

Innovative practices in employee engagement

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Abstract

Employee engagement is the level of commitment and involvement an employee has towards his organization and its values. It is a measureable degree of an employee's positive or negative emotional attachment to their job, colleagues and organization which profoundly influences their willingness to learn & perform at work. Employee engagement has a direct impact on the employee's productivity. Employee engagement is a key business driver for organizational success. High levels of engagement in domestic and global firms promote retention of talent, foster customer loyalty and improve organizational performance and stakeholder value. A complex concept, engagement is influenced by many factors—from workplace culture, organizational communication and managerial styles to trust and respect, leadership and company reputation. For today's different generations, access to training and career opportunities, work/life balance and empowerment to make decisions are important. Thus, to foster a culture of engagement, HR leads the way to design measure and evaluate proactive workplace policies and practices that help attract and retain talent with skills and competencies necessary for growth and sustainability.

Keywords: employee engagement, framework, model of employee engagement, factors leading to employee engagement

Introduction

Employee engagement was described in the academic literature by Schmidt *et al.* (1993). A modernized version of job satisfaction, Schmidt *et al.*'s influential definition of engagement was "an employee's involvement with, commitment to, and satisfaction with work". This integrates the classic construct of job satisfaction. Linkage research (e.g., Treacy) received significant attention in the business community because of correlations between employee engagement and desirable business outcomes such as retention of talent, customer service, individual performance, team performance, business unit productivity. Employee engagement is derived from studies of morale or a group's willingness to accomplish organisational objectives which began in the 1920s. The values of morale to organizations were matured by US Army researchers during World War 2 to predict unity of effort and attitudinal battle-readiness before combat. In the post war mass production society that required unity of effort in execution, (group) morale scores were used as predictors of speed, quality and militancy. With the advent of knowledge worker and emphasis on individual talent management (stars), a term was needed to describe an individual's emotional attachment to the organisation, fellow associates and the job. Thus the birth of the term "employee engagement" which is an individual emotional phenomenon whereas morale is a group emotional phenomenon of similar characteristics. In other words, employee engagement is the raw material of morale composed of 15 attitudinal drivers.

Engagement – The New – Age Magic Wand "HR must strive to give people the new tools they need to thrive in the New Economy of Consciousness, specifically, techniques that expand creativity." It is believed that game-changing research is about to revolutionize HR, training and employee development. For decades, and companies said, people are our most precious assets. Why? Because business enthusiastically (and quite erroneously) thought CEO's

strategy was the only road to success. Referring to the state-of-the-art research by Towers Perrin who studied 3, 60,000 employees from 41 firms in 18 countries and found that when people were engaged, companies were profitable. The study reported that highly engaged people grew by 19.2 % but profit fell by 32.7% when people were disengaged. "So is leadership irrelevant? Hardly! Only great leadership can inspire people to get engaged". For those who see the link between people, values and profit, a new day is drawing for HR The downturn shattered the illusion of charismatic CEO, who is ironically known as the hero who parachutes into the company, waves the magic and saves the day with cost cuts, specially jobs and a high profile (but impossible to execute) merger. "Unfortunately, the magic wand does not work anymore. New research cited this year in the Wall Street Journal shows that large-scale job cuts shrink profit and stock returns, for as long as nine years after a recession. " The only way to sustain long-term success is through employee engagement. "Under growing pressure of finance, some trainers are getting back to the drawing board and innovating, considering the work of US –based Business Advisors Network." The new wealth and jobs are created primarily through the genius of human consciousness than manipulation of information. " Every great product that has ever hit the market (i.e. an Apple iPod, Herman Miller Aeron chair, a Tata Nano car), got there through the genius of human consciousness." In the economy of consciousness, companies that excel plus it, Six Sigma is narrowly designed to fix an existing process allowing little room for new ideas or an entirely different approach." HR professionals must strive to give people new tools they need to thrive in The New Economy of Consciousness, specifically, techniques that expand creativity and innovation. Google engineers devote 20% of their time to pet projects. Twice a week, it hosts employee meditation hours featuring brain scientists and Tibetan monks, among others. "How successful would India,

