

Driving Inclusive Growth through Employee Engagement

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ABSTRACT

Employee engagement is the level of commitment and involvement an employee has towards his organization and its values. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. It is a positive attitude of the employees towards the organization and its values.

Inclusive growth for business needs to be assessed from every perspective-personal, societal economical and cultural. While every business contributes economically, it is important that business leaders understand the importance of Employee engagement activities for the mutual growth of business & employees. It is crucial to make every employee involved in contributing to the sustainability agenda to make it inclusive and holistic as an organizational thrust. Organizations not only need to focus on building processes and capital, but equally on their employees for sustainable business growth.

I. INTRODUCTION

Employees' involvement in the organization is considered a source of development and innovation. Management practices transformational leadership style. The concept of employee involvement refers to the employee interest into the tasks and jobs assigned to him. This way when an employee is involved in his tasks he feels psychological ownership of his job. Psychological ownership is the feeling of employee that they have responsibility to make decisions in the interest of the company. (Avey et al., 2009) Psychological ownership is referred to as psychological empowerment. It is the sense of employee that he can create, mold and take decisions and manage his work his way. Empowerment of an employee can base on self-esteem, locus of control and the information available to employee (Spreitzer, 1995). Employees feel themselves that they can influence the organization by raising their voice; it is a job enrichment theory (Spreitzer, 1996). They feel themselves empowered to take decisions in executing tasks and feel themselves accountable for taking any risky steps associated with the tasks. When employees are secured to take any decision on their own responsibility with the support of the organization, the level of commitment in the organization will increase. Also employee is given opportunity to involve and he feels psychological ownership towards his actions and their consequences, employees develop the sense of belongingness. These feelings develop interest and responsibility in employees. This enables them to effectively perform their tasks. When employees is responsible towards his task he takes every decision with much attention and involvement this increases the chances of best outcomes. When employee is satisfied he develops the sense of security. Job satisfaction is defined as the state of mind that develops the feeling that employees all job related needs are being met (Evans, 2001). When

employee performs all his tasks with responsibility and interest, he strives to go better and bring effective and efficient outcomes. Today's working environment employees have to face certain situations. These situations are related to their work tasks and ask for quick responses. Employees do not effectively perform any challenging tasks given to them because of the lack of association with work. Employees are selected after much consideration. They are trained extensively to bring best practices in the organization. Top management lacks to develop the psychological well being of employees. Physical performance depends on the psychological state of employees. Employees having blurred identity in terms of work and weak sense of belongingness are not motivated to improve their work. The feeling of dissatisfaction holds them back from performing right.

II. EMPLOYEE ENGAGEMENT

Employee engagement is based on organizational culture, communication style, managerial styles, leadership style, trust and respect factors, in order to develop engaging culture workplace must develop the environment that supports these factors (Lockwood, 2007). Leadership development of culture and employee engagement practices is associated in this way. Employee engagement is the psychological phenomena as defined in past literature it is based on two psychological components attention and absorption. Attention is the amount of time individual gives to his role and job to think over it while absorption is the focus of individual towards his role and his performance in that role (Rothbard, 2001). Engagement is the energy that individual puts into his work, involving himself to improve performance (Maslach, 2003) the degree to which employee is involved in his work roles, it is the active use of individuals thinking, emotions and behaviors (Saks, 2006) engagement is the willingness of employee to get

involved into his work tasks. It is a positive attitude developed in employee when he finds organizational and cultural support. Engagement is defined in the dimensions of vigor, dedication and absorption (Schaufeli et al., 2002). Employee engagement is discussed in terms of other close variables that support the human resource practices of employee engagement. Employee engagement can be defined in terms of empowerment. Psychological Empowerment is the perception of employees that they can adjust their work roles to accomplish their tasks and make important decisions regarding work tasks (Yulk and Becker, 2006) engagement is defined as the level of energy and decisions making that employees take on his account to solve work related issues (Maslach, 2003). Saks (2006) Studied the consequences of employee engagement; it is an individual level phenomenon that indirectly affects the performance or success of organization by delivering positive individual level outcomes. Engagement brings outcomes like reduced burnout, satisfaction, commitment and higher performance (Maslach, 2003) employees feel belongingness to organization with lower intentions to leave (Schaufeli and Bakker, 2004) good health and its positive effects on the performance is also studied in the past (Sonnentag, 2003).

(a) Categories of Employee Engagement

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

Engaged--"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.

(i) **Not Engaged** --- *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.

(ii) **Actively Disengaged**--The "*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. 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.

(b) Importance of Engagement

Engagement is important for managers to cultivate given that disengagement or alienation is central to the problem of workers' lack of commitment and motivation (Aktouf). Meaningless work is often associated with apathy and detachment from one's work (Thomas and Velthouse). In such conditions, individuals are thought to be estranged from their selves (Seeman, 1972). 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).

