Comparative Study of Employee Engagement in M/S. Penam Laboratories Ltd. and M/S. Shree Nath Life Sciences Pvt. Ltd. in the Pharmaceutical Sector

by

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Abstract

This research was conducted to understand the mindset of employees in the pharmaceutical industry in India with special focus on M/s. Penam Laboratories Ltd. and M/s. Shree Nath Life Sciences Pvt. Ltd. (SNLS). In addition, the study also aimed to uncover the reasons behind the high voluntary turnover rate in both companies. The key elements of employee engagement considered in this study are organizational structure, leadership style, evaluation and appraisals, internal communication, creativity stimulants and job satisfaction. After a review of existing literature in this area, the researchers arrived at a definition of employee engagement that has been followed throughout the study. The researchers then framed the research questions and hypotheses for the study. Primary data was collected through surveys using convenience sampling and secondary data was collected from the company websites and other sources listed in the references. The collected data was tabulated and analysed using SPSS. Statistical analyses included basic descriptive statistics, Cronbach’s alpha for reliability measure and t-test for comparison of means of the two groups. The results of the study indicate that employees of Shree Nath Life Sciences are more engaged than those of Penam Laboratories.

Key words: Employee engagement, Employee turnover, Performance, Comparative study, Pharmaceutical industry, India

Introduction

Employee engagement has become a concern to organizations in the Volatile, Uncertain, Complex and Ambiguous (VUCA - in short) world today. It has been the key focus for both business academic researchers and entrepreneurs (Larkin, 2009). Human resources (henceforth referred to as HR in this paper) form a key aspect of organizations and the HR department is concerned with making the best use of all of its manpower resources. Employee engagement plays an important role in maximizing the organization’s assets – the HR in order to gain competitive advantage in the marketplace (Heaney, 2010). Organizations that understand and implement employee engagement strategies can accomplish more than their competitors who are unable to positively engage with their employees (Kumar & Swetha, 2011). In this global competitive world, each and every organization desires to gain competitive advantage over others and employee engagement is the best technique to achieve that advantage (Rashid, Asad, & Ashraf, 2011). By involving the employees in organizational activities, HR managers motivate them to contribute to the business and productivity while simultaneously increasing their sense of wellbeing (Swarnalatha & Sureshkrishna, 2013). Organizations around the globe are measuring engagement levels of employees in order to improve productivity and profitability of the organization.

Organizations today, need workers who are dynamic, creative, willing to contribute and fulfill all the objectives of the organization. In return, the organization must provide incentives to their workers such as flexibility, more interesting work
and a suitable business environment. When an organization fails to provide such benefits to their employees, they tend to leave, increasing attrition rates and consequently talent acquisition costs.

Relationship Between Employee Engagement and Organizational Performance

Southard (2009) has pointed out that each and every organization requires engaged employees who are full of energy and enthusiasm and are willing to exceed the expectations of the employer. When the employee is engaged and motivated, he/she can work more efficiently, resulting in good production and development of the organization (Bhatla, 2011). In the current market situation, employee engagement is considered a key driver for organizations, since it impacts employee retention, loyalty and productivity. Employee engagement plays an important role in increasing the morale of employees. It is perceived as the responsibility of HR managers and senior management to foster satisfaction among employees and make them engaged. Engaged employees are motivated to contribute their knowledge, skills and abilities to help their organization succeed (Saradha & Patrick, 2011). A workplace with engaged employees encourages commitment, energy and productivity from all those involved and ultimately helps to improve organizational performance (Sreekanth & Aryasri, 2012).

Actively disengaged employees are almost three times less sincere towards their work in comparison with those who are engaged. An engaged employee puts significantly more effort and enthusiasm into their work, demonstrating that they care for the future of the organization (Mani, 2011).

Saradha and Patrick (2011) have pointed out that employee engagement activities significantly improve the overall performance of an organization, which is the ultimate objective of every organization, resulting in increased profits, better quality goods and services and improved customer satisfaction with optimum resource utilization. According to Garber (2007) engagement is just like a muscle that continuously requires exercise to grow and develop. Engaging the employees will keep them motivated and skilled in their work. If the organizations do not use it, it will be diminished. Therefore, to develop engagement among employees, human resource managers should create a positive relationship among employees, and also encourage clear, honest and reliable communication within the organization (Garber, 2007). Development of meaningful relationships among employees and effective internal communication engages the employees towards the work and finally increases productivity, retention and profit for the organization (Zajkowska, 2012).

An Introduction to M/s. Penam Laboratories Ltd. - Company 1

Penam Laboratories Limited was founded in 1989, according to their website, and is one of the renowned manufacturers of the Beta Lactam group of Antibiotic Bulk Drugs, Active Pharmaceutical Ingredients (APIs) and Formulation in India. The plant is located in Dharuhera, Haryana, 60 km from Delhi on NH-8, Jaipur Highway.

APIs and the Intermediates manufacturing facility use glass lined reactors and SS-316 reactors with a capacity of over 150,000 litres. Specialized areas of synthesis include: low temperature handling up to -85°C and high temperature synthesis up to +300°C; large scale chlorination facility; and capability of converting large acids into acid chlorides using different chlorinating agents.

One of the successes of this company is the development of manufacturing technologies for a few high value agro-chemicals and key pharmaceutical intermediates.

Quality Control

Facilities have fully independent Quality Control departments with sophisticated equipment such as HPLC (high performance liquid chromatography) and GC (gas chromatography) to ensure conformance to stringent quality standards. Well-qualified and experienced chemists carry out testing of raw materials and finished goods.
**Products Offered**

Penam Laboratories is into the manufacturing of APIs. Products offered by them include Amoxicillin Trihydrate, Ampicillin Trihydrate, Ampicillin Anhydrous, Cloxacillin Sodium, Dicloxacillin Sodium, Flucloxacillin Sodium, Flucloxacillin Magnesium and Oxacillin Sodium. The company also manufactures Intermediates 6-APA, CMIC Chloride, DICMIC Chloride, FCMIC Chloride and PMIC Chloride.

**An Introduction to Shree Nath Life Sciences Pvt. Ltd. (SNLS) - Company 2**

M/s. Shree Nath Life Sciences Private Limited is a private, limited company founded on 11 November 2004. The company website states that they manufacture various APIs (bulk drugs) and chemicals. The plant is located in the RIICO Industrial Area, Sotanala, Tehsil Behror, District, Alwar, Rajasthan, which is approximately 130 km from Delhi.

