CHAPTER – IV

EMERGING AREAS IN EMPLOYEE ENGAGEMENT

INTRODUCTION

Success stories of flourishing business organizations have been scripted on contributions made by engaging employees. Engaged employees profoundly express themselves physically, cognitively and emotionally during performances in various roles in the organization. They act as drivers of financial and market success. They give a stellar performance by trying to stretch themselves and continuously strive to outperform by setting new standards of excellence. Owing to this, enhancing employee engagement has gained momentum in business organizations across the globe. Employees are engaged when organizations have a healthy work culture and communication practices, where they can get platforms to express their concerns and opportunities to grow and envelop their potential. Today competitors can emulate the performance of the service provided but they cannot replicate the vigor, dedication and absorption of their employees at the place of work.

Evolution of Employee Engagement

Employee engagement is derived from studies of morale or a group's willingness to accomplish organizational objectives which began in the 1920s. The value of morale to organizations was matured by US Army researchers during World War II to predict unity of effort and attitudinal battle-readiness before combat. In the postwar mass production society that required unity of effort in execution, morale scores were used as predictors of speed, quality and militancy.
With the advent of the knowledge worker and emphasis on individual talent management, a term was needed to describe an individual's emotional attachment to the organization, fellow associates and the job. Thus the birth of the term employee engagement” is an individual emotional phenomenon whereas morale is a group emotional phenomenon of similar characteristics. In other words, employee engagement is the raw material of morale composed of intrinsic and extrinsic attitudinal drivers.

**Meaning of Employee Engagement**

*Dictionary.co.uk,* talked about Engagement is an act of engaging; the state of being engaged. It refers to an action in an organizational sense. It could be said that engagement to engage the hearts and minds of employers and employees. In a business sense linked clearly to creating partnerships and long-term relationships to enhance employee loyalty, and forming a platform of employee engagement.

Employee Engagement is relatively a new concept which has been developed from researches on involvement, empowerment, motivation, commitment etc. It refers to positive feelings of employees about their jobs and the organization, and also the motivation, commitment and effort they put into their work. It is a real time effort by the organization to effectively use the services of human resource to achieve its objectives, generating positive behavior among employees in a competitive environment. The contractual relationship between employee and employer limiting the motivation to “how much I get” has been shifted to “how much we gain” due to the effective strategies for employee engagement. It is no more a concept limited to employee retention but the organizational attempt to engage their employees by creating the situation where
employees become emotionally and intellectually committed to the organization, where they not only speak positive about the organization, but also develop the desire to continue with it and put extra efforts for its success. Engaged employees identify themselves with the organization and care for its success willingly contributing their discretionary efforts. Employee Engagement initiative directly influences the organizational result and also influences by the growth of the organization, its leadership and the value addition experienced by the employees.

Employee engagement is the level of commitment and involvement an employee has towards his/her Organization and its values. Moreover an engaged workplace encourages commitment, energy and productivity from all those involved to help improve business performance. Many companies have come to realize that maximum productivity doesn’t come from just a “satisfied” or “happy” employee, they know that the most productive and loyal employee is known as an engaged employee. This employee goes beyond the basic job responsibility to delight the customers and drive the business forward. Moreover, in times of diminishing loyalty, employee engagement is powerful retention strategy. The most valuable resource of a company walks out of the door every evening and sometimes it never comes back. Employee engagement is the means or the strategy to ensure that the most valuable resource again back to the same position. It is about creating an enthusiasm for the roles and the job, the people perform and ensuring they are aligned with the values of the organization, well informed, well integrated with their colleagues and the fabric or culture of the organization.
Defining Employee Engagement

**Kahn** defines employee engagement “as the harnessing of organization member selves to their work roles: in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances.”

**Gallup Organization** defines “Employee Engagement as the involvement with an enthusiasm for work”.

**Dernovsek** (2008) defines “Employee Engagement to a positive employees emotional attachment and employees' commitment.”

**Robinson et al** (2004) defines “Employee Engagement as a positive attitude held by the employee towards the organization and its value”

**Towers Perrin Study** defines “Employee Engagement as the willingness and ability to contribute to company success and the ability to contribute to company success and the extent to which employees put discretionary effort into their work in the form of extra time, brain power and energy”

**Employee Engagement** defined in terms of what people do at work – There are five work-related roles that exist in any company. These roles are:

**Job Holder Role:** Employees come to work and do the job that is listed in their job description.

**Team Member Role:** Employees go ‘above and beyond’ to help members of their team work towards common goals.
Entrepreneur Role: Employees come up with new ideas and processes and try to get those ideas implemented.

Career Role: Employees do things to enhance their career in the organization; they learn, they adapt new skills, and more.

Organization Member Role: Employees do things that promote and help the company even if it’s not part of their job or their teams duties.

Antecedents of Employee Engagement

Job Characteristics: Job characteristics model and, the five core job characteristics (skill variety, task significance, autonomy, and feedback), can be achieved from task characteristics that provide challenging work, variety, allow the use of different skills, personal discretion, and the opportunity to make important contributions. Job enrichment was positively related to the meaningfulness and meaningfulness mediated the relationship between job enrichment and engagement.

