CHAPTER 2: LITERATURE REVIEW

It is not the ship so much as the skilful sailor that assures the prosperous voyage
- George William Curtis

2.1 OVERVIEW

This chapter focuses mainly on all aspects of employee engagement as it is a comparatively new concept. It traces its origins, understands its dimensions and analyzes the various definitions available in current literature. The various theories used to explain engagement are discussed, along with its similarities to existing constructs. The outcomes and drivers of engagement are analyzed, as well as the dissenting views on engagement. Finally, performance, safety and retention are discussed briefly being existing constructs, along with their drivers.

2.2 THE IMPORTANCE OF PEOPLE

People form the life blood of any organization [62], it is through people that organizations succeed or fail. Organizations have many resources at their disposal – financial, technological, material – but it is the people of an organization that effectively and efficiently manage these resources in a manner that results in the achievement of organizational objectives [63]. No organization can achieve its goals without the active and positive involvement of its work force.

Organizations across the world have come to realize that the key to generating and maintaining business success lies in their employees - their flexibility, innovation and willingness to contribute above the normal call of duty. It has been recognized that organizational competencies providing sustainable competitive advantage are directly attributable to the abilities of employees
and human resource systems, making them invaluable and rare, not easily substituted by other resources [7].

Organizations are essentially made up of workers who initiate, coordinate, control and complete activities, and thus form its most significant resources. To achieve organizational success, these ‘human factors’ must be effectively managed. ‘Human factors’ are a complex mix of many components, including ethical, psychological, physiological as well as sociological components which interact among themselves, and are at the same time inter-dependent and inter-related [64]. However, the dynamic and increasingly competitive atmosphere of the 21st century makes the management of these human factors a challenge for human resource (HR) managers. HR management thus consists of a chain of decisions that are integrated to form the employment relationship, the quality of these decisions greatly contributing to the organizations and employees’ abilities to achieve stated objectives [65].

HR policies thus need to be strategically devised for the proactive management of employees, so that employees can meet the needs of the organization, and the organization fulfill the desires of its workers. Competitive advantage through employees can be gained through generic policies, such as pay to performance, that have been shown to be effective across many types of organizations [66]. However, to achieve long-term sustained competitive advantage, HR practices need to be developed that are specific to the organizations own context and meet their needs [ibid].

While designing such comprehensive policies, managers should take into account the needs of different individuals, diversity of the workforce, and demands on the employees, among others. Each employee is a distinct individual in his own right with differing wants, needs and ambitions. Each individual has a different way of working, and these ways play a crucial difference in the success or failure of firms [67]. Policies should be flexible enough so that they can be adapted to the varying needs of different employees at various levels of the organization.

With the advent of globalization, the diversity in the work force has further increased, thus compounding the issue of devising HR policies that cater to
this multi-characteristic employee group. This workforce also brings with it varying individual needs and drives, causing major changes in the organizational culture, making it much more complex and diverse. The role of organizational culture cannot be emphasized enough as it creates the environment which leads to organizational success or failure.

The rules of competition in the industry are also ever-changing with more and more demands on the skills, abilities and involvement of employees. Competitive strategies are being built on restructuring, reengineering, redistribution of power and improvement of quality [68]. All these require workers and work schedules to be flexible, and these strategies will not succeed without greater participation and teamwork of the employees.

The last few decades have also seen a significant shift in the relationship between employers and employees. Driven by increasingly competitive markets, unpredictable economic conditions, globalization, continuous need for innovation and the war for talent, organizations all over the world face numerous challenges in order to succeed. Jobs are not ‘for life’ anymore; the psychological contract between employer – employee being different in today’s world and for today’s generation [6].

In such dynamic and turbulent conditions, it is being realized that people are the only component of the industry that provide reliability and stability. Employees are the resource that continues to provide creativity and innovation, which form the source of an organization’s competitive edge. It is in such a context that the ‘Engagement’ of employees assumes the greatest significance, as this may decide between success and failure of organizations.

Since the last decade, employee engagement has captured the attention of academics and HR practitioners alike, making it a management hot topic. It has also received acceptance from academics, and is increasingly being incorporated into the HR agenda of organizations. Mike Johnson [69] considers the goal of engaging employees as one of the greatest challenges being faced by organizations in the coming decade.

Recent research and studies on engagement have increased awareness amongst
employers that engaged employees are instrumental to improved performance and ensuing organizational success. Engagement creates employees who are hardworking, responsible, accountable and ethical [70, 71].

Engaged employees are personally attached to their jobs as well as to the organization; they have high motivation levels and willingly put in their best efforts in order to achieve organizational goals, resulting in measurable benefits for employees themselves as well as the organization [20]. Surveys have shown that the top performers in any organization have high levels of engagement, have less absenteeism, deliver beyond normal expectations, willingly support new initiatives, and are able to comfortably withstand change and adversity [ibid]. Gallup also report that turnover amongst engaged employees was 51% lesser, they had 21% lower absenteeism, 18% higher productivity levels as well as 12% higher profitability [21].

2.3 THE CONCEPT OF “ENGAGEMENT“

Engagement, as a construct, has a relatively short historical time line. Engagement was first conceptualised by William Kahn in 1990 from two qualitative studies, which explored those work conditions in which employees personally connected with the work, or disconnected from it [1]. From this study, Kahn defined engagement as “The harnessing of organization members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances.”

Engagement thus has three dimensions through which it expresses itself:

- physically – where employees bring in high levels of physical energy, strength and readiness into their jobs,
- cognitively – where employees give sustained, engaged attention to a task requiring mental effort, leading to self-regulated learning, and
- emotionally – where employees feel an emotional connection with the work as well as the job and the employer
Kahn concluded that individuals are constituted of numerous dimensions, and if conditions are conducive, they will use and express these through their role performances. The use of these dimensions channels their energies into the work, physically, cognitively and emotionally.

On the other end of the continuum, Kahn found personal disengagement, in which the individual disconnects or uncouples himself from his work. When disengaged, individuals withdraw and suppress their energies by disinterestedly discharging their role obligations [1].

Over the last half a century, HR practitioners have concentrated on identifying the relationship between management strategies and HR practices that have the most impact on organizational effectiveness and bottom line financial success. These attempts have been related to concepts ranging from job satisfaction and job involvement, to motivation, organizational commitment and organizational citizenship behavior, etc. All these aspects have now been combined into one – ‘Engagement’.

Engagement has such a wide dimension that it tends to overlap many of the existing constructs like job satisfaction, affective commitment, involvement, organizational citizenship behavior etc, to the extent that the definitions and measures “often sound like other better known and established constructs such as organizational commitment and organizational citizenship behaviour” [18].

However, even though there are similarities between these constructs, engagement stands out as it embraces all aspects in its totality. Saks agrees that that there are valid grounds to support the argument in favour of engagement being a related but distinct construct in organisational behaviour [72]. Robinson et al also concur stating that even though engagement includes many facets of commitment as well as organizational commitment (OC), they are not perfect matches [18]. One of the major differences lies in the bidirectional characteristic of engagement, and the degree to which engaged employees are expected to be aware of the overall business context [ibid].

The fact that engagement is different from existing constructs is also supported by Harter and Schmidt [73], who consider engagement to reflect a greater
degree of employee involvement and enthusiasm than is implied by mere job satisfaction, job involvement or organizational commitment.

2.4 ENGAGEMENT THEORIES

Since the concept of engagement is relatively new, research on understanding its various dimensions started as late as the early nineties [1]. Over the years, practitioners and researchers have used differing definitions as well as theoretical models to interpret engagement and its functioning. Various theories have been presented to explain engagement: Kahn’s Psychological Presence [1], Saks’ Social Exchange Theory [72], Schaufeli and Bakker’s Job Demands and Resources theory [74], Fredrickson’s Broaden and Build Theory [75], and Csikszentmihalyi’s Flow Theory of Vital Engagement [76].

Except for Fredrickson’s theory, all others consider a balance in the relationship between the employer and employee to be vital for the existence and development of engagement. These theories are discussed in the succeeding paragraphs.

2.4.1 PSYCHOLOGICAL PRESENCE

Kahn opined that engagement results from a mental state, which he termed psychological presence, corresponding to an environment in which individuals can be themselves and be able to express themselves without reservations [1]. They are under no pressure to control or subdue their feelings, beliefs, values or inclinations. In such an atmosphere, they can freely immerse themselves in their work and derive enjoyment and satisfaction from it [ibid].

Kahn identifies three dimensions of psychological presence – meaningfulness, safety, and availability. He states that people modify their personal engagements according to their perceptions of the benefits, or ‘meaningfulness’, and the guarantees, or ‘safety’, they perceive in situations. Psychological meaningfulness was associated with elements at work that created motivation or demotivation to personally engage or disengage.
Psychological safety was related to elements of social systems that created predictable and consistent social conditions, in which the individual did not feel threatened, in order to engage safely. Psychological availability was associated with individual distractions that preoccupied people to various degrees and left them more or fewer resources with which to engage in role performances.

On meaningfulness, Kahn argues that individuals will feel more engaged when they have a sense of return on investments, feel worthwhile, and valued. They must find meaningfulness in their roles, provided through challenging jobs, variety, creativity and autonomy. There is an alignment between organizational and personal goals causing them to dedicate themselves to their job with vigour. This energy manifests itself as engagement.

Individuals feel psychologically safe when they are able to express themselves at work without any fear of repercussions or negative outcomes that could affect their self-image, their status, and even career. People feel safe in environments in which they believe they will not suffer on account of their personal engagement. Employees finding situations to be trustworthy, secure and predictable are more likely to employ themselves with vigour and cause engagement. Such an atmosphere can be brought about by relationships that are built on support, trust, flexibility and openness.

Psychological availability refers to the self-belief and confidence when equipped with physical, psychological, or emotional resources to completely engage in their specific task at any given moment of time. It indicates whether individuals are capable of investing these physical, intellectual and emotional energies in their work, despite the distractions experienced.

Kahn’s concepts were supported by a further study [77], which confirmed that engagement was indeed related to meaningfulness, psychological availability and safety. The relationship of psychological presence and engagement was also confirmed in 2010 [78] by a study that measured the extent to which individuals felt alignment between their work and values, and the organizational support received. Engagement was found to be associated with these three measures – self evaluation, value congruence, and organizational
support - and is similar to Kahn’s antecedents of meaningfulness, safety and availability.

2.4.2 SOCIAL EXCHANGE

Social Exchange Theory (SET) provides a stronger theoretical rationale which can be used to support Kahn’s views on engagement. The SET contends that the interaction between parties, who are reciprocally interdependent, generates obligations and actions that are based on the perceived reciprocal response [79]. The foundation of SET is that these relationships develop over time leading to trust, loyalty, and mutual commitment. In order to achieve this desirable stage, both parties must follow specific ‘rules of exchange’. “Rules of exchange form a normative definition of the situation that forms among or is adopted by the participants in an exchange relation” [ibid].

These ‘rules of exchange’ involve reciprocity in such a way that the actions of one side create a response or repayment actions by the other side. For example, the receipt of economic or socio-emotional resources from the organization creates an obligation through which they respond in a similar manner and repay the organization through their work [80].

This feeling of obligation is what lies at the heart of engagement and makes it a two-way relationship. Organizations that create this feeling of obligation will find that employees are willing to repay them by involving themselves to greater degrees in their work roles – physically, cognitively and emotionally. This results in positive attitudes towards the organization, leading to engagement. Saks [72] also agrees, finding organizational support and resources leading to increased levels of engagement. The level of engagement will vary on the resources they receive from their organizations. When these resources and benefits are not available, employees tend to uncouple themselves and disengage. Saks concludes that resources – economic, social and emotional – provided by the organization will dictate the quantum of physical, cognitive and emotional energy an individual will bring to his work.
2.4.3 THE JOB DEMANDS-RESOURCES MODEL

The Job Demands-Resources (JD-R) model [81] has also been used to predict employee engagement, through its antithesis burnout, and consequent organizational performance. The basic tenet of the JD-R model is that the various factors causing employee well-being, different in various occupations, fall under two major categories – Job Demands and Resources.

Job demands refer to those factors that lead to burnout, namely increased levels of stress, excessive expectations and conflicting demands. Meeting these demands requires additional effort, causing depletion of energy and resulting in exhaustion [74, 82].

Job resources, on the other hand, indicate the existence of support, feedback and work autonomy – conditions necessary for the cultivation of engagement, and simultaneously moderate any detrimental consequences of excessive job demands [74, 82].

The existence of these two processes has been evidenced by extensive research. High job demands drain the individual physically as well as mentally, causing energy depletion and well-being issues. In contrast, job resources nurture engagement and motivate individuals to go beyond the normal call of duty.

Job resources thus go a long way in promoting engagement. Resources such as constructive performance feedback, co-worker support, and guidance from seniors are positively related with vigour, dedication and absorption – the three elements of work engagement [74]. Another study highlights that there are six potential resources – working climate, job control, innovation, supervisor support, information, appreciation, innovation - which were also positively linked to engagement [83].

Job resources also have the ability to mitigate the adverse effects of high job demands, thereby reducing burnout. Job demands – both physical and emotional, and conflicts between personal and work responsibilities, usually create energy depletion and cynicism, leading to disengagement [84]. The provision of job resources such as autonomy, feedback, and support, help to
reduce the effects of such high demands. Present resources also have an effect on engagement in the future, and resources can also effect the subsequent development of engagement, apart from only mitigating the negative effects of high job demands at the present moment [85]. It has also been argued that a cycle is often created, in that, job resources lead to the enhancement of engagement, consequently leading to the attraction of more resources [86].

2.4.4 BROADEN & BUILD THEORY

Using the perspectives of positive psychology, Fredrickson [87] developed the ‘Broaden and Build’ theory, in order to capture the unique effects of positive emotions. Fredrickson proposes that there are specific and distinct positive emotions – such as joy, interest, contentment, pride, and love – that have the capability to ‘broaden’ people’s momentary thought-action repositories and build their enduring personal resources. These resources can range from physical and intellectual to social and psychological resources [75]. She states that joy encourages playfulness and creativity, broadening resources in the process. Interest, on the other hand, enhances exploratory desires, the ability to assimilate new experiences and information, and development. Such attitudes to work are crucial for organizations to maintain their competitiveness, and are particularly important in middle managers who need to take the lead. She also found empirical evidence suggesting that positive emotions broaden attention spans, cognitive abilities, and activity levels and assist in building intellectual, physical, and social resources.

Fredrickson’s theory emphasizes that positive emotions open the hearts and minds of employees making them more receptive and creative. This creates conditions that allow employees to discover new skills and develop them, form relationships, and gain knowledge, making them more resilient to setbacks.

Recent research has shown that engagement also creates positive emotions, including joy, happiness, interest, and enthusiasm [88, 89]. It has also suggested that these positive emotions may be the reason behind engaged employees having higher productivity [75]. Employees, who are happy are
more sensitive to work opportunities, willingly help others, are more optimistic and have higher confidence levels [90]. Research has also shown that positive emotions can make people feel good not only at the moment but also in the future, by developing durable psychological resources and moving them towards emotional well-being [91].

Using the broaden and build theory it can be argued that engaged employees, given the right conditions that provide joy, happiness and enthusiasm, can develop their own strengths, and are better placed to achieve their professional goals. It has also been suggested that these conditions also result in good health of employees, allowing them to direct their energy and resources towards the work itself [75]. They also transfer their enthusiasm to others in their circle and improve team performance.

Positive emotions actually lead to good functioning – they are not only rewards for doing the right things, they also increase future performance potential of employees. Indications are that the ‘Broaden and Build’ theory also operates at the team level – a good balance between being supportive and being challenged broadens the creative potential of the entire team, resulting in increased productivity, profitability and customer satisfaction.

