

## EMPLOYEE ENGAGEMENT – A REVIEW

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### **Abstract**

*This article emphasizes on the drivers of Employee Engagement like: work processes, communication, job security, career growth, team work and cooperation, ethics and integrity, performance management, rewards, leadership training and development. The Methods of enhancing the Employee Engagement through the various models. The outcome of the employee engagement in the improved efficiency of employee and its impact on the organizational growth. The term employee engagement has gained popularity over the past twenty years. Advocated positive outcomes of employee engagement make organizations develop the culture of engagement at work as a priority for organization. Employee engagement is a workplace approach designed to ensure that employees are committed to their organization's goals and values, motivated to contribute to organizational success, and are able at the same time to enhance their own sense of well-being.*

**Key Words:** *Drivers of Employee Engagement, Methods of enhancing the Employee Engagement, Outcome of the Employee Engagement.*

### **Introduction**

Employee Engagement is the state in which individuals are emotionally and intellectually committed to the organization as measured by three primary behaviors: Say, Stay and Strive. Engagement contributes significantly to an organization performance, leading to improvement in service quality customer satisfaction and long-term financial results. There are differences between attitude, behaviour and outcomes in terms of engagement. An employee might feel pride and loyalty (attitude), be a great advocate of their company to clients, or go the extra mile to finish a piece of work (behaviour). Outcomes may include lower accident rates, higher productivity, fewer conflicts, more innovation, lower numbers leaving and reduced sickness rates. But we believe all three, attitudes, Behaviours and outcomes – are part of the engagement story. There is a virtuous circle when the pre-conditions of engagement are met when these three aspects of engagement trigger and reinforce one another.

Engaged organizations have strong and authentic values, with clear evidence of trust and fairness based on mutual respect, where two way promises and commitments between employers and staff are understood, and are fulfilled. Although improved performance and productivity is at the heart of engagement, it cannot be achieved by a mechanistic approach which tries to extract discretionary effort by manipulating employees' commitment and emotions. Employees see through such attempts very quickly, they lead instead to cynicism and disillusionment. By contrast, engaged employees freely and willingly give discretionary effort, not as an 'add on', but as an integral part of their daily activity at work.

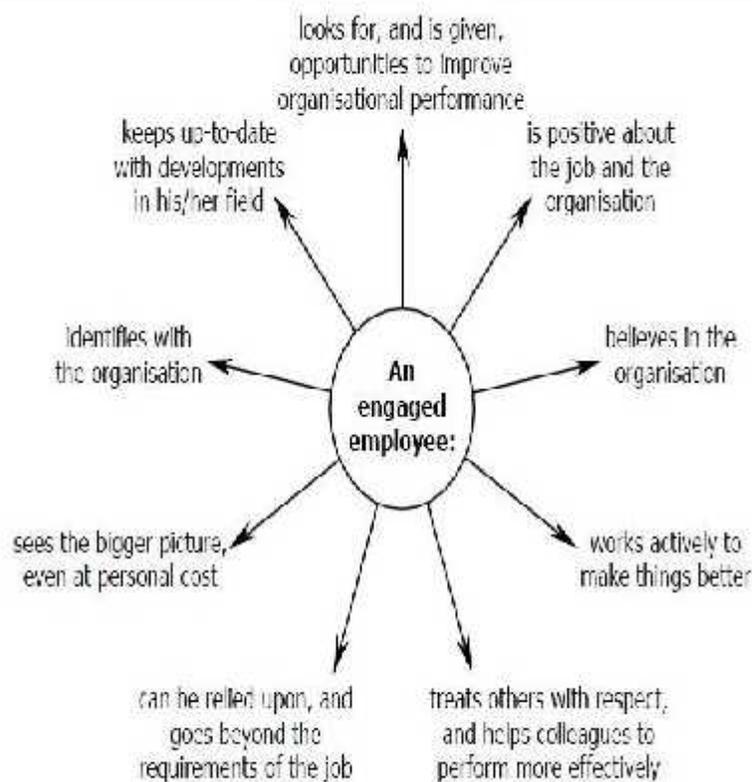
On the surface, a workforce composed of employees who are satisfied with their jobs may seem like a desirable and even optimal state for an organization. But in today's global business environment, it is becoming clear that job satisfaction is not enough to help forge the link between employee performance and positive business results. Over the last two decades, employer's needs and interests have moved from creating conditions and programs that result in employees who are merely "satisfied" with pay, benefits and working conditions, to employees who are "committed" to the organization and not considering a move, to those who are genuinely "engaged" in the work and mission of the organization.