the birthplace of mindful silence, become if its corporations were to activate the home – grown strength of meditation” Employee engagement is thus the level of commitment and involvement an employee has towards their organization and its values. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. The organization must work to develop and nurture engagement, which requires a two-way relationship between employer and employee. Thus Employee engagement is a barometer that determines the association of a person with the organization. Employee is most closely associated with the existing construction of job involvement and flow. Job involvement is defined as the degree to which the job situation is central to the person and his or her identity maintained that job involvement is a “cognitive or belief state of Psychological identification. Job involvement is thought to depend on both need saliency and the potential of job to satisfy these needs. Thus job involvement results from a cognitive judgement about the needs satisfying abilities of the job. Jobs in this view are tied to one’s self-image. Engagement differs from job in as it is concerned more with how the individual employees his/her self during the performance of his/her job. Furthermore engagement entails the active use of emotions. Finally engagement may be thought of as an antecedent to job involvement in that individuals who experience deep engagement in their roles should come to identify with their jobs. When Kahn talked about employee engagement he has given improvement to all three aspects physically, cognitively and emotionally. Whereas in job satisfaction importance has been more given to cognitive side. HR practitioners believe that the engagement challenge has a lot to do with how employee feels about work experience and how he or she is treated in the organization. It has a lot to do with emotions which are fundamentally related to drive bottom line success in a company. There will always be people who never give their best efforts no matter how hard HR and line managers try to engage them. “But for the most part employees want to commit to companies because doing so satisfies a powerful and a basic need in connect with and contribute to something significant”

Aspects of Employee Engagement

- **Strategy:** World-class organization develop a formula for success by looking objectively and rigorously at the face and bay focusing on finding the right employees and keeping them engaged. For these organization, an employee’s engagement strategy is not only fundamental to the way they do business, it is critical to their success.
- **Accountability & Performance:** The top-driven companies focus on outcomes. They define and rigorously measure success at every level in the organization. These measurements ultimately help focus each person, team, department, and business unit on driving performance and results.
- **Communication:** Within the best performing organization there is a cultural alignment between the employees and the company, paired with a strategic with a strategic alignment communication touch point to reinforce their commitments to employees and customers.

Development

As the struggle for talent intensifies, organization face a continual challenge to build and grow their leadership capacity. The world’s top-performing companies have comprehensive leader and manager development programme, but they also go one step further – these programmes are performance. They make it a priority to not only identify current and future managers and leaders.

Employee engagement approaches for new employees

- The right person at the right position and giving them a realistic job preview
- A strong induction and orientation program
- Rigorous training and development, from technical to soft skills to leadership development program
- Regular technical/soft – skill updates
- Certification programs to drive people toward excellent performance

Employee engagement approaches for all employees

- Communication activities
- Reward schemes
- Activities to build the culture of the organization
- Team building activities
- Leadership development activities.

Communications activities

- Communication forums to provide regular feedback to all people, including team meeting & conference

In –house magazines

- On –line communication, including discussion board and blogs by company personnel including senior management
- Monthly updates on corporate goals and directions
- Regular employee opinion and satisfaction survey
- Active soliciting of employee feedback, including opinions

Reward Schemes

- Compensation and benefit programs
- Stock ownership and profit sharing
- Recognition programs
- Idea collection schemes linked to reward for idea generation
- Long service and good performance award.

Characteristics of Engaged Employees

Researchers for the Institute for Employment Studies (IES) recently asked about the characteristics common to engaged employees as they embarked on the study, The Drivers of Employee Engagement. They found that there was general agreement among HR professionals that engaged workers:

- Believe in their organization
- Desire to work to make things better
- Understand the business context and the “bigger picture”
- Are respectful and helpful to colleagues
- Are willing to go “the extra mile”
- Keep up to date with developments in their field.

