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Employee Engagement: A Structured Theoretical Review

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Abstract:

Human Resources are the most valuable and significant assets of an organization. Engagement of employees is now recognized as a critical factor by organizations to gain a competitive advantage. Employee engagement ensures high levels of passion, enthusiasm, commitment and involvement by the employees, which further transcends into many tangible and intangible benefits for their organization. Linkage between employee engagement and various performance metrics such as productivity, retention, customer loyalty and profitability has been established. This article provides a structured review of literature on employee engagement, based on various studies conducted by academic, research and consultancy organizations. The various drivers of work engagement and the incremental benefits accrued to organisations due to effective engagement practices are clearly elucidated. The article also discusses the negative impact of disengagement and the various corporate practices pursued by Indian Companies to enhance employee engagement.

Keywords: *Commitment, Disengagement, Engagement, Involvement, Performance*

1. Introduction

Employee engagement is the new buzzword and its benefits are now being rapidly recognized and appreciated by managers, academicians, human resource practitioners and employees. Employee engagement is a vital ingredient of individual and organisational success. Engaged employees extend themselves to meet the organisation's objectives, take voluntary initiatives, reinforce and support the organization's culture and values, stay focused and vigilant, and believe they can make a positive difference. Employee engagement has positive linkages to several bottom line organizational outcomes for instance, productivity, profits, business growth, quality, customer satisfaction, employee retention and job performance (Coffman and Gonzalez-Molina, 2002; and Sundaray, 2011). Given the increase in popularity of research in work engagement, a number of empirical studies have shown conceptual evidence of work engagement being a critical factor in organisational success and engaged employees are a valuable competitive advantage for successful organisations.

2. Understanding Employee Engagement

Employee engagement is a complex and dynamic process that reflects each individual's unique, personal relationship with work (Litten et al, 2011). There is no universal definition on employee engagement. Engagement has been defined in numerous different ways by academic researchers, consultancy and research institutions and companies. In the academic literature, employee engagement was first conceptualised by Kahn (1990) as "the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances". The cognitive aspect of employee engagement concerns with employees' beliefs and perspectives about the organization, its leaders and working conditions. The emotional aspect concerns how employees feel about each of those three factors and whether they have positive or negative attitudes toward the organization and its leaders. The physical aspect of employee engagement concerns the physical energies exerted by individuals to accomplish their roles. According to Kahn employees can be engaged on one dimension and not on the other. Therefore, the more engaged the employee is on each dimension, the higher his or her overall personal engagement.

Building on Kahn's ethnographic study, May et al (2004) established the mediating effect of three psychological conditions – meaningfulness, safety and availability on work engagement. Through their study it was revealed that all three psychological conditions had significant level of positive relations with work engagement. It was found that the engagement level of individual employees was enhanced in circumstances where increased psychological significance and psychological safety were offered combined with their psychological availability. May et al's (2004) findings propagated the notion of meaningful and valued work being associated positively with engagement, and therefore it is important to consider and review the concept of 'meaningful

work'. According to Holbeche and Springett (2004), people's perceptions of 'meaning' with regard to the workplace are clearly linked to their levels of engagement and, ultimately, their performance. They argue that employees actively seek meaning through their work and, unless organisations try to provide a sense of meaning, employees are likely to quit. Hence, high levels of employee engagement can only be facilitated through workplaces which are characterised by a common purpose, where employees are able to effectively relate and link organisational goals to personal goals.

Kahn's (1990) definition was instrumental in providing a framework laying the foundation of employee engagement. Kahn's conceptualisation of personal engagement and personal disengagement was the only piece of empirical research on conceptualizing employee engagement until early 2001, when Maslach, Schaufeli, & Leiter (2001) focused on why employees develop job burnout and associated burnout as the antithesis of work engagement. Recent research studies indicate that the conditions of engagement and burnout are unquestionably linked and elaborated that an engaged employee will not be burned out, but an employee who is not burned out is not necessarily engaged (Freney & Tiernan, 2006). Schaufeli et al. (2002) however differed in their viewpoint and conceptualised work engagement as an independent construct from job burnout, and defined it as "a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption". According to this widely accepted definition, work engagement has three dimensions which have been widely validated by various researchers (e.g., Demerouti, Bakker, Nachreiner, & Schaufeli, 2001; Salanova, Agut, & Peiro, 2005). Firstly, Vigor refers to "high levels of energy and mental resilience while working, the willingness to invest effort in one's work and persistent even in the face of difficulties". Dedication is described as having "a sense of significance, enthusiasm, inspiration, pride, and challenge" while absorption is defined as "state of being fully concentrated and deeply engrossed in one's work, where by time passes quickly, and one has difficulties with detaching oneself from work" (Schaufeli et al., 2002, p. 74).

