakeholders' satisfaction as organizational performance was also recognized by a large number of authors (Kaplan & Norton, 1992; Richard et al., 2009; Venkatraman & Ramanujam, 1986). Further, since organizational performance is a multidimensional approach, the application of this principle permits organization to address the issue of the satisfaction of all group of stakeholders.

Organizational performance is widely used as a dependent variable in most organizational studies yet it is still vague and loosely defined (Rodgers & Wrights, 1998). This is because organizational performance is dependent on the interpretation of different stakeholders who in most cases have conflicting interests (Carton, 2004). Early empirical studies on the concept of organizational performance (OP) focused on; financial performance, market performance and shareholders return. However, measuring performance using these indicators was eventually challenged as they are not applicable to all organizations especially those that do not exist to maximize profits. Moreover, financial performance doesn't cover other aspects of the organization. To address the shortcomings of focusing on financial performance to measure performance, Kaplan and Norton (1992) developed the Balance Score Card (BSC) which expanded how performance of a firm should be assessed by adding measurement of nonfinancial indicators such as customer satisfaction as well as level of learning and growth. The Balance Score Card also identifies the key stakeholder groups such as investors, employees and customers etc. and also use financial and nonfinancial indicators of performance in regard to each of them. Since its inception this tool is being widely used especially in the private sectors. However, there are so many challenges in applying BSC to the public sector due to presence of multiple stakeholders and their differences in expectations.

It is therefore very difficult to determine which stakeholders are to be included and which are to be excluded. Therefore, a more appropriate tool is required for non-profit organizations and especially the public service. This need was addressed by Lusthaus, Andrein (1998) who developed a performance assessment tool for International Development Research Centre (IDRC) breaking down organizational performance into four key variables; effectiveness (degree to which an organization's activities meet customer expectations), efficiency (the degree to which an organization optimally utilizes resources), relevance (ability to adapt to changing environmental demand while satisfying the expectations of major stakeholders) and financial viability (how an organization is able to generate more resources). In the private sector, performance is best measured by profitability while in the public sector, efficiency in use of tax revenue and effectiveness in meeting the expectations of the stakeholders is a better measure (Mackie, 2008). Therefore, this study adopted IDRC conceptualization as developed by Lusthaus *et al.*, (1998) due to its emphasis on effectiveness, efficiency, relevance and financial viability which best reflects generally accepted performance indicators of the public service.

Conventionally, organizations measure their organizational performance through focusing on the outcome of their business processes, considering various factors such as total number of manpower involved, number of development initiatives implemented, process cycle time, amount of products or services generated, number new customer base created, amount expenses in the fiscal year etc. In private businesses sector, the financial indicators are primarily considered in measuring the organizational performance which includes Productivity, Revenue Growth, Market Share, EPS (Earnings Per Share), ROI (Return On Investment), Debt to Equity Ratio, ROE (Return On Equity), Inventory turnover and other financial ratio to gauge the bottom line performance. Focusing on only financial parameters of business KPI (Key

Performance Indicator) does not provide the full perspective of the business situation, its overall health and effectiveness. Nevertheless, by balancing financial and nonfinancial measures under all relevant business standpoints, organizations will get a complete picture of organizational performance where managers can take further actions based on the results of full circle viewpoint. Robert S. Kaplan and David P. Norton (1992) introduced a set of dimensions and various indicators to gauge the performance of an organization and also to make its strategic alignment referred to as "Balanced Scorecard." These dimensions help managers and leaders a fast but all-inclusive viewpoint of the organization's performance and include both financial and nonfinancial measures of business performance. The originator of the concept, Kaplan and Norton relate the balanced scorecard to the dials or dashboard of a car and also the parameters of an airplane cockpit so that the complexity of managing an organization requires to observe the performance of several areas simultaneously. A balanced scorecard shows all relevant information of organization's health and effectiveness for a definite period of time through which it can drive for further improvements. Kaplan and Norton (1992) recommend that managers collect information from four major perspectives:

- ❖ **Financial perspective:** This includes only financial aspects of performance that focuses typically on profit and market share. The financial perspective urges the accomplishments of the goals that relates to the monetary performance of the organization such as return on the investments, profitability, productivity and also potential risks involved in running the business. The objectives under this perspective can be achieved by the fulfilment of the requirements of all stakeholders of the business such as the shareholders, employees, consumers, suppliers etc. This perspective must answer the question; what monetary value is to deliver for the survivable of the business?

- ❖ **Customer perspective:** The customer perspective includes to what extent the organization is capable to provide value to its customers and determines the level of customer satisfaction with the company's products or services. Customer satisfaction is one of the important indicators of measuring company's success. Organizations should respond to the question; how do customers see us?
- ❖ **Internal business process perspective:** This perspective evaluates how well the organization runs its operations. Managers focus on those parameters that are critical to the success for operational excellence in meeting customer requirements. A balanced scorecard requires to explore the relevant parameters and KPIs that can support the company operations or internal processes to run more effectively. According to this context, organizations should answer the question, what must we accomplish for operational excellence?
- ❖ **Organizational learning and growth perspective:** The success of an organization mostly depends on the capacity of its most valuable asset, i.e. human resources. The employees of the organization are required to be competent in terms of knowledge, skills and ability for demonstrating better performance consistently. The ultimate worth towards the long term survivable of an organization is directly related to the ability of its people to innovate, improve and learn for the excellence. Organizations need to answer the question, can we continue to improve and also generate value for the business?

The Balanced Scorecard has gained a wider range of acceptance in the business world due to its focus on letting organizations reach their full potential through strategy mapping and also identifying all relevant dimensions of the business as a part of focusing the entire organization with regards to strategy formulation and strategy execution. Due to its increasing popularity in managing strategies, organizations have understood the capability of this tool in

bringing the desired results to the business (Kaplan & Norton, 1996a). This can be realized the following major value propositions of using Balanced Scorecard (Kaplan & Norton, 1996b).

- Formulate operational strategy by transforming corporate strategy into performance measures, objectives and target levels.
- Ensure focusing on holistic approach of entire business on what must be accomplished for the breakthrough results.
- Integrate a variety of different dimension of performance measures such as growth, quality, safety, productivity, reliability, timeliness reengineering and process redesigning etc. into a single platform.
- Ensure breakdown of corporate level objectives through cascading down into operational measures so that line managers, operators and individual employees can be aware of their responsibilities for improving organizational effectiveness.

The balanced scorecard has reached a long way after it was first introduced by Drs. Kaplan and Norton. The various modifications incorporated into the balanced scorecard from time to time which has made it more suitable for measuring and comparing performance towards the strategic goals of an organization. Instead of looking back, organizations can maintain a forward view, since the alignment of various strategies with day-to day operational activities has already been addressed by balanced scorecard. This tool has proved to be highly useful and effective, and hence adopted by various organizations across the globe in an increasing wave. The four perspectives of Balanced Scorecard provide a multifaceted standpoint of performance that ensure balance between internal and external perspectives, balance between lead versus lag indicators, financial versus nonfinancial measures, current versus future needs, short term versus long term measures etc. According to the BSC as well

as reviewed literature, common indicators for measuring organizational performance focusing on financial aspect are usually referred to Revenue Growth, Market Share, Return on Equity, Current Ratio, Debt Equity Ratio and Net Profit Margin etc. It is established from the previous study that organizational performance is a widely recognized multidimensional phenomenon that should be considered all indispensable indicators covering every perspective of the business in order to demonstrate true picture regarding performance of the organization. This study, thus considered balanced scorecard approach to pick appropriate indicators that are essentially required for describing performance of an organization accurately which constitutes the mixture of financial and nonfinancial measures of performance namely Profitability ratio, Leverage ratio, Liquidity ratio, Goal attainment, Employee turnover rate, Employee absenteeism rate, Productivity, Product & service quality, Employee satisfaction and Customer satisfaction.

### **Organizational age**

Age is considered as the span or span of time through which an item or an object has existed. Firm age or organizational age is defined as the number of years of incorporation of the company; even though some believe that listing age, should define the age of the company (Shumway, 2001). Shumway also recommended that listed organizational age is more reasonable since it is a defining moment in the company' lifecycle. Shumway's statement is exposed from the perspective of the organization as a legal entity. As a legal personality, a company is born through incorporation (Gitzmann, 2008; Pickering, 2011). Hence, in this research organizational age is considered as the year of incorporation of the firm.

## **Organizational Size**

Organizational size is the structural belongings of the firm that can be explained in terms of sales volume, extent of operations, net asset value, number of customers, or the number of employees employed in the organization. The size of an organization affects its organizational structure which consequently affects the level and complexity of the structure and its nature of departmentalization. There is a lot of arguments that can establish that an organization's size significantly affects its structure. Large organizations tend to have more multifaceted system, specialization, departmentalization, centralization, and rules and regulations than do small organizations (Robins & Coulter, 2005). This study considered only two parameters for defining organizational size which are the number of employees and the sales volume.

### **2.10 Employee Engagement and Organizational Performance**

Competition between organizations either for talents or for customers is becoming more and more stiff while taking advantages of integrating the technology and structure have been strategic priority. Hence, employee engagement has become a new frontier for empirical investigations of variables that influences organizational performance. Previous empirical studies have linked employee engagement to positive business outcomes. The critical success factors of the business such as customer satisfaction, employee motivation, employee turnover, employee commitments are greatly affected by the employee engagement which in turn affect organizational performance (Right Management, 2009). However, the tool used to measure employee engagement which was composed of four indicators; pride with employer, satisfaction with employer, organizational commitment and advocacy focus on the organization rather than the work itself. This has been pointed out by Schaufeli and Bakker (2010), is a major weakness of conceptualization of the

construct of employee engagement by consultancy firms. Another study conducted by a Canadian consultancy firm (Shawn Bakker 2011) found that most companies believe that engaged employees are willing to do more, have higher productivity and positive work relationships. However, the study findings were based on perception of human resource managers and not the employee themselves. To assess engagement, it is better to ask the employees how they feel about the work they do and the organizations they work for. Further, Harter, Schmidt, Schimidz, Killham, Angawal and Plowman (2013) in their study on examining the relationship between engagement and organizational outcomes declared that there is strong correlation between employee engagement and customer loyalty, productivity and profitability, turnover, employee safety incidences, customer safety incidences, absenteeism, dropout and weaknesses. The correlation was found across different organizations. In addition, the study found that the differences in organizational outcomes (e.g. productivity, customer loyalty, profitability, employee turnover, safety incidences, shrinkages, and absenteeism and product defects) between highest performing organization and lowest performing organization are very noticeable implying that the impact of employee engagement on business achievement is noteworthy.

In Bangladesh, very few studies have been conducted to explore the role of employee engagement and its influence on organizational effectiveness. For instance, Hoque, et. al (2018), Nurun Nabi1 et al. (2017), Akhund & Shamsul (2017) and Kafil Uddin et al. (2016) conducted individual research works on employee engagement in the different sectors of Bangladesh in order to clarify the concept of employee engagement and also establish relationships with other variables. In fact, exploring the influence of employee engagement on firm's performance was not reflected in all of the studies conducted at different business sectors. Wachira (2013) found that employee engagement



influences organizational commitment while Kibui (2015) found that talent retention is affected by employee engagement. However, both studies failed to address the relationships between employee engagement and organizational performance which is the gap of this study. Most managers are aware that employee engagement is crucial and linked to business success (Harvard Business Review, 2013), however, the levels of employees' engagement worldwide are very low (Kular et al., 2008) where there was only one employee by all of three employees were found engaged (Right Management, 2009). Further, so many literatures on employee engagement are not available for individual scrutiny as it is not available in referenced journals as most of it is conducted by consulting firms (Vance, 2006). Such literature has not been subjected to rigorous scrutiny applied in academic research and hence necessitating further studies.

