



Human Resource Management

Elixir Human Res. Mgmt. 49 (2012) 10013-10017

Elixir
ISSN: 2229-712X

Engaging Employees: Transformation in corporate world, a conceptual study

V.Selva Lakshmi

B-2 203, Mahalaxmi Vihar, Sathe biscuit compound, Vishrantwadi, Pune-411 015.

ARTICLE INFO

Article history:

Received: 29 May 2012;

Received in revised form:

7 August 2012;

Accepted: 17 August 2012;

Keywords

Employee engagement,
Key drivers,
Emergence of new model,
Innovation.

ABSTRACT

An engaged employee is considered as a panacea for most of the organizational problems. This article focuses on the critical aspects of need for the engaged employee, how an organization can redesign its employee engagement drivers, with the use of different models available in literature. It reviews the traditional method, current studies and research performed on the employee engagement and views that human resource leaders needs to adopt the innovative way and real transformation that happens in corporate world to retain and engage employees to remain competitive in today's global marketplace.

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Introduction

The congruency of fact is that a mammoth challenge for HR is to ensure that, talented employees do not leave the organization. And they have to transform the talented employees to be a part of the organization and elicit the feeling of true belongingness for them towards the organization. Employee engagement begins from day one. Preparing employees for their new roles and communicating how they can help the firm meets its goals can go a long way toward determining whether new employees ultimately succeed.

In the yester year, the concept of engaging employee is different and it was customer-centric organization. But in recent years, there is a paradigm shift towards employee-centric concept.

Let us have a bird's eye view about the paradigm shift that took place and the innovative approach followed in the gen 'Y' organizations. The best indicator of a company's wealth in the words of former GE chairman and CEO Jack Welch: "employee engagement is first. It goes without saying so no company small or large can win in the long run without energized employees who believe in the mission and understand how to achieve it"

Most organizations today realize that a 'satisfied' employee is not necessarily the 'best' employee in terms of loyalty and productivity. It is only an 'engaged employee' who is intellectually and emotionally bound with the organization, feels passionately about its goals and is committed towards its values who can be termed thus. He goes the extra mile beyond the basic job responsibility and is associated with the actions that drive the business. Moreover, in times of diminishing loyalty, employee engagement is a powerful retention strategy.

Traditional method of thinking is that all employees must adhere to a strict set of standards determined by the highest levels of management. If they don't, they can easily be replaced. However, now, organizations have realized, employees who are treated as subordinates are much less productive than those who feel that they are an important part of a well-oiled machine.

A recent survey reveals that the manpower turnover rate is in excess of 10 % in more than a quarter of the Fortune 500

companies. The survey also reveals that at least 55% of CEOs consider recruitment and retention of talent as the number one problem confronting their organization. Here comes the need of the hour "Employee engagement "in the organization. This is scenario that every Hr should surmount in their organization. The need for the engaged employee in the organization is significant. This study throws the light on the modern methods inculcated and suggests the innovative drivers that can be adopted in the organization for increasing the level of commitment among the employees.

Objectives and scope:

1. To find out evolving key drivers of employee engagement.
2. To Review interpreting model and based on in-depth conceptual research of the employee engagement key drivers in diversified manner, and new innovative model is proposed to increase the employee engagement.
3. A look into transformation in the real world.

The scope of this research paper is that existing literature on engagement has been analyzed and it was found that there are no concrete drivers and there are various drivers that motivate the employee engagement in still remains impervious.

Literature review:

Engagement is the state where an individual is, not intellectually committed, but also has a great emotional attachment with his/her job that goes above and beyond the call of duty. High level of employee engagement indicates the extended hand of the satisfaction level among them. Through this literature review, peer journals, magazines, past surveys, textbooks and other relevant research carried out in this topic is examined.

1. One of the most significant threads in the current research is the discovery that employee engagement is linked to customer satisfaction which is linked to organizational financial success. Employee engagement/satisfaction distinctly affects the bottom line.(Insala).
2. **Employee engagement** was described in the academic literature by Schmidt et al. (1993). A modernized version of job satisfaction, Schmidt et al.'s influential definition of engagement

was "an employee's involvement with, commitment to, and satisfaction with work." This integrates the classic constructs of job satisfaction (Smith et al., 1969), and organizational commitment (Meyer & Allen, 1991). Harter and Schmidt's (2003) most recent meta-analysis can be useful for understanding the impact of engagement.

