

Employee Engagement -A review of contemporary thinking from business perspective

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Abstract

The main aim of the present research paper is to understand employee engagement in Human Resource Management and to organize literature review on employee engagement concept which is frequently used in HRM. Creating the engagement plan will help management to leverage financial aspects and to engage their employees in a better manner as well as becoming more engaged themselves. Researching engagements prior to creating the engagement plan helped to identify potential resources to utilize in the plan. This review provides simplicity on the meaning of employee engagement and how managers can apply this research to their employees' engagements. This initial literature review helped to articulate meaning, definitions and possible outcomes of employee engagement view. The study focuses on the concept of Employee Engagement (EE) and how that concept is twisted to use in business houses from management perspective. This paper is based on secondary data. The data and information is collected from different books, journals and websites. The study can be eye opener for understanding idea of Employee Engagement to achieve business goals and objectives.

1. Introduction:**Meaning of Employee:**

An employee is an individual or person who works for an employer or a company under a formal agreement, typically in exchange for wages, salary. The employee-employer relationship is governed by a contract, whether written or implied, which outlines the terms and conditions of employment. Employees are an essential part of an organization, and they contribute their skills, time, and effort to carry out various tasks and responsibilities assigned to them by their employer. They work within the organizational structure, following the policies, procedures, and guidelines set by the company.

Some key characteristics of employees include:

- i) Working under the direction and control of the employer: Employees generally follow instructions and guidelines provided by their supervisors or managers.
- ii) Receiving regular compensation: Employees are compensated for their work, usually through a regular paycheck or salary.

iii) Entitlement to certain employment benefits: Employees may be entitled to various benefits viz health insurance, retirement plans, paid leave, and other perks offered by the employer etc.

iv) Employment taxes and contributions: Employers typically withhold taxes from an employee's salary and may contribute to social security or other benefit programs on their behalf.

In contrast to employees, there are also independent contractors who work on a contract basis and are not considered regular employees. Independent contractors usually have more control over their work and may be responsible for paying their taxes and benefits. The classification of a worker as an employee is essential for legal and tax purposes and may vary depending on the country and its specific labour laws.

Concept of Engagement:

The term "engagement" may have various meanings which is based on the context in which it is used. Following are some common meanings of "engagement".

i) Emotional involvement or commitment: In personal relationships, engagement refers to the level of emotional involvement and commitment between individuals. It could be in the context of romantic relationships, friendships, or familial bonds.

ii) Involvement or participation: In a general sense, engagement refers to being actively involved or participating in an activity, event, or process. For example, employee engagement in the workplace means how invested and committed employees are to their work and the organization.

iii) Formal commitment to marriage: In the context of romantic relationships, an engagement can refer to a formal promise or agreement between two people to marry each other.

iv) Interaction with content or media: In the digital age, engagement often refers to the level of interaction and interest people have with online content, such as social media posts, articles, videos, or advertisements. High engagement indicates that people are actively responding, liking, sharing, and commenting on the content.

v) Military context: In a military context, engagement can mean a combat encounter or an interaction with an enemy force.

The meaning of "engagement" can differ based on the context in which it is used, but at its core, it usually implies some form of active involvement, commitment, or interaction.

2. Purpose of review:

For the purpose of continuing research wide-ranging work in the area of Employee Engagement, systematic review of the literature is required to seek and produce the contemporary thinking and evidence of the term Employee Engagement in Human Resource Management. This review for:

1. To explore definition of engagement in relation with practitioner, consultancy and from academic point of view.
2. To explore why Employee Engagement is more important in modern days.
3. To review what the current literature tells us their key types to engagement.

3. Literature Review:

What is Engagement?

At present, it is intermittent to find articles in the Human Resource without mentioning the word engagement. Even it is very difficult to keep this word away from Human Resource Management. At this juncture there is no clear and agreed definition of engagement and many researchers and practitioners describe the term in very different ways.

