EMPLOYEE ENGAGEMENT: THE KEY TO A SUCCESSFUL SUSTAINABILITY PROGRAM

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ABSTRACT

Purpose – The purpose of this paper is to argue how four key HRM practices focused on engagement influence sustainable employment.

Design/methodology/approach – This conceptual review focuses on the research conducted through Scheduled Questionnaire conducted between various employees of print media industry of Bhopal, MP, showing interrelationships between employee engagement, organizational outcomes and competitive advantage and its effect on sustainable employment.

Findings – The authors conclude that HRM practitioners need to move beyond the routine administration of annual engagement surveys and need to embed engagement in HRM policies and practices such as optimum recruitment, performance management, and training and development.

Keywords - Organization effectiveness, Employee Engagement, Sustainable Employment, Recruitment

Introduction

Employees who are engaged in their work and committed to their organizations give companies crucial competitive advantages—including higher productivity and lower employee turnover. Thus, it is not surprising that organizations of all sizes and types have invested substantially in policies and practices that foster engagement and Sustainable Employment in their workforces.

Though different organizations define engagement differently, some common themes emerge. These themes include employees’ satisfaction with their work and pride in their employer, the extent to which people enjoy and believe in what they do for work and the perception that their employer values what they bring to the table. The greater an employee’s engagement, the more likely he or she is to “go the extra mile” and deliver excellent on-the-job performance.

Engaged employees may be more likely to commit to staying with their current organization. Software giant Intuit, for example, found that highly engaged employees are 2 times more likely to be high performers than less engaged employees. They are also five times less likely to voluntarily leave the company. Engagement and Sustainable Employment can potentially translate into valuable business results for an organization. To help you reap the benefits of an engaged, committed workforce at your organization, this report provides guidelines for understanding and measuring employee engagement, and for designing and implementing effective engagement initiatives. Everyday human resource practices such as recruitment, training, performance
management and workforce surveys can provide powerful levers for enhancing engagement.

The term “personal engagement”, individuals fully occupy themselves—physically, intellectually and emotionally—in their work role. whereas “personal disengagement”, employee uncouple themselves and withdraw from the role. How do people become personally engaged in their work activities? Why do they become more engaged in some activities than others? Scholars have proposed answers to these questions based on their studies of the psychology of Sustainable Employment.

Some experts define Sustainable Employment as both a willingness to persist in a course of action and reluctance to change plans, often owing to a sense of obligation to stay the course. People are simultaneously committed to multiple entities, such as economic, educational, family, political and religious institutions. People devote time and energy to fulfill their on-the-job responsibilities as well as their family, personal, community and spiritual obligations. Sustainable Employment also has an emotional component: People usually experience and express positive feelings toward an entity or individual to whom they have made a Sustainable Employment.

When an entity or individual to whom someone has made a Sustainable Employment fails to come through with the expected exchange, the Sustainable Employment erodes. Dramatic changes in the global economy over the past 25 years have had significant implications for Sustainable Employment and reciprocity between employers and employees—and thus for employee engagement. For example, increasing global competition, scarce and costly resources, high labor costs, consumer demands for ever-higher quality and investor pressures for greater returns on equity have prompted organizations to restructure themselves. At some companies, restructuring has meant reductions in staff and in layers of management.

Although restructuring helps organizations compete, these changes have broken the traditional psychological employment “contract” and its expectations of reciprocity. Employees have realized that they can no longer count on working for a single employer long enough to retire. And with reduced expectations of reciprocity, workers have felt less Sustainable Employment to their employers. Many companies, having broken both formal and psychological employment agreements, are struggling to craft effective strategies for reviving employees’ Sustainable Employment and thereby revitalizing their engagement.

10 Common Themes: How Companies Measure Engagement Employers typically assess their employees’ engagement levels with company-wide attitude or opinion surveys. A sampling of the criteria featured in such instruments reveals 10 common themes related to engagement:

- Personal support from one’s supervisor
- Effort above and beyond the minimum
- Understanding the link between one’s job and the organization’s mission
- Prospects for future growth with one’s employer
- Intention to stay with one’s employer
- Pride in employment with employer
- Satisfaction with employment
- Job satisfaction
- Opportunity to perform well at challenging work
- Recognition and positive feedback for contributions

This broad array of concepts has come to be labeled employee engagement by virtue of linkage research, which relates survey results to bottom-line financial
Workforce surveys will be covered in greater detail later in this report.

**Link between Employer Practices and Employee Engagement**

How does an engaged workforce generate valuable business results for an organization? The process starts with employer practices such as job and task design, recruitment, selection, training, compensation, performance management and career development. Such practices affect employees’ level of engagement as well as job performance. Performance and engagement then interact to produce business results. Figure 1 depicts these relationships.

![Figure 1: Relationships between Business Results, Employee Commitment and Employer Practices](image)

To engage workers as well as to benefit from that engagement, your organization must invest in its human resource practices. But just like other investments, you need to consider potential return—that is, to devote resources to the HR practices you believe will generate “the biggest bang” for your investment “buck.” We must weigh how much engagement and Sustainable Employment your company wants—and at what cost.

