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PROCUREMENT FUNCTIONS AND THEIR SIGNIFICANCE ON EMPLOYEE ENGAGEMENT - A STUDY IN PHARMACEUTICAL INDUSTRY

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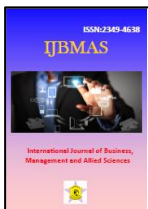
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ABSTRACT

Employee engagement is one of the most powerful tools that helps an organization to get best from their employees in the form of commitment and loyalty. An engaged employee will always go an extra mile to do the best for his/her organization even though it is not part of his/her job description. Various HR functions play an important role to develop employee engagement among the employees. In this research, researcher study how the Procurement functions specially Recruitment and Selection Practices of an organization give their significance on employee engagement that also improve employees' psychological empowerment. A survey on 400 Medical Representative has been done and analysis of collected data showed that there is a relation between procurement practices and employee engagement and we could predict employee engagement based on recruitment and selection named as Attractive Practices in this research.

Keywords: Procurement functions, Employee Engagement

Introduction

Employee engagement is not a new word for organization now a days but it becomes a major concern for many organizations keeping in mind its significance for generating loyalty and commitment from the employees. An engaged employee stay in the organization for a longer period of time and thus turnover rate is reduced as well as retention rate is increased with it. Procurement functions of HRM play a very vital role in this as it starts with attracting the best talents from the market

to the organization. Recruitment and Selection jointly known as Attractive Practices have a great emphasis on this among all other Procurement functions (Tauseef Chughtai, 2013). It is vital to remember that the employees and not the organization are the means in shaping how the organization will act to the competitive and dynamic environment (Rundle, S.J., 1997). Therefore, the employees are regarded as the heart and soul of an organization. To attract the best talents from the market, effective utilization and implementation of Attractive Practices (Recruitment and Selection) HRM is a must.

Review of Literature

Employee engagement is defined as an ability to capture the heads, hearts and souls of your employees to instill an intrinsic desire and passion for excellence (Fleming & Asplund, 2007).

The definition of employee engagement has also been written in many other ways like (Robinson, Perryman & Hayday, 2004), Kahn(1990, p.700) defined employee engagement as the simultaneous employment or a person's preferred self in task behaviors that promote connections to work and to others, personal presence (physical, cognitive and emotional) and active full performances. Further employee engagement is also related with organizational performance. Many studies have been conducted to examine this relationship like Kahn(1992) suggested that employee engagement leads to quality of work, growth and productivity. The more individual are engaged in their work, the greater will be investment of effort and attention to task activities.

Based on the combination of empirical and theoretical works by Pfeffer (1994), Delery and Doty (1996), Youndt et al (1996), Huselid (1995), Osterman (1994), Arthur (1992, 1994), and Schneider and Schmitt (1996), Harel and Tzafrir; in their research on HR practices in public and private sectors study the strategic and universalistic human resource practices that organizations use in order to achieve better performance like recruitment, selection, internal labour market, formal training system, employee participation, compensation, and grievance procedures. The behavioural results of these various HRM activities can be classified in the five domains among which the acquisition domain includes HRM activities that are intended to attract, recruit, and select those candidates that will best match the job requirements, team and organization culture. Hence, the better the "fit," the higher the organizational performance (Terpstra and Rozell, 1993; Huslid, 1993; Macduffie, 1995).

Pawan Budhwar (2000) suggests that a number of factors influence human resource management (HRM), policies and practices. In his research he suggests that there are a number of significant correlations between a set of contingent variables (i.e., age, size, ownership, life cycle stage and HRM strategies of an organization, type of industry and union membership) and HRM function - recruitment and selection. Recruitment and selection activities should focus on the capabilities that individuals show to create and share knowledge, their values and cultural fit. Instead of searching for applicants with the necessary skills for the job, the focus should be on social background and character references (DiBella et al., 1996; Williams, 2001). A great deal of research provides evidence that the degree of cultural fit and value congruence between job applicants and organizations significantly predicts both subsequent turnover and job performance.

According to a model developed and studied by the Institute of Employment Studies (IES); the important driver of engagement is a sense of feeling valued and involved which has few key components including various HRM Practices and they are influencing employee engagement very extensively. Recruitment and Selection is one among them.

Objective, Methodology and Hypothesis Development:

The main objective of this research was to study the significance between Attractive Practices (Recruitment and Selection) and Employee engagement.

To achieve this objective, the proposed theoretical framework has been tested on the collected data with the help of structured questionnaire. Among 400 Medical representatives have been participated in this research among which very few – only 8.8% were females. On an average they were young and have bachelor and masters' degree.

The developed hypothesis for test was:

H1: There is a significant relationship between Recruitment and Selection Practices and Employee Engagement.

H2: Recruitment and Selection Practices make impact on employee engagement level.

Result and Discussion:

The hypothesis had been tested using correlation and Regression model.

Correlation:

To find the significant relationship between Recruitment and Selection practices and Employee Engagement; correlation analysis was executed.

By analyzing the table 1, researcher observed that p value was below .5 and correlation was significant. So we could say that there was a correlation between Attracting practices and employee engagement. But we found a negative "r" value showed a negative correlation between them. So we conclude that attracting practices were negatively correlated with employee engagement in the collected data.

Regression

To find the impact of Recruitment and Selection Practices on Employee Engagement; Regression analysis was executed.

By analyzing the table 2, researcher has observed that the p value for significance was below .05 led to reject the null hypothesis. This means the relationship was reliable and we could predict the employee engagement with attracting practices.

Conclusion

The primary theoretical contribution of this research is providing a better understanding of the employee engagement. Through literature review it has been found that Procurement Functions and specially Recruitment and Selection Practices can be one of the strong drivers of employee engagement and it make impacts whether positive or negative on employee engagement. Based on the theoretical background and literature review hypothesis have been developed and tested using various statistical tests like Correlation and Regression. Through analysis of the result, it has been found out that Recruitment and Selection Practices are having certain impact on employee engagement. If the employer able to built up a very good HRM Practices in the organization; it could be able to retain the employees in the organization and also the attrition rate could be lower down up to certain extent. Obviously other HR Practices and factors also play very vital role in it.

Limitations and Directions for Future Research

The researchers admit that the study has several limitations. Firstly, the research was carried out on Medical Representatives only and the single source lead to common discrepancy undoubtedly, so multi-source of data should be gathered in future research. The main focus was only to check the significance of Procurement Functions and that too limited to Recruitment and Selection Practices only which can be extended by developing one or more multi-level model to observe the impact and/or influence of all/other HRM Practices on outcome at both the individual and unit level across various geographic regions as well as among different corporate sectors.

Table 1: Correlation Analysis – Attractive Practices and Employee Engagement

Correlations			
		A_mean	E_mean
A_mean	Pearson Correlation	1	-.178**
	Sig. (2-tailed)		.000
	N	400	400
E_mean	Pearson Correlation	-.178**	1
	Sig. (2-tailed)	.000	
	N	400	400

** . Correlation is significant at the 0.01 level (2-tailed).

Table 2: Regression Analysis - Attractive Practices and Employee Engagement**Model Summary^b**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.178 ^a	.032	.029	.42288

a. Predictors: (Constant), A_mean

b. Dependent Variable: E_mean

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.507	.181		19.326	.000
	A_mean	-.213	.059	-.178	-3.611	.000

a. Dependent Variable: E_mean

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