Hewitt Associates (2004) define Employee engagement as "the state in which the individuals are emotionally and intellectually committed to the organization or the group. According to their model, work engagement depends on a number of factors – people, work, compensation, procedures, quality of work life and opportunities provided by the organization. Their concept of employee engagement focusses on three observable behaviors: **Say, Stay and Strive** which are present amongst highly engaged employees.

- **Say**-The employee advocates for the organization to co-workers, and refers it to potential employees and customers.
- **Stay**-The employee has an intense desire to be a member of the organization despite opportunities to work elsewhere.
- **Strive**-The employee exerts extra time, effort and initiative to contribute to the success of the business.

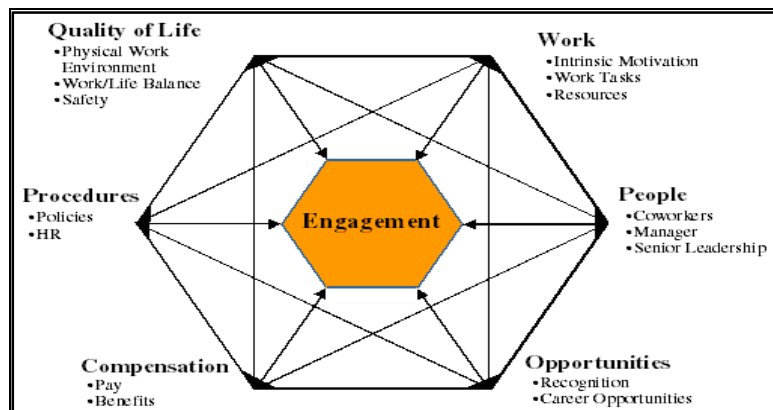


Figure 1: Model of Employee Engagement

Source: Hewitt Associates (2004)

The Hay Group states that engagement is comprised of two components: Commitment - affective attachment to and intention to remain with an organisation and Discretionary Effort - the willingness to go above and beyond formal job requirements. This explains why engaged employees often go 'beyond the call of duty' to achieve organisational objectives and remain devoted to their workplace. According to Robinson et al (2004), while it has been noted that employee engagement has been defined in numerous ways, a number of those definitions within their construct are similar to more established structural definitions relating to organisational commitment (OC) and organisational citizenship behaviour (OCB). However Saks (2006) argues that employee engagement differs from organisational commitment (OC) on the grounds that commitment represents a person's attitude and connection towards their organisation, while on the other hand, engagement is more than an attitude, it is how psychologically, cognitively and behaviorally employed the individual is in their role, displayed by how attentive they are to their work and how absorbed the individual is in the performance of the role. Employee engagement also differs from organisational citizenship behaviour, as engagement is concerned with the passion for one's role, while organisational citizenship behaviour is concerned with extra-role and voluntary behavior displayed by employees for the benefit of the organisation.

Engaged employees are highly energetic, self-efficacious individuals who exercise influence over organizational events that affect their professional lives. Although engaged employees do feel tired after a long day of hard work, they describe their tiredness as a rather pleasant state because it is associated with positive accomplishments. Engaged employees also actively enjoy other things outside work. Unlike workaholics, engaged employees do not work hard because of a strong and irresistible inner drive, but because for them working is fun (Gorgievski, Bakker & Schaufeli, 2010). Contemporary, scholarly definitions of employee engagement suggest that the construct of employee engagement consists of three separate facets: cognitive engagement, emotional

engagement, and behavioral engagement. In 2010, Schuck and Wollard proposed a definition of employee engagement for the HRD community where they defined employee engagement as an “individual employee’s cognitive, emotional and behavioral state directed towards desired organizational outcomes.

