

Research Paper

Management



Employee Engagement Strategies For Enhancing Employee Competitiveness To Organizational Success

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ABSTRACT

Employee engagement has become the Human Resources theme of the moment, many progressive organisations, are using employee engagement strategies as their major competitive edge in the current global competitive environment. Identifying and understanding the various workplace elements that influence an employee's decision to stay and commit to the organisation has to be a priority human resource focus that has direct bottom-line impact. Particularly the current environment provides employees with a vast array of employment choices and higher than usual pay levels. Employee Engagement is a measurable degree of an employee's positive or negative emotional attachment to their job, colleagues and organization which profoundly influences their willingness to learn and perform at work. Organisations are continuously searching for ways to increase their competitiveness as a means to survive in the global economy. Outcomes of employee engagement may include lower accident rates, higher productivity, fewer conflicts, more innovation, lower numbers leaving and reduced sickness rates. An engaged employee also experiences a blend of job satisfaction, organizational commitment, job involvement and feelings of empowerment. Keeping all these developments in view, this paper will be focused attention on how the employee engagement strategies help in enhancing competitiveness for organizational success.

Keywords :workforce, employee engagement, workplace, competitiveness.

Introduction:

Engagement is about creating opportunities for employees to connect with their colleagues, managers and wider organisation. It is also about creating an environment where employees are motivated to want to connect with their work and really care about doing a good job. It is a concept that places flexibility, change and continuous improvement at the heart of what it means to be an employee and an employer in a twenty-first century workplace. An engaged employee is aware of the business context, and works with colleagues to improve performance within the job for the benefit of the organisation. If workforce is passionate about the organisation, committed, motivated, happy and aligned with corporate objectives and values - in short, engaged - it's pretty clear you have an edge. Outcomes of employee engagement may include lower accident rates, higher productivity, fewer conflicts, more innovation, lower numbers leaving and reduced sickness rates. An engaged employee also experiences a blend of job satisfaction, organizational commitment, job involvement and feelings of empowerment.

Organisations with high employee engagement are 78 % more productive and 40 % more profitable than those organisations with low levels of employee engagement. Public sector employees are less likely to be advocates for their organisation than private sector staff. Employees those who work for engaging organisation feel proud to work for, managers who are more likely to listen and care for them, leaders who listen to and inspire them, teams that support each other. Employees are likely to perceive the deal they get from their employer as positive, and they get lower levels of stress and a better work life balance. Engaged employees will have a greater sense of well-being than those who are less engaged. They are more likely to be satisfied with their work, less likely to be sick and less likely to leave the organisation. 84% of highly engaged employees believe they can positively impact the quality of their organization's products, compared with only 31% of the disengaged. Engaged employees work with passion and

feel a strong connection to their company. Moreover, 54% of employees are not engaged they go through each workday putting time but no passion into their work. Companies with highly engaged employees have almost four times the earnings-per-share growth rate of similar firms with lower levels of engagement (Market research by Gallup, 2003). Engaged employees are 87% less likely to leave the organisation than the disengaged. The cost of high turnover among disengaged employees is significant; some estimates put the cost of replacing each employee at equal to annual salary.

Objectives & Methodology of the Study:

Therefore, keeping in view the significance acquired by employee engagement in organisational success, the present research work entitled 'Employee Engagement Strategies for Enhancing Employee Competitiveness for Organizational Success' was undertaken with the following specific objectives.

- To analyse the employee engagement drivers
- To study the employee engagement strategies in organisations,
- To examine the impact of employee engagement to be the competitive edge of the organisations
- To forward certain measures for enhancing the employee competitiveness for organizational success.

The paper was prepared mainly based on the secondary sources of information. However the data and other inferences and observations were sufficiently cross checked.

Review of the Literature:

High levels of employee engagement have been shown to impact positively on: organizational commitment (Saks 2006); customer satisfaction, loyalty, profitability, productivity and safety (Harter et al 2002). In addition, low levels of employee engagement have been linked to increased turnover intention (Saks 2006, Harter et al 2002, Schaufeli and Bakker 2004). Higher levels of engagement positively impact individuals:

those who feel engaged experience greater job satisfaction and greater well-being (Schaufeli et al 2008, Alfes et al 2010). Engaging for Success, made it clear that both leadership and management should be a priority for organisations looking to improve performance through increased employee engagement (MacLeod and Clarke 2009). Engagement may in fact be a global concept, as it seems to be a combination of job satisfaction, job involvement, organizational commitment and intention to stay. The confusion, contradiction and interchange of terms for engagement raise the question as to whether employee engagement is a valid and reliable construct at all. Other research using a different resource of engagement (involvement and enthusiasm) has linked it to such variables as employee turnover, customer satisfaction – loyalty, safety and to a lesser degree, productivity and profitability criteria (Harter, Schmidt & Hayes, 2002). Employee engagement has been described as ‘a positive, two-way relationship between employee and their organisation’ where ‘both parties are aware of their own and the other’s needs, and support each other to fulfill these needs. Engaged employees and organizations go the extra mile, and both reap mutual benefits.’ (Daniel, 2004, p. 1). Employee Engagement is “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” (Conference Board in Soldati, 2007). Most often employee engagement has been defined as emotional and intellectual commitment to the organisation (Baumruk 2004, Richman 2006 and Shaw 2005) or the amount of discretionary effort exhibited by employees in their job (Frank et al 2004)

The Barriers to Engagement:

Despite the compelling case for employee engagement, a significant percentage of the workforce feel disconnected from the work they do and the people they work for. Whilst accepting that all of us are capable of having a ‘bad day at work’ we do not accept the inevitability of work being just one bad day after another. The prime most barrier was that top managers believed that their status in the organisation was evidence enough that they ‘had what it took’ to be regarded as a leader, and regarded their development as therefore unnecessary. Nonetheless, they believed that the managers below them needed it. However, when the managers returned to the workplace with a clearer idea of what leadership should look like, they became much more aware of the poor quality of leadership role-modeled by their senior managers, and their frustrations increased. This was deepened by another major problem, which was that when the managers attempted to implement their learning, their suggestions for improvement were rejected or ignored by their somewhat defensive and/or reactionary bosses. Some leaders are not aware of employee engagement. Others do not believe that it is worth considering, or do not fully understand the concept and the benefits it could have for their organisation. Even when leaders place great emphasis on the idea of employee engagement, managers may not share the belief, or may be ill-equipped to implement engagement strategies. As a result the organizational culture is unable to deliver engagement. Another barrier is workplaces reflect changing attitudes, norms and expectations in wider society.

Drivers of Engagement:

Robinson et al (2004) state that drivers of engagement can be a useful pointer to organisations towards those aspects of working life that require serious attention if engagement levels are to be maintained or improved. It is clear that the organisation has a responsibility to lead engagement, and there are several key areas the organisation can address to encourage engagement among its employees. Leadership, effective management, open, two-way communication, pay and benefits, fair and equal treatment, employing the ‘right’ workforce, career development and training, working hours, and health and safety are all aspects of the work environment that organisations can control and influence and have been found to impact upon engagement levels. However, there is no ‘one size fits all’ model of engagement, and different em-

ployees will place different emphases on the extent to which they value each of these elements in return for ‘going the extra mile’.



Figure 1: Model of the Drivers of Employee Engagement
Source: Robinson et al (2004)

While it is possible to measure engagement itself through employee surveys, this does not assist in identifying areas for improvement within organisations. There are a range of factors, known as drivers that are thought to increase overall engagement. By managing the drivers, an organisation can effectively manage engagement levels of its employees. Drivers such as communication, performance clarity and feedback, organizational culture, rewards and recognition, relationships with managers and peers, career development opportunities and knowledge of the organization's goals and vision are some of the factors that facilitate employee engagement. Some points from the research are presented below:

- Employee perceptions of job importance “...An employee's attitude toward the job's importance and the company had the greatest impact on loyalty and [customer service](#) then all other employee factors combined.”
- Employee clarity of job expectations - “If expectations are not clear and basic materials and equipment are not provided, negative emotions such as boredom or resentment may result, and the employee may then become focused on surviving more than thinking about how he can help the organization succeed.”
- Career advancement/improvement opportunities - “Plant supervisors and managers indicated that many plant improvements were being made outside the suggestion system, where employees initiated changes in order to reap the bonuses generated by the subsequent cost savings.”
- Regular feedback and dialogue with superiors - Feedback is the key to giving employees a sense of where they're going, but many organizations are remarkably bad at giving the words like ‘Thanks, You did a good job, etc.’
- Quality of working relationships with peers, superiors, and subordinates - “...if employees' relationship with their managers is fractured, then no amount of perks will persuade the employees to perform at top levels. Employee engagement is a direct reflection of how employees feel about their relationship with the boss.”
- Perceptions of the ethos and values of the organization - “‘Inspiration and values’ is the most important of the six drivers in the Engaged Performance model. Inspirational leadership is the ultimate perk. In its absence, [it] is unlikely to engage employees.”
- Effective internal employee communications - which convey a clear description of “what's going on”. If the organisation accept that employees want to be involved in what they are doing then this trend is clear. The effect of poor internal communications is seen as its most destructive in global organisations which suffer from [employee annexation](#) - where the head office in one country is buoyant but its annexes are dis-engaged. In the worst case, employee annexation can be very destructive when the head office attributes the annex's low engagement to its poor performance... when its poor performance is really due to its poor communications.
- Reward to engage - Look at employee benefits and acknowledge the role of incentives. “An incentive to reward good work is a tried and test way of boosting staff mo-