**Quality Control**

The quality management department, known as Quality Assurance, is headed by an executive who is highly qualified and experienced. He works independently and reports directly to the Managing Director of the organization. The quality management department consists of Q.A. (Quality Assurance) and Q.C. (Quality Control) sections both of which are managed by qualified and experienced persons.

Currently the company has a well-equipped lab for the proper testing of finished goods and raw materials. The company is hiring competent approved chemists and supervisory staff having sufficient experience in testing of chemicals and handling of testing instruments.

Quality control resources include a chemical analysis laboratory, instrument analysis laboratories, in-process testing facilities, records and control sample management, and other supporting facilities. Shree Nath Life Sciences Pvt. Ltd. ensures that the quality of the delivered product meets the specifications of customers.

The technology adopted by the company is proven. The company has appointed sufficient numbers of technical staff to carry out their operations.

**Products Offered**

Shree Nath Life Sciences Pvt. Ltd. is into manufacturing chemical intermediates and APIs. Under chemical intermediates the company offers Acetoxy Ethyl Bromide (AEB), Para Nitro Benzyl Bromide (PNBBR), Para Nitro Benzyl Alcohol (PNBA), Para Nitrobenzaldehyde (PNBDA), MBT, Sodium Bromide (NaBr), Hydro Bromic Acid (Hbr), Sulphuric Acid ($H_2SO_4$). Under APIs, the company offers Cefixime Trihydrate, Cefpodoxime Proxetil, Cefdinir and Cefuroxime Axetil.

**The Pharmaceutical Market**

The five largest markets for the pharmaceuticals around the world as specified by Swanson (2015) are:

No. 5: France: total pharmaceutical sales in 2013: $37.2 billion. France has been the largest market for pharmaceuticals, facilitating both sale and purchase on a large scale. In general, the value of treatment is very high and the reason being expensive medication.

No. 4: Germany, total pharmaceutical sales in 2013: $45.8 billion. Germany is the leading pharmaceutical market in Europe, but its growth has also slowed down. According to the research and consulting firm Global Data, the German pharmaceutical sector is expected to grow from 2015 to 2020 at a modest rate of 1.7%.

No. 3: China, total pharmaceutical sales in 2013: $86.8 billion. China accounts for 20% of the world’s population. Assuming the country’s goal of universal coverage for its 1.35 billion citizens by 2020 stays on track, China should make up 34% of the global growth in medication spending over the next five years. In fact, many believe China is destined to become the world’s biggest pharmaceutical market.
No. 2: Japan, total pharmaceutical sales in 2013: $94 billion. Driven by the needs of a rapidly aging population, the world’s third-largest economy is the world’s second-largest pharmaceutical market. Highly efficient drug reviews facilitate the rapid entry of new products into Japan.

No. 1: U.S., total pharmaceutical sales in 2013: $339.7 billion. The average annual expenditure by the U.S. on the medication per person is around $1000, which is almost double the amount which is spent by countries like Canada, Germany and Australia.

Indian Pharmaceutical Market

While India does not appear in the world’s top 5 list, the Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value, according to a report by Equity Master (2016). India is the largest provider of generic drugs globally with the Indian generics accounting for 20 per cent of global exports in terms of volume. Of late, consolidation has become an important characteristic of the Indian pharmaceutical market as the industry is highly fragmented.

The Indian pharmaceuticals market increased at a compound annual growth rate (CAGR) of 17.46 per cent during 2005-16 with the market increasing from US $6 billion in 2005 to US $36.7 billion in 2016 and is expected to expand at a CAGR of 15.92 per cent to US $55 billion by 2020 (Indian Brand Equity Foundation, 2017).

Market Size in India

The Indian pharmaceutical industry, which is expected to grow over 15 per cent per annum between 2015 and 2020, will outperform the global pharmaceutical industry, which is set to grow at an annual rate of five per cent during the same period! The market is expected to grow to US $55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size, as stated by Mr. Arun Singh, Indian Ambassador to the United States of America. Branded generics dominate the pharmaceuticals market, constituting nearly 80 per cent of market share (in terms of revenues) (Indian Brand Equity Foundation, 2017).

Problem Statement

In the business environment employee engagement is emerging as an area of concern and therefore, an important area for research. Organizations of today are concentrating on employee engagement as an effective human asset strategy to gain competitive advantage. The pharmaceutical industry is both a capital and labour intensive industry and provides employment to all categories of workers. Educated and skilled workers are required to run machinery properly and maintain the documents. On the other hand, unskilled and uneducated labour is also required for the posts of helper and other similar work. It is important that all of these people work as a team for the success of the organization. Hence, employee engagement is essential for effective utilization of human resources in this segment. According to Saks (2006) there is a scarcity of literature on employee engagement in the academic community and he suggests that the concept of employee engagement needs to be expanded. The term employee engagement and its importance has been discussed by several researchers (Heaney, 2010; Kahn, 1990; Saks, 2006; Southard, 2009). All the researchers have suggested that organizations should pay more attention to the aspect of employee engagement. An individual’s intention to leave the organization is generally regarded as an important measure of how they feel about their work as well as the organization (Kular, Gatenby, Rees, Soane, & Truss, 2008).

Indigenous research in the area of employee engagement is still sparse in India, more so with regard to the pharmaceutical industry. Having uncovered this as a gap in the existing literature, the authors decided to delve into the subject and study the level of employee engagement in two of the organizations in this sector in India.

Research Questions

While pondering these factors – the objective of an organization to make profits, and to make its employees work to their potential-
the authors decided to study and compare the level of employee engagement in two chemical manufacturing plants in the pharmaceutical sector in India. The objective was to learn about the best way to increase employee engagement in the chosen sector. With this purpose in mind the following research questions were formulated:

1. What is the level of employee engagement in the two chosen manufacturing units?
2. What could be some factors contributing to better levels of employee engagement in the pharmaceutical industry?