## **2.11 Summary of Literature Review and Research Gaps**

The literature reviewed indicates that most of the previous empirical studies on employee engagement have identified the drivers of engagement but have not linked it to organizational performance. Some empirical studies have shown the direct relationship of employee engagement and organizational commitment. But little attention has been given to the moderation effects of demographic characteristics. Previous empirical studies regarding the impact of employee engagement on organizational performance were conducted either in the private sector or in developed countries while little has been done on the private service in developing countries such as Bangladesh. A systematic review of the literature has recognized lots of theoretical and empirical gaps (shown in the table 2.1) in the knowledge with regards to employee engagement.

- ❑ The first gap was identified as the conceptual confusion regarding the meaning of employee

engagement, current status of employee engagement and its barriers at workplace in context of Bangladesh.

- ❑ The nonexistence of theoretical arguments and empirical tests of the impact of employee engagement on the performance of Bangladesh Pharmaceutical industry has been identified as the second gap.
- ❑ The third gap has been explored as the fact that there is no empirical evidence about the moderating role of organization age and organization size on the relationship between employee engagement and organizational performance.

The current study therefore addressed this apparent gap in empirical literature by linking employee engagement with organizational performance while at the same time establishing the moderating effect of organization age and organization size on the relationship.

**Table 2.1 Summary of Research Gaps**

<b>Author(s)</b>	<b>Topic</b>	<b>Findings</b>	<b>Research gaps</b>
Morgeson, Klinger & Hemingway (2005)	Influence of job autonomy and job skills on job performance	Job autonomy and job skills are significantly related to job performance	Performance was assessed using very subjective measures
Grants(2008)	Influence of task significance on job performance	Increasing task significance is correlated with job performance	Study considered only one indicator of Employee engagement (EE)
Right Management (2009)	Role of employee engagement in driving organizational Performance (OP)	Employee engagement is positively related to the organizational performance	The tool used for this study did not adequately represent it
Castellucci, Paduka & Pica (2009)	Age and productivity among rally drivers	Productivity peaks at the early age before declining	Engagement was not considered against productivity
Insync Surveys (2009)	Drivers of Employee Engagement (EE)	EE drivers depend on the Demographic Characteristics (DC)	EE and DC not linked to The OP
Khan, Ziaddin, Jam & Ramay (2010)	Impact of organizational commitment on job performance	Normative and affective commitment are related to performance positively but Negatively related with continuance commitment	Focus of the study was limited to direct relationship between OC and OP
Kisian, Catsoupes, Bahate, Lee, Carapinha & Minnich (2011)	Effect of age on job engagement	Younger employees are less engaged than older employees	Study focused on antecedents of EE rather than outcomes

Ali, Azizollah, Zahra & Mohtarah (2011)	Influence of personality traits on job performance	Positive relationship between traits and job performance	The study only considered the direct relationship between personality and organizational performance
Azizollah, Zaman, Zahra, & Mohtaran (2011)	Relationship between personality traits and performance of school principals	Traits are correlated to organizational performance	The influence of traits is modified by demographic characteristics and work environment
Meyerson & Dewettinck (2012)	Effects of implementation of EE strategies on OP	Engagement is positively related to OP	Findings based on one organization
Echch akauri (2013)	Personality traits job performance in call centers	Traits influence adaptive behavior which is correlated to job performance	Purposively selected sample
Lee & Chen (2013)	Relationship between commitment, attitude and service quality	No relationship found	Service quality is a very narrow indicator of performance
Wachira (2013)	Employee engagement and organizational commitment	EE has a positive relationship with organizational commitment	EE and OC are not linked to organizational performance
Tolentino (2013)	Influence of firm's commitment on job performance in institutions of higher learning	Different groups have different types of commitments	The study focus was narrow as it involved the direct relationship between OC and OP

Harter, Schmidt, Killham & Agrawal (2013)	Correlation between employee engagement and business results	EE is positively correlated with business outcomes	The focus is only on direct influence of EE on business results
Johnson (2014)	Mediating effect of traits on emotional intelligence	Higher intelligence positively influence emotional management and performance	Study only covered one organization and therefore cannot be used to generalize
Albdour & Altarawneh (2014)	Impact of employee engagement on organizational commitment in Jordanian banking sector	EE positively linked with organizational commitment	Use of non-probabilistic methods in selection of sample
Jena (2015)	Influence of demographic factors on organizational commitment among shift workers	Male workers found to have higher levels of organizational commitment compared to female workers	Shift work pose a specific challenge to women and therefore the findings may not apply to all types of job situations
Kibui (2015)	Influence of EE on talent retention	EE found to influence staff turnover	Study does not link EE to performance

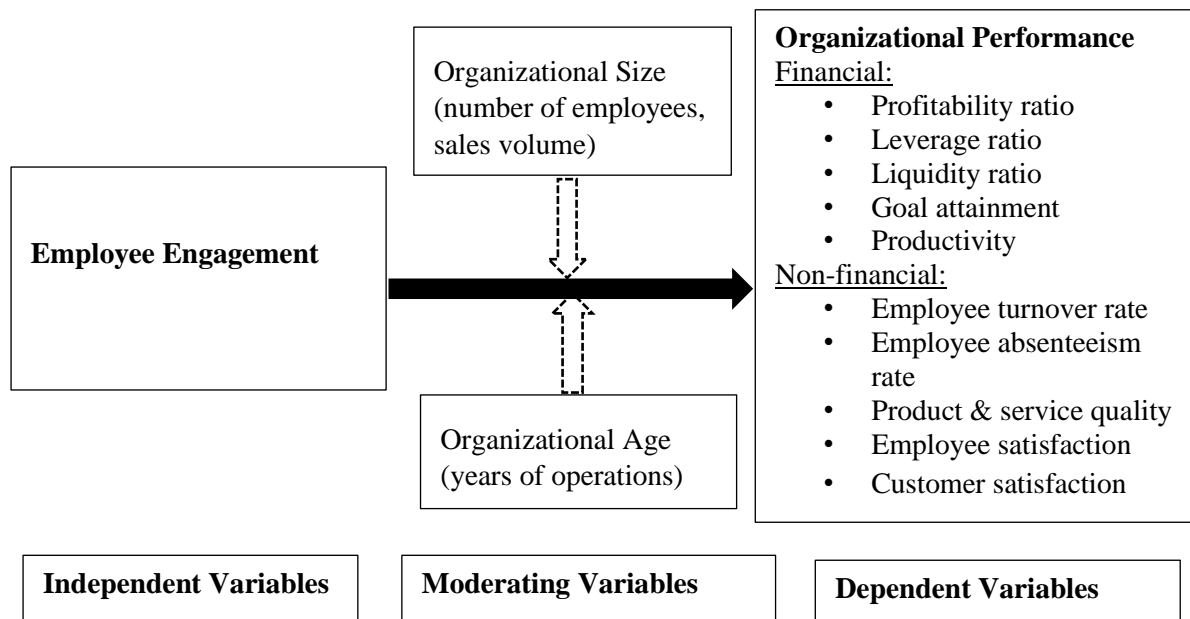
Owor (2016)	Influence of HRMP on organizational performance in Uganda	The job, working conditions and institutional justice affect employee commitment	Study was based on the private sector and findings may not apply to public sector
Md. Kafil Uddin et al. (2016)	Employee Engagement: An Empirical Study on Telecom Industry in Bangladesh	The level of employee engagement in Bangladesh Telecom Industry is high.	Study was based on Bangladesh Telecom Industry
Akhund & Shamsul (2017)	The effects of Employee Engagement on Organizational Commitment	Organizational Commitment and Employee Engagement are positively correlated	Study was conducted to assess the impact of EE on organizational commitment not on performance
Nurun Nabi1 et al. (2017)	The Influence Of Motivation On Employee Performance: An imperial Study on Bangladesh Karmasangsthan Bank	Motivation has a significant impact on Employee Performances and organizational effectiveness	Study was conducted to assess impact of motivation on performance not the impact of engagement
Ireen Akhter (2017)	Perceptions of Employee Relations Programs (ERPs) by Non-Managerial Employees (NMEs): A Study on the Pharmaceutical Industry in Bangladesh	Employee relations programs have huge implication on employee relations of industrial employees of Bangladesh	Study does not associate with employee engagement and performance

Abu Shams Mohammad Mahmudul Hoque et. al (2018)	Role of Employee Engagement on Compensation System and Employee Performance at the Telecommunication Service Providers in Bangladesh.	There is a significant relationship between compensation system and employee performance at the Telecommunication Service Providers in Bangladesh.	Study does not linked employee engagement and performance
Rupa Shrestha (2019)	Impact of Employee Engagement on Organizational Performance at the Public Companies of Nepal.	Employee engagement and organizational performance are positively related	The study was conducted at the public sector of Nepal.

*Source: Author (2019)*

## 2.12 Conceptual Framework

From literature review process, research framework of the study has been designed which is depicted in the figure 2.1 where Employee Engagement is an independent variable and Organizational Performance is a dependent variable while organizational size and organizational age are supposed to be shown as moderating variables of the study for examining the correlation.



**Figure 2.1: Conceptual Framework**

*Source: Author 2019*



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter introduces research methodology through which the objectives of the study is achieved. It covers research philosophy, research design & instrument, population & sampling unit, sample size and sampling techniques, validity and reliability, data collection procedures and data analysis.

#### **3.2 Research Philosophy and Ethics**

##### **3.2.1 Research Philosophy**

Research philosophy is the approach where the researcher considers the world which is controlled by a set of principles and logical standpoint in terms of the way in which the research is accomplished within the perspective of the research phenomenon. The philosophy adopted by a researcher is influenced by practical considerations the main one being one's view of the relationship between knowledge and the procedure through which it is developed (Saunders, Lewis and Thornhill, 2007). Research epistemology is based on two extreme philosophies such as positivism and phenomenology. Positivism claims that the social world is understood in an objective way where the observer is independent of what is being observed and measurement should be through objective criterion rather than being inferred subjectively (Mugenda & Mugenda, 2003). It is obtained from natural sciences and is described by investigation of hypothesis established from current theories through measurement of visible social reality (Flower, 2009).

Positivism believes the social world exists objectively on the outside and the information is permitted only if it is based on findings of the external realism. It suggests

that hypothetical prototypes that are generalizable, established and explained the cause and effect interactions. Phenomenology on the other hand considers that there is fundamental difference between natural science and social science. Its promoters suggest that people and team create intelligence of their world on the basis of their experiences, remembrances and potentials (Flower, 2009). Sense is created and renovated depending on experience of the person who deals with. This paradigm involves one to understand the reason why things are as they are. The study was attached on positivism paradigm as it was found to be the most suitable in achieving the study objectives. Using this approach, this study established hypotheses that were derived from objective review of empirical literature. Testing was conducted through using data that was collected from scientific methods, thus ensuring objectivity.

### **3.2.2 Research Ethics**

Research ethics are the set of moral principles that direct a researcher in creating and formulating research topic, designing the research, reaching to the respondents, collecting and analyzing research data and finally publishing and value adding of the research outcome in context of social responsibility. The researcher confirmed that the study addressed to the all applicable ethical standards of the research work. Firstly, the approval of collecting data was granted by the concerned authority of the University of Dhaka. The next step involved prior discussions or seeking permission from the management of targeted organization to collect data from their staff. This has been arranged either telephone call or email communication or combination of both to get the respondents informed that their contribution to the study is voluntary. The welfare of the respondents has taken into account with great concern to uphold their self-esteem, discretion, confidentiality and comforts at all times. While information was received from various sources it was treated as confidential defining the limits of reliability

and applicability. Animal care, respect for intellectual property, social responsibility, non-discrimination, legality and human subject protections were also maintained carefully throughout the study. Lastly, any materials obtained from books, reports and journals written by other authors were fully acknowledged.