rale and enhancing engagement." There are a range of tactics you can employ to ensure your incentive scheme hits the mark with your workforce such as: Setting realistic targets, selecting the right rewards for your incentive programme, communicating the scheme effectively and frequently, have lots of winners and reward all achievers, encouraging sustained effort, present awards publicly and evaluate the incentive scheme regularly.

Employee Engagement Strategies:

Employee engagement is key to most organizations' productivity levels. While this seems common sense, many companies fail to monitor, or develop strategies to improve, employee engagement. The employee engagement cannot be improved only by designing and implementing effective human resource strategies but their involvement and quality of output produced by them also depends on their relationships with their colleagues, subordinates and seniors. It is a basic need of human beings to belong and to be belonged. Such collaborations can be a major contributor to the success of a company. A perfect balance of respect, care and competitiveness should be prevailed in the organisation to keep them actively engaged in their jobs. Mutual support and healthy relationships contribute majorly to the organization's success. Besides this, empowering employees by delegating them responsibilities and giving them autonomy to take decisions regarding their job on their own can also increase their productivity. It is worth going beyond the traditional management tools of connectivity to help employees remain motivated and dedicated to perform their tasks. To achieve this, the organisations can design effective employee engagement strategies on the basis of the model explained below.



(Source: www.managementstudyguide.com)

- ❖ **Unify the Experiences:** Conduct an employee engagement survey in order to find the factors responsible for engaging and disengaging employees. Unify the common experiences and problems and design employee engagement strategies accordingly. Sharing of feedback in written is one way of communicating the experiences and problems.
- ❖ **Evolving Through Open Communication:** Open communication or face to face communication in the form of discussions can really help in bringing the various issues and identifying the main problems in the organisation. It is very essential to establish a proper communication where everyone can put their views and suggest a solution too. Most of the top organisations ask for suggestions and new ideas from their employees and then offer rewards on giving the best proposal.
- ❖ **Providing Proper Communication Channels:** Some employees are comfortable with open face-to-face communication styles whereas there are some who want to give feedbacks and suggestions in written. Discovering the best channel of communication and establishing a proper route to share feedbacks and views plays a vital role.
- ❖ **Enabling Conversation Fluidity:** Whichever way of communication you choose, ensure that it has required fluidity. There should not be any hindrance in the established method of communication. Not being able to provide

feedback or share problems and experiences can lead to frustration and distress among employees. Therefore, ensure that there are no barriers to communication. This can also result in disengaging the engaged employees.

- ❖ **Manage Communication:** Managing communication is the last but the most important step in the entire process. Managers should keep a check on the entire process in order to ensure that it is not adversely affecting the health of the organisation. They must make sure that it serves the desired purpose and is not being used negatively.

The 3 C's of Employee Engagement:

Beyond all the above mentioned popular techniques, there are other things that play an important role in enhancing the engagement levels of employees. The proposed 3 C's of employee engagement are career, competence and care.



(Source: www.managementstudyguide.com)

❖ **Career:** When individuals join an organisation, they expect to build a career with it. If the top management and immediate managers spend dedicated time in carving out the careers of its employees, they will feel that they belong to the organisation. They feel engaged when they receive support from the management in growing their careers. An organisation can provide its employees with opportunities to grow professionally through job rotations, indulging them in significant tasks, challenging assignments and promotions. They should also be given a specific level of authority and autonomy to take their decisions on their own. The organisations prepare an entirely new breed of employees if they genuinely invest in developing the careers of their people.

❖ **Competence:** Competence is all about the ability to grow. Regular workshops and training sessions must be held in order to help employees acquire a higher level of skills and competencies. The focus should be on developing for marketable skills. Most employees after spending a few months look for competence-boosting opportunities with the organisation so that they can grow and move to the next level of their careers. While the career focuses on the actual growth in terms of designation, wages and perks and authority, competence is the ability to grow utilizing the opportunities.