- 1) Mike Johnson, in his 2004 book entitled “The New Rules of Engagement”, wrote ‘the ability to engage employees, to make them work with our business, is going to be one of the greatest organisational battles of the coming 10 years’. Five years on and employee engagement is now a management hot topic and one which has quickly been absorbed into the HR agenda.
- 2) Levinson, 2007a; Cleland et al, 2008- there is an increasing awareness that employee engagement is pivotal to successful commercial and business performance, where engaged employees are the ‘backbone of good working environments where people are industrious, ethical and accountable’.
- 3) Martin and Hetrick, 2006 describes Engagement can affect employees’ attitudes, absence and turnover levels and various studies have demonstrated links with productivity, increasingly pointing to a high correlation with individual, group and organisational performance, a success measured through the quality of customer experience and customer loyalty.
- 4) Baumruk, 2006 reiterated that the Organisations with higher engagement levels tend to have lower employee turnover, higher productivity, higher total shareholder returns and better financial performance.
- 5) Towers Perrin 2007 found that organisations with the highest percentage of engaged employees increased their operating income by 19% and their earnings per share by 28% year-to-year. Highly engaging organisational cultures may also have an attractive employer brand, being an employer of choice, which attracts and retains the best talent.
- 6) Baumruk, 2006 By building a culture that enables employees to engage in their work, organisations may benefit from staff who are willing to go the extra mile and achieve better financial performance.

The definitions of Employee Engagement (EE):

In the present study the following definitions of EE are being discovered by well-known management thinkers, authors and experts. Employee Engagement-Definitions:

1) William Kahn's 1990 define "the harnessing of an employee's full self in terms of physical, cognitive, and emotional energies to work role performances." This definition was referenced by Bailey, Madden, Alfes, & Fletcher, 2017; Kinicki & Fugate, 2018; Rich, Lepine, & Crawford., 2010; Saks, 2006 time to time. Further from this definition it came to know that there are three energy components: cognitive, physical, and affective (emotional) is very important. The cognitive energy component may be allocated in professional or personal areas of life; on the professional side, job involvement is an excellent example of this. This definition, like the Kahn definition, is also broken up into three components: i. vigor, ii. dedication, and iii. absorption. The vigor component means, "high levels of energy and mental resilience while working or willingness to invest effort in work." The dedication component means "a sense of significance, enthusiasm, inspiration, pride and challenge." and the absorption component means, "fully concentrating on and being deeply engrossed in one's work." The said definition is always used to explain the opposite of employee engagement burnout-meaning, "a reaction to a chronic occupational stress characterized by emotional exhaustion, cynicism, and lack of professional efficacy."

2) According to Bruce Rich, "job involvement refers to the degree to which employees relate to their jobs as comprising their lives in total." An engaged employee will relate strongly to the job, and often think about work outside of the office. The other component is the affective energy component, Connors, which looks at the emotional reactions to our desire to fulfill needs and values. In a work-related wisdom and it can be taken to job satisfaction today.

3) Angelo Kinicki and Mel Fugate clearly defined job satisfaction as, "an affective or emotional response towards various facets of your job" which boils down to how emotionally connected the employee feels to job. If an employee is very emotionally tied to the job, will be more engaged. The last but equally important component is the physical energy component. Which is how much effort an employee employs into job, often measured by fundamental motivation. The term intrinsic motivation is that "the desire to exert effort on a task in the absence of external constraints or contingencies."

4) Rich et al., 2010 opinion that when an employee puts a lot of effort into the work without prompting, that employee is more engaged. When by putting all three components together, if an employee put his efforts cognitively with the job, become happy in working. When employee puts lots of energy into his or her work, then that employee would be very engaged. The engagement comes from a common investment of the various energies and maintaining it over time. When an employee is engaged, which will lead him or her to better performance and success. Finally, these three components are "hands, head, and heart work together we get full work performance."

5) Bailey outlines definitions that scholars in the field of engagement. He gave the example that, some think of engagement as a management practice, meaning that employers are viewing engagement as, “doing engagement” vs “being engaged.” This changes the paradigm from employees engaging themselves to employers engaging their employees. The other definition thinks about engagement as a reciprocity agreement.

6) Bakker and Demerouti define this as, “the transfer of positive or negative experiences from one person to the other.” The authors goes on to explain that, controlling demands and resources, engaged workers showed lots of optimism and positive affects towards coworkers, which created a positive group feeling and allowed everyone to work better as a team. Bakker found that the mood of the leader rubbed off on the individual team members, so when a leader was in a good mood, the team members were happy as well, which allowed them to cooperate better.

Why employee engagement in contemporary time?

Hukerby (2002, cited in Pech and Slade, 2006) suggested that 20% of employees in the UK are disengaged, having ‘mentally quit’, yet they continue to stay with the company. Even Tasker (2004) pointed out, there is an increasing trend of disengagement. 52% of organisations are doing anything about it, and 44 per cent of a study of 400 HR professionals considered tackling the issue to be an ‘overwhelming challenge’.

1) Kinicki & Fugate, 2018 explain that When employees are more engaged in their work, they tend to do a better job overall. According to Gallup, “engaged employees achieve 12% higher customer satisfaction, 18% more productivity, and percent great profitability. In many articles, there is no defined relationship between engagement and job performance, but many studies and researchers have supported a positive relationship.