Today, Employee engagement is becoming increasingly important for organizations that want to remain competitive and deliver a great customer experience. However organizations do not talk about employee engagement, instead they focus on the practices that foster engagement among their employees and the impact this has on customers and the bottom line. In short, Employee engagement is the extent to which employees feel passionate about their jobs, are committed to the organization, and put discretionary effort into their work

**“This is about how we create the conditions in which employees offer more of their capability and potential.” – David Macleod.**

### Concept of Employee Engagement

Employee engagement, also called worker engagement, is a business management concept. An "engaged employee" is one who is fully involved in, and enthusiastic about their work, and thus will act in a way that furthers their organization's interests. It is a psychological state in which employee feel a vested interest in the company's success and are both willing and motivated to perform to levels that exceed the stated job requirements. It reflects how employees feel about the overall work experience the organization, its leaders, the work environment and recognition and rewards they receive for their efforts.



Characteristics of engaged employees

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William H. Kahn (1990) completed some of the earliest work on engagement and defined 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 International Survey Research (ISR) defines employee engagement as, “a process by which an organization increases commitment and continuation of its employees to the achievement of superior results.” The ISR separates commitment into three parts; cognitive commitment, affective commitment and behavioral commitment or think, feel and act.

## Defining Engagement

One of the challenges of defining engagement is the lack of a universal definition of employee engagement, as a research focus on employees' work engagement is relatively new. More often than not, definitions of engagement include cognitive, emotional, and behavioral components. The cognitive aspect of engagement includes employees' beliefs about the organization, management and working conditions. The emotional components (or beliefs) defines employees positive attitude, how they "feel" about their employer, company's values, leaders and working conditions (Kahn, 1990; Towers Perrin, 2003; Robinson et al. 2004). The behavioral components measure the willingness to act in certain ways, skills which employees offer (Towers Perrin, 2003) and willingness to go the "extra mile" some of these components are often used for the employee engagement definition.

Three well-known organizations in the human resource area also offer definitions on the term. Perrin's Global Workforce Study (Towers Perrin, 2003) definition defines engagement "as employees' willingness and ability to contribute to company success", by putting "discretionary effort into their work, in the form of extra time, brainpower and energy (p.1)". Gallup organization defines employee engagement as the involvement with and enthusiasm for work. Gallup as cited by Dernovsek (2008) likens employee engagement to a positive employees' emotional attachment and employees' commitment. Institute of employment studies (Robinson et al. 2004) defines employee engagement as "a positive attitude held by the employee towards the organization and its value. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. The organization must work to develop and nurture engagement, which requires a two-way relationship between employer and employee" (p.9). After the process of synthesizing definitions and conceptual frameworks of employee engagement, Shuck and Wollard suggested an emergent definition of the concept (Shuck and Wollard, 2010). They propose to define employee engagement as "An individual employee's cognitive, emotional, and behavioral state directed toward desired organizational outcomes" (Shuck and Wollard, 2010, p.103).

Evidence from a number of studies supports the relation between employee engagement and organizational outcomes. Studies have shown that employee engagement have a positive influence on the following organizational performance indicators: customer satisfaction (Harter et al., 2002; Towers Perrin, 2003; Heintzman and Marson, 2005), productivity (Harter et al., 2002; Salanova et al, 2003; Schaufeli, et al., 2002), profit (Harter et al., 2002; Salanova et al., 2003; Schaufeli et al., 2002; Markos and Sridevi, 2010 ), employee turnover (Harter et al., 2002; Schaufeli and Bakker, 2004; Hallberg and Schaufeli, 2006) and safety (Harter et al., 2002).