### **3.3 Research Design**

Research design comprises the construction of the research problem, research framework, organization or arrangement of the interactions amongst variables of the research and the overall blueprint of the study which is used to obtain pragmatic data on those relations (Cooper 2014). The research design represents the research strategy that constitutes the overall outline of the study for the data collection, measurement and data analysis. When the research topic has been articulated accurately, the research framework is established as an arrangement of the comprehensive stages within the research (Leedy, 1997:94). For data collection the survey method of quantitative research framework has been chosen for this investigation. This method is considered as one of the best methodology for gathering information from the staff members regarding their response towards employee engagement level, key drivers of employee engagement and organizational performance. Moreover, survey method is the most suitable technique for efficiently collecting data, since this method can be managed in a more convenient and reasonable way. Since the quantitative research design focuses on establishing the linkage of an independent variable with further dependent variables clearly and precisely, a quantitative research design is primarily adopted for this research. To focus on specific fact in the general population through removing the intolerance and conflict of interest, this approach of quantitative research design is the most suitable for the academic research in collecting and presenting data perfectly. This approach of research design enabled the researcher to achieve the study objectives in investigating the current status of engagement, the

factors that influence employee engagement, the key barriers of engagement at workplace and the influence of engagement on organizational outcomes in the Pharmaceutical industry of Bangladesh. Moreover, a qualitative approach (e.g. in-depth interview, informal discussion, Focus Group Discussion) was also applied to get information from the selective employees of manager and senior manager level positions regarding their opinion on employee engagement.

### **3.4 Research Instrument**

The structured questionnaire mentioned in appendix 1 was used to collect primary data. Using questionnaire allowed the researcher for collecting authentic information from a big population that is geographically distributed which would not have been done in other data collection methods (Kothari, 2009). The researcher designed a survey questionnaire and collected input from 140 employees of Pharmaceutical companies. To collect feedback from the respondents, Likert scale was used in the questionnaire of the survey items. The five-point scale ranges from 1 to 5, where 1 denotes Strongly Disagree and 5 denotes Strongly Agree. The entire instrument consisted of four parts, initial three parts were used for conducting survey and the fourth part was used for collecting qualitative data which are mentioned below:

- First section is for the demographic information of concerned employee and his/her organization.
- Second section is based on the questions related to the engagement level. A score was calculated by the average score of the responses against the questions which was categorized into three categories such as: for not engaged responses (less than 3.5), for engaged responses (3.5 to 4.5), and for highly engaged responses (4.5 to 5.0).
- Third section is based on the outcome of organizational results to gauge organizational performance.

- Fourth section is based on the questionnaire for collecting manager's opinion regarding the employee engagement.

For 1<sup>st</sup> section, the demographic information, the questions are closed-ended two-point or multiple-choice questions in nature. For the section second and third, the questions are Likert scale type. For fourth section, the questions are also closed-ended multiple choice questions which is based on the directions mentioned in the questionnaire.

### **3.5 Sources of Data**

The data source of the research includes both primary and secondary sources in conducting the research.

#### **3.5.1 Primary Sources**

According to Blaxter (2001), primary data is defined as comprising of facts that is gathered by first-hand sources through methodical observation, information archives, the results of surveys and interviews and case study etc. To ensure that consistent and valid information are gathered, the researcher contacted the staff of the pharmaceutical companies through using various networks. Five point Likert Scale-type was used to measure the different variables of the research instrument.

#### **3.5.2 Secondary Sources**

Saunders et al., (2007) pronounced secondary data is the information used for a study that were originally collected for some other functions. As a part of secondary data source, this study has taken the advantages of getting information from various books, journal articles, corporate website, company annual report, IMS health care report, DGDA, TAX authority and

other regulatory bodies relevant to the study. These secondary sources helped the researcher to explore the knowledge regarding how the organizations are performing, its history and other information related to the research work.

### **3.6 Population, Sample size and Sampling technique**

As stated by Bryman and Bell (2011) population is the creation of elements from which a sample is to be taken. In other ways, population is the collection of elements, individuals, or units for meeting the selection criteria of a group which is to be investigated, and from which representative sample is taken for comprehensive analysis. Sampling is defined as the process of pick out elements or units (e.g. individuals, organisations) from a target population so that an objectively generalise results can be traced back to the population from which they were selected (Trochim, 2006). The number of populations was the total number of employees working in the pharmaceutical companies of Bangladesh. Total 150 companies are currently functional in Bangladesh out of around 257 registered Pharmaceutical Companies (<http://www.bapi-bd.com/bangladesh-pharma-industry/overview>). The sampling units was 10 pharmaceutical companies. This selection has been made on the basis of the company ranking declared by the IMS (Intercontinental Marketing Services) health care third quarter report, 2019 which is ordered in accordance with the market share of the company. The sampling units were selected on the basis of the concentration ratio of the firms within the industry. According to the market share, the researcher categorized the firms into three categories or strata as shown in the table 3.1 in order to take the sample as per purposive sampling technique in selecting sample units. The market share of top 50 companies is 99.31% amongst which top 20 companies' market share is 88.98% and the rest 30 companies' share is 10.33% (IMS, MAT-09/2019). Hence, 8 units (companies) were selected from the top 20 group. The remaining 2

sampling units were taken as one (01) from the 2<sup>nd</sup> category i.e. 21-50 group and one (01) unit from 3<sup>rd</sup> category i.e. 51-150 group (IMS, MAT-09/2019).

**Table: 3.1 Sampling plan**

Category/ Stratum	Concentration Ratio	Sampling units taken	Sample Size
1-20	88.98%	8	84
21-50	10.33%	1	10
51-150	0.69%	1	6
Total (150)	100%	10	100

*Source: Author and IMS, MAT-09/ 2019*

The researcher collected feedback from 100 employees employed in different levels who are performing professional and administrative works and are not involved in any clerical or manual labor work. Accordingly, the researcher considered formation of various strata comprising of senior-level, middle-level and junior- level/ entry-level officers and managers for conducting the survey. The sampling design was proceeded on the basis of the judgement of the researcher so that it could ensure the precise and accurate information from the appropriate level for meeting the objectives of the research. The researcher administered the survey in such a way so that the majority of respondents can be covered junior- level/ entry-level officers since this group is assumed to be the most suitable for examining the engagement towards the job and organization. Moreover, this group of employees, at the beginning of their career, are expected to be highly committed, enthusiastic, self-motivated and fully dedicated to seek for faster career growth which are essential components of the engagement. For ensuring trustworthy, accurate and demonstrative data this research considered only the employees from the firm's head office located in Dhaka city and who are in the job category of administrative, professional and managerial and who have at least two years of continuous

service within the organization. This study thus excludes the worker (BLA-2006) class of employees who perform skilled or unskilled labor, manual labor, technical or clerical jobs and are not involved with any professional, managerial or administrative work. The researcher assumed that this group is not appropriate to respond to the various items of the questionnaire of the research due to the differences in education, skill and knowledge. However, their supervisors were included under the survey for representing them. Besides, high officials like Directors, CEOs and company owners were omitted from the sample of the research due to the difficulty in getting access to them. The researcher considers the choice of respondents or groups of respondents who are skilled and knowledgeable with the research topic and its organization and are available and eager to take part and able to exchange the experiences and views in an articulate, communicative, and insightful manner (Creswell & Plano Clark, 2011).

A study is of at least 100 respondents is considered as ideal sample size in correlation analysis (Bryman & Bell, 2007; Field, 2009). It is assumed that if the sample size is larger, the study findings and reported results will be more conclusive. In keeping with this principle and projecting to the wide-ranging exposure of the study, the study was aiming to receive 100 responses which represented minimum 6 individuals and maximum 12 individuals from a single enterprise as presented in the table 3.2. The rate of response was at 71.43%, since the original sample size was 140 participants initially. The study was performed with a confidence level of 95% and the margin of error of 5% which is standard in social science study. (Cochran,1977).



**Table: 3.2 Sampling Frame**

<b>Name of the Company</b>	<b>Respondents</b>
Square Pharmaceuticals Ltd	12
Beximco Pharmaceuticals Ltd.	12
Healthcare Pharmaceuticals Ltd.	10
Renata Ltd.	10
Aristopharma Ltd.	10
ACI Limited	10
The ACME Laboratories Ltd.	10
The IBN SINA Pharmaceutical Ltd	10
Orion Pharma Ltd.	10
Silva Pharmaceuticals Limited	6
Total	100

*Source: Author's calculation 2019*

### **3.7 Data Collection Procedures**

Before approaching to the feedback from the respondents, the researcher made an initial personal contact with the head of HR or Director or any other officials from the appropriate level of the targeted organizations to explain the research topic, its objectives, a brief about the research and the impact of the participation of the study from their firms. Then the researcher sent the desired number of set of questionnaire along with forwarding letter to the Head of HR or concerned authority of the organization asking for filling out the required information from targeted respondents and sending back the same to the researcher. The respondents were communicated in such a way that the research is only for academic purposes and the confidentiality would be maintained and no one would fall in any hostile situation because of any adversarial findings with regards to their job and organization. This was done in order to keep them not to be reluctant in providing their responses to the questionnaire. The researcher set up a time frame for collecting completed questionnaires and on some occasions, guide the respondents on how to fill the questionnaires in correct way to ensure maximum response rate. At least one month was given to the respondents for getting their response with

filled questionnaires. Furthermore, in all sampled organizations, a contact person was identified who was well briefed on how to deal out the questionnaires. This made the process easy to ensure a higher rate of response in organizations that were selected for sampling units. The entire process of data collection took two and half months after which the data was cleaned and coded before being analyzed.

### **3.8 Validity and Reliability**

Employee engagement and Organizational performance are the two main constructs of the study. With the help of existing literatures the relevant measures of dependent variable and independent variable were addressed in the instrument. Because of its convenience, questionnaire is one of the most widely used tools to collect data particularly in the area of social science research. The major purpose of using questionnaire in any research is to attain appropriate data in consistent and valid manner (Hamed 2016). According to Hill (1998) the ideal number of participants for conducting pilot study may vary from 10 to 30. Hence, this research considered fifteen respondents for conducting a pilot test to establish the reliability which was omitted from the list of final respondents. Data obtained from the Pilot study was analyzed by the use of SPSS (Statistical Package for Social Sciences). The items of all constructs were also undergone into the validity test by exposing through interviews and focus group discussion with academic experts and industry practitioners.

#### **3.8.1 Validity of Research Instruments**

Face validity was done for evaluating the extent of agreement of the respondents with the contents and phrasing of the questionnaire to understand the purpose of the research and also estimate the distinctness and overall attractiveness of the research instrument. For determining the face validity of the instrument the researcher used collecting subject matter experts' opinions in terms of appropriateness, adequacy, ease of use, ambiguity and obscurity

of the meaning of the items of the instrument. The research instrument was sent to an expert team of 12 members where 6 members were picked up from university and 6 members from the industry practitioner for their appraisal and inputs. The 6 members of university were professors rank in leading Universities of Bangladesh who have more than 15 years of experience having comprehensive knowledge on Human Resources field and also understand the business research issues and are familiar with various statistical tools & techniques. From the industry practitioner group, 3 from head of HR of reputed national or multi-national companies with more than 15 years of experience and extensive HR academic background and the rest 3 from senior level HR professionals who are extensively experienced in the consultancy service at the leading edge industry exposure. On the basis the feedback, the questions that were found multifaceted, obscure and ambiguous were rearticulated and reorganized to the simple, concise and clear form. Thus, the experts validated the instruments before it goes for further refinement in the content validity for ensuring the survey questionnaires comprises the appropriate constructs without vagueness.

To test the content validity, one of the most popular methods, Content Validity Ratio (CVR) developed by C. H. Lawshe was used to evaluate that the measure is representing all aspects of the construct and also it confirms the clarity of the items. Lawshe's method needs at least five members for the panel, the researcher has decided to take as many experts as possible to increase the worth of the model (Lawshe, 1975). In this way, the above 12 expert members were invited to mark every element ranging from 1 to 3 which represents "Not necessary, Useful but not essential and Essential" in the numerical order of 1 to 3. Since the CVR value fluctuates from 1 to -1, the closer to 1 the CVR is, the more essential the object is and the closer to -1 the CVR is, the more non-essential it is. The CVR formula,  $CVR = (N_e - N/2)/(N/2)$  was used for the panel members' responses and found the CVR of every item of the study bigger

than .56. According to the CVR table (Lawshe, 1975) the minimum CVR value for the 12 panelists is .56. Hence, the items in the instrument (shown in the table 3.3.) is valid and accepted.