3. Martel (2003:30,42) states that 'engaging employees – especially by giving them participation freedom, trust, - is the most comprehensive response to the ascendant postindustrial values of self realization and self-actualization.(Lockwood,2009)Employee engagement can make or break the business bottom line.

4. According to Robinson (2006), employee engagement can be achieved through the creation of an organizational environment where positive emotions such as involvement and pride are encouraged, resulting in improved organizational performance, lower employee turnover and better health. One of the most significant threads in the current research is the discovery that employee engagement is linked to customer satisfaction which is linked to organizational financial success. Employee engagement/satisfaction distinctly affects the bottom line. (Insala). KBS survey, states that 17 per cent fell into the 'engaged employees' category; these employees were characterized as being loyal, committed, productive and task-effective.

5. A recent survey of HR professionals in western countries(See HR focus,2006),reflects the most important issue anticipated in 2006 is was about retaining and developing the key employees(75% of the responses)next key issue was employee engagement(60.7% of the responses).The engagement level of the Indian worker is 20 % more than his Chinese counterpart(Economic Times,2008).There is the contradictory in the findings, that few research state ,employee engagement level is low but remaining says that the level of engagement is high among the employees compared to there other counterparts.

6. Any study of employee engagement won't be complete without the inclusiveness of Gallup up employee engagement survey .Gallup's latest meta-analysis shows dramatic differences between top- and bottom-quartile workgroups on key business outcomes. Beyond the significant differences engaged workgroups show in productivity, profitability, safety incidents, and absenteeism versus disengaged workgroups, they have proven that engaged organizations have **3.9** times the earnings per share (EPS) growth rate compared to organizations with lower engagement in their same industry.

7. Employee engagement is derived from studies of morale or a group's willingness to accomplish organizational objectives which began in the 1920s. In other words, employee engagement is the raw material of morale composed of 15 attitudinal drivers. (E.g. Scarlett 2001). 84% of highly engaged employees believe they can positively impact the quality of their organization's products, compared with only 31 percent of the disengaged.

8. The experience of engagement has been described as a fulfilling, positive work-related experience and state of mind (Schaufeli and Bakker 2004), and has been found to be related to good health and positive work affect (Sonnentag 2003). These positive experiences and emotions are likely to result in positive work outcomes.

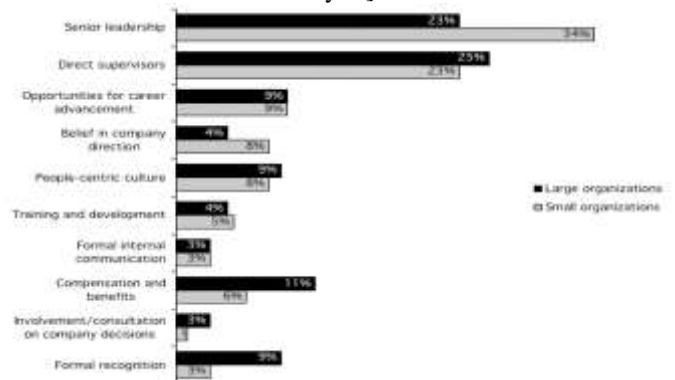
The literary survey indicates that organization with high level of engaged employee leads to the better growth in terms of production, financial performance.

Table1.1 Key Drivers of Employee Engagement By Age

EMPLOYEE ENGAGEMENT Summary of factors that increase employee engagement, by age					
	Gen Y era/ Millennials	Younger Gen X's	Older Gen X's	Younger Boomers	Older Boomers/ Traditionalists
	Born after 1980	Born 1972-1980	Born 1945-1971	Born 1925-1944	Born before 1925
Gender (female)	✓				
Physical Health	✓			✓	
Mental Health		✓	✓	✓	✓
Core Self-Evaluation	✓	✓	✓	✓	✓
Status as a Supervisor		✓	✓	✓	
Number of Work Hours					✓
Satisfaction with Training and Development		✓			
Access to Flexibility Needed	✓				
Supervisor Support					✓
Work Overload				✓	
Inclusion				✓	
Job Security		✓	✓		

Fig1: Key Drivers of Employee Engagement+

[Large and small organizations that conduct a key driver analysis]



Research methodology:

Research method adopted is conceptual research. and data collection was done through secondary data from books, literature reviews, journals, and websites. Data was also collected from focus groups about their opinion through telephonic interview and it also imbibed while developing the model.