### 2.4.5 FLOW AND VITAL ENGAGEMENT

Another construct closely associated with engagement is that of ‘flow’. The idea of ‘flow’ was conceived by Csikszentmihalyi [76] who described it as the “holistic sensation that people feel when they act with total involvement”. He suggested that individuals experiencing flow are not motivated by extrinsic rewards or causes; the work in itself was challenge enough. Flow refers to a moment-by-moment experience which is felt by individuals when they are completely immersed in their work.

Under the influence of flow, employees operate at full capacity creating feelings of satisfaction, happiness, and creativity, enabling individuals to operate with higher efficiency [92]. Flow, however, is the balancing of an individual’s perceived abilities and the opportunities to use them. Employees
feel anxious when the challenges are high on one hand, and bored in its absence on the other. It has been further stated that flow results in employees achieving meaningful connections to their work environment, termed as ‘vital engagement’ [ibid]. Individuals experiencing ‘vital engagement’ find work meaningful and enjoyable. Similar to Kahn’s concept of engagement, vital engagement is also associated with a kind of self involvement or employment. Vital engagement however, is associated more with cognitive involvement, and is a temporary state, whereas engagement has a broader domain, combining physical, emotional and cognitive aspects [77], and is more stable over time. Additionally, flow is essentially a short-term cognitive capturing of the person in an activity on a temporary basis, while engagement implies a more permanent and holistic involvement in work activities [1, 93].

2.5 DEFINING ENGAGEMENT

Engagement today is a ‘buzz word’ in the world of HR management and finds mention in popular HR literature, and is viewed by managements as a ‘cure all’ for organizational performance. Despite its popularity, currently there is little agreement on any uniform definition of engagement, with different descriptions being used by practitioners as well as researchers [94]. It is characterized more by a lack of unanimity, and definitions vary considerably between practitioners, corporations, consultants and academic researchers.

Since the construct of engagement has evolved gradually over the years, it has been construed in contemporary literature by various quarters in different ways. Some of these definitions are inconsistent, creating sufficient ambiguity to the level that no two definitions are the same [95]. Some conceive it as a psychological or emotional state relating to involvement, commitment, attachment etc., while others view it as performance related, similar to role performance, effort, organizational citizenship behaviour etc, attitudes, and even related to initiative or altruism [ibid]. As a result, there is hardly any consensus on the most conclusive definition of engagement, or at the minimum, a model of engagement that suits all conditions [96].
Even though engagement was first theorized by Kahn in 1990, and has been around for more than two decades, there has been surprisingly little academic research which can accurately qualify, or even quantify the independent and distinct existence of this concept [95].

The process of operationally defining engagement is complicated even more by the fact that it has numerous dimensions to it. The scope of employee engagement is very broad with many dimensions, and there are a vast number of individual actions, attitudes, and processes which can impact engagement. There will be great differences in what gives rise to engagement in a fresh college graduate on one hand and a senior manager on the other [15]. Consequently, there is difficulty in arriving at a distinct and all encompassing definition of engagement, and a valid procedure for its measurement. Impeding the process further is the supposed interchangeability with established constructs such as job involvement, organizational citizenship behavior, commitment etc. These differences, and the lack of any manner of unanimity, are diluting as well as making the concept of engagement vague, thereby threatening its credibility and existence [ibid].

Many however reason that there appear to be sufficient grounds for the argument that although engagement was related to many other constructs in organizational behaviour, it has distinct characteristics [72]. Robinson et al also concur that although existing definitions are similar to the more prevalent and validated constructs such as organizational commitment and citizenship behaviour, engagement is not a perfect match with either of them, even though there exist many commonalities [18]. They further add that the essential dimensions of engagement – its two-way nature and business awareness of employees – are not sufficiently covered by OCB and commitment. It has also been proposed that engagement goes further than concepts such as satisfaction and commitment, reflecting levels of involvement, motivation and enthusiasm that are essentially much deeper [73]. At the same time, it has been pointed out that most of the existing definitions lack conciseness and includes broad, overarching concepts, which instead of definitions, sound more like vision statements [15]. Consequently, practitioners are unable to extract any
directions for implementation of engagement at the practical level [ibid].

In such conflicting and somewhat contradictory circumstances, the job of defining employee engagement is not easy. Most people in management have realized that there is no common meaning to the term ‘employee engagement’; it has different connotations to different people in the same company [10].

Some of the widely used definitions found in academic and consultancy based literature are listed below.

Kahn [1] defines engagement as “the harnessing of organization members’ selves to their work roles; it means to be psychologically present when occupying and performing an organizational role.”

Schaufeli et al [97] consider engagement “a positive, fulfilling and work-related state of mind that is characterised by vigour, dedication and absorption”. It has also been defined as “employees being involved in, enthusiastic about, and satisfied with their work” [17, 52], “the bond employees have with their organization” [16], “a heightened emotional connection that an employee feels for his or her organization, that influences him or her to exert greater discretionary effort to his or her work” [10], “a positive attitude held by the employee towards the organization and its values” [18], and “the illusive force that motivates employees to higher (or lower) levels of performance”[11].

In practitioner literature, Gallup equates engagement with “the psychology of how each employee connects with customers and with the organisation” [18], while Mercer defines engagement as “commitment to the organization and motivation to contribute to organizational success” [98]. Hewitt consider “engagement as the state in which individuals are emotionally and intellectually committed to the organization as measured by three primary behaviours: Say, Stay and Strive” [99], while Towers Perrin opine that engagement is “the extent to which employees put discretionary effort into their work in the form of brainpower, extra time, and energy” [100].

Even though there is a very wide range of definitions of employee engagement available, a close-up analysis reveals some themes that can be considered to be
common to most. A compilation of these common themes gives a better understanding of the more universally acceptable dimensions of employee engagement. These dimensions – ranked according to the frequency of their usage - are as follows:

1. **Commitment**: Commitment ranks highest amongst the available definitions, with the maximum number of references. Commitment itself has been sub-divided into three types, *Physical, Cognitive, and Emotional.*

   **Physical commitment** refers to the physical energy required to accomplish jobs satisfactorily, and enables employees to ‘go the extra mile’ for the organization. Physical commitment has also been referred to as *Vigour*, which manifests itself through high energy levels, adaptability, persistence and voluntary investment in work [101].

   **Cognitive commitment** is concerned with the involvement and approach the employee has towards the job, translating into enjoyment of the work, motivation, initiative, responsibility, concentration and efficacy. Cognitive commitment is similar to *Absorption*, which results in individuals being fully focused and experiencing enhanced levels of concentration while performing tasks.

   **Emotional (or Affective) commitment** is concerned with the individual’s beliefs about the organization, leadership, immediate seniors, conditions at the workplace etc. Employees who are engaged have an emotional bond with their organization - a positive attitude and feelings toward their organization and the values it espouses.

2. **Organizational Bond**: The relationship which the employee has with his/her organization ranks highest after commitment, and refers to the bond organizations form with their employees and nurture over time, resulting in the employees caring about the business and being motivated to higher levels of performance. Employees have a sense of ownership of, and belonging to the organization.

3. **Discretionary Effort**: Discretionary effort has been explained by CLC as the willingness of the employee to perform better by putting in more effort
than expected, and have positive beliefs about their work and role in the organization [102]. Employees using discretionary effort willingly go beyond the normal call of duty, such as by assisting co-workers, taking on more work to achieve objectives, etc. Discretionary effort is considered to be an essential dimension of engagement, and is a direct consequence of the bond that is shared between the employer and the employee, through which the employee is likely to ‘go the extra mile’.

4. **Passion and Enthusiasm**: Another element which finds frequent mention in the definitions of engagement is ‘passion’ and ‘enthusiasm’ which the employee feels toward his work, job and organization. Passion and enthusiasm are essential requisites for engagement, a direct consequence being that employees act in ways that lead to improvements in the business results of their organization.

5. **Job involvement**: Job involvement is the feeling of involvement and enjoyment of one’s work, and depends on the extent to which a person identifies with his job. Involvement is being engrossed and intensely focused in the work role, and is similar to the concept of absorption. Engagement incorporates a sense of energetic and effective connection with work activities.

6. **Satisfaction**: Job satisfaction is a pleasurable or positive emotional state resulting from the contentment an individual has with his job. It reflects people’s feelings about their work, based on the positive or negative perceptions they have about their jobs.

7. **Motivation**: Another common link generally found in the various definitions of engagement is motivation which is considered to be the inner drive that gives an employee the direction, intensity and perseverance necessary in the attainment of goals.

From the above, an ‘Engaged Employee’ can be considered to be one, who:

- Is physically, cognitively, and emotionally committed to the organization
- Has a feeling of ownership of the organization
✓ Is passionate and enthusiastic about her/his job
✓ Is motivated, involved and satisfied with her/his work
✓ Is willing to put in discretionary effort and go the ‘extra mile’ for the organization

2.6 ENGAGEMENT AND RELATED CONSTRUCTS

Is ‘Engagement’ a new construct or is it ‘old wine in new bottles’? This is a question that is often asked among academics and practitioners alike. One of the views is that engagement is merely attractive new packaging of existing constructs such as involvement, commitment, organizational citizenship behavior, job satisfaction etc [103]. Although these concepts are generally similar to engagement, recent research has found significant distinctions between these concepts. As stated earlier, many academics consider engagement as a construct different and distinct from similar established constructs [18, 54].

Some of the more closely related concepts are job satisfaction, work engagement, organizational commitment, job involvement, flow, and organizational citizenship behavior (OCB).

**Job satisfaction** is one of the older concepts dating back to the mid 1970’s, and has been commonly defined as “a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences” [104], and reflects people’s feelings about their work, or the positive and negative conceptions they have about their jobs.

Job satisfaction, however, can have different connotations for different people [105]. Individuals can be ‘satisfied’ with their jobs, preferring its predictability and compatibility with their own capabilities, and also providing them with a certain sense of psychological safety. However, these individuals are not ‘engaged’, but are merely contented with their jobs. Such job satisfaction may keep employees in their jobs, but only engagement will promote an increase in performance and productivity. It must be pointed out though, that job
satisfaction is an antecedent of engagement. Engagement is different from such satisfaction as it encompasses more than the parochial view of only one’s job, going deeper to reflect greater enthusiasm and involvement on the part of the employee [73].

**Work Engagement** originates from organizational psychology, and is the concept closest in meaning to employee engagement. Work engagement focuses on individual strengths and effort optimization, instead of shortcomings and failures [106]. Work engagement has been shown to be correlated with job satisfaction, commitment and retention [74, 77], as well as with personal initiative and learning [107].

Work engagement has been conceptualized as the reverse of burnout, and is characterized by vigour, dedication and absorption [101]. Vigor means being full of energy and resilience, dedication is pride in one’s work and belief in the worth of their contribution, while absorption refers to the feeling of being totally immersed in work, being carried away by it.

**Organizational commitment** (OC) is essentially multidimensional as it includes “organizational loyalty, the willingness to exert effort necessary to meet organizational requirements, alignment of goal and organizational values, and the desire to maintain membership” [108]. In its essence, organizational commitment refers to an employee’s total involvement and identification with his organization [109]. Commitment can be physical, emotional and cognitive, and results in employees believing and accepting organizational values and goals, being willing to put in extra effort for the organization, and keen to continue with the organization.

Even though organizational commitment appears very similar to the concept of engagement, it is criticized because of its one way nature. OC has similarities consistent with engagement - feelings of worth, involvement, loyalty, connection and identification with the organization, and the desire to exert effort on behalf of the organization.

Commitment however lacks engagements two-way nature and the understanding of business context amongst employees. Engagement is a step
up from simple commitment as committed employees have better performance, indicating that commitment drives engagement [18]. Kahn contended that while commitment was a constant phenomenon, engagement was variable [1], and while organizational commitment is an individual’s attitude and attachment to his organization, engagement is more than an attitude - it is the degree to which an individual is attentive to his work and absorbed in the performance of his role [72].

**Job involvement** is the extent to which an individual psychologically identifies with his work, or the relevance of the job to his total self image. Many individuals psychologically identify with their work, which could be a result of the socialization process at an early stage. This process causes them to imbibe the values about the goodness of work [110]. The focus of job involvement revolves around the employee – job relationship, that is, it refers to their perceptions about their work and the extent to which job performance enhances their feelings of self-worth.

It has been said that high levels of job involvement can result in high performance rates, although there is little evidence to support this claim. However, employees who are involved in their jobs have a feeling of satisfaction and accomplishment at the end of a day, and are likely to be more productive. Job involvement however differs from engagement, as the former simply relates to how employees utilize themselves while at work. Additionally, job involvement focuses only on cognitive aspects, while engagement incorporates emotions as well as behaviours.

**Organizational Citizenship Behaviour (OCB)** has been conceptualized as “individual behaviour that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization” [111], or as ‘extra role behaviour’.

OCB is reported to improve efficiency and effectiveness, and includes many components such as helping behaviour, loyalty, initiative, self development. These components provide similarities with engagement. Helping behaviour goes a long way in making the workplace more conducive, and also helps
safety issues. Through loyalty, employees remain committed even in adverse circumstances. Initiative is the closest to engagement as it indicates the enthusiasm and effort that is most essential to engagement. It is this initiative that results in individuals taking on extra responsibilities, supporting others and going the extra mile for the organization.

To summarize, it can be seen that the meaning and definition of engagement, as provided by practitioners and academics, has certain overlaps with other established constructs. However, none of the existing concepts encompass all the dimensions that are included in engagement - cognitive, emotional and behavioural – that influence individual work performance. Engagement can thus be considered a distinct construct, with significant differences from existing constructs.

2.7 DISENGAGEMENT

On the other end of the engagement continuum is ‘disengagement’. Disengaged employees disconnect themselves from the work, the team, the manager and the organization, detaching themselves emotionally, mentally, and physically, while going through the motions in an automatic or robotic manner [1]. Disengagement arises from unmet emotional and rational needs, such as a lack of social interaction at work, minimal autonomy in their work areas or a diminished sense of self-worth [ibid], and leads to lethargy, despair and distrust. Other causes of disengagement can be lack of security and safety, mismatch between the individual and the work, inadequate rewards, recognition, compensation, and benefits, etc.

The root causes of disengagement include differences between the individual, the manager, and the organization in values, beliefs, personal preferences, methods, tools, resources, assignments, and working conditions, and personal and organizational goals.

When differences exist between the individual, the team, the manager, and/or the organization, they can cause friction, and lead to resentment, frustration,
and dysfunctional behavior, culminating in disengagement.

2.8 OUTCOMES OF ENGAGEMENT

There is limited empirical data in academic circles demonstrating the link between engagement and its consequences. Most research stresses on the drivers and barriers of engagement, and the conditions necessary for engagement to occur. However, some data is available testifying to the link between engagement and outcomes such as performance, retention, safety, customer satisfaction, absenteeism etc.

The OHA report [112] found a correlation of -0.45 between engagement scores and sick days for full-time employees, indicating higher engagement being associated with fewer sick days. On retention, they found a weak and negative correlation of -0.03 between engagement scores and resignation rates for full-time employees, and a correlation of -0.68 between engagement scores and span of control for full-time employees. Lee [113] found that 70.01% of variance in job satisfaction was explained by employee engagement, while Hewitt Associates [99] found that the correlation between engagement and a company’s average five year Total Shareholder Return (TSR) was .54, thus demonstrating that engagement explains 39% of the variance in the variation in TSR, and a correlation of .46 over five years for sales growth (r = .46).

