

EMPLOYEE ENGAGEMENT - AN APPROACH TO ORGANISATIONAL EXCELLENCE

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ABSTRACT

“Pleasure in the job puts perfection in the work”

-Aristotle

Employee Engagement – Introduction

Employee engagement is the level of commitment and involvement an employee has towards his 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. Thus it is a barometer that determines the association of a person with the organization.

In the era of cut throat competition and globalization, organisations have realized the importance of making their employees feel fully connected to their organization and to be passionate about their job. Engaging employees is crucial to satisfying and understanding the organization’s customers. This has a measurable and direct impact on productivity, talent retention, financial results and customer satisfaction. The first published use of the term *employee engagement* was in the Academy of Management Journal article "Psychological Conditions of Personal Engagement and Disengagement at Work" (W. Kahn, 1990), but since then many varied and conflicting definitions of employee engagement have made it difficult to compare and contrast research findings.

Conclusion

Employee Engagement is a positive attitude held by the employees towards the organization and its values. It is rapidly gaining popularity and importance in the workplace and impacts organizations in many ways. Engaged employees can help the organization achieve its mission, execute its strategy and generate important business results. Therefore employee engagement should be a continuous process of learning, improvement, measurement and action.

KEYWORDS: Employee engagement, HR practices, IT companies.

INTRODUCTION

Employee engagement is the level of commitment and involvement an employee has towards his 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. Thus it is a barometer that determines the association of a person with the organization. Institute for Employment Studies defines employee engagement as “a positive attitude held by the employee towards the organization and its values.”

Employees will feel engaged when they find motivation and personal meaning in their work, get positive interpersonal support and also operate in a work environment that is efficient (Bernthal, 2004; Seijits & Crim, 2006). Employee engagement triggers increased job satisfaction and employee retention. It maximizes workforce productivity. It is essential for meeting corporate sales and profitability objectives.

The first published use of the term *employee engagement* was in the Academy of Management Journal article "Psychological Conditions of Personal Engagement and Disengagement at Work" (W. Kahn, 1990), but since then many varied and conflicting definitions of employee engagement have made it difficult to compare and contrast research findings. Employee engagement is a new label for an amalgam of a number of existing concepts like job involvement, organizational commitment, loyalty, work motivation and productivity.

Objectives

The study aims at the following objectives:

1. To study about importance and elements of employee engagement in the present scenario
2. To examine the factors influencing Employee Engagement
3. To find out the outcomes of engaged workforce and the cost of disengaged workforce
4. To know about the employee engagement practices in IT/ITES Sector

Importance of Engagement in the present scenario

In the era of cut throat competition and globalization, organisations have realized the importance of making their employees feel fully connected to their organization and to be passionate about their job. Engaging employees is crucial to satisfying and understanding the organization's customers (Castries, 2009). This has a measurable and direct impact on productivity, talent retention, financial results and customer satisfaction.

HR practitioners believe that the engagement challenge has a lot to do with how employee feels about the work experience and how he or she is treated in the organisation. A research conducted by Gallup showed that when employees are engaged in an organization they become profitable, productive, maintains better customer relationships, and stay longer in the company (Gallup, 2009).

Promoting engagement among the employees is done by leveraging the three sources of influence for change; that is leaders, employees as well as organizational strategies and systems. Organizations must be willing to tap into the workers' commitment, passion and their identification with the company (Wellins, 2009). This can also be done through building trust between the employees and open communication (3M, 2009).

Some of the factors that are employed to engage and retain employees include; a culture of respect, mentoring and feedback, professional and advanced development, appropriate reward, effective leadership, job expectations, tools to finish work responsibilities and finally, motivation (Greenberg, 2009; Elton 2007). Thus Employee Engagement has become vital so as to motivate the employees to work with commitment, going beyond their formal role requirements and making the climate of organisations more human centered and emotionally connected

Elements of Employee Engagement

The term employee engagement has been defined by various researchers. A commonly agreed upon definition would be physical, psychological or emotional involvement of the employee while at work. Four things are important when we talk about employee engagement; commitment, motivation, loyalty and trust. Their level determines the quality of engagement of an employee.