1. Intrinsic and Extrinsic Rewards:

Extrinsic rewards are the tangible rewards mostly of a financial nature such as pay raises, bonuses, and benefits, given to employees. Intrinsic rewards are psychological rewards that employees get from doing meaningful work and performing it well. Extrinsic rewards through significant, play a dominant role in organizations where work is generally more routine and bureaucratic in nature. Furthermore, sense of return on investments can come from external rewards and recognition in addition to meaningful work. Hence one might expect that
employees’ to be more engaged at work to the extent that they perceive a greater amount of rewards and recognition for their role performances.

2. Perceived Organizational and Supervisor Support:

In order to determine the organization’s readiness to reward increased work and effort to meet socio-emotional needs, employees develop global beliefs concerning the extent to which the organization values their contributions and cares about their well-being. Perceived organizational support is also valued as assurance that assistance will be available from the organization when it is needed to carry out one’s job effectively and to deal with stressful situations. Supportive environments allow members to experiment and to try new things and even fail without fear of the consequences. In other words, when employees believe that their organization is concerned about them and cares about their well-being, they are likely to respond by attempting to fulfill their obligations to the organization by becoming more engaged. Further more employees tend to view their supervisor’s orientation towards them as indicative of the organization’s support is also likely to be an important predictor of employee of employee engagement. In addition, first-line supervisors are believed to be especially important for building engagement and to be the root of employee disengagement.

3. Distributive and Procedural Justice:

There are two forms of organizational justice: distributive justice and procedural justice. Distributive justice deals with the ends achieved or the content of fairness, whereas procedural justice relates to the means used to achieve those ends or the process of fairness. It has been argued that distributive justice predicts
satisfaction with the outcome whereas procedural justice influences the evaluation of the organization and its authorities a review of organizational justice research found that justice perceptions are related to organizational outcomes such as job satisfaction, organizational commitment, organizational citizenship behavior, withdrawal, and performance when employees have high perceptions of justice in their organization, they are more likely to feel obliged to also be fair in how they perform their roles through greater levels of engagement. On the other hand, low perceptions of fairness are likely to cause employees to withdraw and disengage themselves from their work roles.

**Consequences of employee engagement:**

The main reason behind the popularity of employee engagement is that it has positive consequences for organizations. Employee engagement leads to both individual outcomes as well as organizational-level outcomes the antecedents are expected to predict engagement and engagement predicts the outcomes, it is possible that engagement mediates the relationship between the antecedents and the consequences.

There are a number of reasons to expect engagement to be related to work outcomes. The experience of engagement has been described as a fulfilling, positive work-related experience and state of mind and has been found to be related to good health and positive work affect. These positive experiences and emotions are likely to result in positive work outcomes. Engaged employees have a greater attachment to their organization and a lower tendency to leave their organization.
Where there is a high degree of identification with work, the internalization of value judgments about the goodness or the importance of the work serves as a psychological surrogate for the goodness or the importance of the individual performing the work. Hence, individuals who are more engaged are likely to be in more trusting and high-quality relationships with their employer and will, therefore, be more likely to report more positive attitudes and intentions toward the organization.

Their basic aspects of employee engagement according to the global studies are: the employees and their own unique psychological makeup and experience, the employers and their ability to create the conditions that promote employee engagement; and interaction between employees at all levels. Thus it is largely the organization’s responsibility to create an environment and culture conducive to this partnership and a win-win equation. There is a general belief that a connection between employee engagement as an individual level construct and business results and to be related to individuals' attitudes, intentions, and behaviors.

**Importance of Employee Engagement**

An organization’s capacity to manage employee engagement is closely related to its ability to achieve high performance levels and superior business results. Some of the advantages of Engaged employees are:

- Engaged employees will stay with the company, be an advocate of the company and its products and services, and contribute to bottom line business success.
- They will normally perform better and are more motivated.
• There is a significant link between employee engagement and profitability.

• They form an emotional connection with the company. This impacts their attitude towards the company’s clients, and thereby improves customer satisfaction and service levels.

• It builds passion, commitment and alignment with the organization’s strategies and goals.

• Increases employees’ trust in the organization.

• Creates a sense of loyalty in a competitive environment.

• Provides a high-energy working environment.

• Boosts business growth.

• Makes the employees effective brand ambassadors for the company.

A highly engaged employee will consistently deliver beyond expectations.

Researches proved that there is an intrinsic link between employee engagement, customer loyalty, and profitability. As organizations globalize and become more dependent on technology in a virtual working environment, there is a greater need to connect and engage with employees to provide them with an organizational ‘identity.’