An organization's capacity to manage employee engagement is closely related to its ability to achieve high performance levels and superior business results. Some of the advantages of Engaged employees are

- (i) Engaged employees will stay with the company, be an advocate of the company, its products and services, and contribute to bottom line business success.
- (ii) They will normally perform better and are more motivated.
- (iii) There is a significant link between employee engagement and profitability.
- (iv) 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
- (v) It builds passion, commitment and alignment with the organization's strategies and goals
- (vi) Increases employees' trust in the organization
- (vii) Creates a sense of loyalty in a competitive environment
- (viii) Provides a high-energy working environment
- (ix) Boosts business growth
- (x) Makes the employees effective brand ambassadors for the company

A highly engaged employee will consistently deliver beyond expectations. In the workplace research on employee engagement (Harter, Schmidt & Hayes, 2002) have repeatedly asked employees 'whether they have the opportunity to do what they do best everyday'. While one in five employees strongly agree with this statement. Those work units scoring higher on this perception have substantially higher performance. Thus employee engagement is critical to any organization that seeks to retain valued employees. The Watson Wyatt consulting companies has been proved that there is an intrinsic link between employee engagement, customer loyalty, and profitability. As organizations globalize and become more dependent on technology in a virtual working environment, there is a greater need to connect and engage with employees to provide

them with an organizational 'identity.'

Employee engagement is considered to be a construct of involvement of employee in his work tasks (Saks, 2006) transformational leadership practicing engagement of employees is related to psychological state development that involves self-efficacy and attaining the targeted goal. In fast-changing environments, it becomes all the more difficult to precisely specify roles and responsibilities. To the extent that employees are likely to be faced more frequently with unanticipated and ambiguous decision-making situations, organizations must increasingly count on employees to act in ways that are consistent with organizational objectives. In addition, many employees are looking for environments where they can be engaged and feel that they are contributing in a positive way to something larger than themselves.

A review of the academic research on employee engagement shows the term is used at different times to refer to psychological states, traits, and behaviors. Macy and Schnedier show that engagement as a disposition (i.e. trait engagement) can be regarded as an inclination or orientation to experience the world from a particular vantage point (e.g., positive affectivity characterized by feelings of enthusiasm) and this trait gets reflected in psychological state engagement.¹¹ Psychological state engagement is conceptualized as an antecedent of behavioral engagement, defined in terms of discretionary effort. Thus, they see engagement as a multidimensional construct.

If one does not know how to define and measure engagement, then an analysis of its drivers and outcomes will be suspect. For example, two attitudinal measures of employee engagement found in many consulting firms' surveys include employee job satisfaction and continuance commitment, which focus on employees' intentions to remain with the company. Yet, the research correlating job satisfaction and job performance has mixed results. And a number of studies have found a negative relationship between continuance commitment and job performance, making it quite possible to have very content employees who perform poorly. Research has shown that the type of commitment is critical; employees who want to belong to the organization (affective commitment) are more likely to perform well than those who need to belong (continuance commitment). Erickson argued that "engagement is above and beyond simple satisfaction with the employment arrangement or basic loyalty to the employer." Engagement is about passion, commitment, and the willingness to invest oneself and expend one's discretionary effort to help the employer succeed. Organizational effectiveness depends on more than simply maintaining a stable workforce; employees must perform assigned duties dependably and be willing to engage in activities that go beyond role requirements. Harter and Schmidt propose that

employee engagement reflects a deeper level of involvement and enthusiasm from the employee than the terms "job satisfaction" or "organizational commitment" might imply. The newer emphasis on absorption, passion, and affect better reflects the reason work attitudes matter to organizations.

III. DRIVERS OF ENGAGEMENT

An organization's HR System is the primary driver of employee engagement. The HR system's staffing, training and development practices contribute to the development of employee competencies that enhance competitive advantage and help to ensure organization and employee fit. Rewards, benefits, and performance management practices help motivate employees to behave in ways that benefit the organization. Organizational and job designs help create a work environment that is conducive to employees' development and effective work systems. Lastly, effective management and leadership development helps to ensure a productive, fair, and supportive working environment in which employees feel motivated to achieve organizational objectives. A rich body of literature has identified key drivers of employee engagement that are the result of the proper alignment of HR practices, including: job characteristics, role clarity and fit, coworker and management relations, leadership, and perceptions of fairness. When employees are engaged in their work their commitment and comfort with work increases. Employee engagement is related to the commitment of employee and how hard they work. Involvement of employees in work develop loyalty factor in them. Loyal employees and staff leads to success of organization (Roehling, Roehling, and Moen, 2001) when employees strive for success of organization they improve their performance. Employee engagement is the deciding factor of success of organization; Engagement is positively related to higher satisfaction, loyalty of employees and performance (Lockwood, 2007) more engaged workforce brings better performance and results.