Other researchers [114] found employee engagement had a strong positive relationship with employee performance with an R² value of 59.7 %, and also that 67.2% of variance in employee engagement is influenced by factors such as working environment, leadership, team and co-worker relationship, training and career development, compensation program, policies and procedures and workplace wellbeing. A 2010 study [115] found 26% of the variance in turnover intention to be predicted by employee engagement, Kenexa [116] found employee engagement significantly and negatively related to turnover intent (r = -.41), and Conference Board established a negative .43 correlation between the level of employee engagement and voluntary turnover rate [117]. However, there is great enthusiasm and interest generated in employee
engagement, and to better appreciate its relevance it is essential to analyze the benefits that accrue from it. The debate centres mostly around the outcomes that employee engagement can have on organizational success and profits of any company [72]. There are manifold outcomes of investing in improving employee engagement and fairly consistent results have been demonstrated regarding the positive outcomes of doing so, both in academic and practitioner literature [96].

The success and financial performance of organizations has traditionally been measured through the use of hard financial measures such as revenue, profits and return on investment and their analysis. However, the last two decades have seen realization dawning that there are many human traits, attitudes and behaviours or soft measures, that are assuming the status of important determinants of employee – and consequently - organizational performance.

Although existing academic literature does not report many empirical investigations that have measured the effects on firms’ financial performance as a result of engagement programs, outcomes have been measured by consultancy firms relating to the positive outcomes of an engaged workforce. Having said that, it has been cautioned that, even if the causal effect of engagement measures on organizational performance can be inferred, it is not conclusive evidence empirically [17].

As regards the outcomes of engagement are concerned, Watson Wyatt [20] found that highly engaged employees:

- Are twice as likely as their less engaged peers to be top performers
- Miss 20% fewer days of work
- About 75% of them exceed or far exceed expectations in their most recent performance review, and
- Tend to be more supportive of organizational change initiatives and resilient in the face of change

Gallup [21] reported that improving employee engagement is important because engaged employees have:
51% lower turnover

- 27% less absenteeism
- 18% more productivity, and
- 12% higher profitability

Vance, of SHRM [118], provides the following inputs after the implementation of engagement initiatives at construction-equipment maker Caterpillar:

- Decreased attrition, overtime and absenteeism resulting in savings of $8.8 million annually
- Increase in output by 70 percent over four months
- An 80 percent decrease in employee grievances
- A 50 percent decrease in breakeven point
- Increase in profits to the tune of $2 million, and
- 34 percent increase in customer satisfaction

They also report the following from beverage giant Molson Coors:

- Safety incidents of engaged employees were one fifth that of non-engaged workers
- Engaged workers had one-seventh lost time incidents vis-a-vis the non-engaged
- Reduced safety incident costs - $63 for the engaged versus $392 for the non-engaged
- Savings in the year 2002 of $1,721,760 in safety costs
- Higher sales volumes by engaged teams
- Difference of $2,104,823 in performance related costs between the engaged and disengaged

Towers Perrin [100, 119] has also attested to the outcomes of investing in employee engagement through two studies with the following outcomes:

- Organizations with higher engagement levels are 70 percent more likely to achieve their targets
- High engagement organizations also capable of achieving higher
operating margins - a 5% increase in engagement generating a 0.7 % rise in operating margins

- Such organizations achieve higher retention rates, with their employees twice as eager as to remain with their employer, and
- These organizations are also reported to outperform industry sector growth by 6 percent

Other studies also provide positive correlations between engagement and organizational outcomes such as business performance, earnings-per-share, sales, customer satisfaction, total returns to shareholders, attaining targets, etc.

Apart from quantitative benefits, qualitative benefits also accrue as a result of improving engagement. Engagement reduces employee turnover, improves individual performance, increases advocacy of the organization, positively impacts health and well-being, increases self-efficacy, and makes employees more receptive to change initiatives [15, 120, 121, 122, 123].

Research has comprehensively shown that engagement has the potential to affect both organizational and employee outcomes. As far as organizational outcomes are concerned, engagement impacts the areas discussed hereunder.

### 2.8.1 IMPROVED CUSTOMER LOYALTY

Engaged employees are more in tune with the organizational objectives as well as with customer requirements, resulting in higher customer loyalty in such organizations [70, 124, 125]. As opposed to companies with average engagement levels, the interaction between highly engaged employees and customers results in a near 100 percent increase in customer loyalty and repeat purchases, apart from more recommendations to non-customers [70]. This eventually creates engaged customers too, whereby even the customer develops an emotional commitment to the organization [126].

### 2.8.2 INCREASED EMPLOYEE RETENTION

Happy employees are more disposed to continue with the organization.
Engagement has been shown to have positive links to organizational commitment [82], negatively correlated with turnover, and clear links demonstrated between engagement and retention [74, 120]. Analysis has also revealed that more than 85% of engaged employees planned to stay with their employer, in contrast to 27% disengaged employees [108]. Corporate Leadership Council (CLC) [127] have also found that highly committed employees are 87 percent more likely to continue with their organization, thereby attesting to the important link between retention and engagement.

It has however been pointed out that even though engagement impacts retention, the relationship is not as straightforward as it would appear and engagement in itself cannot guarantee retention [128]. Although the highly engaged are less prone to leave, nearly 40 percent of them are always open to external offers, even if they do not actively solicit them [ibid]. The same is borne out by [19] who found that even though there was an increase in engagement, less than two-thirds say they plan on continuing with their present employers through the coming year. All over the world, more employees who can be considered high performers were planning their exit.

However, in times of diminishing loyalty, employee engagement can turn out to be powerful retention strategy.

### 2.8.3 ENHANCED EMPLOYEE PRODUCTIVITY

Engaged employees are hard working, have greater loyalty and willingly go the extra mile for the organization, converting their potential into performance and consequent organizational success [15, 51].

Engagement heightens the emotional and intellectual commitment of employees, encouraging them to use discretionary effort to their work. However, it must be noted here that currently no study has conclusively proved that engagement is the primary reason for improved performance, or even that improvement in engagement levels leads to an improvement in productivity and performance. Having said that, Gallup’s meta-analysis of 23,910 business units showed that units with high engagement levels averaged
higher productivity and profitability - by 18 and 12 percent respectively [129]. From a study of 50,000 employees, CLC [127] found highly engaged employees outperforming their colleagues by 20 percent, and increasing engagement levels enhanced individual performance by one fifth.

Similar findings were also reported in [130], where a study of 946 organizations worldwide found highly engaged employees being twice as likely to be top performers when compared with lesser engaged ones, confirming the hypothesis that engagement was indeed a key driver of business success. Analyzing employee attitudes against financial and productivity data, the study also showed that increased focus on engagement can result in a highly productive workforce, ensuring greater financial returns. However, it has been cautioned that despite the apparent positive connection between engagement and higher productivity, engagement in itself cannot guarantee the best performance [ibid].

A similar argument proposes that the relationship between performance and engagement is somewhat linear and not exponential, that is, more engagement does not equal more performance [131]. Individual engagement is a complex phenomenon, and cannot directly be used to explain changes in performance. Moreover, it is felt that it is the symptoms of performance that are uncovered through engagement surveys, as opposed to its drivers [ibid].

2.8.4 ADVOCACY OF THE ORGANIZATION

Engagement creates happy employees, and they are more inclined to be advocates of the organization as a satisfying workplace, and willingly canvass in favour of its services and products [132]. Highly engaged employees will go a step ahead and act as organizational advocates - a very desirable state for the company itself [121].

Engagement converts two thirds of engaged employees into advocates of their organization, with 78% recommending the organizations products to their friends and acquaintances [133]. Only 3% of the disengaged advocate their organization and only 13% recommend their own products and services [ibid].
Similar results are also shown by Melcrum [134] who state that 67% of engaged employees are advocates of the organization as opposed to only 3% of the disengaged.

Gallup [129] also found that organizations with engagement levels in the top quarter had greater customer advocacy by 12 percent. This fact was also demonstrated from the results of two studies of public sector companies, carried out by external regulators [135]. Here staff advocacy, a key element of engagement, was found to be strongly related with improved organizational performance [ibid].

CIPD [136] designates these highly engaged employees as ‘champions’ and finds that nearly 37% of the workforce surveyed fall under this category. This is to the organization’s benefit, as apart from enhancing its public image, it is also free marketing, resulting in reduced recruitment costs.

On the other hand, the organizations may also contain severely disengaged employees – termed ‘corporate terrorists’ [137] - who would readily discourage potential employees from joining.

2.8.5 ENHANCED SELF-EFFICACY

Self-efficacy is a person’s belief in himself and his abilities, that he can mobilize the necessary resources – physical, cognitive, emotional – in order to successfully execute tasks entrusted to him [138]. Self-efficacy is dynamic in nature and changes over time with the assimilation of updated information, training, learning and experience, and can be used for employee development and improving performance.

Research has demonstrated a strong relationship between performance and employee self-efficacy, and shown that the greater an individual’s self-efficacy, the greater is his initiative, drive, and effort in starting and seeing assignments through, even under adverse conditions [122].

The literature on burnout also finds engaged employees having greater self-efficacy and energy, which assists them in managing events that impact their
lives [139]. Self-efficacy creates a positive attitude and high energy levels, which allow engaged employees to create and manage positive feedback for themselves through appreciation, recognition as well as success [140].

It has been have proposed that engagement may be related to managerial self-efficacy [122]. This is because once employees are engaged, it increases the manager’s self-confidence and belief in his own abilities regarding building engaged teams and ensuring favourable task accomplishments. Further, engaged employees tend to have a positive and productive relationship with their managers, resulting in better performance and achievement of goals. This builds the manager’s self-efficacy, and in turn helps him to be more effective and successful. The reverse is also a possibility in that managerial self-efficacy could drive enhancement of engagement. Thus it may be concluded that self-efficacy and engagement can affect each other positively, leading to highly effective managers as well as employees [122].

2.8.6 ORGANIZATIONAL PERFORMANCE

Engagement has been defined as an employee’s positive attitude towards his organization and the values it espouses [18]. Engaged employees are aware of the environment in which the business operates, and work in ways to improve performance, benefitting the organization.

Creating workplace environments that support high performance has among the strongest correlations with engagement levels [19]. There are some organizations in every industry which have found the right mix and been able to produce stellar business results brought about by higher engagement levels [ibid]. Towers Perrin [100] have also stated that a strong linkage exists between financial performance and employee engagement. A highly engaged workforce produces significantly better results on many financial measures. They found striking differences in the financial performance of companies with high and low engagement levels, reinforcing the business case for implementing engagement. At a practical level, engaged employees will produce superior performance driving business success.
The relationship between engagement and organizational outcomes such as customer satisfaction, productivity, employee retention, profits, and safety incidents has also been examined, and conclusive, compelling relationships established [17, 99].

Despite the overwhelming evidence to suggest a high relationship between engagement and business performance, evidence suggests that the organizational performance - engagement relationship is not a particularly robust one [131]. It has been proposed that there is a ‘reverse causation’ in that it is organizational performance that gives rise to positive attitudes amongst employees, and the reverse may not always be true [ibid]. The causal links may not be as direct, due to the existence of numerous factors that can mediate between attitudes and performance.

However, an increase in business performance in today’s hyper-competitive environment is dependent on maximizing the contribution of each employee, to ensure continued innovation in design, development and delivery of products and services. The resulting high performance is not feasible without high and sustained employee engagement.

2.8.7 PROFITS

The results of high employee engagement are visible through increases in productivity, customer loyalty, sales, and employee retention [71, 141]. Engaged workers are found to be highly productive, and contribute more to the organization financially through their engagement. A comparison of the financial performance of 50 organizations found measurable and significant difference in profits between high-engagement and low-engagement companies, as well as a 52% gap in their operating income over the previous year [142]. In 2007, the Standard Chartered Bank also found that branches with a significantly higher increase in engagement levels reported higher profit margin growth of 16% over branches with lower engagement levels [135].

Even though many of these studies have suggested a positive relationship between engagement and bottom-line profits, the causality is far from proven
There are certain employee attitudes also that have been attributed to engagement by some studies, and related them to organizational outcomes [ibid]. However, these attitudes are not necessarily reflective of engagement.

There have also been various studies that have found higher engagement levels in double-digit growth companies as compared to ones with lower growth [141]. This may provide evidence of a link, but does not establish direction, resulting in the possibility that high growth and profit making companies attract an engaged work force, rather than the other way around. Companies that do well reward their employees, creating a positive feeling, and employees in turn feel obligated to increase their commitment towards the organization.

In order to determine if engagement does have a positive effect on business outcomes, the performance and engagement levels of an organization have to be measured and compared over a period of time. Increases in engagement, followed by increased profits, would indicate a positive correlation. A study by Hewitt Associates on these lines has indeed found indications that higher engagement does lead to increased profits [141].

2.8.8 MANAGING ORGANIZATIONAL CHANGE

In today’s competitive international operating environment, organizations need to respond quickly to changes in market conditions in order to maintain their competitive edge, and changes in the organization thus become essential and regular [103]. The effective management of change requires the involvement of all employees, and here engagement plays an important role, as ninety percent of barriers to change management are people-related [143]. Engagement programmes facilitate acceptance of organizational change amongst employees.

Change very often causes anxiety and resistance amongst employees if they are not included and made to feel part of the process and are made to feel powerless. Change initiatives create role ambiguity which has been linked to higher turnover, especially where there is a lack of open communication [144].
Effectively managed workplace environments can produce highly engaged employees [101], who are more positive and supportive of organizational change, and more resilient to workplace stress. As engaged employees are more aware of business context, they are more open to changes in the organization that will aid in improving business results. An atmosphere of engagement that supports open communication and mutual respect would enable employees to accept the change as their own, and enable them to personally commit to the changes that have been agreed upon together. Engagement thus assumes greater significance during times of change, as it is only when employees are engaged and supportive that the change initiatives will be successful.

2.8.9 BETTER SAFETY AND HEALTH

“Happy employees are healthy employees” [123]. Studies have shown that engagement results in improved well-being, and creates favourable feelings towards the work and organization [85, 145]. Workplace health issues include accidents, injuries, effects of stress, etc which can impact an organizations bottom lines as well as a reputation as a safe place to work. Incidents and injuries at the workplace create an adverse image in the minds of both employees and the general public. It does not take much time for public perception to change adversely after a catastrophe, and lingers on in public memory, despite the otherwise excellent safety record of any company.

The positive relationship between engagement and health has been suggested by many studies, implying that an engaged workforce is a healthy workforce. Studies have found that engaged employees report less psychosomatic complaints [146], and suffer less from afflictions such as headaches, cardiovascular problems, and stomach aches [74, 81].

Engaged employees are 20 percent less likely to have safety-related incidents compared to their disengaged co-workers, and the associated costs are also 16 percent lower on average per incident as compared to the disengaged [118]. The average cost of safety incident at one corporation for engaged employee
was $63, and the average cost of safety incident for disengaged employee at the same firm was $392 [147]. The Coors Company, after implementing engagement enhancing programs, saved in excess of USD 1.7 million in safety-related costs in just one year [118].

A Gallup survey found that among engaged employees, 62% felt their work lives had a positive effect on their physical health, the numbers dropping to 39% not-engaged, and 22% actively disengaged employee [123]. More than half the actively disengaged (54%) considered their health being negatively impacted by their work lives [ibid]. Implementation of engagement measures at the Ohio plant of Owens Corning resulted in a 76% decline in accidents [148]. From their meta-analysis, Gallup again found safety (accidents, etc.) down by 50 percent [50], and high engagement organizations had better safety records [13].

Engaging employees will also result in reduced absenteeism and lower stress levels in employees. In the UK, disengaged employees take an average of 6.19 sick days annually, compared with 2.69 for the engaged [133]. According to the Health and Safety Executive estimates, work related illnesses cost society £20 – 32 billion every year [149].

