

Employee Engagement In India-A Review

Ms. Narmada Kalgi, Dr. S H Honnali

Abstract: To be successful in Indian industry, an employer is depended on the country's education level and ambitious professional workforce. But unfortunately attracting and retaining the valued employees and upgrading their skills continuously is a biggest challenge across the globe including India. India has got most of the educated employee workforce under the age of 40 and have expectations of fitting together jobs and family and which are spoken loudly about the desires to be able to balance work and life hence engaging the employees is a particular concern in India. Hence it has transcended from being the latest buzzword of business to being recognized by organization as tool that has a positive impact on the business performance.

Hence the article focuses on the way employee engagement came into action as an effective tool for organization efficiency and its growth and future in Indian industry.

Key words— Employee Engagement, Economy, Global Competition, Commitment, Drivers of engagement, Loyalty and Organization performance.

DEFINITION OF EMPLOYEE ENGAGEMENT

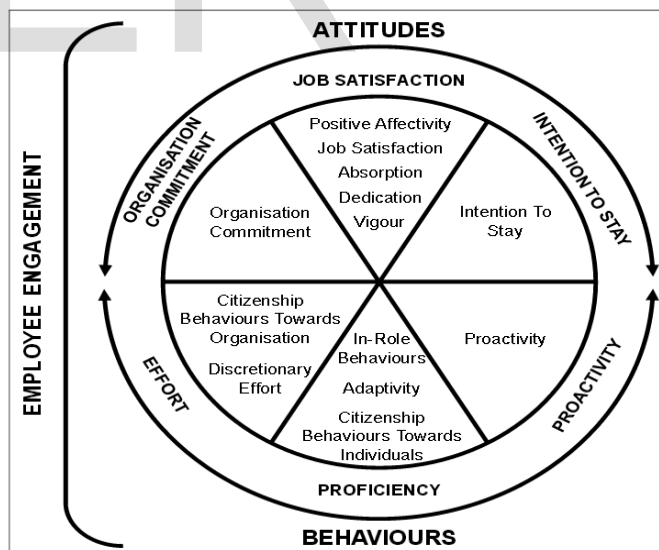
Till date, there is no universally accepted definition for the term employee engagement, so we take below definitions from various sources:

As per Perrin's Global Workforce Study (2003) "Employee Engagement is defined as the employees' willingness and ability to help their company succeed, largely by providing discretionary effort on a sustainable basis. According to the study, engagement is affected by many factors which involve both emotional and rational factors relating to work and overall experience.

Gallup Organisation- as per Demovsk(2008) cites employee engagement as a positive employees' positive emotional attachment and commitment towards the organisation. And defines it as the employees involvement with enthusiasm for work

In general, we can define engagement as an employee's passion for the work and commitment to the organisation and drive to deliver the objectives, going the extra mile to fulfill it. Engagement is not transactional - it is about emotion, behaviors and relationship. There is a connect between organisation and employee. An engaged employee take pride in his job and organisation and recommends the organisation, its product and services to others.

The most important key element of engagement is trust which applies at all the levels as shown in the picture:



EVOLUTION OF EMPLOYEE ENGAGEMENT

The term Employee Engagement first appeared in an academic journal of Human Resource Management in 1990. So the concept is relatively new. Prior to that in 70's and 80's the Human Resource Development was called as Personnel and the focus was more on employee satisfaction which had little or no concern. With the time and the

competition employer started facing the scarcity of loyal employees, focus then shifted from satisfaction to commitment and personnel became Human Resource

As the shift from manufacturing economy and increase in Global competition employer needed to be competitive, flexible and leaner. Typical traditional industries were closed or severely cut back and employees too faced hard way in getting the jobs for life and to progress in their career and had to multi-skill and flexible to reach the opportunities. The old contract of a job for life with a nice fat pension at the end of job was broken. People had more opportunities and were encouraged to shift to the jobs they are interested in, which helped them in acquiring new skills and opportunities. The lifespan of loyalty was cut short which intern benefited employees but employer realized the cost of losing the talented employees which had a direct negative impact on the stability and competency of organisation.



Source: Baumruk and Gorman,2006

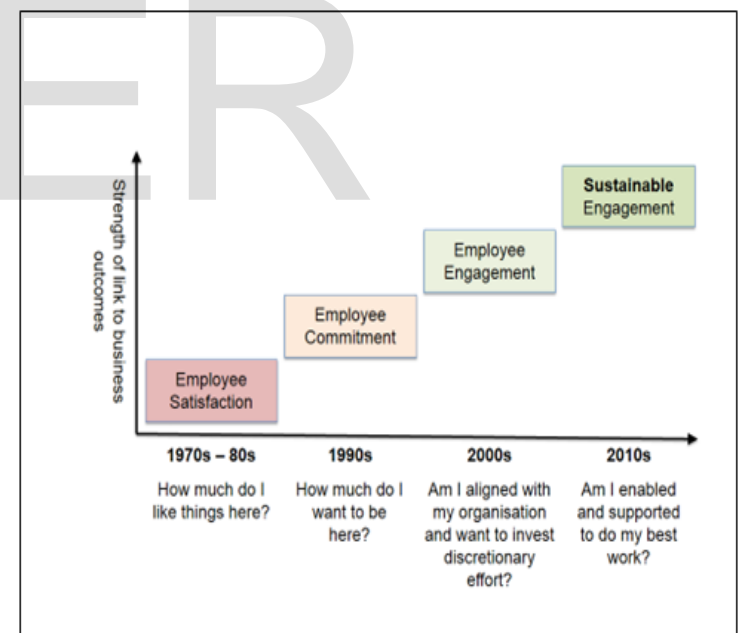
THE RISE OF ENGAGEMENT

At this point where the organisation was facing the problem of stability, the concept of employee engagement gained a high importance and was considered as the most matured tool for retaining the talents. Studies have found positive relationship between employee engagement and organizational performance outcomes: employee retention, productivity, profitability, customer loyalty and safety. Extensive research on the topic clearly mentioned the benefits of engagement. The more engaged employees are, the employer is most likely to exceed the industry average in its revenue growth. Researches also mentioned that engagement has a positive impact on the customer satisfaction. (Coffman,200;Ellis & Sorensen, 2007;TowersPerrin Talent Report, 2003; Hewitt Associates,2004; Heintzman and Marson 2005; Coffman and Gonzalez-Molina,2002).

