



EMPLOYEE ENGAGEMENT - A KEY TO ORGANIZATIONAL SUCCESS IN 21ST CENTURY

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Abstract

Employee Engagement is 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. It is a positive attitude held by the employees towards the organization and its values. The paper focuses on how employee engagement is an antecedent of job involvement and what Manager or Boss should do to make the employees engaged. The paper also looks at the Gallup 12 point questionnaire, twelve-question survey that identifies strong feelings of employee engagement and the steps which shows how to drive an engaged employee. This paper also tries to identify the key drivers of 'Employee Engagement', its different attributes together with the ways to measure it, how to handle disengaged employees and modern 'Employee Engagement' practices in corporate. Findings from various researches and surveys are used in the present work to measure the effect of 'Employee Engagement' which includes issues like productivity, profitability, focus on customer and various other related matters.

Keywords: Employee Engagement, Key drivers, Corporate Practices

Employee engagement is an individual's sense of purpose, evident to others in the display of personal initiative, effort, and persistence directed towards organizational goals. Today, employee engagement has become a critical element for business performance and success. Engaged employees are happy, they perform better and have stability. For past several years, 'Employee Engagement' has been a hot topic in the corporate circles. It is a buzz word that employers think they understand, but face difficulties and challenges while practicing. Many organizations copy 'Employee Engagement' activities from the best practices, looking at the benefits enjoyed by their competitors? however, most lose track after a few strides ahead. 'Employee Engagement' cannot be a cosmetic intervention in enhancing commitment towards job, motivation or productivity. Corporate culture has an important role in enduring positive impact of such engagement programs. Employee engagement has a direct impact on the employee's productivity. Understandably, the most productive employees are those that are not only committed and loyal? but also but also those whose outputs are healthy and gratifying both for themselves as well as for the organization they work for.

Concept of Employee Engagement

In the past several years, many authors have written on the topic 'Employee Engagement'. Kahn (1990) was the first to coin the term engagement as he described how people can "use varying degrees of their selves - physically, cognitively and emotionally in work role performances". One burning question of 21st century is that in spite of providing good pay packets and benefits, many organizations lose top performers to the competitors for no apparent reasons. According to Scarlett Surveys, "Employee Engagement is a measurable degree

of an employee's positive or negative emotional attachment to his job, colleagues and organization which profoundly influences his willingness to learn and perform at work." Schmidt et al (1993) defines employee engagement as a modernized version of job satisfaction, which is basically an employee's involvement with, commitment to and satisfaction with work. According to the Hay Group, engagement is comprised of two components: Commitment - affective attachment to and intention to remain with an organization and Discretionary Effort - the willingness to go above and beyond formal job requirements.

Employee Engagement: A Historical and Recent Perspective

Employee engagement may seem like a recent concept in HR, though it has been evolving since industrialisation. Early management thinkers like Adam Smith spoke about the individual's sense of purpose and how it led to industry success. Engagement was attempted through the lower order needs in Maslow's 'Hierarchy of Needs Model'. Production incentives, piece rate wages etc., were used to drive individual performance and employees were rewarded when their behaviour helped achieve the goals of the company. Fredrick Taylor introduced the concepts of specialisation and efficiency in industry that helped channelize the collective chain of efforts to achieve organisational goals. However, employees were still not clued in to the big picture, that is, their sense of purpose was not aligned to the organizational goals.

Later on, Japanese work methods like Total Quality Management based on concepts such as process over outcome, group dynamics over individual performance and constant change as part of accepted reality, brought employees closer to organisational issues. Worker



participation received importance, as the act of empowering employees to take decisions and feel a part of the process gained prominence. As professional organisations moved from manufacturing and industrial sectors to services, the scale became larger. Advances in technology and telecommunications resulted in workplaces becoming diverse and more dispersed. Organisations became flatter, work situations got more unpredictable, thus making employee behaviour management more complex. In such a scenario, employee engagement began to take on a whole new meaning. Meeting the lower order needs of Maslow's need hierarchy was not enough to retain employees anymore, but addressing the higher order needs is need of the hour.