Organizations that have implemented health programmes have also reported accrued benefits. Astra Zeneca, after introducing wellness programs, found an 8.5% decrease absenteeism (y-o-y) resulting in savings of £1.2m in absence costs, and a 61 percent reduction in accidents and occupational illnesses [150]. A half million pound investment for stress management by the Somerset County Council resulted in a 33 percent drop in sick leave, saving the council £4.2 million apart from improving recruitment and increasing retention [151].

Employees need to believe and trust in the organization being a healthy place to work, and this belief will enable them to support the organization in its various endeavours and also motivate them go the extra-mile.

2.9 COSTS OF DISENGAGEMENT

Disengagement can cause problems for organizations on many fronts.
Disengaged workers tend to spread their discontent around, thereby affecting other employees who are engaged or almost engaged [120]. Disengaged workers create hurdles at every step, trying to spread their dissatisfaction and negativity around the workplace, thereby affecting the morale of co-workers and undermining their achievements [ibid]. Teamwork is essential for success and the vitiated atmosphere created by those disengaged can harm smooth operations causing damage to efficient functioning.

Disengagement can have staggering economic effects too, with estimates that disengaged British workers cost losses to the tune of $64.8 billion (U.S.) dollars a year to their organizations, while in the US actively disengaged employees cost businesses between $270 and $343 billion a year, using the results of its engagement index and national average for productivity and salary as a base [133]. This includes high rates of absenteeism and staff turnover from this sector of employees. In the UK, Gallup also estimated that the productivity gap among actively disengaged employees costs somewhere between £43 and £44 billion each year. Japan has been reported to have only 9 percent of the workforce as engaged, and is losing productivity at an estimated $232 billion each year [ibid].

2.10 COSTS OF IMPLEMENTING ENGAGEMENT

Despite the numerous purported benefits to organizations, there is very little information available in literature which reports the costs associated with implementing an engagement program. One of the few reports available indicated considerable improvement, although the costs associated with their initiatives were significant [132]. The study found conclusive evidence of engagement initiatives having benefited the organization [ibid]. Without supporting cost-benefits data, it is not easy for organizations to decide if they should introduce measures to enhance engagement, and to what extent. There is also the issue, whether the potential benefits to be accrued from engagement will manage to overcome the possible downsides [152].

The downside of engagement can be in the form of employees leaving the
organization. Bates has suggested that elevating engagement levels could impact retention unfavourably [126]. He claims that paradoxically increasing engagement levels by providing additional training and development opportunities, assists in the development of employees, and this increase in capabilities may cause them to look for more lucrative and challenging opportunities outside the parent firm [ibid].

It can be summarized that even though there are financial costs associated with engagement programs, apart from the possible adverse impacts on retention, the general consensus from the data available reinforces the perception that engagement is definitely a desirable objective for organizations looking to succeed.

2.11 DRIVERS/BARRIERS OF ENGAGEMENT

As stated earlier, the term employee engagement has different connotations to different people. Conditions that promote engagement in one industry or organization may not be considered valid in another. The lack of an accepted definition of engagement also hinders the task of developing clear guidelines regarding its measurement as well as what conditions can be considered as drivers or enablers of engagement. These drivers of engagement are numerous and depend on many variables such as the type of industry, age, role, tenure, and even geographical regions of the world.

The lack of unanimity in defining engagement makes the process of identifying what enables engagement – its drivers – difficult. A multitude of drivers are suggested, both within the consultancy literature as well as the limited academic literature, apart from wide ranging views of employers, organizations, academics, consultants and even employees themselves.

Engagement has been successfully measured by many organizations, mainly consultancy groups like Gallup, Hewitt Associates, Towers Perrin, Blessing White, ISR etc. The antecedents of engagement are generally similar across all findings, with marginal differences. A comparison between the various models reveals the following to be the top drivers of engagement:
2.11.1 MANAGEMENT PRACTICES

The topmost global driver of engagement is the management’s ability to demonstrate their sincerity, interest and concern for their employees. The process of employee engagement begins with the senior management demonstrating that they and the organization truly care about the well being of their employees, are committed to creating a conducive working environment, earn the trust of its employees, and to lead them to future success [153]. The practices followed by employers are inextricably linked with employee engagement [118], and in order for employees to perform at their best, caring people practices have to be put in place.

One of the antecedents of engagement is psychological safety [1] and is the belief employees hold that their initiative and involvement in the job will not create unfavourable personal repercussions. In such a ‘no blame’ climate, employees feel psychologically safe to immerse themselves in their jobs. The social systems at the workplace, supported by constructive and friendly interactions with co-workers, and a supportive organizational culture give rise to psychological safety which makes for greater engagement [154]. Engagement can best be brought about by utilizing the condition of psychological safety, as it has the highest potential to influence engagement. In order to do this senior management must provide a supportive and trusting environment that will freely allow employees to fully invest their energies into their work roles. Kahn [1] has also demonstrated that there is empirical evidence attesting to the link between engagement and supportive leadership.

Most employees are usually favourably disposed and keen to contribute to the realization of organizational goals; it is the actions of the management and existing culture that usually discourages them from doing so [128]. The organizational culture should be such that employees have trust in the senior management, and they share common values. Additionally, efforts should also be made to align organizational and personal goals, as it is only then that employees are at their most productive.

In a UK study, only 29% of workers believed that senior management was genuinely concerned with employee well-being; 31% found communication
with senior management open and honest; 3% considered themselves and their contribution treated by managers as essential to the organisation, while a significant 60% felt that they were being treated like just another organizational asset to be managed by seniors [128].

This culture of including employees in the larger picture is known as ‘people practices’ and leaders of the best managed companies maintain constant communication with their employees regarding its direction, competitive strategies, long and short term objectives, and the progress being made in their achievement [155]. By ensuring open two-way communication they provide a clear sense of direction while keeping all employees in the loop and identifying their respective roles and expected contributions.

### 2.11.2 IMMEDIATE MANAGER

The immediate manager or supervisor plays an integral role in the process of developing engagement, as he forms the link between the employee and the senior management. It is through the immediate manager that organizational objectives and strategies are disseminated down the ranks. They also form the conduit through which grievances and issues relating to the workplace reach the senior management, and are thus the key to an engaged workforce. At the same time, senior management has a significant role to play by providing necessary support to lower level managers in creating an environment that promotes and sustains optimal employee participation. Such actions create strong and lasting manager-employee relationships - a crucial ingredient for ensuring engagement and increasing retention.

Mutual trust and respect between managers and employees is a function of the quality of their relationship, and is an essential requirement in fostering commitment and engagement. Many studies have found these two variables significantly and positively related; employees with good working relationships with the immediate management have greater commitment and are more engaged [156, 157]. A CIPD study also suggested that one of the most important drivers affecting motivation at work was the quality of the
relationship between workers and managers [158]. The level of commitment of employees is a direct consequence of their interactions with line managers and the manner in which targets are determined. The quality of immediate leadership is thus considered essential for engagement.

2.11.3 CAREER & DEVELOPMENT

Employee development is an essential component in the achievement of employee engagement [18]. To have high levels of engagement, organizations need to create an atmosphere that will provide employees with avenues to gain new knowledge, acquire new skills, develop their abilities, and in the process realize their full potential. All individuals desire to be challenged, to achieve, to start something new, to grow, and to learn. They want to be more proficient in their jobs, learn new skills and advance in their careers and providing development opportunities will instill trust in them. Organizations that plan future careers for their employees, and invest accordingly, will find their efforts reciprocated by employees investing back in return. On a worldwide scale, one of the top three drivers of job satisfaction was found to be training and career development; 60% of employees surveyed wanted greater growth opportunities in order to remain contented with their jobs [19].

To prove this viewpoint, Hewitt offer the examples of Best Employers who provide sufficient opportunities to their employees, assisting them in their development as well as personal and professional growth [155]. They have systems in place to identify employees with high potentials and provide them with accelerated training and development, apart from frequent and regular opportunities to interact with senior managers. Development is ensured by providing free access to additional training channels and programs, giving specific assignments to employees, rotating jobs, and implementing direct mentoring. The additional training also includes leadership and technical skills, apart from educating employees about company culture and values. Best Employers consider this to be a critical investment and are more than willing to expend resources on training and career development. This commitment to training and development does not go unappreciated by its employees who are
73% more willing to take on additional responsibilities, compared to 51% in other organizations [155].

The process of linking engagement to development should ideally start from induction of the employee in order to have alignment between employee and organizational goals, and there are many organizations that start the employee development process as early as at the hiring and orientation stage by reinforcing strategic goals, thereby deriving a competitive advantage [130]. This early intervention greatly helps in putting new employees, who may as yet not have found their fit in the organization, at ease and put them on the right track.

2.11.4 RECOGNITION

As engagement is a two-way proposition, management has to demonstrate that the employees’ involvement and enthusiasm for his work will be recognized and rewarded. This recognition and appreciation of employee contributions is another driver of engagement [18, 19, 155]. Employees want their contribution to the organization to be noticed, and their efforts recognized. They also need continuous feedback to know whether their performance measures up, and if what they are doing is relevant to the broader goals. All employees do not operate at the same levels, with many showing discretionary effort and going the extra mile for the organization. Where employees work hard and wish to be noticed, their efforts should be recognised and appreciated, otherwise this may lead to de-motivation and eventual disengagement.

Kahn suggested that people vary in their engagement as a function of their perception of the benefits they receive from a role [1]. Furthermore, a sense of return on investments can come from external rewards and recognition in addition to meaningful work. Therefore, it can be expected that employees will be more likely to engage themselves at work to the extent that they perceive a greater amount of rewards and recognition for their role performances. Maslach et al. have also suggested that while a lack of rewards and recognition can lead to burnout, appropriate recognition and reward is important for
engagement [101].

A survey of 10,000 NHS employees in the UK identified that the feeling of being involved and valued was a key enabler of employee engagement [18]. This included elements such as involvement in decision making, freedom to offer suggestions, personal development prospects, and the concern for employees demonstrated by the organization [ibid]. Recognition of good work and ensuing rewards are important predictors of engagement [140]. The Best Employers survey also reported that recognition of contributions and personal development opportunities were the closest to being universal drivers of engagement [155].

The process of recognition of good work also requires certain forethought, and management must understand what recognition means to each person. There should be fair systems to ensure that recognition is made as objective and factual as practicable by using actual performance, ensuring that this is carried out on a regular basis.

2.11.5 CO-WORKERS AND TEAM WORK

Teamwork and a supportive working environment are important drivers of engagement. Outstanding work is done in a team environment where individual members are encouraged and supported to give their best. Teamwork is essential when outcomes depend on the support and coordination of various departments, and also results in higher commitment towards the organization. CIPD reports that engagement levels are affected by the working environment; where employees have support from others to help them do their job, there is a sense of teamwork, and can safely express themselves, engagement will be higher [159]. The high levels of commitment are closely associated with the good levels of teamwork and clearly contribute to the organization’s high levels of engagement. Employees who develop close workplace friendships have generally higher engagement levels [160].

Another aspect that promotes engagement and related to teamwork is the development of workplace friendships. The success of workgroups depends on
relationships at work, and strong friendships and alliances enable employees to successfully overcome negative situations at work. Personal and professional alliances contribute greatly to the individual’s engagement level. Good managers create opportunities for employees to get to know each other, as these friendships create positive emotions which help in building resources necessary to reinforce communication and creativity [17].

The literature on burnout also considers a lack of community as one of the reasons for burnout. People are essentially social animals who thrive in the company of others whom they like and respect, and are at their operational best when they are able to share with them, be it happiness, troubles, praise, comfort etc, and when people lose this positive connection, burnout results [161]. Engagement is likely to be eroded if this connection to co-workers is found wanting [ibid]. It also results in conflicts which produce negative feelings of frustration and hostility, again creating a mismatch. Maslach’s theoretical framework recognizes depersonalization as one of the components of burnout [ibid]. Depersonalization occurs when individuals withdraw and distance themselves from co-workers, colleagues and clients, resorting to impersonal relationships.

Teamwork has assumed greater significance in recent turbulent times, where management hierarchies have been pared down, putting more pressure on companies to coordinate better horizontally to stay competitive. Workplaces are also becoming more diverse, bringing people with different expectations together, which have the potential of creating tensions and disrupting smooth teamwork. It is in this context that teamwork and co-workers become major employee engagement drivers.

2.11.6 NATURE OF THE JOB
All employees are looking for meaningful work and this meaningfulness has a significant and influencing impact on individual engagement levels, something accepted in both academic as well as practitioner literature. Among the many factors that are said to have an impact on engagement, the nature of the work has a significant role to play, as the desire for challenge has been found to be
the second most influential factor for employees [96]. Most employees want to utilize their skills and abilities – and gain new ones - in challenging jobs, where they are tested and as Gallup puts it “do what they do best”. One of the three antecedents of engagement as stated by Kahn is that of psychological meaningfulness, which in turn is heavily influenced by the challenge and autonomy provided by the nature of the work [82]. Employees need to have the belief that their work is important, not only for themselves, but also for the organization.

The nature and demands of the job can also lead to burnout; termed ‘emotional exhaustion’ - when individuals are unable to psychologically meet the demands of the job and consequently unable to invest effort on performance [162]. Burnout is caused by a person-job mismatch, excessive workload, disinclination for the type of work, and even emotional work can be draining where people are required to display emotions that are inconsistent with their feelings and values. Generally, the quantum of workload is the most common cause of exhaustion, leading to burnout and employees can remain engaged as long as the workload can be comfortably sustained [161]. Continued extra work pressure results in compromising the quality of output, innovation and relations at the workplace [ibid]. Although job demands cannot be always considered as excessive – certain individuals find the extra demands as challenging – they can turn into stressors when it becomes physically and mentally taxing to meet them even with the highest level of effort. Consequently, the results of high job demands can be costly with resulting negatives like depression, anxiety, or burnout [74].

2.11.7 PAY, REWARDS AND BENEFITS

Pay, rewards and benefits, represent some of the strongest drivers of engagement. The amount of compensation an employee receives is considered by many as a measure of the importance of their work and their contribution. Burnout literature states that mismatches may arise when financial rewards are insufficient, or there is a lack of social rewards such as recognition and appreciation, or intrinsic rewards such as pride in the job. The process of
rewards and recognition should be perceived as fair by employees to ensure continued engagement [163].

Lack of recognition and rewards creates feelings of inefficacy in employees. Conversely, when employees see their work being recognized and rewarded through monetary or non-monetary measures, it motivates them to continue performing or even better themselves. It can also act as a driver for those underperforming, encouraging them to higher levels of performance.

It has been recognized that monetary considerations alone do not necessarily drive job satisfaction, nor increase engagement or even help in employee retention. Senior management thus needs to be aware of those benefits and resources that matter most to employees, thereby creating the feeling of obligation returned with higher engagement levels [72]. Since individual desires and motivators of different employees will be different, organizations can build higher levels of engagement by distinctly differentiating between compensation and development through a mix of pay, benefits, growth opportunities and challenging jobs.

Good pay also creates mutual dependence as it makes more sense to the employee economically - there are drawbacks to leaving and economic incentives for continuing [72]. However, the economics of this relationship should be structured in a manner that it does not hinder commitment, as otherwise it can be counterproductive [ibid]. Organisations that add on benefits to increase retention strengthen this relationship and create dependence which can be used to increase commitment [164].

Benefits have been known to have the potential of raising commitment levels. A survey of over 1,500 US workers found positive links between the provision of family benefits and workers’ commitment, even for those who did not benefit directly [165]. Organizations that offer good wages and benefits are judged as more caring and concerned about employees, with the added perception of fairness at the workplace. Research has also found that commitment has a stronger relationship with pay satisfaction than with the actual income [165].
High-performing companies are at an advantage as they possess more resources than others to spend on employees. Hypothetically, they can pay higher compensations and offer additional benefits, which should translate into higher engagement and additional business success.

