

Employee Engagement and its Impacts

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Abstract— This study is aimed at exploring the factors influencing employee engagement and their benefits to the organization. As the complexity of the organization and automation increases the reliance on automation of organizations is assuming more and more importance. At the same time the organizations cannot avoid totally the man power to achieve its objectives. Hence, the totality of employee involvement measured by employee engagement is presented in this study through various steps. The steps involved are identification of variables influencing employee engagement through intensive literature survey, and its impact of the organization is conceptualize a theoretical model of employee engagement.

Key words: Employee Engagement, Customer Satisfaction, Individual Performance, Organizational Output

I. INTRODUCTION

Engagement takes place when people are committed to their work and the organization and are motivated to achieve high levels of performance. So the performance directly related to the employee engagement. Employee engagement is a desired outcome that occurs when workers feel a heightened mental and emotional connection to their jobs, their manager, their co-workers, and/or their organization and its mission. As a result, they are more dedicated and more willing to apply voluntary, discretionary effort to their work above and beyond the norm to help their organization succeed.

Engagement has been defined in numerous, often inconsistent, ways in the literature, so much so that the term has become ambiguous to many and it is rare to find two people defining it in same way (Macey and Schneider, 2008a). It has variously been conceived as a psychological or affective state (e.g., commitment, involvement, attachment etc.), a performance construct (e.g., role performance, effort, observable behavior, organizational citizenship behavior etc., (Macey and Schneider, 2008a) or an attitude.

II. DEFINITION

Johnson and Johnson defines employee engagement as ‘the degree to which employees are satisfied with their jobs, feel valued, and experience collaboration and trust’. BT believes employee engagement is ‘a combination of attitudes, thoughts and Behaviors that relate to satisfaction, advocacy, commitment, pride, loyalty and Responsibility’. BT claims it is ‘broader than the more traditional concept of Employee satisfaction and relates to the extent to which employees are fully engaged with the company and their work’. (BT, 2008) Barclays suggests a formal definition of employee engagement might be, ‘the extent to which an employee feels a sense of attachment to the organization he or she works for, believes in its goals and supports its values’. Nokia Siemens Networks describes being engaged as ‘an emotional attachment to the organization, pride and a willingness to be

an advocate of the organization, a rational understanding of the organization’s strategic goals, values, and how employees fit and motivation and willingness to invest discretionary effort to go above and beyond’. Dell refers to being engaged as ‘giving time and talent to team building activities’. (Dell, 2008)

III. REVIEW OF LITERATURE

Kahn. W.A(1990) defined employee engagement is the harnessing of organization members selves to their work roles; in engagement, people employ and express themselves physically, cognitively and emotionally during role performance.

Employee engagement has been shown to impact on business performance. Research by Gallup has found low to moderate correlations between employee engagement and a range of outcome measures, including customer satisfaction, profit, productivity, turnover and safety (Harter et al, 2002). Since then, there has been a growing body of research on the links between employee engagement and key business metrics. This relationship is most noticeable when comparing units within one organization; however it can be reliably generalized across companies and industries (Harter et al., 2009). Indeed, business units and organizations are almost twice as likely to be successful if they are above average in employee engagement (Harter et al., 2009).

Wellins and Concelman (2005) defined employee engagement as amalgamation of commitment, loyalty, productivity and ownership.

Arnold B. Bakker and Evangelia Demerouti (2008) describes Work engagement as a state including vigor, dedication, and absorption. Job and personal resources are the main predictors of engagement; these resources gain their salience in the context of high job demands. Engaged workers are more creative, more productive, and more willing to go the extra mile.

Raida Abu Baker (2013) examines the factors that influence and shape employee engagement in the context of the financial sector in Malaysia. It does this by studying multilevel factors at three levels, the individual, organizational and societal levels and it focuses on three increasingly prominent concepts: empowering leaders’ behavior, high performance, work practices and the possible role of religiosity.

Preethi Takur (2014) defined the Effect of Employee Engagement on Job Satisfaction in IT Sector. Primary as well as secondary data has been used to carry out the research. This study has been carried out on officers as well as the clerks of IT sector. The findings came out and this is identified that among the former work motivation could be improved through increasing job authority and accountability. At the clerical level, rewards and sanctions are significantly associated with job involvement.

From the above definitions employee engagement is creating the impact of employee performance in different ways. I also analyze the impact of employee performance in a positive manner.

IV. KEY DRIVERS IN EMPLOYEE ENGAGEMENT

Various key drivers of employee engagement are;

A. Job Challenge

Job challenge takes place when the scope of jobs is broad and also job responsibility is high and there is a high work load. It enhances engagement because it creates potential for accomplishment and personal growth.

B. Autonomy

The freedom, independence and discretion allowed to employees in scheduling their work and determining the procedures for carrying it out in a separate way. It provides a sense of ownership and control over work outcomes.

C. Variety

Variety of jobs which allow individuals to perform many different activities or use many different skills. Variety is one among the important driver on employee engagement.

D. Feedback

Feedback providing employees with direct and clear information about the effectiveness of their performance and also it is more important in work engagement.