Advantages of Engaged Employees

- Engaged employees will stay with the company, be an advocate of the company and its products and services, and contribute to bottom line business success.
- They will normally perform better and are more motivated.
- There is a significant link between employee engagement and profitability.
- They form an emotional connection with the company. This impacts their attitude towards the company’s clients, and thereby improves customer satisfaction and service levels
- It builds passion, commitment and alignment with the organization’s strategies and goals
- Increases employees’ trust in the organization
- Creates a sense of loyalty in a competitive environment
- Provides a high-energy working environment
- Boosts business growth.
- Makes the employees effective brand ambassadors for the company

The Cost of Low Employee Engagement

Low employee engagement has ramifications far beyond immediate co-workers. According to the Gallup organization, the cost for keeping actively disengaged workers over a five-year period was approximately \$300 billion in lost productivity and employee performance. Research indicates that studies exist which show that low employee engagement not only affects performance, it increases employee turnover, lowers customer service satisfaction and increases absenteeism. Other researchers have determined that the value added by good (not even outstanding) performers versus average performers was one-half of their gross salary. In an article in the Headwinds Journal, Joel Head points out that poor performers will cost an organization about one-half of their gross salary; the difference between a poor performer and a good performer, then, is equal to one employee’s annual salary.

Models of Employee Engagement

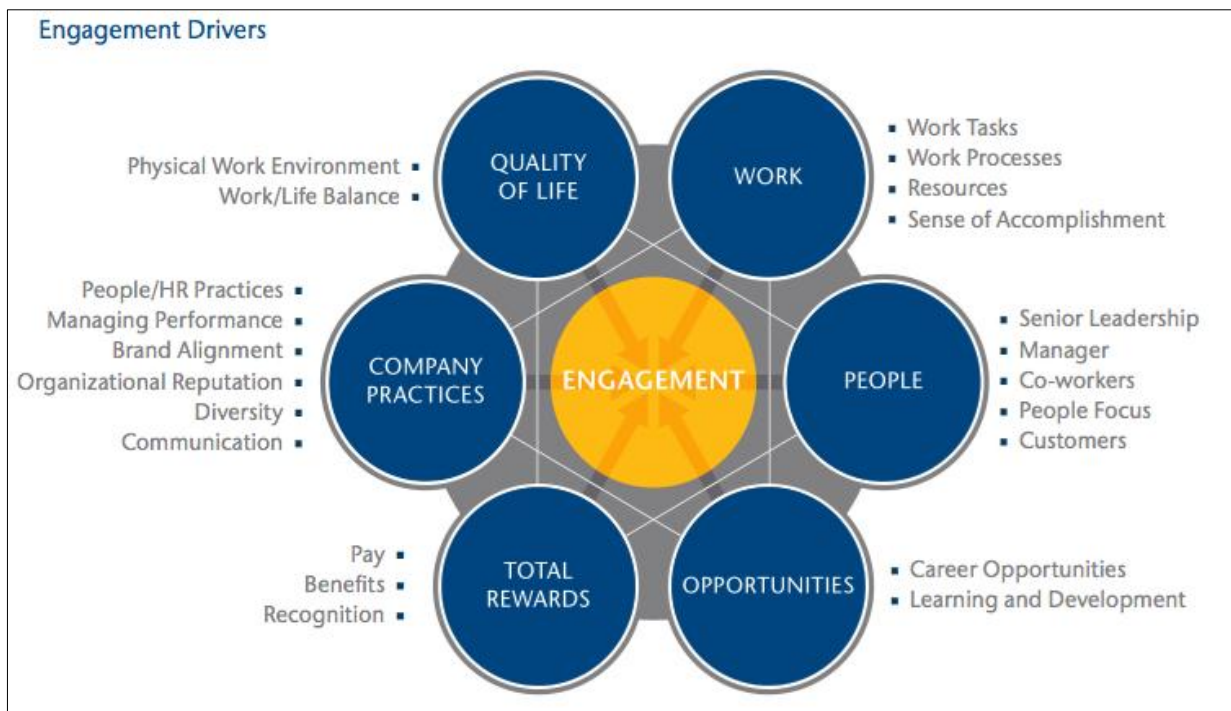


Fig 1

The engagement model goes beyond the measuring people’s satisfaction with each of these drivers. The model prioritizes the areas of improvement based on their potential impact on

engagement and, therefore business performance. Another key premise of the engagement model is that the engagement drivers are interrelated; they do not operate in isolation.