With the entry of the MNCs in the 1990s, work schedules were no longer fixed. Employees were spending more time at work and personal life suffered drastically. Hence, work-life balance started becoming a major issue of concern. The two major recessions led the companies find creative ways to engage their employees and still remain productive, exceptionally. The talent war heating up in India with scores of talented youngsters joining the workforce, powered by a booming job market, leading many new recruits to constantly shop for better paying jobs. Hence, the work cultures across organizations changed tremendously. Today, we are working in a scenario where virtual work spaces are a reality. In the past decade, the definition of employee engagement has expanded from meeting tangible needs of employees to strengthening their emotional bonds with the organisation. Noteworthy, employee engagement programmes are based on a strong foundation of attributes like respect, trust, fairness and credibility, that poses them closer with their management.

Why a Manager or Boss should engage Employees?

Engagement is important for managers to cultivate given that disengagement or alienation is central to the problem of workers' lack of commitment and motivation (Aktouf). Meaningless work is often associated with apathy and detachment from ones works (Thomas and Velthouse). In such conditions, individuals are thought to be estranged from their selves (Seeman, 1972). Other Research using a different resource of engagement (involvement and enthusiasm) has linked it to such variables as employee turnover, customer satisfaction - loyalty, safety and to a lesser degree, productivity and profitability criteria (Harter, Schnidt & Hayes, 2002). An organization's capacity to manage employee engagement is closely related to its ability to achieve high performance levels and superior business results. Some of the advantages of Engaged employees are 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. A highly engaged employee will consistently deliver beyond expectations. In the workplace research on employee engagement (Harter, Schmidt & Hayes, 2002) have repeatedly asked employees 'whether they have the opportunity to do what they do best everyday'. While one in five employees strongly agree with this statement. Those work units scoring higher on this perception have substantially higher performance. Thus employee engagement is critical to any organization that seeks to retain valued employees. The Watson Wyatt consulting companies has been proved that there is an intrinsic link between employee engagement, customer loyalty, and profitability. As organizations globalize and become more dependent on technology in a virtual working environment, there is a greater need to connect and engage with employees to provide them with an organizational 'identity.'

Categories of Engaged Employees

According to the Gallup, the Consulting organization, there are there are different types of people:-

Engaged-- "Engaged" employees are builders. They want to know the desired expectations for their role so they can meet and exceed them. They're naturally curious about their company and their place in it. They perform at consistently high levels. They want to use their talents and strengths at work every day. They work with passion and they drive innovation and move their organization forward.

Not Engaged---Not-engaged employees tend to concentrate on tasks rather than the goals and outcomes they are expected to accomplish. They want to be told what to do just so they can do it and say they have finished. They focus on accomplishing tasks vs. achieving an outcome. Employees who are not-engaged tend to feel their contributions are being overlooked, and their potential is not being tapped. They often feel this way because they don't have productive relationships with their managers or with their coworkers.

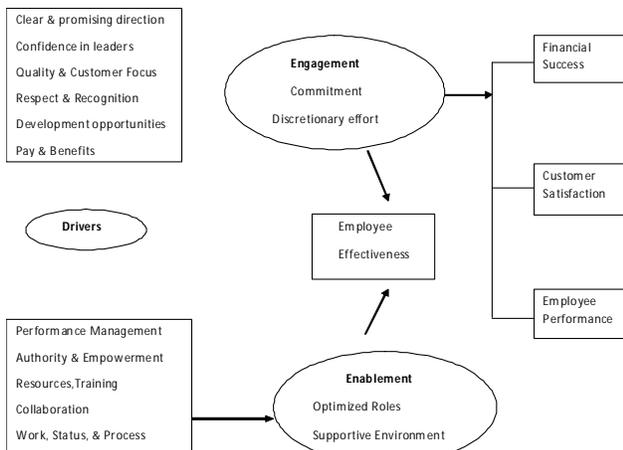
Actively Disengaged--The "actively disengaged" employees are the "cave dwellers." They're "Consistently against Virtually Everything." They're not just unhappy at



work; they're busy acting out their unhappiness .They sow seeds of negativity at every opportunity. Every day, actively disengaged workers undermine what their engaged coworkers accomplish. As workers increasingly rely on each other to generate products and services, the problems and tensions that are fostered by actively disengaged workers can cause great damage to an organization's functioning .