Academic interest in engagement arose with the shift in focus in positive psychology from weaknesses, malfunctioning and damage towards happiness, human strengths and optimal functioning (Seligman & Csikszentmihalyi 2000; Rothmann, 2003). Peterson, Nansook and Seligman (2005) regarded the study and advancement of happiness as important goals of psychology and suggested three major paths to happiness, namely pleasure, engagement and meaning. Engagement, as a constituent of happiness, entails that individuals pursue their internal gratification by applying their strengths at their workplace (Rothmann, 2010). It is observable that common to all these definitions is the idea that employee engagement is a desirable state, having an organizational purpose. It connotes involvement, commitment, passion, dedication and enthusiasm at work.

3. Drivers of Employee Engagement

In the literature on employee engagement, one frequently comes across the term “drivers” of engagement, which has been popularized by consulting firms as well as HR practitioners. A driver is something that drives or leads or results to a particular phenomenon. In the recent past, many researches have tried to ascertain factors leading to employee engagement and developed models to draw implications for managers. Their diagnosis aims to identify the common drivers that will increase employee engagement levels of employees. Robinson et.al (2004) concluded that the strongest driver of employee engagement was a sense of feeling valued and involved. They developed a diagnostic model which clearly indicates the various components of feeling valued and involved in an organization. The identification of these drivers of engagement gives a pointer to organizations on how to capitalize their human capital to its fullest potential to maximize bottom line results. The relative strength of each of these drivers is likely to vary, depending on the nature of the organization. In addition, different employee groups within an organization may also have slightly varying drivers of personal work engagement.

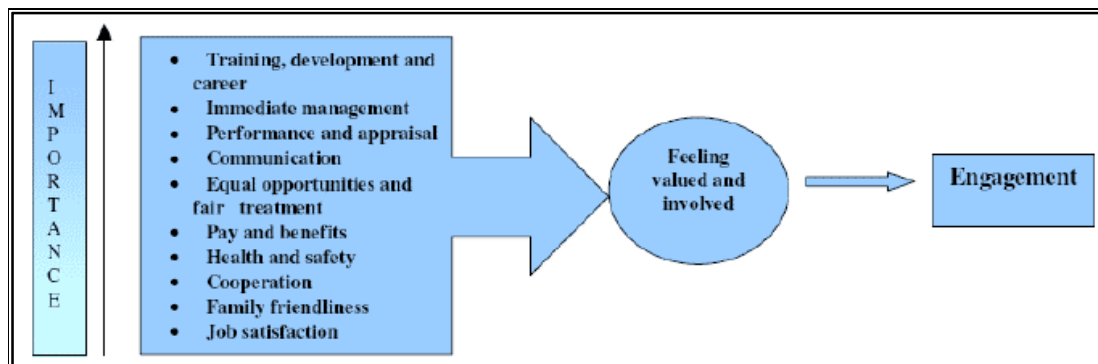


Figure 2: Drivers of Employee Engagement

Source: IES 2004

In 2006, The Conference Board- a global consulting non-profit organization based in the United States conducted a meta-analysis of the drivers of employee engagement by reviewing 12 major employee engagement studies conducted by research firms such as Gallup, Towers Perrin, Blessing White, and The Corporate Leadership Council amongst others. The in-depth analysis of these studies altogether identified 26 major drivers of employee engagement with 8 factors emerging uniformly across at least 4 studies. These 8 drivers are:

- **Trust and Integrity** – This refers to the extent to which the employee feels that members of the management team communicate, tell the truth, listen to employees and follow through with action and demonstrate the company’s expressed values through their personal behaviour.
- **Nature of the Job** – This driver refers to the daily content of the tasks carried out by the employee, the employee’s routine and the degree to which he/she derives emotional and mental stimulation from it. It includes feeling challenged at the workplace and opportunities to participate in taking decisions at work.
- **Line of Sight between Individual Performance and Company Performance** – This refers to the degree to which an employee understands a company’s goals and objectives, is aware of its significance and knows the impact his/her individual performance to achieving these goals.
- **Career Growth Opportunities** – This refers to the extent that an employee feels that there are future career advancement opportunities and promotions for him/her in the organisation. It also includes the awareness of a clear and well carved career path for the employee to follow in the organization.
- **Pride about the Organisation** – This alludes to the amount of pride and self-esteem an employee derives from being a part of the organisation. This driver is also associated with behaviors of recommending the company to prospective clients, customers and employees and expressing positive feeling about the workplace.
- **Co-workers/Team Members** – This driver recognizes the immense impact an employee’s co-workers, peers and colleagues have in enhancing his/her levels of employee engagement. Since an employee spends a significant amount of

his time at the workplace with his colleagues, the relationship he shares with them plays an important role in engagement levels.

