Employee Engagement as a Contemporary Issue in HRM--A Conceptual Framework

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ABSTRACT

For past several years, 'Employee Engagement' has been an important concern in the corporate world. Products and process alone can't help organizations to sustain loyal customers. They also need highly-motivated, dedicated and involved employees who are very passionate about their work and their organization; in short, they need "engaged employees". But, nurturing engaged employees requires a lot of effort and skill on the part of HR managers and calls for a different HR philosophy in the organization. It is a buzz word that employers think they understand, but face difficulties and challenges while practicing. 'Employee Engagement' cannot be a cosmetic intervention in enhancing commitment towards job, motivation or productivity. Corporate culture plays an important role in enduring positive impact of such engagement programs. This paper throws light on how 'Employee Engagement' can be increased. This work 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 and the factors that contribute to employees being engaged. In this paper, secondary data from various research findings and surveys are employed and explores implications for theory, further research and practices by synthesizing modern 'Employee Engagement' activities being practiced by the corporate with the review of findings from previous researches / surveys.

Keywords--- Employee Engagement, Challenges, Factors contributing, Implications.

I. INTRODUCTION

What is 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. Though, some employee turnover is normal, but if an organization is truly engaging its employees, the possibility of unexpected loss of skilled, experienced and motivated quality workforce is less. Employee Engagement is arguably the most critical metric for organizations in the 21st Century. Most if not all, of the other key measures that reflect and drive organizational performance (customer satisfaction, innovation, profitability, productivity, loyalty and quality) are products of engaged committed employees. 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.

1.1 Relevance

As the best resources to any organization is always its human resources, the attainment of an workplace with high caliber employees are the key to success & the way to set competitive advantage in the global scenario. A well functioning organization is the product of its healthy, committed and motivated employees, who can be termed as ‘engaged employees’. Global economy has experienced significant shifts in the recent past which have accelerated the need for organizations to find innovative ways to address new technological, demographic and marketplace realities. These shifts made the organizations to reevaluate costs associated with talent. Research has consistently shown that employee engagement is powerfully linked to a range of business success factors such as:
1. Employee performance/efficiency
2. Productivity
3. Safety
4. Attendance and retention
5. Customer service and satisfaction
6. Customer loyalty and retention
7. Profitability

II. CHALLENGES

a) There has been a fundamental sectoral shift in employment away from manufacturing and the public sector – sectors renowned for more formalized HR systems, high levels of trade union membership, and larger employment units – towards the more informal, relatively trade union free and smaller employment units of the service sector. Retention of these knowledge workers is a challenge to these organizations.

b) The second challenge, being faced by the employers, is planning and developing employee engagement strategies without any solid research base in the process it loses the focus and momentum.

III. OBJECTIVES

a) The purpose of this paper is to find out different aspects of employee engagement from the existing literatures available.

b) It throws light on various attributes & key drivers of employee engagement, how to increase it and how to handle disengaged employees.

c) It also reviews research or survey findings on the effect of employee engagement on productivity, profitability, customer satisfaction

3.1 Literature Review and Methodology

In this paper, literature review method is employed as this is an accepted strategy for summarizing literature on a concept (Chermack & Passmore, 2005). Integrative literature reviews are considered to be one of the best ways to capture data from various emerging fields (Torraco, 2005). As employee engagement is an emerging topic and being studied by different researchers on various aspects of the topic with varied conceptualization, an integrative literature review method is adopted and presented in this paper in a descriptive study manner

IV. KEY FINDINGS

4.1 How Employee Engagement evolved?

Employee engagement is derived from early studies in the 1920s on morale or a group’s willingness to accomplish organizational objectives. In the modern day perspective with the advent of knowledge worker, stress was given on individual talent management. Thus a term was required to describe an individual’s emotional attachment to the organization, to his fellow colleagues and to the job. Thus came the term ‘employee engagement’, which is an individual emotional phenomenon.

4.2 Influence of corporate culture on employee engagement

Having a high performing business culture is a competitive advantage for any organization today. Every employee either makes the culture stronger or weakens it. In the mid – 1990s, it was discovered that no organization – large or small – has a single culture, rather it has many cultures as it has many functions, managers or supervisors. Once an organization achieves its desired culture, the employees whose attitude & behavior align with the desired culture will be engaged and those who do not fit into it leave on their own or they are asked to leave because of culture push.

4.3 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. These are:

- Trust & integrity
- Nature of the job
- Line of sight between employee performance and company performance
- Career growth opportunities
- Pride about the company
- Coworkers / team members
- Employee development
- Relationship with manager

4.4 Increasing employee engagement

According to various studies, organizations, that give emphasis on employee engagement, consider the following factors to be important in increasing employee engagement.

- Culture
- Continuous reinforcement of employee focused policies
- Organizational performance
- Increased job involvement and job satisfaction
- Teamwork
- Handling employees’ mental & physical health and morale

4.5 Handling nonengaged and disengaged employees

Nonengaged and disengaged employees can be handled in the following ways.