- **Commitment:** Commitment means the degree to which individuals associate themselves with the job, the responsibilities and the organisational objectives. Engaged employees are those who are fascinated by their work and committed to face every challenge to attain their goals. They are dependable and highly productive and therefore, are accountable for what they do.
- **Motivation:** Up till recently it was believed that the biggest motivation is achievement. The reverse is also true, which means achievement results in more motivation. If employees put in their 100 percent efforts to take their organisation to the next level, this attained status motivates them more than anything. Proper rewards and recognitions can further motivate them to achieve more and more for their organisation.
- **Loyalty:** Employees who are actively engaged in their work show more loyalty towards the organisation. The best part is that they need less focus and attention of managers to perform their task as they themselves feel accountable for their job responsibilities and results attained. However, it doesn't take much time for actively engaged employees to turn into disengaged employees if the organisation doesn't have a well established reward system.
- **Trust:** High levels of employee engagement can be fostered only when trust prevails in the organisation from both the sides. As they share strong emotional bond with the

organisation, the latter should also show trust in their abilities. Employees must be given autonomy to perform their tasks their way. They should not be restricted to a specific rules and regulations and therefore, should be motivated to perform their task in a different and innovative manner.

Outcomes of Engaged Workforce

Employee engagement is a critical ingredient of individual and organizational success. It predicts employee outcomes, organizational success, and financial performance. The impact of engagement (or disengagement) can manifest itself through productivity and organisational performance, outcomes for customers of the organisation, employee retention rates, organisational culture, and advocacy of the organisation and its external image. A highly engaged employee will consistently deliver beyond expectations.

Employee engagement is a key business driver for organizational success. High levels of employee engagement within a company promote retention of talent, foster customer loyalty and improve organizational performance. It is also a key link to customer satisfaction, company reputation and overall stakeholder value (Lockwood, 2007). It has a statistical relationship with productivity, profitability, employee retention, safety, and customer satisfaction.

Kahn (1992) proposed that high levels of engagement lead to both positive outcomes for individuals, (e.g. quality of people's work and their own experiences of doing that work), as well as positive organisational-level outcomes (e.g. the growth and productivity of organisations). Engagement has not only been found to impact important work outcomes, but it has also been found to be more associated with health issues, such as depressive symptoms and physical problems, which may affect employee well-being (Hallberg & Schaufeli, 2006).

Factors Influencing Employee Engagement

There are some critical factors which lead to employee engagement. These factors are common to all organisations, regardless of sector. These factors create a feeling of being valued and involved among the employees. But the components of feeling valued and involved and the relative strength of each factor are likely to vary depending on the organisation. The factors which influence employee engagement are;

- **Recruitment:** The recruitment and selection process involves identifying potential employees, making offers of employment to them and trying to persuade them to accept those offers. The messages organization conveys while seeking to attract job applicants also can influence future employees' engagement and commitment.
- **Job Designing:** Job characteristics encompassing challenge, variety and autonomy are more likely to provide psychological meaningfulness, and a condition for employee engagement. Job becomes meaningful and attractive to employee as it provides him variety and challenge, thereby affecting his level of engagement.
- **Career Development Opportunities:** Organizations with high levels of engagement provide employees with opportunities to develop their abilities, learn new skills, acquire new knowledge and realize their potential. Career development influences engagement for

employees and retaining the most talented employees and providing opportunities for personal development.

- **Leadership:** Employees need to feel that the core values for which their companies stand are unambiguous and clear. Successful organizations show respect for each employee's qualities and contribution regardless of their job level. A company's ethical standards 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 give input and innovative ideas to move the organization forward.
- **Equal Opportunities and Fair Treatment:** The employee engagement levels would be high if their superiors provide equal opportunities for growth and advancement to all the employees. Employees feel that they are not discriminated in any aspects within the organisation.
- **Training and Development:** Redundancy of skills has been cited as one of the reasons for employee turnover, thereby indicating the necessity for training, re-training and multi-skill training. It is another important area which contributes to employee engagement. Learning new skills may trigger renewed interest in such aspects of the job which had not been meaningful earlier.
- **Performance Management:** Performance management processes provide conditions for employee engagement. Performance management encourages managers to have a focus on roles and responsibilities of employees and to include them in the goal-setting process.
- **Compensation:** Compensation is said to have a major influence on the employees' conceptions of their employment relationship. Compensation consists of financial elements (pay and benefits) but may also include non financial elements or perks, such as on-site day care, employee assistance programs, subsidized cafeterias, travel discounts, company picnics and so on.
 - **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 organisation should follow the open door policy. There should be both upward and downward communication with the use of appropriate communication channels in the organization.
 - **Family Friendliness:** A person's family life influences his work life. When an 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.