❖ **Care:** Sitting at the topmost, care is regarded the finest art of the managers by which they can make employees feel an indispensable part of their organisation. The managers need to be empathetic and sensitive towards people and understand their personal problems. Showing small day-to-day caring gestures towards employees make them feel that they belong to the organisation and organisation belongs to them.

Employee Engagement as a Competitive Edge:

We all know that in today's world the competition for talent has become extreme. Sophisticated employers no longer talk of mere workers, but of human capital, where strategic investment in personnel has a demonstrable ROI. People migrate among companies looking for the environment that best suits their needs, and these needs have become increasingly complex. No longer is it simply about money, especially among younger employees. Factors motivating employees to join companies today include work-life balance, job security, safety and environmental policies, etc. Consequently, an aspect of HR that is becoming more and more critical to the success of businesses, especially in environments where there is ro-

bust competition for talent, expertise and experience is Employee Engagement. An engaged employee population is a competitive advantage that results from motivated employees demonstrating commitment and loyalty to their organizations.

Within this new environment HR is being challenged by executive leadership to play a much more strategic role in the business. It is critical to be able to leverage human capital through tools and techniques that will drive efficiency and productivity, mobilizing employees to reach goals faster this is the principle outcome of an employee engagement program. However, companies that double down on engaging employees during tough times will emerge stronger and more competitive long-term with a more committed and loyal employee base. Companies with higher levels of engagement outperform their competitors. Additionally, with empirical measurement and scientific analysis, employee engagement researchers can determine not only the level of overall engagement but can also pinpoint pockets of high or low engagement across the enterprise, assessing a team of as few as five employees. These data allow us to analyze where we are succeeding in our companies and where our focus needs to be more acute. The added advantage of creating or working from an employee engagement baseline, is that we can measure the success of HR programs, allocating more resources to initiatives that are working and improving those activities that are not showing expected results. In these difficult times, eliminating guesswork as to what is working and knowing exactly what is amiss in the organization allows us to be surgical in our approach, precisely targeting areas of concern, ensuring efficient allocation of scarce resources. Most importantly you will be in a stronger position to help drive change across the organization—in good times and bad.

Organizational Success:

The power of employee engagement is that it is closely connected to business results. Earlier, we summarized some of the many studies demonstrating the relationship between engagement and organizational outcomes. The results are overwhelming, and it's clear that employee engagement plays a strong role in business success. In particular, engagement can find support in the Service Profit Chain and the Balanced Scorecard. Both of these conceptual models demonstrate the power and impact of people practices and human capital on company performance. For employee engagement, we classify the primary business outcomes into four categories. When employees work in an environment in which they can focus their attention on their work and have a drive to do their best, organizations experience higher levels of productivity and profitability. Engaged employees look for better ways to do their work, spend less time on wasted activities, and make effective use of resources. In the end, companies deliver bet-

ter products or services and have more resources left to invest in further improvements.

Although it is an important consideration, high financial compensation is not the only driver of increased employee retention. As addressed previously, employees decide to stay with organizations for other reasons, such as growth and development opportunities, strong leadership, and meaningful work. Turnover costs organizations millions of dollars each year, and engagement has a proven relationship to employee retention. Most of the Organizations with engaged employees have more satisfied customers, but it's not just because employees have better interactions with customers. Engaged employees are more likely to improve other critical factors affecting customer satisfaction, such as responsiveness, product quality, thought leadership, innovation, etc. Finally, higher engagement translates into higher and faster revenue growth. Engaged employees are more innovative and place more emphasis on meeting customer needs. The "what can I do better or differently" attitude of engaged employees versus the "it's not in my job description" attitude of the unengaged simply leads to better financial performance.

Conclusions:

- ✓ Identifying and understanding the various workplace elements that influence an employee's decision to stay and commit to the organisation has to be a priority human resource focus that has direct bottom-line impact.
- ✓ Through Employee Engagement, we can communicate a positive attitude held by the employees towards the organization and its values.
- ✓ Maintaining employee engagement lies in the hands of an organization and requires a perfect blend of time, effort, commitment and investment to craft a successful endeavor.
- ✓ The current environment provides employees with a vast array of employment choices and higher than usual pay levels. It is accepted now that, the days of keeping employees from cradle to grave are well and truly over. It is also acknowledged that the employee's decision to leave a workplace is often outside the employer's control. This situation, however, only serves to increase the need for employers to work harder at employee engagement.
- ✓ By managing the drivers, such as communication, performance clarity and feedback, organizational culture, rewards and recognition, relationships with managers and peers, career development opportunities and knowledge of the organization's goals and vision organisation can effectively manage engagement levels of its employees.

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