**Table 3.3 Content Validity Test Results**

<b>Variable</b>	<b>Items</b>	<b>N<sub>e</sub></b>	<b>CVR</b>	<b>Comments</b>
Engagement Level	1	10	0.67	Item Remained
	2	11	0.83	Item Remained
	3	12	1.00	Item Remained
	4	10	0.67	Item Remained
	5	10	0.67	Item Remained
	6	11	0.83	Item Remained
	7	10	0.67	Item Remained
	8	10	0.67	Item Remained
	9	11	0.83	Item Remained
	10	12	1.00	Item Remained
Organizational Performance	1	12	1.00	Item Remained
	2	12	1.00	Item Remained
	3	12	1.00	Item Remained
	4	11	0.83	Item Remained
	5	11	0.83	Item Remained
	6	12	1.00	Item Remained
	7	11	0.83	Item Remained
	8	11	0.83	Item Remained
	9	11	0.83	Item Remained
	10	11	0.83	Item Remained

N<sub>e</sub> represents the number of panelists who indicated "essential" while N is the whole number of panelists (here for this research, N=12).

### 3.8.2 Reliability of Research Instruments

Once the completion of validity test from the expert review the pilot test was performed to assess the reliability of the instrument. Reliability describes the accuracy or precision of questionnaires designed for the research. (Norland, 1990). Pilot test answers to the question, does the instrument constantly measure so forth it measures? Internal consistency reliability is generally determined through using the constant Cronbach's alpha ( $\alpha$ ) which is the most suitable technique to calculate the reliability (Cooper & Schinder, 2001). Cronbach's alpha value varies between 0 to 1, where the acceptable value should be more than 0.60 if the scale is considered as reliable (Cronbach, 1951). The result of pilot study of internal consistency test has been shown in the Table 3.4 by the value Cronbach's alpha.

**Table 3.4 Cronbach's Alpha value of pilot study 1**

<b>Sl. No.</b>	<b>Constructs</b>	<b>Number of Items</b>	<b>Cronbach Alpha</b>
1	Employee Engagement	10	<b>0.455</b>
2	Organizational Performance	10	0.82

In the above Table 3.4, since Cronbach's Alpha value for the construct 1 was found 0.455 which is less than the required value 0.70, therefore the construct Employee Engagement hasn't fulfilled the statistical reliability requirement. Hence, the researcher the items under the construct Employee Enaagement has been reviewed and revised to perform second pilot study.

#### **Pilot Study 2**

Pilot test 2 was performed with revised items for validating the survey instrument. In the Table 3.5 the items for Pilot Study 1 and the suggested items which are to be used in the second Pilot Study have been desribed for the construct Employee Engagement.

**Table 3.5 Revised items of Pilot Study 2 for Employee Engagement**

<b>Pilot Study 1 items</b>	<b>Pilot Study 2 items</b>
I know what is my duty	I know what is the meaning and purpose of my job
I am feeling proud to tell people where I work	I am proud of my company where I work
I am very passionate to attach with my job	I find it difficult to detach myself from my job
This is a great place to work	I recommend this company as a great place to work
I don't search for the opportunity anywhere else	I will continue working in this company for long period of time
At work, my opinions and ideas are valued	I am willing to put in a great deal of effort beyond my role expectations.
I have opportunity to do what I do the best every day at my work	I look for innovative ideas for the improvement of the organization
My leaders communicate the message effectively	Every day I feel very passionate to go at my work
My supervisor communicate regularly about the organization	At work I have sufficient resources to do my job well
I find better career here at my company	I understand how my role relates to company goals and objectives

The result of Cronbach's alpha found from pilot study 2 for the construct Employee Engagement has been demonstrated in Table 3.6.

**Table 3.6 Cronbach's Alpha value of pilot study 2**

<b>Variable</b>	<b>Number of Items</b>	<b>Cronbach Alpha</b>	<b>Comments</b>
Engagement Level	10	0.83	Reliable
Organizational Performance	10	0.97	Reliable

In the above Table 3.6, since Cronbach's Alpha value for both the variables are more than 0.70, therefore both the constructs have fulfilled the statistical reliability requirement and hence both of them have high reliability.

Furthermore, for assessing the closeness of the test and retest score of various items of the instrument within the short span of time further reliability test was conducted. To do the test-retest reliability, this research performed the same test to the same respondents at the two different occasions. The scores on the two occasions were then correlated and the value of test-retest-reliability coefficient or coefficient of stability was found to be  $r=.86$  which means that each respondent's scores are perfectly correlated. Hence, the test was reliable and the researcher used the survey instrument to conduct the research which has been furnished in the Appendix 1.

### **3.9 Operationalizing Variables**

The current investigation has with its distinct indicators: Organizational performance is recognized as dependent variable while employee engagement is the independent variable. Besides, Organizational Size and Organizational Age are the moderating variables. Employee engagement, the independent variable, has been defined by the various scholars in numerous ways. For this study, the employee engagement is conceptualized as the extent to which an employee is involved and committed towards their job and the organization cognitively, emotionally and behaviorally. Finally, an instrument to measure employee engagement has been developed combining items from the previously developed scales and self-developed items corresponding to every single indicator of the emotional, cognitive and behavioral measurements of employee engagement as shown in the table 3.7. The benefit of employing previously developed scales of engagement items in this study is that the items were already tested for reliability and validity test in many research activities (Monette, Sullivan and DeJong, 2011).

**Table 3.7 Items of engagement scale**

No.	Item	Dimension	Source
1.	I know what is the meaning and purpose of my job	Cognitive (Meaningfulness)	Schaufeli et al.'s (2002)
2.	I am proud of my company where I work	Emotional (Pride)	Schaufeli et al.'s (2002)
3.	I find it difficult to detach myself from my job	Emotional (Attachment)	Self-developed
4.	I recommend this company as a great place to work	Emotional (Pride)	Robinson et al.'s (2004)
5.	I will continue working in this company for long period of time	Behavioral (Commitment)	Schaufeli et al.'s (2002)
6.	I am willing to put in a great deal of effort beyond my role expectations.	Behavioral (Discretionary effort)	Towers and Perrin (2003)
7.	I look for innovative ideas for the improvement of the organization	Behavioral (Commitment)	Self-developed
8.	Every day I feel very passionate to go at my work	Behavioral (Passionate)	Self-developed
9.	At work I have sufficient resources to do my job well	Cognitive (Confident)	Self-developed
10.	I understand how my role relates to company goals and objectives	Cognitive (Meaningfulness)	Towers and Perrin's (2003)

On the other hand, the dependent variable organizational performance encompasses the actual outcome or yield of an organization as evaluated against its desired outputs. In this study, researcher defines organizational performance as the set of financial and nonfinancial indicators consisting four perspectives of Balanced Scorecard which consider a holistic view of overall results of the organization. The term organizational performance is organizational effectiveness in broader. Organizational performance measures how an organization is able to



achieve its mission, vision, goals and objectives through meeting relevant stakeholders' expectations. On the basis of the concept and definition of organizational performance appropriate indicators and relevant questionnaires have been formed to measure organizational performance as a whole. In addition to the employee feedback regarding organizational performance, the researcher also considered a set of financial performance indicators to gauge exactly how well the organization is performing overall and ensure the double-check with the same found from survey questionnaire. These indicators are named as Revenue Growth, Net Profit Margin, Market Share, Debt Equity Ratio and Current Ratio. The moderating variable Organizational Size can be defined as structural belongings in the boundary of internal structures and the atmosphere which can be measured in several ways –sales volume, extent of operations, number of customers, net assets, customer loyalty, the number of staff working in the organization etc. The most common item to estimate the size of an organization is the number of employees working. For this research, organizational size represents the number of staffs considering Full-Time Equivalent (FTE) count in a particular year and sales volume of the organization for that particular year which was calculated based on weighted average. Organizational size has a greater impact on organizational structure and its departmentalization. Another moderating variable Organizational Age stands for the span of time through which anything exists. It is the length of its existence from the starting of the business in accordance with the law of the land. The age of an organization is defined as the total years of inception of the organization; sometimes the listing time is also considered as the age of the organization (Shumway, 2001). He also recommended that the age of listing is recognized as reasonable since it is a defining time of the company life. In this study, the organizational age is defined as the total duration, more specifically number of years an organization is running its business operations from the inception as it claims. Table 3.8 operationalizes each of the variables including the indicators used to measure each of them.

**Table 3.8 Operationalization of variables and their measurements**

<b>Variable</b>	<b>Operationalization Definition</b>	<b>Indicators</b>	<b>Measurement Criteria</b>
Employee Engagement (Independent Variable)	Employee engagement can be defined in different ways. In this study, employee engagement is conceptualized as the extent to which an employee is involved, passionate and committed towards their job and the organization cognitively, emotionally and behaviorally.	<b>Cognitive:</b> - Meaningfulness - Confidence <b>Emotional:</b> - Pride - Attachment <b>Behavioral:</b> - Commitment - Passionate - Discretionary effort	Part B of the questionnaire  1-10
Organizational Performance (Dependent Variable)	In this study, researcher defines organizational performance as the set of financial and nonfinancial parameters that deals with information on the degree of achievement of organizational goals and objectives in meeting all stakeholders' expectations. The term organizational performance is organizational effectiveness in	-Profitability ratio -Leverage ratio -Liquidity ratio -Goal attainment -Employee turnover rate -Employee absenteeism rate -Productivity -Product & service quality	Part C of the questionnaire  1-10

	broader considering all dimensions under Balanced Scorecard.	-Employee satisfaction -Customer satisfaction	
Organizational Size	Organizational Size denotes the weighted average of number of employees considering Full-Time Equivalent (FTE) count in a particular year and sales volume of the organization for that particular year.	- FTE in a year - Annual turnover	Part A of the questionnaire 7-8
Organizational Age	Organizational Age is defined as number of years of its business operations from the inception as it has shown in its website and/ or annual report.	- Years of inception	Part A of the questionnaire 8

### 3.10 Data Analysis and Presentation

The researcher analyzed the data quantitatively by the use of descriptive statistics and inferential statistics through applying SPSS software, Statistical Package for Social Sciences. To analyze respondents' profile, current status of engagement and organizational performance descriptive analysis such as mean, standard deviation, frequencies and percentages are used.

This study used adjusted  $R^2$  to interpret the magnitude of dependent variable which could be explained by the variations of independent variable when the standardized beta coefficient

indicated the trend of the relationship (direct or converse). 95% confidence level was used to test the hypotheses of the study. On the basis of the p-value statistical significance of the hypothesized relationship was determined (the p-value less than 0.05 indicates statistically significant).

To assess the impact of moderating variables on the relationship between employee engagement and organizational performance regression analysis was applied and step-wise regression analysis was applied to test moderation influence. The suitability of the regression models was calculated by the coefficient of determination which is symbolized by R-Square ( $R^2$ ). The coefficient of determination implies “the portion of difference in either variable which is linearly explained by the other” (Cohen, 1988, p. 114). In social science research, the scholars provide a general context of “rules of thumb” for explaining the value of  $R^2$  once there is no earlier research to go on (Keith, 2006). An  $R^2$  of .01 implies a little effect size, an  $R^2$  of .09 denotes a moderate effect size, and an  $R^2$  of .25 signifies a bigger effect size (Cohen, 1988). This arrangement was used to interpret the coefficient of determination ( $R^2$ ) in the research work.

## CHAPTER FOUR

### FINDINGS AND DISCUSSIONS

#### 4.1 Introduction

This chapter describes the results of descriptive statistics and the results of tests of hypotheses using inferential statistics. This section also covers the findings of each and every area in light with research objectives.