**Need of Employee engagement:**

Today banks are operating in a highly competitive scenario; it is pertinent to note that they need to differentiate themselves from each other. They need to have employees who are passionate about their work and strive to take their organization
to greater heights. The banking sector was chosen for the study because of the sheer dynamism and the tremendous challenges that it has been witnessed in the recent years. This is primarily attributed to changing and ever increasing needs of customers as well as immense competition in the banking sector. For sustaining these challenges it is imperative to have engaged employees. Engaged employees will stay with the banks, be an advocate for its services and contribute to bottom line business success. They will be motivated to perform better. Since there is a significant link between employee engagement and profitability – they will help their organizations tide overcomes challenges both in the short and long run. They will form an emotional connection with their respective banks, which in turn will impact their attitude towards clients and improves customer satisfaction and service levels. By enhancing passion, commitment and alignment with the organizations strategies and goals, they will enable their organizations to reach new heights of excellence. Engaged employees will demonstrate increased trust in their organization and foster a sense a loyalty in a competitive environment. There will be a high-energy positive working environment in the banks through engaging employees which will boost business growth and provide with a competitive edge.

**Employee Involvement**

**Defining Employee Involvement**

*Kessler and Bayliss* define employee involvement “as a range of process designed to engage the support, understanding and optimum contribution of all employees in an organization and their commitment to its objectives”.
Employee involvement is an old idea constantly being revitalized by organizations. It is identified as a 1st key contributor to retain employees. Generally employee involvement means employees participate directly to help the organization fulfill its mission and meet its objectives by applying their ideas, expertise, and efforts towards problem solving and decision making. Although employee involvement is not a new management concept, it has only recently seen a revival in popular support along with the concomitant rise in human resource management. Researches show that when worker productivity and organizational performance is implemented together these practices are positively related to employee productivity and corporate financial performance. Employee Involvement refers to a range of processes designed to engage the support, understanding, and optimum contribution of all employees in an organization and their commitment to its objectives. Employee involvement strategies have been used by organizations in their attempts to develop a unitary workforce. These strategies are potentially an important means to bring about organizational and employees relations change. High-involvement work practices are a set of related human resources practices that focus on giving employees opportunities to make informed decisions concerning the conduct of their jobs. Employee involvement has been researched extensively for decades, beginning with studies of ‘industrial democracy’ and participative management’. Over time, employee involvement has evolved into an integrated approach to work system design that supports decision-making authority for employees. High involvement requires corporate practices that distribute decision-making power by sharing relevant business information creating incentive rewards, and providing employees with the skills and knowledge they need to make informed judgments that improve their individual performance.
and allow them to participate in the business as a whole. If high-involvement practices lead to increased productivity and earnings, it follows that an efficient financial market should recognize and reward firms that adopt these practices.

As a general principle, many employing organizations want to employ people who feel involved in the work that they undertake. However, Employee involvement is more specifically used as a means to promote employee relations and other organizational change.

**Categories of Employee Involvement**

- Downward communication
- Problem-solving involvement and upward communication
- Consultation
- Involvement through structural changes at job and work organization levels
- Financial involvement
- Managerial style and leadership, indicate the way in which the concept of Employee involvement is related by many aspects of organizational life.

**Relationship of Employee Engagement and Involvement**

Engagement is most closely associated with the existing construction of job involvement. Job involvement is defined as “the degree to which the job situation is central to the person and his or her identity. Job involvement is a thought to depend on both need saliency and the potential of a job to satisfy these needs. Thus job
involvement results from a cognitive judgment about the needs satisfying abilities of the job.

Employee Engagement signifies involvement and identification of an individual with his job. An engaged employee displays vigor, dedication and absorption at work. Researchers suggest that strengthening employee voice can make a difference to organizational performance. Employee voice can be defined as the ability for employees to have an input into decisions that are made in organizations. It has been argued that one of the main drivers of employee engagement is for employees to have the opportunity to feel their view upwards. Employee involvement is seen as a central principle of ‘soft’ human resource management, where the focus is upon capturing the ideas of employees and securing their commitment. The concept of employee involvement is strongly grounded in unitary views of organizations, as it assumes that managers and employees have the same interests. Involvement in decisions affecting the job or work is an important factor, which was strongly associated with high levels of employee engagement thus demonstrating it as an important driver. In any work role or situation, employees have a degree of choice and discretion over how they perform their tasks and responsibilities. The factors strongly associated with high levels of employee engagement were that they were connected with as employees involvement in a practice related to their work. For example, effective communications were found to be a factor as engagement levels were affected by the amount of information employees received about how well the company was performing and how they contributed to the company achieving its business
objectives. Furthermore, employees having involvement in decisions’ affecting their job or work was also associated with high levels of engagement.

High-involvement work practice to be effective and for it to have a positive impact on employee engagement, employees must be given power and it will lead to employees having the ability to make decisions that are important to their performance and to the quality of their working lives, thus engaging them in their work. Furthermore, power can mean a relatively low level of influence, as in providing input into decisions made by others or it can mean having final authority and accountability for decisions and their outcomes. Involvement is maximized when the highest possible level of power is pushed down to the employees that have to carry out the decision, resulting in gaining the maximum level of engagement possible from employees. In addition, engagement needs to be viewed as a broad organizational strategy that involves all levels of the organization, a string of actions and steps which require the contribution and involvement of organization members as well as consistent, continuous and clear communications. Finally engagement may be thought of as an antecedent to job involvement in that individuals who experience deep engagement in their roles should come to identify with their jobs.