**Research Objective**

In order to answer the previously mentioned research questions the following research objectives were framed:

- To identify the level of employee engagement in M/s. Penam Laboratories and M/s. Shree Nath Life Sciences
- To identify the difference between the levels of employee engagement in M/s. Penam Laboratories and M/s. Shree Nath Life Sciences
- To identify possible factors that lead to higher levels of employee engagement at M/s. Penam Laboratories and M/s. Shree Nath Life Sciences

**Hypotheses of Study**

Based on the research objectives the following null and alternate hypotheses were formulated for carrying forward the study:

- H01 - There is no significant difference in the employees’ perception of organizational structure between M/s. Penam Laboratories and M/s. Shree Nath Life Sciences Pvt. Ltd.
- HA1 - There is a significant difference in the employees’ perception of organizational structure between M/s. Penam Laboratories and M/s. Shree Nath Life Sciences Pvt. Ltd.
- H02 - There is no significant difference in the employees’ perception of leadership between M/s. Penam Laboratories and M/s. Shree Nath Life Sciences Pvt. Ltd.
- HA2 - There is a significant difference in the employees’ perception of leadership between M/s. Penam Laboratories and M/s. Shree Nath Life Sciences Pvt. Ltd.
- H03 - There is no significant difference in the employees’ perception of evaluation and appraisals process between M/s. Penam Laboratories and M/s. Shree Nath Life Sciences Pvt. Ltd.
- HA3 - There is a significant difference in the employees’ perception of evaluation and appraisals process between M/s. Penam Laboratories and M/s. Shree Nath Life Sciences Pvt. Ltd.
- H04 - There is no significant difference in the employees’ perception of internal communication between M/s. Penam Laboratories and M/s. Shree Nath Life Sciences Pvt. Ltd.
- HA4 - There is a significant difference in the employees’ perception of internal communication between M/s. Penam Laboratories and M/s. Shree Nath Life Sciences Pvt. Ltd.
- H05 - There is no significant difference in the employees’ perception of creativity stimulants available in the workplace between M/s. Penam Laboratories and M/s. Shree Nath Life Sciences Pvt. Ltd.
- HA5 - There is a significant difference in the employees’ perception of creativity stimulants available in the workplace between M/s. Penam Laboratories and M/s. Shree Nath Life Sciences Pvt. Ltd.
- H06 - There is no significant difference in the employees’ perception of job satisfaction between M/s. Penam Laboratories and M/s. Shree Nath Life Sciences Pvt. Ltd.
- HA6 - There is a significant difference in the employees’ perception of job satisfaction between M/s. Penam Laboratories and M/s. Shree Nath Life Sciences Pvt. Ltd.

**Literature Review**

**Definition and Concept of Employee Engagement**

Employee engagement has attracted a lot of attention among numerous human resource specialists, business people and academic researchers across the globe. Despite the widespread interest it has garnered, the absence of
a universal definition of employee engagement is still an area of concern (Albrecht, 2010). Diverse researchers define ‘employee engagement’ in different ways as outlined in this section.

Kahn (1990) was the first academic researcher to use term ‘employee engagement’ and define it as the level and value of the employees’ commitment and involvement towards their organization. According to Mortimer (as cited in CIPD, 2009) ‘employee engagement’ is a combination of commitment to the organization and its values along with a willingness to help their colleagues.

Employee engagement is a two-path handle between employees and an association where the association endeavours to draw in employees who consequently encounter a level of engagement to the business (Haid & Sims 2008).

In his study, Saks (2006) defines ‘employee engagement’ as the extent to which an individual is attentive and absorbed in his/her role of performance. It is the positive feeling that employees have towards their jobs and also the motivation and effort that they put into it. One of the major tools used for the successful functioning and constant improvement in organizational performance is employee engagement. It helps the workers to connect with colleagues, managers and top management.

Bakkar and Scheufeli (2008), in their review of literature, have delineated three existing approaches to employee engagement. Firstly, it is conceived of as a set of motivating resources from the supervisors and colleagues, and opportunities for growth in the organization. Secondly, it is conceived of in terms of employee commitment and their behaviour outside of their defined role. The third approach defines employee engagement independent of job resources and organizational outcomes, as a work related state of wellbeing. Cook (2008) has said that employee engagement is the responsibility of the top management to encourage and engage the employees towards their job.

According to Swarnalatha and Prasanna, (2012) employee engagement is a continuous learning process. While Swarnalatha and Suresshkrishna, (2013) say that employee engagement is the extent to which employees think, feel and act in ways that represent high levels of involvement to their organization.

According to Chandhok and Bhavet (2014), engagement is about passion, commitment and the willingness to devote oneself and expand one’s discretionary efforts to contribute towards achieving the goals and objectives of the organization as a whole.

**Importance of Employee Engagement**

Employee engagement is critical for smooth working and survival of a business. The organizations which neglect their employees’ engagement can’t get an upper hand. Aswathappa (2005) said that to achieve the organizational objectives and goals employees need to develop their technical, managerial, behavioural knowledge, skills and abilities. And engagement acts like a tool to motivate and help employees to develop these skills.

According to Konard (2006) with the help of engagement employees can express themselves physically and emotionally to their organization. Dicke, Holwerda, and Kontakos (2007) have highlighted that an organization can increase the efficiency and commitment of its employees with the help of employee engagement. This is important to achieve organizational goals. Bhata (2011) has connected engagement with a psychological state and shares that it is all about having a psychological commitment towards the assigned task, which is clearly reflected in his/her dedication towards the work. An engaged employee is emotionally connected to the organization in achieving its goals and objectives and works to achieve them utilizing their best ability/potential. Engaged employees are happier with their occupation and are more dedicated to their organization. They are very energetic during work and they perform their work with full energy. Engaged employees make their full efforts to make an organization successful. They are motivated enough to contribute their knowledge, skills and abilities so that the organization can achieve new heights.
Employees who have higher levels of satisfaction are less likely to quit their jobs, their absenteeism rate is much lower than other workers, they are also less willing to opt for other jobs and they remain present in their job. This helps in saving money for the organization like costs involved in the new hiring process, as well as the selection and recruitment process. The cost of training new employees is also saved as existing employees would be more knowledgeable (Smith, 1992).

Kang (2014) has claimed that engaged employees create a favourable business environment and strengthen the organization’s competitive advantage. Therefore it is a challenging task for HR managers to create and maintain a healthy work environment that motivates the employees in their work and enables placement of the right employee in right job (person/job fit).

In Biro’s opinion (2014) employee engagement is centre stage in HR. Engaged employees are not motivated by money, status or power but by shared values, trust, mission and purpose. They are more committed to the organization and work to achieve better business outcomes and aim at superior customer satisfaction.

