



Employee Engagement – A Strategic HR Practice Towards Sustainable Work Force

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ABSTRACT

Human resource Management has undergone a Paradigm shift in its approach towards Human Capital. All Organisations are now vying with each other to attract, recruit and retain their competent workforce. Such talented employees have proven to be the force behind successful organizations. Various strategies and methods to manage the talent pool have been studied and adopted by HR Managers. Employee Engagement is one such strategy that will help managers build talent pools among its workforce. Employee Engagement has the potential to significantly improve employee attraction, productivity, loyalty and reputation of an organization.

KEYWORDS : EMPLOYEE ENGAGEMENT, TALENT MANAGEMENT, HUMAN RESOURCES

Introduction:

Engagement is an individual's sense of purpose and focused energy, evident to others in the display of personal initiative, adaptability, effort and persistence directed towards organizational goals. (Williana. Et al.) Employee engagement is a complex concept, with many issues influencing engagement levels (Nancy R. Lockwood 2007) Highly engaged employees display high levels of performance, creativity, job satisfaction and loyalty. Employee engagement is viewed as the edifice on which job design, job flow and job enrichment are built.

Review of literature:

Robinson et al (2006) define employee engagement as "a positive attitude held by the employee towards the organization and its value. An engaged employee is aware of business context and works with colleagues to improve performance within the job for the benefit of the organization. The organization must work to develop and nurture engagement, which requires a two way relationship between employer and employee."

William M. Maccy et.al explain engagement as "an individuals sense of purpose and focused energy, evident to others in the display of personal initiative, adaptability, effort and persistence directed towards organizational goals.

Employee engagement has emerged as a critical device for the success of any business in today's competitive market place. (Nancy. A. Lockwoord 2007) Managers unequivocally agree that this century demands more efficiency and productivity than any other times in history. (Solomon Markos & Sandhya Sridevi, 2010) The continued acceleration of change, both domestically and globally places greater emphasis on the role of HR to develop effective Employee engagement strategies for current and future workforce. (Nancy R. Lockwood, 2007) Numerous studies make a persuasive case for how engagement leads to success (James Caplan, 2011)

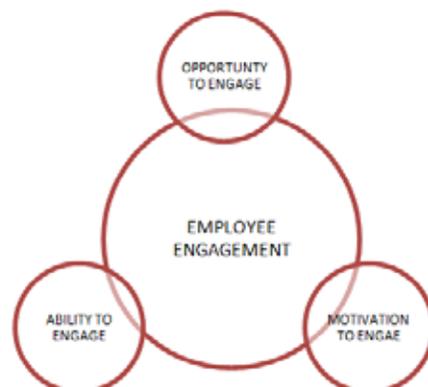
Towers Perrin conducted an annual survey in 2005 to study the levels of engagement at 50 large international companies and sought to correlate it with financial performance. Its findings concluded that companies with high employee engagement levels also experienced a higher operating margin (Up to 19% higher), net profit margin, revenue growth & earnings per share (up to 20% higher) than companies with low employee engagement.

In a similar research study, Gallup examined 23,910 business units and compared this financial performance with engagement scores. It found that organizations with high engagement scores averaged 12% higher customer advocacy, 18% higher productivity and 12% higher profitability. Gallup indicates that higher levels of engagement are strongly related to higher levels of innovation.

Watson Wyatt's 2007-2008 Work Asia Survey report revealed that in the Asia Pacific region, the key devices of engagement are customer focus, compensation benefits and communication. In India, the key device is performance management instead of communication. Molson works found that engaged employees were 5 times less likely to have safety incidents, and when one did occur, it was much less serious and less costly, for the engaged employee than for a disengaged one.

What constitutes Engagement: Engagement has two important facets – one cognitive and the other behavioural. Cognitive engagement refers to employees belief about the company, its leaders and the workplace culture. It deals with how people feel about themselves and their work place. Behavioural aspect deals with what employees do towards the value addition component that is affected in the effect employees put in at their work place. Three psychological conditions enhance the likelihood that employees are engaged in their jobs. These are Positive attitudes, perceived worth or importance of the job and reduced turn over.

Highly engaged employees have a passion for their work. They are confident in taking decisions without fear of failure and display a strong sense of organizational commitment. Such employees value their jobs and find meaning in the work they do. They understand the worth of the Job and are aware of the significant contributions their work makes towards organizational goals. Engaged employees also show a good record of attendance, lesser accidents, breakages and wastages. Behavioural traits such as Persistence, adaptability, enthusiasm, and active involvement also differentiate engaged employees from the disengaged ones. Employee engagement can be identified when employees have the opportunity, motivation and ability to engage. This may be depicted as shown in the figure:



Employees who are disengaged are most likely to cost their organization either by being less productive, absenteeism, accidents and negative morale building. Such employees will not stay in the organization for long and will be on the lookout for alternative employment. This draining of talent pool in an organization can be plugged in only through good leadership practices. The more a superior displays interest in the well being of an employee the more likely an employee will be engaged at his job.

Towers Perrin in their study on "What drives Employee Engagement" found that pay and benefits do not and will not engage employees. According to their report the top 10 elements that engage employees are :

1. Senior managements interest in well-being of employees
2. Challenging work
3. Decision making authority
4. Customer orientation
5. Career Advancement Opportunities
6. Company reputation
7. Collaboration with co-workers
8. Resources available to get job done
9. Output in decision making
10. Senior Management vision.

(Source – Towers Perrin 2003)

Employee Engagement and retention Strategies :

The above list of top elements that engage employees do not include monetary benefits. Employees cannot be attracted or retained merely by the Pay and monetary benefits that an organization offers. In order to have engaged employees; managers need to formulate their own strategies, certain drivers or factors that will help in having an engaged work force include:

(1). Two way Communication: As a first step towards employee engagement, managers need to develop a clear two way communication process. All inputs from workers should be carefully analyzed and included in decision making. This will bring about a sense of belongingness among workforce.

(2). Make available all resources: Managers can ensure that all required resources are made available to the workforce. These resources may be physical, material, financial or informative which would help the employees to accomplish their jobs effectively.

(3). Appropriate training : Employees feel confident about their job when they understand their jobs and are clear on their job flows. Hence proper and appropriate training will help build self-efficacy and commitment.

(4).Begin from the top: Employee engagement must begin from the topmost level of management. Employees should not perceive these strategies as another HR Practice. Hence Managers must "lead by example".

(5). Benefits linked to engagement: Highly engaged employees must be appreciated with both financial and non-financial benefits.

(6). Build a Work Culture: A strong Work Culture will promote a strong workforce. Success stories and open appreciations coupled with concern for employees will sustain the talented workforce. The work culture must be positive to the extent that it is contagious.

(7). Strong feedback mechanism: A strong feedback mechanism will help managers in reviewing their strategies on employee engagement. This must be linked with performance appraisal systems.

(8). Start from the Beginning: Employee engagement practices must be instilled among employees right from the day they are recruited and put on the jobs. It should begin from the start and not after performance is assessed.

Conclusion

Building engagement is an ongoing process. Organisations that want to compete and succeed in a global environment have to put in more efforts towards employee engagement. This will in turn determine how well talent is managed. Engaged employees are organizational builders. Managers must ensure that works assigned to employees are both meaningful and challenging as meaningless work is often associated with apathy and detachment from ones' work.

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