10 C’s of Employee Engagement

‘The Ten C’s of Employee Engagement’, tries and understands the various dimensions that can add value to the engagement level of an employee which can make people stay in the organization for long. The ten C’s is elaborated as follows:
Connect:

Employees should feel that their work is being valued and should feel a sense of connection with their superiors. Having a gap can lead to employee isolation and a sense of non-belong to the organization.

Career:

People in the organization should be provided challenging and meaningful work with opportunities for career advancement. Most people want to do new things in their job. Good leaders have to challenge employee; but at the same time they must instill the confidence that the challenges can be met. People should be given the tools and knowledge to be successful to keep them engaged.

Clarity:

Success in life and organizations is, to a great extent, determined by how clear individuals are about their goals and what they really want to achieve. Leaders must communicate a clear vision employees need to understand what the organizations goals are, why they are important, and how the goals can be attained.

Convey:

Leaders clarify their expectations about employees and provide feedback on their functioning in the organization. Good leaders establish processes and procedures that help people master important tasks and facilitate goal achievement.
Congratulate:

Exceptional leaders should give recognition to the employees for good performance. Recognizing their efforts by praising them and giving them an applaud can boost their morale and ultimately make them enthusiastic towards their work.

Contribute:

People want to know that their input matters and that they are contributing to the organizations success in a meaningful way. Efficient leaders should make sure that the employees feel their efforts are being used in the fulfillment of the overall goal and objectives of the organization.

The Ten C’s of Employee Engagement
**Control:**

Employee’s value control over the flow and pace of their jobs leaders can create opportunities for employees to exercise their control. Involving your people in decision making creates a culture wherein they can take the ownership of their own problems and can find solutions to them.

**Collaborate:**

When employees work in teams and have the trust and cooperation of their those members, they outperform individuals and teams which lack good relationships. Great leaders are team builders: they create an environment that fosters trust and collaboration. Thus a continuous challenge for leaders is to rally individuals to collaborate on organizational, departmental and group goals, while excluding individuals pursuing their self-interest.

**Credibility:**

Leaders should strive hard to demonstrate high ethical standards to their subordinates. People want to be proud of their jobs, their performance and their organization.

**Confidence:**

Efficient leaders help create confidence in a company by setting the example of high ethical and performance standards. Instilling a sense of confidence is what is required from the leaders.
Categories of Employee Engagement

According to the Gallup the Consulting organization there are three different types of people:-

**Engaged**--"Engaged" employees are builders. They want to know the desired expectations for their role so they can meet and exceed them. They're naturally curious about their company and their place in it. They perform at consistently high levels. They want to use their talents and strengths at work every day. They work with passion and they drive innovation and move their organization forward. They display an outstanding level of commitment and loyalty to the work for the better benefits of the organization. They make efforts working harder and deriving satisfaction.

**Not Engaged**--Not-engaged employees tend to concentrate on tasks rather than the goals and outcomes they are expected to accomplish. They want to be told what to do just so they can do it and say they have finished. They focus on accomplishing tasks vs. Achieving an outcome. Employees who are not-engaged tend to feel their contributions are being overlooked, and their potential is not being tapped. They often feel this way because they don't have productive relationships with their managers or with their coworkers.

**Actively Disengaged**--The "actively disengaged" employees are the "cave dwellers."

They're "Consistently against Virtually Everything." They're not just unhappy at work; they're busy acting out their unhappiness. They sow seeds of negativity at every opportunity. Every day, actively disengaged workers undermine
what their engaged coworkers accomplish. As workers increasingly rely on each other to generate products and services, the problems and tensions that are fostered by actively disengaged workers can cause great damage to an organization's functioning.

**Categories of Employee Engagement**

![Employee Behaviour Diagram]

**Key Drivers of Employee Engagement:**

- **Organizational Commitment**: A psychological attachment of an employee to an organization.

- **Service Commitment**: The shared ethos of meeting customer needs

- **Job Satisfaction**: The date to day impact of work done and the immediate context within which it is set.

- **Work and Career Commitment**: The importance an individual place on the actual work he does and the development of a career.
Identifying the key drivers of employee engagement in the organization will help to create a roadmap for achieving organizational effectiveness. This will help to drive value and optimize resources and contribute to organizational success. There are ranges of factors, known as drivers that are thought to increase overall engagement levels of its employees. Drivers such as:

- Effective employee communication
- Performance clarity and feedback
- Organizational culture
- Rewards and recognition
- Relationships with managers and peers
- Career development opportunities
- Knowledge of the organization's goals
- Vision
- Employee perceptions of the job importance
- Employee clarity of job expectations
- Regular feedback and dialogue with superiors
- Perceptions of the ethos and values of the organization

