Emerging Trends in Employee Engagement: A Review of Literature

–Manju Mahipalan*, Sheena**

Abstract

One of the strategic areas identified in Global Human Capital trend study 2014 by Deloitte is “attract and engage”. The topic deserves attention because 78% of the managers who participated in the study rated retention and engagement as urgent or important. Employee engagement is the extent to which employees feel passionate about their jobs, are committed to their organizations, and put discretionary effort into their work. Engaging people has become a source of competitive advantage for the organizations. Though there are hundreds of vendors offering validated surveys and benchmarking tools, managers feel these as insufficient majorly because the current process is neither detailed enough nor real-time. Moreover with Generation Y at work, who looks at experience rather than engagement, employee engagement garners furthermore attention. In this context the concept of engagement needs redefining. The purpose of this conceptual study is to present an overall view of the new engagement models aimed at creating “irresistible organizations”. Seminal works on the topic are identified and reviewed for a better understanding of the developments in the field. Emerging as well as consistent predictors of employee engagement in Indian context are discussed in detail. Also, the article explores the upcoming tools and approaches which better measures happiness, alignment, and job satisfaction in real time. While companies in India have started recognizing the impact of employee engagement, a large proportion is yet to understand the extent of the real challenge. The roadblocks and implications for Indian organizations bring this article to a close.

Keywords: Employee Engagement, Modern Workforce, Emerging Trends, Changing Work Place

* Doctoral Student, National Institute of Technology Karnataka, Surathkal, Karnataka, India. E-mail: libra.manjusha@gmail.com
** Assistant Professor National Institute of Technology Karnataka, Surathkal, Karnataka, India.
INTRODUCTION

Employee engagement is a widely used term. Many times it is well differentiated from employee satisfaction and happiness. When the employees are emotionally committed to the organization they are said to be engaged. Employees no longer work for a pay check or promotion. Instead they care about their work and their organization. This is when they bring in discretionary efforts so that they contribute more to the organizational goals. Discretionary efforts mean anything done without being asked. Higher levels of employee engagement assures better productivity, higher customer satisfaction, increased sales, higher profits and lasting goodwill. In short, employee engagement is vital for employee as well as organization.

A great deal of discussion has been done on employee engagement in recent years. Researches have shown that employee engagement predicts employee outcomes, organizational success and financial performance (Bates, 2004; Baumruk, 2004; Harter et al., 2002; Richman, 2006). Undoubtedly, in a world that is changing both in terms of nature of work and diversity of workforce, employee engagement demands significant attention as engaged employees could definitely be a source of competitive advantage, something that the competitors will not be able to imitate. In the 2014 Deloitte Global Human Capital Trends research, 78% of leaders rate retention and engagement urgent. The challenge is to move beyond the traditional concept of engagement and make it a holistic part of an entire business strategy. The present study is an attempt to identify what are the limitations of present day engagement models and what are the key drivers of employee engagement driving 21st century workforce.

As discussed above, employee engagement, a buzz word in corporate, is considered as a critical element in improving financial as well as operational results. This is a complex concept and many factors influence engagement levels. Consequently, there are many ways to foster engagement in an organization meaning there is no such one kit which fits all. Traditional model of employee engagement assumes that managers drive the organization and includes an annual HR measure. However latest research findings represent a wakeup call for employees that they have to move beyond this traditional concept to create a high performance work environment. Companies seeking solutions to organizational challenges build strategies with no solid research foundation making them vulnerable to many workplace issues from burnout to retention to employee commitment. The steps organizations have taken so far to improve
engagement are falling short. Undoubtedly, it is time to re-think the issue of employee engagement in the light of emerging trends and evidences. Companies seeking solutions to organizational challenges build strategies with no solid research foundation making them vulnerable to many workplace issues from burnout to retention to employee commitment.

**Objective of the Study**

The present study is an attempt to identify what is the status of employee engagement today. The objective is to know what modern workforce thinks of engagement today and why is it important for employers to move beyond engagement as it is gaining wider dimensions today. The article also discusses the emerging trends in the field and the limitations of current engagement models.

