



THE BEST PRACTICES OF EMPLOYEE ENGAGEMENT: A STUDY

Mr.S.Mohan Reddy* Dr.P.Murali Krishna**

*Research Scholar,Rayalaseema University,Kurnool,AP.

**Professor,SKIM,Sri Krishnadevaraya university,Anantapur.

Abstract

Employee engagement has become hot topics in the world of human resources. A number of things are required by organizations to be competitive including physical resources, financial resources, marketing capability, and human resources. The factor most likely to provide potential competitive advantage is human resources and how these resources are managed. Production, technology, financing, and customer connections (marketing) can all be copied. The basics of managing people can also be copied, but the most effective organizations find unique ways to attract, retain, and motivate employees a strategy that is more difficult to imitate (Fisher et al., 2006) Success stories of professional business organizations have been scripted on contributions made by engaged employees. Engaged employees profoundly express themselves physically, cognitively and emotionally during their role performances in the organization. They act as drivers of financial and market success. They give stellar performances by trying to broaden themselves and continuously striving to outperform and set new standards of excellence. Owing to this, enhancing employee engagement has gained impetus in business organizations across the globe.

Employees are engaged when they show commitment towards the organization, exhibit organization citizenship behavior, get involved in their job and are psychologically and physically empowered. Today competitors can imitate the performance of the service provided but they cannot replicate the vitality, dedication and fascination of their employees at the place of work. The present study is focusing on best practices of employee engagement practices in Indian organisations. The secondary data are used for this study. Employee engagement should be a key component in an organization's talent management strategy. Given all the benefits of an engaged, productive, and loyal workforce, organizations have a lot to gain by embracing the power of engagement.

Key Words: Employee Engagement, Workforce, Competitive Advantage, Strategy.

Introduction

Employee Engagement is one of the most recent areas of research in management. It is the basis for any organization's success. Organizations integrate employees by implementing policies and practices that embed values and by managing communicative supportive behavior. The Engaged work force shows it's physical and mental commitment, generates energy on the roles to be performed and gives productivity to a maximum extent which helps in achieving overall business goals. Success stories of professional business organizations have been scripted on contributions made by engaged employees. Engaged employees profoundly express themselves physically, cognitively and emotionally during their role performances in the organization. They act as drivers of financial and market success. They give stellar performances by trying to broaden themselves and continuously striving to outperform and set new standards of excellence. Woodruffe (2006) contended that employees' engagement is contingent upon satisfaction of their needs by their employers. He categorized these needs as compensation package, job satisfaction, and employability potential. Furthermore, he highlighted that vertical and horizontal communication is a key facet of employee engagement.

Owing to this, enhancing employee engagement has gained impetus in business organizations across the globe. Employees are engaged when they show commitment towards the organization, exhibit organization citizenship behavior, get involved in their job and are psychologically and physically empowered. In addition to that they should embed healthy work culture and better cognitive dimensions, where they can get platforms to express their concerns and opportunities to grow and develop their potential. Today competitors can imitate the performance of the service provided but they cannot replicate the vitality, dedication and fascination of their employees at the place of work.



Objectives and Methodology of the study

The present study focuses the best practices and assessment of employee engagement in Indian organizations. The secondary sources like text books, journals, periodicals and internet are used for this study.

Employee engagement refers to a condition where the employees are fully engrossed in their work and are emotionally attached to their organization. Employee engagement does not mean employee happiness or satisfaction. Someone might be happy at work, satisfied with their job and their pay, but that does not necessarily mean they are working productively on behalf of the organization. So, it can be said that it is the emotional commitment with which the employee has been attached to the organization and to its goals. One can't achieve anything unless and until one is serious about it. An employee must be dedicated towards his work and should take it as a challenge. Work should never be monotonous which would then be felt as a burden by the individual. Employee engagement is closely linked to **employee turnover, customer satisfaction, loyalty, productivity, safety and profitability criteria** (Harter, Schmidt and Hayes 2002). The construction mass of any organization are its employees. The importance of employees nowadays is largely being felt by the organizations all across the globe. For instance, the belief of 'Customer First' is now being replaced by 'Employee First' (Nayar, 2010). The key reason behind this thought is that – without employees or to be specifically saying engaged employees; the organization functions like a body without a soul. Employing of the organization's intellectual capital is readily being established as the foundation of competitive advantage (Becker & Huselid, 1998; Buckingham & Vosburgh, 2001), EE is the answer to the successful navigation of problems and building intellectual capital in the organizations. It is very much an organization's self interest that can build wealth as fast as discontented one can destroy it.

