CHAPTER 3
THEORETICAL OVERVIEW

The review of Literature gave a clear idea about employee engagement. This chapter encompasses the background information on employee engagement, influencing factors, possible outcomes, models and potential benefits of employee engagement. The chapter also highlights the existing employee engagement practices in Indian context.

3.1 INTRODUCTION

“Engagement is like love - everyone agrees it’s a good thing, but everyone has a different definition of what it is”


Engagement has become a buzz word in today’s era. Many HR specialists and consultants tried to define employee engagement as a construct in their own way. The word engagement is being used in many senses in different books and dictionaries. Though the term of employee engagement is relatively new but the underlying ideas have been around since few years. Engagement at work was conceptualized by Kahn, (1990) as the ‘harnessing of organizational members’ to their work roles. The Gallup Organization, potentially the most widely recognized name associated with employee engagement due to their bestselling book, “First, Break All the Rules,” defines engaged employees as those who, “work with a passion and feel a profound connection to their company” and “drive innovation and move the organization forward” (GMJ: 2006). Some defined employee engagement as a term which means an extent to which employee believes in the mission, purpose and values of organization and demonstrates that commitment through their actions as an employee and their attitude towards their employer and customers (Derek Stockely: 2005) while other believes that employee engagement is a higher level of commitment and involvement an employee has towards their organization and its value (Josh Greenberg: 2009). Engagement usually means (Farlex online dictionary)

(a) To pledge and promise, especially to marry

b) To attract and hold the attention of engross
In simple terms, Employee engagement means to keep someone involved and attracted towards something. This implies that engagement usually create a bond between parties and then interlock them into an emotional relationship. Engagement enhances the emotional attachment between the parties for which both tries to do something extra for each other.

Engaged employees are the most important assets to any organization. Employee engagement has been stated as critical to the success of a business (Bashinsky : 2004). It has even been labelled “a human resource craze” (Endres and Mancheno-Smoak : 2008). Employee Engagement is about staff, takes place when employee show interest in their jobs, and are willing to exert an extra discretionary effort to get the required results. It is not for the Organization and comes from the internal motivation, however the benefits do reach the organization. An engaged employee is someone who is aware of business context, and works closely with colleagues to improve performance within the job for the benefit of the organization. For instance a Lecturer working for a University, carrying out Research, Taking part in events, conducting seminars but all this is done because of his/her interest in the field of teaching, whereas they might not identify with the objectives of the organization, they might not value the beliefs of the business and may not like to remain in the organization and might like to leave the organization, but his/her engagement has significant positive effect on the University, as producing research, extra-curricular activities would bring good name to the University, with his/her personal growth.

There are three parts to employee engagement -

a) **Physical** - Employees exert high levels of energy to complete their work tasks.

b) **Emotional** - Employees put their heart into their job, have a strong involvement in their work and a sense of the significance of it, and feel inspired and challenged.

c) **Cognitive** - Employees forget about everything else when doing their job and become fully engrossed in it.
When employees are engaged on each of the above levels, they will invest significant
ergy to complete their work and achieve positive organizational outcomes. Engaged
employees not only have high levels of personal investment in their work but also feel
a strong psychological connection to it.

**What drives engagement?**

According to the MacLeod report there are four ‘broad enablers/drivers’ which are
critical to gaining employee engagement. These are:

1. **Leadership**: ‘a strong narrative that provides a clear, shared vision for the
organisation is at the heart of employee engagement. Employees need to
understand not only the purpose of the organisation they work for but also
how their individual role contributes to that vision’

2. **Engaging managers**: ‘engaging managers offer clarity for what is expected
from individual members of staff, which involves some stretch and much
appreciation and training….treat their people as individuals, with fairness
and respect and with a concern for employee’s wellbeing…..(and) have a very
important role in ensuring that work is designed efficiently and effectively’

3. **Employee voice**: ‘an effective and empowered employee voice – employees’
views are sought out; they are listened to and see that their opinions count and
make a difference. They speak out and challenge when appropriate. A strong
sense of listening and responsiveness permeates the organisation, enabled by
effective communication’

4. **Integrity**: ‘Most organizations have espoused values and all have behavioral
norms. Where there is a gap between the two, the size of the gap is reflected in
the degree of distrust within the organisation; if the gap is closed, high levels
of trust usually result. If an employee sees the stated values of the organisation
being lived by the leadership and colleagues, a sense of trust in the
organisation is more likely to be developed and this constitutes a powerful
enabler of engagement’

Employee disengagement is related to employee engagement; these phenomena are
often studied as being connected to each other and disengagement is often discussed
in the context of its negative influence on the organization.

**What is disengagement?**

Employees who are disengaged do not have an emotional commitment to their work or their place of employment. They are not enthusiastic; they do not want to expend extra effort and support team work. Kahn (1990) defines employee disengagement as “the simultaneous withdrawal and defence of a person’s preferred self in behaviours that promote a lack of connections, physical, cognitive, and emotional absence, and passive, incomplete role performance.”

