

Employee Engagement: Unlocking The Key To Achieving Sustainable Organisations

Paper ID	IJIFR/V5/ E11/ 011	Page No.	9362-9369	Subject Area	Management
----------	--------------------	----------	-----------	--------------	------------

Key Words	Employee Engagement, Competitive Advantage, Productivity, Sustainability
-----------	--

Dr. Reena Shyam

**Associate Professor,
Indian Academy School of Management Studies,
Hennur Cross, Hennur Main Road, Bangalore**

Abstract

Employee engagement has emerged as a major area of focus in HR these days. As more and more companies work with a global workforce, Employee engagement had drawn attention and interest among employers. Employee engagement constitutes the core competence of a successful and sustainable organization. It is linked to important organizational issues like retention, productivity and satisfaction. In today's highly volatile business scenario, one of the major challenges that corporate leaders face is sustaining high level of performance over the long term and obtaining superior business results. Despite the negative headlines of employee layoffs and cost cutting due to recession, organizations are still functioning. Organizations that protect their people assets will come out of this stronger and increase chances of sustaining amid volatile business conditions. Increasing pressure on organizations to retain its top-performers who contribute significantly towards organizations growth has further highlighted the role of employee engagement as a tool for retention. It is important to maintain employee morale during downturn, there is a noticeable decline in morale in the past several months. This study aims at understanding employee engagement and its importance in modern organizations. Further it analyses the strategies that can be used for employee engagement to improve workforce satisfaction and organizational performance.

I. INTRODUCTION

In today's highly volatile business scenario, one of the major challenges that corporate leaders face is sustaining high level of performance over the long term and obtaining superior business results. Employee engagement practices experience a rise as companies tend to work with a global workforce. In this changing scenario, the challenge of HR

personnel is to establish the credibility of the organization as well as to ensure that its internal customers make significant contributions to the organization. Employee Engagement is understood as the level to which employees are fully involved in their work, committed to their work, care about their organization and colleagues and are willing to extend them and go the extra mile for their company to achieve success.

Employee engagement constitutes the core competence of a successful organization .It is linked to important organizational issues like retention, productivity and satisfaction.

Engagement can be correctly integrated and woven into an organizations HR policy by creating an environment that includes challenging aspects of work, supportive team members and effective training strategies that are consistent with the performance management techniques. These characteristics can help managers shape the workplace into an employee friendly outfit. A company must take initiatives to refine and redefine certain human resource management practices that contribute towards enhancing employee satisfaction and motivate workers to perform better.

2. DEFINING EMPLOYEE ENGAGEMENT

"Employee engagement" is one of the popular concepts in HR these days. Many organizations have launched new initiatives to improve levels of 'employee engagement'. In its 2006 publication titled "Employee Engagement, A Review of Current Research and Its Implications", The Conference Board in the USA ,describes employee engagement as “**A heightened emotional connection that an employee feels for his or her organization that influences him or her to exert greater discretionary effort to his or her work.**”

Employees who are engaged consistently demonstrate three general behaviors which contribute to improving organizational performance:

- **Say-** the employee advocates for the organization and spreads goodwill among potential employees and customers
- **Stay-** staying put and displaying a strong desire to continue membership with the organization despite opportunities to work elsewhere
- **Strive-** employees' willingness to devote extra time and effort to contribute to the success of the business (Baumruk and Gorman 2006)

The Chartered Institute of Personnel and Development (CIPD) define engagement in terms of three dimensions of employee engagement:

- **Emotional engagement** - being enthusiastic and liking one's work;
- **Cognitive engagement** – willingness to learn and invest on work
- **Physical engagement** - willing to 'go the extra mile' for your employer.

However research indicates that there are varying degrees of engagement employees can experience. Meere (2005) describes three levels of engagement:

Engaged: are enthusiastic about their jobs, loyal, motivated and productive. They have a strong emotional commitment to their workplace and are driven to succeed.

Not engaged: are not totally psychologically connected to their company. Less motivated when compared to their engaged counterparts, have high probability of indulging in absenteeism and intention of leaving the company.

Actively disengaged: are emotionally and cognitively disconnected with their work.