#### 4.2 Demographic Profiles of the Respondents

Demographic data includes the general information of the research participants with regards to the socioeconomic facts. This contains age, sex, marital status, level of education, employment tenure and job status in the organization. Table 4.1 shows the gender specification of the survey participants. This shows that male employees are more than female employees. According to the survey result the percentage of male and female employees are 76% and 24% respectively. This indicates the employment of female employees in pharmaceutical industry is rising from the survey of Manufacturing Industries conducted by Bangladesh Bureau of Statistics where it was found that the employment of female employees in the industry as 14% (BBS 2012).

**Table 4.1: Gender distribution of respondents**

Gender	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Male	76	76	76	76
Female	24	24	24	100
<b>Total</b>	100	100	100	

The age profiles of the employees shown in the table 4.2 were categorized into five categories: under 30 years, within 30-40 years, within 41-50 years and above 50 years. The table also shows that maximum employees took part in the survey were at the age of within 40 years and whose percentage is 72%.

**Table 4.2: Age range of the respondents**

<b>Age</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Valid Percentage</b>	<b>Cumulative Percentage</b>
Below 30 years	28	28	28	28
30-40 years	44	44	44	72
41-50 years	18	18	18	90
Above 50 years	10	10	10	100
<b>Total</b>	100	100	100	

According to the table 4.3 level of education was classified into four broader categories in context of Bangladesh such as doctorate, post graduate, graduate and under graduate. The chart shows that 95% of the employees took part in the study are progressive in education having graduation and above level degree where 65% have post-graduation, 27% have graduation and 3% have doctoral degree. The result indicates that the industry is enriched with mostly educated employees and hence recognized the whole sector as a knowledge based industry. This also implies that the employees working in the sampled organizations are well educated and thus able to easily understand, carry out and communicate all affairs of the study which was needed by the researcher.

**Table 4.3: Education of the respondents**

<b>Level of Education</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Valid Percentage</b>	<b>Cumulative Percentage</b>
Doctorate	3	3	3	3
Post Graduate	65	65	65	68
Graduate	27	27	27	95
Under Graduate	5	5	5	100
<b>Total</b>	100	100	100	

The respondent's marital status was grouped into three categories; married, unmarried and divorced/separated. Table 4.4 shows that most of the respondents (74%) of the study are married while 26% were unmarried.

**Table 4.4: Marital Status**

<b>Gender</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Valid Percentage</b>	<b>Cumulative Percentage</b>
Married	74	74	74	74
Unmarried	26	26	26	100
<b>Total</b>	100	100	100	

Table 4.5 indicates that 40% of the employees has been working for above ten years in the sampled organizations of the pharmaceutical industry. Result also shows that 78% of the employees have more than five years of employment experiences while 22% of the employees have the job experience of 2-5 years. Since this study reached to the employees who have at least two years of working experience in the present organization, the respondents were found capable of being thoughtful in responding to the questionnaire of the study.

**Table 4.5: Years of Experience**

<b>Years of Experience</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Valid Percentage</b>	<b>Cumulative Percentage</b>
Below 5 years	22	22	22	22
6-10 years	38	38	38	60
11-20 years	28	28	28	88
Over 20 years	12	12	12	100
<b>Total</b>	<b>100</b>	<b>100</b>	100	

According to the survey result shown in the table 4.6, most of the employees invited for the survey are entry level and mid-level officers which constitutes 76%. The researcher intended to cover maximum samples from this particular group since this group is expected to be the most suitable for responding the various context of employee engagement. 14% of the total respondents are mid-level manager while only 10% are senior level manager.

**Table 4.6: Position/ Job level of the respondents**

<b>Position/ Job level</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Valid Percentage</b>	<b>Cumulative Percentage</b>
Entry level officer	22	22	22	22
Middle level officer	54	54	54	76
Middle level Manager	14	14	14	90
Senior level Manager	10	10	10	100
<b>Total</b>	<b>100</b>	<b>100</b>	100	

### **4.3 Engagement Level**

To assess employee engagement level, the data were analyzed through using the mean and standard deviation. To make it convenient, mean scores of employee engagement have been categorized into three levels such as:

- Poorly Engaged: mean value less than 3.5



- Engaged and: mean value 3.5 to 4.5
- Highly Engaged: mean value 4.5 and above

The mean value is the average score of engagement assessment questionnaire which indicates the degree of agreement or disagreement with the enquiry. Lower mean value is the indication of higher disagreement of the employees of sampled organizations. Conversely, the higher the mean value, the higher agreement of the respondents with the statements of the questionnaire. In other words, standard deviation indicates the dispersion of the responses in compared to the mean value (Marczyk, Dematteo and Festinger 2005). Table 4.7a and 4.7b shows the analysis of mean scores and standard deviations of employee engagement and overall employee engagement questionnaire respectively.

**Table 4.7a: Descriptive Statistics for Level of Engagement**

Item	Mean	Standard Deviation
I know what is the meaning and purpose of my job	4.03	0.64
I am proud of my company where I work	4.26	0.54
I find it difficult to detach myself from my job	4.23	0.62
I recommend this company as a great place to work	4.27	0.60
I will continue working in this company for long period of time	4.22	0.58
I am willing to put in a great deal of effort beyond my role expectations.	4.24	0.62
I look for innovative ideas for the improvement of the organization	4.29	0.67
Every day I feel very passionate to go at my work	4.13	0.61
At work I have sufficient resources to do my job well	4.16	0.58
I understand how my role relates to company goals and objectives	4.13	0.61
<b>Aggregate Mean score</b>	<b>4.19</b>	<b>0.61</b>

Source: Survey Data (2019)

**Table 4.7b: Descriptive Statistics for Level of overall Engagement**

Item	Mean	Standard Deviation
According to you, what is overall level of employee engagement in your organization on the scale 1-5, where 1 being the lowest and 5 being the highest	<b>4.22</b>	<b>0.56</b>

*Source: Survey Data (2019)*

The mean (4.19) and standard deviation (0.61) shown in the Table 4.7a indicate that employees working at pharmaceutical industry of Bangladesh are quite engaged. The mean score of the item, overall engagement level (Table 4.7b) is also found to be 4.22 with a standard deviation of 0.56 which also indicates that the engaged employees are working at pharmaceutical industry of Bangladesh.

**Table 4.8: Employee's Perception Regarding Level of Engagement**

Company	Mean	Standard Deviation
Square Pharmaceuticals Ltd	4.74	0.44
Healthcare Pharmaceuticals Ltd.	4.51	0.50
Beximco Pharmaceuticals Ltd.	4.41	0.60
Renata Ltd.	4.31	0.54
Aristopharma Ltd.	4.25	0.54
The ACME Laboratories Ltd.	4.17	0.51
ACI Limited	4.01	0.48
The IBN SINA Pharmaceuticals Ltd	3.84	0.44
Orion Pharma Ltd.	3.71	0.56
Silva Pharmaceuticals Limited	3.63	0.49

*Source: Survey Data (2019)*

Furthermore, Table 4.8 displays mean values of engagement along with standard deviation for individual companies where the mean scores of each and every companies are above 3.5. Hence, the employees of pharmaceutical sector are certainly engaged. Square Pharmaceuticals holds the top score where the mean score is 4.74 and standard deviation is 0.44 followed by Healthcare Pharmaceuticals with mean 4.51 and standard deviation 0.50. In accordance with the level definition the employee engagement, Square Pharmaceuticals and Healthcare Pharmaceuticals are highly engaged level since the mean values are more than 4.50. Beximco Pharma holds the third position in terms of mean score of engagement (4.41) while Renata, Aristopharma, ACME, ACI took fourth, fifth, sixth and seventh position with the mean values of 4.31, 4.25, 4.17 and 4.01 correspondingly. The analysis also shows that the mean values of most of the companies are above 4.0 except IBN SINA Pharmaceuticals, Orion Pharma and Silva Pharmaceuticals whose mean values are 3.84, 3.71 and 3.63 respectively. Hence, the employees working in pharmaceutical sector of Bangladesh are found engaged at work which indicates that the employees of the pharmaceutical industry of Bangladesh are enthusiastic, highly dedicated towards their work and very eager to work for the improvement of the organization. The employees working in Bangladesh pharmaceutical companies are committed to serve long time for the company and are very passionate to satisfy customers' expectations for getting them more loyal to the organization. They always try to improve the organizations' competitive advantage and produce productive outcome for the business. They keep their hard work and keenness towards their work and also are concerned about the prospect of the organization. These are consistent with the statement regarding characteristics of engaged employees of some studies (Jose & Mampilly, 2012; Markwich & Robertson-Smith, 2009, p. 16, 17; Mani, 2011; Kang 2014). This results also implies that the employees of Square Pharmaceuticals and Healthcare Pharmaceuticals stay dedicated and are strongly committed to outperform with extra effort for achieving company goals and objectives. They

have greater confidence level and high level of commitment that create a sense of devotion in this competitive business environment to act as brand ambassadors for their organization. These are also consistent with some statement regarding highly engaged employees (Saks, 2006; Hamid & Farooqi, 2014).

#### **4.4 Assessing Organizational Performance**

The variable Organizational performance was assessed on 1-5 Likert scale questionnaire through using a combination of financial and non-financial indicators according to the Balanced Scorecard. The scores of each indicator and the aggregate mean score for the variable as a whole are presented in Table 4.9. The individual organization-wide performance results are also presented in the below Table 4.10.

In the table 4.9 the results of the analysis show that the pharmaceutical industry of Bangladesh is a high-performance sector with an aggregate mean score of 4.31 and standard deviation of 0.55. This results support some of the previous studies such as EBLSL 2019; Islam, Rahman & Al-Mahmood 2018; Jesmin 2016; Bashar & Islam 2014 where it was shown the industry as the next multibillion dollar opportunity for Bangladesh that has already secured remarkable performance at an average growth rate of 15.6% in the last five years.

The highest score of the performance indicator is on “The organization regularly collects feedback from customers and responds promptly to any query” having the mean value of 4.54 and standard deviation 0.50. The second highest indicator “The quality of organization’s products and services are rated highly” holds the mean value of 4.41 and standard deviation 0.55. The third highest score of the performance indicator is on “The organization consistently achieves its goals and objectives” having the mean value of 4.38 and

standard deviation 0.56. These results have reflected the promising performance of Bangladesh pharmaceutical industry that maintain high level of customer satisfaction, produce good quality products and deploy highly capable workforce to create a strong footage in the manufacturing sector of Bangladesh. One of the critical factors that governs the success of any organization is to attain customers of the business satisfied with the products and services offered by the company. In pharma industry organizations are always in concern about the needs and expectations of physicians, because they are the key promoter, medicine prescriber and primary customers of the industry. Since the organizations are performing well, they are achieving their goals and objectives regularly.

**Table 4.9: Employee’s Perception Regarding Organizational Performance**

<b>Item</b>	<b>Mean</b>	<b>Standard Deviation</b>
The organization is able to generate profits from its operations	4.33	0.60
The organization is able to meet its financial obligations when they fall due	4.29	0.54
The organization’s assets are more than its liabilities	4.22	0.54
The organization consistently achieves its goals and objectives	4.38	0.56
Relatively small number of employees leave the organization during a given period of time	4.26	0.54
The absenteeism of employees in this company is relatively very low	4.23	0.62
The employees of the organization provide very high productive outcome.	4.27	0.55
The quality of organization’s products and services are highly rated	4.41	0.55
The employees are fully satisfied to be a part of this organization	4.20	0.57
The organization regularly collects feedback from customers and responds promptly to any query.	4.54	0.50
<b>Aggregate Score</b>	<b>4.31</b>	<b>0.55</b>

**Table 4.10: Employee’s Perception Regarding Organizational Performance**

<b>Company</b>	<b>Mean</b>	<b>Standard Deviation</b>
Square Pharmaceuticals Ltd	<b>4.86</b>	<b>0.35</b>
Healthcare Pharmaceuticals Ltd.	<b>4.61</b>	<b>0.49</b>
Beximco Pharmaceuticals Ltd.	<b>4.49</b>	<b>0.55</b>
Renata Ltd.	<b>4.41</b>	<b>0.49</b>
Aristopharma Ltd.	<b>4.35</b>	<b>0.52</b>
The ACME Laboratories Ltd.	<b>4.25</b>	<b>0.48</b>
ACI Limited	<b>4.17</b>	<b>0.43</b>
The IBN SINA Pharmaceuticals Ltd	<b>3.99</b>	<b>0.39</b>
Orion Pharma Ltd.	<b>3.90</b>	<b>0.48</b>
Silva Pharmaceuticals Limited	<b>3.72</b>	<b>1.18</b>

Table 4.10 shows the individual organization’s performance where Square pharmaceutical has been shown the top performer scoring mean value of 4.86 and standard deviation of 0.35 followed by Healthcare Pharmaceuticals whose mean is 4.61 and standard deviation is 0.49. The third highest mean score of organizational performance is found at Beximco Pharmaceuticals which is 4.49 in conjunction with the standard deviation of 0.55. Renata holds the fourth position while Aristopharma holds the fifth position in terms of overall organizational performance. Other organizations such as ACME, ACI, IBN SINA, Orion and Silva pharmaceuticals scored the sixth, seventh, eighth, ninth and tenth position respectively.

