

Employee Engagement: A HRM Tool for Achieving Organizational Goals

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Abstract

Productive employees, in today's ever changing and demanding business world, are perhaps among the most valuable and appreciable resource an organization may acquire and retain, to survive, sustain and excel. Today's business world is experiencing a sea change in employees' overall attitude, behaviour and expectation from a company. The current workforce is more informed, better equipped with technology, risk taking, more inclined towards faster career progression, and of course, more demanding in terms of expecting tangible reward. This is indeed becoming a challenging task for any organization to motivate and retain the employees to devote their full potential towards achieving organizational goal. Therefore, organizations today, require to keep a constant vigil to ensure that the potential of the employees is fully utilized for the benefit of the organizational performance. The concept of "employee

engagement” summarizes the above. Employee Engagement is a continuous journey towards achieving the long-term organizational performance goal. The present paper is an attempt towards discussing some of the significant conceptual issues of employee engagement, along with a few company illustrations.

Key words: *Employee engagement, disengaged employee, organization performance*

Introduction

Productive employees, in today’s ever changing and demanding business world, is perhaps the most valuable and appreciable resource an organization may acquire and retain, to survive, sustain and excel. Today’s business world is experiencing a sea change in employees’ overall attitude, behaviour and expectation from a company. The current workforce is more informed, better equipped with technology, risk taking, more inclined towards faster career progression, and of course, more demanding in terms of expecting tangible reward. This is indeed becoming a challenging task for any organization to motivate and retain the employees to devote their full potential towards achieving organizational goal. Therefore, organizations today require a constant vigil to ensure that the potential of the employees is fully utilized for the benefit of the organizational performance. The concept of “employee engagement” summarizes the above. Lanphear (2004) defines employee engagement as “the bond employees have with their organization, when employees really care about the business, they are more likely to go the extra

mile (Lanphear, S. (2004). Kahn (1990:694) defines employee engagement as “the harnessing of organization members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances”.

The present paper is an attempt towards discussing some of the significant conceptual issues of employee engagement, along with a few company illustrations.

Process of Employee Engagement

Planning, communication, and execution of plans are the backbone of the entire employee engagement process. A few basic steps in implementing the employee engagement process are stated below:

- 1. Identification of Need and Preparing the Action Plan:**
The process starts with identification of specific requirements of the organization, based on the performance priorities. After that a customised action plan needs to be prepared.
- 2. Employee Engagement Survey:** A questionnaire may be designed and administered among employees to collect their ideas and views.
- 3. Result Analysis:** It is the most important step in the entire process. It is a time when reports are to be analysed to find out what exactly motivates employees to perform their best and what actually disengages them, and finally compels them to leave the organization. The results and information can then be delivered through presentations.

4. **Action Planning:** In this step, the modus operandi for how to turn the results of the survey into an action is decided. Coaching of line managers as well as HR professionals is very important in order to tell them how to take appropriate actions to engage employees.
5. **Action Follow-up:** Action follow-up is necessary in order to find out, if the action has been taken in the right direction or not, and whether it is producing the desired results.

Cost of Disengaged Employees

The Gallup Organisation (2004) found critical links between employee engagement, customer loyalty, business growth and profitability. They compared the scores of these variables among a sample of stores scoring in the top 25 percent on employee engagement and customer loyalty with those in the bottom 25 per cent. Stores in the bottom 25 percent significantly under-performed across three productivity measures: sales, customer complaints and turnover. The International Survey Research (ISR) team has similarly found encouraging evidence that organizations can only reach their full potential through emotionally engaging employees and customers (ISR 2005). One may argue that, the engaged employees in general believe they can contribute to company's growth, whereas, the disengaged employees' beliefs are in contrary. As a result, the disengaged employees create a negative environment that affects their own, and their colleagues', productivity, and eventually job satisfaction. Some effects are illustrated below:

1. **Effect on Work** : The disengaged employee tries to escape work, faces difficulties to meet deadlines and is reluctant to accept additional responsibility.
2. **Effect on Colleagues** : The negativity of a disengaged employee may be displayed through withdrawal from participation, lower team morale or anger.
3. **Effects on Productivity** : Disengaged employees may not be interested to meet their own performance targets, and consequently, organizational goals.
4. **Effect on Job Satisfaction** : A disengaged employee is often unhappy and dissatisfied with the work, which may lead to less motivation to excel at work.