Employee engagement leads to individual level outcomes of loyalty and satisfaction. These outcomes ultimately lead to organizational results. Corporate results show strong bonding between concept of engagement and workers performance to business outcomes (Ferguson, 2009). Psychological ownership is the development of employee's mental state. Psychological it is considered a positive source of performance of individual; employees with feeling of ownership are more satisfied with their work and show more interest in organization (Avey, Avolio, Crossley, and Luthans, 2009) when employees show greater interest in their work they perform better. Psychological ownership is discussed in terms of citizenship behavior. This behavior develops sense of employee as family to organization. Psychological ownership provides base to

the development of competitive advantage and performance as citizenship behavior develops, also ownership is related to individual level outcomes like performance (Pierce, Kostova, and Dirks, 2003) competitive advantages of firm leads to high performance and success (Barney, 1995) while citizenship behavior develops social capital that leads to sustainable organizational advantages (Bolino, Turnley, and Bloodgood, 2002). Psychological ownership develops bonding in the hierarchal levels of organization. Development of ownership privileges creates psychological contracts between employees and organization; employees show more interest in the investment and performance of organization (Rousseau and Shperling, 2003) When employees are interested in the investment of the organization they desire best investment. Employee working in the mutual investment relationship is more committed to their employers and strives for better performance (Tsui, Pearce, and Porter, 1997). The desire of the betterment of organization encourages employees to give their best to the organization. Employees who feel close association with their job are more satisfied. Hence the sense of job responsibility is high in terms of these employees (Piccolo and Calquitt, 2006) when employees feel their responsibility- accountability towards their job they actually strive for development of self- self efficacy. Commitment is supported by the factors of satisfaction, belongingness and trust of employees when these two factors are satisfied the level of employee commitment increases. Literature shows significant relationship between job satisfaction and organizational commitment (Azeem, 2010). Previous studies findings support the positive impact of psychological ownership on organizational outcomes. Our study tested the relationship of employee engagement and transformational leadership with the mediation effect of psychological ownership. Findings of our study showed that psychological ownership mediate the relationship of both employee engagement and transformational leadership with employee performance.

(a) Factors Leading to Employee Engagement-

Studies have shown that there are some critical factors which lead to Employee engagement. Some of them identified are

(b) Career Development- Opportunities for Personal Development

Organizations with high levels of engagement provide employees with opportunities to develop their abilities, learn new skills, acquire new knowledge and realize their potential. When companies plan for the career paths of their employees and invest in them in this way their people invest in them.

(c) Career Development – Effective Management of Talent

Career development influences engagement for employees and retaining the most talented employees and providing opportunities for personal development.

(d) Leadership- Clarity of Company Values

Employees need to feel that the core values for which their companies stand are unambiguous and clear.

(e) Leadership – Respectful Treatment of Employees

Successful organizations show respect for each employee's qualities and contribution – regardless of their job level.

(f) Leadership – Company's Standards of Ethical Behaviour

A company's ethical standards also lead to engagement of an individual

(g) Empowerment

Employees want to be involved in decisions that affect their work. The leaders of high engagement workplaces create a trustful and challenging environment, in which employees are encouraged to dissent from the prevailing orthodoxy and to input and innovate to move the organization forward.

(h) Image

How much employees are prepared to endorse the products and services which their company provides its customers depends largely on their perceptions of the quality of those goods and services. High levels of employee engagement are inextricably linked with high levels of customer engagement.

(i) Other factors

(i) Equal Opportunities and Fair Treatment

The employee engagement levels would be high if their bosses (superiors) provide equal opportunities for growth and advancement to all the employees

(ii) Performance appraisal

Fair evaluation of an employee's performance is an important criterion for determining the level of employee engagement. The company which follows an appropriate performance appraisal technique (which is transparent and not biased) will have high levels of employee engagement.

(iii) Pay and Benefits

The company should have a proper pay system so that the employees are motivated to work in the organization. In order to boost his engagement levels the employees should also be provided with certain benefits and compensations.

(iv) Health and Safety

Research indicates that the engagement levels are low if the employee does not feel secure while working. Therefore every organization should adopt appropriate methods and systems for the health and safety of their employees.

(v) Job Satisfaction

Only a satisfied employee can become an engaged employee. Therefore it is very essential for an organization to see to it that the job given to the

employee matches his career goals which will make him enjoy his work and he would ultimately be satisfied with his job.

(vi) Communication

The company should follow the open door policy. There should be both upward and downward communication with the use of appropriate communication channels in the organization. If the employee is given a say in the decision making and has the right to be heard by his boss than the engagement levels are likely to be high.

(vii) Family Friendliness

A person's family life influences his work life. When an employee realizes that the organization is considering his family's benefits also, he will have an emotional attachment with the organization which leads to engagement

(viii) Co-operation

If the entire organization works together by helping each other i.e. all the employees as well as the supervisors co-ordinate well than the employees will be engaged.

IV. CONCLUSION

Employee Engagement is the buzz word term for employee communication. It is a positive attitude held by the employees towards the organization and its values. It is rapidly gaining popularity, use and importance in the workplace and impacts organizations in many ways. Employee engagement emphasizes the importance of employee communication on the success of a business. An organization should thus recognize employees, more than any other variable, as powerful contributors to a company's competitive position. Therefore employee engagement should be a continuous process of learning, improvement, measurement and action. We would hence conclude that raising and 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.

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