Employee Engagement and empowerment - a popular global buzzword

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Employee empowerment is a term used to express the ways in which staff can make their own decisions without consulting superiors. These decisions may vary in effect depending on the level of empowerment your organization wishes its employees to have. Employee empowerment usually begins with training, which can transition an entire company toward an empowerment model where employees are trusted to make responsible decisions that benefit the company as a whole. Employee engagement is the concept that when employees have choices, they will act in a way that benefits their company's interest.

Keywords-

Decision, Parameters, Work-force Commitment, Quality, Productivity, Communication

Main Text:

Employee engagement and empowerment have become popular buzzwords throughout the business world, but what do they mean and how can they affect business of an organization? This article tries to clarify the confusion and maybe show why those two terms can be very important to any business organization.

Meaning of the terms:

Employee empowerment

Employee empowerment is a term used to express the ways in which staff can make their own decisions without consulting superiors. Even the subordinates would be delegated with power to decide to achieve higher customer delight for both internal and external customers.
It is an initiative by top management as part of process of inclusion.

Why employee empowerment?

- Work through the process of inclusion
- Encouragement for being innovative
- Control- exercise conscious effort to minimize waster and reduction of cost
- More autonomy in decision-making capabilities
- Delegation of decision making responsibilities to those close to internal and external customers

- Adding the Customer Delight and Satisfaction

These decisions may vary in effect depending on the level of empowerment your organization wishes its employees to have. Employee empowerment usually begins with training, which can transition an entire company toward an empowerment model where employees are trusted to make responsible decisions that benefit the company as a whole. Or, it could merely mean giving employees the ability to make some decisions on their own, but still putting parameters in place to govern those decisions. With greater responsibility, employees feel appreciated and will work for the greater good of your organization. By offering employees choice and participation on a level that actually affects daily production, your employees are more a part of the company, and view themselves as ambassadors and will work to justify your trust with enhanced performance.

Employee engagement

Employee engagement is the concept that when employees have choices, they will act in a way that benefits their company's interests.

An engaged employee is a person who is fully involved in, and enthusiastic about, his or her work. Less than 30 percent of all employees actually feel engaged in their jobs, according to a 2008 Employee Engagement Report. Highly engaged employees believe they can positively affect the quality of their organization's products or services. Those engaged employees work with passion and feel a strong connection to their company.

Why employee engagement?

- ➢ Employee knowledge of affected areas
- ➢ Special skills and abilities of employees
- ➢ Technical changes
- ➢ Customer requirements

How does it work?

Installing engagement and empowerment

There are several steps that will help to empower and engage the employees. The top five are covered here.

1. **Perception of job importance** – It is imperative that the employees feel that their jobs are important so that they will feel valued. The organization will have employee loyalty.

2. Clear expectations – It is vital and necessary that there are clear expectations, basic materials, and equipment provided or otherwise it may result in negative emotions such as boredom. Employees will become more focused on getting through the day than about how to help the organization succeed.

3. Regular feedback from superiors - Feedback is the key to giving employees a sense of where they're going. Many organizations are lacking in this context. This feedback has to be positive as well as constructively critical.

5. Use a suggestion box - Allowing your employees a say in what is being done in the work place will strengthen their pride in their job and let them feel as if they have an effect on the organization's

operations.

6. Open House Sessions- All employees' Meet is an effective solution. Every heads of departments would offer themselves to Questions put by anyone from any sections/departments would eliminate apprehensions and boost employee engagement as well as empowerment.

7. Effective communications - Employees want to know what is happening in the workplace. Accepting that employees wish to feel involved in what they are doing is the first step in creating a more productive work environment.

What is required for Employee Empowerment?

- ✓ Participation
- ✓ Innovation
- ✓ Access to Information
- ✓ Accountability

What is required for Employee Engagement- also called Employee Involvement?

- ➢ Employee groups brainstorm ideas for organizational improvement- it could be for product/service improvements, safety concerns, cost reductions.
- ➢ They prepare solutions and recommendations for improvements.
- ➢ Managers evaluate such recommendations and make decisions.
- ➢ These recommendations are implemented and employees/groups concerned are rewarded for their valuable contributions.

Employee engagement and empowerment represent powerful ways to enhance productivity and profitability. Valued employees are happy employees; and happy employees are what drive business success.

Employee engagement, also called **work engagement** or **worker engagement or employee involvement**, is a business management concept. An "engaged employee" is one who is fully involved in, and enthusiastic about, his or her work and thus will act in a way that furthers their organization's interests. According to Scarlett Surveys, "Employee Engagement is a measureable degree of an employee's positive or negative emotional attachment to their job, colleagues and organization which profoundly influences their willingness to learn & perform at work". Thus engagement is distinctively different from satisfaction, motivation, culture, climate and opinion and very difficult to measure.

Employee Engagement is the extent to which workforce commitment, both emotional and intellectual, exists relative to accomplishing the work, mission, and vision of the organization. Engagement can be seen as a heightened level of ownership where each employee wants to do whatever they can for the benefit of their internal and external customers, and for the success of the organization as a whole.

