

Performance Excellence Through Employee Engagement: An Empirical Study

Abstract

Employee engagement is a property of the relationship between an organization and its employees. An "engaged employee" is defined as one who is fully absorbed by and enthusiastic about their work and so takes positive action to further the organization's reputation and interests. Employee engagement provides a great opportunity for the employees to make best use of their skill, knowledge, competencies, experience, innovations in creating highly motivated work force in the organization. Employee engagement is an outcome of several individual and organizational factors at work, which need to be explored by formulating and implementing the HR strategy to have vigor, dedicated, morale and committed workforce in organizations. The present study is conducted in a plastic pipes manufacturing company situated at Hyderabad, which examines the correlations between different factors of employee engagement and their impact on performance of employees and organization at large.

Keywords: Employee Engagement (EE), Commitment, Employee Reward
Introduction

Employee engagement has gained momentum across universe to develop a successful organization. The success of every organization mostly depends on the stellar performance of the employees. To make an organization strive, thrive and drive in right direction, a competent, confident and committed workforce is vital. In this context, innovative HR strategies are to be designed and implemented to have fully engaged workforce. Timely execution of those strategies and their outcomes need to be periodically reviewed through appropriate mechanism to ensure the improvement of the organizational health and employee morale impacting on the employee engagement. The present article is based on an empirical study conducted by the writer with an intention to explore the factors responsible for employee engagement and the correlation ship of the factors with the level of engagement.

A brief review of earlier Research Studies

Employee engagement is important for any organization. It intends to retain valued employees. Researchers and practitioners have substantiated linkage between employee engagement, customer loyalty and profitability (Meere, 2005).

Employees can learn through participation during work period. Billett (2011) in the study stated that individual's engagement in work activities and access to both direct and indirect guidance which impact employee performance. The concept of employee engagement has become the field of attention for the practitioners in the corporate world as well as the academicians. Engagement means the extent to which people enjoy value and believe in what they do.

Engaged employees have pride to their own work and have more job ownership. They have higher levels of performance than those who are not engaged/ least engaged. It is quite interesting that in a global survey of the employee engagement, only eleven per cent were found to be engaged, keeping a larger per cent of them as disengaged or neutral in their engagement (Chandrasekhar, 2009). This concept has received a great deal since last five to seven years. Various authors have conceptualized engagement differently.

Employee engagement is the extent to which the employees commit consistently to work in organizations (Richman, 2006). It is the loyal to the cause of the business (Cropanzano et. al. 2005). The extent to which

Satyabrata Patro

Lecturer,
P.G. Deptt. of IR & PM
Berhampur University,
Berhampur, Odisha

employees are emotionally and intellectually involved in their work place is employee engagement stated by Shaw (2005). Most references refer to consultancies and survey houses.

Employee engagement emanates from two concepts as Commitment and Organizational Citizenship Behaviour (OCB) stated by Robinson, Perryman and Hay (2004); Rafferty et.al. (2005). Robinson et.al. viewed that neither commitment nor OCB reflect sufficiently two aspects of engagement-its two-way nature, and the extent to which engaged employees are expected to have an element of business awareness. Rafferty (2005) indicated that this concept has been originated from consultancies and survey houses rather than academia. Woodruffe (2006) in CIPD cited engagement which goes more than commitment and motivation. Silverman makes notes that in order to have more commitment of employees cannot be realized with single HR policy. Engagement and commitment are different concepts. Rather commitment is an element of engagement. Allen and Mayer (1990) have stated three types of commitment as: affective commitment, continuance commitment and normative commitment. Tamkin (2005) has mentioned same typology of commitment in the literature. And it is also noted that high continuance commitment has positive association with superior employee performance. It also results greater benefits for the organization. Engagement and affective commitment have close relationship.

Meere (2005) highlighted that organizations must look beyond commitment and should strive for improve engagement. In this process, it improves employees willingness to work more and beyond the job responsibilities promoting organizational success to a greater extent.

In reviewing organizational citizenship behaviour, Barkworth (2004) has cited that it is the key behavioural characteristics which is discretionary or extra role which makes a difference in performance. It is mostly voluntary in nature in the sense such behaviour is not mentioned. Such behavioural component makes a big difference in the individual employee in particular and organization in general.

Engagement has been stated by Rafferty et. al. (2005) that it is a two way mutual process. In this process, employee and organization both have role to play. Harrad (2006) has cited the mutual feeling of support between the organization and the employee while defining engagement. The organizational environment has an impact on the workers quality of life and their job performance.

It has been argued by French et.al. (1982) that performance and quality of life are constrained by boredom and strain. Warr (1999) argue that the presence of positive emotional states, positive appraisals and healthy relationships in workplace improve performance. The mutual support between the organization and employee is a must for better employee engagement.

