

A STUDY OF THE PREVALENT EMPLOYEE ENGAGEMENT MODELS IN THE INDUSTRY

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Engagement is about creating opportunities for employees to connect with their colleagues, managers and wider organization. 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. The demographics of the workplace has vastly changed in the 21st century; with strong aspects of multi-generational workforce, dominating work values and characteristics through their specific attitudes, perceptions and learning processes. The expectations and expressions of the diverse workforce differ significantly resulting at times in organizational conflicts; challenging both management styles and practices related to managing generational differences across organizations. The short supply and huge demand for talent globally necessitate corporate leadership to better connect with and engage all members of the workforce. Organisations are making efforts to choose the right model suitable for their industry. The present work is an effort to study the employee engagement model prevalent in the industry and develop the structure of approach to employee engagement practices and drivers, to achieve HR advantage in dynamic environment of globalization on fact finding process. The research, guidelines, examples provided in this report—as well as the annotated bibliography—can help to weigh the options and to craft an investment plan that will best suit organization's unique circumstances.

Keywords: Employee Engagement, Human resource, Environment.

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INTRODUCTION

Employees are entities, each unique as snowflakes or grains of sand. But, then again employees are persons, possessing common desires in unique proportion. People want to get things done, with others they like, and they want to gain respect, influence and control of their lives. They also want to be able to turn off the cell phone from time to time. Engagement drivers have been the subject of exhaustive research. Opinions differ and diverge, but the drivers distil into four distinct elements:

- Achievement - Getting things done
- Affiliation - Associate with others
- Affluence - Power, respect, control, influence
- Autonomy - Work-life balance, freedom

There are many employee engagement models in the market and each provider claims that their model is based on empirical research. For this, however for each organization that undertakes this, they appear to arrive at different conclusions. It is a known fact, that no two organizations are the same and that the prevailing culture makes a great deal of difference in the results. This study is an effort to collect various models prevalent and prepare a literature review for the convenience of the HR practitioners to analyse the drivers and derive a suitable model for their own organisation. The motive is that this study should be a preliminary document and information resource for a potential future researcher, who may be interested in understanding Indian generation Y employees and employee engagement model which is most suitable in engaging them across Indian organizations.

RESEARCH OBJECTIVES

1. To study literature related to employee engagement models.
2. To analyze the employee engagement drivers prevalent in the Industry.
3. To find out the most prevalent driver's for today's environment.
4. To find out the most suitable and prevalent model for today's environment.

RESEARCH METHODOLOGY

Good research design will anticipate competing explanations before collecting data so that relevant information for evaluating the relative merits of these competing explanations is obtained. In this research the literature related to the topic will be studied and analysed to understand the approach of various organizations worldwide and the information collected will be the basis of generalizing the hypotheses. It will be a descriptive or analytical research design as this research approach is to study the prevalent employee engagement models in today's Industry.

LITERATURE REVIEW

Concept of Employee Engagement

The extent to which employees commit to something or someone in their organization, how hard employees work and how long they stay as a result of their commitment is known as employee engagement. Employers want employees who do their best work or 'go the extra mile'. Employees want jobs that are worthwhile and that inspire them. More and more organizations are looking for a win-win solution that meets their needs and those of their employees. What they increasingly say they are looking for is an engaged workforce.

It goes beyond job satisfaction and is not simply motivation. Engagement is something the employee has to offer: it cannot be 'required' as part of the employment contract. Engagement is distinctively different from employee satisfaction, motivation and organizational culture. Employee engagement was described in the academic literature by Schmidt et al. (1993). A modernized version of job satisfaction, Schmidt et al.'s influential definition of engagement was "an employee's involvement with, commitment to, and satisfaction with work. Employee engagement is a part of employee retention." This integrates the classic constructs of job satisfaction (Smith et al., 1969), and organizational commitment (Meyer & Allen, 1991).

Engaged employees care about the future of the company and are willing to invest discretionary effort. Engaged employees feel a strong emotional bond to the organization that employs them

(Robinson,2004), which results in higher retention levels and productivity levels and lower absenteeism. When reliably measured, positive employee engagement can be causally related or correlated to specific positive business outcomes by workgroup and job type. Scarlett Surveys 2011, refers to these statistical relationships as engageonomics.