2.11.8 INPUT IN DECISION MAKING

Another essential driver of engagement is effective employee voice which refers to the opportunities available to employees to have their suggestions heard, thereby allowing them the chance to provide inputs into decisions that will affect their work and its performance. Employees must be included in the process of decision-making and also kept aware of developments at the workplace which will affect their performance. Research has shown that both the extent and frequency of engagement are positively affected by employee involvement and open communications from senior management. CIPD’s [121] survey has also found that proper and open two-way communication is one of the top priorities that can lead to employee engagement. The report finds that the opportunity to have their views and opinions heard and appreciated by senior management as a major driver of engagement, testifying to the importance of being kept informed about the latest developments in the organization.

A lack of ‘control’ is considered to be one reason for burnout [161]. Control is the sense of being involved in decision making that impacts the work of employees, of being able to make use of their workplace autonomy, and of having the power to access require materials and resources to function effectively. A mismatch in control indicates that employees have inadequate control over resources required to execute their jobs, or even insufficient authority to perform effectively. Participation in decision making is an important job resource which can reduce burnout [139]. When decisions are made in the workplace that affect employees, having their opinions heard and involving them in the decisions can influence interest and broaden the scope of thinking and acting [17].
The sense of involvement and worth has two main elements - involvement in decision-making and the liberty given to voice their ideas, and management taking cognizance of their views thereby valuing their contributions. Welcoming and acting upon employees’ suggestions creates a sense of fairness in the decision-making process, increasing its all-round acceptability.

In an NHS survey, 51% employees considered themselves consulted or even involved in decisions that affected their work, work-group, or department; 27% found senior management involving lower level employees in important decisions [166]. Participatory decision making has been demonstrated to have a positive effect on OCB also with greater levels of citizenship behaviour demonstrated by employees who were involved in the decision-making process [167]. The results suggest that it was not the taking part in decision-making itself, but the perceived management support as a result, that led to the demonstration of citizenship behaviour.

### 2.11.9 PERFORMANCE APPRAISAL AND FEEDBACK

Since most employees want to improve their abilities and learn new skills, performance appraisal and feedback assume greater significance in raising engagement. Employees need to know whether their performance meets requirements, and identify areas where they need to improve. It also holds relevance in their advancement as without proper and fair appraisal and feedback, problem areas cannot be identified. Learning is fostered by proper and regular feedback, which in turn increases competence. Supportive co-workers combined with such feedback increase the probability of achievement of work related objectives [140]. Proper feedback and appraisal will also assist the organization in identifying new talent on one hand and under-performers on the other.

Constructive feedback, receiving formal appraisals and the implementation of performance development plans are significantly related to greater engagement levels [18]. These mechanisms send the message to employees that their
training requirements, personal development and future aspirations are important to the organization. It also signals that the employee’s immediate manager is caring enough to discuss their appraisal with them and direct them onto the correct path, if found wanting. Positive evidence of a relationship between job resources such as feedback, social support, and supervisory guidance and work engagement has also been found [74].

The appraisal process, needless to say, must be fair, unbiased and transparent. It should also be constructive and positive so that employees are clearly aware of where they are with regard to performance, and where they need to be in order to achieve both organizational and personal goals. To achieve this, communication lines between senior management, line managers and employees must always be open facilitating a two-way dialogue. Organizations that follow appropriate performance appraisal and feedback techniques will have find higher levels of employee engagement.

2.11.10 AVAILABILITY OF RESOURCES

The successful accomplishment of any job requires the availability of necessary resources. These resources may be in the form of physical materials, tools and equipment, manpower or even training required to do the job. The most motivated of workers will become disengaged if the materials required are not made available to him. It may also send the message to him that the organization does not value his work enough to make materials available to him. Gallup and Hewitt both consider the availability of resources as important drivers of engagement.

Work engagement has been found to be strongly predicted by job resources, as they can play both intrinsic motivational roles by fostering employee development and growth [74], and also extrinsic motivational roles as they are necessary to achieve operational goals [140]. Job resources also motivate extrinsically as work environments providing resources influence employees to willingly dedicate their efforts and abilities to the work [168]. In such environments there is a strong probability of tasks being completed
successfully and the attainment of work objectives. Blessing White [19] reported that the single most important factor that would most impact employee performance was ‘more resources’. The not fully engaged suggest that their performance would have improved, had they had the necessary resources [ibid].

To support engagement, organizations must be able to provide the necessary materials and tools, and the workplace environment capable of supporting engagement. Resources also include skills training and relevant updated information. The ultimate aim should be how to make employees effective, building on the foundations of engagement by creating an environment which displays its values, a culture of trust and ethical behavior, and by giving all resources necessary to enhance performance and productivity.

2.11.11 SUMMARY OF DRIVERS

The drivers of engagement enumerated above cannot be considered to be comprehensive and final as engagement drivers differ across industries, demographics, nationalities etc [19]. However, most surveys essentially measure engagement using themes that are broadly similar. There is no unanimity in enumerating the drivers, and thus each industry has to analyze the drivers relevant in their organizational setting prior to embarking on addressing the issue of engagement. For the sake of the study, a comparison of the top drivers identified by various surveys is listed in Table 2.1.

Table 2.1: Drivers of Engagement from Literature Review

<table>
<thead>
<tr>
<th>GALLUP [21]</th>
<th>HEWITT [99]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work expectations</td>
<td>Resources</td>
</tr>
<tr>
<td>Materials and equipment</td>
<td>Intrinsic motivation</td>
</tr>
<tr>
<td>Opportunity to do what I do best</td>
<td>Recognition</td>
</tr>
<tr>
<td>Recognition for good work</td>
<td>People practices</td>
</tr>
<tr>
<td>Someone at work cares about me</td>
<td>Development opportunities</td>
</tr>
<tr>
<td>Development encouraged</td>
<td>Immediate Manager</td>
</tr>
<tr>
<td>Opinions count</td>
<td>Benefits</td>
</tr>
<tr>
<td>Mission/Purpose</td>
<td>Pay</td>
</tr>
<tr>
<td>Associates committed to quality</td>
<td>Performance review</td>
</tr>
<tr>
<td><strong>Best friend at work</strong></td>
<td><strong>Career opportunities</strong></td>
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<tr>
<td><strong>Career progress</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Learn and grow</strong></td>
<td><strong>IES [18]</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Communication</strong></td>
</tr>
<tr>
<td><strong>TOWERS PERRIN [100]</strong></td>
<td><strong>Job satisfaction</strong></td>
</tr>
<tr>
<td>Company interest in employee well-being</td>
<td>Cooperation</td>
</tr>
<tr>
<td>Good relationship with supervisor</td>
<td>Equal Opportunities &amp; Fair treatment</td>
</tr>
<tr>
<td>Input into decision making</td>
<td>Training, Development &amp; career</td>
</tr>
<tr>
<td>Have excellent career advancement</td>
<td>Immediate Management</td>
</tr>
<tr>
<td>Improved skills and capabilities</td>
<td>Family friendliness</td>
</tr>
<tr>
<td></td>
<td><strong>Health &amp; safety</strong></td>
</tr>
<tr>
<td><strong>CONFERENCE BOARD [10]</strong></td>
<td><strong>Pay &amp; Benefits</strong></td>
</tr>
<tr>
<td>Trust &amp; integrity, feel valued</td>
<td>Performance &amp; Appraisal</td>
</tr>
<tr>
<td>Nature of job, autonomy</td>
<td></td>
</tr>
<tr>
<td>Employee/Company alignment</td>
<td><strong>MERCER [98]</strong></td>
</tr>
<tr>
<td>Career growth opportunities</td>
<td>Treated with respect</td>
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<tr>
<td>Pride in company, advocacy</td>
<td>Work/life balance</td>
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<tr>
<td>Co-workers</td>
<td>Type of Work</td>
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<tr>
<td>Employee development</td>
<td>Leadership</td>
</tr>
<tr>
<td>Relationship with manager</td>
<td>Pay</td>
</tr>
<tr>
<td><strong>BLESSING WHITE [19]</strong></td>
<td><strong>BRANHAM &amp; HIRSCHFIELD [153]</strong></td>
</tr>
<tr>
<td>Training &amp; Development</td>
<td>Caring, competent leadership</td>
</tr>
<tr>
<td>Role in organization</td>
<td>Effective managers</td>
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<tr>
<td>Work resources</td>
<td>Effective teamwork</td>
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<tr>
<td>Work opportunities</td>
<td>Job enrichment</td>
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<tr>
<td>Flexible job conditions</td>
<td>Professional growth</td>
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<tr>
<td>More challenging work</td>
<td>Value employee contributions</td>
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<tr>
<td></td>
<td><strong>SHRM [160]</strong></td>
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<tr>
<td>Opportunities to use skills/abilities</td>
<td></td>
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<tr>
<td>Job security</td>
<td></td>
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<tr>
<td>Compensation/pay</td>
<td></td>
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<tr>
<td>Employee/management communication</td>
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</tbody>
</table>

From the above compilation, and others mentioned in various academic and practitioner literature on engagement as well as burnout, the following can be considered to be the most common drivers that can be considered applicable to
the maritime industry:

<table>
<thead>
<tr>
<th>Table 2.2: Consolidated Drivers of Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognition of work</td>
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<tr>
<td>Performance management</td>
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<tr>
<td>Voice heard</td>
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<tr>
<td>Feeling valued</td>
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<tr>
<td>Financial rewards</td>
</tr>
<tr>
<td>Pride in company</td>
</tr>
<tr>
<td>Company advocacy</td>
</tr>
<tr>
<td>Nature of work</td>
</tr>
<tr>
<td>Best friend at work</td>
</tr>
<tr>
<td>Senior managers</td>
</tr>
<tr>
<td>Intrinsic motivation</td>
</tr>
<tr>
<td>Job demands</td>
</tr>
<tr>
<td>Autonomy</td>
</tr>
<tr>
<td>Career growth</td>
</tr>
<tr>
<td>Work resources</td>
</tr>
<tr>
<td>Co-workers</td>
</tr>
</tbody>
</table>

The above drivers will be used in the development of the survey instrument.

2.12 MEASURING ENGAGEMENT

The measurement of engagement provides organizations with the opportunity to explore a large variety of factors which can be considered relevant for the development of engagement, such as their pride in their company and its products, willingness to exercise discretionary effort, work as a cohesive team with colleagues, belief in the organization as a great place to work etc. [12].

Employee Engagement is not an exact science, but it can be quantitatively measured using survey tools and questionnaires. There are many such questionnaires available and in use, some developed in-house by organizations, while many developed by major consultancies that permit organizations to measure employee engagement levels.

As with the lack of a unified definition of engagement, there are differences in the various aspects of engagement these surveys measure and analyze. Because of the diverse nature of its definition, assumptions and usage, as well as the different needs of every organization, there is the possibility of wide variations between these measures in what is actually being measured; organizations should exercise caution while benchmarking their engagement scores [131]. Some surveys calculate the level of engagement as a percentage
or on a scale, allowing comparisons or benchmarking with others. Many use the results of such surveys to identify the major drivers of engagement relevant to their organization, and also the kind of engagement – with the job, with the team, with the organization. Some also analyze the antecedents necessary for engagement, its outcomes, while others focus on employee attitudes.

Organizations are therefore left with a difficult choice to make when deciding how to approach the engagement measurement exercise. They may have to select an existing standard procedure which might not fully meet their needs, although permit benchmarking, or develop their own measure which may not allow comparisons with other organizations [12].

Whatever method chosen and aspects measured, it is suggested that the data collected from engagement surveys should be accurate enough to enable the organization to realistically address the issues identified and analyze the factors behind any successes they may have had. For any organization, the most important step is to reach a shared and acceptable definition of engagement relevant to their own operational context, and to translate this into action [135].

The most commonly used measures are as follows:

### 2.12.1 Gallup Workplace Audit (Q12)

One of the most prevalent and oft used tool for measuring engagement, the Gallup Workplace Audit (GWA Q12), is based on Buckingham and Coffman’s [21] work, who developed 12 questions to measure employee engagement. There are in all 13 questions, the first one measuring overall satisfaction with the organization. The other twelve measure factors such as understanding expectations at work, having necessary resources, recognition and praise, opportunities to grow, opinions being valued, co-workers, and supervision etc.

Several meta-analyses (1997, 1998, 2000, 2002, 2003, and 2006) have shown substantial criterion-related validity for each of the Q12 items, and significant linkages between engagement and business outcomes such as profit, productivity, employee turnover, and customer loyalty. Since 1998, the GWA
Q12 has seen great popularity among practitioners and has been used to assess engagement of more than 15 million employees in 169 countries [17, 129].

2.12.2 IES Engagement Survey

The Institute of Employment Studies (IES) has also developed its own survey instrument which consists of twelve attitudinal statements. These statements together measure various aspects such as organizational citizenship behaviour, commitment, alignment with organizational goals, and belief in the organization as a great place to work and grow. Each statement is graded on a five point scale. There is a shorter version also available with five statements which also demonstrate good statistical reliability [12].

2.12.3 The Utrecht Work Engagement Scale (UWES)

The UWES is rooted in the Burnout – Engagement model proposed by Maslach et al. [163]. It is calculated to measure work engagement based on the premise that engagement is a “positive work-related state of fulfillment characterized by vigour, dedication, and absorption” [169]. It consists of three separate scales measuring vigour, dedication and absorption. It is available in long form (17 items) as well as short form (9 items).

Vigour is assessed on the basis of six items relating to high energy levels and resilience, willingness to invest effort, not being easily tired, and persisting in the face of difficulties. Dedication is measured by five items relating to finding the work significant, enthusiasm and pride in one’s job, and feeling inspired and challenged. Absorption is assessed by six items relating to the desire to immerse oneself in work and being unable to detach from it. The tool has been found to be an appropriate measure that can be safely used to study positive organizational behaviour [159]. The UWES, through validity studies, has positively concluded that burnout is in fact negatively associated with work engagement.
2.12.4 Hewitt Best Employer Studies

Hewitt Associates define engagement as the “state of intellectual and emotional involvement employees have in an organization” [155]. They consider engagement an indicator of the energy or passion which employees bring to their jobs and the organization, or “the extent to which the organization has captured the hearts and minds of its employees”. Employees are considered to be engaged when they ‘Say, Stay and Strive’.

**Say** refers to advocacy of the organization – both internally and externally, **Stay** means wanting intensely to be a part of the organization, while **Strive** is the exertion of extra effort and dedication in order to contribute to organizational success.

The engagement score is calculated based on the response to questions that address factors such as advocating the company to friends for employment, taking pride in the organization being a great place to work, continuing employment in the foreseeable future, inspiring employees to do their best every day, and being motivated to invest more than required.

Out of a maximum possible score of 6, employees scoring 4.5 and greater are categorized as ‘Engaged’, between 2.6 and 4.4 ‘Somewhat Engaged’ and 2.5 and less, ‘Disengaged’ employees.

2.12.5 Towers Perrin Engagement Survey

The Towers Perrin survey is available as both web and paper based formats. They claim that this survey is a credible instrument for measuring and benchmarking engagement in organizations, identifying the existing drivers of engagement and determining where organizations can step in to improve engagement.

Towers Perrin define engagement as the “willingness and ability of an employee to contribute towards organizational outcomes”, or “willingness to put in extra energy and passion and going the extra mile in order to achieve objectives” [100]. They developed the instrument from surveys of 40,000
employees in the USA [128], and is based on nine essential elements which are claimed to ‘truly define’ engagement. The survey has the advantage of being faster and cheaper than other engagement measures available [119].