Elements of Employee Engagement

The concept of employee engagement stands on the basis of a number of dimensions of mutual and reciprocal benefits between employees and organizations. This involves not only logical, but also affective dimensions, as to how the organization treats its employees in lieu of the optimal engagement.

Most often employee engagement has been defined as emotional and intellectual commitment to the organisation (Baumruk 2004, Richman 2006 and Shaw 2005) or the amount of discretionary effort exhibited by employees in their job (Frank et al 2004). Saks (2006) argues that organizational commitment also differs from engagement in that it refers to a person's attitude and attachment towards their

organization, whilst it could be argued that engagement is not merely an attitude; it is the degree to which an individual is attentive to their work and absorbed in the performance of the role. According to May et. al, (2004) engagement is most closely associated with the constructs of job involvement and 'flow' (Csikszentmihalyi 1990). Job involvement is defined as 'a cognitive or belief state of psychological identification' (Kanungo 1982:342).

Based on the above, some of the key factors of employee engagement have been stated below:

- 1. Commitment:** Commitment means the degree to which individuals associate themselves with the job, the responsibilities and the organizational objectives. Engaged employees are those who are inspired by the work challenges and enjoy overcoming them.
- 2. Motivation and Loyalty:** motivation and achievement are strongly interdependent factors. More the motivation, more the possibility to achievement and vice-a-versa. Engaged employees, being more motivated towards work, will put more effort, which eventually may result into more achievement, which then results into recognition and reward, as a part of virtuous cycle making the same workforce more motivated to perform even better. This also brings more loyalty to the organization.
- 3. Trust :** High levels of employee engagement demands high-trust work environment. To pursue employee engagement policy, the employees need to be given

adequet autonomy and responsibility to carry on their tasks. Instead of restricting them with bureaucratic rules and regulations, they should be made accountable for their actions and reportable to authorities for the same.

Phases of Employee Engagement

Employee engagement is a long-term process and goes through various phases describing the level of the engagement, involvement, attachment and belongingness between employee and employer. These phases of employee engagement make a continuous cycle that each organization aiming to achieve increased profitability, must undertake.

- 1. *Attracting Talent:*** The first phase of the employee engagement is to attract the best available talent from the industry. This phase necessitates creating a positive and welcoming work culture and employer branding, which involves organizational commitment for employee career progressions and nurturance.
- 2. *Acquiring Talent :*** It includes the actual procurement of human resource by interacting with them, offering a job, providing them with the promised work culture and other policies, facilitating in performance, in a sustained way.
- 3. *Career Progression of Employees :*** This Phase involves promoting the employees to a higher designation along with salary increments and growing them in other tangible and intangible ways. This acts as a measure to retain the valuable talents in the organizations.

Key Players in Enhancing Employee Engagement

- ***Immediate Supervisors and Managers:*** Immediate supervisors and managers play the most important role in enhancing the levels of employees. As they spend more time with them as compared to the HR department, and senior leadership, they can easily identify the motivators for their subordinates. They can interact with the employees and gather information related to the behavioral pattern of the employees, as also the specific factors which enhance the motivation and job satisfaction, and so on.
- ***Human Resource Department :*** Human Resource Department works on the data collected and supplied by the managers and determine the trend among the employees, in order to predict the best possible way to engage the employees. They may also act like the bridge between the top management and the employees, identify the pitfalls in the policies and forward the recommendations to rectify them for better employee engagement.
- ***Senior Leadership or Top Management:***They review the entire report and the process designed by the HRD or a management consulting firm to enhance the employee engagement levels. They support the process by deciding the priorities and making investments.