**LITERATURE REVIEW**

An integrative literature review method has been employed in this article as this is an accepted method for summarizing literature on a concept (Chermack & Passmore, 2005). “The integrative literature review is a distinctive form of research that generates new knowledge about the topic reviewed.” (Torraco, 2005). These reviews are intended to address either mature topics or new, emerging topics. In case of emerging topics, integrative reviews are likely to lead to an initial or primary conceptualization of the topic rather than a re-conceptualization of previous models (Torraco, 2005). As this review was academic in nature, the review of literature was focused on scholarly works which included publications, frameworks and models which explained employee engagement. The databases searched include Emerald, Proquest, Jstor, EBSCO, the Academy of Management Database and Google Scholar. The key words used for the search include Employee Engagement, Work engagement, and Modern workforce, Disengagement. Relevancy of the publications to be included in the review was determined by examining the abstract (Torraco, 2005). Since, there is an extensive literature available on employee engagement available, mostly theoretical; articles pertaining to basic concepts of employee engagement, measurement of engagement and its drivers as well as predictors have been considered. With regard to current evidences, research reports available in the time span of 2008-2014 have been considered for this review so as to include
the most relevant and recent evidences. Research and survey findings of international consultancy firms such as Gallup, Towers Watson, Aon Hewitt, Hay Group India and Blessing White have also been reviewed and presented in a descriptive manner. This was done to synthesize current thinking and evidence. Shuck & Wollard (2010) argues that these reports by international players do not share a common conceptualization or definition of employee engagement. However, they agree that engagement today is taking a different turn and organizations need to take this into consideration.

Evolution of Employee Engagement

Being a much discussed topic, there is no dearth of definitions of employee engagement found in academic literature. Kahn (1990) defined personal engagement as “the simultaneous employment and expression of a person’s “preferred self in task behaviours that promote connections to work and to others, personal presence, and active full role performances”.

According to him, engagement means to be physically as well as psychologically present while occupying and performing an organizational role. Kahn suggested that domains of meaningfulness, safety and availability were important to fully understand employee engagement. Rothbard (2001) also agrees on the psychological presence but argues that it involves two other critical components: attention and absorption. Attention, he says, is the “Cognitive ability and the amount of time one spends thinking about a role” whereas absorption is “being engrossed in a role and refers to the intensity of one’s focus on a role.

Engagement in burnout literature is represented as the opposite or positive antithesis of burnout characterized by energy, involvement, efficacy as opposite to the three burnout dimensions, i.e. exhaustion, cynicism, and ineffectiveness (Maslach et al., 2001, p. 416).

According to Schaufeli et al. (2002, p. 74), engagement is a “positive, fulfilling, work-related state of mind that is characterized by vigour, dedication, and absorption”. Also, this was renamed as work engagement. Through the Social Exchange Theory (SET), Saks (2006) argues that one way in which employees repay the organization for the benefits they receive is through their level of engagement. Saks (2006) was the first to examine job and organizational engagement and proposed an empirical model. Although engagement is said to be related to other constructs in organizational behaviour such as organizational commitment or OCB, it is
distinct (Robinson, 2004). Robinson stated that it is a two way relationship between the employer and the employee. Similarly according to May (2004), there is a difference between job involvement and engagement. Apart from cognitions, engagement involves emotions and behaviours. There are many more definitions and meaning of engagement available in the practitioner literature. In summary, it has been defined as a construct having cognitive, emotional, and behavioural components and it is well distinguishable from other constructs. Employee engagement has been defined in a numerous ways and continues to be defined even now. Recent definitions of employee engagement have come from business, psychology and human resource consulting firms.

Saks (2006) identified two types of engagement namely job engagement and organizational engagement because two dominant roles for organizational members are their work role and role as a member in the organization. Macey & Schneider (2008) also offers a series of propositions about psychological state of engagement, behavioural engagement and trait engagement. Regarding the levels of engagement, Gallup organization for their study had categorized employees into engaged, not engaged and actively disengaged.