Factors Leading to Employee Engagement

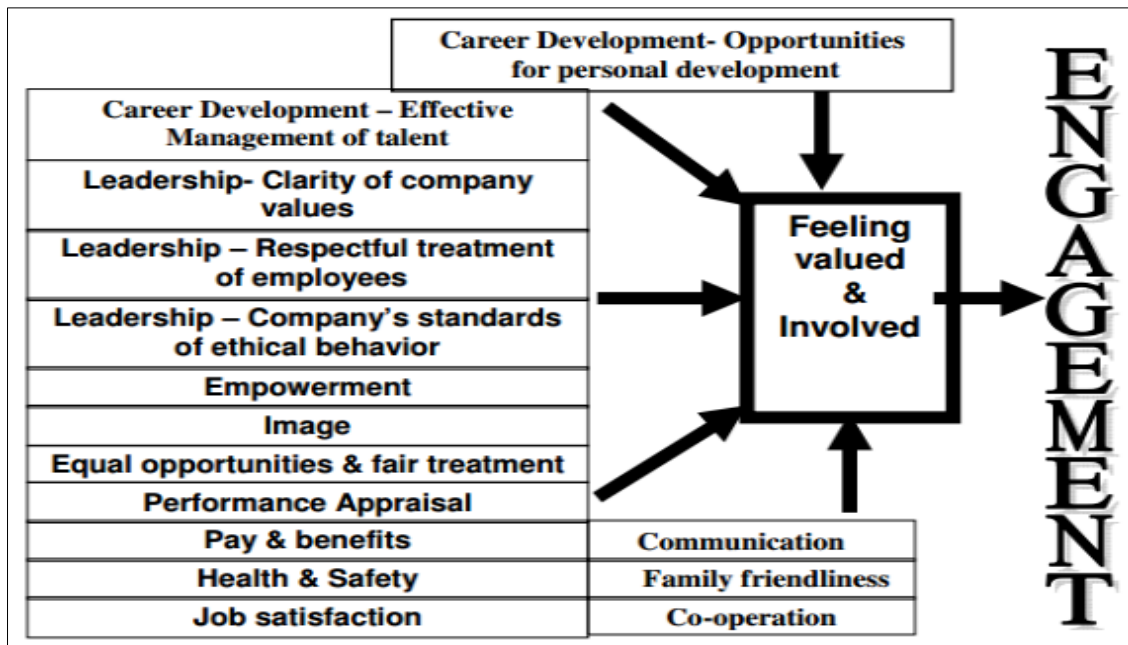


Fig 2

➤ **Career Development - Opportunities for Personal Development**

Organizations with high levels of engagement provide employees with opportunities to develop their abilities, learn new skills, acquire new knowledge and realise their potential. When companies plan for the career paths of their employees and invest in them in this way their people invest in them.

➤ **Career Development - Effective Management of Talent**

Career development influences engagement for employees and retaining the most talented employees and providing opportunities for personal development. Leadership- Clarity of Company Value Employees need to feel that the core values for which their companies stand are unambiguous and clear.

Leadership – Respectful Treatment of Employees Successful organizations show respect for each employee’s qualities and contribution –regardless of their job level.

➤ **Leadership**

Company’s Standards of Ethical Behaviour
A company’s ethical stand adds also lead to engagement of an individual.

Empowerment

Employees want to be involved in decisions that affect their work. The leaders of high engagement workplaces create a trustful and challenging environment, in which Employees are encouraged to dissent from the prevailing orthodoxy and to input and innovate to move the organization forward.

➤ **Image**

How much employees are prepared to endorse the products and services which their company provides its customers depends largely on their perceptions of the quality of those

goods and services. High levels of employee engagement are inextricably linked with high levels of customer engagement.

➤ **Other factors**

Equal Opportunities and Fair Treatment

The employee engagement levels would be high if their bosses (superiors) provide equal opportunities for growth and advancement to all the employees.

Performance appraisal

Fair evaluation of an employee’s performance is an important criterion for determining the level of employee engagement. The company which follows an appropriate performance appraisal technique (which is transparent and not biased) will have high levels of employee engagement.

Pay and Benefits

The company should have a proper pay system so that the employees are motivated to work in the organization. In order to boost his engagement levels the employees should Also be provided with certain benefits and compensations.