One of the most important studies, which show the importance of engagement on business level was conducted by Harter, Schmidt and Hayes (2002). They connected employee engagement with outcomes, which are directly relevant to most businesses: customer satisfaction, productivity, profit, employee turnover and safety at work.

**Other researchers refined and expanded these practices to the following five categories** (Grawitch et.al., 2006)

1. **Supporting work-life balance.** Work-life balance programs recognize that workers have responsibilities outside work and include not only practices and policies regarding elderly and child care but also other responsibilities in employees' private lives that require flexibility. Examples of work-life balance programs include flexible scheduling, childcare, eldercare, and provision of job security.
2. **Promoting employee growth and development.** With employee growth and development programs, organizations invest in the employees' skills potential, which makes them more committed to the organization and increases the chances for internal career development. Employee growth and development programs examples include additional on-the-job training, leadership development and provision of internal career opportunities.
3. **Encouraging employee health and safety at the workplace.** Health and safety programs are designed to maximize employees' physical and mental health. Such programs might include employee assistance

programs for alcohol and drug addiction, wellness screenings, stress management training, counseling and safety training.

4. **Praise and recognition.** Recognition programs, which make employees feel rewarded for their contribution of the organization, are usually perceived as monetary rewards (bonuses or raises, but they can also include other types of rewards such as honorary ceremonies, personal acknowledgment in companies' newsletters etc.
5. **Employee involvement.** The goal of employee involvement, which is perhaps the most popular of all healthy work place practices, according to the authors, is to allow employees to bring diverse ideas to solving organizational problems and increasing organizational effectiveness. Employee involvement can be increased with greater employee participation in decision making, empowerment, self- managed teams and job autonomy.

**Other researchers suggest engagement practices, which can be taken on the managerial level, that facilitate community-building efforts in organization** (Gravenkemper, 2007).

1. **Communicating a compelling message.** To successfully engage people, the company needs to capture their hearts and minds.
2. **Building a guiding coalition.** To build a community, it is necessary to create a core leadership team that supports common goals.
3. **Creating principle-based versus compliance-based guidelines** for decisions and behaviors. Principle-based guidelines are preferred for promoting engagement and commitment, because it requires an individual interpretation of messages and gives the opportunity to personalize meaning. Whereas, compliance-based guidelines states that not demonstrating the desired behavior will result in negative consequences. (Examples of principle-based guidelines: Treat others the way that you would like to be treated. Be all that you can be. Examples of compliance-based guidelines include: Don't walk on the grass. You will be docked an hour's pay if you are late for work.)
4. **Identifying early engagement indicators.** Early indicators signal that community- building efforts are acceleration, and it points out the successful initiatives to which extra resources can be allocated. One of the indicators might be the "buzz level" in the group.
5. **Generating continuous opportunities for dialogue.** Making people communicate, rather than just listen, creates buy-in. Communication between leaders increases their commitment and tends to strengthen the ties within the leadership group.
6. **Planning assimilation strategies** for new members and new leaders. Successful assimilation of new members into the community and managing their transition to leadership roles are two key points of increasing engagement and commitment.

### **HR Support of Employee Engagement**

In order to get competitive advantages, organizations are referring to HR departments to set the agenda to creating the culture of engagement at work (Lockwood, 2007). The HR departments deal with personnel and their relations. Its responsibilities often involve standard administrative tasks and assisting other managers by dealing with employees starting from the selection process to the end of their contract. The HR department is in charge of staffing, selection, orientation, training and development, performance appraisal and safety issues. As the HR department works so closely with employees and their issues, it is clear that for employee engagement to take place, HR activities can help other managerial practices when dealing with employees.

**Strategic Function.** Strategic HR helps to integrate HR policies and practices with the organization's strategic plans (Porter, 2008), giving the possibility to make the employees' work more meaningful and related to the strategic direction of the organization. Research shows that the employees' understanding of how their job is connected to the company's strategy, and how their job contributes to the company's success, is one of the most important drivers of employee engagement (Lockwood,2007).