### Advantages of Engaged employees

Employee engagement levels have a direct impact on an employee’s performance and consequently on the company’s bottom-line. Engaged employees use their talent and strengths effectively at work every day to deliver high levels of performance consistently. High level of employee engagement keenly correlates to individual, group and corporate performance in areas such as retention, turnover,
productivity, customer service and loyalty. Some of the distinct advantages of engaging employees are:

- They will perform better and are more motivated
- Engaged employees will stay with the company, be an advocate of the company and its products and services, and contribute to bottom line business success.
- Create a sense of loyalty in a working environment.
- Provide a high energy of working environment.
- There will be a significant link between employee engagement and profitability.
- They form an emotional connection with the company. This impacts their attitude towards and company’s clients and thereby improves customer satisfaction and service levels.
- They build passion, commitment and alignment with the organizations strategies and goals.
- Increases employees trust in the organization.
- Creates a sense of loyalty in a competitive environment.
- Boosts business growth.
- Makes the employees effective brand ambassadors for the company.
Factors Leading To Employee Engagement

The various factors which are influencing the degree of employee engagement are as follows:

**Career Development:**

Organizations with high levels of engagement provide employees with opportunities to develop their abilities, learn new skills, acquire new knowledge and realize their potential as per the career plans. Career development influences engagement for employees and retaining the most talented employees and providing opportunities for personal development.

**Empowerment:**

Employees want to be involved in decisions that affect their work. The leaders of high engagement workplaces create a trustful and challenging environment, in which employees are encouraged to dissent from the prevailing orthodoxy and to input and innovate to move the organization forward. If the employee is given a say in the decision making and has the right to be heard from his boss then the engagement levels are likely to be high.

**Equal Opportunities and Fair Treatment:**

Successful organizations show respect for each employee’s qualities and contribution regardless of their job level. The employee engagement levels would be high if their bosses (superiors) provide equal opportunities for growth and advancement to all the employees.
Pay and Benefits:

The company should have a proper pay system so that the employees are motivated to work in the organization. In order to boost engagement levels, the employees should also be provided with certain benefits and compensations.

Communication:

Employees need to feel that the core values for which their companies stand are unambiguous and clear. The company should follow the open door policy. There should be both upward and downward communication with the use of appropriate communication channels in the organization.

Image:

How many employees are prepared to endorse the products and services which their company provides its customers depends largely on their perceptions of the quality of those goods and services. High levels of employee engagement are inextricably linked with high levels of customer engagement.

Performance Appraisal:

A fair evaluation of an employee’s performance is an important criterion for determining the level of employee engagement. The company which follows an appropriate performance appraisal technique (which is transparent and not biased) will have levels of employee engagement.

Health and Safety:

Previous research works indicate that the engagement levels are low if the employee does not feel secure while working. Therefore every organization
should adopt appropriate methods and systems for the health and safety of their employees.

**Co-operation:**

If the entire organization works together by helping each other i.e. All the employees as well as the supervisors co-ordinate well then the employees will be engaged.

**Family Wellbeing Measures:**

A person’s family life influences his work life. When an employee realizes that the organization is considering his family’s benefits also, he will have an emotional attachment with the organization which leads to engagement.

**Factors leading to Employee Engagement**

![Factors leading to Employee Engagement diagram](image)

**Outcomes of Employee Engagement**

Employee engagement is a critical ingredient of individual and organizational success. The impact of engagement (or disengagement) can
manifest itself through productivity and organizational performance, outcomes for customers of the organization, employee retention rates, organizational culture, and advocacy of the organization and its external image. Employee engagement within a company promotes retention of talent, foster customer loyalty and improve organizational performance. It is also a key link to customer satisfaction, company reputation and overall stakeholder value proposed that high levels of engagement lead to both positive outcomes for individuals, as well as positive organizational-level outcomes. Employee Engagement also acts as a catalyst towards the retention of staff and established a conclusive relationship between engagement and profitability through higher productivity, sales, customer satisfaction, and employee retention. Engaged employee not only contribute more but also are more loyal and therefore less likely to voluntarily leave the organization. The various factors and outcomes of employee engagement have clearly depicted in the model give below.

**Outcomes of Employee Engagement**

![Outcomes of Employee Engagement Diagram](image-url)
TRANSITION FROM EMPLOYEE INVOLVEMENT

The transition of retention strategies takes in four successive stages these are as follows:

1\textsuperscript{st} phase of retention strategy: Employee Involvement

2\textsuperscript{nd} phase of retention strategy: Employee Satisfaction

3\textsuperscript{rd} phase of retention strategy: Employee Motivation

4\textsuperscript{th} phase of retention strategy: Employee Engagement

1\textsuperscript{st} Phase of retention strategy: employee involvement

Employee involvement is an old idea constantly being revitalized by organizations. It is identified as a 1\textsuperscript{st} key contributor to retain employees. Generally employee involvement means employees participate directly to help an organization fulfill its mission and meet its objectives by applying their ideas, expertise, and efforts towards problem solving and decision making. Although employee involvement is not a new management concept, it has only recently seen a revival in popular support along with the concomitant rise in HRM.

Historically, it has been an integral part of labor movements, unions. If people at all levels of an organization manage their own work then they will find their jobs more rewarding.