The results are very much alike with the performance ranking of the industry shown in IMS report (IMS, MAT-09/ 2019) which is based on the market share. These results are also similar with weighted average score of key financial performance indicators of Pharmaceutical

Companies such as market share, revenue growth, profit margin, debt to equity ratio and current ratio as depicted in the Table 4.11. The analysis of the results shows that the organizations having higher market share shown in IMS report are also doing better in the other areas of financial performance such as revenue growth, debt to equity ratio, profit margin and current ratio which result better performance overall, except Beximco and ACI whose ranking has been dropped by one position according to the financial score.

**Table 4.11: Weighted Average Score of Key Financial Performance Indicators of Pharmaceutical Companies**

<b>Company</b>	<b>Overall Score (out of 5)</b>	<b>Rank</b>
Square Pharmaceuticals Ltd	4.58	1
Healthcare Pharmaceuticals Ltd.	2.32	2
Beximco Pharmaceuticals Ltd.	2.30	3
Renata Ltd.	1.91	4
Aristopharma Ltd.	1.73	5
The ACME Laboratories Ltd.	1.69	6
ACI Limited	1.01	7
The IBN SINA Pharmaceuticals Ltd	0.96	8
Orion Pharma Ltd.	0.90	9
Silva Pharmaceuticals Limited	0.72	10

#### **4.5 Inferential Analysis**

Inferential statistics permit scholars to predict the information by examining the association of two variables, the variances in variables under various subsections and how a number of independent variables should interpret the difference in a dependent variable (Sekaran (2000, p. 401). This section describes the test results of null hypotheses to show the influence of engagement on the performance of pharmaceutical companies of Bangladesh and also the

moderating role of organizational age and organizational size. This section also shows the results of some diagnostic tests such as Normality Test, Collinearity Test, Multi-collinearity Test and Sample Adequacy Test to ensure that the data of the variables meet the requirements of the model.

**i. Normality Test**

To determine the distribution of data, normality test was conducted to show skewness and kurtosis. According to Myoung (2008) the data is normally distributed if its kurtosis lies between -0.1 and +0.1. The Table 4.12 shows the results of Normality tests.

**Table 4.12: Normality Test Result**

<b>Research Variables</b>	<b>Skewness</b>	<b>Kurtosis</b>
Employee Engagement	-0.163	-0.376
Organizational Age	-0.112	-0.868
Organizational Size	0.178	-0.114
Organizational Performance	-0.095	-0.625

*Source: Survey Data (2019)*

The table 4.12 shows that the variables Employee Engagement had a Kurtosis of -0.163 and skewness of -0.376; Organizational age had a Kurtosis of -0.112 and skewness of -0.868; Organizational size had a Kurtosis of 0.178 and skewness of -0.114 and Organizational Performance had a Kurtosis of -0.095 and skewness of -0.625. Here, all study variables had a Kurtosis within the range of -0.1 and 0.1 which met the threshold of data being normally distributed as advocated by Myoung (2008). Hence, the data was found to be suitable for regression analysis.



## ii. Linearity Test

For examining overall significance as well as individual significance of the association concerning the independent variable and the dependent variable, the test result (table 4.13) shows the F-statistic for the overall model is 58.35 and the respective p-value of 0.000 and for the employee engagement 6.23 and the p-value of 0.000. This signifies that jointly and individually the independent variables have a linear relationship with dependent variable. Thus, this effects confirmed the theoretical supporting of the study that the predictor variable influences organizational performance (Gupta, 2005).

**Table 4.13: Results of Linearity Tests**

<b>Dependent Variable: Organizational Performance</b>	<b>Test Results</b>	<b>P-value</b>	<b>Comments</b>
Overall test significance	58.35	0.000	Linear relationship exists
Employee Engagement	6.23	0.000	Linear relationship exists

*Source: Survey Data (2019)*

## iii. Multi-collinearity

To check multi-collinearity, the variance inflation factor (VIF) has been applied to quantify the extent of correlation between one predictor and the other predictors in the model. The result of the table 4.14 displays the tolerance and VIF values for employee engagement are 0.87 and 1.95 respectively. Since the VIF value of the variable is smaller than 10, the descriptive variables aren't extremely interrelated and cannot pose a serious problem. Hence, the data is found appropriate to test hypotheses by the use of regression analysis.

**Table 4.14: Results of Multi-Collinearity Tests**

Variable	Tolerance	VIF value	Comments
Employee Engagement	0.87	1.95	Linear relationship exists
<b>Dependent variable:</b> organizational performance			

*Source: Survey Data (2019)*

#### iv. Sample Adequacy Test

To examine the adequacy of the sample size for confirmatory factor analysis, the data was tested through using Kaise-Meyer-Olkin (KMO) statistic. Since the test results of all variables had a KMO value of above 0.5 and close to 1.0 (according to the table 4.15) the factor analysis is found suitable for the data. According to Williams, Brown & Onsman (2012) the KMO values that are close to one (01) should be well with a starting point for adequacy being 0.5. Also the Bartlette's test of Sphericity is found significant (0.000) which indicates that the variables are appropriate for structure detection. Hence, the sample size was found adequate.

**Table 4.15 KMO and Bartlett's Tests Result**

Variables	K MO	Approx. Chi square	DF	Significance
Employee Engagement	.887	1568.57	67	0.000
Organizational Performance	.995	4445.34	189	0.000

*Source: Survey Data (2019)*

#### 4.6 Hypotheses Testing

The main objective of the research is to reveal the relationship that exists between employee engagement and organizational performance as developed in the hypothesis. Moreover, the study was also based on other hypothesized assumptions that the relationship is moderated by Organizational size and Organizational age. Therefore, correlation and

regression analysis under inferential statistical method were applied whose results are shown in this section.

### Hypothesis-1

**H<sub>01</sub>:** There is no significant impact of employee engagement on organizational performance of pharmaceutical industry of Bangladesh.

**Table 4.16 Regression of Employee Engagement and organizational Performance**

Model	R	R Square	Adjusted R Square	Std. Error of the estimate
1	0.753a	0.567	0.562	0.23581

a. Predictors: (Constant), Employee Engagement

### ANOVA a

Model		Sum of square	Df	Mean square	F	Sig.
1	Regression	7.143	1	7.143	128.459	1.587b
	Residual	5.449	98	0.055		
	Total	12.593	99			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Employee Engagement

### Coefficients a

Model		Unstandardized coefficients		Standardized coefficients	t	Sig.
		B	Std. Error	Beta		
1	Constant	1.341	0.263		5.093	1.708
	Employee Engagement	0.708	0.062	0.753	11.334	1.587

a. Dependent Variable: Organizational Performance

To evaluate the influence of employee engagement on organizational performance, regression analysis was performed. The regression analysis illustrates how much the variance in organizational performance can be described by the employee engagement.

Since the value of correlation coefficient  $R = 0.753$ , there is a positive relationship between employee engagement and organizational performance and the change in one variable effects on the other variable proportionately. In the table 4.16 the value of coefficient of variation  $R^2$  demonstrates that the variation of dependent variable i.e. organizational performance in 56.7% is described by the independent variable i.e. employee engagement. The adjusted  $R^2$  signifies the universalization of the model that delivers generalized results obtained from the employees of the sampled organization to the entire population. The analysis shows that the value of the adjusted  $R^2$  i.e. 0.562 is near to the same of  $R^2$  i.e. 0.567. After the exclusion of the value of adjusted  $R^2$  from the value of  $R^2$  it is found,  $0.567 - 0.562 = 0.005$  which indicates that if the entire population of the study take part in the study and this model is fitted at that point, it would have 0.50% reduced amount of variation in the result.

The null hypothesis has been tested statistically through using ANOVA, analysis of variance whose results show the F-ratio of 128.459 and the p-value  $< 0.001$ . This analysis implies that there is 5% less chance that an F-ratio of this value would happen only by chance. Since the p-value ( $< 0.001$ ) is found lesser than the significance level, 0.05, the null hypothesis is rejected and the alternative hypothesis is accepted which indicates that employee engagement considerably impacts organizational performance.

In the analysis, since it is found that p-value = 0.000, F ratio = 128.459,  $R^2 = 0.567$  and adjusted  $R^2 = 0.562$ , the generic equation  $OP = \alpha + \beta_1 EE + \varepsilon$  stands for,

$$OP = 1.341 + 0.708 EE + \varepsilon \dots\dots\dots (4.16.1)$$

The equation 4.16.1 implies that with the increase in employee engagement by 1-unit eventually leads to the organizational performance by 0.708 points. Here the numeral 1.341 denotes the constant term which indicates that the organizational performance contains as a minimum 1.341 points nevertheless of employee engagement. Employee Engagement interpret 0.708 (70%) on organizational Performance and so, employee engagement somehow influences on organizational performance.

From the above facts it is established that the null hypothesis is rejected which implies the engagement has a significant influence on organizational performance of Pharmaceutical Industry in Bangladesh. The results are consistent with previous findings. For instance, Patro (2013), Govindappa & Manjula (2017), Saxena & Singh (2015) and Thakur P. (2014) found that employee engagement is a critical part of organizational success that predicts the employee outcomes, job satisfaction, customer loyalty, employee retention rates and organizational culture. This is also supported by another study where it was found that engaged employees deliver improved organizational and individual performance (Osborne & Hammoud 2017). The finding of this study has been correspond to the another study conducted by Rupa Shrestha (2019) where it had been shown that the performance of Nepalese public enterprise employees' is influenced by employee engagement which is further moderated by the Work force diversity (WFD).

**Hypothesis-2**

**H02:** Organizational Age does not moderate the relationship between employee engagement and organizational performance in the pharmaceutical industry of Bangladesh.

### Hypothesis-3

**H03:** Organizational size does not moderate the relationship between employee engagement and organizational performance in the pharmaceutical industry of Bangladesh.

Investigating other objectives, the study also aimed to explore the moderating influence of organizational age and organizational size on performance of pharmaceutical industry of Bangladesh. These objectives were tested by through multiple and step-wise regressions. In the first step we have shown the impact of employee engagement on the performance of organizations under pharmaceutical industry of Bangladesh (Table 4.16 and equation 4.16.1).