- **Employee Development** – This driver refers to the degree that the employee feels that specific and targeted efforts are being made by their company or the manager to develop the employee’s skills to his fullest potential.
- **Personal Relationship with One’s Manager** – This is the degree to which an employee values the relationship and bonding he/she shares with his/her direct manager or supervisor. This does not relate to the professional and job related aspects of their relationship, rather it refers to the person rapport and comfort shared by an employee and his/her manager.

It was observed that each study focused on certain drivers more than the others, in general The Corporate Leadership Council (2004) demonstrated that emotional drivers such as pride in one’s workplace and one’s relationship with one’s manager had four times greater impact on discretionary work effort than rational drivers such as pay and benefits derived from the organization. This finding supported research conducted by Saks (2006) which defined employee engagement as “a distinct and unique construct consisting of cognitive, emotional, and behavioural components associated with individual role performance.” Emotional engagement demonstrates the emotional or affective bond one feels toward his or her place of work and represents a willingness to involve personal resources such as pride, belief and knowledge. An employee’s emotional bond towards his or her organization has been considered as an important determinant of commitment and loyalty to the organisation. Employees who are affectively engaged are known to have a strong sense of belonging and identification that increases a deep level of involvement in the organization’s activities and leads to higher efficiency at the workplace. Emotional engagement concerns the feelings and beliefs held by those who are cognitively engaged, perhaps determining how these feelings and beliefs are formed, influenced, and directed outward, eventually toward overt displays of affection.

Penna (2007) presents a hierarchical model of engagement factors which closely resembles Maslow’s need hierarchy model of motivation. In the bottom most level there are the basic needs of pay and monetary benefits. Once an employee has satisfied these needs, then the employee looks to self-development and learning opportunities, the possibility for promotion and finally an effective leadership style which inspires the employee to achieve his maximum potential. Once an employee has attained satisfaction at all these levels, he or she would aim for the highest level in the hierarchy- to achieve meaning at work.

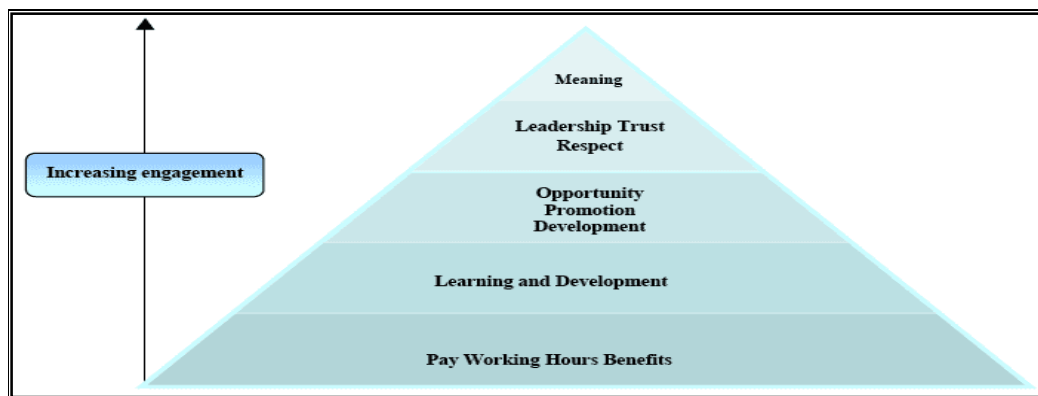


Fig 3. Increasing Hierarchy of Employee Engagement Source: Penna(2007)

In this context, Penna (2007) has defined meaning at work as the situation where a job brings fulfillment for the employee, through which an employee feels valued and appreciated, having a sense of belonging towards the workplace and congruence between the organization goals and an employee’s personal aspirations. In this model, as the hierarchy ascends and the organisation successfully meets each of these engagement factors, the organisation becomes more attractive to new potential employees and becomes more engaging to its existing staff and the 'hygiene' factors of motivation as proposed by Herzberg (1959), appear at the foundation of the model, indicating the nature of these factors as a necessary, but not sufficient, building block upon which the organisation must further develop in order to engage staff.