3. EMPLOYEE ENGAGEMENT AND EMPLOYEE SATISFACTION

Earlier researches claim that although job satisfaction and employee engagement are used interchangeably there is a distinction between the two aspects. Merely having satisfied employees does not assure managers of retaining best talent, it is such context that having an engaged workforce becomes integral for the success of the organization. Engagement is about passion and commitment-the willingness of employees to invest himself for the organizational growth. Therefore employee engagement goes beyond simple satisfaction or loyalty as it involves the employees' willingness to put forth his discretionary effort to help the employer succeed. Therefore, the full engagement equation is obtained by aligning maximum job satisfaction and maximum job contribution. Stephen Young, the executive director of Towers Perrin, also distinguishes between job satisfaction and engagement contending that only engagement (not satisfaction) is the strongest predictor of organizational performance (Human Resources, 2007).

4. OBJECTIVES OF THE STUDY:

This study is conducted with following objectives:

- To understand employee engagement and its importance in organizations
- Analyze the factors that drive employee engagement.
- Analyze the strategies that can be used for employee engagement to improve workforce satisfaction and organizational performance.

5. STATEMENT OF THE PROBLEM

Despite the negative headlines of employee layoffs and cost cutting due to economic slowdown, organizations are still functioning. There is a great uncertainty about the future. Those organizations that protect their people assets will come out of this stronger. Increasing pressure on organizations to retain its top-performers who contribute significantly towards organizations growth has further highlighted the role of employee engagement as a tool for retention. It is important to maintain employee morale during downturn, a noticeable decline in morale in the past several months. An effective engagement program addresses this problem by maintaining morale and productivity levels.

6. EMPLOYEE ENGAGEMENT FOR POSITIVE BUISNESS OUTCOMES

There is overwhelming evidence from previous research that the difference between engaged and disengaged employees is not insignificant and that engagement has become the essential base for competitive advantage that companies can leverage to propel their

businesses forward. This is particularly true as economies shift towards knowledge economies and the workforce increasingly simulates a knowledge workforce vis-à-vis a labour workforce, with the associated shift in the balance of power. There is sufficient data that supports the belief that there is a direct correlation between the level of employee engagement in a company and the company’s overall financial and operational performance.

The Aon Hewitt Engagement Model provides a comprehensive view of what factors contribute to higher employee engagement namely engagement drivers such as Company Practices, the Work itself, Leadership etc which lead to positive business outcomes for the organization such as Growth in revenue and Profitability, Customer Satisfaction, Employee Satisfaction and Higher retention levels.

The Aon Hewitt Engagement Model



Source: (Aon, 2017)

7. FINDINGS BASED ON EMPLOYEE ENGAGEMENT PRACTICES IN THE BEST PLACES TO WORK

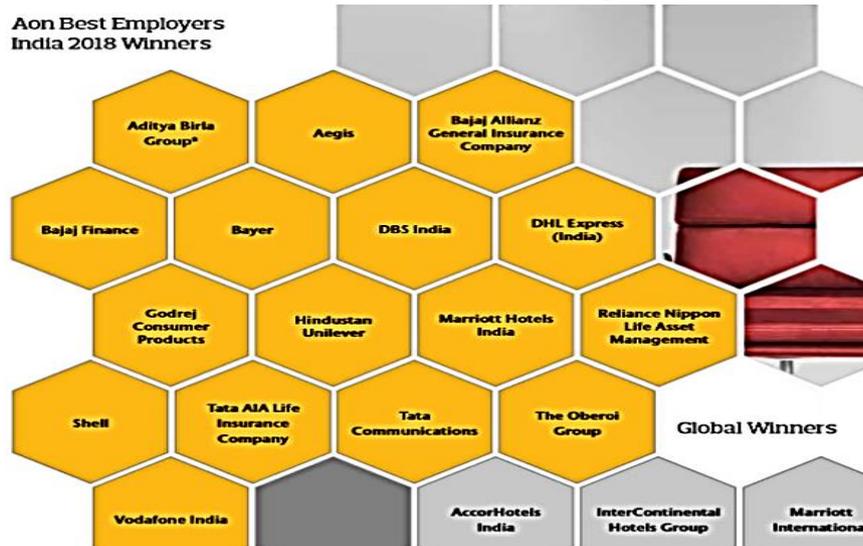
The Aon Hewitt Best Employers in Asia study 2018 provides insights into how organizations can create real competitive advantage through people and explore the contours of what makes a workplace of choice. The study showed that companies that invest on employee engagement have benefits such as:

- A **strong competitive advantage** over other organizations as they possess highly engaged workforce that is prepared to go the extra mile for their organization and customers.
- **Better business results** and the ability to grow a sustainable business as they take a long-term approach to building a sustainable workforce and focus on

growing committed and loyal employees who have faith in the leaders of the company.

