



Short Review Paper

Mantra for a high performing organisation: employee engagement

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Abstract

Employee engagement is a very vast field and a very important area of study in the field of Human Resource Management. There is considerable confusion between the two concept job satisfaction and employee engagement as people consider them as the same. But the fact is that concepts like job satisfaction, employee commitment and organizational citizenship behavior are the pillars on which the concept of employee engagement is based. Employee engagement is the level of commitment and involvement an employee has towards his organization and its values. The concept of employee engagement is relatively new to the business and academic world. However, research to a considerable extent has been made to link engagement and organizational processes and outcomes. The paper intends to highlight the concept of employee engagement and its correlation with organizational performance.

Keywords: Employee Engagement, Human Resource Management, Commitment, Job satisfaction.

Introduction

Employees spend most of their time in the workplace. Whether they love their work and workplace is having an important bearing on their life and wellbeing. If they are very much involved with their job and the environment, then they are more likely to give their fullest effort in the workplace and hence having an increased contribution to the productivity of the organization. The less involved employees are considered to be less engaged and sooner or later these employees leave the organization. Thus, the issue of employee engagement is very sensitive one and need to be dealt with utmost care.

The term employee engagement has become a hot topic for discussion and has generated enormous interest in academia and industry as well. Kahn is the first one to theorize about employee engagement. He opined that when an employee is fully connected (physically, cognitively and emotionally) with his work roles, it can be inferred that he is an engaged employee¹. One of the most popular and often referred definitions of engagement is offered by Schaufeli et al, who defined engagement as “a positive, fulfilling, work related state of mind that is characterized by vigor, dedication and absorption². From these definitions it can be said that employee engagement is characterized by i. Positive feeling, ii. Psychological concept, iii. Related to work, iv. Voluntary effort to work for the success of the organization.

Objectives of the study: i. To understand the concept of employee engagement. ii. To find out the factors influencing employee engagement. iii. To suggest measures to enhance employee engagement in organizations.

Methodology

The study is based on secondary literature as literature review method is used in this study. Based on the objectives of the study scholarly articles were collected for review. Various research articles, white papers and books are referred to generate a working understanding of the concept. The study is conceptual in nature.

Literature Review: In the past few years a considerable amount of study has been undertaken on employee engagement. Researchers, organizations as well as academicians worldwide have introduced a host of definitions and established linkages between engagement and productivity, organizational commitment and customer satisfaction etc.

Perrin's Global Workforce Study concludes that various emotional and rational factors related to work efficiency affects engagement³.

The Harvard Business Review published the survey results of Corporate Leadership Council, which is based on 50,000 employee engagement surveys conducted throughout the world. The major finding of the survey was that there is an improvement of 57% in the level of voluntary efforts exhibited by employees when the commitment is high among the employees⁴.

Sirota, Mischkind and Meltzer had conducted their study on 28 multinationals over four years and collected data by discussing with 9,20,000 employees. They concluded that there is a significant impact of employee engagement on the share prices of the organization. The share price of the surveyed

organizations with highly engaged employees increased on an average by 16% in 2004 in comparison to the industry average of 6%⁵.

Harter et al also concluded that employee satisfaction and engagement are directly related to business outcomes. They carried their research on thirty six organizations to find out the relationship between employee satisfaction, engagement and business unit outcomes. The findings of the study revealed that customer satisfaction, customer loyalty and financial performance of the organization improve as a result of high level of engagement among employees⁶.

Kahn find out that engagement and disengagement among employees is affected by psychological conditions. Within the context of each role situation the employee proposes to himself three basic questions: i. How significant is it for me to bring myself in to this performance? ii. How safe is it to do so? iii. How available am I to do so?

On the basis of these significant questions Kahn inferred that enhanced psychological significance, psychological safety and psychological availability contributes towards a higher engagement level of employees¹.

Forces that drive Employee Engagement: The Conference Board identified some key forces that drive employee engagement in an article entitled ‘Employee Engagement- a Review of Current Research and Implication’. The forces enlisted were as follows: i. Faith and Uprightness, ii. Nature of the job, iii. Congruity between employee performance and company performance, iv. Opportunities for career development, v. Pride about the company, vi. Colleagues, vii. Employee development, viii. Relationship with the manager⁸.