A person possesses various attributes such as knowledge, skills, abilities, temperament, attitudes and personality. He or she uses these attributes to accomplish work behaviors according to organization-defined procedures, by applying tools, equipment and/or technology. Work behaviors, in turn, create the products and services that make an organization successful. We classify work behaviors into 3 categories: those required to accomplish duties and tasks specified in a job description (prescribed behaviors), “extra” behaviors that an employee contributes for the good of the organization (voluntary behaviors), and behaviors prohibited by an employer (proscribed behaviors, including unexcused absenteeism, stealing and other counterproductive or illegal actions). Job performance occurs in an organizational context, which includes elements such as leadership, physical setting and social setting.

As employers broadened the scope of job responsibilities in flatter organizations with less management oversight, researchers also began looking at the social characteristics of work, including, feedback from others, interdependence of job roles and opportunities to get advice and support from coworkers. Analysis of work-design research revealed that social characteristics strongly influence both employee engagement and Sustainable Employment. Researchers have recently begun investigating job enrichment’s relationship to proactive work behaviors—those self-initiated “extra” contributions noted in many engagement definitions. Findings show that managers who provide enriched work (jobs that are high in meaningfulness, variety, autonomy and co-worker trust) stimulate engagement and enthusiasm in their employees. In turn, engagement and enthusiasm encourage employees to define their work roles broadly. Broad definition of job roles then enhances workers’ willingness to take ownership of challenges that lie beyond their immediate assigned tasks. These challenges inspire people to innovate and to solve problems proactively. Thus, job enrichment promotes engagement in both prescribed and voluntary work activities. Although somewhat preliminary, studies shed valuable light on how your organization might
design work to inspire employee engagement and Sustainable Employment.

**RECRUITING**

If a firm has designed jobs specifically to engage employees, then you’ll want to ensure that recruiting ads extol these positions’ attractive features—such as challenging work assignments, a highly skilled team environment or minimal supervision. The messages your organization conveys while seeking to attract job applicants also can influence future employees’ engagement and Sustainable Employment.

### RECRUITING FOR ENGAGEMENT AND SUSTAINABLE EMPLOYMENT

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<th>TO INCREASE ENGAGEMENT</th>
<th>TO INCREASE SUSTAINABLE EMPLOYMENT</th>
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<td>Target qualified applicants likely to find the work interesting and challenging.</td>
<td>For internal candidates Send recruiting messages that: Emphasize possibilities of movement/promotion to more desirable jobs, to signal Sustainable Employment reciprocity.</td>
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| Send recruiting messages that:  
  - Encourage those who are not suited to the work to self-select out.  
  - Extol attractive job features to enhance person-job fit. | For external candidates Send recruiting messages that:  
  - Recognize and address Sustainable Employment congruence (e.g., work-family balance.)  
  - Encourage those who are not suited to the organization to self-select out.  
  - Highlight the employer side of the exchange relationship—pay and benefits, advancement opportunities, flexible work hours. |

Employee Selection Once your recruiting efforts produce a pool of promising job candidates, you select among them to fill available positions. When you select the right individuals for the right jobs, your new hires carry out their work more smoothly and experience fewer performance problems.

To enhance engagement through your selection of employees, identify candidates who are best-suited to the job and your organization’s culture. Also use candidate assessment methods that have obvious relevance to the job in question—for example, by asking interviewees what they know about the role and having them provide work samples. Most candidates will view these techniques more positively than tests with less apparent relevance, such as integrity assessments and personality. Successful candidates feel good about having “passed the test,” and see your company as careful and capable for having selected them. A positive initial impression of an employer encourages growth of long-term Sustainable Employment. “Effective Employee Selection” summarizes lessons from this section.

### EFFECTIVE EMPLOYEE SELECTION

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<th>To increase engagement</th>
<th>To increase Sustainable Employment</th>
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| Select the right individuals for the right jobs. Choose candidates most likely to:  
  - Perform prescribed job duties well.  
  - Contribute voluntary | Present selection hurdles that are relevant to the job in question. Successful candidates will feel good about surmounting such hurdles to land the job. |
behaviors.

- Avoid proscribed activities
- Create a positive first impression of your company's competence. You will set the stage for growth of long-term Sustainable Employment

### TRAINING AND DEVELOPMENT

Training and development can serve as additional benefits for enhancing engagement and Sustainable Employment. For new hires, training usually begins with orientation. Orientation presents several important opportunities—including explaining work schedules, pay, and company policies. Most important, it gives you a chance to encourage employee engagement by explaining how the new hire’s job contributes to the organization’s mission. Through orientation you introduce the new employee to his or her co-workers, describe how your company is organized, give the person a tour of the area where he or she will be working and explain safety regulations and other procedural matters. In short, you foster person-organization fit—vital for developing productive and dedicated employees.