Towers Perrin’s instrument measures engagement levels based on the respondents answers to items that analyze their links to the organization on the following three dimensions:

- **Rational** – the understanding by employees of their roles and responsibilities
- **Emotional** – the passion and energy they bring to their work
- **Motivational** – the level of work performance

2.13 LEVELS OF ENGAGEMENT

Engagement is said to be a continuum [170] with employees lying on various points along it. Many studies and research into engagement show that there are various degrees of engagement of employees. On the basis of the differences in individual engagement, employees can be categorized into various segments, enabling organizations to differentiate between them and focus their efforts accordingly. Gallup through their meta-analysis identifies the following three levels of engagement [129]:

**Engaged:** Engaged employees are passionate about their work and feel a deep connection with their organization. They are innovative and work in ways to drive the organization forward.

**Not Engaged:** Not engaged employees are basically ‘checked out’. These employees do spend time at work, but without any passion – or even interest-essentially marking time.

**Actively Disengaged:** These employees are the most dangerous as, apart from being dissatisfied and unhappy with their work, they show their unhappiness and undermine what other co-workers are trying to achieve.

Blessing White Research [19] identifies five distinct employee segments on the basis of their engagement. These five levels of employee engagement are:

It is the identification of this middle group which holds importance, as this is the segment that is the most responsive to engagement enhancement initiatives [50]. This is because, engagement being a continuum, it may require very little investment in moving employees on the higher end of the middle group to engagement. On the other hand, it is also suggested that the disengaged should be allowed to leave, as they will require too much effort to move towards engagement.

2.14 DISAGREEMENTS WITH EMPLOYEE ENGAGEMENT

Even though employee engagement appears to be the answer to all that ails the business world, and numerous surveys provide positive correlations with business performance, profits, loyalty etc, it is still not accepted as a separate construct by many. Some even question whether it is a construct at all, with many experts not willing to accept the concept of engagement as new [171]. Research literature itself is not very precise on the actual usage of the construct of engagement, being interchangeably being used with role performance as well as affective state within the same research context [95].

Little and Little [172] have been particularly critical of the manner in which the construct has been developed, stating that constructs should be concepts that are purposefully created or adopted for scientific purposes; constructs must be inferred, not observed. They do not consider appropriate the method of grouping and naming a collection of survey items a construct. They further contend that the construct must be validated through comparison and contrasting with similar and different constructs in order to show that it is in actuality related to those constructs, and can be predicted theoretically.

The academic response to the increasing popularity of engagement has been comparatively slow, and the limited empirical research available does not indicate that the theory underlying the construct of engagement has been
rigorously tested [96]. Thus even though there have been studies indicating that certain ‘attitudes’ are apparently related to business outcomes such as productivity and turnover, these attitudes cannot be said to conceptually reflect the idea of engagement. A certain amount of confusion is also created by the fact that while some use engagement as a specific construct with unique dimensions, while others use it as a performance based construct measuring levels of performance [ibid].

One of the primary issues revolves around the lack of a clear definition stating unequivocally the various dimensions of engagement, and if engagement is an attitude or behaviour. The construct of engagement has also been considered ill-defined and misapplied, various authors not distinguishing between attitudes and behaviors going so far as to mix examples of both while defining [172]. Engagement can, however, be both attitudinal and behavioural, and users should be clear about the type of engagement they are dealing with [96].

As a construct, engagement has also not demonstrated nomological net, an accepted method of demonstrating construct validity. Such validity can only come after defining a theoretical framework, supported by measurement using an empirical framework, and the specification of the relationship between the two [173]. The linkages between suggested causes and outcomes of engagement, as well as its elements have neither been studied in depth, nor thoroughly conceptualized. As a result, many consultants are wary of defining engagement, instead referring only to its ‘presumed positive consequences’ [96]. Even Bakker & Schaufeli [174] agree that a discrepancy exists between academic writing and research, and industry interest in employee engagement.

It is also questioned if engagement is a phenomenon at the individual or group level [172]. They quote Coffman and Gonzalez-Molina, who segregate employees into three distinct and mutually exclusive groups - engaged, non-engaged and actively disengaged. Firstly, they contend that here the individual group profiles are a disturbing combination of attitudes and behaviors, such as the engaged group using talents every day, having consistently high levels of performance, and emotionally committed to their jobs. Secondly, both engaged and actively disengaged groups collectively impact organizational profitability
and performance, while the non-engaged on the other hand do not appear to have a group effect, being considered highly individual. These effects cannot be considered as parallel, raising the issue of engagement existing at a group or individual level.

Another contentious issue is the similarity and overlap between engagement and other well established concepts such as affective commitment and organizational citizenship behaviour. Many of the definitions offered take the support of existing constructs mentioned above, apart from job involvement and satisfaction. However, they fail to demonstrate the relationship of these constructs with engagement. Macey and Schneider [96] argue that in its present form, engagement is either being used to refer to a psychological state such as involvement, commitment, etc, or a performance construct such as effort, observable behavior, organizational citizenship behavior etc, and even a combination of the above.

The measurement of engagement by practitioners is also another divisive issue. Some contend that in practice, on the one hand conditions of engagement are being termed measures of engagement, while on the other indicators of employee opinions are being considered as indicants of engagement [96]. The latter holds particularly true with measures of job satisfaction which do not indicate energy, passion etc. The evidence used by Harter and Schmidt in their meta analysis is also questioned where they use data to indicate the correlation between engagement and unit performance, and at the same time treat it as indications of the linkage between job satisfaction and unit performance [96]. These are the same measures used to assess work conditions but instead infer engagement [ibid]. Such treatment brings to the fore that to many these concepts are indeed interchangeable.

There are opposing views on implementation too with Engen [175] stating that nobody can claim with certainty that the time, resources and effort used to increase engagement would really generate the kind of results organizations are looking for. Macey & Schneider [96] consider employee engagement as heavily marketed by HR consulting firms, while Little & Little [172] think that it has been marketed as a practical rather than an academic concept.
In conclusion it can be seen that employee engagement is a multi-dimensional, multi-layered and multi-faceted construct which should be tested rigorously to determine its theoretical soundness and strengthening its practical applicability. It is only by thoroughly understanding the nature of engagement and determining its relationships with attitudes and behaviors will it be possible to profitably apply it to benefit organizations and employees alike. Continued research into the antecedents and consequences of engagement will allow better understanding, and enable academics and practitioners to capture its contribution to organizational and individual performance.

2.15 PERFORMANCE

Performance refers to “the achievement of assigned tasks measured against preset standards of precision, completeness, cost, and dispatch” [176].

Changes in the international economic and operating environment in the recent past has forced organizations worldwide to search for new means of ensuring competitive advantage, traditionally provided by economies of scale, technology, new designs etc. Today the value of these has diminished, instead shifting the focus on to the contributions of motivated, skilful and flexible employees [67]. One of the primary building blocks of the success of any organization is employee performance; improved performance is essential in ensuring competitiveness, quality of service, and cost reductions.

There is a prevalent belief that individual performance of employees has an impact on organizational outcomes, and employees themselves can be a unique source of competitive advantage, not easily duplicated by competitors [177]. Employee performance thus assumes greater significance today, and organizations need to develop HR practices that can assist in the creation of sustained competitive advantage through the management and enhancement of employee performance. High performance workers have an economically meaningful impact on organizational performance, and arguments have been made for the use of ‘High Performance Work Practices’, as these have the ability to improve skills, abilities and knowledge, increase motivation, and reduce turnover of existing employees [ibid].
It must be borne in mind that performance improvement is a continuous and ever evolving process. However, before embarking on the process of performance enhancement, companies must identify and address existing barriers to performance. Structural barriers to performance can be addressed through process improvements and newer technologies [178]. The fundamental ingredient of sustained performance improvement is the motivation of employees, which can only be attained by identifying the factors that drive individual performance, and comprehensively addressing them.

Performance can also be seen on two levels, standard and elevated [178]. The Standard performance is the minimum effort put in by employees in the normal course of fulfilling their designated roles. Elevated performance, on the other hand, is the output of employees who go over and above the normal call of duty, using discretionary effort [ibid]. Elevated performance has also been termed ‘Engaged Performance’ by the Hay Group, who consider it a consequence of the stimulation of an employee’s enthusiasm for work, and directed to the achievement of organizational success [53].

It is the achievement of elevated or engaged performance that is desirable to all organizations, and this needs the implementation of management practices which will increase employee commitment. Organizations must, therefore, understand the barriers to standard performance, and remove them to reach acceptable levels. It is only once standard performance levels are achieved, can enhanced performance be attained.

From a survey of 60 companies, CLC found that employee performance has declined by 53% since 2005 [16]. They report that percentage of employees exercising discretionary effort has dropped from 17% to 8% since 2006. This means that organizations have just half the high performing workers they had before, resulting in a steep decline in performance. Employee performance thus occupies centre stage in HR strategies, and there is a growing consensus amongst HR practitioners that effective and properly configured HR policies can effectively contribute to organizational performance [177].
2.15.1 PERFORMANCE IMPLICATIONS IN SHIPPING

In the maritime context, the following key facts will assist in putting in perspective the problems being faced by the shipping industry on account of performance, and which can be attributed to the lack of qualified, experienced and professional seafarers [41].

- From 2000 to 2005, on an average 18 ships were involved in collisions, groundings, sinking, catching fire or exploding *every single day*, out of which two ships sank every day.

- Over a recent ten-year period, insurance claims cost the P&I industry US$15 billion, as estimated by Standard P&I Club. *This translates to more than US$4 million dollars every single day*. They also reported that more than 65% of this huge amount – equaling a mammoth US$10 billion – involved incidents which could be attributed to human causes.

- The year 2006 was declared a ‘catastrophic year’ by the International Union of Marine Insurance (IUMI) as far as hull claims was concerned. 2007 proved to be four times worse!

- The average number of incidents involving serious or total loss of vessels over 500gt had steadily risen in the 15-year period to 2008. 60% of these – around two major incidents per day in 2008 – were due to human error.

- The year 2008 saw – on average - a maritime disaster occur nearly every week, each involving insurance claims of over US$17m or had an economic impact of over US$85m. The same year, marine insurance companies paid out over half a billion US dollars for casualties.

- A report from the UK P&I Club states that the shipping industry is paying out more than $ 300 million a year to meet seafarers’ claims for injury, illness and death.

The above statistics highlight the quantum of losses ship owners may have to bear in case of below average performance of seafarers. The performance of seafarers has to be above the minimum acceptable level in order to avoid such catastrophic losses. The maritime industry is very complex with a large
number of players – ship owners, charterers, brokers, agents, shipyards, banks etc. The seafarers have a limited – although important - role in that they are responsible for executing shipboard voyages with utmost dispatch, ensuring the cargo reaches the destination without damage, and maintain the seaworthiness of the ship. Although they may not contribute towards commercial operations like marketing and sales etc, they could possibly contribute by executing voyages using the shortest safe route, ensuring there are no delays to the ship due breakdowns, and operating in a manner that eliminate the possibility of claims being made against the ship owner. Additionally, the safety of the entire ship, its crew, the cargo and the environment also rests on their shoulders.

The work of seafarers is very diverse in nature involving manual jobs, work that is procedure dictated, as well as work in which experience and judgement are called for. Shipping companies owe a significant part of the success of their operations to the seafarer’s personal knowledge and his ability to apply the knowledge gained from experience in keeping ships running smoothly, as well as solving new problems as they arise.

As with other industries, the shipping industry can also benefit from elevated levels of performance in improving service quality and reduce operating costs. Ship owners have invested in improving the ‘hardware’ of shipping through better technology, but apparently not paid sufficient heed to ensure that the ‘software’, i.e., the manpower managing ships, is motivated enough to willingly raise its performance level and ensure operational excellence [179].

The measurement of seafarer’s performance is usually done through performance appraisal, but that is more for promotion or reemployment purposes. Having said that, the collective performance of ships, and by extension that of seafarers, is also measured on the basis of Key Performance Indicators (KPI) of shipping companies. These KPI’s assist shipping companies to boost performance improvements internally, as well as to provide an efficient communication platform about ship operation performance information to internal and external stakeholders through increased transparency. Apart from the element of HR management
performance, seafarers have a major role to play in ensuring highest performance in all the other elements. In order for this to happen, shipping companies may find it advantageous to ‘engage’ their seafarers. The fact remains that an engaged or high performing seafarer may be able to contribute beyond this requirement through fuel economisation, inventory control, timely preventive maintenance, maximizing cargo intake, minimizing operations times in ports, reducing communication costs and consumables etc. Shipping companies need to be able to measure these aspects too through a better performance management system, as otherwise conscientious seafarers are liable to become apathetic and de-motivated.

2.15.2 DRIVERS OF PERFORMANCE

Performance is a construct that is multidimensional in nature, and is aimed at the achievement of results and has been shown to have strong linkages with the strategic goals of organizations [180]. For optimal employee performance, five main states have been suggested that are essential, namely the states of Security, Belonging, Freedom, Significance and Purpose [181]. When employees are denied these states, depletion of energy results causing loss of performance. Many studies have been undertaken to identify the drivers of performance, and one of the most comprehensive models is provided by the Hay Group which identifies six main drivers [53]. These are:

- **Inspiration and Values:** This refers to the atmosphere in which employees work, and is manifested through the quality of leadership, organizational values and behaviors, the brand image of the company, recognition of work and internal communication.

- **Future Growth/Opportunity:** All employees desire to progress in their careers; organizations should provide learning and development beyond their current jobs which will provide them career advancement opportunities. This requires improvement of performance through continuous feedback and guidance.

- **Quality of Work:** The nature and self perception of the work itself lends an
impetus to better performance. Work should be such that it creates interest and challenge, supported by freedom and autonomy to accomplish tasks. Workload, co-worker relationships and recognition of achievements will also ensure enhanced performance.

- **Enabling Environment:** High levels of performance can only be attained if employees are supported by the environment - both in terms of physical conditions as well as necessary resources. Resources would also include training for the job, availability of relevant and necessary information as well as safety at work.

- **Work/Life Balance:** The balance between work and life is also essential in attaining high performance levels. This should be ensured through a supportive environment, which provides positive social interaction at work. The job should also be such as to provide job security and ensure fulfillment of individual needs.

- **Tangible Rewards:** One of the primary drivers of performance is the remuneration and rewards system in the form of pay, benefits, incentives and recognition of efforts. These should however be backed by a fair and just system which recognizes individual performance without any bias.

Ledford also finds seven basic drivers of performance, namely work design, training and development, pay and incentives, benefits, feelings of association with co-workers and the organization, performance management, and selection procedures [182]. Others consider job autonomy, organizational support, training, distributive justice, procedural justice as practices crucial to employee performance [183].

These drivers, however, are not a ‘one-size-fits-all’ and each organization needs to identify the drivers that are relevant to their individual context. It is only through such recognition can the barriers to performance be eliminated, clearing the way for raising performance levels.

Based on the above literature, the following are being considered as drivers of performance in the maritime industry:
Table 2.3: Consolidated Drivers of Performance

<table>
<thead>
<tr>
<th>Pay</th>
<th>Quality of Leadership</th>
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</thead>
<tbody>
<tr>
<td>Benefits</td>
<td>Reputation of Organization</td>
</tr>
<tr>
<td>Recognition Awards</td>
<td>Recognition of Life Cycle Needs</td>
</tr>
<tr>
<td>Fairness of Reward</td>
<td>Security of Income</td>
</tr>
<tr>
<td>Learning and Development</td>
<td>Challenge/Interest</td>
</tr>
<tr>
<td>Career Advancement Opportunities</td>
<td>Achievement</td>
</tr>
<tr>
<td>Tools and Equipment</td>
<td>Freedom &amp; Autonomy</td>
</tr>
<tr>
<td>Job Training</td>
<td>Quality of Work Relationships</td>
</tr>
<tr>
<td>Workload</td>
<td>Performance Improvement &amp; Feedback</td>
</tr>
</tbody>
</table>

These will be used in the development of the survey questionnaire.