Findings & results:

This study found that, a successful employee engagement strategy helps create a community at the workplace and not just a workforce. When employees are effectively and positively engaged with their organization, they form an emotional connection with the company. This affects their attitude towards both their colleagues and the company's clients and improves customer satisfaction and service levels. Mr. Ford believes that for businesses to thrive and function seamlessly there must be a symbiotic relationship between employees and executive management that nurtures a sustainable work environment.

The key drivers of employee engagement from the previous researches, articles were also analyzed and some of the most significant drivers that creates the greater impact on the employee attitude that stimulates towards the engagement level were extracted .Some gaps and issues that have not been investigated about the key drivers were found , one of major gap is on managerial communication. The study have suggested about the need for succinct managerial communication in the recommendations. .The employees started looking beyond remuneration for being engaged in their workplace. Traditional concept of engaging employee has gone long way back and modern approach has come into picture.

The research conducted by, the CIPD commissioned Kingston University and Ipsos/MORI on survey of employee attitudes, from their research they determined that Engagement can be said to have three dimensions:

- Emotional engagement – being very involved emotionally with one's work
- Cognitive engagement – focusing very hard whilst at work
- Physical engagement – being willing to 'go the extra mile' for your employer.

The survey carried out by Melcrum employee engagement 2007/08, found that 33% of organizations with employee engagement on the agenda conduct a key driver analysis and rated drivers from a set of ten that are commonly cited by organizations as important. It also suggests that 81% of organizations worldwide now have employee engagement on the agenda (see Fig1) In a study of professional service firms, the Hay Group found that offices with engaged employees were up to 43% more productive. MetLife mature market institute study states factors that increase employee engagement by age(see Table No.1)

Existing Key Drivers:

The key drivers of employee engagement are:

• Job Type:

The job should be challenging enough to motivate the employee. The employee should be interested in his/her job.

• Relationship between employee and organizational performance:

The employee should know how he and his work are contributing to the organization's goals

• Growth opportunities:

The employee should have ample opportunities for his career development and growth.

• Brand name:

If the employee feels proud to be a part of the organization, his confidence level and the feel of association with the company will be positive. The brand name makes him engaged.

• **Coworkers:** The nature and type of co workers also influences the employee engagement level.

• **Skills enhancement:** Employee should get ample on-the-job opportunities to develop their skill set.

• **Relationship with the boss:** Employee should value his relationship with his boss.

Engaging Employee: Insight from real world

As more and more organizations become focused towards in creating the employee delight and engaged ambience in the organization, let us have a peek into the real innovations that happened in the organization that impacted in lesser attrition level and higher performance due to engaged employees.

Recent survey of A BT-Indicus-people strong found the India's best companies to work for: And it is listed below:

Rank	Company	Index Score
1	Infosys Technologies	100
2	TCS	89
3	Google	69
4	IBM	68
5	Wipro	60
6	Microsoft	55
7	Accenture	52
8	L&T	49
9	ICICI Bank	46
10	Airtel	44

Source:<http://business today.intoday.in/story/best-companies-to-work-for-survey/1/12570.html>

It is found from the research that employees feel more engaged when have innovative, flexible work polices. Let us have a look into the real innovations in management policies and values that has evolved in the current scenario in organizations.

IT Sector:

HCL Technologies in 2005 gave birth to a new employee engagement concept called as Employee First, Customer Second (EFCS) whatever they need to succeed. Among the various initiatives are: The CEO connect, in which, he is personally available to each and every employee that works with in HCL.