Brief history:

Employee engagement was described in the academic literature. It's a modernized version of job satisfaction. It was defined to be "an employee's involvement with, commitment to, and satisfaction with work." This integrates the classic constructs of job satisfaction and organizational commitment.

A recent research received significant attention in the business community because of correlations between employee engagement and desirable business outcomes such as retention of talent, customer service, individual performance, team performance, business unit productivity, and even enterprise-level financial performance. Employee engagement is derived from studies of morale or a group's willingness to accomplish organizational objectives which began in the 1920s. The value of morale to organizations was matured by US Army researchers during WWII to predict unity of effort and attitudinal battle-readiness before combat. In the postwar mass production society that required unity of effort in execution, (group) morale scores were used as predictors of speed, quality and militancy. With the advent of the knowledge worker and emphasis on individual talent management (stars), a term was needed to describe an individual's emotional attachment to the organization, fellow associates and the job.

Thus the birth of the term "employee engagement" which is an individual emotional phenomenon whereas morale is a group emotional phenomenon of similar characteristics. In other words, employee engagement is the raw material of morale composed of 15 attitudinal drivers.

Studies by Consultants

Engaged employees care about the future of the organization and are willing to invest the discretionary effort. Engaged employees feel a strong emotional bond to the organization that employs them. (Robinson)

Emotional attachment

Only 31% of employees are actively engaged in their jobs. These employees work with passion and feel a profound connection to their company. People that are actively engaged help move the organization forward. 88% of highly engaged employees believe they can positively impact quality of their organization's products, compared with only 38% of the disengaged. 72% of highly engaged employees believe they can positively affect customer service, versus 27% of the disengaged. 68% of highly engaged employees believe they can positively impact costs in their job or unit, compared with just 19% of the disengaged. Engaged employees feel a strong emotional bond to the organization that employs them. This is associated with people demonstrating willingness to recommend the organization to others and commit time and effort to help the organization succeed. It suggests that people are motivated by intrinsic factors (e.g. personal growth, working to a common purpose, being part of a larger process) rather than simply focusing on extrinsic factors (e.g., pay / reward).

Involvement

A recent study indulged in 15 steel mills, 17 ready made garments manufacturers, and 10 electronic instrument and imaging equipment producers. Their purpose was to compare traditional production systems with flexible high-performance production systems involving teams, training, and incentive pay systems. In all three industries, the plants utilizing high-involvement practices showed superior performance. In addition, workers in the high-involvement plants showed more positive attitudes, including trust, organizational commitment and intrinsic enjoyment of the work. The concept has gained popularity as various studies have demonstrated links with productivity. It is often linked to the notion of employee voice and empowerment.

Commitment

It has been routinely found that employee engagement scores account for as much as half of the variance in customer satisfaction scores. This translates into millions of dollars for companies if they can improve their scores. Studies have statistically demonstrated that engaged employees are more productive, more profitable, more customer-focused, safer, and less likely to leave their employer.

Life insurance industry

Two studies of employees in the life insurance industry examined the impact of employee perceptions that they had the power to make decisions, sufficient knowledge and information to do the job effectively, and rewards

for high performance. Both studies included large samples of employees. In both studies, high-involvement management practices were positively associated with employee morale, employee retention, and firm financial performance. It was found that high-commitment organizations (one with loyal and dedicated employees) out-performed those with low commitment.

Productivity

In a study of professional service firms offices with engaged employees were up to 43% more productive.
The most striking finding] is the almost 52% gaps in operating incomes between companies with highly engaged employees and companies whose employees have low-engagement scores. High-engagement companies improved 19.2% while low-engagement companies declined 32.7% in operating income during the study period. Engaged employees also outperformed the not engaged and actively disengaged employees in other divisions. It comes as no surprise, then, that engaged employees have been statistically linked with innovation events and better problem solving.

Generating engagement

Recent research has focused on developing a better understanding of how variables such as quality of work relationships and values of the organization interact and their link to important work outcomes. 84% of highly engaged employees believe they can positively impact the quality of their organization's products, compared with only 31 percent of the disengaged. From the perspective of the employee, "outcomes" range from strong commitment to the isolation of oneself from the organization. Those "engaged" employees work with passion and feel a strong connection to their company. Moreover, 54% of employees are not engaged meaning that they go through each workday putting time but no passion into their work. Only about ⅓ of companies below the median on employee engagement scored above the median on performance.

Access to a reliable model enables organizations to conduct validation studies to establish the relationship of employee engagement to productivity/performance and other measures linked to effectiveness.
It is an important principle of industrial and organizational psychology (i.e. the application of psychological theories, research methods, and intervention strategies involving workplace issues) that validation studies should be anchored in reliable scales (i.e. organized and related groups of items) and not simply focus on individual elements in isolation. To understand how high levels of employee engagement affect organizational performance/ productivity it is important to have an a priori model that demonstrates how the scales interact.
There is also overlap between this concept and those relating to well-being at work and the psychological contract.