Catlette and Hadden (2001) have put it this way that an organization's self-interest and awareness can bring about wealth and foster development; on the contrary displeased employees can cause the maximum damage and destruction. Here the idea is to bring about awareness among the employees so that they are committed to the work entrusted and motivated towards themselves and others, full of vigor and energy levels, and to become an enthusiastic problem solver. Engaged employees display cognition and emotion towards the job and the accomplishment thereof, as they are engrossed in their work, put their heart up their sleeves, display excitement about the work role, exercise energy in their work, and are, therefore, the basis of competitive advantage for the organization (Katzenbach, 2000). The unrestricted endeavor which an employee displays towards the organization or towards her/his colleagues is her/his sole prerogative (Catlette & Hadden, 2001). The engaged employees are more likely to exhibit unrestricted endeavors' (discretionary behavior) and augment individual performance (Corporate Leadership Council, 2004). They are less likely to experience cynicism and exhaustion. Further, an employee who is engaged at work will consistently perform in an outstanding fashion, always achieving new heights of excellence (Harter et al., 2002). Towers Perrin (2003) survey affirms that the alignment of the company programs and practices in order to drive the opportunity conduct from the employees is the necessary step in bringing forth EE in the organization having taken the step the organization then positions itself to comprehend an appropriate return. The Towers Perrin (2003) report also emphasize about the necessity of the organizations to give attention to the factors that influence engagement like reasonable remuneration, work life balance, self-actualization opportunities, reasonable competitive benefits, enriching work, supportive employer, and their reputation thereof, ability of co-workers, etc. (Beauchesne, 2005).

Employee engagement was defined as 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" (Gibbons, 2006). Soldati (2007) analyzed.

Gibbons's work to conclude that eight drivers of employee engagement included

Trust and integrity – how well managers communicate and walk the talk?

- Nature of the job –Is it mentally stimulating day-to-day?
- Line of sight between employee performance and company performance –
- Does the employee understand how his work contributes to the company's performance?

- Career Growth opportunities – Are there future opportunities for growth?
- Pride about the company – How much self-esteem does the employee feel by being associated with the company?
- Co-workers/team members – How do they significantly influence one's level of engagement?
- Employee development – Is the company making an effort to develop the employee's skills?
- Relationship with one's manager – Does the employee value his or her relationship with his or her manager? (Soldati, 2007, para. 7)

Many dimensions associated with employee engagement have been described in the discussion. However, despite these differences, there seems to be a commonality in the dimensions/constructs associated with employee engagement. Synthesis of the information accrued in the literature review process suggested that dimensions associated with employee engagement fall into one of the following five categories:

- 1) Alignment with the organization,
- 2) Management effectiveness,
- 3) Salary and compensation,
- 4) Communication, and
- 5) Opportunity for development and recognition.

Aon Hewitt defines engagement as the psychological state and behavioral outcomes that lead to better performance. The Aon Hewitt Engagement Model below examines engagement outcomes as Say, Stay and Strive. Engaged employees:

Say—speak positively about the organization to coworkers, potential employees and customers;

Stay—have an intense sense of belonging and desire to be a part of the organization; and

Strive—are motivated and exert effort toward success in one's job and for the company.

We also examine the work experience indicators that have an impact on engagement. These are the engagement drivers within management control—brand, leadership, performance, the work, the basics and company practices. Finally, we include the business outcomes that often result from strong engagement drivers and higher employee engagement levels. Our research has consistently found that companies with higher engagement levels also have better talent, operational, customer and financial outcomes.

The Aon Hewitt Employee Engagement Model





Employee engagement and workforce perceptions data in this report come from Aon Hewitt's five-year rolling Employee Research Database and represent the views of over 7 million employees across more than 6,000 companies in 68 industries and 155 countries.

The common best practices of Employee engagement

1. Set "Top Five" High Level Annual Priorities Many leaders today are overwhelming the people they lead by trying to do too much. Both individually and as a team, set no more than five high level challenging but achievable annual priorities that are aligned with your vision and mission. If you go beyond five high level annual priorities, it will diminish focus and effective execution by tending to overwhelm those responsible for implementation. One day each week, review your weekly plans to see that they are aligned with your top five.