In the next phase, employee engagement along with moderating variables such as organizational age and organizational size were undergone through the multiple regression model as predictor variables. The analysis is shown in Table 4.17

**Table 4.17 Regression of Employee Engagement and organizational age & organizational size on Organizational Performance**

Goodness of Fit	Test Statistics		P-value
Adjusted R squared	0.56		
R squared	0.587		
F-statistics	99.5		0.000*
Regression Statistics			
	Coefficient	T-statistic	P-value
Constant		1.3	0.000*
Employee engagement	0.708	11.0	0.000*
Organizational age	0.26	2.64	0.10
Organizational size	0.24	2.42	0.18

Source: Survey Data (2019)

The results exhibited in the Table 4.17 show that the value of adjusted R-squared is 0.56 which implies that the regression model describes the change in organizational performance by

56% though the remaining is recognized that the variables are not included in the model. The value of F-statistics is 99.5 and corresponding p-value is 0.000 (p-value < 0.05) which indicates that the impact is significant. Here, employee engagement contains coefficient of 0.708; t-statistic of 11.0 and a p-value of 0.000 implying that a change in employee engagement by one unit would effect in a 0.708 unit of change in organizational performance. Organizational age contains the beta coefficient of 0.26; t-statistic of 11.0 and a corresponding p-value of 0.10 (p-value > 0.05). This implies that age does not have significant influence on performance of the said industry. Hence the regression model is stated as follows;

$$OP = \beta_0 + 0.708EE + 0.26Age + 0.24Size + \dots \dots \dots (4.17.1)$$

The next phase (3<sup>rd</sup> step) includes the interaction term between employee engagement and each of the variables constituting the organizational age and organizational size (Table 4.17 and equation 4.17.1).

**Table 4.18 Regression of Employee Engagement and Interaction of organizational age & organizational size on Organizational Performance**

Goodness of Fit		Test Statistics		P-value	
Adjusted R squared		0.54			
R squared		0.554			
F-statistics		96.64		0.000*	
Regression statistics					
	Coefficient		T-statistic	P-value	
Constant			2.56	0.000*	
Employee engagement		0.704	12.20	0.000*	
Organizational age		0.24	1.60	0.33	
Organizational size		0.20	1.35	0.25	
EE * Organizational age		0.18	1.65	0.006*	
EE * Organizational size		0.16	2.95	0.000*	
Key * Significant P-value < 0.05					

Source: Survey Data (2019)

Result in Table 4.18 shows that the adjusted  $R^2$  has a score of 0.54; f-statistic 96.64 and its p-value 0.000 which implies that the general interaction of Organizational age and Organizational size have a significant influence on performance of pharmaceutical industry in Bangladesh (where p-value < 0.05). This approach describes a change in the dependent variable by 54% where the rest are endorsed to variables not in the model.

The result shows that the interaction concerning employee engagement and age is significant (in the table p-value = 0.006 which is < 0.05). Hence, age moderate the association of employee engagement with organizational performance. The interaction term of employee engagement and organizational size consist the value of beta coefficient as 0.16 with the P-value = 0.000 which indicates the statistically significant relationship. Organizational size holds a moderating impact on the relationship between the predictor and dependent variable. A unit increase in organizational size would result in 0.16-unit increase in performance attributed to influence of employee engagement.

This implies that demographic characteristics have a moderating influence towards the relationship between the independent variable and dependent variable of the study. The findings agree with the previous studies where it was found that organizational age and organizational size considerably moderate the slack-performance relationship for supporting the introducing of innovation (Medase 2020). Also the study conducted by Radzi, Jenatabadi, Hui, Kasim and Radu (2013) found that the linkage amongst firm performance, firm learning and firm innovation become stronger in older, bigger organizations under Food Manufacturing Industry. Likewise, Banerjee & Jesenko (2016) have shown that small and new organizations are more thoughtful regarding the net employment growth to the recurrent decline of the business than large and old firms.



#### 4.7 Employee Engagement Drivers

The results shown in Table 4.19 state that according to the respondents' viewpoint, Leadership is the greatest influential element that drives employee engagement in pharmaceutical industry of Bangladesh whose mean value is 4.20 with the standard deviation of .50. The second powerful factor that governs employee engagement in the industry is Reward & Recognition (Mean = 4.00). Other drivers of employee engagement ranked by the respondents are Training & Development (Mean = 3.91), Career Opportunity (Mean = 3.34) and Communication (Mean = 3.14) as third, fourth and fifth choices that act as key determinants of engagement at workplace. Moreover, a little percentage of respondents recognized job autonomy, work-life balance, work environment, organization culture and performance appraisal system as key drivers of employee engagement at workplace.

**Table 4.19 Drivers of Employee Engagement**

<b>Engagement Drivers</b>	<b>Mean</b>	<b>Standard Deviation</b>
Leadership	4.20	.50
Communication	3.14	.49
Career Opportunity	3.34	.51
Reward & Recognition	4.00	.51
Training & Development	3.91	.47

#### 4.8 Barriers to Employee Engagement

According to the respondents' judgement (shown in the table 4.20), Unfair Treatment is the most powerful barrier to employee engagement since the mean score is 4.34 and standard deviation is .52. As rated by the respondents, the next key barrier to the employee engagement

is Toxic Work Environment (Mean 4.18) that hinders making employees to be devoted to the success of their organization and felt them not becoming a part of the organization in achieving their organizational goals and objectives. Other barriers to the engagement picked by the respondents in hierarchical order are Lack of Awareness (Mean 3.74), Lack of Trust (Mean 3.14) and Poor Salary (Mean 2.91) that ultimately interrupt enabling the organization to deliver a superior performance and to gain a competitive advantage through creating higher value for the organization and its business. A few number of respondents rated some additional elements as barriers to the employee engagement namely Bullying Culture and Lack of Communication.

**Table 4.20 Barriers to Employee Engagement**

<b>Engagement Barriers</b>	<b>Mean</b>	<b>Standard Deviation</b>
Unfair Treatment	4.34	.52
Lack of awareness	3.74	.58
Poor Salary	2.91	.59
Toxic work environment	4.18	.49
Lack of trust	3.14	.51

*Source: Survey Data (2019)*

#### **4.9 Best practices to improve Employee Engagement**

The results shown in the Table 4.21 imply that providing Job Security is the most powerful element in improving employee engagement in pharmaceutical industry of Bangladesh. The mean score and standard deviation of this element are found 4.19 and .58 respectively. The second influential component that contributes to the improvement of

employee engagement is Establishing Employee Empowerment (Mean 3.87). Accordingly, the respondents acknowledged the best practices which contribute for the improvement of employee engagement are Introducing Employee Development Programs (Mean 3.11), Formulating Engagement Strategy (Mean 2.85) and Promoting Performance Based Culture (Mean 2.75) as their third, fourth and fifth choices. Additionally, some respondents recognized career advancement plan, good governance, workplace flexibility, exit & stay interviews and job rotation as the best practices of employee engagement.

**Table 4.21 Best practices to improve Employee Engagement**

<b>Engagement Best Practices</b>	<b>Mean</b>	<b>Standard Deviation</b>
Formulating engagement strategy	2.85	.57
Providing Job security	4.19	.58
Promoting performance-based culture	2.75	.45
Establishing employee Empowerment	3.87	.61
Introducing employee development programs	3.11	.73

*Source: Survey Data (2019)*

## CHAPTER FIVE

### SUMMARY AND CONCLUSIONS

#### 5.1 Introduction

The section five discusses the summary of the research findings, conclusions, contribution of the study to the knowledge, opportunities for improvement and also convey suggestions for further research.

#### 5.2 Summary

In accordance with research objectives the summary of the research outcomes has been discussed as under.

1. The first objective of the study was to measure the level of engagement among the employees of the pharmaceutical industry of Bangladesh. The descriptive statistics revealed that the employees currently employed in pharmaceutical sector of Bangladesh are found engaged with their work.
2. The second objective of the study was to explore the influence of employee engagement on the performance of pharmaceutical industry in Bangladesh. The regression results had a p-value of 0.000 ( $p\text{-value} < 0.05$ ). Thus, the null hypothesis was rejected which implies employee engagement has significant influence on performance of pharmaceutical industry in Bangladesh. Employees who are engaged go an extra mile for the organization which leads to the increased organizational performance.
3. The third objective was to assess the moderating effect of organizational age and organizational size on the relationship between employee engagement and organizational performance in the pharmaceutical sector of Bangladesh. The results of the regression of the interaction of demographic characteristics of organizational age had a p-value of 0.006

and organizational size p-value of 0.000 (p-value < 0.05). Therefore, organizational age and organizational size have a significant moderating influence on the relationship between employee engagement and organizational performance.

4. The fourth objective of the study was to identify the key drivers influencing employee engagement in the Pharmaceutical companies of Bangladesh. The result revealed that Leadership is the most influential driver of employee engagement in pharmaceutical industry of Bangladesh. The other key drivers of employee engagement downwards to the degree of control are Reward & Recognition, Training & Development, Career Opportunity and also Communication.
5. The fifth objective of the study was to explore the key barriers to the employee engagement in the workplace. The most powerful barrier to employee engagement is Unfair Treatment. The other key barriers to the employee engagement is Toxic Work Environment, Lack of Awareness, Lack of Trust and Poor Salary that ultimately interrupt employee engagement.
6. The sixth objective of the study was to identify the best practices needed to improve employee engagement in the workplace. The results revealed that providing Job Security is the most powerful element in improving employee engagement in pharmaceutical industry of Bangladesh. The other best practices for improving employee engagement are Establishing Employee Empowerment, Introducing Employee Development Programs, Formulating Engagement Strategy and Promoting Performance Based Culture.

### **5.3 Conclusions**

Employee engagement encourages positive attitudes from the employees concerning the organization and its values. Employee engagement promotes creating a motivational work atmosphere where all employees including managers and supervisors are allowed and encouraged to provide their best effort consistently. Engaged employees can support their

organization to achieve organizational mission, vision, goals and execute its strategy, and also produce superior business outcomes. Engaged employees are well aware about the business context and also deliver the utmost effort to increase business performance for the greater interest of individual as well as organization. The organization should work to establish and cultivate employee engagement, which requires a reciprocal relationship between employer and employee. On the basis of the study objectives and its subsequent findings, it can be concluded that employee engagement can greatly help an organization to outperform their competitors consistently. Engaged employees are recognized as hard worker, high performer and fully dedicated who always work for improving customer satisfaction and customer loyalty and bringing distinctiveness in value creation for the business. An engaged employee always focuses on the outcome of their effort and tries to identify the opportunities for continual improvement. Employees who are not engaged merely want to be graced with their presence at work and receive the payment at the end of the month doing the least amount of work while engaged employees are highly committed to provide discretionary effort over and above their assignments for contributing to the highest level. To attain the advantages of employee engagement, enterprises should regularly assess the level of engagement and take necessary steps to transform poorly engaged employees to the engaged group and highly engaged group. In order to snatch the utmost benefits of employee engagement organizations should focus on addressing the drivers of employee engagement such as Leadership, Reward & Recognition, Training & Development, Career Opportunity and Communication.

Employees are the prime assets for any organization who make the organization successful and keep it competitive for the long term sustainability. Disengagement occurs when the employees do not get the workplace freedom and appropriate environment to make a perfect balance of job and pleasure at workplace. Employers and employees are reciprocally reliant on

each other for attaining their individual goals at all times. Employee engagement is not a one-time practice, it's a continuous process and hence it ought to be reflective to the core values of the organization. Therefore, organizations in today's competitive business environment should aggressively work to fulfil the requirements of the factors of employee engagement for getting the employees engaged, motivated and agile in order to create an impact on the performance of employees, which directly affects the performance of the organization.

#### **5.4 Limitations**

Organizations under pharmaceutical industry operate in a highly compliance and regulated environment where data integrity and data secrecy issues are considered as the main concern. As a result, access to the reliable information from pharmaceutical company is very much challenging. Moreover, employees were found reluctant in providing various information with regards to their work. The researcher had approached frequently to the head of human resource and other part of management of the sampled organizations, but they were not able to provide the information in a systematic way as needed by the researcher. Although the sample pharmaceutical companies mostly represent the leading companies in the industry, some of the companies have no strong human resource department to gather information with regards to the study. Previously, very few research work was performed in the similar area of Bangladesh; hence the researcher faced tremendous challenges in clarifying the construct, formulating the research instrument and collecting the ideas from previous findings in order to place the research in a historical context. This research was limited to the head office' employees of the sampled pharmaceutical companies situated in Dhaka City. The workplace know-how and employee's behavior at head offices and manufacturing areas are quite different.

Additionally, the non-cooperative approach of some of the employees of sampled organizations reduced the number of people interviewed than the study had initially planned.