(Koyuncu et al.,2006), fairly treated and appreciated, makes employees more willing to engage(Maslach et al. 2001; Kahn, 1990). The reward is not just a pay, it can be a combination of pay, bonuses, financial and nonfinancial rewards such as extra free days, child care etc.

### Findings

Identifying the drivers that contribute to the Employee Engagement enables employers to assess the levels of Employee Engagement. The drivers of Employee Engagement are:

1. **Communication:** Two-way communication involves management talking to employees, and listening to responses and taking action in relation to those responses. Good two-way communication can help the employees to build the psychological contract, in which employees feel valued by their employer. This in turn, motivates and drives the employee to be committed towards the organization.
2. **Quality and Customer Focus:** Employee wishes to work in the organization which is not only customer oriented but also concentrates on the overall quality. The better the quality products, quality work, quality management drives the employee to work in the organization.
3. **Work/Life Balance:** Work/life balance is something we all need to maintain; it's also strongly connected to employee engagement. Employers who effectively manage balance both work/ life effectively can enjoy the work and can work with the dedication. The organization should also conduct training programs to facilitate the employees to maintain a balance between personal and professional lives.
4. **Job Security:** The more the secured job, the better satisfaction and performance by the employees. Job security makes the employees to work confidently and can concentrate on the further growth.
5. **Work Processes:** It is the important aspect which drives the employee .It refers to the most important internal value creation processes. Which includes product design and delivery, customer support, supply chain management, business, and support processes. Support from all factors in the organization contributes to employees' retention in the organization,
6. **Career Growth:** An employee's perception of internal opportunities for growth and development is one of the more important predictors of employee engagement. Career advancement and promotions are what employees consider as giving them growth and development opportunities. Therefore, it is one of the important factors that drives employee.
7. **Team Work and Cooperation:** Team bonding is essential to cultivate culture throughout a workforce. Nurturing a positive culture is a critical aspect of employee engagement because it directly affects team morale. The team work and bond helps the employees to handle the critical situations and be supportive enough to work better to reach the objective.
8. **Ethics and Integrity:** The ethical code sets forth the principles that apply to employee everywhere and in every circumstance. It provides a clear, unwavering set of standards for business conduct and moral behavior. Employee wish to identify and work with the organization which conducts the business in the ethical manner.
9. **Performance Management/Appraisal:** The organization which identifies the employee's works and ideas, encourage the employees to work better and take better decisions. It can be like assessing their own self-awareness and emotional intelligence, or practicing feedback skills, most participants work on these very happily indeed. This facilitates the employees to know their strengths and weaknesses.
10. **Rewards:** Offering competitive pay and motivating benefits is crucial to both attracting and retaining the most talented people to drive the business forward. It includes a number of different elements such as: pension, healthcare and additional holiday, which form a total compensation and benefits package.
11. **Leadership and Direction:** The leader should understand and be supportive. A leader should guide, motivate and inspire others to do work. Leader should be a role model to the peer group. A leader should understand the problems of the employees and extend help them in solving and tackling the problem. A good leader in the organization should be employee oriented and friendly; this certainly, contributes to the growth of employees' efficiency.
12. **Training and Development:** To attract and retain the best workforce it is recognized that there is a need to invest in their development. Organization should conduct training and development continuously with

an aim to strengthen the important area of business performance, placing emphasis on employee development plans, internal talent management, leadership development for managers and employee performance management. In the above mentioned drivers of employee engagement has a great impact on the organizations' functioning

### Methods to Enhance Employee Engagement

There is an at most, requirement to focus on the methods to enhance Employee Engagement. Some of the methods are