Types of Employees Based on Level of Engagement

The types and characteristics of employees, based on the level of engagement, may be stated in the following way

(The Employee Engagement Equation In India, Blessing White & HR Anxi, Copyright BlessingWhite 2008):

Type	Characteristics
<p>The Engaged: High contribution & High satisfaction</p>	<p>They contribute the most to the success of the organization and find great satisfaction in their work. They bring discretionary effort and initiatives. If their engagement is not sustained, this type of employees may make a transition to any of the three adjacent groups, mentioned in the next consecutive rows.</p>
<p>Almost Engaged: Medium to high contribution & satisfaction</p>	<p>This type of employees are mostly high performers and are reasonably satisfied with their current job. They are, however, at risk, since, they are highly employable and approachable by other companies. Individuals in this segment can progress into any of the other four segments. Investing in this group to increase engagement is perhaps the most tangibly rewarding for the organization.</p>

<p>Honeymooners & Hamsters: Medium to high satisfaction, but low contribution</p>	<p>This segment includes two sub-groups: Honeymooners - they are new recruits to the organization or new to their roles. Initially, in this “honeymoon” phase of 12 to 18 months, the level of satisfaction remains high. However, the optimal level of work contribution may not be possible, from the employees’ side. Hamsters - this type of employees are associated with a company for a longer duration, very satisfied with their position and are less likely to leave. These individuals may perceive themselves as contributing strongly, but in reality, contribute little to the success of the organization.</p>
<p>Crash & Burn: Medium to high contribution, but low satisfaction</p>	<p>These employees are top performers but are low on personal satisfaction. They tend to criticize the top management and colleagues, sometimes to draw attention. These people have a tendency to glide down the contribution level to become disengaged and bring down the others around them.</p>
<p>The Disengaged: Low to medium contribution and satisfaction</p>	<p>These employees are the most sceptical ones of any organizational initiative or communication. They are more likely to indulge in contagious negativity.</p>

Drivers for Effective Employee Engagement

While there is no one panacea for leveraging employee engagement, there are some broad drivers which are presented below (<http://www.managementstudyguide.com/understanding-employee-engagement.htm>):

- 1. Work/Job Role :** Employees must perceive a link between their role and the larger organization goal, which enhances employee engagement. A clear linkage on how an individual employee's role contributes to the organization will go the extra mile and help achieving organizational target.
- 2. Work Environment/Organization Culture:** The bond between an employee and the organization becomes stronger, when the employee identifies with the culture of the organization.
- 3. Rewards and Recognition:** Equitable pay coupled with rewards and recognition programs enhances motivation and leads to commitment and engagement.
- 4. Learning and Training Opportunities :** Skill and Knowledge enhancement are very crucial motivators for employees to be dedicated towards their organization. Moreover, an organizational culture, promoting learning, is also essential for organizations to ensure employee engagement.
- 5. Performance Management :** An effective performance management system contributes positively to employee engagement. Clearly defined parameters of

performance goals, a fair and transparent performance measurement system and rational performance feedback are critical elements in creating a bond between the employee and his/her organization.

- 6. Leadership:** To develop and nurture employee engagement, organizations need leaders, who will be ready to delegate responsibility and autonomy in decision-making to his/her subordinates.

Employee Engagement Trends {Trends in Global Employee Engagement www.aon.com/aon_hewitt_study}

Different employees rank these factors at different levels. This means that for some, career opportunities may be the biggest factor of being associated with the company, while for others, money is the driving factor. Many people want to work for a reputed organization, whereas some prefer a better working environment over anything else.

In Asia Pacific region, career opportunities are ranked first. It is followed by brand alignment, recognition, pay and HR practices, respectively. In European countries, of course, career opportunities rank first, but their second preference is good HR practices. These two are followed by brand alignment, pay and recognition, respectively.

Similar to the global results, Europe's top Engagement Driver for the past years has been career opportunities, followed by people/HR practices, brand alignment, pay, and recognition. Europe is the only region in 2008 and 2009

where work processes and innovation ranked among the top five engagement influencers. These drivers have been replaced with brand alignment and people/HR practices in 2010. Notably, people/HR practices were also identified as key engagement drivers in 2008, but not in 2009, for this region.

In Latin America, career opportunities, recognition, brand alignment, and pay have been among the top five engagement drivers for three consecutive years. Latin America did not escape the global economic crisis, but most countries in the region stood up to it with resilience - the region has recovered more rapidly than the majority of developed economies. Some countries, like Brazil, Chile, and Peru, are experiencing unprecedented growth. Although many employers took some measures to weather the economic storm, these measures were not as drastic as in other regions. This may explain why the average engagement levels in the region didn't experience the declines observed in other markets.