Employee Engagement Drivers

The top 10 employee engagement drivers that leaders must focus on are:

1. Confidence in the organization's future
2. A promising future for oneself
3. Organization supports work- life balance
4. Contribution is valid
5. Excited about one's work
6. Opportunity for growth and development
7. Safety is a priority
8. Leadership has communicated a motivating vision
9. Organization's corporate social responsibility efforts increase overall satisfaction
10. Quality and improvement are top priorities

The four overall factors that consistently drive employee engagement are:

- Leaders who inspire confidence in the future
- Managers who recognize employees and emphasize quality improvement
- Exciting work with the opportunity for growth and development
- Organizations that demonstrate a genuine responsibility to their employees and communities

The Top Tens of Employee Engagement

The top10 ways to engage Gen X and Gen Y employees are:

1. **Recruiting.** Be straightforward and honest. Don't over promise and under deliver. Set clear expectations, clearly define goals, implement management development programs, and share organizational values and beliefs from day one.
2. **Meritocracy not hierarchy.** Consider changing the structure of your organization to a flatter model with less hierarchy and more rewards based on merit and performance, not tenure and title.
3. **Corporate citizenship.** They seek careers that allow opportunity for social significance.
4. **Outside the box benefits.** Adopt a variety of wellness programs such as flexible spending, paternity leave, adoption assistance, or health club discounts.
5. **Work life Balance.** If work can be done at home, or a conference call can be held while at a soccer game for their children, allow that flexibility.
6. **Coaching and communication.** Add a structured coaching or mentoring program to your organization. Communication often leads to innovation, increased trust, and engagement.
7. **Tap into technology.** Don't shy away from new technologies that help contribute to work life balance.
8. **Connectedness.** Gen X and Y need to feel connected to the organization to remain engaged, allow access to and input from your Gen X and Y non executive employees as well.
9. **Comfort with diversity.** Implement affinity groups, put forth diversity initiatives, change up the organization chart and add diversity to your leadership mix.
10. **Make it fun.** Gen X and Y expect to bring their full selves to work. Create a fun "bring your full self and be who you are" culture.

MODELS OF EMPLOYEE ENGAGEMENT:

1. Kahn (1990)

Given the limited research on employee engagement, there has been little in the way of model or theory development. However, there are two streams of research that provide models of employee engagement. In his qualitative study on the psychological conditions of personal engagement and disengagement at work, Kahn (1990) interviewed summer camp counselors and organisational members of an architecture firm about their moments of

engagement and disengagement at work. Kahn (1990) found that there were three psychological conditions associated with engagement or disengagement at work are meaningfulness, safety, and availability.

2. Maslach et al.(2001)

The other model of engagement comes from the burnout literature which describes job engagement as the positive antithesis of burnout noting that burnout involves the erosion of engagement with one's job (Maslach et al., 2001). According to Maslach et al.(2001), six areas of work-life that lead to burnout and engagement are workload, control , rewards and recognition, community and social support, perceived fairness, and values. Like burnout, engagement is expected to mediate the link between these six work-life factors and various work outcomes.

3. Cropanzano and Mictchell, 2005

A stronger theoretical rationale for explaining employee engagement can be found in Social Exchange Theory (SET). SET argues that obligations are generated through a series of interactions between parties who are in a state of reciprocal interdependence. A basic tenet of SET is that relationships evolve over time into trusting, loyal, and mutual commitments as long as the parties abide by certain "rules" of exchange (Cropanzano and Mictchell, 2005). Rules of exchange usually involve reciprocity or repayment rules such that the actions of one party lead to a response or actions by the other party. For example, when individuals receive economic and socio emotional resources from their organisation , they feel obliged to respond in kind and repay the organisation (Cropanzano and Mitchell, 2005).

4. Black Box' model produced by Bath University

The CIPD (Chartered Institute for Personnel and Development) report 'Creating an engaged workforce' considers some of the organisational issues that contribute to - or inhibit - employee engagement in different organisational settings. Employers want engaged employees because they deliver improved business performance. The high performance or 'black box' model produced by Bath University builds on the psychological contract but

emphasises the role of line managers in creating conditions under which employees will offer 'discretionary behaviour'. The model recognises that employees have choices and can decide what level of engagement to offer to the employer.

