

Dynamics of Employee Engagement: A Case Study

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Abstract

Due to Economic Meltdown, all companies are focusing at HR Retrenchment Strategy for cutting cost. The global companies like Motorola, Sony, Dell, IBM etc. are reducing their workforce. In this scenario, the questions will be aroused like how the companies can improve their production capabilities with limited work force? Employee Engagement may be one of the keys to answer this question. The profile of CEO is being changed as Chief Engaging Officer rather than Chief Executive Officer. The Objective of this Paper is to review the concept of Employee Engagement; How Employee Engagement can be practiced in corporate world, what are the drivers of Employee Engagement. This Paper also provides some survey inputs and case studies in order to explain how the companies can survive in the Global Crisis with limited workforce.

Keywords

Employee Engagement – Workforce Engagement - Engaged Employee – Disengaged Employee.

I. Introduction

Due to Economic Meltdown, all companies are focusing at HR Retrenchment Strategy for cutting cost. The global companies like Motorola, Sony, Dell, IBM etc. are reducing their workforce. Employers want employees who will do their best work, or 'go the extra mile'. Employees want good work: jobs that are worthwhile and turn them on. More and more organizations are looking for a win-win solution that meets their needs and those of their employees [7]. What they increasingly say they are looking for is an engaged workforce. The idea of creating a more engaged workforce is not a new idea. For more than 20 years, managers have been looking at the organizational factors, which engage (or disengage) employees. Research studies have been conducted to determine the link, if any, between an engaged workforce and organizational performance. While some research remains inconclusive, there is a growing body of work that suggests a link between employee engagement and organizational performance does exist [13]. One study, for example, found that employees who responded more favorably to survey questions on engagement also worked in business units with higher levels of productivity, profit, retention and customer satisfaction. These researchers also found that the manager, not the pay, benefits, perks, etc. was the key in building and sustaining a strong workplace.

II. Significance of the study

For 50 years, furthermore, companies have been surveying their employees to determine their level of satisfaction. At present, about 50 percent of Fortune 500 companies conduct formal employee engagement surveys on a periodic basis, such as every two years [8]. In addition, thousands of smaller companies also conduct such surveys. After thousands of surveys, a set of "best practices" actions has emerged to guide companies in conducting engagement surveys. Foremost, if you are going to conduct an engagement survey, you must have a strategy in place to implement the results. To understand how essential, researchers from the Gallup Organization in the book 'Follow This Path' concluded that only 25 percent of employees in companies that conducted engagement studies

said they were engaged [11]. One of the primary reasons, according to the book, was that the employees didn't believe that management had any interest in making changes based on what they said in the surveys. In short, the studies were counter-productive because the employees felt that the results were ignored. In such a situation, to fill up the gap between the employee perception and employer perception, this study has been undertaken.

III. Objectives of the Study

The Primary objective of the study is review the concept of Employee Engagement and a case study of Kenexa Technologies. The Secondary objectives include practices of Employee Engagement in corporate world, finding out drivers of Employee Engagement. This Paper also provides some survey inputs in order to explain how the companies can survive in the Global Crisis with limited workforce.

IV. Employee Engagement: A Conceptual Framework

An organization's productivity should not be measured in terms of Employee Satisfaction but in terms of Employee Engagement. Employees are said to be engaged when they show a positive attitude towards the organization and express a commitment to remain with the organization. Employee Engagement, also called Work Engagement, is a concept that is generally viewed as managing discretionary effort, that is, when employees have choices, they will act in a way that furthers their organization's interests. An Engaged Employee is a person who is fully involved in, and enthusiastic about, his or her work [1].

Employee Engagement is the means or strategy by which an organisation seeks to build a partnership between the organisation and its employees, such that Employees fully understands and is committed to achieve the organisation's objectives, and the organisation respects the personal aspirations and ambitions of its employees [2]. It is seen largely the organisation's responsibility to create an environment and culture conducive to this partnership. It can be seen as a combination of commitment to the organization and its values plus a willingness to help out colleagues (organizational citizenship). It goes beyond job satisfaction and is not simply motivation. Engagement is something the employee has to offer: it cannot be 'required' as part of the employment contract [3].