Studies reveal that disengaged employees aren't necessarily bad employees, but they just do what's necessary to get their jobs done. They typically don't take part in offering suggestions for improving the workplace. It is observed that disengaged employees usually don't stay at work late if it's not required, and they don't give their jobs much thought after they finish a workday. They adopt a “wait-and-see attitude” and behave in a similar way requiring a push to join in. Workers with a low level of engagement are disinterested and not curious about their organization and their own role in it, they often have poor relationships with their managers and co-workers.

Disengaged employees must be motivated to perform on an hourly basis. They drag themselves through their day, contributing the bare minimum and often detracting from the work of their peers with negative comments or an overwhelming pessimism that is energy draining. This pessimism is so toxic that it affects not only co-workers, but customers as well, driving away potential business and harming previously solid customer relationships.

There are many causes of employee disengagement. Some of them are as follows-

a) External environment causes, which can become challenges for employees, for example, instability and insecurity arising from government, unions or shareholders, or possible opportunities, such as sudden wealth to buy independence, an unanticipated outside job offer, and so on;

b) Psychological causes and sources, more specifically: lack of psychological meaningfulness and psychological safety at work, lack of identification with an organization, lack of trust, a sense of being undervalued, perceived
inequities in pay and performance, unrealized ambitions, stress and anxiety, disinterest, etc.;

c) Organizational causes, such as restructuring of the company and connected to it, transformational changes, company’s culture with inadequate norms, traditions, policies and practices (unethical actions, sexual harassment, racial discrimination, unreasonable enforcement of authority, etc.), bad working conditions, poor management and leadership, overgrown bureaucracy, lack of resources, low standards and acceptance of poor performance, work complexity, etc.;

d) Other sources, for example, employee’s substance abuse and unacceptable behaviour, illness, laziness, competency issues, poor interpersonal relationships leading to conflicts, etc.

e) Besides these causes, unclear expectations arising due to improper job descriptions, lack of resources, untapped potentialities, etc also causes employee disengagement.

3.2 IMPORTANCE OF EMPLOYEE ENGAGEMENT

Today, employee engagement plays a vital role than ever before to an organization’s success and competitive advantage. Gone are the days when a young person starting out in his or her career joined a company and stayed until retirement – in today’s business environment there are no guarantees. Employee engagement has become a top priority in every organization. In this rapid cycle economy, leaders must know that having a high performance workforce is essential for growth and survival. They recognize that highly engaged workforce can increase innovation, productivity, and bottom-line performance while reducing costs related to hiring and retention in highly competitive talent markets.

Employee engagement has its links with positive outcomes at the individual and organizational levels. Review of the academic literature on engagement clearly points out that employee engagement is one of the important factors leading to business
success. Engaged employees deliver higher productivity, lower absenteeism, less turnover intention, superior service quality, more satisfied and loyal customers, high job satisfaction, more commitment, increased organizational citizenship behaviour and improved bottom-line business results. They form an emotional connection with the company. Employee engagement helps in building passion, commitment and alignment with the organizational strategies and goals.

There are empirical evidences, which show positive association between employee engagement and performance. According to the Job Demands – Resources Model, work engagement has a positive impact on job performance and employees who are engaged and perform well are able to create their own resources, which then foster engagement again over time and create a positive gain spiral (Bakker & Demerouti, 2008). Thus engaged employees will normally perform better and are more motivated.

Engaged employees care about the future of the company and are willing to invest discretionary effort. Engaged employees feel a strong emotional bond to the organization that employs them, which results in higher retention levels and productivity levels and lower absenteeism. Employees with the highest level of commitment perform 20% better and are 87% less likely to leave the organization, which indicates that engagement is linked to organizational performance (Lockwood, Nancy R; 2007).

It is seen that when employees are open and without any organizational pressure, they render their service voluntarily in terms of extra time and put extra effort and energy into their job. If an organization provides necessary resources essential by employees to efficiently perform their jobs, they really performed well, and keep themselves engaged. But if an organization fails to do that, the result will be vice versa.

Besides organizational level outcomes employee engagement produces positive outcomes at the individual level also. Engaged employees perform better than their less engaged counterparts do because they are more immersed in their work and they cerebrate more about their work, which helps them to produce innovative solutions. Researches show that high levels of engagement are negatively related to burnout and positively associated with well-being of employees. In short, employee engagement is
the driver of success in any organization and hence this concept has become a buzzword in the management circles across the globe.

3.3 ANTECEDENTS AND OUTCOMES OF EMPLOYEE ENGAGEMENT

To be successful, an engagement program must focus on the individual and organisational characteristics that contribute to engagement. In other words, to bring about improvements in engagement and, ultimately, performance, it is necessary to bring about a change in those factors that will enhanced the morale of employees and their teams, bring about a stronger sense of commitment to the organisation, and build a positive connection between people and their work. Further, it is also important to know what the real outcomes of employee engagement are. The following section provides an insight on the antecedents and outcomes of employee engagement that are considered in the hypothesized model of the study.