2. Know Their Stories Take time to get to know the people you work with, especially your direct reports. Have coffee or a meal with them. Ask questions to learn about their lives and what's important to them. Questions unrelated to work might include "so you were born and then what happened?"; "what are your interests outside of work?"; and "where did you grow up?" These questions typically open the door for you to ask follow-up questions. This will give you insights into how the people you work with are wired, including what they value at work and in their lives outside of work.

3. Help People Get Into the "Right Role" Help your direct reports get into the right role that fits their interests and strengths, and provides the right degree of challenge. If you are not able to get them a role that is a good fit, consider responsibilities or projects you can assign them that fit well with their wiring.

4. Develop the Habit of Emphasizing Positives The psychologist Barbara Frederickson found that individuals in the workplace were healthier at higher ratios of positive to negative emotions. Leaders boost positive emotions by providing affirmation and recognition. They should develop the habit of looking out for ways to affirm and serve the people they lead. Do this by looking for task strengths and character strengths. Task strengths reflect the excellence of someone's work. Character strengths reflect the way someone goes about his/her work. For example, a leader might affirm an individual by saying "Nancy, that was an outstanding website you created. The navigation design was easy to use, the writing was easy to understand and the color scheme was beautiful." He or she might affirm Nancy's character strengths by saying, "Nancy, I appreciate the way you persevered to make our new website happen. You showed wisdom and humility in seeking the ideas of others and applying the best ideas to the design of our new website. Very nicely done!"

5. Provide Constructive Feedback in a Constructive Way When providing feedback to help someone improve, always communicate it in private, be respectful in your tone of voice and volume, and begin with three positive things you like about his/her work or character. After sharing the three positives, say "I believe you would be even better if... [insert what you want them to do or stop doing]." Kindness matters and the approach you take will affect how the person receives the feedback.

6. Provide Autonomy in Execution Monitor progress and be available to help your direct reports, but refrain from "micro managing" unless they ask for specific help. Favor guidelines rather than rules and controls, and let people know that you are available if they have questions or would like you to be a sounding board. This meets the human need for autonomy and allows people to experience personal growth.

7. Hold In-Person Meetings and Regularly Check-In Good relationships are maintained by staying in touch. British Prime Minister Winston Churchill understood this. Historians have found more than 1,700 letters, notes and telegrams that Churchill wrote to his wife so that they would remain connected. Take a page from Churchill's playbook. With your direct reports, stay connected by meeting weekly with them in person, if at all possible. If you cannot meet weekly, use "check-ins" – phone calls, emails, text messages – to help keep you connected. To stay connected with people who work remotely, regularly call or Skype them. Remote work can be lonely and



people should feel you are on their team and want to help them achieve their potential. Besides work issues, inquire about how they are doing personally, too.

Best Practices In Assessing Employee Engagement

1. Choose the Right Survey Tool

Most engagement survey solutions available today take a one-size-fits-all approach. While they accommodate and measure elements of engagement that are part of a key driver analysis, there is no careful tailored prescription for the workforce in question. Therefore, while the organization might be measuring engagement, it might not be measuring the things that are important to its own diverse populations.

For example, numerous studies have shown that ‘Millennials’ (those, who in 2012 are in their twenties or mid-thirties) like to be recognized frequently; even several times each day. To some tenured employees, including supervisors, managers and executives, such frequent, positive re-enforcement might be viewed as an indulgent and unrealistic expectation. But American culture has shifted dramatically over the years, causing workforce culture to change as well. For instance, Millennials have grown up in an era where thirteenth-place ribbons actually exist. To attract and engage this new generation, company recognition efforts must keep up with the times. The first driver of engagement for Millennials is job content – the ability to do what I do best. The second driver of engagement for that generation is senior management’s relationship with employees. The third driver of engagement for Millennials is working for a green, eco-friendly company as well as for an organization that gives back to its community. The variances between Millennials and the general workforce are real, as are the differences between other demographic cohorts, and even between employees in one industry or geography versus another. Most employee engagement surveys are not tailored to measure these variances.

2. Embrace the Benefits of Joint Ownership of Engagement

Many organizations continue to ignore the need to empower both managers and employees and often fail to effectively drive engagement from both sides of the fence. Research has found that most organizations are focused on only one side of the engagement equation while the other half, employee ownership, is not being measured and therefore not being managed. The responsibility for improving employee engagement should not fall solely on management. Rather, the driving force of workplace engagement should be shared between managers and employees.