Health and Safety

Research indicates that the engagement levels are low if the employee does not feel secure while working. Therefore every organization should adopt appropriate methods and systems for the health and safety of their employees.

Job Satisfaction

Only a satisfied employee can become an engaged employee. Therefore it is very essential for an organization to see to it that the job given to the employee matches his career goals which will make him enjoy his work and he would ultimately be satisfied with his job.

Communication

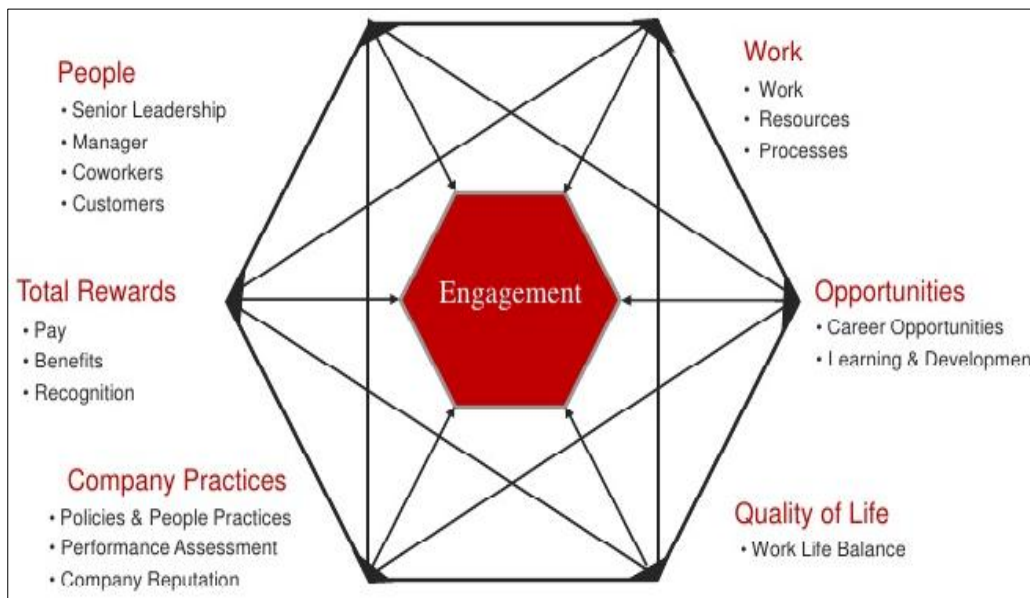
The company should follow the open door policy. There

should be both upward and downward communication with the use of appropriate communication channels in the Organization. If the employee is given a say in the decision making and has the right to be heard by his boss than the engagement levels are likely to be high.

Family Friendliness

A person’s family life influences his work life. When an

Framework of Employee Engagement



employee realizes that the organization is considering his family’s benefits also, he will have an emotional Attachment with the organization which leads to engagement.

Co-operation

If the entire organization works together by helping each other i.e. All the employees as well as the supervisors’ coordinate well than the employees will be engaged.

Objective

The objectives of the study are as follows

- To understand the concept of employee engagement in an organization
- To determine the need of employee engagement
- To identify different aspects of employee engagement
- To explore the costs of poor employee engagement to the organizations
- To determine the importance of employee engagement in an organisation
- To understand the employee engagement model
- To explore the role of managers in employee engagement.

Limitations of the Study

- The research was conducted on the basis of secondary data and had a wide Range of complex studies underlying
- There are several contradictory views of the researchers regarding the concept of employee engagement and employee satisfaction, which is still not clear.
- Limited time in which the research was to be completed.

Conclusion

The importance of employee engagement in the organizational setting is undeniable. The present study reveals many factors that appear to affect the level of employee engagement of the middle level executives in the Indian scenario. Overall, the components that were found to be important were; Training and development, organizational culture and community, all of which must be undertaken simultaneously in order to achieve the best results. Hence, we

may recommend that

these factors should be considered while designing organizational policies on decentralization, rewards and incentives, communication of information, employee career development, and developing organizational brand image. Further investigation is required, with a larger and more representative sample, to find whether the present findings hold for female executives, for employees at the top as well as the operational level, and for other organizations in the Indian scenario.

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