A) ANTECEDENTS OF EMPLOYEE ENGAGEMENT

3.3.1 ORGANIZATIONAL SUPPORT & RESOURCES -
Organizational support and resources play an important role in engaging the employees. Studies on employee engagement show that cordial employee-employer and employee-employee relationships, coordination, cooperation from superiors and colleagues and availability of resources enhance employee engagement. When employees believe their job is recognized and they have good relationships with co-workers and supervisors, they are more likely to invest themselves in their work and are engaged. Organizational resources such as supervisory coaching, feedback, and emotional support enhance employee optimism, confidence and efficacy beliefs, and increasing levels of engagement.

Employees who perceive that their jobs suit their skills and interests, who work with strong, cooperative teams, and who have adequate resources and training to get the job done are likely to engage in their jobs Xanthopoulou et al. (2007) suggested that organizational resources like autonomy, social support, supervisory coaching, and
professional development heightens employee self-esteem, optimism, and self-efficacy, and thus employees are more likely to become engaged.

3.3.2 GROWTH OPPORTUNITIES
Review of the academic literature on employee engagement clearly points out that growth opportunities have its influence on employee engagement. It is observed that employees are likely to be more engaged when their organizations help them in their career planning and growth opportunities. Organizations should be committed to helping its employees to pursue their careers and concurrently feel fulfilled in their personal lives. Organizations should review its working policies to ensure that they continued to offer solutions and opportunities over and above statutory requirements. Sutcliffe and Vogus (2003) suggested that training or knowledge development opportunities offered by the organization may build or reinforce personal resiliency and optimism among employees, enhancing psychological capital and thus foster employee engagement.

3.3.3 COMPANY PRACTICES
The analysis of various studies on the organizational roots of employee engagement revealed several important factors connected to this phenomenon. Organizational policies and practices related to recruiting, selecting, inducting, and socializing new employees into the organization; training and development, health and safety, etc all have its impact on employee engagement. Providing employees with work life benefits and practices helps them stick to the organization and increases employee engagement as employee gets sufficient time to take care of organizational as well as household issues. Vance (2006) states that the recruitment policy of an organisation conveys certain messages that attract future employees’ engagement and commitment. Existing employees’ level of engagement is also enhanced when they are recruited for desirable jobs. When the organizations recruitment policy allows external recruitment while suitably qualified employees are overlooked, these employees’ level of engagement is negatively impacted.

3.3.4 TOTAL REWARDS
Studies reveal that by applying rewards, organizations encourage employees’ willingness to go the extra mile rather than doing the minimum. There are empirical evidences which show a positive association between total rewards, recognition and employee engagement. Saks and Rotman (2006) in their study revealed that recognition and rewards are significant antecedents of employee engagement. When employees receive rewards and recognition from their organization, they will feel obliged to respond with higher levels of engagement.

Dow Scott et al (2010) determined how total reward programs and employee engagement are related. The study confirms that the total reward structures, programs and policies influence employee engagement. Organizations that encourage managers to engage employee engagement through incentive programs indicate programs indicate that their organizations more effectively foster employee engagement and motivation than those organizations than those organizations that do not.

3.3.5 LEADERSHIP BEHAVIOURS
Most researchers agree that leadership style and behaviour of leader have great influence on the level of employee engagement. Many aspects of the employee’s life at work are under the control and responsibility of senior leaders and line managers. Wildermuth and Pauken (2008) state that engagement occurs naturally when leaders are inspiring. Employees feel engaged when their work is considered important and meaningful. The task of leadership is therefore to ensure that employees see how their specific task contributes to the overall business success. The leadership behaviour that will most likely lead to engagement is to be an inspiring and visionary leader.

B) OUTCOMES OF EMPLOYEE ENGAGEMENT

3.3.6 JOB SATISFACTION
Employee engagement has been linked with positive outcomes at the individual as well as organizational levels. Engaged employees feel a strong emotional bond with the organization which results in higher job satisfaction. Saks (2006) in his study developed a model based on principles of SET and tested the model of antecedents and consequences of employee engagement. The results showed that Job and organizational engagement are significant predictors of job satisfaction,
organizational commitment, intentions to quit, and organizational citizenship behaviour. 

Employees feel engaged when they find personal meaning and motivation in their work and receive positive feedback. Therefore, when employees feel successful with their task/role, and thus attain certain intrinsic rewards from their engagement, they experience feelings of accomplishment which may, in turn, lead to job satisfaction.

### 3.3.7 EMPLOYEE RETENTION

Effective talent management policies and practices demonstrate commitment to human capital, resulting in more engaged employees and lower turnover. Consequently, employee engagement has a significant impact on employee retention and talent management. Supportive work-life policies and perceived flexibility increases expected retention. This indicates that employees will be inclined to stay with an organisation that they feel are sensitive to their personal life circumstances. Employees are engaged in organisations where they feel that they are not just a commodity or asset towards achieving organisational goals, but are human beings who form part of families and communities.