**Predictors of Employee Engagement**

Saks (2006) has identified a number of factors which predict job and organizational engagement such as job characteristics, perceived organizational support, perceived supervisor support, rewards and recognitions, procedural justice and distributive justice. Among these environmental factors, organizational support predicted both organization engagement and job engagement. Job characteristics predicted job engagement while procedural factor predicted organizational engagement. Engagement arises from both personal and situational sources (Macey and Schneider, 2008). However, most of the theoretical discussions and empirical studies have concentrated on emphasized on the role of situational factors. Besides, when the personal attributes contributing to employee engagement were studied, it was only limited to demographic variables such as gender, age, work experience, education etc. Not many studies or models on how personality traits or work ethic contributes to employee engagement have been published. Nevertheless, there are evidences that personal resources such as self-efficacy (people’s beliefs about their capabilities to control events that affect their lives), self-esteem (employees beliefs that they can satisfy their needs by participating
in roles within the organisation) and personal optimism are all related to engagement (Xanthopoulou et al 2009). Organizational commitment is another factor considered while assessing employee engagement. An improvement in the level of organizational commitment results in improves job performances and organizational effectiveness while reducing employee absenteeism and turnover (Mohapatra and Sharma, 2010). There exists a positive relationship between innovative HR practices and organizational commitment (Agarwala, 2003). Mohapatra and Sharma (2008) based on a comparative study of two manufacturing organizations, one in public sector and the other in private sector has concluded that the drivers of employee engagement are organization specific. There are evidences of emerging predictors of employee engagement in Indian context. Mohapatra and Sharma (2010) have identified work ethic as a predictor of employee engagement with the respondents giving highest rating to it.

**Measuring Employee Engagement**

One of the usual ways of measuring employee engagement is by means of an employment engagement survey which goes out to all the employees. Typically these surveys are done annually. Today there are many vendors who provide many different surveys and tools which are designed to determine the employee engagement levels. Gallup a research organization developed Q 12 instrument which is called Gallup Workplace Audit (GWA). This was also called Q 12 Meta-Analysis which is a statistical integration of data accumulated across many studies. These are 12 items measuring engagement conditions. (Harter et al., 2002). Rothbard (2001) developed a 9-item scale that consists of 4 items measuring attention and 5 items measuring absorption. Based on the components of Kahn’s (1990) definition of employee engagement, May et al. (2004) developed a 13 item scale measuring employee’s cognitive, emotional, and physical engagement with the job. Saks (2006) used two measures of employee engagement namely job engagement and organizational engagement. An 18 item scale has been developed by Rich et al. (2010) which includes 6 items to measure Kahn’s three dimension of engagement. There is a 9-item scale with three items measuring intellectual engagement, affective engagement, and social engagement respectively (Soane et al., 2012). A two dimensional measure of engagement measuring felt engagement and behavioural engagement has been developed by Stumpf, Tymon, and van Dam (2013). Most of the above mentioned scales have their basis in
Kahn’s definition of engagement. The Utrecht Work Engagement Scale (Schaufeli et al., 2002) consists of 17 items that measure vigour, dedication and absorption. Schaufeli et al. (2002) argues that work engagement is positive opposite of burnout. UWES has become the most popular and most frequently used measure of engagement (Bakker et al., 2011; Cole et al., 2012; Richet al., 2010). The other scales have been seldom used or in most cases in one study only.

Researches state that although these surveys are useful there are limitations to it. For instance these surveys aren’t real time or updated enough. Once-a-year employee surveys do not meet the requirements of most companies. Hence there is a new breed of approaches and tools emerging to better measure employee engagement. There are many cutting edge analytics tools to measure employee engagement in modern organizations where increasingly more and more of employee actions and interactions are captured on electronic systems and available for measurement too. There is a need for focused workforce analytics with which we can move from the subjective to the objective. There are examples of companies shifting from an annual survey procedure to initiatives and processes throughout the year to measure engagement. For example, Apple uses the employee Net Promoter System, a tool which allows leaders to have weekly conversations with employees regarding their progress towards the organization goals. Another example is an internal app called as MoodApp which is created by an Australian software company for taking feedback from the employees about their work and workplace on a regular basis. TINYPulse is a cloud based tool which sends out survey emails on a weekly basis and anonymously collects employees feedback. This tool also allows the managers to comment directly on suggestions and initiative a private, forum like dialogue with the employees.

RESEARCH FINDINGS

These research findings are based on the analysis of current research reports on employee engagement. These are studies conducted globally by internationally reputed consultancy organizations. Along with statistics, these reports study in detail the widening scope of employee engagement and develop new engagement models.