2.16 SAFETY

Safety is the “state in which hazards and conditions leading to physical, psychological or material harm are controlled, in order to preserve the health and well-being of individuals and the community” [184].

The ILO estimates that worldwide around 340 million occupational accidents and 160 million work related illnesses occur annually. Out of these, approximately 2.3 million individuals lose their lives to work-related accidents or diseases every year, an astounding 6000 deaths every single day [185]. An average 5% of the global workforce misses work daily due to injuries sustained at work [186], while more than 268 million nonfatal work-related accidents require three or more days off work [187]. In 2011, the US Bureau of Labour Statistics disclosed that private industry employers reported nearly 3.0 million non-fatal injuries and illnesses at the workplace; injuries accounting for 94.8%, while the balance 5.2% was due to illnesses [188].

Workplace accidents and illnesses cost losses of billions of dollars internationally every year, and the International Labour Organization (ILO) reports that 4% of the world’s GDP is lost due to these injuries and illnesses [189]. Businesses in the United States alone had to incur annual losses to the tune of USD 170 billion, accounting for nearly a quarter of pre-tax corporate
In the UK, in 2010/11, workplace illness cost an estimated £8.2 billion, while workplace injuries (including fatalities) accounted for an estimated £5.2 billion [191].

Unfortunately, these costs are underestimated by the industry, as there are many ways in which these costs manifest themselves. Costs include direct costs – such as fines, legal costs, compensation payouts, as well as indirect costs like health insurance premiums, increase in employee turnover, loss of productivity and subsequent income.

One of the most recent and comprehensive reports on the costs of occupational illnesses and injuries, finds the following [190]:

- In 2007, there were more than 5,600 fatal injuries and 8,559,000 non-fatal injuries, costing $6 billion and $186 billion respectively
- The same year, fatal illnesses were more than 53,000 while non-fatal illnesses were 427,000, at costs of $46 billion and $12 billion
- Medical costs for diseases and injuries together amounted to $67 billion (27% of total), while the indirect costs stood at almost $183 billion (73%)
- 77% of the total was due to injuries, illnesses accounting for 23%
- Estimated economic costs were roughly $250 billion

The direct and indirect costs of such injuries and illnesses at the workplace are sizable. The resulting economic burden is shared by all members – employers, injured workers, families and society - as the workers’ compensations cover only a quarter of the costs [192]. In the case of the costs reported for the UK, nearly half of the total cost in 2010/11 fell on individuals whilst the remainder was shared between employers and government [191]. An unsafe work atmosphere can also adversely affect health and the quality of life of the affected as well as the workforce.

The maritime industry is also paying out more than $ 300 million a year to meet seafarers’ claims for injury, illness and death [193], and 90% of these accidents were attributable to human error [194]. Here also the costs are direct
as well as indirect, including rehabilitation expenses which can be huge.

The consequent costs of workplace accidents generally exceed those directly visible, and covered by insurance [192]. Workplace injuries and illnesses constitute a larger proportion of overall medical care costs than is generally assumed [190]. However, despite these huge costs, convincing employers and organizations about the financial benefits of accident prevention at work are extremely difficult, possibly due to the fact that these costs are sometimes difficult to calculate. These findings should be a wake-up call for organizations all over, as in today’s world of increasing competition as well as global recession, organizations need to recognize these costs and devise mechanisms to minimise them.

2.16.1 SAFETY IMPLICATIONS IN SHIPPING

The maritime industry – like their counterparts ashore - also suffers from high rates of workplace injury and illnesses. By virtue of the marine environment, shipping has been considered as one of the most dangerous occupations internationally, accidents and maritime disasters causing high rates of injuries [195]. This is mainly due to the existence of a combination of a variety of workplace dangers, not usually found in other industries [196]. The prevalence of fatigue, workloads, excessive work pressure and ensuing stress, lack of communication, and extended periods away from family are also factors that contribute to making the work environment more dangerous [197].

Noteworthy is the fact that apart from the dangers involved, workplace stress and consequent injuries lead to catastrophic accidents involving the entire ship and the environment, and have the potential to cause losses extending to millions – even billions - of dollars.

Injuries and illnesses have many dimensions due to the nature of the job and location disadvantages. Seagoing ships do not carry extensive medical facilities on board and each injury has the potential of becoming critical in the absence of timely and correct medical attention. Although commonplace injuries – like cuts and bruises – can be effectively managed by shipboard staff
and facilities, serious injuries require shore medical treatment. If the vessel is in port, shore medical advice is readily made available but if the vessel is at sea, the situation changes drastically – both for the injured seafarer as well as the shipping company. Costs involved in medical attention to seafarers on the high seas can be prohibitive in cases where patients have to be airlifted. On the other hand, delayed medical attention can lead to permanent disability or even death of the afflicted seafarer.

In the shipping industry, costs associated with injuries, medical treatments etc are covered by Protection & Indemnity Clubs, which provide insurance against third party liabilities. All costs related to crew health are covered by P&I Clubs; however, increasing claim history causes an increase in the premiums for these ship owners.

A report from the UK P&I Club states that the shipping industry is paying out more than $300 million a year to meet seafarers’ claims for injury, illness and death [198]. An analysis of 1500 marine insurance claims surveyed by the Thomas Miller P & I Club, between 1987 and 1996, revealed that 90% of these accidents were attributable to human error [194]. Human error accounted for nearly two-thirds of the accidents relating to personal injury. The cause of these errors ranged from carelessness and over confidence to a lack of knowledge as well as experience [ibid].

A survey of various categories of marine claims for the period 1993 to 2003 showed that crew claims were the largest component of all P&I claims categories in terms of claims paid and second largest in terms of incident numbers [199]. Pollution and collision incidents are the most expensive for insurance companies, however, the results of the survey were surprising as crew claims (average USD 14,500) were found to be more expensive than cargo claims (average USD 9,700). Monetarily, crew claims ranged between highs of 30% and lows of 15% of all P&I claims, the average cost per claim in the region of USD 10,000. The UK Club reports that the average cost of injury claims has risen from $6,996 in 2000 to $40,771 in 2010. They also assessed that between 1999 and 2010 the average illness claim of seafarers was $US 12,000 per claim. Data provided by a major P&I Club (who wished to remain
anonymous) reveals that in the period from February 2007 to November 2011, there were 3,580 injury claims, resulting in total costs of USD 111,622,000.

Apart from the rising value of injury claims, another cause of worry has been the increase in frequency of claims. As per the Standard Club, “death, injury or illness to crew has always been a substantial exposure for the club”, with 9% of all claims attributable to crew illness and injury. The North of England Club states that, in 2010, the frequency and value of people claims (illness and injury) has risen slightly compared to 2009 and cargo claims have remained the same [200]. For the North of England Club, over the past 5 years crew illness claims have accounted for 6% of the total cost of claims made to the Association, compared with a figure of about 14% for crew injury claims, so they are very significant. Crew medical costs are also rising, caused by the rising costs of medical treatment, amongst other factors. Millions of dollars are being paid out each year to seafarers who are either injured or fall ill whilst serving on board and successfully claim benefits.

Injuries at sea are more expensive to ship owners as compared to illnesses. Injuries, in the main, are also more preventable than illnesses. Illness of seafarers has been controlled to a reasonable extent by more stringent pre employment medical examinations. However, incidents of injury on board have to be successfully managed through proper safety management and organizational commitment.

Workplace injuries and illnesses will be caused where safety management is inadequate. Injuries and illnesses cause insurance costs to rise, reducing profits. Many shipping companies with an unsatisfactory track record on safety may pay much higher insurance premiums than paid by others [34].

Injury costs include medical bills, repatriation costs, rehabilitation costs, disability payments, loss of efficiency due break-up of crew, cost of training for replacements etc. These are however, only the direct costs, the indirect costs may range from four to ten times for the employer [190].

Apart from the financial aspects of work place injuries, a less than satisfactory safety record of any shipping company impacts its commercial acceptability to
most Charterers, especially in the more high profile oil trade. Oil majors such as BP, Shell, etc. place a great amount of emphasis on accident free operations. In fact, in the assessment of ships hired by these companies, the greatest importance is placed on safety during performance measurement [201]. Many Charterers have a system of ‘profit sharing’ with ship owners [202] and an unacceptable safety climate on board can lead to monetary losses.

2.16.2 DRIVERS OF SAFETY

Safety at sea is regulated by the UN’s agency for maritime affairs, the International Maritime Organization (IMO). Safety on board is largely dependent on the culture prevalent in the shipping company and the safety climate on board ships. Any culture refers to a set of shared attitudes, values, goals and practices that characterize the organization [203]. Cultures affect the ways employees feel, act and make daily decisions in the workplace. By extension, the safety culture is the common set of beliefs employees have towards safety, its aims, values and their faith in safety, which is reflected in their attitudes and behaviours demonstrated through safety practices [ibid]. Inappropriate working management, working atmosphere or culture, and crew’s perception of working, may be causes of unsafe working habits [ibid].

In the maritime domain, IMO MSC (2003) defines safety culture as “a culture in which there is considerable informed endeavour to reduce risks to the individual, ships and the marine environment to a level that is ‘as low as is reasonably practicable’. Specifically, for an organisation making efforts to attain such a goal, economic and social benefits will be forthcoming, as a sound balance between safety and commerce will be maintained” [204].

Safety on board ships is managed under the International Safety Management (ISM) Code through the development and implementation of Safety Management Systems (SMS’s). American Bureau of Shipping (ABS) state that the goal of both is to attain peak performance, with no damage to the environment, no personal injuries, and no operational incidents; the maritime industry however has still some ways to go towards this goal [205]. The ISM
Code and SMS’s greatly assist in complying with regulations, but do not necessarily improve the shipboard safety culture. The industry generally recognizes that safe working practices can be encouraged without creating more rules, regulations, and procedures, which is why there is an urgent need to better understand the social and organizational elements that can cultivate professional attitudes in seafarers, in all aspects of their work [ibid].

The international nature of shipping, with crews from different nations being employed on board, adds to the problem of having an effective safety culture. More than 60% of world tonnage is owned by the developed countries; however they are manned by seafarers from the developing world [23]. Seven out of the ten biggest suppliers of seafarers are from developing countries, and multicultural crews are very commonplace in today’s shipping. The result is that within shipping, subcultures, conflicts, ambiguity, stress, and misunderstandings are possible due to the instability of membership, and also because of a lack of shared history of practice [206]. The difference in nationalities plays an important role, as value of life, safety standards, and risk perception are known to differ between nationalities [ibid]. There exists the possibility of dilution of safety standards, resulting in the senior management not being as committed to safety, had the seafarers also been from their own country. This lack of commitment may trickle down to vessels, creating an ineffective safety climate on board.

Another major factor which can have an impact on safety is the popularity of crew management companies, where the shipowner loses control over the assessing and ensuring qualifications, training, and competence of the crew manning his ships [206]. It has been pointed out that one might question if the crew supplied by manning agents would take the ship owners safety goals and objectives to heart, because of the lack of ownership and short nature of the employment contract [ibid].

It has been found that the effectiveness of any organizational culture and its contribution to safety depends on the senior management’s commitment to organizational safety; senior managers are the organization’s safety-culture custodians and shapers [207]. On ships, it is the senior management led by the
Master that is responsible for implementation of the company’s safety culture on board. However, the senior officers are rotated more often, and this leads to a discontinuity in the implementation of safety systems. Along with the senior staff, the rest of the crew is also rotated at different times, creating crew instability. This lack of crew stability is a barrier to effective safety cultures [206]. High turnover of seafarers also has considerable implications on the implementation of the ISM Code and the safety of the vessel, something that certain sectors like the cruise ship industry with average annual turnover rates between 25% and 35%, are grappling with [208].

Personal safety thus depends to a large extent on the existing safety culture. In order to improve safety, its effectiveness must first be assessed so that strengths and weaknesses of the system can be identified, providing opportunities for improvement against incidents, accidents and injuries. The safety culture consists of a large number of safety factors, such as organizational commitment and support, trust, safety awareness and effective communications, among others.

IMO MSC (2003) has identified ten key factors essential to the achievement of a proactive shipboard safety culture [204]. These are as follow:

1. **Stakeholder Participation** – Various stakeholders in the achievement of safety - ship owners, managers as well as on board representatives – should have a voice in the ways risks are identified and mitigated.

2. **Commitment and Visibility** – people with responsibility for risk management should demonstrate their commitment to the development and support of a safety culture, thereby creating an environment essential for safety. These responsible persons should also be clearly identifiable.

3. **Productivity/Safety Relationship** – refers to the relationship between safety cost and accident cost. It must be accepted by ship owners that improved safety brings improved productivity, leading to greater profitability – the same has been recognized by all industries. Costs should not be considered a barrier to the promotion of safety management.

4. **Trust** – there should be trust between all parties so that safety can be
considered a collective responsibility, instead of approaching it as something thrust by regulations.

5. **Shared Perceptions** – the perceptions of those managing risk and those exposed to them should be the same, in order to successfully mitigate them.

6. **Communication** – there should be open and clear communications on safety issues between all stakeholders.

7. **Organizational Learning** – the effectiveness of any safety culture depends on learning from past mistakes and improving the safety system. This can only happen when there is a ‘No Blame Culture’. Management needs to vigorously promote and support this environment so that seafarers do not hesitate in reporting safety incidents.

8. **Safety Resources** - safety must be supported, nurtured and developed by all necessary resources. Safety thus needs to be the focus of all decision making.

9. **Industrial Relations and Job Satisfaction** – the relationship between the employer and employee is critical to the success of safety. Job satisfaction and a feeling of worth result in good relationships, in turn making seafarers proactive in matters relating to safety. Adverse relationships create mistrust, making them less amenable to changes on safety matters.

10. **Training** – the role of training should be well understood in promoting safety, along with its limitations. Training does not necessarily promote competence, and procedures cannot bring the awareness and understanding provided by competence. Training should thus be of such quality that it results in competence.

Similar to the IMO findings, ABS have also identified eight safety factors which they use in their ‘ABS Safety Culture Survey and the Leading Indicators Program’ [205]. These factors are:

1. **Communication** – channels should be available for healthy, two way communication within all levels of the organization, allowing all parties to speak as well as listen.

2. **Empowerment** – seafarers should be empowered so that they can do
justices to their responsibilities on safety, and held accountable for the same.

3. **Feedback** – management should respond in a timely manner to all safety issues and concerns that are raised, ensuring that the results of all accident investigations, audit observations etc are disseminated to all concerned. Seafarers should be encouraged to raise safety issues and these must be resolved as soon as practicable.

4. **Mutual Trust** – must be visible with management and seafarers shouldering their share of responsibility for performance and safety, supported by a fair system which allows reporting of honest mistakes without fear of adverse actions.

5. **Problem Identification** – all seafarers should be adequately trained and competent to recognize unsafe behaviours, actions and conditions, and take necessary steps to avoid any incidents.

6. **Promotion of Safety** – should be considered a core value and must be visibly demonstrated by the management. All safety initiatives and objectives should be actively and consistently supported throughout the organization.

7. **Responsiveness** – refers to the ability of seafarers to comfortably rise to routine job demands, as well as any exigencies and emergencies. Seafarers should have sufficient rest periods so that they are always alert and ready while at work. Additionally, regular training on emergencies should be provided, along with proper personal protection equipment (PPE).

8. **Safety Awareness** – must be all pervasive in the organization, with each member being aware of his role and responsibility on safety that may impact other crew, the company and even the environment.