E. Fit

The existence of compatibility between an individual and a work environment (e.g., job, organization, manager, co-workers) which allows individuals to behave in a manner consistent with how they see or want to see themselves.

F. Opportunities for development

Opportunities make work meaningful because they provide pathways for employee growth and fulfilment.

G. Rewards and recognition

Rewards and recognition represent both direct and indirect returns on the personal investment of one's time in acting out a work role.

H. Leadership

Leadership was found to be a significant antecedent of engagement. This factor comprised indicators of effective leadership behavior and perceived supervisor support. Effective leadership behavior that supports engagement reflected self-awareness, communication of information, transparency, and respectful treatment of employees and organization's standards of ethical behavior. Employees develop trust in their leaders and management, and accordingly reciprocate by attempting to fulfill their obligations to the organization by becoming more engaged

I. Compensation and benefits

It is another indispensable antecedent to employee engagement. It involves both financial rewards, and non-financial benefits such as recognition and other perks exemplified by: on-site day care, employee assistance programs, subsidized cafeterias, travel discounts, extra holidays and others. The level of an employees' engagement

depends on employee's attractiveness of received compensation and benefits.

J. Work policies and procedures

It encompass both HR policies and procedures and perceived organizational support (POS). HR policies and procedures include hiring practices, flextime, work-life balance policies, performance management and safety issues. To create a culture of engagement at workplace, HR systems need to work hand in hand with other managerial practices when dealing with employees

K. Training and development

Training and development is another influential antecedent of engagement. This driver is consistent with the scope of job resources as proposed in Job Demands - Resources (JD-R) model. It bears dual importance to ambitious employees. Training, development and learning can be looked at as an intrinsic motivator that supports employees' growth and enhances individual development plans by fulfilling basic human needs such as needs for autonomy, relatedness, and competence. It can also be perceived as an extrinsic motivator, because it provides employees with tools and resources, as knowledge, skills and competencies that are applied on the job and are imperative for employees' goal achievement and career growth opportunities

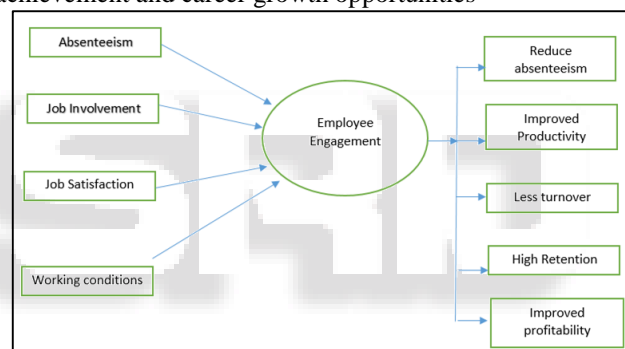


Fig. 1: Employee Engagement Model

From figure 1, it had been inferred that basically four factors determine the employee engagement. They are Absenteeism, Job Involvement, Job Satisfaction and Working conditions. Thus the four factors influencing employee engagement and also it create the impact of individual and organizational performance. The outcome of the employee engagement is measured by the performance related factors such as reduce absenteeism, less turnover, High retention, improve productivity and improve profitability. The performance factor can be measure by the organization's productivity, profitability and individual performance.

V. IMPACT OF EMPLOYEE ENGAGEMENT

The employee engagement impact factors are described below;

A. Productivity

Employees who are engaged with their job and also more productive because they are motivated beyond personal factors. This means they work more efficiently in the organization. So the organization improved productivity by the way of engaged employees.

B. Profitability

Employee engagement create the impact of organizational profitability. Engaged employees highly involved in their job. So the productivity and also the profitability will increase in the organization.

C. Absenteeism

Employee engagement increased focus and efficiency, it decreases rates of absenteeism. Engaged employees involve their work and also plays a significant role in determining rates of absenteeism.

D. Safety

Employees who are engaged are more likely to be highly involved and absorbed in their work. If an employees is not engaged, they are less focused on their work and more likely to make mistakes. The employee engagement create a significant impact of safety and also reduce mistakes.

E. Retention

Engaged employees are less likely to leave their job. If an employee has no emotional commitment to their job, there is a great chance that they will leave to pursue a job that offers, for example, higher remuneration or more flexible conditions (Haid & Sims, 2009; Schaufeli & Bakker, 2004)

F. Customer Loyalty

Engaged employees increase the customer loyalty and satisfaction. It enhance the customer experience and to inspire customer loyalty. Higher engagement increase the improvement of client service and also improve better customer experience.

G. Job satisfaction

An engaged employees is an employee who is deeply involved and invested in their work. The factors that drive employee engagement. Engagement factors include Meaning, Autonomy, Growth, Impact and connection. Job satisfaction is the foundation upon which employee engagement can grow and thrive.

H. Working culture

Accordingly, Glen (2006) suggests that the work environment may play a key role in predicting engagement along with organizational processes, role challenge, values, work-life balance, information, reward/recognition, management and product service. Cultural traits are critical for increasing engagement levels, particularly having a culture of innovation, having good internal communication and having a reputation of integrity.

VI. CONCLUSION

In this study an attempt has been made to evolve a model that depicts the influencing factors of engagement and also its impacts. In future, the model will be empirically tested among the employees.

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