Key Drivers of Employee Engagement

In 2006, The Conference Board published an article 'Employee Engagement - A review of current research and its implication' on the basis of 12 major studies conducted by research firms such as Gallup, Towers Perrin, Blessing White, The Corporate Leadership Council and others. It came out that 4 of the studies mentioned 8 key drivers of employee engagement out of a total of 26 key drivers collectively. Which include : Trust & integrity - managers should communicate well and go by their words, Nature of the job - employees should find their job challenging enough to motivate themselves, Line of sight between employee performance and company performance - employee should have clear understanding as to how they contribute to the company's performance, Career growth opportunities - employees should have clear career path and growth, Pride about the company - employees should feel esteemed by being associated with the organization, Coworkers / team members - relationship with colleagues significantly increase employee engagement level, Employee development - the organization should take necessary steps for developing the knowledge, skills and attitude of the employees and Relationship with manager - the employee should be comfortable with his manager and value.



There are few more drivers which contribute in increasing employee engagement such as : Culture of respect where good job is appreciated, Feedback, counseling and mentoring, Fair reward, recognition and incentive scheme, Effective leadership, Clear job expectations, Adequate tools to perform work responsibilities and Motivation.

Employee Engagement Corporate Practices - Indian Context

At Tata Consultancy Services (TCS), senior executives guide team members coming up with innovative solutions to workrelated issues / problems. This has resulted in development of a number of useful products that have resulted in successful business endeavors. TCS, which has diverse teams working in different geographic locations in different cultures, created the 'Ultimax' platform an online forum, where employees across levels and geographies can come together.

At Bharti Airtel Ltd, the new joiners & the best performers for the month are rewarded with a special dinner / lunch with their Chief Operations Officer.

Aditya Birla Group regularly monitors employee engagement at all levels across the group through the biennial organization health study (OHS), which is led by the chairman. It gives employees a unique opportunity to anonymously and frankly express their opinions on a range of issues. The Aditya Birla Awards for Outstanding Achievement - has also been a key engagement factor. During the awards, a number of Groupwide competitions are conducted. Over the years, competitions like Vision 2015, Oh! Not So Smart, Aditya Birla Group value leaders' poll, etc, have been conducted. These competitions are open to all employees of the group. "Aditya Birla Group has a single portal which provides various job opportunities across levels, businesses and geographical locations of the Group. Aditya Birla Group also has opened up various learning opportunities like a) Gyanodaya The Group varsity for management learning: Herein the managers participate in managerial and strategy programs conducted by the leading academics. b) The virtual campus work to support the 'Elearners'. Over 250 online courses spanning areas such as leadership, sales, marketing and engineering are available on the learning network.

Indian Hotels, which operates the Taj chain of hotels, has been able to create a culture where the performance of employees is measured on customer Orientation efforts and the guidance given by senior leaders.

A prime example of employee engagement in Tata Motors is Tata club at Jamshedpur, which serves as a gathering point for employees and their families as they come together, network and have fun. The Community Development Centres (CDCs) have also been established across India to merge family values into Tata Motors organizational culture. To promote the value of education and to highlight the achievements of employee's children, merit awards are given in academics, sports & extra curricular activities. The artistic talent of the employees is nurtured through Kalasagar and Kalasangam - Tata Motors Cultural group. They arrange various cultural



events on music, drama, dance and other activities to promote creativity among employees and their families.

Hindustan Unilever Ltd.'s sales people fan out over the country, bringing shampoo and ice cream cones to onesixth of the world's population. HUL realized that a cyclical feedback system is good for sales managers and the salespeople they manage. HUL believes that "Ownership of engagement really goes to the manager". In the recent past, HUL managers underwent intense engagement training with Gallup consultants? and also reviewed each individual's followup action plan. Then they went to different locations to talk to salespeople individually.

Vodafone has implemented a new model of 'customer centricity' to drive improved customer and employee satisfaction. The Vodafone Way is modelled on three key tenets: Speed, Simplicity & Trust? with line managers being held accountable for team engagement with performance measures and providing them with tools and plans to drive performance by giving employees clear goals and a customer/client focus - and thereby achieving increased levels of productivity and innovation even in the downturn..

In Godrej, the Company's motto is 'take yourself lightly and take your job and your responsibilities seriously'. They believe real fun at work implies that 'Work itself is fun'. In Godrej and Boyce, there are various initiatives that have been taken up by practically all the divisions and Corporate HR. Each Divisional Personnel Head organizes some fun initiatives for the division like Birthday celebrations, Annual gettogethers, Department picnics, Attendance / Retirement functions, Festive dress codes, Dusserah /Diwali celebrations, online quizzes, Saturday casual dressing, Learning and Sharing day, Team Lunches/ Movies, Sense of Humour (try to laugh at ourselves rather than others), Lights Off Day, Wall of fame to announce Employee of the Quarter/Month. Some divisions also have clip boards for pasting jokes, cartoons and job related updates.