4. Employee Engagement: Impact On Bottom Line Results

There has been a proliferation of research literature on the construct of employee engagement and how it has a positive impact on key business metrics leading to better organisational performance and efficacy. Organisations that were previously only relying on financial measures of profitability are now considering the value of the “soft” and human oriented measure such as employee empowerment and work engagement in providing sustainable competitive advantage. The consequences for organisations that fail to pay attention to their addressing their human capital and their development are significant and are measured in terms of cost of employee turnover, absenteeism, lost productivity, lower morale levels and alarming dips in performance levels

4.1. Employee Engagement and Productivity

Employees who are more engaged at their workplace are more efficient and productive because they are motivated beyond personal factors. Engaged employees are more focused and more motivated than their disengaged counterparts. This means they work more efficiently and keep the success of the organisation in mind. In 2009, Harter et al. conducted a meta-analysis which included analysis of 199 research studies across 152 organisations in 44 industries and 26 countries. They statistically calculated

the available data on business/work unit level relationship between employee engagement and productivity outcomes within each study. The studies covered 32,394 business/work units and 955,905 employees. Their findings quantified major notable differences between business units ranking in the top and bottom 25% on engagement. They found an 18% drop in productivity levels between the top and bottom performers. 85% of the world's most admired companies believe that efforts to engage employees have reduced employee performance problems (Hay 2010). Hence, work engagement levels should be maximized by organizations to harness highest levels of productivity from their employee. Research conducted by the CIPD (2010) demonstrated that the impact of employee engagement on productivity arose, at least in part, because engaged employees were more involved and socially connected with their work, allowing them to develop better solutions.

4.2. Employee Engagement and Retention

The economic turbulences over recent years have had an unsettling impact on many employees who have chosen to switch jobs in search of organizations aligned with their personal goals providing career certainty and financial security. Beginning in 2003, various studies began to demonstrate a direct and measurable relationship between employee engagement and the intention of employees to leave their current company. Towers Perrin (2003) a global consultancy organization reported that 66 percent of highly engaged employees reported that they had no plans to leave their company, while only 3 percent of them were actively looking or had made immediate plans to leave. This was in heavy contrast to 12 percent and 31 percent, respectively, for disengaged employees.

The Corporate Leadership Council (2004) found that the most engaged employees are 87% less likely to leave their organisation and disengaged employees are four times more likely to leave the organisation than the average employee. The same study found that the 100 best places to work (according to their research) had an average voluntary turnover rate of 13% as compared with the average of 28.5% of other businesses in the same industries. Engagement and retention have thus become firmly rooted in current talent management strategies and practices, viewing employees as strategic assets that are a fundamental precondition to achieving improved business results through effective human resource engagement. Effective engagement of employees can reduce intention to leave, lower annual turnover and greatly lessen the costs associated with attrition, thereby ensuring a huge saving for the organisation. The Hay Group (2010) estimates that in an organisation with 20,000 employees and an annual voluntary turnover rate of 8% the cost of turnover is approximately \$56 million, assuming an average salary of \$35,000. They also estimate that companies with high levels of engagement show turnover rates 40% lower than companies with low levels of engagement.

4.3. Employee Engagement and Customer Satisfaction/Loyalty

Employees play an integral role in enhancing customer experience levels and the reputations and bottom lines of businesses often largely rely on the ability of employee driven efforts to inspire customer loyalty. Customers are more likely to recommend a business to others if they have had a positive experience and that positive experience is most often formed by interactions with frontline staff of the organization. The manner in which customers are handled by the employees of the organisation plays an important role in them forming a perception about the image of the organisation and deciding their loyalty towards it. Prior research concludes that there is a definite and marked link between employee engagement and customer satisfaction, customer loyalty and customer advocacy (Haid & Sims, 2009; Harter et al., 2009; Gonring, 2008). A survey conducted by Right Management (2006) found that 70% of engaged employees indicated they had a good understanding of how to meet customer needs, whilst only 17% of non-engaged employees scored high on this measure.