The employee engagement term has been used by the Global Workforce Study (2003) by

Perrin. It has been cited that many emotional and rational factors relating to work affect engagement. Gallup organization has defined employee engagement as the work involvement and enthusiasm to work in organization. Robinson et.al. (2004), Dernovsek (2008) have linked positive attitude with employee towards the organization and its values with employee engagement. The most important point is that an engaged employee is aware of contextual dimensions of business and works with the organizational members, colleagues to improve performance within the job which is benefit for the organization. Fernandez (2007) shows the distinction between job satisfaction, the well-known construct in management, and engagement contending that employee satisfaction is not the same as employee engagement and since managers cannot rely on employee satisfaction to help retain the best and the brightest, employee engagement becomes a critical concept.

It has been stated that engagement is about commitment, passion, and willingness to invest and expand to help the employer succeed by one's discretionary effort (Blessing White, 2008; Erickson, 2005; Macey and Schnieder ,2008).

Employee Engagement and Its Drivers

There are many drivers for greater employee engagement. According to Penna (2007) in the research report has mentioned that employee engagement makes a meaningful and valuable relationship between the employer and employees which has a positive impact on the development of better career, performance on the part of the employees and development of the organization. And more important is it creates a sense of community and responsible. In that report a model has been cited which resemblances with Maslow's need hierarchy model of motivation. This model is known as hierarchy of engagement which starts with pay and basic needs to developmental opportunities in the gradual process of expectation of the employees.

The Blessing White (2006) study has stated that almost two third's (60%) of the surveyed employees want more opportunities to grow forward to remain satisfied in their jobs. However, better relationship between manager and employee is a vital factor in making higher employee engagement.

Managers have a crucial role to play to create a highly engaged workforce which is stated by Development Dimensions International (DDI, 2005). And five things have been emphasized for the managers as: (a) aligning efforts with strategy, (b) empower, (c) Promoting teamwork and collaboration, (d) helping people to grow and develop and (e) providing right support and due recognition. It has been stated that senior management's interest in the betterment of the employees, challenging work and decision making authority are some of the main drivers for making the employees more engaged (Towers Perrin Talent Report, 2003).

A survey on ten thousand NHS employees in Great Britain, Institute of Employment Studies points out that the key driver of employee engagement has

different components like involving employees in decision making, feeling of the employees to contribute their own ideas and the organizations support to the employees for their employees health and wellbeing. A survey on two thousand employees from across Great Britain states that communication is the prime factor in leading the employees to be engaged CIPD (2006).

James Clifton, CEO of Gallup organization indicates that employees who have close friendships at work are more engaged workers (Clifton, 2008). Vance (2006) explains the fact that employee engagement is inextricably linked with employer practices. The employer's practices affect job performance.

Many studies have shown that greater employee engagement is like investment on employees and as return organizations make better business outcomes. There is positive relationship between employee engagement and organizational performance outcomes like employee retention, productivity, profitability, customer loyalty, safety, revenue generation and customer satisfaction (Coffman, 2000; Ellis and Sorensen, 2007; Towers Perrin Talent Report, 2003; Hewitt Associates, 2004; Heintzman and Marson, 2005; Coffman and Gonzalez-Molina, 2002).

The engaged employee consistently demonstrates three general behaviours Say, Stay and Strive for the organization (Baumruk and Gorman, 2006). Both financial and non-financial factors drive for employee engagement. Some personal traits like knowledge, skill, ability, temperament, attitude and personality; and some organizational factors like leadership, physical setting, H.R. practices; do have their impact on employee engagement. It is the employer, who has an important role in providing an excellent organizational climate for the betterment of employees and makes them highly engaged.

Hypotheses

1. Stakeholders of the company at large should be consulted well in advance before formulating HR Strategy¹.
2. Before putting into execution the HR Strategy Stakeholders should be well trained and informed about it².

The Methodology

The study is conducted among the employees of a leading plastic pipes manufacturing company situated at Hyderabad. The manpower strength of the company is one hundred and six. It has also two hundred seventy contract labourers. The company has six departments. The contract labourers are excluded from this study. A cross section of the employees has been administered with a specified questionnaire covering different aspects of employee

engagement. The random sampling technique has been put into use in selecting sample respondent for collecting data relevant to the study. They responded and rated on a five point rating scale from strongly disagree to strongly agree. The view points of the respondents (workers) have been tabulated, collated and analyzed. The researcher has taken convenient random sampling technique for this study. The relationship between various factors affecting the employee engagement and the different levels of employee engagement are explored.

