

FACTORS AFFECTING EMPLOYEE ENGAGEMENT IN DAIRY SECTOR IN INDIA: A STUDY OF RAJASTHAN

Author's Name: Bharti Sirohiya¹, Dr. Gurpreet Kaur²

Affiliation:

1. Research Scholar, Maharaja Vinayak Global University, Jaipur, India.
2. Professor, Maharaja Vinayak Global University, Jaipur, India.

Corresponding Author Name and Email Id: Bharti Sirohiya,
bhartisirohiya1@gmail.com

ABSTRACT

“During the Vedic era, milk and its products like ghee and curd were considered sacred and were used in religious ceremonies. The period also witnesses the domestication of cows and buffaloes, which laid the foundation for the dairy sector in India. The first modern dairy was set up in 1885 in Aundh, Maharashtra, which was followed by the establishment of the Bombay Milk Scheme in 1948 to supply milk to Mumbai city.” After independence, the Indian government initiated several programmes to develop the dairy sector, with a focus on improving milk production and creating livelihood opportunity for small and marginal farmers. The most significant of these programmes was Operation Flood in the 1970s, which was the world’s largest dairy development programme. The programme was aimed at increasing milk production, developing the cooperative movement, and enhancing the quality of milk.” “The basic objective of this study is to explore factors that affect employee engagement in Dairy organizations in India. Hundred employees involved in Dairy Support Services were interviewed. Thematic analysis was used to analyze data collected in the study. Three main

issues viz implicit benefits, organizational culture and organizational policies were recognized: The findings of this study are important due to their practical implications. First, the factors will encourage employers to make more employee friendly policies, and second, by resolving the employee issues raised in this paper, it is anticipated that the employers will be able to enhance the overall efficiency of their workforce and improve the employer-employee relationship.

Keywords: Employee Engagement, Organizational Culture, Thematic Analysis, Workforce, Employer-Employee Relationship, National Dairy, Development Board, Implicit benefits, Organizational culture and Organizational policies

INTRODUCTION

Today, the dairy sector in India is one of the largest and fastest-growing in the world, with milk production increasing from 17 million metric tonnes in 1950-51 to around 198 million metric tonnes in 2020-21. The sector has been a key driver of rural development, providing livelihoods to millions of small and marginal farmers across the country.

The Indian dairy sector is one of the largest and fastest-growing in the world. It is a significant contributor to the Indian economy, with a market size of over US\$100 billion. The sector is dominated by small and marginal farmers, who own around 80% of the total bovine population in the country.

India is the world's largest milk producer, accounting for around 20% of global milk production. The country produced around 198 million metric tonnes of milk in 2020-21, according to the Department of Animal Husbandry and Dairying. The sector has been growing at a compound annual growth rate (CAGR) of around 6% over the past decade. The dairy sector in India is largely driven by the cooperative model, with the National Dairy Development Board (NDDB) playing a key role in promoting and developing dairy cooperatives across the nation.

The dairy sector in India has a long and rich history, dating back to ancient times. In fact, milk and milk products have been an integral part of the Indian diet for thousands of years, and the country has a rich tradition of dairy farming and milk-based cuisine.

Dairy businesses in India are increasingly devising new ways and means to optimally utilize their workforce. According to a report on employee engagement in India by Dale Carnegie Training, Indian employees are significantly more engaged than their global counterparts with 46 per cent employees fully engaged compared to the global average of 34 per cent. However, studies done in India shows that Indian employees reported 25% engagement at work compared to the south Asian average of 24% and the global average of 20%.

Today, dairy is a strong part of India and in terms of employment, about 45 crore people from 9 crore rural households, especially marginal farmers and women, are directly associated with the dairy sector as on 2023¹.

Similar to the other industries, engagement of employees in the dairy industry is also becoming a priority for the management. Engagement is defined as the attachment of the organization members to their job roles. Considerable research has been done on differentiating employee engagement from the other related hypotheses and making it measurable. This research bridges the gap between employee-employer concerns.

LITERATURE REVIEW

Sharma (2015)² in his article entitled, “Determinants of Small Milk Producers” Participation in Organized Dairy Value Chains: Evidence from India” studied the factors affecting the smallholder milk producers” participation in modern supply chains, the impact of this participation on their growth income, production, and technology choices and concluded that Market infrastructure such as roads, provision of veterinary services, distance from milk collection centre, markets, price risks, etc. are found to have significant effects on farmers” marketing choices.

1 Jaiswal P, Chandravanshi H, Netam A. Contribution of dairy farming in employment and household nutrition in India. International Journal of Avian & Wildlife Biology, 2018; Volume 3(1): pp 78-79.