- Attracting **the best talent and recognition** in the marketplace for having a strong employer brand.

Long-term employee relationships, which leads to fewer employees leaving the organization. Best Employers also have outstanding leaders in place who not only inspire employees, but actively make them feel valued in the workplace.



Source : (Aonhewitt, 2018)

Some of the **best practices followed by these companies** to ensure maximum employee engagement and retention:

1. Free exchange of information, inspiration and innovation- The Doer’s Club of **Aditya Birla Capital** hosts three individual platforms - *The Innovation Portal, The Speed Portal and The Kaizen Portal* allowing greater connect with employees.
2. Mission statement, a triad of equity “Happy Employees, Happy Customers, Happy Shareholder”, of **Aegis** helps the company to put employees at the core of all its activities . Global Talent Exchange Programs has facilitated extensive movement of talent across borders and geographies. The comprehensive hexagonal model of diversity supports inclusive work place at Aegis.
3. Constantly reinventing and developing initiatives across various aspects of the employee life cycle that are engaging the workforce at **Bajaj Alliance General Insurance Company**. The company has rolled out a gamut of initiatives such as Smart Casuals Policy for the required comfort and ease at work, Flexi holidays-freedom of choosing holidays, Buddy – an AI-powered HR chatbot assistant for enhanced employee experience and empowerment.
4. Putting people first is at the core of all people strategies and practices at **Marriott International** - Marriott’s attrition rates are 11 percent below the industry average, its engagement scores are 22 percent higher. ‘Xposure’, one such platform facilitates cross-training, mentorship, special assignments or projects, and helps in exposing the

functionality of other departments. Similarly, Marriott's 'Where I Belong' campaign consciously communicates the feeling of 'belonging' to the Marriott family.

Organization with engaged workforce operate at its fullest potential by allowing people to do their best work. They possess certain winning traits that run counter to the conventional HR practices of organizations such as:

1. Alignment of people practices to the overall business strategy of the organization;
2. An environment, even in these challenging times, which creates a positive employment experience
3. A long-term approach and view towards handling the current economic crisis.

These findings are powerful demonstrations of how employee engagement has emerged as an important initiative by organizations to strengthen workplaces and build organizational performance. The challenge for managers and leaders is to try to create the workplace conditions which foster employee engagement as well as nurture a highly committed workforce who contribute effectively towards the goals of the organization.

8. SUGGESTIONS FOR AN EFFECTIVE EMPLOYEE ENGAGEMENT STRATEGY

1. Get a head start through effective Employee Orientation Programs: new hire orientation programs could be the first building blocks that are instrumental in driving employee engagement beyond the day 1. Marriot International has an exclusive induction program called "VOYAGE" for all new recruits; NIIT begins with SEED (School for employee education and development) New Delhi.

2. Good Leaders Fuel Engaged Employees:

Employee engagement requires the top level leaders to strongly believe in its benefits and to live and breathe values that are emulated by their employees. Jeff Bezos believes that Amazon's transformation from a tiny startup to a giant online retailer would not have been possible without the talented workforce that he hired. In 1998, just four years after Amazon was founded in his letter addressed to shareholders, Bezos wrote, "It would be impossible to produce results in an environment as dynamic as the Internet without extraordinary people... Setting the bar high in our approach to hiring has been, and will continue to be, the single most important element of Amazon.com's success."

As a strategic leader Bezos created a new position – that of his "Shadow" who would work closely with him and gain to gain comprehensive knowledge of Amazon's operations. Andy Jassy, Amazon's executive who shadowed Jeff Bezos for two years was his choice to head the Amazon Web Services. Good leadership is often the key to an engaged workforce.

3. Career growth is the key to engagement

Career opportunities are a key driver of employee Engagement in India according to Hewitt's Best Employers study. The workforce of today is ambitious and eager to ride the growth wave at a fast pace. Owing to this it is only those organizations that are able to meet the career aspirations of its demanding workforce that will have engaged employees.