Results: Data Analysis and Interpretation

The response shows that the most of the employees are not satisfied with the company policy and the HR measures taken for the employees. The workers are mostly operators functioning in different departments. Their compensation package is not encouraging. Even they do not get at par with the market rate. It leads to employee attrition. Most of the workers are unhappy with the career job enrichment programmes by the company. They do not have better career opportunities. They are dissatisfied with their appraisal system, incentive policy and grievance redressal mechanism. The favouritism and more workload on the employees are also the factors attributing to their less engagement in their jobs. The respondents of different age group have stated that they are dissatisfied with the company policy and welfare measures. Their response is given in the table-1. Most of the respondents are strongly disagree with various programmes, policy measures and their implementation. The relationship is there with twelve items with the level of overall employee engagement. It is given in Table-2. Four fifth of the respondents have shown disengaged with their organization. Around one tenth of the respondents are showing middle level engagement. Very small chunk of the respondents constituting around seven per cent are engaged. The supervisors stated that they are dissatisfied with the HR practices of the company. The management style, functioning of the bipartite forums and the excess of work pressure and the related aspects need to be changed. The training programmes have to be linked with the appraisal system. The employee counseling and the overall development of the company should be taken by the company to have more employee engagement.

Correlation Study

The questionnaire used comprises of thirty seven items. It is considered as important for employee engagement. The study shows that only twelve items have significant correlation with the engagement levels. For these items, the R-Values are coming greater than 0.5.

The items which impact the engagement level are given in a tabular form (Refer Table-3).

Table-1: Distribution of Respondents and their response on overall engagement

Respondent Category	Number of Respondents	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Workers (< 20 years of age)	15	5	6	2	1	1	15
Workers (20 – 25 years of age)	18	9	5	3	1	-	18
Workers (25-30 years of age)	23	14	6	2	1	-	23
Worker (30-35 years of age)	17	10	5	2	-	-	17
Supervisor	10	7	1	-	2	-	10
Total	83	45	23	9	5	1	83

Source: Self compiled

Table-2: Levels of Engagement

Level	Score & respective value	No. of Respondents	% age of the respondents	Total
Disengaged	< 3	68	81.9	68
Middle level Engaged	3- 4.5	9	10.8	9
Engaged	4.5 -5	6	7.3	6
Total	-	83	100	83

Source: Collected from respondents

Table-3: Levels of Engagement

Sl. No.	Items	Remarks
1	Prevailing compensation structure in line with the industry trends	Poor compensation
2	Similar in employee values and organizational values	Policy and values need to be changed
3	Career advancement opportunities	Very less for the operators
4	Believe in having positive impact on organization	Mostly believe
5	Superior encourages employees to participate in important decisions	Least involved
6	Provision of valuable feedback regarding employee's performance	Appraisal ritual practice
7	Feeling proud to be associated with the company	Least
8	Employee's awareness regarding company's expectations of him	Mostly know
9	Comfortable life in the organization	Work life is manageable
10	Employee's work matching with his skill and knowledge	Mostly matches
11	Roles and responsibilities are clearly communicated to the employees	Communication process is good
12	Rewards and incentive plans are implemented based on performance	Not linked with performance

Source: Data collected from the respondents and collated

The responses collected from the sample respondents evident that there is significant correlation between role of Stakeholders in formulating HR Strategy and in successful

implementation of it, which directed towards effective employee engagement organization wide. Hence the Hypotheses 1 & 2 proved to be correct.

Managerial implications

Not only does high employee engagement increase focus on efficiency, but also, it decreases rates of absenteeism. Because engaged employees care about what they do, they recognise the importance of their effort in contributing to the success of their employer. Employees who are engaged with their job are more productive because they are motivated beyond personal factors. They are more focused and more motivated than their disengaged counterparts. This means they work more efficiently keeping in mind the success of the organisation. Striving to maintain a higher level of employee engagement not only contributes toward short-term survival during economic volatility, but also is a key factor for longer-term business performance and better positioning when market conditions become favorable.

Conclusion

From the above study, it can be concluded that, employee engagement is of importance for any organization to ensure right use of skill, talent, innovation, competencies of employees for its growth and productivity. It not only helps in excelling the performance of the company, but also retains, maintains and develops the talented human resources. A proper need based analysis should be made and periodical evaluation of different policy measures programmes and practices to be ensured with participative management style. This is the need of the day, for every organisation to become a successful organization.

Recommendations

On the basis of the above study, it can be suggested that the HR policy guidelines and their implementation for any organization should be done keeping abreast the changes in the market and challenges in the business of the organisation. While designing the training programme, conducting appraisal meetings, enough care should be taken and employee involvement, ownership, initiatives, innovations have to be encouraged. The shop floor level difficulties need to be discussed with the operators and the line managers should consider the work load and the responsibilities on the employees to have a long-term work relationship, smooth day-day functioning of the company and to have excellent performance in long run. The factors discussed in the study have to be considered more by the organisation to have more and effective employee engagement.

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