As employee productivity is clearly connected with employee engagement, creating an environment that encourages employee engagement is considered to be essential in the effective management of human capital.

Influences

*   **Employer engagement** - A company's "commitment to improving the partnership between Employees and...Employer." Employers can stay engaged with their employees by actively seeking to understand and act on behalf of the expectations and preferences of their employees.

*   **Employee perceptions of job importance** - An employee's attitude toward the job's importance and the company had the greatest impact on loyalty and customer service then all other employee factors combined."

*   **Employee clarity of job expectations** - "If expectations are not clear and basic materials and equipment not provided, negative emotions such as boredom or resentment may result, and the employee may then become focused on surviving more than thinking about how he can help the organization succeed."

* **Career advancement/improvement opportunities** - "Plant supervisors and managers indicated that many plant improvements were being made outside the suggestion system, where employees initiated changes in order to reap the bonuses generated by the subsequent cost savings."

* **Regular feedback and dialogue with superiors** - "Feedback is the key to giving employees a sense of where they're going, but many organizations are remarkably bad at giving it." "'What I really wanted to hear was 'Thanks. You did a good job.' But all my boss did was hand me a check.'"

* **Quality of working relationships with peers, superiors, and subordinates** - "...if employees' relationship with their managers is fractured, then no amount of perks will persuade the employees to perform at top levels. Employee engagement is a direct reflection of how employees feel about their relationship with the boss."

* **Perceptions of the ethos and values of the organization** - "'Inspiration and values' is the most important of the six drivers in our Engaged Performance model. Inspirational leadership is the ultimate perk. In its absence, [it] is unlikely to engage employees."

* **Effective Internal Employee Communications** - which convey a clear description of "what's going on". "'If you accept that employees want to be involved in what they are doing then this trend is clear (from small businesses to large global organizations). The effect of poor internal communications is seen as its most destructive in global organizations which suffer from <u>employee annexation</u> - where the head office in one country is buoyant (since they are closest to the action, know what is going on, and are heavily engaged) but its annexes (who are furthest away from the action and know little about what is happening) are dis-engaged. In the worst case, employee annexation can be very destructive when the head office attributes the annex's low engagement to its poor performance… when its poor performance is really due to its poor communications.

* **Reward to engage** - Look at employee benefits and acknowledge the role of incentives. "An incentive to reward good work is a tried and test way of boosting staff morale and enhancing engagement." There are a range of tactics you can employ to ensure your incentive scheme hits the mark with your workforce such as: Setting realistic targets, selecting the right rewards for your incentive programme, communicating the scheme effectively and frequently, have lots of winners and reward all achievers, encouraging sustained effort, present awards publicly and evaluate the incentive scheme regularly.

The Advantages of Employee Empowerment

Empowerment is about putting employees in the driver's seat.

Employee empowerment went from being a buzzword among managers during the 1990s to a sought-after part of quality management among service industries by the early 21st century. Such professional organizations as the Society for Human Resource Management (SHRM) cite employee empowerment as one of the "critical drivers of business success in the global marketplace." Commonly defined as giving employees the power and authority to take control of workplace situations that would normally be handled by line managers. In SHRM, several advantages for implementing employee empowerment as a practice in human resources management could well be evaluated.

- ✓ **Gain Competitive Advantage**
- ✓ **Respond Quickly to Business Problems**
- ✓ **Better Job Satisfaction, Retention and Motivation**
- ✓ **Increased Productivity, Efficiency and Effectiveness**
- ✓ **Reduce Costs**

In order to increase <u>employee retention</u>, the organization should know how engaged their employee are. Here

are a few questions which can be asked to the employees to measure employee engagement levels in the organization.

How to measure Employee Engagement?

Questions to measure employee engagement

1. Does the employee know the organization's expectations from him?

2. Does the employee have all the resources (material, tools, information) to do his work right?

3. Does the employee find opportunities at work to do what he is best to do?

4. Does the employee get any recognition, praise or acknowledgement for his work in the last seven days?

5. Does the supervisors or colleagues care about the employee as a person?

6. Is the employee encouraged for his development at work?

7. Does employee's opinion matters or counted?

8. Does the employee feel that his work is important for the organization?

9. Are your fellow employees doing quality work or are committed to do so?

10. Does the employee have a best friend at work?

Conclusion:

An organization's culture has a life of it own. No leader or group of leaders can control it entirely. However, leaders can influence a culture in ways that will drive engagement. At least one approach senior leaders can take has already been broached: show that they value employees. Other approaches could include making corporate social responsibility a strategic imperative; reviewing work processes and lines of communication to support employee empowerment and a healthy work-life balance; reviewing compensation policies to ensure fairness; and focusing on measures to increase customer satisfaction. None of these measures address engagement directly, but all would contribute to a culture of engagement.

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