To address and correct this imbalance, measure employee engagement from an enterprise-wide perspective but also from the individual perspective. Employees should know and understand the broad drivers of employee engagement but also understand their personal drivers. Those drivers may be the same but are likely to be prioritized differently. Choose survey and assessment tools that provide both types of reports and data. For the employee, a fully-confidential report that highlights their level of engagement (Actively Engaged, Ambivalent, or Actively Disengaged) and also makes useful subject-specific suggestions on how they can enhance their own engagement in the workplace is recommended.

3. Maximize the Potential of Obtaining Empirical Data Rather than Subjective Data

Organizations should use a third-party vendor to administer their surveys. Third party vendors are neutral and have no stake in the results, their findings are not likely to be influenced, consciously or not, by organizational forces. Vendors should be selected for their process rigor and survey construct validity, for example, the use of scientifically structured surveying scales (e.g., a Likert scale) to retrieve accurate results. According to Wikipedia, construct validity refers to whether a scale measures or correlates with the theorized psychological scientific construct (e.g., “fluid intelligence”) that it purports to measure. In other words, it is the extent to which what was to be measured actually was measured. Unfortunately, many organizations that administer their surveys in house have never conducted a construct validity analysis and as such are probably dealing with a fairly errant survey with statistical error rates that are above the norm.

Even where an organization has the in-house expertise to devise a valid survey, then conduct, collect and analyze the data, it may not have external data against which to compare the results. Normative databases allow



organizations to compare their survey results against companies in their industry and across industries and against Best-in-Class organizations. Third-party vendors, on the other hand, are likely to have up-to-date benchmarking data. Moreover, some third party vendors offer online action planning systems which provide access to a comprehensive and continually-updated knowledge library of field-tested best practices for increasing engagement and retention.

4.Track Metrics to Demonstrate Performance Improvements Correlated to Improved Employee Engagement

Since the concept of employee engagement took root more than a decade ago, researchers have conclusively shown that engagement is positively correlated to operational budget, revenue, and even stock performance. In other words, organizations that maximize employee engagement outperform their competitors on the financial metrics that matter; it is for this very reason that engagement has seized the attention of C-level executives. Despite the available evidence, organizations should track the same performance metrics for their own efforts. This will make continuous improvement possible, including the ongoing adjustments and fine-tuning that are required to keep an engagement program relevant year after year. The following metrics are readily available or obtainable in most organizations and can be linked closely to engagement. Bear in mind that individual engagement survey results should be strictly confidential. However, that does not prevent organizations from tracking the following metrics:

Retention: Map the retention rates of Actively Engaged, Ambivalent, or Actively Disengaged employees to retention (or attrition) rates.

Performance: Map the performance rates (based on performance reviews or actual performance in the case of sales and other employees) to Actively Engaged, Ambivalent, or Actively Disengaged employees

Employee Referral Rates: Engaged employees are more likely to recommend/speak positively of their organization to friends and family (i.e., referrals for job candidates and potential clients). Track employee referral rates against Actively Engaged, Ambivalent, or Actively Disengaged employees

Absenteeism: Engaged employees are absent less often. Track rates of absenteeism against Actively Engaged, Ambivalent, or Actively Disengaged employees.

Customer Engagement: Engaged employees are linked to satisfied customers/patients at a correlation coefficient of .85 (i.e., customer/patient satisfaction). Chart organizational engagement scores against customer engagement scores (or satisfaction scores as the case may be).

Financial Performance: Engaged employees create engaged customers who drive revenue and profits. Track engagement scores against revenue and profit as well. Attempt to allow for outside factors and influences. Just as improvements in revenue that follow improvements in engagement should not be attributed entirely to engagement, the reverse is also true.

5. Translate Data into Action

1. Openly communicate the results of the engagement survey to highlight the strengths and link the areas in need of improvement with specific action plans
2. Encourage department heads to meet with supervisors in their department to discuss/clarify the survey results and design a plan for action
3. As the implementation process unfolds and changes take place, send periodic updates to employees regarding the status of the action plan items
4. Incorporate branded stamps on post-survey actions to demonstrate the organization's commitment to acting on employee feedback
5. Make managers accountable for action planning
6. Explain to employees that they play an active role in developing action plans
7. Measure the results of the action plan
8. No more than three months after the action plans have been implemented, the organization should measure the results and then repeat at regular intervals.



