



## IMPACT OF EMPLOYEE ENGAGEMENT ON EMPLOYEE TURNOVER INTENTION

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### **Abstract:**

*Employee Engagement is the best way to retain employees in the organization for a longer period. The study is to focus on the medical representatives of a leading Pharmaceutical Organisation where there is a frequent hiring at regular intervals of time. Employee engagement has become an important driver for retaining these employees as there is evidence to corroborate that engaged employees walk the extra mile and contribute more and are loyal to the organisation; therefore, to get more out of less, the logic would be that managers simply need to engage their people. Everyone seems to be on the path to get their employees engaged. An engaged employee tends to be more self-motivated, reliable and is attached emotionally with the organization and highly involved in his work assignments enthusiastically for making their employer successful. The study purposed to measure job engagement, job satisfaction and retention among the executives using the Job Engagement Scale, the Michigan Assessment Scale on Job satisfaction and to understand the association among the three variables.*

**Key Words:** Engagement, retention, job satisfaction, employee turnover.

### **Introduction:**

Employee engagement within an organization can increase commitment and emotional attachment by reflecting in low employee turnover. By identifying the drivers of employee engagement organizations can enhance the level of engagement among its employees. To fulfill the study purpose employee engagement drivers have been identified and the hypotheses have been formulated. Based on random sampling a sample of 50 employees has been chosen and a structured questionnaire was circulated to examine the relationship between employee engagement and employee turnover intention.

### **Problem Statement**

The concept of employee engagement has gained importance recently and there exists a little literature review. Due to its relative infancy, there is a lack of empirical evidence on the association among the employee engagement factors, job satisfaction and employee turnover intention (Buckingham et al., 1999). Discrepancies between studies that cloud our understanding of the relationships of the above mentioned variables; there is an opportunity to explore in this perspective. This paper contributes towards the impact on employee turnover intention in the pharmaceutical industry.

### **Literature Review:**

#### **Employee Engagement**

Many researchers and organizations were studying employee engagement in different perspectives using different terminology it is not completely a new concept (Lockwood,



2007). For example, employee engagement has been defined as “the extent of one’s commitment (Lockwood, 2007), a work-related state of mind involving vigor, dedication, and absorption” (Schaufeli & Bakker, 2004), job characteristics that include performing well and saying good things about your employers (Gubman, 2004), and “the ultimate prize for employers” (Towers Perrin, 2003, p. 2). In contrary, disengaged employees are burned out, according to Schaufeli et al. (2004). This situation of burnout occurs due to insufficient resources and high job demands leading to exhaustion of energy and low motivation levels in the employees (Bakker, Demerouti, Taris, Schaufeli, & Schreurs, 2003).

According to Jones & Harter (2005) employee engagement is a multidimensional concept with cognitive (or rational), emotional (or affective), and behavioral components (Konrad, 2006). The Aleweld and von Bismarck (2002/2003) reported that Hewitt Associates considers three characteristic behavior of engaged employees as (1) employees “say” positive things about their organization to other employees and customers; (2) employees have a desire to “stay” in the company; and (3) employees “serve” the company by exerting additional, discretionary effort (p. 66).

### **Employee Turnover Intention**

Turnover among businesses is widespread and problematic due to its high costs. (Bernthal & Wellins, 2000). Human resource professionals consider it as a pressing issue and could not handle it effectively. Bernthal et al. (2000) reported that greater than one third of human resource professionals they surveyed saw retention as a tenacious issue.

The outcome variable, Employee turnover intention refers to “the voluntary (vs. involuntary as in termination) intention of an employee to leave an organization”. Employees may intend to leave due to many reasons like relocation of a spouse, redefined personal role looking after elderly people or kids. In case of highly- productive employees- they intend to leave due to reasons associated with the employer like insufficient pay, insufficient income, poor working conditions, interpersonal relations with supervisors, and problematic working environment.

### **Objectives:**

The following are the specific objectives of the study.

- To study the relationship between Employee engagement and Job satisfaction.
- To study the relationship between employee engagement and employee turnover intention.

### **Hypotheses**

1. There is no significant relationship between Employee Engagement and Job Satisfaction.
2. There is no significant relationship between Employee Engagement and employee turnover intention.

### **Research Methodology:**

The study uses for both primary data and secondary data. Primary data are collected through a structured questionnaire. After a comprehensive literature review the questionnaire was developed based on the predefined objectives framed and a set of questionnaires was circulated to employees. The secondary data is collected through books, magazines and journals. The sample size was 50 due to the time constraint. A questionnaire was administered with 30 questions. The Utrecht scale is used to measure Employee Engagement and for Job Satisfaction -the Michigan organization assessment questionnaire on satisfaction subscale was used. The Cronbachs alpha was calculated by using SPSS (statistical package for social sciences). The results shows that questions were reliable as the Cronbachs Alpha =0.855

**Table 1:Model Summary**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.760 <sup>a</sup>	.510	.502	2.40358

a. Predictor: (Constant): engagement

b. dependent variables: Job satisfaction, intent to leave

As shown in table 1, it can be seen that the R square value is .510, indicates that the proposed model explains **51% of the variance in the dependent variable – job satisfaction.**

The next table is the ANOVA table, as  $p < 0.05$  shows that regression model predicts the outcome variable significantly.

Table 2:ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	305.760	2	152.880	11.614	.000 <sup>a</sup>
	Residual	618.660	47	13.163		
	Total	924.420	49			

a. Predictor: engagement

b. Dependent Variables: job satisfaction, intent to leave

**Findings:**

Based on the analysis, we can say that employee engagement and job satisfaction have a positive significant relationship. Employee turnover intention and job satisfaction are inversely related.

**Conclusion:**

On the basis of findings we can conclude that the job satisfaction and employee turnover intention have a significant negative relationship showing that an increase in job satisfaction will decrease the intention to leave the job. This proves that employees' job satisfaction or



dissatisfaction plays an important role in inducing the turnover intentions of employees. Thus satisfied employees at the workplace would work more enthusiastically and rarely like to quit the organization. In today's changing work environment where loyal employees who hop their jobs rarely are difficult to find, employers should focus on increasing their employees' satisfaction and keep them engaged so that they rarely get a thought to exit the job.

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