Vivek Punekar, Associate Vice-president, HRD, HCL Info systems, lists the initiatives made by the organization: There are forums like enable@HCL which has regular technical/soft-skill updates. To keep up the morale of people and drive them towards excellent performance, HCL has various incentives such as recognition letters, profit sharing schemes, long performance awards, ESOPS, building assets like own home Communication forums like the in-house magazine In touch, innovate@HCL (an e-forum to develop entrepreneurship).To maintain the quality of work-life and a balance between personal/professional lives, there are recreational activities like festivities@HCL, get-togethers@HCL, sports@HCL

Former Infosys Director Mr.T.V.Mohandas Pai said: we are getting much more adherence from employees and both this plan and our internal postings are growing in popularity". Infosys is the first one to introduce ESOP(Employee stock option plan for its employees.Nooglers,short for New Googlers,Google India introduced the method where new googlers are introduced to other googlers at a local TGIF(Thank Google It's Friday)restaurant at an employee all-hands meeting held every Friday afternoon.

ITES Sector:

At global giant Accenture's Asia Pacific BPO,Delivery Lead Manish Sharma takes employee engagement equally seriously .Often ,he makes a colleague ----- it could even be a junior associate---travel with him for a day, sit through the meetings with clients and partners. Sharma also organizes" town halls "at office, chats with employees over coffee and even meet their parents.

Ajuba has pioneered and succeeded with the concept of 'loyalty interviews' (as opposed to traditional exit interview) to find out what is it that makes its employees engaged with their firm. There is a strong urge for further studies among the young employees, and Wipro BPO sees this as a way to fix attrition." If an employee passes a course, Wipro will pay for it", says Vaidya, the chief Executive for the Wipro Unit.

Core Sector:

Niraj Chaturvedi,Deputy Manager(Mechanical),:besides the job content,NTPC's brand name was a major pull", he had to take a pay cut 40 percent in the new job.NTPC has now roped in Apollo Hospitals Group to look at the possibility of setting up speciality hospitals in is townships.IOC is trying to keep employees happy by increasing their take-home salary." We have introduced the' cafeteria approach'. in the last pay revision (in 2008).which allows executives to choose from a perk and allowances(as per their wish) instead of fixed allowances "says Sudhir Bhalla,Director of HR, IOC.

Engineering &Automotive Sector:

On the morning of February 18, 2010, a Mahindra Scorpio picked up 24 year old Gunjan Shukla and dropped her at office.

Soon a colleague walked up and gave her a rose. This was no secret admirer idea of making her day but her first day at work with Mahindra & Mahindra. It was automotive giant's unique way of saying: Welcome." It is an HR programme called "first impressions", says Prince Augustin, Senior VP, Human capital, Mahindra & Mahindra. Employees were asked the simplest questions: were their visiting cards handed over to them on time, has induction program happened, among others." This idea is to track the employee engagement", says Augustin.

Yamaha Motor India Ltd initiated a new HRM system, performance appraisals on merit. In July 2007, he launched a new internal campaign within the organization----"New Yamaha: My Promise dil se!". His aim is to ensure that the employees have the feeling they are lucky to be working for Yamaha.

FMCG, Durables:

HUL has honed a consistent and holistic approach when it comes to attracting, retaining and engaging talent." Over several generations, we have evolved a culture of coaching, mentoring and learning which company believes is a unique strength and resulted in HUL referred to as 'Leadership factory', says Leena Nair, Executive Director, HR at ITC which has ranked #2 in its sector. (Source: Business Today, Feb 6, 2011).

Pharma & Health Care:

Ranbaxy, the rules of moving up the ladder are fairly clear. An example is an online tool, called Vector, which allows employees to apply for position across the globe without any in-house approval and they are preferred even if their current capabilities are only 60 percent of the required level. Dr. Reddy's partnered with Mercer, a global HR consulting firm to prepare a new organization structure and evolved "sharp scorecards to define accountability".

Telecom Sector:

Krish Shankar, Executive director of HR for Bharti Airtel says, "We make sure that all our employees do not just rotate from circle to circle but also from function to function" Idea follows some innovative work practices, it permitted two employees to go on a sabbatical with full pay and spend two years with "Teach for India" initiative. One of them got her promotion while on the sabbatical.