6. Other Ways to Improvement Engagement

Organizations should promote the importance of confidentiality in their employee surveys so workers will feel comfortable about being open and honest with what they would like to see improved throughout their organization. This doesn't mean that the data can't be used to gather important insights. Where reports will be made generally available, organizations should report on the data at a high enough level that individuals cannot be identified or even guessed. Where individual engagement data is used by the organization (i.e., to map engagement to performance) it should be kept confidential.

Feedback sessions hold the key in further uncovering why employees responded a certain way in their employee survey. Regular action planning meetings between managers and their direct reports ensure that a clear, concise plan can be established for acting on the survey results and improving engagement levels. The crux of employee engagement is at the front-line, immediate supervisor level. Supervisors and front-line managers should be encouraged to drive employee engagement, and be recognized and rewarded for improvements or held accountable when engagement slips.

Conclusion

It is vital that organizations get the first steps right in measuring employee engagement if they are to correctly diagnose their workforce and make positive changes. Selecting the right survey tool, administering it properly and then interpreting the results correctly are pre-requisites to knowing what interventions to make in order to drive engagement.

We are at an inflection point. Economic, technological, demographic and social forces have put pressure on businesses in unprecedented ways. The change is accelerating—not slowing down. Standing still is not an option for most companies with regard to the talent agenda. Beyond attracting and retaining necessary talent, engaging talent in the right behaviors for future business challenges will be a point of focus. Adaptability, agility, speed, relevance and incremental value are at the center of an evolving employee value proposition. These are the required traits of high performing companies in the market as well as what employees and leaders will be required to deliver. The trends in this report, our analysis of best employer organizations and our work with companies that have achieved strong engagement results offer some insights for making engagement happen.

References

1. Adair, C., Morewitz, C., Oehler, K., Parker, S., Roberts, D., Rubin, D. and Smith, R. (2013, April 12). "Employee engagement linkage to business performance: Best practices and implications." Presented at the Society for Industrial and Organizational Psychology Annual Conference, Houston, Texas.
2. Becker, B. E., & Huselid, M. A. (1998, July). Human resources strategies, complementarities, and firm performance. In Academy of Management Annual Meeting, Boston, MA. Abstract retrieved from [http://mgt.buffalo.edu/departments/ohr/becker/publications/Human Resources Strategies. pdf](http://mgt.buffalo.edu/departments/ohr/becker/publications/Human%20Resources%20Strategies.pdf).
3. Buckingham, M., & Vosburgh, R. M. (2001). The 21st century human resources function: It's the talent, stupid!. *People and Strategy*, 24(4), 17.
4. Fisher, C.D., Schoenfeldt, L.F., & Shaw, J.B. (2006). *Advanced human resource management*. Boston, MA: Houghton Mifflin Customer Publishing.
5. Gibbons, J. M. (2006). *Employee engagement: A review of current research and its implications*. New York, NY: The Conference Board Inc p.4.
6. Hadden, R., & Catlette, B. (2001). Contented cows give better milk.
7. Harter, J. K., Schmidt, F. L., & Hayes, T. L. (2002). Business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes: a meta-analysis. *Journal of applied psychology*, 87(2), 268.
8. Harter, J.K., F.L. Schmidt & T.L. Hayes (2002). Business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes: A meta-analysis. *Journal of Applied Psychology*, 87 (2), 268- 279.
9. Katzenbach, J. R. (2000). *Peak performance: Aligning the hearts and minds of your employees*. Harvard Business Press.



10. Nayar, V. (2010). *Employees first, customers second: Turning conventional management upside down*. Harvard Business Press.
11. Roberts, D. (2013) "Using Engagement Analytics to Improve Organizational Performance." *Employee Relations Today*. Wiley Periodicals.
12. Soldati, P. (2007, March 8). Employee engagement: What exactly is it? *Management - Issues*. Retrieved from <http://www.managementissues.com/2007/3/8/opinion/employee-engagement-what-exactly-is-it.asp>
13. Towers Perrin Talent Report U.S Report. [Online] Available:
14. Woodruffe, C. (2006). The crucial importance of employee engagement. *Human Resource Management International Digest*, 14(1), 3-5.