The variations in the levels of commitment, competence, and compliance regarding safety is dependent on three types of cultures found in shipping companies – avoidance, compliance and safety [203]. Companies with an avoidance culture avoid compliance with existing regulations by trading in areas where regulatory enforcement is inadequate or non-existing. Under compliance culture, followed by a majority of ship owners, a minimalist approach to safety is adopted which ensures compliance with the minimum
safety standards through the cheapest methods. In contrast is the highest compliance, safety culture, followed by a select group of ship owners and leading managers who recognize the relationship between increased efficiency and improved safety management. They realize that accidents are expensive; a focus on safety and quality is likely to pay future dividends, and are willing to invest in the actual improvement of safety.

On the basis of the above discussion, the following are being considered drivers of safety in the shipping industry:

<table>
<thead>
<tr>
<th>Table 2.4: Consolidated Drivers of Safety</th>
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<tbody>
<tr>
<td>☑ Participation in promoting safety</td>
</tr>
<tr>
<td>☑ Company commitment</td>
</tr>
<tr>
<td>☑ Productivity/safety relationship</td>
</tr>
<tr>
<td>☑ Adherence to procedures</td>
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<tr>
<td>☑ Commitment of ship’s management</td>
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<tr>
<td>☑ Open communication on safety</td>
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<tr>
<td>☑ No blame culture</td>
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<tr>
<td>☑ Work resources</td>
</tr>
<tr>
<td>☑ Relations with employers</td>
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<tr>
<td>☑ Safety training</td>
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<tr>
<td>☑ Job training</td>
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<tr>
<td>☑ Feedback and guidance</td>
</tr>
<tr>
<td>☑ Work and rest</td>
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<tr>
<td>☑ Safety resources</td>
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</table>

The above drivers will be used to measure safety through the survey questionnaire.

2.17 RETENTION

Retention is the continuance of employees with their current organization, and refers to the “systematic effort by employers to create and foster an environment that encourages current employees to remain employed by having policies and practices in place that address their diverse needs” [209].

Employee retention is the process through which existing employees are encouraged to continue their employment with the company for the maximum period of time possible. The opposite is turnover, which is “the movement of individuals between jobs, firms, and occupations in the labour market” [210].

The changing working environment has resulted in the creation of job
insecurity amongst employees, lowering their commitment levels. As a direct consequence, employees are always looking for better opportunities, leading to decreased retention. In an age when restructuring and downsizing has become the order of the day, the loss of high performing and key employees pose a serious threat to any organization and its success.

Recent findings show that almost one-third of all employees expect to leave for another job within the next year [48]. About 20 percent estimate their chances of leaving to be greater than 50%. Turnover rates have increased in the past year and will continue to increase [ibid]. More employees are looking for new opportunities outside their organization, and only two thirds (61%) worldwide plan to remain with their organization through the next year [19].

Organizations with high turnover rates face problems on many fronts. Most important is the fact that departing employees take away a great deal of accumulated knowledge with them [211]. High turnover rates impact the workplace, which can affect the productivity of the remaining employees, who may be demoralized following these losses [212]. The financial costs associated with turnover – including training and development - can be very high. Fitz-enz stated that “the average company loses approximately $1 million with every 10 managerial and professional employees who leave the organization” [213]. Turnover costs the average organization more than $27 million per year [48], or up to 40% of their annual profit [214]. Pharmaceutical giant Merck reported turnover costs to be between 150% – 250% of the employee’s annual salary [215].

Management thus needs to ascertain their turnover costs – not only in financial terms – in order to better understand the magnitude of this challenge and its impact on organizational effectiveness. Since the long-term retention of a highly productive workforce is coveted, and one of the goals of human resources is to attract and maintain highly productive employees, it is imperative for human resource managers to better understand how to maximize the retention of productive employees [216].
2.17.1 RETENTION IMPLICATIONS IN SHIPPING

Retaining talented employees is advantageous to all organizations as it is the employees’ skills and knowledge that are central to the organizations ability to stay economically competitive [217]. The same applies to the maritime industry too, which like all other industries, is also plagued by low levels of retention of seafarers. Low retention levels have major negative effects which are both tangible and intangible [218]. Tangible costs are the costs of selection, recruitment, training, and costs of production losses, while intangible costs are the loss of employee morale, increased work pressures, and reduced performance [ibid].

The issues involved with employees leaving the company are manifold. Firstly it involves the substantial expenditure of recruiting, employing and integrating new personnel. Secondly, with every employee lost, essential skills, expertise and experience are also lost. Thirdly, a high turnover rate impacts the workplace, which can affect the productivity of the remaining employees. The remaining employees may be demoralized following these losses [212]. Lastly, if critical employees leave, crucial knowledge is also taken away with each departure – something that may hurt the organization the most.

The unique characteristics of the maritime industry have resulted in a high movement of employees across industries, and the industry has been fighting a losing battle to retain skills and expertise [219].

The financial costs associated with turnover in the shipping industry can be very high as every departing seafarer costs the organization time and money. Crew replacement costs can be high, especially with senior ranks. Apart from the mandatory STCW courses, companies have to expend considerable amounts on imparting additional training, required either by Charterers or by internal requirements. All these initiatives are lost once the seafarer leaves the company. There is also the larger cost in training these new inductees in the workplace skills and knowledge which were lost due to employees leaving. This may take years to do and the effectiveness of the work team is compromised in the intervening period, as smooth working relationships take time to build.
High turnover rates also seriously affect the working environment as relationships between employees are affected. This can have a negative effect on workplace morale, safety and productivity, impacting the company’s service quality and profitability [220]. If turnover is regular, it also impacts the morale of remaining crew on board as it unsettles them bringing in instability. Although some turnover can be considered healthy, as it brings new blood and ideas into the organization, turnover among key and highly productive employees can be costly.

Turnover causes the greatest loss to any company and that is of ‘Company Knowledge’. Shipping companies operate under a strict safety management system dictated by the ISM Code that controls the way operations are carried out on board. Even though the basic tenets of safety management systems across the industry are the same, each company has significant differences. These systems and procedures take time to learn, and once learned can be effectively lost once a seafarer leaves the organization [206]. High turnover rates have considerable implications on the implementation of the ISM Code and the safety of the vessel. This is something that certain sectors like the cruise ship industry with average annual turnover rates between 25% and 35%, are grappling with [208]. Additionally, with the tenure of senior shipboard staff being short – coupled with the oft voluminous standard operating procedures – it may take personnel more than an year to become fully conversant with all aspects of ship operations.

Turnover also results in disruptions in ship operations till such time as the incumbents have settled down on board, especially in senior ranks. Senior officers have take over their duties in a very short time and are expected to be fully versed with their duties from the moment of joining. This has the potential to affect safety in the workplace, possibly resulting in accidents.

Familiarity with shipboard procedures is a major concern for shipowners operating tankers, be they oil, chemical or gas who are already grappling with the serious issue of complying with the ‘Officers Matrix’ requirements of the Oil Majors [221]. All oil majors impose strict requirements regarding the experience senior officers have with the company as well as in rank, one of the
most difficult conditions to fulfill [222, 223].

Lack of senior, quality officers with continued service with the shipping company is already putting severe strains on the crewing policies of tanker operators. In the absence of the right resources and qualified seafarer pools, it becomes a major issue for shipping companies to meet these stringent requirements. A major management company states that they are constantly moving people around to make the matrix work, and with the lack of experienced masters and chief engineers around, they have stopped ships just to change the crew [224]. In fact, there are many companies which have to fly out officers for a few days so that they meet the matrix requirements for a particular voyage, increasing crewing costs. Another senior manager states that complying with oil majors’ crew matrix requirements is always a major focus [225].

This pressure on tanker owners has forced many to change their crewing strategies, the focus being to ensure compliance with these matrix requirements, as in its absence a major percentage of the market is effectively lost. This can have serious commercial ramifications, especially in depressed market conditions, and many companies have crewing strategies based on these matrix requirements [226].

An offshoot of these requirements is the emergence of “poaching” of senior officers from other companies through the offering of various incentives. When faced with the problem of meeting the experience criteria required by these matrices, or even having qualified officers to man their ships, many shipping companies resort to poaching. The chairman of a major shipping company agrees saying that the poaching of personnel remains an issue, and due to the shortage, poaching is rife with huge carrots dangled in front of certificated officers [227].

Apart from the issue of vetting inspections, there are the many other inspections which any vessel must undergo – port state, flag state being some. These inspections have the additional fallout of the vessel being detained if major deficiencies are observed. Many of these relate to safety management issues and thus familiarity with these assumes greater significance. In recent
years, vetting inspection has already been expanded to include bulk carriers, and these operators could also face matrix compliance issues.

Another aspect that merits mention is that knowledge at sea is gained through experiential learning [40]. This experience is handed down from seniors to juniors through mentoring and interactions on board. This tradition however is endangered as the next generation of officers has a limited career span [ibid]. A recent survey of cadets found that only 60% planned to sail longer than 10 years, 37% between 5 to 10 years and 3% are likely to leave within 5 years [228]. With the high turnover of newcomers and their expected reduced career span at sea, it can be argued that much of this knowledge may be effectively lost, to the detriment of both the company and the industry.

As has been stated earlier, seafarers have been considered mercenary [39]. Monetary benefits are essentially what may attract a young man to the sea, but what keeps him there could be entirely different. In the Shiptalk Survey 2007/2008, salary was cited by 31.5% of respondents as the most important factor that kept them at sea [37]. Reassuringly high on the list of motivators was job satisfaction at 20%, at par with time on leave at 19.3%. It is apparent that drivers are different for different seafarers [ibid].

The maritime industry needs to analyze, recognize, and address the reasons seafarers leave their employment. The most often used method of finding reasons for leaving – the Exit Interview – does not exist in the maritime industry. They also need to determine the eventual costs of turnover to the organization. It is only then can they have strategies in place to increase the retention of employees in the company, leading to reduced costs, continuity of operations and enhanced safety.

### 2.17.2 BARRIERS OF RETENTION

The Saratoga Institute, California, maintains a database of 19,700 exit surveys, conducted between 1999 and 2003. An analysis by Branham [229] found 67 reasons for employees leaving, and the ten most frequently mentioned issues identified are:
1. **Poor Management**: Uncaring, incompetent, and unprofessional managers, being overworked and disrespected, not welcoming ideas, making no effort to retain them.

2. **Lack of Career Growth and Advancement Opportunity**: Unclear career path, not filling vacancies internally, favoritism and unfair promotion criteria.

3. **Poor Communications**: Lack of clear and concise information flow from top down, no open communication

4. **Pay**: Being paid lesser than fair market wages, no linkage between pay and contribution, inequities in salaries, unfair distribution of bonuses, slow pay raises, and ineffective performance appraisals.

5. **Lack of Recognition**: Company does not have a culture that recognizes individual performance.

6. **Poor Senior Leadership**: Senior management lacking people skills, do not listen to or care about employees, unapproachable, unresponsive and providing no leadership.

7. **Lack of Training**: Company not investing in training, inadequate and superficial training, inadequate training for future advancement.

8. **Excessive Workload**: Being overworked, working more with lesser staff, sacrificing quality at the cost of service.

9. **Lack of Tools and Resources**: Insufficient and inadequate materials, outdated technology, shortage of additional staff to relieve overwork.

10. **Lack of Teamwork**: Lack of team work, missing commitment in getting jobs done, no coordination between departments or offices.

Towers Perrin also identified the following as the top five drivers of retention globally [128]:

1. Reputation of the organization as an excellent work place
2. People practices that keep employees satisfied
3. Harmonious and productive relationships with immediate managers
4. Ability to see a future career with the organization
5. Satisfactory balance between work and personal life

Branham & Hirschfield consider the following to be ‘Retention risk factors’ [153]:

- Lack of confidence and trust in senior management
- Job and employee mismatch
- Insufficient training and feedback
- Insufficient opportunities for growth and development
- Lack of recognition and self-worth
- Existence of work related stress, inadequate work-life balance
- Job or workplace was not as expected

Other factors that can reduce employee turnover are recognition and reward of work, challenging jobs, opportunities to learn and grow, a supportive work environment, good co-worker relations, satisfactory work/life balance, and effective communications [229].

As can be seen, there is general agreement regarding the factors that can affect retention of employees with any organization. A certain amount of turnover may be good for organizations, as it rids the organization of poor performers, brings in fresh blood with innovative ideas, more adaptability, possibly at lower salaries which can be a positive factor [215]. High rates of voluntary turnover, though beneficial to a certain extent, may have potential negative financial consequences [230]. Organizations must, therefore, adopt policies aimed at mitigating the costs incurred due to turnover, and focus on retention in general and also that of the individual employee [ibid]. Productivity as well as employee morale can both be damaged by ineffective retention strategies.

While devising such retention strategies, both personal and organizational factors must be considered [231]. Turnover rates are dependent on work related attitudes of employees, and job satisfaction plays an important role in enhancing retention. A higher level of job satisfaction has the potential of increasing commitment and decreasing both turnover and absenteeism [232].
For the purpose of the development of the questionnaire, the following drivers, extracted from the above discussion, shall be taken into account.

<table>
<thead>
<tr>
<th>Table 2.5: Consolidated Drivers of Retention</th>
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<tbody>
<tr>
<td>☐ Work load</td>
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<td>☐ Valued by company</td>
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<td>☐ Caring organization</td>
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<td>☐ Involvement in decision making</td>
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<td>☐ Opinions encouraged and valued</td>
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<td>☐ Career advancement</td>
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<td>☐ Fair processes</td>
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<td>☐ Autonomy and no blame culture</td>
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<td>☐ Benefits</td>
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<td>☐ Recognition of work</td>
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<td>☐ Salaries</td>
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2.18 CONCLUDING REMARKS

This chapter provided an in-depth analysis of employee engagement, its background, and the theories used to explain its existence. Compared with other constructs, engagement is still evolving. Despite the problems associated with defining, operationalization and measurement, it is becoming increasingly popular in the HR world. Engagement has many of the elements of existing constructs such as job satisfaction, job involvement, organizational commitment, and organizational citizenship behaviour, yet it is being considered a separate construct on its own.

Engagement has also been shown to have positive relationships with business performance, profits, retention, safety and health, etc. Its drivers have also been broadly identified, providing organizations with a road map through which engagement can be raised in their workplaces.

Performance, safety and retention are older concepts, even though their relevance today has changed in the face of competitive pressures. The chapter also analyzed these concepts and identifies their drivers and barriers. These drivers will be used later in the study in the development of the survey instrument.
The maritime industry plays a vital role in international transportation, providing the most cost effective mode; its absence can bring world trade as we know it to a halt. The increased demand for transport will lead to a rise in global tonnage and the number of ships in service, notwithstanding fluctuating business cycles. Competitiveness will rule the market and major players will have to enforce cost cutting measures to survive. Manning being one of the major sources of reducing costs, this area will continue to see turbulent times. However, it is in the interests of all stakeholders to ensure that ships are manned and operated in a safe and efficient manner, as the costs of unsafe marine transportation can be very high – both in terms of value and reputation.

It thus becomes imperative that ships need to be operated in a safe manner in order to avoid damage to the environment and property, as well as in an efficient and effective manner to safeguard – and even maximize – ship owner’s commercial interests. However, this cannot happen in the prevailing conditions where seafarers are unwilling to stay with one organization, carry out operations in a safe manner and work in ways to reduce operating costs and financial claims. Ship owners and managers need to put strategies in place to address issues related to turnover, safety and performance of seafarers and implement measures to improve them. In the absence of such measures, the possibility exists of shipping lurching from one disaster to another.

It is in this context that the construct of “Employee Engagement” - as developed in land-based industries and organizations - holds special relevance in the shipping industry, as it has been shown to have significant positive relationships with performance, safety and retention.