As noted by Schaufeli and Bakker (2004), engaged employees are likely to have a greater attachment to their organisation, a lower tendency to quit and are less likely to leave their employer.

### 3.3.8 PERFORMANCE

Employees who are highly engaged are more than twice as likely to be top performers as are other employees. Research sponsored by the CIPD demonstrated that the impact of employee engagement on performance arose, at least in part, because engaged employees were more involved and socially connected with their work, allowing them to develop better solutions.

Bakker et al (2004) showed that engaged employees received higher ratings from their colleagues on in-role and extra-role performance, indicating that engaged employees perform well and are willing to go the extra mile. Macey and Schneider (2008) suggest that engagement is an ‘illusive force’ that motivates an individual to achieve higher levels of performance. A study of 50,000 employees found that the...
most engaged and committed perform 20 per cent better than their colleagues (Corporate Leadership Council, 2004).

### 3.3.9 PRODUCTIVITY

Research reveals that employees who are engaged with their job and employer are more productive because they are motivated beyond personal factors. They are more focused and more motivated than their disengaged counterparts. This means they work more efficiently and with the success of the organisation in mind. Welbourne (2003) states that engagement involves getting rid of the things that block productivity. Organizations employ people to enable business success, but at times put obstacles in the way of them not reaching their goals. Creating an engaged workforce therefore also means getting barriers out of the way so that employees can be more effective and productive.

Shaffer (2004) reports that several organizations have reaped the rewards of engaging employees by showing measurable improvements in productivity and reducing cost. The report shows organizations that have increased their production volume through engagement significantly concurrently cutting costs.

### 3.3.10 CUSTOMER SATISFACTION

Employees who feel fully engaged to take great pride in doing their job. They do more than what is expected of them and go extra mile. Doing so, engaged employees influence the buying behaviours of customers. The excitement of an engaged employee is contagious and cannot help but rub off on the customer. High levels of satisfaction and employee engagement are positively correlated with customer satisfaction, profitability, productivity, and safety outcomes. According to Frank et al (2004), workplaces that focus on employee engagement appear to produce higher levels of customer satisfaction, leading to improved customer retention and increased sales.

Oakley (2004) found a direct link between engaged employees and customer satisfaction, and between customer satisfaction and improved financial performance. In organizations with the engaged employees, it was found that customers used their products more, and increased customer use led to higher levels of customer satisfaction.
3.4 MODELS OF EMPLOYEE ENGAGEMENT

According to Saks (2006), researchers have done little in the modeling of engagement though there are two main research streams in this area. The first stream concerns the studies of Kahn (1990); later his findings and model of engagement were empirically tested by May et al. (2004). Afterwards, Saks (2006) also offered as an alternative, to refer to the social exchange theory (SET) and developed his own model of employee engagement, which was also tested.

In this section, a closer look will be given to three models of engagement: Kahn’s model diagnosed by May et al. (2004), the Job Demand-Resources (JD-R) model (Bakker and Demerouti 2008), and the model of the antecedents and consequences of employee engagement (Saks 2006). Besides these models, a review of The High Performance model, The Gebauer attraction, retention and engagement model is highlighted.

3.4.1 KAHN’S MODEL OF ENGAGEMENT

Kahn in two of his qualitative studies (1990), examined the psychological conditions of personal engagement and disengagement at work. Kahn interviewed employees of two different organizations about their moments of engagement and disengagement. The researcher stated that there are three psychological conditions that people experience at work, particularly, meaningfulness, safety, and availability. These psychological conditions are linked to personal engagement or disengagement. According to Kahn, employees in each work situation unconsciously ask themselves three questions: “(1) How meaningful is it for me to bring myself into this performance? (2) How safe is it to do so? And (3) How available am I to do so?” An empirical test of Kahn’s model (May et al. 2004) found that meaningfulness, safety, and availability have significant influence on engagement (Figure 3.1).

Figure 3.1 PATH-ANALYTIC FRAMEWORK OF ENGAGEMENT (MAY ET AL.2004, P. 25)
Also, there were certain other important links identified which are as follows:

- Job enrichment, as an attempt to make work different and interesting, and also fit between the employee and his or her work role, are positive predictors of meaningfulness.
- Good relationships with workmates and supportive supervisor relationships are positive predictors of safety.
- Strict observance of co worker norms (norms within the groups and organization) and self-consciousness are negative predictors of safety.
• Accessibility of physical, emotional and cognitive worker’s resources is a positive predictor of psychological availability.
• Participation in outside activities is a negative predictor of psychological availability.

The findings of Kahn (1990) and May et al. (2004) described engagement from the psychological point of view and identified the main factors that influence its level.