### COMPENSATION

Like the HR practices discussed above, compensation can powerfully influence employee engagement and Sustainable Employment. Some compensation components encourage Sustainable Employment to employers, while others motivate engagement in the job. It is possible to stimulate one and not the other, though it’s generally better to foster both. A company that offers a strong performance incentive system but no retirement plan will probably realize exceptional engagement from its workers; however, they may eventually commit themselves to another company that does offer a good retirement plan. Meanwhile, an organization that offers generous retirement benefits but a traditional seniority-based pay grade system may have committed employees; however, these workers might deliver pedestrian performance as they bide their time until retirement. In designing compensation plans, you therefore need to consider employee engagement and Sustainable Employment strategically.

It helps you attract the best job candidates, motivate them to perform to their maximum potential and retain them for the long term. Incentive pay, also known as pay-for-performance, can directly influence employees’ productivity (and thus their engagement) as well as their Sustainable Employment to your organization (as workers learn to trust that they will be rewarded for good performance). Piecework, annual bonuses, merit raises and sales commissions are familiar examples of incentive pay that rewards individual performance. You can also tie incentive pay to team or work group performance, and to organization-wide results through profit sharing, gain-sharing, and employee stock ownership plans. Many companies also offer retirement plans as part of their compensation package. Although these plans are usually available to all full-time employees, the specific plans offered may depend on job, year hired, number of years employed, highest salary achieved and so on. As we’ve seen, well-designed and secure retirement plans can encourage long-term Sustainable Employment to your organization. In designing financial forms of compensation, consider employees’ sensitivity to equity. Will they perceive compensation as commensurate with their contributions? As fair compared to pay earned by co-workers performing the same or similar jobs? Fair compared to what other jobs in the organization pay? Reasonable given what other employers are paying for the same work? Perceived
inequity can cause employees to disengage and reexamine their Sustainable Employment to your firm. They may ask for a raise, seek employment elsewhere or stop striving so hard to deliver top-notch results. And none of these outcomes benefits your organization.

**Performance Management**

The right performance management practices also can enhance employee engagement and Sustainable Employment. (See the SHRM Foundation’s report on “Performance Management” by Elaine Pulakos for information on creating an effective system.) To design your performance management system, begin by linking job objectives to organizational objectives. What are your organization’s priorities, and how will each employee help to achieve them? What results does your organization expect employees to produce? How might you help managers throughout your organization to communicate performance expectations and goals to their direct reports?

Effective performance management systems also identify employees who are not meeting expectations. Failing to address problem performance can erode other employees’ engagement and Sustainable Employment, as their workloads increase and they conclude that the company is willing to tolerate poor performance. If feedback, coaching and remedial training are of little avail, the manager may need to move the person to a different position within the company where he or she can make a more valuable contribution, or let the individual go if there is no good match elsewhere.

**CONCLUSION**

Engaged employees can help your organization achieve its mission, execute its strategy and generate important business results. This report highlights ways in which different HR practices, including job design, recruitment, selection, training, and compensation and performance management can enhance employee engagement. But 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 Sustainable Employment (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. The research, guidelines and examples provided in this report—as well as the annotated bibliography—can help you begin to weigh the options and to craft an investment plan that will best suit your organization’s unique circumstances.

**References**


Annexure

Scheduled Questionnaire
Employee Engagement Survey

1. Even if I were offered a comparable position with similar pay and benefits at another company, I would stay at my company.
2. Considering everything, my company is the right place for me.
3. My job provides me with chances to grow and develop.
4. I find personal meaning and fulfillment in my work.
5. I get sufficient feedback about how well I am doing.
6. A positive attitude toward, and pride in, the organization.
7. A willingness to behave altruistically and be a good team player.
8. An understanding of the bigger picture and a willingness to go beyond the requirements of the job.
9. I am proud to work for Intuit.
10. I would recommend Intuit as a great place to work.
11. I am motivated to go “above and beyond” what is expected of me in my job.
12. I am willing to put in a great deal of effort beyond what is normally expected to help my organization succeed.
13. I understand how my role in my organization is related to my organization's overall goals, objectives and direction.
14. My organization inspires me to do my best work.
15. How do you and other managers in your organization define commitment?
16. Are some employees in your company engaged in their work but not committed to the organization? Committed to staying with your firm but not exactly engaged in their work? Both engaged and committed?
17. To whom are your organization's employees committed? The company? Their supervisor? Coworkers? Team members? Customers?
18. What business results has commitment from employees created for your organization? For example, has commitment reduced turnover and, therefore, decreased recruitment, hiring and training costs?
19. What does your company do to reciprocate employees' commitment? Is the organization living up to its side of the bargain?
20. How do you and other managers in your organization define employee engagement?
21. How do you know that certain employees in your company are engaged? Do they relish their jobs? Enjoy specific responsibilities or tasks? Willingly “go the extra mile”?
22. In teams, departments or business units in your company that have a large number of engaged employees, what business results are you seeing? Higher productivity? Lower costs? Greater revenues? More efficiency? Lower turnover? Higher product or service quality?
23. How do disengaged employees behave, and what are the consequent costs for their teams, units-and your entire company?