According to Aon Hewitt (2013) employees are important assets of every organization and their engagement works as a catalyst for smooth functioning of the organization. Ariani (2013) has stated that employee engagement is positively related with organizational performance. Engaged employees are likely to perform extra role behaviours perhaps because they are able to accomplish goals and to perform their tasks efficiently. The author adds that employee engagement helps organizations improve or maintain their competitive advantage because an engaged employee experiences a higher level of connectivity with their organization. An engaged employee experiences lesser anxiety and stress related ailments, hence, lesser absenteeism and turnover.

Swarmalatha and Sureshkrishna (2013) reported that employee engagement is essential to organizational success. They further describe that employee engagement and job satisfaction play an important role in the development of the morale of employees.

**Factors Influencing Employee Engagement**

A review of the literature by Ruyle, Eichinger and De Meuse (2009) identified the following eleven main factors affecting employee engagement:

1. Strategic Alignment refers to guiding employees to work to achieve organizational goals and objectives.
2. Trust in Senior Leadership - Employees prefer to believe, trust and follow the senior leaders of the company.
3. Immediate Manager Working Relationship - good quality management leaves a positive impact on the performance of and relation among employees.
4. Peer Culture - effective peer relationships lead to highly engaged, productive employees and this also helps in increasing the organizational performance.
5. Personal Influence - employees feel free to tell or do things in different and innovative ways. And they know that their efforts will be recognized.
6. Nature of my Career - Company provides employees a variety of opportunities to grow, develop and achieve their goals. This also helps employees to find meaningful paths that will inspire them.
7. Career Support - providing employees with the opportunity to develop through assignments or key jobs.
8. Nature of the Job - In this, challenging jobs are designed for the employees and this is done to enhance the skills, qualifications and experience of employees.
9. Development Opportunities - providing employees not only with formal learning programs but also with the opportunity to practice their newly acquired skills and knowledge on the job under the watchful eye of the experienced seniors and also the opportunity to learn from others outside formal learning programs.
10. Employee Recognition - is the
acknowledgement of an individual or team’s behaviour, effort and accomplishments that support the organization’s goals and values.

11. Pay Fairness - this motivates employees to perform more efficiently as the pay is directly linked to their performance.

**Employee Engagement in the Manufacturing Industry**

Employees, leaders, organizational systems and strategies are three sources of influence for change in today’s manufacturing organizations. Manufacturing organizations hoping to drive engagement must tap into employees’ passion, commitment and identification with the organization. This is achieved by hiring the right person for the right post. Right job fit is achieved by effectively identifying employees’ talents while making the selection, placement and promotion decisions. Research has repeatedly proved that when the right person is in right job the chances of that person staying in the organization are very high (Phelps & Brossoit, 2007).

Leadership is the second engagement driver. Quality of leadership directly affects the work environment of the organization. Employee engagement is impacted by the leader’s behaviour. A cross-sectional Belgian study revealed that perceived transformational leadership indirectly and positively influenced employee vigour, dedication, and absorption. The opposite was observed for perceived directive leadership. Engaged leaders know that their part is just not to take responsibility for the decisions but they also need to act like proactive mentors (Phelps & Brossoit, 2007).

The role of leader is very important in the manufacturing industry. Goals and strategies of an organization can be achieved only with the help of highly engaged teams and front line leaders play a crucial role in building such teams. According to the report released by the Development Dimensions International (DDI) and Manufacturing Performance Institute (MPI), around 20 percent of organizations have no plans for the development of their leaders at any level. This is very alarming as the development of leaders results in a committed and engaged workforce (Phelps & Brossoit, 2007).

Finally, organizations require solid frameworks and systems that help and encourage engagement. Examples of frameworks and systems are promotion, employing, acknowledgment, performance management, pay, training and career development. All these frameworks together highlight the area in which the organization needs to focus the most in terms of engagement. An unstable foundation makes building engagement a very difficult job. Ultimately, it has to begin with the senior management understanding the need and importance of developing an engaged workforce (Phelps & Brossoit, 2007).

**Impact of Employee Engagement on Organizational Performance**

According to Kang (2014) engaged employees strengthen the organization’s competitive advantage and generate a favourable business environment. Ariani (2013) has stated that organizational performance and employee engagement are positively related with each other. Engaged employees are likely to perform extra role behaviours because they are able to perform their tasks efficiently and accomplish goals. Employee engagement helps employers improve or maintain their competitive advantage because engaged employees experience a high level of connectivity with their organization.

Aon Hewitt (2013) highlighted that assessing the level of employee engagement can help create procedures to improve employee efficiency to further help the organization in a positive way.

Krishnaveni and Ramkumar (2006) tried to determine and analyse the relationship and impact of Human Resource Development (HRD) climate on motivational need satisfaction (Role) of the individuals in the organizations. Five companies (more than two decades old) were selected from different sectors. The sample for the study were the mid-level managers of various departments. The questions related to HRD climate and motivational need satisfaction were included in the questionnaires and circulated among the managers.
Results indicated that HRD climate has an impact on satisfaction level and the motivational need of the employees which results in the better performance of the organization.

Levels of Employee Engagement

Engaged Employees - One of the key components of organizational improvement are the engaged employees. This workforce drives the association in a positive direction. They consolidate their own goals with the targets of the association. They not only play out their roles but also play an important role in achieving the organizational goals and objectives.

Engaged employees perform with energy, drive development and advance their association through their execution.

Not Engaged employees are more interested in their personal goals and objectives, for them the organization’s goals are secondary. They do not show energy and enthusiasm in their work (Reilly, 2014). They do not work on building relationships with colleagues or managers.

Actively Disengaged Employees neither perform their tasks properly nor complete their work in a timely manner. Their contribution to the success of an organization is almost negligible. They are unhappy at work and take the organization in a negative direction causing the organization to suffer (Vazirani, 2007).

Characteristics of Engaged Employees

Given below are the characteristics of engaged employees proposed by Robinson, Perryman, and Hayday (2004).

1. Engaged employees are emotionally attached with the organization and their job. They are emotionally attached because they have trust in the employers of the organization.

2. Engaged employees always work with their full commitment and they even help in creating a healthy working environment by respecting the other employees of the organization. They even help their colleagues to perform the work efficiently.