Some of the researches also mentioned that engaged employees demonstrate the following three general behaviors which directly have the positive impact on the organisation performance;

- **Say-** employee advocates for the organisation, refers employees and customers.
- **Stay-** employee has intense desire to be a member of the organisation.⁴
- **Strive-** employee works passionately and contributes to the success of business (Baumruk and Gorman,2006)

THE PICTURE DESCRIBES THE GROWTH OF “EMPLOYEE ENGAGEMENT” AT DIFFERENT ERA



EMPLOYEE ENGAGEMENT AND INDIA

As the growing importance of engagement across globe has gained a special importance in Indian industry too with Indian growing economy.

As per the one of the article published by source Deccan Chronical (15.05.2014), Across Asia-Pacific (APAC) India and Indonesia have the most engaged employees and Thailand and Singapore being the lowest. And the article also mentioned that 52percent of Indian employees said they feel valued at work and the percentage has remained steady over the past three years. It also specified that, many employees tend to switch jobs very early during their tenure in a company. 64 percent of employees in India intend to look for job switch within a year of the work and this may be because of the penetration of social media in the day to day lives of workers. Social media has become a important key for employees in finding new jobs and also platform for exchanging information about jobs.

Economic Times in April 2014 published that, in India many companies recognized the relationship between engagement and productivity and are implementing measures to address the concerns. Yet large number of organisations yet to realize the challenges.

A Gallup study recently revealed that the percent of employee engagement is very less compared to the developed economies.

As per Kamal Karanth, Managing Director, Kelly Services India, organisations with engage and committed employees are frequently rewarded with much better performance, higher productivity, less absenteeism, lower turnover and higher customer satisfaction.

Depending on the financial status and nature of work each company designs its own style of reward-motivation programme. It also depends on the industry and background or level of employees. In the year 2001, research of Kenexa a leading HR solution provider in India conducted an annual study and published that Indian giants ranked highest as compared to their peers in other countries when it comes to employee engagement and effective leadership.

When compared on the national level, India with 71 percent employee engagement ratio secured the topmost rank while Japan was at the lowest position with 38 percent ratio. This was surprising fact as it is believed that Indian companies have miles to cover in order to achieve what global companies have already done. The factors which made India stand apart from the rest of the companies were employee recognition, emphasis on quality improvement, genuine responsibility of organisation towards its employees and growth opportunities. This study included various developed and developing countries like US, UK, Brazil, Australia, Canada, Denmark, China, France, Switzerland, Finland, Germany, Japan, Spain, Russia,

Sweden, The Netherlands, Mexico, Italy and Gulf countries. The fact that India stood apart was because the Indian companies had creative and unique initiative to enhance the level of engagement and involvement of their employees.

Hewitt Association conducted a study in 2009 and reported that the software giant HCL Technologies was awarded as the best Indian employer in that year as it had implemented the long term approach in creating positive work culture and its sustainability for the long term in the midst of challenging conditions. Few of the companies listed on the top for engagement innovations were Taj Hotels, Cisco Systems, ITC, Eureka Fobers, LG Electronics India, Domino's Pizza India and Marriott Hotels India

Indian giants like Mahindra & Mahindra, Mercer, KPMG and Wipro offer democracy to choose their wages and perks depending upon their lifestyle. This was implemented to bring employee uniformity and prevent dissatisfaction amongst employees. And this initiative had proved as a successful tool in drawing and retaining the best talent. Initially this trend begun in IT giants and slowly adopted by FMCG, banking and other sectors as it helped in retaining best talent across industry. Coming to banking sector, YES BANK today is India's fastest growing Indian Bank and they have pursues a strong Employee Value Proposition of 'Creating & Sharing Value' giving more in building stabilized work force.

Infosys India has very innovative employee engagement plans like having its own radio in establishing a health and quick interaction and communication amongst its employees. Besides the company have social network portals. Most of the companies have implemented the social networking sites which helps employees to connect with their colleagues, seniors and top management. As growing economy Indian companies are coming up with new innovative engagement programme to hold back the talents.

CONCLUSION

Lack of satisfaction at the workplace can be lethal. The employees who feel dissatisfied and disappointed at work quit the job within two years and this can directly hampers the efficiency of the organisation. The organisation need to take an active employee engagement initiative charting out future employee turnover. Taking ownership in this arena is important. Organizations can no longer blame it all on the HR department. Work-life balance should be given more importance and employees now as days prefer to have a proper blend of their professional as well as personal life.

In India, employers at present scenario are at a crossboard since the country has been identified as an emerging market. The growing multiskills are standing in the way of progress. A combination of startlingly low retention rates,

sagging engagement and an absence of the ability to advance one's career alongside family obligations have compromised workforces and it had made it difficult for employers to deliver on India's potential

Changing scenario requires concrete efforts by employers building engagement as a key to creativity, innovation and productivity. The organisation that recognizes these challenges and cultivate energized workforce that capitalize on overall talent pool. This will help the employers improving the productivity.

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