1. Effective managers must find out the strengths of these nonengaged and disengaged employees
2. The level of job engagement increases significantly through emotional support and recognition.
3. Employees’ effectiveness is highly influenced by the corresponding firm’s role in employee development.
4. Employees must feel their importance and necessity in the workplace, equal opportunities for growth and development and fair treatment.

4.6 Employee Engagement corporate practices – Indian context

1. At Tata Consultancy Services (TCS), senior executives guide team members coming up with innovative solutions to work related 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.

2. 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.

3. 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.

4. HUL believes that "Ownership of engagement really goes to the manager".

V. FACTORS THAT CONTRIBUTE TO EMPLOYEES BEING ENGAGED

 VI. PRACTICES TO BOOST UP EMPLOYEE ENGAGEMENT

New employee orientation is often one of the first and best opportunities to engage employees.

6.1 Engagement at the time of on boarding

Employee engagement begins from the very first day of joining of a new employee. The employee should receive a warm welcome. The new joiners’ name can be displayed on the notice board so that everyone comes to know.

6.2 Engagement at the time of Induction

HR department can assign a person to help the new joiner in understanding and to get along with the organization’s culture & values. Besides a person, one mentor should be assigned to the new joiner at least for the first six months, so that he/she can get professional and moral support & does not feel lost in the ocean.

6.3 Engagement for the regular employees

This can be classified into three parts

a) Workplace Communication
b) Fun at Work
c) Celebration of festivals and other events

6.4 Impact of employee engagement on productivity, profitability and customer satisfaction
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). Top 3 business benefits derived from engagement are –

1. Enhance customer service and drive customer satisfaction.
2. Improve organizational productivity
3. Improve the bottom line.

6.5 Main drivers of Employee Effectiveness

The main drivers of employee effectiveness are as follows:

![Employee Effectiveness Framework](image)

Figure 2: Employee Effectiveness Framework – Common Drivers (Source: Hay Group Insight’s Employee Effectiveness Framework – Common Drivers)

6.6 General Statistics:

- According to Accor Services 90% of organizations say employee engagement impacts business success, but 75% of organizations have no engagement plan or strategy.
- About 25% of workforce in US is completely engaged, 26% are actively disengaged while 45% are not engaged.
- GALLUP survey shows that in the last few years the number of engaged employees have increased from 11% to 13% globally while actively disengaged employees have reduced from 27% to 24%.
- While the Tower Watson Global workforce study says that 40% employees are found to be highly engaged in 2014 while 24% are disengaged while the rest are detached or unsupportive.
- A recent report by Dale Carnegie Training shows that Indian employees are more engaged than their global counterparts. The report states that the number of fully engaged working professionals in the Indian workforce stands at 46% while the global average for the same is 34% and that of the US is at 30%.

The report also identifies the level of higher education as a parameter that directly impacts employee engagement. The India study revealed that the average level of education in India currently is much higher than those participating in the US study, which may have been a reason why India’s data was better. The fact remains that 54% of the Indian workforce is somewhat dissatisfied with their job. According to a study by the Indian Council for Research on International Economic Relations, India’s “rapid economic expansion has boosted corporate profits and employee incomes, but has also sparked a surge in workplace stress”; and stress has been known to impact employee engagement and productivity levels. This makes it quite clear that today, organizations must take creative initiatives to boost engagement.

VII. CONCLUSION

After reviewing research & survey findings of Gallup, Hay Group it can be certainly concluded that high levels of employee engagement will lead to improved employee commitment & involvement towards job and thus creating a motivated workforce – that will work together to achieve the common goals of the organization. Highly engaged workforce will definitely make an
organization more successful in terms of financial & nonfinancial parameters. Employee Engagement depends on four major conditions in the workplace: Organization’s culture, continuous reinforcement of people focused policies, meaningful matrices and organizational performance. Corporate culture helps an organization to connect with the employees, gives them empowerment in decision making process and develops them to shoulder greater responsibilities. Ensuring correct work allocation with realistic timelines, encouraging work life balance, promoting employee wellness and implementing a positive work culture are just some of the things organizations can do to increase employee motivation. This aspect will be even more front and centre as the talent war heats up. After all, talent is most critical to meeting business goals in today’s knowledge economy.

VIII. IMPLICATIONS

This paper presented the employee engagement concept in a methodical way firstly, by describing the evolution and definition of employee engagement along with its relevance & challenges. Secondly, the paper discussed the different key drivers of employee engagement together with how to measure and how to increase the same. It also discussed how to handle nonengaged and disengaged employees. Thirdly, it presented the employee engagement practices being conducted by the corporate.Fourthly, it reviewed the key research & survey findings by internationally reputed organizations. This paper has been presented by literature review method in a systematic manner, which will definitely help in conceptualization on the subject.

REFERENCES