3. Engaged employees perform beyond the expectation of the employers. They also treat company’s goals and objectives as their personal goals and objectives and they always work to achieve them.

Employee Engagement Approaches

Employee engagement approaches are categorized into two sections. Approaches for new employees come under the first section and approaches for all employees come under the second section.

1. For New Employees - It is the responsibility of HR managers to introduce best practices in the recruitment and selection stage. Recruitment of the right person and giving them a realistic job according to the area of interest of that employee is the key (Swarnalatha & Prasanna, 2012). A clear induction and orientation program should be organized for the new employees so that they can do their work easily. It helps the new employees to interact with the employees already working in the organization and enables them to learn acceptable behaviour within the organization (Khan, 2013). In addition, the HR department of the organization should organize development programs.

2. For all Employees - According to Bhatla (2011) beyond initial recruitment and induction, employee engagement activities can be broken into a number of groups - communications activities within the organization, proper reward schemes for excellent performance, activities to build the culture of the organization, team building activities and leadership development activities.

Research Gap

The term employee engagement was first used by the corporate world and later it gained significance in the academic field as well. Considerable literature on employee engagement comes from practitioner literature and research by consulting firms (Albrecht, 2010).

After reviewing various books, articles, journals, magazines, project reports, governmental...
and institutional reports, newsletters, newspapers and Ph.D. theses related to employee engagement, the researchers discovered that most of the work done on employee engagement is related to need, significance and importance of employee engagement for an organization and its role in the success of the organizations. Some studies have also tried to probe the relationship between employee engagement and organizational citizenship behaviour, job satisfaction, organizational commitment, leadership, and organizational communication. However, the majority of the literature on the subject is from the Western part of the world. While there is a growing body of indigenous research, that in the area of pharmaceutical manufacturing is rare. The current study therefore attempts to bridge this gap in research by comparing the level of employee engagement in two organizations in India.

Based on the review of existing literature, employee engagement has been defined in the current study in relation to six dimensions – Organizational Structure, Leadership, Evaluation and Appraisals, Internal Communication, Creativity Stimulants and Job Satisfaction.

Organizational Structure

Activities like task allocation, coordination and supervision are directed towards the achievement of organizational aims. All these activities are defined under organizational structure. It can also be considered as the viewing glass through which one can see their organization and its environment. If the all above mentioned activities are formulated and implemented as per plan then it will have a positive impact on employee engagement, as proper functioning of these activities leads to increase in performance of organization and increase in the happiness level of employees (Parker, Wall & Cordery, 2001 as cited in Handbook of Employee Engagement, Albrecht, 2010).

Leadership

Leadership is the capacity of an organization’s administration to set and accomplish testing objectives, make quick and definitive moves, outperform the competition, and encourage others to perform well. A good leader acts like the backbone of any business as they work towards the betterment of organization and of the employees. Good leadership skills help the organization to retain their talented staff (Parker, Wall & Cordery, 2001 as cited in Handbook of Employee Engagement, Albrecht, 2010).

Evaluation and Appraisals

The evaluation process of an employee’s work behaviour consists of comparing it with the standards laid down by the management. Results are evaluated to provide proper feedback to the employee so that they can improve; this is known as evaluation and appraisal.

Performance appraisals act like a medium through which only the organization judges which employee to promote and who needs more training. Research by Gupta and Kumar (2012) throws light on how perceived justice in the appraisal process influences the employees’ engagement and motivation.

Internal Communication

Internal communication could refer to the information shared with employees and the provision of opportunities for the employees to in turn share their opinion about important matters (Welch & Jackson, 2007). A good internal communication process helps to improve employee satisfaction.

Creativity Stimulants

A company’s success can be ensured by inventing and designing products and services; this power is known as creativity. According to French scientist, Poincare, invention means creating something useful rather than combining two products and producing something useless. Employee engagement is rooted in formal and informal activities of the organization where creativity is also an important aspect (Schohat & Vigoda-Gadot, 2010).
Job Satisfaction

A feeling of fulfilment or enjoyment that a person derives from their job is considered job satisfaction. Macey and Schneider (2008) propose that the state of engagement of an employee is a complex combination of constructs such as job satisfaction, organizational commitment, job involvement and empowerment.

In the above section the researchers have discussed the review of available literature in the area of employee engagement. The review has been presented under different headers beginning with the definition of employee engagement, its importance as a concept, factors that influence level of engagement among employees, employee engagement in the manufacturing sector and the impact of the same on organizational performance. In addition, the characteristics and various types of employee engagement are also discussed along with different approaches for employee engagement. This review also introduces the six dimensions of the employee engagement conceptualised for the current study - organizational structure, leadership, evaluation and appraisals, internal communication, creativity stimulants and job satisfaction.

Research Methodology

Research methodology serves as the backbone of a research study. The current study is quantitative in nature. According to Creswell (1994) quantitative research is a type of research that is explaining phenomena by collecting numerical data that are analysed using mathematically based methods (statistics in particular).

Research Method

The current study is based on data collect through self-administered questionnaire surveys, that is, respondents answered the questionnaire themselves. While researchers have underlined advantages and disadvantages of using self-administered questionnaires, they continue to be the most popular and efficient method for collecting data in social science research.

Tabulation and Statistical Analysis of Data

Quantitative data gathered from the primary sources was analysed and evaluated to find the level of employee satisfaction in the two companies. A master sheet using Microsoft excel was prepared for recording and scoring all the responses which were observed from each of the items in the questionnaire. After doing the basic descriptive statistics of mean and standard deviation, independent samples t-test was applied to the data to find out how significant the difference in means of the two groups was. The analysis was done using SPSS 16 Software. The results were then interpreted to draw conclusions and find the employees’ level of engagement in the organizations.

Questionnaire for the Study

Objectives of the study were kept in mind while preparing the questionnaire. The Likert scale is widely used as a rating scale to quantify the qualitative data. In this respondents express the degree of agreement and disagreement on the questions asked (Ammo & Friedman, 2002; Bortholomew, 2006). The responses for this questionnaire were also on a five-point Likert scale and each statement had five options to answer.

The respondents were told to tick the relevant field based on the agreement and disagreement scale. The scale options are strongly agree (5), agree (4), neither agree nor disagree (3), disagree (2) and strongly disagree (1).