A. A Fully Engaged Employee

- Is intellectually and emotionally bound with the organisation
- Gives 100 percent
- Feels passionately about its goals and
- Is committed to live by its values.

This employee goes beyond the basic job responsibility to delight the customers and drive the business forward. Moreover, in times of diminishing loyalty, employee engagement is a powerful retention strategy [10].

B. Categories of Employees based on Employee Engagement

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

- **Engaged Employee:** "Engaged" employees are builders. They want to know the desired expectations for their role so they can meet and exceed them. They're naturally curious about their company and their place in it. They perform at consistently high levels. They want to use their talents and strengths at work every day. They work with passion and they drive innovation and move their organization forward
- **Not Engaged Employee:** "Not-engaged" employees tend to concentrate on tasks rather than the goals and outcomes they are expected to accomplish. They want to be told what to do just so they can do it and say they have finished. They focus on accomplishing tasks vs. achieving an outcome. Employees who are Not-engaged tend to feel their contributions are being overlooked, and their potential is not being tapped. They often feel this way because they don't have productive relationships with their managers or with their coworkers.
- **Actively Disengaged Employee:** "Actively Disengaged" employees are the "cave dwellers". They're "Consistently against Virtually Everything". They're not just unhappy at work. They're busy acting out their unhappiness. They sow seeds of negativity at every Opportunity [4]. Every day, actively disengaged workers undermine what their engaged coworkers accomplish. As workers increasingly rely on each other to generate products and services, the problems and tensions that are fostered by actively disengaged workers can cause great damage to an organization's functioning.

C. Significance of Employee Engagement

When asked, "which measurements give the best sense of a company's health?" in a recent Business Week advice column, former GE Chairman and CEO Jack Welch replied:

"Employee engagement first. It goes without saying that no company, small or large, can win over the long run without energized employees who believe in the mission and understand how to achieve it. That's why you need to take the measure of employee engagement at least once a year through anonymous surveys in which people feel completely safe to speak their minds."

Hence, It can be observed that how important Employee Engagement is?

- Engaged employees will stay with the company, be an advocate of the company and its products and services, and contribute to bottom line business success.
- They will normally perform better and are more motivated.
- There is a significant link between employee engagement and profitability.
- They form an emotional connection with the company. This impacts their attitude towards the company's clients, and thereby improves customer satisfaction and service levels
- It builds passion, commitment and alignment with the organization's strategies and goals
- Increases employees' trust in the organization
- Creates a sense of loyalty in a competitive environment
- Provides a high-energy working environment

- Boosts business growth
- Makes the employees effective brand ambassadors for the company

V. Drivers of Employee Engagement

Many of the research studies tried to identify what are the driving forces of employees to make them engage [12]. The factors which motivate employees to highly engage are many but most important factors are:

- Trust and Integrity
- Nature of Job
- Career Growth and Opportunities
- Pride of the Company
- Co-Workers and Team Leaders
- Employee Development
- Relationship with the managers
- Employee Rewards and Recognition
- Competitive Pay Benefits
- Creating Service Centers
- Healthy Work Environment
- Clarity in Communication
- Effective Leadership
- Autonomy to do the job

VI. Employee Engagement Models

The company Towers Perrin-ISR has spent over three decades helping the world's largest and most respected companies understand the state of employee engagement in their organization and identify ways to improve human capital performance. Their research has proven from time to time that the link between employee engagement and business performance is undeniable [14]. Towers Perrin-ISR's model of engagement is perhaps the most comprehensive approach available – which means it will give you a thorough and balanced understanding of what is affecting engagement in your organization. This means you will know, with confidence, what "levers" you can work with in your enterprise to influence this critical factor in organizational effectiveness [9].

A. Employee Engagement Model No.1:



Fig. 1: Towers Perrin-ISR Model No.1

In the above Towers Perrin-ISR First [16] Model of Employee Engagement, the Employees are engaged with Cognitive Think, Affective Feel and Behavioral Act.