- The traditional view on employee engagement is the employees
“willingness to invest discretionary effort on the job” is inadequate to ensure top performance in a competitive world. This willingness comes from whether the employees are passionate about their work, to what extent they believe in the mission of the organization and whether the feel their work is valued and their talents are utilized. This willingness, but, never guarantee “able”. Towers Watson study in 2012 titled “Global Workforce Study: Engagement at Risk: Driving Strong Performance in a Volatile Global Environment” states that the 21st century businesses are run with 20th century workplace practices and programs. The study identifies gaps which can be closed in two ways; enabling workers with internal support, resources and tools and secondly energizing to work. Based on the findings and today’s requirements the study presents model of „Sustainable engagement“ which is designed to suit the 21st century workforce. Sustainable engagement requires redefining work, culture, flexibility and social and community purpose. It includes creating a work place that energizes employees by promoting their physical, emotional and social well-being. Organization’s leadership also becomes an important factor. In one of the survey 74% of sustainably engaged employees reports that they believe senior leaders have a sincere interest in their well-being. Sustainable engagement has three core elements. Besides, the discretionary efforts put in by employees when they are “engaged”, there is also “being enabled” where there is the existence of an environment that supports productivity so that employees are able to meet the challenges and obstacles at work effectively and feeling energized with a work experience that promotes well-being. Based on these three elements, respondents in the survey were categorized into highly engaged, unsupported, detached and disengaged.

- A 2012 Hay Group Study on employee engagement trends concluded that more than a third of employees across the world are unwilling and unable to go the extra mile for their organization. The Global engagement levels stood at 66% and it was even lower for Asia which was 63%. Employee commitment was 57% globally and for Asia this was 50%. This means that half of the employees might not work with the same organization within the next five years. Like Towers Watson study, Hay Group report also suggests that employers have to think beyond engagement. Companies have to tackle enablement issues as well to make engagement more mean-
ingful. Providing the right kind of environment to work is a crucial element for employees to bring out any kind of extra effort. The study recommends to fix the "frustration factors", which includes clarifying the role of employee and scope of authority, cross training employees to minimize impact of absences, training and upgrading employee skill set continuously, focusing more on collaboration by building teams.

- Blessing White, a global human resource consulting firm, published a comprehensive report examining engagement worldwide. Thus report had been updated in 2013 based on data collected in 2012. Blessing White’s engagement model focuses on two things. First, individual’s contribution to company’s success and second is personal satisfaction in their roles. Based on the findings, employees were categorized into five levels; the engaged employees with high contribution and high satisfaction, almost engaged with medium to high contribution and satisfaction, Honeymoon & Hamsters with high satisfaction low contribution, Crash & Burners with high contribution but low satisfaction and finally the Disengaged who are low on contribution as well as satisfaction. Key findings of the report were stable or rising engagement levels across the world, an increase in trust of workforce in senior leaders and managers, large gap in engagement levels between men and women in India, the Western Asia, and South America. The top contribution drivers according to this survey were more resources to work and greater clarity on what the organization expects from the employees. Development opportunities and regular feedback were also marked as important drivers by the respondents. On what brings the most satisfaction, respondents chose more opportunities to grow, challenging work, flexible working conditions. The study recommends that organizations should move away from survey-driven engagement process and build a culture of engagement. Managers need to coach individuals, align their interests and efforts to the organization’s mission and values, recognise attitude, effort and results and know what is important for employees and what is not. Alignment becomes important becomes especially when employees rate this as a top contributor. When employee is able to contribute and his/her contribution is recognized, it naturally drives personal satisfaction. The study also suggests a critical revisit of organizational practices such as on boarding processes, performance management
processes, career processes so as to ensure that these do not hinder the engagement efforts.