The questionnaire comprised of questions pertaining to:

- Information related to Organizational Structure (define organ)
- Information related to Leadership
- Information related to Implementation of Evaluation and Appraisal
- Information related to Internal Communication
- Information related to Creativity Stimulants
- Information related to Job Satisfaction
Validity of Research Instrument

Validity is defined as whether or not the test measures what it claims to measure (Sekaran, 2006). Face validity is considered as basic and very minimum index of content validity (Sekaran, 2006). For the present study Face validity and Content validity have been conducted in order to test validity of the questionnaire.

Pilot Testing (Face Validity)

Conducting a pilot test before the actual research study helps ensure the instrument used for the study is valid and reliable. After the completion of the questionnaire a small sample of 12 respondents was used to conduct the pilot test and check the accuracy of the questionnaire. Positive results from the pilot test reassured the researchers to continue the study with the same questionnaire.

Content Validity

After the pilot test, the same instrument was shared with management experts and human resource practitioners for their expert views. Experts suggested elimination of a few questions either because they were repetitive or irrelevant to the present study. Many questions were reframed for ease of understanding. Content validity ensures that the measure includes an adequate and representative set of items that tap the concept (Sekaran, 2006).

Reliability

Reliability is the ability of an instrument to generate the same results consistently (Tavakol & Dennick, 2011) and is very important in any good research. The most common measure to identify the internal consistency and reliability of a survey is Cronbach’s alpha (Morgan & Griego, 1998). The use of a reliability test is only possible if the results are gathered from multiple Likert questions (Burns & Burns, 2008). The Cronbach’s alpha value must be equal to/greater than 0.7 (i.e. 70 percent) to run all the other tests to measure other relationships and impacts of the variables.

<table>
<thead>
<tr>
<th>CRONBACH’S ALPHA</th>
<th>NUMBER OF ITEMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.7</td>
<td>51</td>
</tr>
</tbody>
</table>

Table 1. Showing the results of reliability test

The sample for the current study included 60 males (30 each from both organizations – Penam and Shree Nath Life Science) who completed the given questionnaires.

<table>
<thead>
<tr>
<th>COMPANY 1 (Penam)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number Of Respondents</td>
</tr>
<tr>
<td>N = 30</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>30</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMPANY 2 (SNLS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number Of Respondents</td>
</tr>
<tr>
<td>N = 30</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>30</td>
</tr>
</tbody>
</table>

Table 2. Showing the sample details of Penam

Table 3. Showing the sample size of SNLS
Limitations to Methodology

There are several limitations in the quantitative research methodology. The most important being the inability of the researchers to control the environment in which the respondents answer the questions. These responses are valid for only sometime as they change with the time frame. A structured questionnaire with close-ended questions is the part of the quantitative research method where the results cannot always represent the actual scenario and which may not be among the options given in the questionnaire.

Ethical Considerations

The current study has been carried out after careful consideration of the ethics involved in using primary and secondary sources of data. Before conducting the primary research, ethical approval was obtained from the university to contact the respondents of the current study. Confidentiality of the responses was assured and ensured at all times. Furthermore, the use of secondary sources for forming different parts of the dissertation report has been made after considering the ethical concerns regarding copyright and plagiarism. The purpose of the current study is clearly stated to be non-commercial and its findings should not be referred to or form the basis for any business decision.

Results and Discussion

The collected data was analysed using SPSS. After the descriptive statistics, t-test was applied.

This section presents the results for the six dimensions of employee engagement.

Organizational Structure (OS) – Penam

Figure 1 demonstrates that 45.45% of employees disagree with the statements on OS in the questionnaire and 29.7% of employees agree. This shows that majority of the employees are not satisfied with their organizational structure.

SNLS

Figure 2 shows that 40.6% of the employees disagree with the statements on organizational structure in the questionnaire and 33.33% of employees agree. This shows that the majority of these employees are also not satisfied with their organizational structure.

<table>
<thead>
<tr>
<th>Organization structure</th>
<th>Company</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>30</td>
<td>2.7788</td>
<td>0.31007</td>
<td>0.05661</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>30</td>
<td>2.7939</td>
<td>0.38416</td>
<td>0.07014</td>
<td></td>
</tr>
</tbody>
</table>

Table 4. Descriptive statistics – employees’ perception - organizational structure.

As seen in Table 4 the mean values of OS show that the employees of company 2 (SNLS) are happier with their organizational structure.
Hypothesis Testing

H_{01} - There is no significant difference in the employees’ perception of organizational structure between M/s. Penam Laboratories and M/s. Shree Nath Life Sciences Pvt. Ltd.

<table>
<thead>
<tr>
<th>Organization Structure</th>
<th>t</th>
<th>Df</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.168</td>
<td>58</td>
<td>0.867</td>
</tr>
</tbody>
</table>

Table 5. t-test table for H_{01}.

As seen in Table 5, the difference in means measured by t statistic is 0.168 with p value of 0.867. Since p value is more than 0.05, there is no significant difference in the means of the two companies on their perception of organization structure at 95% confidence interval. Therefore null hypothesis H_{01} is not rejected.

Leadership

Company 1

Figure 3 reveals that 62.7% of employees disagree with the statements on leadership while 18.7% of them agree.

This depicts that majority of the employees are dissatisfied with the leadership style followed in the organization.

![Figure 3. Employees’ perception on leadership of Penam.](image)

Company 2

Figure 4 demonstrates that 38% of employees agree with the statements on leadership while 28% of employees disagree. This shows that a majority of the employees are satisfied with the leadership style followed in the organization.

<table>
<thead>
<tr>
<th>Company</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership 1</td>
<td>30</td>
<td>2.3400</td>
<td>.59225</td>
<td>.10813</td>
</tr>
<tr>
<td>Leadership 2</td>
<td>30</td>
<td>3.1000</td>
<td>.53240</td>
<td>.09720</td>
</tr>
</tbody>
</table>

Table 6. Descriptive statistics for employees’ perception on leadership of companies.

As seen in Table 6 the mean value of leadership shows that the employees of company 2 (SNLS) are happier with their leadership. Results indicate that leadership decisions are perceived to be taken for the benefit of the company and its employees in SNLS. In addition, leaders at SNLS seem to consult their employees before taking decisions that directly or indirectly affect the employees.