In their 2009 meta-analysis, Harter et al. found that business units that scored in the top 25% on engagement had customer ratings 12% higher than business units scoring in the bottom 25% of engagement. This increase could be due to the fact that engaged employees care more about meeting customer needs and enabling them to have a positive experience. A 2010 Gallup study stated that employees with positive attitudes towards their workplaces carried those attitudes over to customers and engaged in discretionary efforts necessary to deliver high levels of customer service. Employees who interacted with customers exercised this discretion through their customer interactions while non-customer facing employees did this through the quality and consistency of the products they produced. The Hay Group's 2010 study into the employee engagement strategies of the World's Most Admired Companies also supports the impact of engagement on customer outcomes. It was found that 84% of the admired companies stated that they believed their efforts to engage employees had strengthened customer relationships, as compared with 72% of their peer group. Clearly, engaged employees understand the value of ensuring a positive customer experience and are more likely to demonstrate their commitment by delivering high quality products and services.

4.4. Employee engagement and Absenteeism

The work environment has a potentially large role to play in determining levels of well-being, and it is not surprising to see the strong connections between employee engagement, well-being and absenteeism. The level of absenteeism within the workforce is recognised as one of the main indicators of well-being for organisations today. CIPD (2010) concluded that engaged employees show higher levels of well-being all round, meaning that they are more likely to enjoy their work activities, are able to cope with work-related problems and are less likely to lose sleep over work-related issues. Harter et al. (2009) found that absenteeism was 37% higher in organisations scoring in the bottom 25% levels on engagement in the meta-analysis conducted by them. Towers Watson (2009) reported that the highly engaged missed 43% fewer days of work due to illness. Companies with highly engaged employees report their employees taking 7 absence days per year on average, or approximately half of the 14 days per year reported in low engagement companies (Hewitt, 2012). High levels of employee engagement increase focus and efficiency; it decreases rates of absenteeism at the workplace. Because engaged employees care about what they do, they recognise the

importance of their effort in contributing to the success of their employer. This means that employees consistently turn up to work and work well while they are at their workplace (Nahrgang, Morgeson & Hofman, 2011; Gonring, 2008).

4.5. Employee Engagement and Profitability

There is an abundance of research based evidence to back up the assertion that increased levels of employee engagement can in turn lead to improved revenue growth, profit margins and overall shareholder returns, leading to overall profitability of organizations. Research by Towers Perrin (2003) indicates that the more engaged employees at an organisation are, the more likely it is to exceed the industry average in one-year revenue growth. Specifically, there is a trend showing that organisations with high numbers of engaged employees had revenue growth at least one percentage point above the average for their industry, while the organisations where mostly disengaged employees worked reported revenue growth falls one or two percentage points below the average (Towers Perrin, 2003).

Harter et al. (2006) compared organisations in the top and bottom quartile of engagement level from 23,910 business units, finding that firms in the top quartile of engagement scores had 12% higher profitability and 18% higher productivity. Kenexa (2009) established the link between engagement and total net income using data from 64 organisations and concluded that organisations with highly engaged employees achieved twice the annual net income (profit) of organisations whose employees lagged behind on engagement. The Hay Group reported that organisations in the top quartile of engagement scores demonstrated revenue growth 2.5 times greater than those organisations in the bottom quartile. Towers Watson's 2012 Global Workforce Study reported that companies with high and sustainable engagement levels had an average one-year operating margin that was close to three times higher than companies with low engagement levels.

Employee engagement accrues to a large number of tangible and intangible benefits for organisations and leads to a massive increase in key business metrics. Engagement affects both micro and macro levels over a variety of dimensions and organizational leaders need to exploit engagement in employees to maximize business outcomes.