The most approved employee involvement process model which is as follows:

- **Tell**: the supervisor makes the decision and announces it to staff. The supervisor provides complete direction.
• **Sell**: the supervisor makes the decision and then attempts to gain commitment from staff by “selling” the positive aspects of the decision.

• **Consult**: the supervisor invites input into a decision while retaining authority to make the final decision herself.

• **Join**: the supervisor invites employees to make the decision with him.

Employee involvement draws attention through quality circles which consist of small groups of employees who meet voluntarily to identify and solve productivity problems. Decentralized decision making and use small group as the organizational unit, to promote collective decision making and responsibility.

Employee involvement programs include employee involvement relating to production, quality, safety and health, training or voluntary dispute resolution.

It has benefited the organization in several ways like increased employee productivity, increased organizational effectiveness by improving employee performance, improved organizational decision-making capability, improved attitude regarding work, and reduced costs through elimination of waste and reduced product cycle times.

**2nd Phase of retention strategy: employee satisfaction**

The initial use of scientific management by industries greatly increased productivity because workers were forced to work at a faster pace. However, workers became exhausted and dissatisfied, thus leaving researchers with new questions to answer regarding employee satisfaction.
Maslow’s hierarchy of need theory, a motivation theory, laid the foundation of employee satisfaction theory. This theory explains that people seek to satisfy five specific needs in life—physiological needs, safety needs, social needs, self-esteem needs, and self-actualization.

Edwin A. Locke’s Range of Affect Theory (1976) is arguably the most famous job satisfaction model. This theory postulates that satisfaction is determined by a discrepancy between what one wants in a job and what one has in a job. Also it states that how much one values a given facet of work. This leads to a special degree of satisfaction when expectations are met or dissatisfaction when they aren’t met.

After all these theories, companies pay their attention to employee satisfaction but gradually they started to feel that only employee satisfaction is not sufficient to retain the employee but also another factor required and that is employee motivation.

3rd Phase of retention strategy: employee motivation

In the mid 90ies organization came to know that employee involvement and satisfaction are not sufficient to retain the employees. Eminent psychologist like H. Maslow, Herzberg and others postulate motivational theories which are an important tool for motivation as motivated arouses the energy or drive in the individual to proceed with an activity.

Content theorist of motivation said that employee will be primarily motivated by monetary factors. Many organizations at that time focuses on hygiene factors like company policy, working conditions, payment bonus EPF etc to
motivate employees. But as globalization came into existence companies started realizing that only monetary factors does not lead to motivation. Rather work itself achievement responsibility leads to motivation.

Common motivational tools used by the organization

- Build foundation
- Create a positive environment
- Put people on right path
- Educate the masses
- Do not forget the fun
- Acknowledge contributions
- Provide incentives
- Honor your promises
- Provide for career coaching
- Match task to talent
- Focus on contingent interaction
- Share information and power

**Benefits out of Employee Motivation**

Increased employee performance, job satisfaction, Employee retention, Employee participation, Commitment towards the organization, Innovative thinking, and improved moral are the major benefits of employee motivation.

**4th Phase of retention strategy: employee engagement**

The universal truth, i.e. “Survival of the fittest”, which is the rule of the game in today’s corporate. So in order to survive companies have to go for
uniqueness. The organization may have same resource, technology, investment structure etc but what makes them unique and different is the manpower they have.

The field of employee engagement has certainly come to an evolutionary crossroads. It has evolved quite rapidly during the past few years. Employee engagement, also called work engagement or worker engagement, is a business management concept. An “Engaged Employee” is one who is fully involved in, and enthusiastic about, his or her work, and thus will act in a way that furthers their organization’s interests.

Engagement is distinctively different from satisfaction, motivation, culture, climate and opinion.

The quest to find out the best practices to retain and engage employees has forced HR gurus to carry out surveys on it. As we all know the universal truth, i.e. “survival of the fittest” which is the rule of the game in today’s corporate. So in order to survive companies have to go for uniqueness. The organization may have same resource, technology, investment structure etc but what makes them unique and different is the manpower they have. In such situation where global market has already faced economic crisis, and this pressured the companies to give birth employee engagement strategies in order to retain employee and to gain uniqueness. The field of employee engagement has certainly come to an evolutionary crossroads. It has evolved quite rapidly during the past few years. Employee engagement, also called work engagement or worker engagement, is a business management concept. An “engaged employee” is one who is fully involved in, and enthusiastic about, his or her work, and thus will act in a way that furthers their organization’s interests.
It is not possible to retain professionals only by paying high salaries and offering attractive benefits. To create enthusiasm for their roles, their work and the organization, and ensure they are well integrated. Employee engagement relates to employee’s commitment to the organization’s success. Engaged employees who are inspired and guided by the leadership, equipped with the right tools managed by the right systems and processes delivers superior performance.” Therefore organizations Goes, Grows and Glows with the engaged employees who builds passion, commitment, alignment with the organizational objectives, strategies and attracts more people, increase employee’s trust, creates a sense of loyalty in a competitive environment, lowers attrition rates, increases productivity, improves overall organizational effectiveness and the business.