- International consultancy organization Gallup, in 2013, carried out a study of workplaces in more than 140 countries from 2011 through 2012 which was a continuation of Gallup’s previous report on employee engagement worldwide. The report titled „The State of Global Workforce: Employee Engagement Insights for Business Leaders Worldwide“ provides insights into the current state of employee engagement and what business leaders could do to boost engagement levels. Gallup measured employee engagement with Q12 metric which is backed by rigorous science linking it to nine relevant business outcomes. Based on the employees’ response to the 12 items, they were grouped into 3 categories namely Engaged, Not Engaged and Actively Disengaged. Engaged employees work with passion and feel a deeper connection to their company, whereas „not engaged“ workers show little concern about productivity, customers, profitability, mission and purpose of the teams etc. although they are not hostile or disruptive. Finally, there are actively disengaged employees who are unhappy at work and who act out their unhappiness. They quit at a higher rate and constantly undermine the accomplishments of engaged employees. The findings of the report reveal that worldwide only 13% of the employees are engaged in their jobs while 87% is „not engaged“ or „actively disengaged“ meaning they are emotionally disconnected from their work and less productive. This shows that work could be more often a source of frustration than fulfilment. Active disengagement is an immense drain on economies throughout the world. Furthermore, the study shows that engagement levels vary widely from region to region and is also associated with level of education of the employee.

- Aon Hewitt conducted a study on employee engagement titled „2014 Trends in Global Employee Engagement“. Aon Hewitt defines engagement as the “psychological state and behavioural outcomes that lead to better performance”. The Aon Hewitt model of engagement examines engagement outcomes as Say, Stay and Strive, i.e. the extent to which employees speak positively about their organizations, want to be a part of their organizations and desire to go above and beyond in their job respectively. While both say and strive areas have improved in 2013, stay has remained constant which means there are signs of employee value proposition breaking down. More
employees say positive thing about their employers and strive for greater performance through extra efforts but percentage of those who intend to stay with their organizations for a longer term hasn’t changed which is just over half of employees. Although globally 61% of employees are engaged, there is further classification of this segment into highly engaged (which is 22%) and moderately engaged (39%). Obviously, these highly engaged employees are worth exponentially greater value to organizations. Passive employees account for 23% are more or less neutral towards their employer or work setup. And lastly, 16% are the actively disengaged who destroy value through negativity across Say, Stay and Strive elements.

- Survey findings of Deloitte study on Global Capital Human Trends 2014 indicate that companies around the world puts challenge of engagement in the top echelon, primarily because more millennials are entering the workforce and their aspirations and expectations are different from Gen X and Baby Boomers. While flexibility was a factor of utmost importance ensuring work-life integration, this does not ensure total engagement. Employees now look for “good work” which engages their interests and passion. People now look for work that benefits the broader society. Like in other surveys, employees value workplace which offers opportunities for personal development through constant learning. Moreover, companies rewarding and recognising employee achievement in meaningful ways, thereby developing a high recognition culture report lower turnover in comparison to other companies where these initiatives are absent. Out of 967 executives participated in the survey, 38% admit that they are weak in aligning their employees, personal goals with corporate goals. 38% admitted to be weak in integrating social, community and corporate programs. 50% say helping employees to balance professional and personal life is adequate while 40% say they are weak.

**Employee Engagement in India**

According to Gallup’s State of the Global Workforce report a threatening factor found in emerging markets is the low level of engagement among employees. Aggregated results for employees in 23 emerging markets surveyed in 2011 and 2012 reveal that about one in ten employees are engaged at work – nearly half the proportion found across 23 developed market countries. This challenge is even more pronounced in India. There
are many structural problems which would complicate India’s long term growth, productivity of labour force being a major one. Statistics show only 9% of Indians who work for an employer are engaged while 31% are actively disengaged which is one among ten employees are engaged whereas 3 among ten employees are actively disengaged. The engagement levels vary by the education level and job types. The study reported high proportions of disengagement among construction and mining workers. Gallup researchers had also listed out few problems which could affect employee engagement.

- Money alone drives engagement: Assuming that monetary incentives are sufficient to motivate and engage employees is a mistake. When employees’ emotional health and well-being is neglected they lose faith in their own impact on business outcomes which in turn would result in low engagement instead of high payrolls.

- Not understanding emotional needs of employees: Biases in decision making takes several forms in corporate. These adversely affect the workplace continuously. The study shows that managers across industries use a one-size-fits all model when it comes to dealing with people issues.

- Not maintaining a proactive approach towards management and retention of employees: There is a dearth of initiatives and meaningful interventions by the organizations which identify employees’ deep seated concerns. This could be a reason why, in spite of organizational results, employee engagement is flagging.