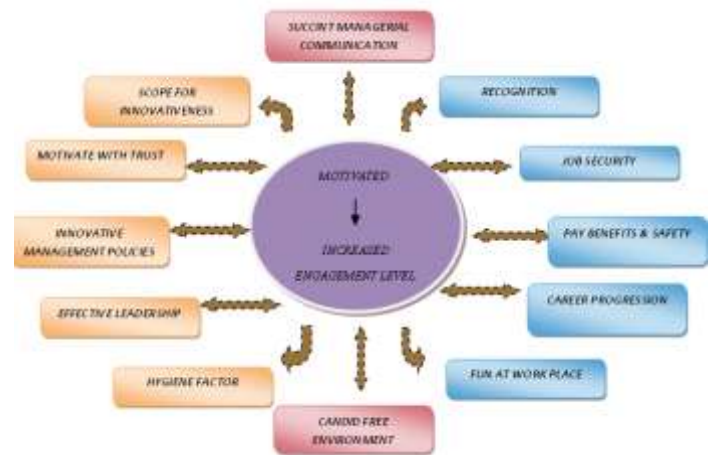
Suggestions and conclusions:

Extensive conceptual research has been conducted and also based on the partial collective reviews through the personal and telephonic interview method; employee's attitude and perception towards key drivers for the engagement level has been conceptualized. Drivers from various existing models* has been analyzed and considering those factors, adding the views from others new model of key drivers for employee engagement is proposed.

The strategy adopted by Mr. Ford his company is distinctive. He is a strong patronizer of employee recognition, which he strongly believes as a base root for engagement program. "The president of the company knew the name of each employee and recognized one employee every 20 seconds," he noted, emphatically. A spokesperson and author for the \$48.1 billion incentive and recognition industry, Mr. Ford has penned an excess of 30 published works including "Guidelines for a Total Recognition Strategy," "The Official Recognition Workbook" and numerous articles for Human Resource Executive and Human Capital (now Workplace HR & Safety). Mr. Ford through Ed Ford and Associates, he is able to focus on the design, implementation and measurement of a total

recognition strategy for increasing employee engagement, market share and, most importantly, company profits. This clearly indicated the need for recognition as the tool to improvise engagement level, which has already been reflected in his organization and study strongly recommends it in the below proposed model.

Employees engagement: Need for Emergence of New Model++



The above proposed model is based on the previous references, empirical suggestions and views given by different employees by word-of-mouth, it suggests, always emphasis should be there for two way communication process. The model suggests that the succinct managerial communication on policies and happenings taking place in the organization helps the employees feel more valued in the work place they belong to.

There is an intrinsic link between employee engagement, hygiene factors, job security and profitability, so the care should be taken to improvise these areas. Employees are more focused, they started looking beyond mere pay benefits, recognition and others.

At times, there is a dearth for effective communication skills in the managers. Focus should also be on the platform for improvising soft skills for managers. At the same time, there is scope for further research on this topic. A great alternative to the traditional methods for management to engage employees is by coaching instead of dictating. By doing this, employees sense the attention being paid to them and feel that the company is investing in their work. This is not about playing favorites or boosting egos, but about letting employees know that they are an important piece of the puzzle. Most of the employees will take advantage of the opportunity and use it to expand their knowledge and grow professionally, they constantly look for opportunities.

Employees look for candid free environment, most significant, path to explore the innovative skills from inner self, safety at work place, (recent unfortunate happenings about call employee have created panic among the employee) and most innovative management policies for keeping them motivated, to feel valued which in turn helps them to contribute and be engaged to their organization. Unless safety measures have been ensured in the workplace, there will be always the presence of fear factor among the employees, and then the employee engagement will become a distant dream.

Leaving apart other factors such as brand of company, employees also look for job satisfaction and job content. Fathima, has quit Infosys to join a virtually unknown

company she is a technical lead at Marslabs software, which she found as a workplace of her choice: a small company closer to her home and one that gives her more exposure.” I have discovered a huge comfort in a smaller set-up. Everybody acknowledges your work and feels my worth for the credit, I get”, she says. It concludes the crystal clear fact that, Scope, innovation, work place safety, trust and camaraderie are the corner stones which distinguish the successful organizations. Thus, creating the way for taking part in being the pride of the organization precludes for sea change in the engagement level of the employees.

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