In North America, again the career opportunities are ranked first by the employees followed by performance management, organization reputation, brand alignment and then recognition. Overall, people prefer career opportunities over any other thing, no matter where companies are operating. Regardless of their backgrounds and regions, this is something that every working professional looks for.

Zinger Model of Employee Engagement

David Zinger, a Canadian management consultant, introduced a model of employee engagement. The model provides organizations with 12 keys that a manager must follow to achieve significant results. They are as follows (<http://www.davidzinger.com/zinger-model/>):

- 1. Achieve Results:** Achieving the desired results, i.e., higher levels of employee engagement is the ultimate aim of the Zinger model; however, the process is well supported by various other steps. The managers need to work on self as well as the employees of the company through well crafted strategies.
- 2. Craft Strategies:** Crafting appropriate strategies to achieve higher levels of employee engagement is the first and foremost task. It involves a lot of planning and considerations of employee as well as organizational requirements. Managers can seek helps from professional management consultants in order to craft effective strategies.
- 3. Enliven Roles:** Employees will love their work when it seems interesting to them. Managers should work on redefining their tasks and responsibilities in a manner that eliminates the element of boredom from their job to keep them interested in their work.
- 4. Excel at Work:** Motivating employees to perform work certainly pays off. An organization must have a system for recognizing and rewarding employees for their

efforts so that they remain stimulated to perform better in a scalable fashion.

5. **Get Connected:** Managers must remain connected to their subordinates so that they can share their problems and ask for advice to perform their tasks. Communication is the backbone of every managerial process.
6. **Be Authentic:** Being real and genuine is what is expected from a leader. Top management, HR people, as well as immediate managers should show genuine concern towards the problems of employees and make dedicate efforts to help them get rid of it.
7. **Live Recognition:** Recognizing the efforts of employees in front of everyone not only boosts their moral, but also encourages them to stay with the organization and perform at their best, always.
8. **Fully Engage:** The desired results can be achieved in the fastest possible way only, if employees are fully engaged. A comprehensive study about what actually engages or disengages the employees must be conducted. Designing and implementing appropriate strategies is the next step.
9. **Identify with Organization:** Employees stay in organization for long years, if they feel connected to their organization. Management should understand that they are their most important assets without which nothing can be achieved.

10. Serve Customers: Only engaged employees can serve their customers in the best possible manner. Maintain a tradition and culture to offer the best services to the customers. Making employees aware of this tradition of the organization from time to time can help a great deal.

11. Develop Personally: Organization should not only focus on attaining its goal, but also on the overall development of an employee. Employees who grow with the organization are deeply connected to their workplace and always ready to walk that extra mile to achieve success for it.

12. Attain Happiness: Happy and satisfied employees are the most important assets of an organization. The secret behind the success of highly productive businesses is their happy employees.

General Engagement Strategy

As mentioned in BlessingWhite report 2008, following are some of the general strategies organizations may follow to engage employees optimally, with different engagement levels (The Employee Engagement Equation In India, Presented By BlessingWhite & HR Anxi, © Copyright BlessingWhite 2008):-

Strategy for the Engaged Employees : Sustain the level of engagement in the long-term. Recognize this groups' ability to influence and motivate others.

Strategy for Almost Engaged Employees: Invest in this group to increase engagement and sustain. Organizations should invest in them for two reasons:

- 1) They are highly employable, more open to offers from other firms than the „engaged group and would also have a deep impact on performance should they leave or otherwise slip into a lower level of engagement.
- 2) These employees have the shortest distance to travel to reach full engagement

Strategy for the Honeymooners & Hamsters : Clarify objectives and expectations. Provide more feedback. The honeymoon period should be temporary and it should be a priority to get them aligned and delivering as soon as possible. Look to effective on- boarding & new role coaching.

Strategy for the Disengaged Employees: Spell out expectations and provide opportunity to take on more challenging work. Failing that, facilitate exit from the organization.

Employee Engagement Initiatives Adopted by Companies, Operating in India

Raymond

Raymond Group is one of India's largest branded fabric and fashion retailers. It is one of the leading, integrated producers of worsted suiting fabric in the world, with a capacity of producing 31 million meters of wool & wool-blended fabrics.