However a recent study by Kelly Global workforce Index titled “Engaging Active and Passive Job Seekers” states that 41% of the respondents in the country said that they were “totally committed” to their current employer. Across Asia-Pacific, engagement is high among Indian employees compared to Thailand and Singapore. Interestingly this survey was conducted among mid and senior level employees in India, which does not throw light upon the level of engagement among lower level employees.

It seems that Corporate India is on the path of addressing and tackling employee engagement issues and coming up with innovative ways to improve the current processes. For example,

“India’s Best Companies to Work for” study which is conducted by the Economic Times and Great Place to Work Institute features those companies who have given a serious thought about employee engagement. This study is conducted based on a methodology that has been validated
Emerging Trends in Employee Engagement: A Review of Literature

world over and covered 600 organizations spanning 20 industries. What employees like about TAJ Group which was in 15th position was the Job Chat an internal mechanism to monitor engagement levels by capturing informal discussion among employees. Similarly Titan has “Titan Volunteer” through which employees can be part of various initiatives undertaken by Titan thereby serving the community. Another example is “Aspire Calendar” by Aspire Systems making the employees the brand ambassadors of the company. Another trend is to make adventure and extreme sports an integral part of employee engagement. Though it is not interesting for all the employees there is definitely a lot preferring this thus making it popular. Managers understand that these days young energetic workforce does not want to be confined to formal boundaries. Interestingly these games are meant for overall motivation, team building and to bring out certain qualities and skill sets of employees. For instance, Tata Steel has an adventure foundation aimed at developing leaders.

Implications for Organizations

The article sets out the evidences for drop in organizational performances due to lack of engaged employees. These evidences suggest that employee engagement is not to be taken lightly rather it is a bottom line issue which could impact profitability of the business in a significant way. Ignoring employee engagement is clearly not an option for the organizations as those which are with higher levels of engagement outperform their low engagement counterparts in many ways.

Although employee engagement differs from organizations to organizations some of the trends seem to be common for all companies irrespective of the industry they are in. For instance flexibility is desired by the majority of employees. Flexible work arrangements permit the employee to balance between home and company needs. Having employees who can work from anywhere, at any time means businesses can be more responsive. This also helps in empowering and motivating the employees making them more engaged and focused. Another important factor is technology. Emerging technologies lead to innovations ensuring better human interactions and convenience at work place. Additionally, technology can ensure involvement of top level leadership in any engagement initiative making it successful. Technology can be used to build a collaborative environment thereby accessing the untapped productivity of employees. Organizations may also note that employees now look for meaningful work which could engage their interests and
passion as well. For instance, enhanced learning opportunities, or a well-P CSR initiative could engage the employees in a better way. This means that employee engagement is no longer confined to the activities inside the organization as it is being viewed by people in a wider perspective. Effective internal communication is also important as this will actively empower them. This is important to expand awareness on how employees are contributing to the overall success of the organization. Building up employee discussion forums for the employees to provide their views and feedback ensures that employees are engaged.

CONCLUSION

The world is coming out of recession, what the business organizations see is a new workforce; young, more demanding and more dynamic. In this context attracting and retaining talent becomes a real challenge for businesses across the world. Studies conclude that making engagement happen will be the real business challenge of next decade. Real employee engagement means people are maximizing their values to the organization. The article summarizes, based on the current research and evidences, what are the factors that drive employment engagement today.

Beyond attracting and retaining talent, engaging talent has become imperative for any business organizations. Millennials forming a large segment of today’s workforce has important implication for workforce dynamics. Their size gives them influence on other generations about workplace expectations which are not negotiable. Understanding these demographic shifts and designing employee engagement issues is a challenge for organizations. Secondly, organizations have to respond to technological changes and should ensure integration of these into engagement initiatives. At this fast paced environment, it is easy for the employee to get distracted and disoriented at a short span of time. Thus, it is important that they stay aligned to the organizational goals, understands what their contribution is and why they are contributing. Creating a meaningful workplace is another major challenge in front of the employers. Leaders need to learn from what the best organizations all over the world do differently and build strategic initiatives to foster a culture of engagement. There is ample scope for further research to empirically study employee engagement in the light of above discussed findings in Indian organizations.
REFERENCES


Best companies to work for 2014: List from 11 to 100. (2014, June 30). The Economic Times