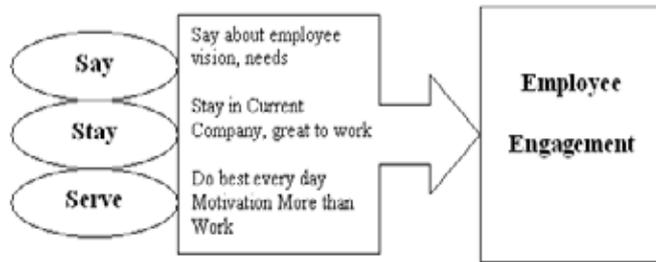


Fig. 2 :

B. Employee Engagement Model No. 2



Fig. 3: Towers Perrin-ISR Model No.2

In the above Towers Perrin-ISR revised [17] Model of Employee Engagement, the Employees are engaged with Rational Think, Emotional Feel and Motivational Act.

C. Employee Engagement Model No. 3

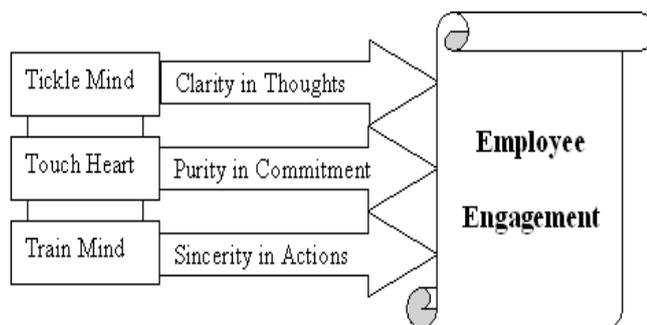


Fig. 4: Sona Koyo Steering Systems Pvt Ltd. Model

In the above Sona Koyo Steering Systems Pvt Ltd. Model of Employee Engagement [18], the employees are engaged by TickleMind, which implies Clarity in Thoughts, TouchHeart, which implies Purity in Commitment, and TrainMind, which implies Sincerity in Actions.

D. Employee Engagement Model No. 4

Fig. 4: Hewitt Model of Employee Engagement

In the above Hewitt Model of Employee Engagement, the employees are engaged with Three aspects Say (saying about Employee Vision, Needs), Stay (Staying in the current company, it is a great place to work) and Serve (Do best every day).

VII. Data Analysis and Findings

How much can you increase engagement? While there is no set number, results have been as spectacular as double or triple in one year, and numerous companies have reported increases of 10 to 15 percent annually. In the employee engagement studies conducted, it is found highly significant data that should lead to solid improvements in productivity and revenues for those clients. For example, it is found a high correlation between a franchiser’s optimum job profile and franchisee performance. Franchisees who fit the optimum profile generated royalties that were more than three times the profile of an average franchisee and twice more than the profile of a good franchisee. By using the profile when selecting new franchisees, the franchiser expects to see a significant increase in royalties per franchisee. The bottom line about employee engagement surveys is that they work, provided that you commit to implementing the results.

Case Study 1: PeopleStreme Employee Engagement Survey Report [19]

A. Overall Engagement of Employees of the Company:



Fig. 5: Overall Employee Engagement of the Company”

The employees engaged are 65.4% in the 5-point scale of Subversive, Dissatisfaction, Ambivalent, Engaged and Highly Engaged. From the above analysis, it is found that Employees are Just Engaged but Not Highly Engaged.

B. Drivers of Employee Engagement:

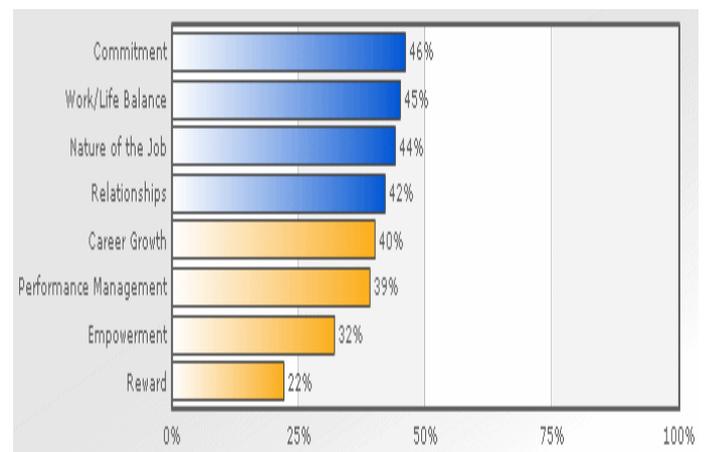


Fig. 6: Drivers of Employee Engagement

In the above listed drivers of Engagement Commitment, Work-Life Balance, Nature of the Job and Relationship with other employees are the key driving forces. Surprisingly, Reward has the least impact on the Employee Engagement.