1. **The Work Itself, Including Opportunities for Development:** Engagement focused companies have found ways to make work an effective driver of employment engagement. Employee can map out and understand how their contributions fit into the larger scheme of things. This might have an intrinsic appeal to each employee.
2. **Recognition and Rewards:** Recognizing Individual and Group Performance enhances as employee's sense of the organization's appreciation and support of his or her efforts. While competitive pay and cash bonuses are not, in and of themselves, engagement drivers, they should be structured so as to be internally fair and externally competitive and therefore, it should not act as de-motivators.
3. **Organizational Communication:** In organizations with engaged workforces, information cascades from top management to employees in a timely and orderly fashion, processes established to build upward flow of information from employees to top management. Supervisors are trained to actively disseminate information, handle-questions and provide feedback- effective ways to build awareness, understanding and cooperation.
4. **Leveraging the Global Drivers:** The emergence of the global influencers helps orient a global employer toward areas with the greatest potential impact on workforce management. Throughout their operations. This can provide the framework for a global engagement strategy, lending cohesiveness, consistency and efficiency to engage initiatives. Strategic HR management practices across the organization also support a global employer brand, a sense of common corporate culture, a consistent basis for leadership training, more permeable internal boundaries for employees cross unit moves and other benefits.
5. **Blending the global with the Local:** While the what's working research indicates that companies can enjoy success in moving employees along the engagement continuum by directing programs toward enhancing the global drivers of engagement, multinationals interested in optimal performance will also want to understand and accommodate local differences and recognize the influence of regional and national cultures on employee's perception.
6. **Engagement as a Leadership Responsibility:** The leader always thinks from outside in, drives innovation and growth, develops, teaches and engages others, Makes courageous decisions, leads with energy, passion and urgency. Leadership plays a vital role in influencing levels of employee engagement. Goal clarity and direction are identified as factors that can influence an employee's level of engagement. Employees perform well when they are clear with their goals and objectives, and know how to go about achieving them. As a result, employees tend to be motivated and committed to it. Hence, communication of clear goals and direction from the leader becomes crucial. Leaders must also help employees develop personal accountability for their goals and help achieve them. Therefore, the methods of enhancing Employee Engagement are very essential for optimizing the human capital of the organization.
7. **Outcome of Employee Engagement:** When an organization identifies the drivers of Employee Engagement and focuses on the methods to enhance Employee Engagement, there is a positive outcome. The outcomes are as follows:
  - a. **Motivation:** Motivated workers contribute energetically and are highly focused individual contributors to the enterprise. Motivated employees respond best when meaningful work is delegated to them; fair performance goals are established; job expectations, priorities and feedback are clearly communicated; obstacles to optimal performance are removed; and skill development is provided

- b. **Commitment:** Committed employees have thoroughly internalized the values and behaviors represented by the earlier stages of the engagement. It has also forged a strong identification with the organization. They are loyal to the company and optimistic about its future. They are also openly ambitious and believe the organization will enable their best performance. Management's role in optimizing the working relationship of committed employees includes communicating the organization's progress and challenges and relating business results to team and individual roles. These employees respond well to growth opportunities through increased delegation.
- c. **Advocacy:** Employees who have reached the advocate stage have a mutual and vested interest in the organization's success. They freely contribute discretionary effort-a willingness to go the extra distance in executing projects and their regular duties. They perform to the highest standards and apply creative energy to their work and the work of their teams. They proactively seek opportunities to serve the mission of the organization. It is at this level of engagement that research has found the strongest link between employee performance and business results.
- d. **Job Satisfaction:** Satisfied employees perform their jobs and are satisfied with the terms and conditions of employment. They are content to work alone and do not require a great deal of management oversight. Management efforts to optimize the working relationship of satisfied employee would best be focused on those factors that relate to individual work enablers, such as adequate work tools, resources and equipment.

### Conclusion

Employment engagement contributes immensely to the growth of the organization in terms of performance, quality service, customer satisfaction and morality. It is very vital for an organization to identify the drivers of Employment Engagement and emphasize on them to increase the efficiency of employees in the organization. The organization should also concentrate on enhancing the methods of Employment Engagement with focus on the retaining the employees in the organization. The organization should also accentuate on the measuring the outcome of Employment Engagement and its contribution to the continuous growth of the organization and achievement of objectives.

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