**Strategies for employee engagement**

Employee engagement strategy plays a vital role in motivating the performance levels of the workforce. A motivated employee will seek out ways to accomplish a task. An engaged employee will look at contributing his best at every new opportunity that comes in his way. Such employees realize the connection between their contribution and the company’s needs.

Today’s dynamic environment signifies that the nature of the workforce is changing rapidly. A large number of staff today is young, energetic and tech savvy who are well-connected to their peers, friends and those who matter. Social media platforms with their user-friendly and interactive features that help transcend geographies and cultural boundaries have ensured that this generation stays constantly connected.
Both employer and employee have an active role to play in cultivating engagement. Mutual understanding of context, expectations and innovations are an essential first step even more necessary when there is a generational gap. Engagement has to be equal on both ends i.e., The supervisor and employee. It is the key to retention of talent. The ever changing dynamics of the talent market have ensured that employers now compete for the best employees as well. Recent surveys have reported that to attract, recruit, train and retain the best talent is possibly the single biggest predictor of corporate success.

**The key ingredients of employee engagement are:**

- The nature of work - Is it mentally stimulating day-to-day?
- Support - Does the employee feel supported by his line manager and colleagues?
- Recognition - Does the employee feel that his efforts are recognized and valued?
- Loyalty - Does the employee want to stay with the company and develop their career?
- Advocacy - Is the employee willing to recommend their company to family and friends?
- Values - Does the employee feel that managers and colleagues “walk the talk” in terms of the company’s values?

Today most organizations are focusing on employee engagement initiatives. Some keep their employees engaged through learning and initiatives, some by practicing innovative HR initiatives and some others with passion.
Some of the initiatives commonly undertaken by HR departments towards employee engagement are:

**On-boarding:** When an employee joins the organization he needs to be exposed to the organizations policies and culture. There may be some fresh out of campuses that need to know the basics of communication skills and job related skills. During the induction programme itself, they can be given an exposure about these aspects, skills sets and the expectations. The on-boarding event experience itself leaves a mark on the minds of the new recruits about the company’s desire to enhance their skills.

**Learning and development events:** The business practices and processes are changing. In this environment, there is an acute necessity for enhancing the skill levels of employees already discharging various functions. How quickly they adapt to the situation and new environment determines how fast the organization can move forward to bring changes. If these skill gaps are not filled, the organization will have to face a time lag which can hurt its business objectives.

Some of the commonly used channels are seminars, workshops, short-term training programme. The training programme should be so designed that the employee’s learning curve goes up and they should be able to take on new responsibilities or projects with higher competence level can be done through picnics, outward bound learning programme, adventure activities, employee get-togethers, quiz competitions, annual days and sports events. For some of the events, family members may be invited. When family members see that the organization treats employees well and is keen to share good times, there is an automatic sense of bonding.
It is important for an organization to know what drives its employees as they are the ones that own the company’s success. While a company may invest all its energy and resources in making it the best place to work, employee values and passion must be connected and aligned towards company goals to achieve organizational success. The key to achieving excellence lies in ensuring that every employee has a passion to excel.

Some Models of Employee Engagement

Penna (2007) presents a hierarchical model of engagement factors. In this model as the hierarchy ascends and the organization successfully meets each of these engagement factors, the organization becomes more attractive to new potential employees and becomes more engaging to its existing staff.

Hierarchical Model of Engagement Factors

![Hierarchical Model of Engagement Factors](image)

The Institute of Employment Studies (IES, 2003), developed an IES ‘employee engagement model’ to illustrate the strong link between ‘falling value and involved’ and ‘engagement’. This model focuses on the organization-specific
drivers of employee engagement and also tries to answer the question, what drives engagement?

It further elaborates that many of the drivers of employee engagement will be common to all the organizations, regardless of sector; though some variability is likely. The following is the employee engagement model given by IES, 2003.

**IES EMPLOYEE ENGAGEMENT**

In the above model some of the factors are very fundamental (hygiene factors), such as pay, and benefits and health and safety; whereas others are the areas where the organization must ‘go the extra mile’ to ensure effective communication, proper management and cooperation. A detailed description of these factors is given below:

**Training, development and Career** - It relates to providing diverse training opportunities, leadership programs, workshops, designing career paths, etc.

**Immediate Management** – It means the overall philosophy of the management of the organization and their attitude towards employees.
Performance and appraisal - Any company that follows an appropriate performance appraisal technique (which is fair and transparent) will have high levels of employee engagement.

Communication – Communicating employees about what is going on in and with the company plays a crucial role in building employee engagement.

Equal opportunities and fair treatment to all the employees irrespective of gender, age, designation or level ensures employee engagement.

Pay and Benefits – The companies should have a proper pay system so that the employees are motivated to work in the organization. The employees should also be provided with certain benefits to boost their engagement levels.

Health and Safety – Research indicates that the engagement levels are low if the employee does not feel secure while working. Therefore, every organization should adopt appropriate methods and systems for the health and safety of their employees.