3.4.2 THE JOB DEMAND-RESOURCES MODEL OF WORK ENGAGEMENT

Bakker and Demerouti (2008) reviewed qualitative and quantitative studies on work engagement in order to identify its antecedents and consequences. Based on findings of previous studies they developed an overall model of work engagement that can be used in today’s workplace. The Job Demand-Resources (JD-R) model of work engagement is presented in Figure 3.2

Figure 3.2 THE JD-R MODEL OF WORK ENGAGEMENT (BAKKER & DEMEROUTI 2008, P. 218)
Authors of the model stated that the main predictors of engagement are job resources (autonomy, performance feedback, supervisory coaching, etc.) and personal resources (optimism, self-efficacy, self-esteem, etc.). Predictors of engagement can take effect independently or be combined with other factors. When job demands are high, these resources have a positive impact on work engagement, which, in turn, has a positive influence on job performance. Engaged employees provide better performance. Therefore, they are able to generate their own resources, which over time facilitate engagement development and create a positive gain spiral.

3.4.3 THE MODEL OF THE ANTECEDENTS AND CONSEQUENCES OF EMPLOYEE ENGAGEMENT

Saks did a study that aimed to test a model of the antecedents and consequences of job and organization engagements (Figure 3.3). The model was developed based on principles of Social Exchange theory (SET) as mentioned above.

**Figure 3.3 MODEL OF THE ANTECEDENTS AND CONSEQUENCES OF EMPLOYEE ENGAGEMENT (SAKS 2006, P. 604)**

<table>
<thead>
<tr>
<th>ANTECEDENTS</th>
<th>EMPLOYEE ENGAGEMENT</th>
<th>CONSEQUENCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Perceived Organizational support</td>
<td>- Job Engagement</td>
<td>- Job satisfaction</td>
</tr>
<tr>
<td>- Perceived Supervisor support</td>
<td>- Organizational engagement</td>
<td>- Organizational commitment</td>
</tr>
<tr>
<td>- Rewards &amp; Recognition</td>
<td></td>
<td>- Intention to quit</td>
</tr>
<tr>
<td>- Procedural justice</td>
<td></td>
<td>- Organizational citizenship behavior</td>
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<tr>
<td>- Distributive justice</td>
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The results of the tests revealed that:

- There is a distinction between the constructs of job engagement and organization engagement.
- Support provided by an organization is a positive predictor of both job and organization engagement.
- Job characteristics considerably predict job engagement.
- Procedural justice is an important predictor of organization engagement.
- Job and organization engagement are significant predictors of job satisfaction, organizational commitment, intentions to quit, and organizational citizenship behaviour directed to organization.

Saks asserted that employee engagement is a meaningful construct that should be studied more. Identification of other potential predictors of the phenomenon and possible effects of experimental interventions on employee engagement were offered by the researcher as issues for further studies.

3.4.4 THE HIGH PERFORMANCE MODEL

Vance (2006) explains that an engaged workforce generate valuable business results for an organization. The process starts with employer practices such as job and task design, recruitment and selection, training, compensation, performance management and career development. These practices affect the employees’ level of engagement as well as job performance. Performance and engagement then interact to produce business results as illustrated in Figure 3.4

Figure 3.4:a  LINKING EMPLOYER PRACTICES AND EMPLOYEE ENGAGEMENT
Building on the link between employer practices and employee engagement, the author proposes the high performance model. Figure 3.4b illustrates how employer leadership practices, employee results of those practices, customer results of leadership and work practices and business performance are interrelated, the cyclical model illustrates that over time engagement also affects leadership behaviours. Asking employees’ opinions is already a step towards increasing commitment and engagement. The author reports that taking constructive action based on survey results, sends a signal that the organization values them and takes their feedback seriously. This enhances engagement. Surveying employees also reinforces a two-way employer-employee relationship, strengthening commitment to the organization.

**Figure 3.4b: THE HIGH PERFORMANCE MODEL**
3.4.5 THE GEBAUER ATTRACTION, RETENTION AND ENGAGEMENT MODEL

Gebauer (2008) indicates that engagement is not only part of a person’s genetic makeup from birth, but can be created if the key factors that influence engagement in an organisation is understood and effectively managed. The key influences identified by Gebauer (2008) are shown in Table 3.1 below-

Table 3.1 THE GEBAUER DRIVERS OF ATTRACTION, RETENTION AND ENGAGEMENT MODEL

<table>
<thead>
<tr>
<th>TOP ATTRACTION DRIVERS</th>
<th>TOP RETENTION DRIVERS</th>
<th>TOP ENGAGEMENT DRIVERS</th>
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<tbody>
<tr>
<td>Competitive base pay</td>
<td>Organization’s reputation as a great place to work</td>
<td>Senior management sincerely interested in employee well-being</td>
</tr>
<tr>
<td>Career advancement opportunities</td>
<td>Satisfaction with the organization’s people decisions</td>
<td>Improved my skills and capabilities over the last year</td>
</tr>
<tr>
<td>Challenging work</td>
<td>Good relationship with supervisor</td>
<td>Organisation’s responsibility for social responsibility</td>
</tr>
<tr>
<td>Convenient work location</td>
<td>Understand potential career track within organisation</td>
<td>Input into decision making in my department</td>
</tr>
<tr>
<td>Flexible schedule</td>
<td>Ability to balance my work/personal life</td>
<td>Organisation quickly resolves customer concerns</td>
</tr>
<tr>
<td>Learning &amp; development opportunities</td>
<td>Fairly compensated compared to others doing similar work in my organization</td>
<td>Set high personal standards</td>
</tr>
<tr>
<td>Vacation/paid time off</td>
<td>Work in environment where new ideas are encouraged</td>
<td>Have excellent career advancement opportunities</td>
</tr>
<tr>
<td>Reputation of organization as a good employer</td>
<td>Competitive training</td>
<td>Enjoy challenging work assignments that broaden skills</td>
</tr>
</tbody>
</table>
**Source : Gebauer (2008)**