As a part of its global expansion strategy, Marico Ltd has made acquisitions in Bangladesh, Egypt and South Africa. Competent employees from domestic market are identified and trained to take charge of international markets providing opportunities for employees to explore their potential and capabilities.

4. Enable employees to focus on collaboration and innovation – With advancements in technology, it is important for companies to provide a platform for its workforce to connect beyond their immediate team and traditional work boundaries. Indian IT services provider Tata Consultancy Services (TCS) built its own internal social network platform, Knome, which connects the workforce from 100 nationalities across the globe. TCS sees five digital forces at play in the technology space today: mobility, big data, robotics and AI, cloud and social media. These are all part of what it calls a digital re-imagination, leveraging the digital five forces to re-imagine how the workplace will look. Knome has become the innovation and ideas factory for the organization enabling employees share knowledge and recognize innovative contributions from a global workforce.

5. Top Performer Profiling to Preserve the Best from the Rest – As Organizations strive really hard to hold on to their high potential employees, there is a great need to spur in them creativity and an innovative mind. Carter Cast, the former CEO of Walmart.com used to nudge high potential employees into thinking creatively by spending the first twenty minutes at the Monday leadership meetings by asking questions such as what was the most noticeable event that could recall over the weekend. The employee responses gave valuable insights on how Walmart could act on new market trends and observations. Constant improvement and working on challenging tasks that enhance their value will ensure engagement and retention of competent workforce.

During any period, retaining good performers is what every employer wishes for. Not just because they constitute the backbone of the organization but because they are valuable assets to the company as well. Companies must invest in the development of their existing employees to be able to retain good talent, since a good work force and high performance will have an edge during and after the recession.

8. CONCLUSION

Adopting an effective employee engagement strategy can provide organizations an opportunity to establish strong employer branding and sustainability of the organization in the long run. In the era of globalization and virtual work environment, there is a strong need to invest on employee engagement and foster a sense of corporate citizenship among workforce. A positive psychological contract between employer and employee plays an important role in connecting with and engaging employees in productive activities. As organizations of the future function under a drastically challenging business environment, employee engagement offers an enormous promise of creating better work experience for employees and innovative companies for employers.

9. REFERENCES

- [1] Blessing White (2008) The Employee Engagement Equation in India. Presented by BlessingWhite and HR Anexi. Retrieved from www.blessingwhite.com
- [2] Baumruk R., and Gorman B. (2006). Why managers are crucial to increasing engagement. Melcrum Publishing.
- [3] Catherine Truss, K. A. (2013). Employee Engagemenet in Thoery and Practice.
- [4] Gallup Management Journal survey on Employee Engagement Using the Gallup Q 12-item employee survey
- [5] Gibbons, J. (2006). Employee engagement: a review of current research and its implications. New York, NY: The Conference Board.
- [6] Employee Engagement and Talent Management –watsonwyatt.com
- [7] Aon. (2017). Trends in Global Employee Engagment .
- [8] aonhewitt. (2018). Aon Best Employers India Country Report .
- [9] (Richard S. Wellins, 2015) – DDI(DEVELOPMENT DIMENSIONS INTERNATIONAL)
- [10] <http://www.niit.com/business-partners/Pages/niit-at-glance.aspx>
- [11] <http://lodgingmagazine.com/marriotts-voyage-program-wins-top-impact-award/>
- [12] Matters, P. (2010). Employee Engagement - Marico : They are Members, not Employees.
- [13] Meere M. (2005). High cost of disengaged employees Victoria: Swinburne University of Technology. [Online]
Available:[http://www.swinburne.edu.au/corporate/industrysolutions/ee/reports/Employee %20Engagement% 20in dustry% 20Breifing% 20Paper% 20Dec% 202005% 20.pdf](http://www.swinburne.edu.au/corporate/industrysolutions/ee/reports/Employee%20Engagement%20in%20dustry%20Breifing%20Paper%20Dec%202005%20.pdf) (October 30, 2008)
- [14] Perrin T. (2003). Working Today: Understanding What Drives Employee Engagement The 2003 Towers Perrin Talent Report U.S Report. [Online] Available: [http://www.towersperrin.com/tp/getwebcachedoc? Webc = HRS /USA/2003/200309/Talent_2003.pdf](http://www.towersperrin.com/tp/getwebcachedoc?Webc=HRS/USA/2003/200309/Talent_2003.pdf) (October 30, 2008)