2 Sharma Vijay Paul, (2015) “Determinants of Small Milk Producers” Participation in Organized Dairy Value Chains: Evidence from India”, Agricultural Economics Research Review Vol. 28 (No.2) July-December 2015 pp 247-261

Richman (2006)³ in his study confirmed that high employee engagement translates into increased discretionary effort, higher productivity and lower turnover at the employee level, as well as increased customer satisfaction and loyalty profitability and shareholder value for the organization.

Saks (2006)⁴ identifies employee engagement as a distinct and unique construct that consists of cognitive, emotional, and behavioral components that are associated with individual role performance,

Lawler and Worley (2006)⁵ contended that power can mean a relatively low level of influence, as in providing input into decisions made by others or it can mean having final authority and accountability for decisions and their outcomes. Thus failure to positively engage people in organizations today often stems from poor definition and measurement of employee engagement. Managing engagement cannot be effective without practical, reliable

Rajendran and Mohanty (2004)⁶ in their article found that most of the dairy farmers are in unorganized sector and as such they are confronted with some problems such as; low productivity; insufficient and improper animal feeding and health care; lack of an assured year-long remunerative producer price for milk; poor provision of infrastructural facilities for procurement, processing and marketing of milk and milk products.

3 Richman, A. (2006) „Everyone wants an engaged workforce how can you create it?“ Workspan, Vol 49, pp36-39.

4 Saks, A.M. (2006) „Antecedents and consequences of employee engagement“, Journal of Managerial Psychology, Vol 21, No 6, pp600-619

5 Lawler, E and Worley, C.G. (2006) „Winning support for organisational change: Designing employee reward systems that keep on working“, Ivey Business Journal, March/April,

6 Rajendran K and Mohanty Samarendu (2004) Dairy Co-operatives and Milk Marketing in India: Constraints and Opportunities K. 34 July 2004 Journal of Food Distribution Research 35(2) 21.

Holbeche and Springett (2003)⁷ argued that high levels of engagement can only be achieved in workplaces where there is a shared sense of destiny and purpose that connects people at an emotional level and raises their personal.

Brim (2002)⁸ indicates the inverse relationship between engagement and length of service suggests a disconnection between organizations intention to treat their workers and workers feelings towards their jobs.

Vyas (1997)⁹ highlighted the policy framework that present for dairy sector both in India and across the world and studied the demographic, socioeconomic, technological and legal aspects of dairy business and also suggested measures to be taken to promote both quantity and quality of milk in India.

Shah (1993)¹⁰ in his study analyses the state-wise disparities in Milk Production in India. This study provides an insight into the differential values in milk production and brings forth various issues that require some bold initiatives on the part of policy makers.

7 Holbeche, L. and Springett, N. (2003) *In Search of Meaning in the Workplace*, Horsham, Roffey Park.

8 Brim, B. (2002) „The longer workers stay in their jobs, the more disheartened they become“, *Gallup Management Journal*, March 2002

9 Vyas, B.M., 1997, “A policy paper on the Indian dairy industry”. *Indian Dairyman*, 49(5): pp125 -133.

10 Deepak Shah (1993), “Milk Production in India: An Analysis of Spatial and Temporal Variations”, *Asian Economic Review*, pp 291 – 304.

METHODOLOGY AND DISCUSSION

The study was done in order to explore the factors that affect employee engagement in the companies involved in milk production and marketing services was achieved by exploring factors across the experiences of the information rich cases. After the in-depth analysis and interpretation, it was found that there are mainly three factors of employee engagement in an Indian company indulged in dairy services. These are namely implicit benefits, organizational culture and organizational policies.

Based on the study, implicit benefits are inherent in the job description and are derived from being in the employment like improvement in the knowledge and skills. The organizational culture is the level of fairness, flexibility in working, the attitude of the colleagues and dirty politics. This is intensely ingrained into the organization and very difficult to change. The rules, regulations and framework defined by the top management and are not in the hand of middle or lower level employees are together called organizational policies.

The possible theme internal environment points out at need for procedural and distributive justice that an organization should facilitate. Along with a company specific environment and efforts to build strong employee friendly environment, good bosses is another factor that builds corporate culture.

CONCLUSION

The hands-on inferences of the research are twofold. Firstly, the factors explored in the research provide information to the concerned employer about what can engage employees in their work. It can help the dairy in controlling the high attrition rates by understanding the expectations of their employees, which are unique to the Indian dairy industry. Secondly, an employer by paying due attention to the importance of the findings, can foster healthy employee relations in the company as the employees can then derive more meaning out of their jobs. As an increased level of employee engagement fundamentally means the emotional attachment of the employee with the job if not with the organization, a higher level of productivity can be obtained from the same employee.

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