The author reports that the factors that attract people to an organization are different to those factors that retain them, and different factors maintain their engagement while employed. Gebauer (2008) maintains that senior management should take a sincere interest in employees not only at work but also beyond the workplace. Employees are engaged when they get opportunities to improve their capabilities and advance their careers through learning and growth. Employees are increasingly aware of the organization’s social responsibility and want to be associated with organizations that have a good reputation of social responsibility. Furthermore, employees are engaged through the organization’s focus on the customer. They want to contribute to making customers happy by meeting customer expectations and resolving their concerns quickly.

### 3.5 MEASUREMENT OF EMPLOYEE ENGAGEMENT

The only way to gain accurate information about employee engagement is to measure it. Employee engagement needs to be measured at regular intervals in order to track its contribution to the success of the organisation. Organizations not only need to understand their current level of employee engagement, but also to have confidence that measures used to evaluate engagement are reliable and valid. The most accurate way to achieve this is through a quantitative survey supported by qualitative interviews and focus groups.

According to Vance (2006) Employers typically assess their employees’ engagement levels with company-wide attitude or opinion surveys. A sampling of the criteria featured in such instruments reveals 10 common themes related to engagement which are as follows –

i) Pride in employer

ii) Satisfaction with employer
iii) Job satisfaction

iv) Opportunity to perform well at challenging work

v) Recognition and positive feedback for one’s contributions

vi) Personal support from one’s supervisor

vii) Effort above and beyond the minimum

viii) Understanding the link between one’s job and the organization’s mission

ix) Prospects for future growth with one’s employer

x) Intention to stay with one’s employer

One reliable instrument to measure employee engagement is Gallup’s G12 feedback system*. Gallup has identified the factors that determine whether people are actively engaged, disengaged, or actively disengaged. Their research (which consistently shows a correlation between high survey scores and superior job performance) yielded a series of 12 questions known as Gallup's Q12.

The 12 questions are (rated on a scale from 1 to 5):

1. Do I know what is expected of me at work?
2. Do I have the materials and equipment that I need in order to do my work right?
3. At work, do I have the opportunity to do what I do best every day?
4. In the last seven days, have I received recognition or praise for doing good work?
5. Does my supervisor, or someone at work, seem to care about me as a person?
6. Is there someone at work who encourages my development?
7. At work, do my opinions seem to count?
8. Does the mission or purpose of my company make me feel that my job is important?
9. Are my co-workers committed to doing quality work?
10. Do I have a best friend at work?
11. In the past six months, has someone at work talked to me about my progress?
12. This past year, have I had opportunities at work to learn and grow?

*Source: Gallup, n.d.

While surveys are the most common methods used to evaluate engagement, there are six steps to take in order for their results to provide meaningful data.
1. **EVALUATE MANAGERS/EMPLOYEE RELATIONSHIPS.**
If the employees are being treated unfairly in a relationship, they will likely be unsatisfied, and therefore, disengaged. If they feel they are not being treated well by their managers, or are undervalued, or are always getting the short end of the stick, there is a high probability that they are not going to be engaged. A key indicator to employees’ engagement, then, is to determine how fairly your employees perceive the way they are treated.

2. **ANALYZE COMMUNICATION LEVELS.**
Engaged employees are employees who believe that the lines of communication between them and their superiors are open. Not only do they expect managers to communicate a clear vision for the company, but they also expect to have the ability to communicate their thoughts with managers and that their input will, at the very least, be considered. If the employees believe there is an open door policy when it comes to communication, they are more likely to be engaged than those who believe their voices are never heard.

3. **TAKE STOCK OF BENEFITS.**
These factors include satisfactory benefits, compensation, working conditions, and company pride. While these factors aren’t considered motivators, their absence is associated with dissatisfaction. Therefore, the more content employees are with these factors, the better the chance they are going to be engaged.
Do your employees view their working conditions positively or is there much to be desired? Do they trust in the abilities of their managers? Do they feel a sense of pride in working for your company and have a strong commitment? Because engagement is linked to emotional attachment, the answers to these questions provide critical pieces of information necessary for assessing employees’ engagement.