5. The Darker Side Of Engagement: Disengagement And Burnout

An alternative model of engagement was developed 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. According to Maslach et al (2004), there were six areas of work-life that could lead to either burnout or engagement: workload, control, rewards and recognition, community and social support, perceived fairness and values. They argued that job engagement is associated with a sustainable workload, feelings of choice and control, appropriate recognition and reward, a supportive work community, fairness and justice, and meaningful and valued work. Burnout is defined as a psychological syndrome characterized by exhaustion, cynicism, and inefficacy, which is experienced in response to chronic job stressors. Engagement is understood to be the direct opposite of burnout and exist on a continuum—with engagement on one end and burnout on the other. Exhaustion (low energy), cynicism (low involvement), and inefficacy (low efficacy) are characteristic of burnout; whereas, high energy, high involvement, and high efficacy are characteristic of engagement (Leiter and Maslach, 2004). This supports that the core dimensions of burnout (exhaustion and cynicism) and engagement (vigor and dedication) are opposites of each other (Gonzalez-Roma et al., 2006). It is further understood that burnout does not only have an effect on the individual worker, but also the entire organisation including existing agency staff and the clients the organization serves (Garner, Knight and Simpson, 2007).

In 1990, Kahn defined personal disengagement as the withdrawing or defending of oneself physically, cognitively, or emotionally during their work role performances. Disengaged employees have uncoupled themselves emotionally and cognitively from the work situation. Disengaged employees display incomplete role performances and their task behaviours become effortless, automatic or robotic. This may be due to a lack of social interaction at work, lack of autonomy, or feelings that the job has little meaning. These employees' commitment to their jobs and the organisation is near zero and for all intents and purposes has already left the organisation on an emotional level.

The actively disengaged employee profile according to Coffman and Gonzalez-Molina (2002, p.133) are characterised by the following:

- Resistance to organizational duties;
- Low Trust;
- Belief that "I'm okay, everyone else is not";
- Inability to move from the problem to the solution;
- Low commitment to company, work group, and role;
- Isolation; and
- Won't speak frankly about negative views but will act out frustration, either overtly or covertly.

Burnout and disengagement of employees can have various adverse effects on job performance, individual health and psychological well-being of employees. Job performance burnout is closely linked to lower levels of productivity, absenteeism, intention to leave the job and actual staff turnover. Employees who are disengaged may also have conflicts at the workplace and disrupt the task performance of their colleagues and peers. Burnout is also linked to have serious health outcomes and stress-related conditions such as substance abuse, anxiety, depression, and decreased self-esteem (Maslach et al., 2001). It is imperative for business practitioners to prevent mounting disengagement and burnout rates in employees and implement effective engagement building techniques to accrue a competitive advantage. It also becomes essential for managers to determine the principal disengagement areas, so as to plug the gaps and strengthen the engagement areas by supportive Organisational Development interventions.

6. Employee Engagement: The Indian Scenario

Companies in the Asia Pacific region saw engagement rise to 64 percent on average, a marginal increase over 63 percent in 2012. But, at a country level analysis of engagement levels of employees, results were widely varying in nature. Engagement in India reversed a 2012 decline, with a five point increase to 73 percent. Japan also witnessed a three point rise in engagement levels of workers over the last twelve months to 62 percent. Elsewhere in Asia, the picture was less favorable. Employee engagement in Singapore is unchanged at 62 percent, while engagement in Hong Kong has remained constant at 61 percent for the last three years. Within China, engagement levels fell one percentage point from last year and engagement levels in China are reported to be 61 percent (Hay Group, 2013).

The need to focus on developing, nurturing and retaining human capital has gained prominence in recent years. Organisations, in order to fulfill this need are turning towards creative, unconventional and intrinsic approaches to formulate their rewards and recognition practices. Managers create an environment that maximize the performance of employees and provide employees with a passion to work (Baumruk, Gorman, Gorman & Ingham, 2006; Lockwood, 2006), thereby influencing the level of employee engagement of the employee at the workplace. The key challenge for Indian companies is to keep the employees productive and at the same time keep them satisfied and committed. The companies need to look at providing favorable conditions so that employees can explore opportunities to grow within the organization. An integrated talent management strategy is required to integrate and involve people eternally with the objectives of the organization. Some of the best engagement practices followed by Indian companies are as discussed below:

- A leading example of employee engagement in Tata Motors is Tata club at Jamshedpur, which serves as a gathering nodal point for employees and their families to socialize, network and have fun. Tata Group has also launched Community Development Centres (CDCs) across India to merge family and social values into Tata Motors organizational culture. To promote the value of education and to highlight the achievements of employee's children, merit awards are given in academics, sports & extra-curricular activities. The artistic talent of the employees is nurtured through Kalasagar and Kalasangam – Tata Motors Cultural group which gives employees an opportunity to hone their talents. They arrange various cultural events on music, drama, dance and other activities to promote creativity among the employees and their families.
- At Tata Consultancy Services (TCS) employees are valued and made to feel as invaluable assets of the organization. TCS, which has diverse teams working in different geographic locations in different cultures, created the 'Ultimax' platform which is an online forum, where employees across levels and geographies can come together and brainstorm about job related initiatives. 'Maitree' is another societal initiative of the company that reaches beyond employees, to their families, bringing them together for a number of cultural and social events.
- Aditya Birla Group regularly monitors employee engagement at all levels across the group through the biennial organization health study (OHS), which surveys a number of performance indicators. This gives employees a unique opportunity to anonymously and frankly express their opinions on a range of issues. The Aditya Birla Awards for Outstanding Achievement — has also been a key engagement factor. Aditya Birla Group has a single portal which provides various job opportunities across levels, businesses and geographical locations of the Group. Aditya Birla Group also has opened up various learning opportunities like Gyanodaya- a Group varsity for management learning; Herein the managers participate in managerial and strategy programs conducted by the leading academics. Aditya Birla Group also invests in self-development of the employees by offering them over 250 online courses spanning areas such as leadership, sales, marketing and engineering that are available on the virtual learning network of the firm.
- Akzonobel integrates employee engagement by incorporating Standard Performance and Development Dialogue (P&DD) tool for all employees. The advantages of the P&DD system lie in its transparency and consistent application. HR's role is to encourage management to use the system fully rather than just seeing it as administration.
- In Godrej, the Company's motto is 'take yourself lightly and take your job and your responsibilities seriously'. They believe real fun at work implies that 'Work itself is fun'. In Godrej and Boyce, there are various initiatives that have been taken up by practically all the divisions and Corporate HR. Each Divisional Personnel Head organizes some fun initiatives for the division like Birthday celebrations, Annual branch celebrations, Department picnics, Festive dress codes, Dusserah /Diwali celebrations, online quizzes, Saturday casual dressing, Learning and Sharing day, Team Lunches/Movies, Lights Off Day, Wall of fame to announce Employee of the Quarter/Month. Some divisions also have clip boards for pasting jokes, cartoons and job related updates.
- In HCL Technologies, training and engagement are the main impetus to engage employees. The various engagement programs of the company include the Employee First Councils which is a platform that encourages every HCL employee to pursue his/her passion and make a difference. An hour on Fridays of every week is celebrated with a lot of activities, events, contests and competitions across HCL offices in India. A recognition program is Xtramiles that inspires HCL employees recognize a colleague for a job well done. Recognition is in the form of 'miles' or points one earns, that keep adding to the miles account and provide employees an opportunity to be part of a select club of achievers.

7. Conclusion

Employee engagement is a recent and evolving concept and has demarcated a distinct identity for itself. It has been proved that employee engagement is closely linked with positive organizational performance outcomes. The passion, vigor, enthusiasm and dedication displayed by engaged employees at their workplace ensures that their organizations attain a marked and visible competitive advantage. Companies with engaged employees enjoy higher employee retention as a result of reduced staff turnover,

lower absenteeism and thus are able to capitalize on saving costs associated with attrition. Higher engagement levels are also associated with sharp increases in the productivity, customer satisfaction and performance indicators leading to discernible elevation in the overall profitability levels of the firm. On the flipside, companies with disengaged employees suffer from increased costs associated to lower productivity levels, poor quality, increased absenteeism and staff turnover. Managers should enhance two-way communication, give appropriate training to employees to increase their knowledge and skill, establish reward mechanisms in which performance is rewarded through various financial and non-financial incentives, and empower employees to harness their potential. Organisations need to build a distinctive corporate culture that encourages hard work, develop a strong performance management system which holds managers and employees accountable for the behaviour they bring to the workplace and place focus on top-performing employees to reduce their turnover and maintain or increase business performance. It can hence be concluded in today's world of economic turbulence and uncertainty, engaging employees is critical to ensuring an organisations longevity and profitability.

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