Co-operation - Employees will be engaged if teamwork is a virtue that the company values. If the leadership and employees focus on team goals instead of individual goals, it goes in a long way to engage employees.

Family friendliness – A person’s family life influences his professional life significantly. If an organization creates a healthy work-life balance and provides time and benefits to the family; the emotional attachment with the organization increases.

Job Satisfaction – It has been indicated that employee satisfaction is a key antecedent to employee engagement. Hence it is important for an organization to
see to it that the job given to the employee matches his career goals which will make him enjoy his work and he would ultimately be satisfied with his job.

**The employee engagement model**

This model lays out the roadmap to increase employee engagement. The major point of conviction is that the best way to increase employee engagement is to focus on creating a culture of engagement. An organizational culture may be generally defined as a set of norms; beliefs principles and ways of behaving that together gave each Organization a distinctive character.

Organization with strong cultures tended to have better control of their employees. In these companies, people way down the lines know what they are supposed to do in most situations because the handful of guiding values was crystal clear, organization culture is an important area for an organization to influence to ensure that employee commitment is strong, and to provide an environment where an employee engagement strategy can flourish, and in particular the organization is operating in and morning forward, in a consistent direction, with employee behaviors to the fore. Thus cultural synergy could be achieved within the organization through the degree where there were congruence of vision; mission, values, strategy and operational processes, areas which were at the heart of employee engagement, which in turn heads to financial and Operational Results.

Culture is the shared mindset and ethos of an organization. Once the culture is created, engagement becomes 'the way we do things around here' and it does not have to be recreated year after year.
The five most important drivers of the culture of engagement are:

**Two-way feedback:** Most organizations do well in terms of communication down from management to employees. Two helpful ways to ensure the upward flow of feedback are employee town meetings and quarterly, brief, online surveys that capture the changing concerns of employees.
**Trust in leadership:** Building trust is a slower process. Employers providing a trusting environment in the workplace gain the employee’s confidence in the credibility of the leadership, effective employee engagement, improved teamwork and co-operation. It leads to increased employee commitment and loyalty that result in competitive advantage for the organization in the marketplace and increased return on investments.

**Career development:** Engagement levels rise when there is a formal career development system that includes components such as formal career tracks, mobility systems to help employees move about in the organization, and annual career conversations.

**Employees understand their role in success:** Employees need to understand how their job fits into the big picture and what they must do more of and do differently to help the business succeed.

**Shared decision making:** When employees participate in making decisions, they feel more engaged in the organization. Decision-making needs to be pushed down to the lowest possible level.

Each driver must be translated into practical systems, practices and structures that are embedded in the organization.
WHAT DOES AN ENGAGED EMPLOYEE THINK, FEEL AND DO?

Conclusion

Employee engagement is a partnership between a company and its employees where everyone works together to achieve the business objectives of the company and the aspirations of the employees. It is therefore largely the organization's responsibility to create an environment and culture conducive to this partnership, and a win-win equation. Employee engagement is a barometer that determines the association of a person with the organization. An associated or engaged employee is, after all, a productive employee. However, in practice, engagement transcends this. It is about creating the passion among associates to do things beyond what is expected of them. A highly engaged employee will consistently deliver beyond expectations. A productive employee who has a sense of belonging and a strong bond with the company and its brand will create a ripple effect that results in a positively charged atmosphere in the organization. Some of

<table>
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<th>COGNITIVE THINKING</th>
<th>BEHAVIORAL ACT</th>
<th>AFFECTIVE FEEL</th>
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<tbody>
<tr>
<td>Understanding about the role related to the organization's goals, objectives and direction.</td>
<td>Willingness to put in a great deal of effort beyond what is normally expected to help the organization to succeed.</td>
<td>Recommend the organization to others as a good place to work.</td>
</tr>
<tr>
<td>Understanding how the unit/department contributes to the success of the organization.</td>
<td>Personally motivated to help the organization to be successful.</td>
<td>Feeling proud to work in the organization.</td>
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the approaches aimed at improving employee engagement can significantly increase employee engagement and, in turn this can have a measurable impact on HR variables such as retention and staff sickness. The links to the wider impacts in areas such as client service, satisfaction levels and for private sector business – turnover and profitability – tend to be more tenuous; and increasing employee engagement is highly dependent on leadership and establishing two-way communication where people’s work towards better employee engagement without incurring high costs as long as there is the organizational determination to focus on this issue. Even in the absence of robust impact data, the principle of employee engagement is to be endorsed in terms of good practice in people management and the softer benefits this confers to organizations.

Organizations have to give their employees the freedom to make their work exciting and an environment having an engaged work life. With an increase in responsibilities at home and a desire to excel in their careers, employees often get distracted from their work which needs to be taken care of. Employees are the assets of the organization and if they are not given a space whereby they can make a perfect blend of both work and fun, the optimum performance from them may be difficult. Thus an organization should realize the importance of employees more than any other variable, as try to engage them in the utmost possible level by intriguing suitable measures.