For Raymond, employee engagement is more than just a metric or a score. The philosophy for employee engagement has been simplified with a concept called 'Joy of Performance'. At individual level, 'Joy of Performance' is a feeling of elation when an employee performs at his/her highest potential and accomplishes a stretch goal. Raymond acknowledges that Capability Management is the only way to enhance the capability of individuals or team to perform at their highest potential. Therefore, principles of learning organization are crucial for the company. Considering this, methodologies, such as, action-learning projects, crucible assignments, intra-role movements, outbound interventions, and behavioral interventions, coaching and mentoring are used at Raymond (Narayanan , K. A., 2012).

Reliance Broadcast Network Ltd (RBNL)

Reliance Broadcast Network (formally **Reliance Broadcast Network Limited**, commonly abbreviated as "RBNL") is a subsidiary of Reliance Group Companies. Reliance Broadcast Network operates FM Radio stations and Television stations in India.

RBNL believes in keeping employees actively engaged and glued into the organization's values bedrock. Service Leadership, excellence in execution, sense of urgency, teamwork and constant innovation - these are the five pillars of RBNL's foundation. The culture is to nurture the employees as 'customers' by way of *connect-engage-deliver*, who in turn are expected to deliver better services to the external customers. One of the very

interesting communication techniques used in this company is Associate Testimonials (long service associates, success stories, training experiences, management trainee corners, comeback associates), where employees take ownership is writing about the relevant features. *Monthly Champs* is another initiative where the employees who uphold company's values are awarded on Friday on every month. Non-monetary 'Quarterly incentives' are the other rewards, employees can get. CEO Constant Innovation Award are the quarterly recognitions of individual innovations, team innovation, and station innovation. Apart from the above, to maintain a closely-held corporate culture, RBNL has certain 'Celebrate Days/Weeks', such as, 'joy of giving week, and so on (Roy, M., 2012).

Tata Teleservices (TTSL)

Tata Teleservices Limited (TTSL) is an Indian broadband and telecommunication service provider based in Mumbai, Maharashtra, India. It is a subsidiary of the Tata Group, an Indian conglomerate. It operates under the brand name Tata DoCoMo.

The company's HR practices include a strong HR philosophy with alignment, assignment, engagement, empowerment and pride of the employees. The annual employee engagement survey 'Darpan' has been designed around the same model and philosophy. In order to foster a customer-centric and performance-driven culture in the organization, the pillars of culture are defined as 'CRISP' (customer focus-responsibility for results, initiative with

speed, self-confidence with consciousness, and passion for achievement).

A vigorous performance management scheme, a reward and recognition policy, and a career progression and employee engagement are among the main initiatives to reach organizational goal.

Training is an important component of employee engagement. TTSL focuses on training employees through innovative workshops, cross-functional teams, and collaborative working. Employees are encouraged to enhance their skills and come up with innovative ideas through *Mind Beans*, *Propel (Six Sigma)*, and *Promising Practices*. The portal *Gyan Jyoti* acts as employees' skill-enabler through e-learning. Employees enlist their fields of interest and expertise on *Gyan Tarang*. TTSL then uses its in-house expertise to conduct various training workshops for the other employees. E-Pulse is another employee engagement initiative at TTSL. It has been created to enhance engagement of employees from the very first moment they join TTSL, by taking employee feedback (Singh & Panda, 2013).

Hanmer MSL (India)

MSL INDIA is one of India's largest multi-discipline communications firms and a leader in the area of speciality communications services, including strategic public relations, financial communications, social media, events, activation and creative services (<http://hanmermsl.com>).

Here the employee engagement strategy is based on three level model : individual, managerial (line managers) and leadership. At individual level, Employee engagement is based on ACT (assess, communicate, take action). The goals need to be assessed by individuals. The same goals are to be communicated to the concerned managers. And, based on the same goal, actions have to be taken.

At the managerial level, CARE (coach, align, recognize, engage) needs to be taken about employee engagement. The employees need to be coached. The managers need to align their priorities, interests and talent to the organizational goals. The employees are to be recognized for their efforts. Finally, managers need to engage themselves with each team members to set the individual goals and organizational goals at par.

As senior leaders, CASE (community, authenticity, significance, excitement) principles are the key to employee engagement. Senior managers need to foster sense of community, the actions they take should be authentic, significance is to be provided to the organizational objectives and they need to build excitement among people to take the organization way forward (Rana, S., 2012).

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