Hypotheses Testing

H_{02} - There is no significant difference in the employees’ perception of leadership between M/s. Penam Laboratories and M/s. Shree Nath Life Sciences Pvt. Ltd.

<table>
<thead>
<tr>
<th>T test for equality of means</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
</tr>
<tr>
<td>t</td>
</tr>
<tr>
<td>Df</td>
</tr>
<tr>
<td>p</td>
</tr>
</tbody>
</table>

Table 7. T test table for H_{02}.

As seen in Table 7, the difference in means measured by t statistic is 5.227 with p value of 0.000. Since p value is lesser than 0.05, there is a significant difference in the means of the two companies on their perception of leadership at 95%
confidence interval. Therefore null hypothesis $H_{02}$ is rejected.

Leaders inspire and motivate employees through their leadership and these processes can influence the experience of engagement just as they can enhance performance. The transformational leadership framework helps in understanding this. The concept of transformational leadership was developed by Bass and Avolio (1994, 2000). The right leadership can encourage high-quality decision-making and innovation and therefore plays a key role in the success of an organization.

**Implementation of Evaluation and Appraisals**

**Company 1**
Figure 5 illustrates that 64.7% employees disagree with the statements on evaluation and appraisals while 14% of employees agree with them. This shows that majority of employees are dissatisfied with the company’s evaluation and appraisal process.

**Company 2**
Figure 6 demonstrates that 45.4% of employees agree with the statements on evaluation and appraisals and 27.3% of employees disagree. This shows that the majority of employees are satisfied with the company’s evaluation and appraisal policy.

**Table 8. Descriptive statistics for employees’ perception of evaluation and appraisals of companies.**

<table>
<thead>
<tr>
<th>Company</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appraisal 1</td>
<td>30</td>
<td>2.2133</td>
<td>0.62793</td>
<td>0.11464</td>
</tr>
<tr>
<td>2</td>
<td>30</td>
<td>0.2533</td>
<td>0.601</td>
<td>0.10973</td>
</tr>
</tbody>
</table>
As seen in Table 8, the mean value of evaluation and appraisal shows that the employees of company 2 (SNLS) are happier with their organization’s appraisal and evaluation process.

**Hypothesis Testing**

H	extsubscript{o3} - There is no significant difference in the employees’ perception of evaluation and appraisals between M/s. Penam Laboratories and M/s. Shree Nath Life Sciences Pvt. Ltd.

<table>
<thead>
<tr>
<th>Independent Samples Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>T test for equality of means</td>
</tr>
<tr>
<td><strong>Appraisals</strong></td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Table 9. T test table for H	extsubscript{o3}

As seen in Table 9, the difference in means measured by t statistic is 6.554 with p value of 0.000. Since p value is lesser than 0.05, there is a significant difference in the means of the two companies on their perception of evaluation and appraisal process in their organizations at 95% confidence interval. Therefore null hypothesis H	extsubscript{o3} is rejected.

According to Roe (1999), performance can either be referred to as a process or an outcome. The process of performance appraisal focuses on particular actions or behaviours that individuals undertake to achieve performance in work situations. Results indicate that in SNLS, the involvement of the senior management in the appraisals motivates the employees to put in their best efforts.

**Internal Communication**

Company 1

Figure 7 shows that 63.7% of employees agree with the statements asked on internal communication and 16.3% of employees disagree with them. This depicts that a majority of the employees are satisfied with the established internal communication channels.

![Figure 7. Employees’ perception of internal communication of Penam](image1)

Company 2

Figure 8 illustrates that 46.3% of employees agree with the statements on internal communication while 25.7% of employees disagree. This depicts that the majority of the employees are satisfied with the established internal communication channels.

![Figure 8. Employees’ perception of internal communication of SNLS](image2)
Table 10. Descriptive statistics for employees’ perception of internal communication

As seen in Table 10, the mean value of internal communication shows that the employees of Penam are happier than SNLS in this aspect.

Hypothesis Testing

$H_{o4}$ - There is no significant difference in the employees’ perception of internal communication between M/s. Penam Laboratories and M/s. Shree Nath Life Sciences Pvt. Ltd.

As seen in Table 11, the difference in means measured by $t$ statistic is 3.456 with p value of 0.001. Since p value is lesser than 0.05, there is a significant difference in the means of the two companies on their perception of internal communication process in their organizations at 95% confidence interval. Therefore null hypothesis $H_{o4}$ is rejected.

Internal communication and employee engagement have separate academic and professional heritages. Internal communication is conceptualized as part of corporate communication (Welch & Jackson, 2007). Internal communication is a very important element for employee engagement and is essential for the success of an organization. Results indicate that while SNLS follows strictly vertical communication, which the employees are not very happy with, Penam integrated both horizontal and vertical modes depending on the needs. This is appreciated by their employees.

Creativity Stimulants

Company 1
Figure 9 demonstrates that 68% of employees disagree with the statements on creativity stimulants and 16.7% agree with them. This shows that a majority of employees are not satisfied with the creativity stimulants provided in the organization.

![Figure 9. Employees’ perception of creativity stimulants of Penam.](image)

Company 2
Figure 10 shows that 48.7% of employees agree with the statements on creativity stimulants while 24% disagree. This shows that majority of employees are satisfied with the creativity stimulants provided in the organization.

![Figure 10. Employees’ perception of creative stimulants of SNLS](image)
<table>
<thead>
<tr>
<th>Creative Stimulants</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>30</td>
<td>2.1067</td>
<td>0.5003</td>
<td>0.09134</td>
</tr>
<tr>
<td>2</td>
<td>30</td>
<td>3.3333</td>
<td>0.57135</td>
<td>0.10431</td>
</tr>
</tbody>
</table>

Table 12. Descriptive statistics for employees’ perception of creativity stimulants of companies.

As seen in Table 12, the mean value of creativity stimulants shows that the employees of SNLS are happier than Penam in this aspect.

**Hypothesis Testing**

H\(_{05}\) - There is no significant difference in the employees’ perception of creativity stimulants between M/s. Penam Laboratories and M/s. Shree Nath Life Sciences Pvt. Ltd.

As seen in Table 13, the difference in means measured by t statistic is 8.847 with p value of 0.000. Since p value is lesser than 0.05, there is a significant difference in the means of the two companies on their perception of the creativity stimulants process in their organizations at 95% confidence interval. Therefore null hypothesis H\(_{05}\) is rejected.