4. **DON’T UNDERESTIMATE THE IMPORTANCE OF EMPOWERMENT.**
A little empowerment goes a long way. If the employees receive praise from their superiors, they likely will feel inspired and have a desire to do their jobs well. Similarly, they will feel empowered if they believe there are sufficient opportunities for growth and advancement. Empowered employees are likely to be engaged employees.
5. REVIEW RATIONAL FACTORS.
Beyond the emotional factors that drive engagement, there are several rational factors as well. Rational factors supersede emotional ties to your company and focus on more pragmatic issues, such as whether employees believe staying with their current supervisor represents the best way to advance their careers, or if staying with their group give them the best opportunity to develop skills.

6. STUDY EMPLOYEE CHOICES.
Not every person possesses a high degree of self-awareness. Therefore, if employees are asked questions about how they feel, there is no guarantee they will have the ability to answer accurately. In addition to conducting strategic surveys, one of the best ways to measure how engaged employees are is to analyze their values. This can be done by watching and studying the choices they make on a day-to-day basis and see what consistent decisions they are making. Engagement levels can be more accurately assessed by taking the time to study important clues these decisions provide.

Considering employees’ disengagement is a primary cause of company failure, it is critical that the organization use effective measurement methods. Relying on simple satisfaction surveys is not enough. In order to determine how employees feel, questions that cover key factors as well as which analyse their daily choices must be included. This will enable to best understand the employees and make necessary adjustments to increase their level of engagement and, ultimately, the overall success of the company.

3.6 PROCESS OF EMPLOYEE ENGAGEMENT

This is the hard core fact that the future business performance and revenues and profitability of an organisation no longer depends upon traditional capital management and investment and portfolio management. But the success of any organisation in this constantly changing world of work depends upon human capital management. The companies who understood this fact long before are the most
successful and highly productive organizations of the currents times. Those who have just realized it are still struggling to establish a reputation in the industry.

Since the mantra of success of any organisation is the higher involvement, engagement and dedication of employees towards their jobs and their continuous performance to attain more, it is necessary to keep their spirits high, motivate them to perform their best always and generate a breed of satisfied and dedicated employees. Employee Engagement is not a onetime process that can quickly bring results; rather it is an ending process that will go on till the existence of an organisation.

As it is an established fact that there is a clear link between organizational performance and employee engagement, every organisation seeking sustenance and growth in the ever changing world of work quickly respond to the needs of employees along with designing and implementing a customised process to increase the levels of employee engagement. The following are a few basic steps in this process based on the best industry practices.

**Figure 3.5 BASIC STEPS IN EMPLOYEE ENGAGEMENT PROCESS**

1. PREPARE AND DESIGN:

The first step in the process is about discovering the specific requirements of the organisation and deciding the priorities. After that a customized design of carrying the whole process can be designed. It is recommended to seek advice of expert management consultant in order to increase the chances of getting it done right at the first attempt.

2. EMPLOYEE ENGAGEMENT SURVEY:

Design the questions of the employee engagement survey and deploy it with the help of an appropriate media. It can be either in printed form or set online depending upon the comfort level of the employees and your questionnaire evaluation process.

3. RESULT ANALYSIS:

It is the most important step in the entire process. It is 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 organisation. The results and information can then be delivered through presentations.

4. ACTION PLANNING:

‘How to turn the results of the survey in to an action’ is a challenging question that organizations need to deal with the utmost care. 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. They should also be told about do’s and don'ts so that they can successfully implement the changes.

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 if it is producing the desired results.

With this, communication and project management processes are the backbone of the entire employee engagement process. Communication involves plan follow-up, providing timely information and involvement of each level of organisational
hierarchy. The project management process includes careful planning, watchful resource management, vigilant budget control and monitoring the actions. 

**Robison (2007)** in his work outlined the process to create an engaged workforce. The process is illustrated in figure 2.6 and can be explained as follows-

i) The first step involves identifying the need to improve business success through engagement.

ii) The level of engagement at organisation and group level is then measured by means of a survey.

iii) Following the survey, an improvement action plan strategy is developed. Low score areas are identified and the action plan is initiated at the organizational level using task groups.

iv) By using task groups from employees who participated in the survey in addition, serve to create involvement and commitment to the engagement process.

v) The task groups give feedback and discuss their findings and improvements.

vi) From this feedback, a group-level action plan is generated.

vii) The final step of the process is to develop reporting metrics to sustain improvements.

Robison (2007) reported that in organizations where employee engagement was increased by applying process, the organizations started to reap the benefits. Engaged employees were working more effectively, driving financial outcomes, and increasing profitability.

**Figure 3.6 – PROCESS OF EMPLOYEE ENGAGEMENT [Robinson (2007)]**

3.7 **EMPLOYEE ENGAGEMENT CORPORATE PRACTICES – INDIAN CONTEXT**

1. At Tata Consultancy Services (TCS), senior executives guide team members coming up with innovative solutions to work related issues / problems. This has
resulted in development of a number of useful products that have resulted in successful business endeavours. TCS, which has diverse teams working in different geographic locations in different cultures, created the ‘Ultimax’ platform an online forum, where employees across levels and geographies can come together.