Tata AIG General Insurance Co. Ltd commemorate individual and team achievements by organizing a fun filled evening for the employees. Employee TownHall is an event where the head of the organization addresses and interacts with all employees giving them an insight about the company's progress and unfolding the way forward. Interdepartmental cricket & football matches organized every year for sports enthusiasts helps foster a spirit of teamwork. World of Work (WOW) is another event when employees' children are invited to come and spend time at their parents' workplace.

Measuring Employee Engagement and Its Impact- Various Studies

Renowned research organization Gallup developed Q 12 instrument (known as Q 12 Meta Analysis - a meta analysis is a statistical integration of data accumulated across many studies) by analyzing 199 research studies, which explored the relationship between employee engagement and performance across 152 organizations and 32394 business units covering 955905 employees. These are 12 items measuring issues, which are actionable or changeable at the manager level. The Q 12 measures engagement conditions. These are:

Q00 (Overall satisfaction) on a five point scale, where '5' is extremely satisfied and '1' is

extremely dissatisfied? how satisfied are you with your company as a place to work?

I know what is expected of me at work.

I have the materials and equipment I need to do my work right

At work, I have the opportunity to do what I do best everyday.

In the last seven days, I have received recognition or praise for doing good work.

My supervisor or someone at work seems to care about me as a person.

There is someone at work, who encourages my development

At work my opinions seem to count.

The mission or purpose of my company makes me feel my job is important.

My associates or fellow employees are committed to doing quality work.

I have a best friend at work.

In the last six months, someone at work has talked to me about my progress.

The last year, I have had opportunities at work to learn and grow.

In the Gallup Study nine performance outcomes were studied: Customer loyalty/engagement, profitability, productivity, turnover, safety incidents, shrinkage, absenteeism, patient safety incidents and quality (defects). Employee engagement is related to each of the nine performance outcome studied. Results show consistent correlation across different organizations. The correlation between employee engagement and composite performance found to be 0.48. Findings showed correlations between job satisfaction and organizational commitment translate into lower turnover. Thus higher levels of employee commitment, i.e., how likely they were to stay with the organization, indicate higher levels of employee engagement. In world class organizations, the ratio of engaged to actively disengaged employees is: 9.57: 1. In average organizations, the ratio of engaged to actively disengaged employees is 1.83:1Studies by Gallup



organizations released in 2003 show that only 29% of workers were engaged in their work, 54 % were not engaged and 17% were actively disengaged. Employee engagement creates greater motivation within employees for the work they do and increases their commitment to the organization. It is about creating an enthusiasm for their roles, their work and the organization and ensuring they are aligned with the values of the organization, well informed and well integrated with their colleagues and the culture of the organization.

As per the 2008 Association for Training and Development (ASTD), Employee Engagement study, top 3 business benefits derived from engagement are -

Enhance customer service and drive customer satisfaction, Improve organizational productivity and Improve the bottom line.

The study conducted by Blessing White and HR Anexi also found out that just over 34% employees in India are fully engaged and 13% are actually disengaged. Indian workforce proved to be the most focused and satisfied globally.

Though Indian firms have benefited from rapid growth and healthy profitability, HR processes have suggested keeping up with the growth and dynamic nature of India's workforce. Right Management study showed that organizations that seek to improve engagement measures experience significant differences country wise in engagement levels from 45% in India to only 11% in Japan.

General Statistics

Region	Disengaged	Honeymooners & Hamsters	Crash & Burn	Almost Engaged	Fully Engaged
India	13%	13%	11%	29%	34%
Australia & NZ	20%	18%	12%	24%	26%
Europe	21%	15%	13%	28%	23%
China	33%	9%	16%	32%	10%
Global Average	18%	12%	13%	28%	29%

Conclusion

We can conclude that the importance of employee engagement in the organizational setting is undeniable.

Employee engagement emphasizes the importance of employee communication on the success of a business. An organization should thus recognize employees, more than any other variable, as powerful contributors to a company's competitive position. Therefore employee engagement should be a continuous process of learning, improvement, measurement and action. We would hence conclude that raising and maintaining employee engagement lies in the hands of an organization and requires a perfect blend of time, effort, commitment and investment to craft a successful endeavor.

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