2) Bakker and Demerouti state that engaged employees received higher ratings from co-workers on in-role and extra-role performance than their non-engaged counterparts. As we have learned so far, engagement is about maintaining and applying physical, cognitive and emotional energy to a work role.

3) According to Rich, “investing physical energy into a work role facilitates organizationally valued behaviors at a higher effort over time”. Investing cognitive energy allows the employee to focus more on tasks, and when people pay closer attention, they make fewer mistakes. Investments of emotional energy foster a better connection among co-workers towards organizational goals, and help the employee genuinely meet the emotional demands of the work. According to Rich, the more engaged employees are, “they Connors, should be more willing to step outside the bounds of their formally defined jobs and engage in acts that constitute OCB”.

4) Kahn and Schaufeli presented engagement in slightly different lights, they are similar. First, both definitions focus on how perceived work conditions, such as job resources and demands, and organizational support which can predict employee

engagement level. Second, when compared directly, each of the three components have a synonym in the other definition: the physical, affective, and cognitive components from Kahn's definition match respectively with vigor, dedication, and absorption from Schaufeli's definition. A dynamic employee will show high mental resilience and work with a lot of energy and effort, which is very physical. A dedicated employee feels a sense of significance about the job, and the affective component is all about fulfilling emotional needs at work. An absorbed employee is fully concentrating on the work and thinks very deeply about it, which shows cognitive energy. Finally, engagement emphasizes around creating a positive work experience for employees, so they can give their best effort to the management. as "a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption".

Overall, employees who are engaged in their work dedicate more energy at a greater intensity for longer periods, pay more attention to their work, and feel emotionally passionate about their work, which likely improves job performance. Employees perform better when engaged, but they are also willing to go further than their formal duties through organizational citizenship behaviors (OCB). OCB are actions by the employee that go above-and-beyond formal job duties to help the organization. Although not directly related to performing a task, these behaviors make working for the organization a little bit better. Engaged employees enhance the engagement of other employees through a process coined, "engagement contagion." Generally, engaged employees have better attitude towards their work and experience positive emotions. These emotions then influence those of their colleagues, which makes everyone more engaged. This then increases both performance and organizational citizenship behaviors across the company.

What are the types of Employees :?

1) Gallup (2006) proposed that employees can be divided into three types as per their level of engagement.

- 1) Engaged – means the employee who work with passion, feel a profound connection to their company. They drive innovation and move the organization forward.
- 2) Not engaged - The employees are essentially 'checked out'. Putting time but not energy or passion into their work.
- 3) Actively Disengaged - The employees just unhappy at work. The are showing busy acting and they are unhappiness. Every day, these workers undermine what their engaged co-workers accomplish.

4. Observations:

1) In recent years it has been seen that there is a significant shift in the employee-employer relationship. The organizations are facing significant challenges in their pursuit for business success with increasingly competitive markets, globalization, a volatile economic climate, demands for constant change and the war for talent.

- 2) In recent years the psychological contract is now different to what it once was; for many, there is no longer a job for life, and indeed redundancy is a very real possibility.
- 3) There is also evidence that expectations of employers and employees differ from those of the past. In increasingly turbulent times engagement may therefore be the 'deal- breaker' for organizations seeking sustainable success.
- 4) In these days some employees seek short- term careers in different organisations with the expectation that they will commit for the short- term and move on from jobs that are not satisfying, or simply use experience gained in one role as a steppingstone to another job.
- 5) It is observed that the Business Organizations want people to put in extra effort and generate innovative ideas to improve services and save money. The management of the business organization now need to recognise this shift and from rather using an autocratic management style, which is likely to disengage employees who seek more collaborative and empowering management and inhibit innovation and a willingness to exert extra effort.

5) Conclusion :

With the above definitions and answer to the given question, management should understand that to make their employees more engaged, they should supply them with the correct resources, and find employees who align with company values. It is found that an employee who is always engaged and always loves his or her job. There are certain challenges and therefore stress comes in. The management cannot avoid delegating challenges and hindrance demands to employees, they should find a healthy balance between "grunt work" which help the employee develop along the way. It is also important to understand how the social exchange theory works. The theory provides a strong foundation for building a lasting, trusting relationship where both the manager and employee engage themselves for the sake of the other. Management should also remember to be supportive of their employees both professionally and personally and provide rewards and recognition for a job well done. At the end management can and should start it becoming a sustained and prioritized component of the organization.

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