5. Employee Perception Survey (EPS) model

The EPS model of few companies is based on industry research (Corporate Leadership Council CLC Model of Employee engagement). EPS model, which is given below, measures the following:

Overall Engagement constitutes of six aspects

- Discretionary Effort
- Intent to Stay
- Advocacy
- Pride
- Good Company
- Emotional Commitment

16 Drivers which Impact Engagement

1. Manager Quality
2. Senior Executive Team
3. Day to Day Work – Resources
4. Role
5. Rewards
6. Work Life Balance
7. Org Culture
8. Innovation
9. Communication
10. Customer Focus
11. Diversity
12. Fairness
13. Team
14. Training & Development
15. Wipro Values
16. Health and Safety

Effect of Employee Engagement on Performance

An SHRM(Society for Human Resource Management) new global employee engagement study in 2006 surveyed 664,000 employees from around the world and found almost a 52% gap in the yearly performance improvement in operating income between organizations with highly engaged employees and organizations having employees with low engagement scores. Again, a meta analysis of over 7939 business units in 38 companies revealed the relationship between employee satisfaction, engagement and the business unit outcomes of customer satisfaction, profit, productivity, employee turnover and accidents (Nowack, 2006). Employee engagement has been linked to superior performance and higher levels of organizational commitment by a number of researchers (Woodruffe, 2006; Lockwood, 2006). Luthans and Peterson (2002) state that Gallup has empirically determined employee engagement to be a significant predictor of desirable organizational outcomes, such as customer satisfaction, retention, productivity and profitability. It was found that employees scoring high on engagement (top 25%) performed better in the areas of sales, customer complaints & turnover in comparison to the employees scoring low on engagement score (bottom 25%) (The Gallup Organisation, 2004). The Corporate Leadership Council (CLC) survey revealed that employee engagement leads to 57% improvement in discretionary efforts (Corporate Leadership Council, 2004). The CLC contends that emotional engagement has four times the power to affect performance as compared to rational commitment. In Japan, where only 9% of the workforce is engaged, the lost productivity is \$232billion (The Gallup Organization , 2004). Engaged employees within an organization provide a competitive advantage to organizations (Joo& Mclean, 2006 Engaging employees especially by giving them participation, freedom, and trust is the most comprehensive response to the ascendant post industrial values of self realization and self actualization". Employee engagement has also been found to bring benefits at the individual level. A research was done by Britt, Adler and Bartone (2001). In a comprehensive review of literature on employee engagement, Stairs et al. (2006) point out that employee engagement has also been linked with higher employee retention (DDI, 2005; Harter, Schmidt and Keyes, 2003; Wright & McMahan, 1992), greater employee effort and productivity (Corporate Leadership Council, 2004), increased sales (HayGroup, 2001), greater income and turnover (Maitland, 2005; ISR, 2006; Harter et

al.2003), greater profitability (Harter et al.2003), and faster business growth and higher likelihood of business success (Hewitt Associates, 2004).

CONCLUSION

HR need to become more dynamic and adaptive for unique category generation Y. Literature review and previous studies done in the context of Indian organisations highlight that while a lot of studies have been initiated and conducted in the cultural context, leadership and work values, almost minimal research has been initiated in the context of generational perspectives; whether multi-generational or with focus on a particular generational cohort. This is surprising given that with increase in life expectancy almost 3 generations (Baby Boomers 1945-1962, Generation X, 1963-1979 and Generation Y, 1980-2000)are working alongside in the work domain across major Indian organizations. Which means that if the majority population of a particular generation shares similar work values and preferences regarding work setting and characteristics, then it is bound to impact their expectations from the workplace in turn impacting organizational practices (specifically HRM practices) in managing and engaging such a new age workforce. HR need to become more dynamic and adaptive to reach all generations, but to identify ways to translate this into action, worldwide for unique category: Generation Y which is destined to dominate the work place in coming decade. The EPS model discussed in the study is based on industry research (CLC Model of Employee engagement). This EPS model, given is a very well researched and planned model of employee engagement and gives extensive drivers suitable to today's Gen Y to measure their expectations and engagement needs.

RECOMMENDATION

Engaged employees can help your organization achieve its mission, execute its strategy and generate important business results. This report has highlighted ways in which different HR practices, including job design, recruitment, selection, training, compensation and performance management can enhance employee engagement. These examples also show that employee engagement is more complex than it may appear on the surface. Organizations define and measure engagement in a variety of different ways, suggesting there is no one “right” or “best”

way to define or stimulate engagement in your workforce. The decision to invest in strengthening engagement or commitment (or both) depends on an organization's strategy and the makeup of its workforce. For these reasons, it is vital to consider your own organization's view of engagement, as well as its strategy and workforce composition when deciding which HR practices will receive scarce investment dollars.

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ANNEXURE

Table 2: Generation Population World.

Generations	Population	% of World Population
Gen Y: 15-29 years old	1,723,911,077.00	25.47
Gen X: 30-44 years old	1,442,951,791.00	21.32
Baby Boomers:45-64 years old	1,233,836,150.00	18.56
Traditionalists:65-74 years old	316,330,067.00	4.67

Source: U.S. Census Bureau, International Database, 2011