How to Measure employee engagement: For measuring the engagement level in employees Gallup (Research organization) has developed an instrument called Q₁₂ Meta Analysis. For the

development of the instrument measuring EE, an analysis of 199 research findings, establishing relationship between engagement and performance were done. The instrument uses a five point rating scale for measuring 12 items, where ‘5’ signifies extremely satisfied and ‘1’ stands for extremely dissatisfied. These items are: i. Q00: Are you satisfied with your company as a place to work? ii. Q-01 I am well aware of the expectations by the management at work. iii. Q02 I possess adequate materials and equipments to complete my task. iv. Q03 I get enough opportunity to show my talent in the workplace. v. Q04 I was praised and appreciated for my work, within the past seven days. vi. Q05 Management and colleagues care for me as a person. vii. Q06 People encourages me for development in the workplace. viii. Q07 My viewpoints are accepted at the workplace. ix. Q08 I feel my job is important when I got through the mission and vision statement of my organization. x. Q09 Quality of work is given importance by my colleagues. xi. Q10 I found one best friend in my office. xi. Q11 I have been told about my progress in the workplace in the last six months. xii. Q12 I have got opportunities to learn and grow in my work in the last year⁹.

For understanding the impact of EE on various parameters like performance and customer satisfaction, various research papers have been analyzed and a comprehensive list of major findings of the research by prominent organizations has been highlighted in Table-2.

Conclusion

Engagement lies in the heart of the workers. Higher the level of engagement among workers higher will be the level of business execution, empower the effective execution of business procedures and enhance execution. Building a connection with workforce is a long haul, continuous activity. Since it requires facilitated, authentic and tireless exertion of pioneers, authoritative framework and people.

Table-1: Category of employees based on their engagement level.

Types of employee	Description
Highly Engaged	The Highly engaged employees show a strong commitment for the organizational mission, vision and objectives. They are emotionally connected with the organization. They actively pursue the opportunities for the improvement of the work environment and operational activities.
Moderately Engaged	These employees are having a positive attitude towards work and are productive in the workplace. But they are not fully committed and rarely take voluntary initiatives.
Passive	Passive employees don’t have any interest in work. They are less motivated. They don’t show any sign of positivity, progress and innovativeness.
Actively Disengaged	These employees are unsatisfied at their work and feel disconnected from their job. This negativity and poor attitude is having a significantly bad impact on their performance and the performance of other employees.

Source: Managing Engagement during Times of change, White Paper, Aon Hewitt⁷.

Table-2: Relationship between Employee Engagement, performance and customer satisfaction.

Year of research	Research organization/ Researcher	Major findings
2003	Gallup Study ¹⁰	There is a positive correlation between Job satisfaction and organizational commitment. Higher employee commitment leads to lower turnover and higher level 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.
2008	Association for Training and Development ¹¹	The study concluded that there are numerous business benefits of employee engagement. The benefits include: <ul style="list-style-type: none"> • Enhanced customer service and customer satisfaction • Improved organizational productivity • Improve the bottom line
2001	Hay Group ¹²	The important observation includes: <ul style="list-style-type: none"> • Employee performance is greatly influenced by engagement and enablement • Without engaged employees it is unlikely for the organization to exist • Frustrated employees will break through the barriers, disengage and eventually leave the organization
2004	IRS ¹³	According to the study good relationship with manager and colleagues, better quality of line management, recognition of contribution and dynamic leadership are some of the drivers of employee satisfaction and commitment.
2008	Towers Perrin ¹⁴	Towers Perrin undertook a survey on 90,000 employees in 18 countries and came to the conclusion that 21 % of the employees were Engaged while 8 percent employees were disengaged. Among these employees 41% were enrolled i.e., they are having the capabilities but not committed to either their work or to the organization, 30% were disenchanting i.e., they do the minimum to survive or are completely disengaged. Retention level of the employees in the organization is greatly dependent on the level of engagement which means higher the level of engagement, higher will be the retention and vice versa.
2004	Corporate Leadership Council ⁴	The study found that highly engaged and committed employees (23%) exhibit the tendency to stay with the organization for a long period of time. These employees also tend to give nearly 57% extra effort in their work and almost 87% does not want to leave their company as comparison to disengaged employees.
2009	Right Management ¹⁵	The study found that engagement leads to higher financial performance, higher customer satisfaction and higher employee retention.
2008	Business World, HR Anxi and Blessing White ¹⁶	The survey came with an interesting finding about Indian employees. The study claims that Indian workers are the most focused and satisfied employees in the world. According to the study thirty four percent employees in India are fully engaged while thirteen percent employees are disengaged. The study also segregates employees in to five categories namely the Engaged, Almost Engaged, Honeymooners & Hamsters, Crush & Burn and lastly the disengaged (from highly engaged to the least engaged).

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