C. Confidence about ability to do the job:

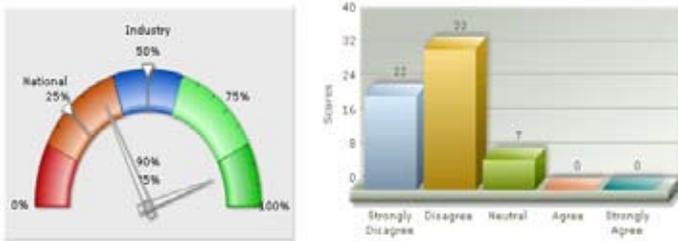


Fig. 7: Confidence about ability to do the job

From the Figure 7, it can be inferred that Employees are disagreed that a Confidant Employee can be engaged better. So that there are other factors to engage them better.

D. Autonomy to do the job:

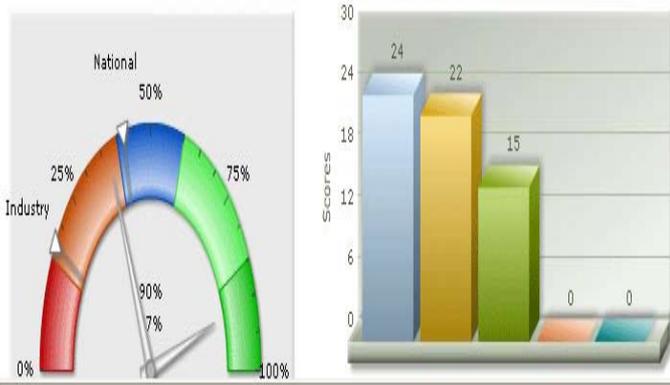


Fig. 8: Autonomy to do the job

The above analysis shows that employees want autonomy to do their job so that they can be engaged in the job.

E. Employee Engagement Radar

This is Radar, which identifies what are the motivational factors for employees that engage them better Commitment, Work-Life Balance, Nature of job, Career growth, Performance Management, Relationships are motivating factors but Reward is not a motivating factor for Employee Engagement.

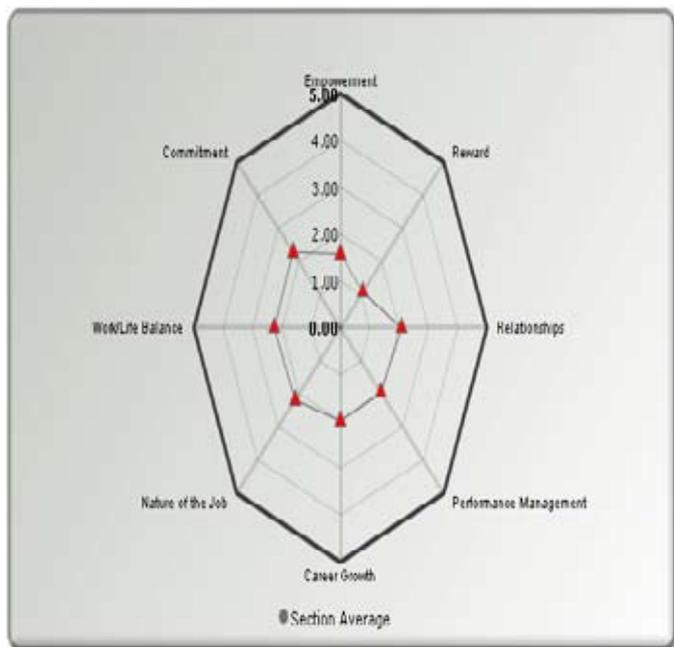


Fig. 9: Employee Engagement Radar

Case Study 2: The Software Company Kenexa Employee Engagement Report:

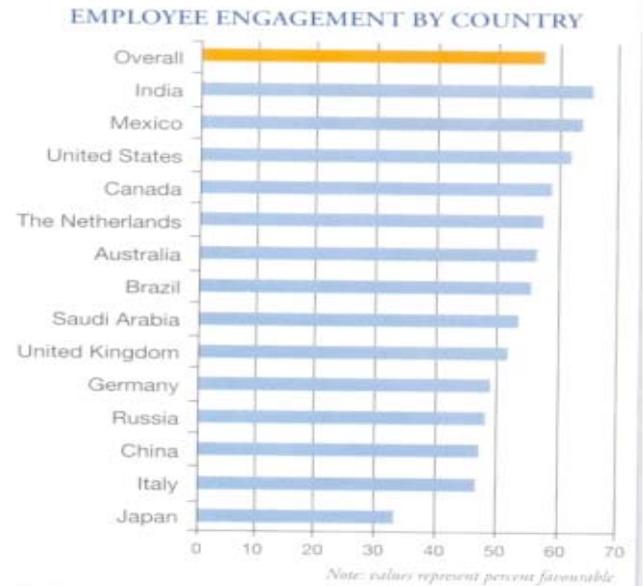


Fig. 10: Employee Engagement in various countries

The research attempts to identify the rate of engagement country wise, it found that India is the country with highest Employee Engagement Rate and Japan is the country with lowest Employee Engagement Rate. Overall Engagement Rate Globally is 57%. In Kenexa Report it is found that Employees are engaged by

- Leaders who inspire confidence in future.
- Managers who respect and recognize employees
- Exciting work they know how to do
- Organizations that demonstrate a genuine responsibility to their employees and Community.

VIII. The new Employee Engagement approaches

The latest thinking holds that engagement starts from the top of the organisation. We have heard that engagement in at least one organisation has jumped 20% in a short time frame by adopting only some of these approaches:

- The organisation leaders need to be clear on what they are trying to achieve before they communicate this to the organisation. If the Level 1 Strategy (Organisation Level) is not well defined a Strategy Workshop is required where the Executive Management defines and refine a clear strategy.
- The Strategy needs to be converted into a Strategy Map. This Map is a pictorial representation of the Strategy showing dependencies and relationships of the major parts of the Strategy. The majority of people understands a picture far better and have much more information than from a word-heavy strategic plan written in finance-speak. So buy-in improves.
- Define the values and behaviors of the organisation and convert them into measures and weighting for employee evaluations.
- Conduct Strategy Mapping in every major business unit. It's the line managers who make things happen.
- Ensure performance and talent management systems are automated. Fix what's reported as broken and tap into critically important and talented workers.
- Link remuneration and rewards directly to objective high

performance outcomes.

- Ensure every manager sets objectives from the department strategy map to properly align every single worker.
 - Make every Manager Accountable for reviewing progress once a month. If your Performance Management system is capable of delivering a quick touch-base progress review each month, this becomes easy. Managers sit down with employees for 10-15 minutes each month and do a quick update. In delivering these quick touch-base or One on One Meetings and ensuring they are happening [5].
 - Career and succession planning must be merit based. Identify career aspirations match, qualifications, historical performance rating, potential rating, competencies match/rating, mobility, age based retirement
 - Nine engagement tips By JoAnna Brandi (HR Consultant) for engaging employees [15]
- 1) Let go of any negative opinions you may have about your employees
 - 2) Make sure employees have everything they need to do their jobs.
 - 3) Clearly communicate what's expected of employees
 - 4) Get to know your employees
 - 5) Make sure they are trained - and retrained - in problem solving and conflict resolution skills
 - 6) Constantly ask how YOU are doing in your employees' eyes
 - 7) Pay attention to company stories and rituals
 - 8) Reward and recognize employees in ways that are meaningful to them
 - 9) Be consistent for the long haul.

IX. Conclusion

Due to Global Economic Crises all companies are following Retrenchment Strategies. In such scenario, the companies should look at the alternate solutions to maintain same production with less HR cost. If the companies are not practicing Employee Engagement they are incurring more HR cost.

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