2. At **BhartiAirtel Ltd**, the new joiners & the best performers for the month are rewarded with a special dinner / lunch with their Chief Operations Officer.

3. **Aditya Birla Group** regularly monitors employee engagement at all levels across the group through the biennial organization health study (OHS), which is led by the chairman. It gives employees a unique opportunity to anonymously and frankly express their opinions on a range of issues. The Aditya Birla Awards for Outstanding Achievement — has also been a key engagement factor. During the awards, a number of Groupwide competitions are conducted. Over the years, competitions like Vision 2015, Oh! Not So Smart, Aditya Birla Group value leaders’ poll, etc, have been conducted. These competitions are open to all employees of the group. "Aditya Birla Group has a single portal which provides various job opportunities across levels, businesses and geographical locations of the Group. Aditya Birla Group also has opened up various learning opportunities like a) GyanodayaThe Group varsity for management learning: Herein the managers participate in managerial and strategy programs conducted by the leading academics. b) The virtual campus work to support the 'Elearners'. Over 250 online courses spanning areas such as leadership, sales, marketing and engineering are available on the learning network.

4. **Indian Hotels**, which operates the **Taj chain of hotels**, has been able to create a culture where the performance of employees is measured on customer Orientation efforts and the guidance given by senior leaders.

5. A prime example of employee engagement in **Tata Motors** is **Tata club** at Jamshedpur, which serves as a gathering point for employees and their families as they come together, network and have fun. The Community Development
Centres (CDCs) have also been established across India to merge family values into Tata Motors organizational culture. To promote the value of education and to highlight the achievements of employee’s children, merit awards are given in academics, sports & extra-curricular activities. The artistic talent of the employees is nurtured through Kalasagar and Kalasangam – Tata Motors Cultural group. They arrange various cultural events on music, drama, dance and other activities to promote the creativity among the employees and their families.

6. Hindustan Unilever Ltd.’s sales people fan out over the country, bringing shampoo and ice cream cones to one sixth of the world's population. HUL realized that a cyclical feedback system is good for sales managers and the salespeople they manage. HUL believes that "Ownership of engagement really goes to the manager". In the recent past, HUL managers underwent intense engagement training with Gallup consultants; and also reviewed each individual's follow-up action plan. Then they went to different locations to talk to salespeople individually.

7. Through the Employee Involvement Program, Microsoft aims to offer employees with an additional opportunity for personal and professional development, to apply and develop their skill sets through cross group collaboration, teamwork with colleagues and partners in the community, to expand personal horizons outside the Microsoft environment. Microsoft employees meet students in schools and colleges and answer questions on various aspects of their areas of expertise, mostly centurion career paths.

8. PwC has maintained engagement indices during the recent period of economic disturbance by identifying and focusing on things that mattered most to the employees in 80 different business units, and notably on – a) Making strategy meaningful to people by effective communication, b) Actions of individual leaders, c) People Manager development, and d) Focus on personal development.
9. **Vodafone** has implemented a new model of ‘customer centricity’ to drive improved customer and employee satisfaction. The Vodafone Way is modelled on three key tenets: Speed, Simplicity & Trust; with line managers being held accountable for team engagement with performance measures and providing them with tools and plans to drive performance by giving employees clear goals and a customer/client focus – and thereby achieving increased levels of productivity and innovation even in the downturn.

10. **ITC** harnesses the creative potential of all its employees by promoting a culture of partnerships to unleash relevant synergies between different groups of employees. All major changes in operations involving work processes, manning norms and other productivity linked issues are carried out after discussions with the employees and the recognized unions at each location. Implementation Business plans is shared with employees at all units through a series of formal communication meetings, and through the intranet portals.

11. In **Godrej**, the Company's motto is ‘take yourself lightly and take your job and your responsibilities seriously’. They believe real fun at work implies that ‘Work itself is fun’. In Godrej and Boyce, there are various initiatives that have been taken up by practically all the divisions and Corporate HR. Each Divisional Personnel Head organizes some fun initiatives for the division like Birthday celebrations, Annual gettogethers, Department picnics, Attendance / Retirement functions, Festive dress codes, Dusserah /Diwali celebrations, online quizzes, Saturday casual dressing, Learning and Sharing day, Team Lunches/Movies, Sense of Humour (try to laugh at ourselves rather than others), Lights Off Day, Wall of fame to announce Employee of the Quarter/Month. Some divisions also have clip boards for pasting jokes, cartoons and job related updates.

12. **Tata AIG General Insurance Co. Ltd** commemorate individual and team achievements by organizing a fun filled evening for the employees. Employee TownHall is an event where the head of the organization addresses and interacts with all employees giving them an insight about the company's progress and unfolding the way forward. Interdepartmental cricket & football
matches organized every year for sports enthusiasts helps foster a spirit of teamwork. World of Work (WOW) is another event when employees' children are invited to come and spend time at their parents' workplace.

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