Cost of Disengaged Workforce

The findings of the Gallup Study of 2008 show that while the engaged employees believe they can contribute to company's growth, the disengaged employee believes otherwise, i.e. his job does not contribute to the organization. This belief of the disengaged employee creates a negative spiral that affects his work, co-workers, customers, productivity, and eventually both happiness of employee and company performance. Some effects are illustrated below:

- **Effect on Work** - The disengaged employee tries to evade work, struggles to meet deadlines and is reluctant to accept additional responsibility.
- **Effect on Co-Workers** - The negativity of a disengaged employee, demonstrated either through raves and rants or complete withdrawal from participation, affects the team morale. After all who has not heard of the proverb - one bad apple can spoil the whole bunch.
- **Effect on Customers** - Every employee, whether an organization likes it or not, becomes its ambassador. And a disengaged employee either by actively de-selling the organisation, or by complete apathy towards their work, product, process, organization create disengaged customers.
- **Effects on Productivity** - Disengaged employees seldom push themselves to meet organizational goals let alone contribute to innovative practices at workplace. Since, they do not believe that their work contributes to the organization; they evade completing tasks thereby affecting team productivity.
- **Effect on Company Performance** - In the corporate world, time is money and organizations must innovate to stay relevant. A disengaged workforce by virtue of delayed completion of tasks and inability to improvise and innovate cost the company dollars which ultimately affects bottom line.

Employee Engagement Practices in IT/ITES sector

HCL prides in its "campus organization". HCL gets young minds fresh from the campuses and groom them so that they attain leadership positions within the organization. The catching up exercise for such youth lacking experience is done by training and development arm of HCL Info Systems. The training in HCLI is identified based on the individual, organizational and customer needs. They have strict parameters for measuring performance, as performance in HCLI is measured on a daily basis and recorded in their systems. HCL was one of the first in India to talk about Employees Stock Option Plans (ESOPs), which they braced in 1988 and by 2005 all employees were covered under the scheme.

Ajuba Solutions India Pvt Ltd has pioneered and succeeded with the concept of "loyalty interviews" (as opposed to traditional exit interview) to find out what is it that makes its employees engaged with their firm. This feed back from loyal employees is taken as a reflection on the leadership style and is seen to work as a great motivator

RMSI is a Noida-based company which provides high-end Geographic Information System (GIS), modeling and analytical services. Mutual Admiration (MAD) is an event where employee is given green cardboard leaving on which they scribble messages of appreciation and pin them

onto the MAD tree in the cafeteria. The leaves are a way of reaching out to colleagues and teams who have mattered. And at the end of the week, the foliage gets thick. Surely, the employees like being around each other.

Lenova India has a work environment built in a manner that employees get the opportunities to reinvigorate themselves. The company has a fun initiative club and simple initiatives like nominating employee of the month and celebrating their birthdays which tend to boost employee morale.

Conclusion

Employee Engagement is a positive attitude held by the employees towards the organization and its values. It is rapidly gaining popularity and importance in the workplace and impacts organizations in many ways. An organization should thus recognize employees, more than any other variable, as powerful contributors to its competitive position. It has been observed that organisations with higher levels of employee engagement outperform their competitors in terms of profitability.

Engaged employees can help the organization achieve its mission, execute its strategy and generate important business results. They give their companies crucial competitive advantages—including higher productivity, customer satisfaction and lower employee turnover. Therefore employee engagement should be a continuous process of learning, improvement, measurement and action. The relationship between employee engagement and organizational outcomes would be stronger if better measures are used. Thus, organisations need to understand how different employees are affected by different factors of engagement and focus on those, in order to achieve the strategic outcomes as well as to improve overall effectiveness.

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