Creative people are often motivated more by scientific achievement and continuity of employment than by financial reward (Fujiwara, Dolan & Lawton, 2015). Nowadays being creative and thinking out of the box is the new mantra for the success of the business. Results of this study indicate that employees of Penam feel that their skills are not fully utilised and that their work is not adding value to the organization. This tends to demotivate employees. On the other hand, SNLS encourages them to come up with ideas and involves everyone, therefore, engaging the employees more positively.

**Job Satisfaction**

Company 1
Figure 11 illustrates that 43.3% of employees disagree with the statements on job satisfaction and 34.9% of employees agree with them. This reveals that majority of the employees are not satisfied with their jobs.

![Figure 11. Employees’ perception of job satisfaction of Penam](image1)

Company 2
Figure 12 demonstrates that 44.4% of employees agree with the statements on job satisfaction while 21.3% of employees disagree. This depicts that the majority of the employees are satisfied with their jobs.

![Figure 12. Employees’ perception of job satisfaction of SNLS](image2)
Table 14. Descriptive statistics for employees’ perception on job satisfaction of companies.

As seen in Table 14, the mean value of job satisfaction shows that the employees of SNLS are happier than Penam in this aspect.

**Hypothesis Testing**

H$_{06}$ - There is no significant difference in the employees’ perception of job satisfaction between M/s. Penam Laboratories and M/s. Shree Nath Life Sciences Pvt. Ltd.

<table>
<thead>
<tr>
<th>Company</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Satisfaction 1</td>
<td>30</td>
<td>2.8956</td>
<td>0.40369</td>
<td>0.0737</td>
</tr>
<tr>
<td>Job Satisfaction 2</td>
<td>30</td>
<td>3.2267</td>
<td>0.23916</td>
<td>0.04366</td>
</tr>
</tbody>
</table>

Table 15. t-test table for H$_{06}$

As seen in Table 15, the difference in means measured by t statistic is 3.865 with p value of 0.000. Since p value is lesser than 0.05, there is a significant difference in the means of the two companies on their perception of job satisfaction in their organizations at 95% confidence interval. Therefore null hypothesis H$_{06}$ is rejected.

This section has outlined the results of the study on the six dimensions of employee engagement considered here. According to the data analysis, SNLS has better employee engagement practices compared to Penam.

However, both organizations need to work towards improving their practices so that their employee turnover ratio can be reduced.

**Recommendations, Learning and Conclusion**

From the above results and analysis the researchers have come to the conclusion that employees of SNLS seem to be more satisfied on the various parameters than employees of Penam.

**Organizational Structure**

In this aspect there is no significant difference between the means of two companies so both the companies are on the same track. But there is need for improvement in both the companies as a majority of their employees are dissatisfied with the organizational structure.

**Leadership**

In this aspect, employees of Penam are dissatisfied. Employees are unhappy due to the fact that the decisions are taken by the leaders without consulting the employees. To overcome this management could take following steps:

Leaders can conduct a session with employees to make them feel important. These types of sessions will motivate the employees. Once they are motivated they can provide feedback for the betterment of the organization. And this will help the organization to improve the satisfaction level of their employees.

**Implementation of Evaluation and Appraisal**

In this aspect also the Penam employees are dissatisfied with the evaluation and appraisal system in the company. According to the results maximum employees say that the appraisal and evaluation system of the company is biased. A professional system of appraisal is not in place where feedback is given to employees on a regular basis. In order to keep the employees satisfied management could implement the following:

They could review their appraisal system after in-depth discussions with employees. Appraisal
policies must be unbiased so that all the employees are treated equally. Proper feedback must be given to employees so that they can improve and work more efficiently.

**Internal Communication**

Employees of Penam are satisfied with the internal communication in the organization. The employees of SNLS are not satisfied with the internal communication in the organization. Currently the company is following a vertical type of communication, which is not appreciated by the employees so the company should follow both types of communication. This will help the management to keep their employees satisfied and happy.

**Creativity Stimulants**

Penam employees are not satisfied with the creativity stimulants at work. The skills and abilities of the employees are not fully utilized in the organization. To make the employees happy and satisfied Penam could take certain steps:

They could interact with their employees on a regular basis so that the employees can talk to them without hesitation. This will help the employees to understand their roles in a better way. Assigning duties according to the education and skills of the employee will enhance satisfaction of the employees.

**Job Satisfaction**

Employees of SNLS are more satisfied with their jobs as compared to employees of Penam. The level of satisfaction is low because of the following reasons:

According to them all the employees are not treated equally in the organization, the nature of the job was also not up to their qualification level and there are a lack of opportunities for the employees in the organization to grow and learn. Penam must, therefore, work on these problems to increase employee engagement and reduce employee turnover.

These issues can be resolved by taking following steps:

Organizational policies must be unbiased so that all the employees are treated equally. Candidates must be offered jobs according to their qualification and skills so that they can do justice to their job. Management should invest in training and a development department for the employees so that employees get an opportunity to grow.

**Conclusion**

This study proposes that the turnover rate in the Indian pharmaceutical sector is high probably due to the internal faults and policies of the companies. The study highlights the key elements of employee engagement. When comparing the two companies, Penam and SNLS, the study revealed that for a majority of the elements SNLS performed better than Penam. But this does not mean that policies and the working style of the SNLS are the best because no establishment operates in perfect conditions and need for improvement is always there. This study also highlights the importance of employee engagement and how it is beneficial for the society, family and organization in which they are working.

An improvement in voluntary employee turnover rate in any given industry will directly affect the growth of the country’s manufacturing sector as a whole. This in turn, directly correlates to any country’s progress and growth. A growing and prospering nation results in the growth and higher living standards for its citizens.

In conclusion, the researchers can reiterate that for overall growth and successful operations of any company, in this case, the two pharmaceutical companies that constituted the sample, a workable balance is essential between organizational structures, its leadership hierarchy and application of authority, and regular performance evaluations and directly correlated appraisals. These factors need to work in tandem with articulate internal communication in the organization and regular creative stimulants for the employees. When a company successfully formulates and implements policies in accordance with these factors, it directly
results in job satisfaction, which can reduce the turnover rate. This will lead to better individual performance, improved organization performance, greater economic stability and stability in the industry. This will also lead to stability in personal spheres collectively for the human resources involved.

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