Furthermore, the findings reported in the study may not be generalized as the study was conducted on a single industry that does not entirely represent the varieties Bangladeshi population. Since very few studies were conducted in Bangladesh on employee engagement, it was very difficult to explore the information from the literature review process. Therefore, literature of similar studies conducted in other countries are mostly used in the literature review process. Moreover, as previously discussed, there is a large number of different factors that drive employee engagement. This study focused on only five drivers to prioritize them according to the respondent's viewpoint. However, in spite of facing various limitations, the researcher tactfully handled all constraints to achieve the research objectives.

### **5.5 Research Contribution to Knowledge**

The study aimed to investigate the influence of employee engagement on performance of Pharmaceutical Industry in Bangladesh and how this relationship is moderated by organizational size and organizational age. This investigation contributes to the knowledge broadly in the field of organizational behavior of human resource management with specific areas of employee engagement, employee motivation, job satisfaction and organizational performance. This will also bring benefits for the entire manufacturing industry and more specially for the pharmaceutical industry of Bangladesh. The results of the study indicate that organizations can transform the employee engagement level from lower state into upper state by ensuring employees with a challenging, safe, secure and supportive work environment which in turn certainly affects organizational performance. Lastly, the moderation effect contributes organizations work differently towards better performance depending on organizational profiles such as years of operations, number employees, annual revenue etc. Therefore, employers should take organizational profiles into account while introducing changes in the organization.



## 5.6 Scope for Improvement

The research findings put forward some actions to improve the employee engagement at work which are mentioned below:

The organizations within the industry should implement a broad level organizational strategy with regards to employee engagement in order to boost up organizational performance overall by meeting the organization's vision and mission. It was found out from the study that the level of engagement in pharmaceutical industry of Bangladesh is engaged and the growth of the industry is considerably high. It is, therefore, recommended that organizations should ensure upholding best practices required to improve employee engagement as identified from the study for getting their employees fully motivated, satisfied and agile towards their jobs in order to supercharge productivity for the continuation of the business growth of the industry.

It was found out from the study that the key factors of employee engagement are leadership, communication, career opportunity, rewards & recognition and training & development. It is, therefore, recommended that the organizations should encourage various communication methods such as notice boards, group meetings, electronic bulletin board, online meeting, teleconference and Employee Feedback Apps etc. for improving organizational communications by the use of appropriate communication channels. It is also recommended to introduce talent management strategy for attracting, retaining and developing talent of the organization for enhancing business performance. The organizations need to adopt an effective performance management system encompassing appropriate reward strategy that assess the actual return from the investment of its human capital and create a performance-based culture throughout the organization towards the achievement of organizational goals and objectives.

Finally, the organizations within the industry should be aware of the hindrance identified in the study that interrupts employee engagement at workplace which ultimately acts as strong blockades in enabling the organization to deliver a superior performance, and establish appropriate engagement strategies for getting their employees engaged at workplace.

## **5.7 Suggestions for Future Research**

Since the researcher conducted research satisfactorily on all areas of the topic, there is still few scopes of work remaining untouched which have been recommended for future investigations. As established in some studies, employees cannot keep themselves equally engaged at the workplace daily. The engagement level measured in general way may ignore paying attention to the dynamic aspects of the employee engagement measurement process. Therefore, examining the day-to-day engagement level after a certain interval of time at the different situations might provide a rectified form of engagement result in the dynamic atmosphere of the workplace. Hence, it is recommended that future studies may be conducted through adopting a longitudinal approach and a diary study of employee engagement. Although the study was conducted through using judgmental sampling method in selecting the participants, the researcher could not ascertain firmly regarding the knowledge level of the respondents on the subject area and some other points of the questionnaire. Since the research was limited to the white collar staffs, it is suggested that further study is to be conducted involving blue collar staffs of pharmaceutical companies to attain perfection towards the result regarding the influence of employee engagement on organizational performance. Finally, this study investigated considering only one independent variable and therefore, future studies may test with other variables such as employee motivation, employee commitment, job satisfaction and job involvement etc. in order to assess their impact on organizational performance.

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## APPENDICES

### Appendix-1: Introduction Letter and Survey Questionnaire

**Employee Engagement and Organizational Performance: A Study on the Pharmaceutical Industry in Bangladesh**

**Doctorate of Business Administration (DBA)**

**Department of Management**

**Faculty of Business Studies**

**University of Dhaka**

Tel: +88029661900 (Ext: 7836), FAX: + 880-2-8615583,

E-mail: management\_dept@du.ac.bd

Website: [http://www.du.ac.bd/academic/department\\_item/MAN](http://www.du.ac.bd/academic/department_item/MAN)

Code No.:		

Dear Respondent,

I would like to bring to your kind notice that I am a student of DBA (Doctorate of Business Administration), department of Management, Faculty of Business Studies, University of Dhaka undertaking a research in the area of Human Resource Management on the topic **Employee Engagement and Organizational Performance: A Study on the Pharmaceutical Industry in Bangladesh**. You are kindly requested to assist in providing response to the questions contained in this survey.

The information collected in this survey will be used only for academic research purpose and would be kept confidential. There is nothing in the questionnaire to respond in any way that can influence your employment with your company. I hope you will take a few minutes to complete this questionnaire.

If you have any further query, please don't hesitate to contact me at 01745856306 or at [smrahsan.hr@gmail.com](mailto:smrahsan.hr@gmail.com)

Sincerely,

**S.M. Rezaul Ahsan**

DBA Student

Department of Management

University of Dhaka

**Employee Engagement and Organizational Performance: A Study on the Pharmaceutical Industry in Bangladesh**

**Part-A: Basic Facts**

(Kindly tick (√) appropriately)

<b>1. Gender:</b>	<input type="checkbox"/> Male	<input type="checkbox"/> Female
<b>2. Age bracket:</b>		<input type="checkbox"/> Below 30 years <input type="checkbox"/> 30-40 years <input type="checkbox"/> 41-50 years <input type="checkbox"/> Above 51 years
<b>3. Education:</b>		<input type="checkbox"/> Doctorate <input type="checkbox"/> Post Graduate <input type="checkbox"/> Graduate <input type="checkbox"/> Under Graduate
<b>4. Marital status:</b>	<input type="checkbox"/> Married	<input type="checkbox"/> Unmarried <input type="checkbox"/> Divorced/ Separated
<b>5. Total years of experience:</b>		<input type="checkbox"/> Below 5 years <input type="checkbox"/> 6-10 years <input type="checkbox"/> 11-20 years <input type="checkbox"/> Over 20 years
<b>6. Position/ Job level:</b>		<input type="checkbox"/> Entry level officer <input type="checkbox"/> Middle level officer <input type="checkbox"/> Middle level Manager <input type="checkbox"/> Senior level Manager
<b>7. Number of Employees:</b>		<input type="checkbox"/> Less than 1000 <input type="checkbox"/> 1001-3000 <input type="checkbox"/> 3001-5000 <input type="checkbox"/> More than 5000
<b>8. Annual Turnover</b>		<input type="checkbox"/> Less than 500 crores <input type="checkbox"/> 500-1500 crores <input type="checkbox"/> 1501-2500 crores <input type="checkbox"/> More than 2500 crores
<b>9. Age of the organization (Years of establishment):</b>		<input type="checkbox"/> Less than 10 years <input type="checkbox"/> 11-30 years <input type="checkbox"/> 31-50 years <input type="checkbox"/> More than 50 years

## Part-B: Employee Engagement

SN#	Using the scale 1 to 5 please tick (√) the levels of agreement in each of the statement where 1= Strongly Disagree (SD), 2= Disagree (D), 3= Neutral (N), 4= Agree (A), 5= Strongly Agree (SA).	SD	D	N	A	SA
		1	2	3	4	5
1.	I know what is the meaning and purpose of my job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	I am proud of my company where I work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	I find it difficult to detach myself from my job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	I recommend this company as a great place to work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	I will continue working in this company for long period of time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	I am willing to put in a great deal of effort beyond my role expectations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	I look for innovative ideas for the improvement of the organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	Every day I feel very passionate to go at my work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	At work I have sufficient resources to do my job well	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	I understand how my role relates to company goals and objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

According to you, what is overall level of employee engagement in your organization on the scale 1-5, where 1 being the lowest and 5 being the highest.	1	2	3	4	5
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



### Part-C: Organizational Performance

SN#	Using the scale 1 to 5 please tick (√) the levels of agreement in each of the statement where 1= Strongly Disagree (SD), 2= Disagree (D), 3= Neutral (N), 4= Agree (A), 5= Strongly Agree (SA).	SD	D	N	A	SA
		1	2	3	4	5
1.	The organization is able to generate profits from its operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	The organization is able to meet its financial obligations when they fall due	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	The organization's assets are more than its liabilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	The organization consistently achieves its goals and objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Relatively small number of employees leave the organization during a given period of time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	The absenteeism of employees in this company is relatively very low	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	The employees of the organization provide very high productive outcome.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	The quality of organization's products and services are highly rated	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	The employees are fully satisfied to be a part of this organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	The organization regularly collects feedback from customers and responds promptly to any query.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## **Part-D: Opinions Regarding Employee Engagement**

Please indicate to what extent you agree or disagree with the following elements with regards to the employee engagement based on 1 to 5 scale, where 1= Strongly Disagree (SD), 2= Disagree (D), 3= Neutral (N), 4= Agree (A), 5= Strongly Agree (SA).

<b>Drivers/ Determinants of Employee Engagement</b>	<b>Rank</b>
Leadership	
Communication	
Career Opportunity	
Reward & Recognition	
Training & Development	

<b>Barriers to the Employee Engagement</b>	<b>Rank</b>
Unfair treatment	
Lack of Awareness	
Poor Salary	
Toxic Work Environment	
Lack of Trust	

<b>Best Practices to improve Employee Engagement</b>	<b>Rank</b>
Formulating engagement strategy	
Providing Job security	
Promoting performance based culture	
Establishing employee Empowerment	
Introducing employee development programs	

*Thank you so much for all your help along the way!*

**Appendix-2: Sample Request for Permission to Collect Data**

Date -----

To  
The Director/ Head of HR  
-----  
-----

Dear Sir,

**RE: PERMISSION TO COLLECT RESEARCH DATA**

I am a Doctor of Business Administration (DBA) student at Dhaka University, in the Department Management under Faculty of Business Studies for undertaking a research study entitled **Employee Engagement and Organizational Performance: A Study on the Pharmaceutical Industry in Bangladesh**. Please be informed that the study will only be conducted for the academic purposes aiming to the partial fulfillment of my doctoral program. Through this letter, I am seeking for your permission to collect data from your members of staff. I wish to assure you that the information obtained will be used solely for purpose of the study only and a copy of the study paper will be submitted to you after it has been approved by the authority.

Thanking you in anticipation.

Yours faithfully,

**S.M. Rezaul Ahsan**  
DBA Student  
Department of Management  
University of Dhaka  
Email: [smrahsan.hr@gmail.com](mailto:smrahsan.hr@gmail.com)  
Mobile: 01745856306

### Appendix-3: Sample Approval Letter for Data Collection



**The ACME Laboratories Ltd.**  
MANUFACTURERS OF ETHICAL DRUGS & MEDICINES



#### PERMISSION LETTER TO CONDUCT THE STUDY AT ACME

This letter serves to indicate formal permission of the research proposed by Mr. S.M. Rezaul Ahsan, working as Senior Manager, Organization Development & QMS at The ACME Laboratories Ltd, 1/4 Kallayanpur, Dhaka, Bangladesh. We are aware that Mr. S.M. Rezaul Ahsan intends to conduct his research for the academic purposes by administering a written survey to our staff. Therefore, he hereby commits to a confidentiality agreement which states that he will not use the data and information for any other purposes except academic study or academic journal. He also agreed to provide a copy of his completed dissertation to The ACME Laboratories Ltd.

We wish him every success in his study.

**Jabir R. Sinha, PhD**

Deputy Managing Director

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