ROLE OF EMPLOYEE ENGAGEMENT ACTIVITIES ON JOB PERFORMANCE OF EMPLOYEES

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Abstract

The success of an organisation depends on the responsible employees who are dynamic in nature. The employee satisfaction in all terms makes the individual to be loyal to the vision of the organisation. The flow of information today makes the organisation more vibrant and contributes to productivity of the organisation. The vision communicated is the key today to keep employee engaged.

Key words: Employee Recognition, Employee Satisfaction, Career Planning, Employee Engagement.

Introduction

Given today's dynamic, competitive and complex business environment, organizations have realized that in order to stay relevant they need highly engaged employees. Also, employees today with a lot of information on hand want to be in the best workplace which has defined responsibilities and greater autonomy. Therefore, engaging the employees to the work as per their competency level must occupy the centre stage not the only for HR department but also for the immediate superiors. Employee Engagement is a complex concept but a vital component for every organization to thrive in this competitive scenario. The need for employee engagement arose out of the need to increase productivity and to get maximum output from efforts. Employee engagement is the level of commitment and involvement an employee has towards their organization and its values. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. Organizations are striving hard to sustain themselves and retain the efficient employees. The need for studying the employee engagement is very much under the assumption that the employee who is engaged to his or her work is very much committed and loyal to the organization. If an employee is highly engaged in his or her work, it may increase their performance and hence there will be an increase in the productivity of the organization. The study intends to study the level of employee's engagement in different information technology companies in

Chennai. The study concentrates on the opinion of the factor that determines the engagement of the employees. This will also act as path finder for further development in the organization.

Literature Review

In organizations, employee and management are in a symbiotic relationship mediated by good employee engagement practices. Therefore, employee engagement has become a buzzword for business houses and emerged as a new research interest for academicians and practitioners, across the globe (Chalofsky, 2010; Chalofsky & Krishna, 2009; Ketter, 2008; Macey et al. 2009). Robinson, et al. (2004) defined engagement as "one step up from commitment". An engaged employee is aware of the business context, works with the colleagues to improve performance within the job for the benefit of the organization. The organization must develop and nurture engagement, which is a two-way relationship between employer and employee". Kahn (1990) defines employee engagement 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". Although it is acknowledged and accepted that Employee Engagement is a multi-faceted construct, as previously suggested by Kahn (1990), Truss et al. (2008) defines employee engagement simply as 'passion for work'.

Underlying reasons for this popularity of the concept are: (1) conceptualization of engagement as an optimistic psychological state of motivation with behavioral manifestations and (2) research findings depicting a bond between employee engagement and organizational and performance outcome variables (Harter, Schmidt & Hayes, 2002 ; Saks, 2006) such as, discretionary effort, intention to turnover and overall performance (Rich, LePine & Crawford, 2010). Inspired from the above mentioned positive engagement consequences, many corporate leaders have started volunteering the employee engagement programs as this lead to staff performance, reduced staff turnover, improvement in the well-being of employees (Macey et al., 2009 ; Michie & West, 2004; Robinson, et al., 2004) and ultimately helps to accomplish business goals. According to Kroth & Keeler (2009) organizations share the common notion that knowledge has become an organizational commodity and employee engagement surges out as an unquestionable pre-eminent source of sustainable competitive advantage at all levels. Hence, to become a socially responsible corporate citizen, boosting employee engagement is becoming a part of the ongoing evolution and a sole focus of the organizations.

The extent to which employees put discretionary effort into their work in the form of brainpower, extra time and energy. Schwartz, (2011) found that those organizations which improved employee engagement improved financial returns and better performance. According to Mart, et al. (2006) employee engagement focuses on three elements: being at your "best self," loyalty, and performance motivation. This study explains about the

specific drivers of employee engagement, including, organizational affiliation, autonomy and influence, reward culture, and leadership effectiveness. In turn, employee engagement is linked with several benefits and includes reduced absenteeism, greater retention, improved employee effort and productivity, enhanced customer satisfaction, and higher profitability for the company.

Dicke, Holwerda & Anne-Marie (2007), found the effects of employee engagement at workplace. They found that there is interrelationship between a supportable workload, feelings of choice and control, appropriate recognition and reward, a supportive work community, fairness and justice, and meaningful and valued work. Authors highlighted that communication and trust are the essential drivers for employee engagement.

Drivers of Engagement

Recently there were many studies which focused on the drivers of employee engagement. One of the important drivers of employee engagement is effective, capable and credible Leadership. Effective leaders positively impact employee retention and engagement. Capable leaders positively impact productivity and performance. Credible leaders do both while also demonstrating respect for worker contribution – the top leadership factor promoting employee engagement. Mathews (2010), surveyed nearly 30,000 employees in 15 countries found that there is a statistically significant correlation between positive assessments of leadership and strong declarations of engagement and also isolated leader practices and behaviors that appear to impact engagement most. In the Walker Information study (Walker Information, 2000), care and concern for employees emerged as one of the most important factors influencing employee commitment to their employers Leaders play a key role in developing a sense of empowerment in their direct reports. . Empowerment is the process of enabling or authorizing an individual to think, behaves, take action, and control work and decision making in autonomous ways. It is the state of feeling self-empowered to take control of one's own destiny. It implies having the authority to make decisions, follow through, and get things done. Empowering leaders trust their employees and give them the opportunity to make decisions without micromanaging or taking over tasks when the going gets tough. It has been found that effective communication is an important driver of Employee Engagement. According to Watson Wyatt, (2007), Communication makes a positive difference in employee engagement. Highly engaged employees receive communication from their supervisors and senior management far more frequently which makes them understand the process well and do it well for the satisfaction of themselves and their superiors.

Khanungo (1982) maintained that job involvement is a cognitive or belief state of psychological identification. Employees voluntarily involve themselves in the work they do. It comes from within the employees to be identified by the goal of the organization and the role they do. Thus job involvement is thought to depend on both need and the potential of

a job to satisfy the needs. It results from cognitive judgment about the need satisfying abilities of the job. Jobs in this view are tied to one's self image. Engagement differs from job as it is concerned more with how individual employees his/her self during the performance of his/her job. Finally, engagement may be thought of as an antecedent to job involvement in that individuals who experiences deep engagement in their roles should come to identify with their jobs.

Coffman & Gonzalez-Molina (2002) feel that the engagement is not only about how people think but also about how they feel. They say that the engaged employees collectively are an "economic force that fuels an organization's profit growth". They group employees into three categories, the actively engaged, the non-engaged, and the actively disengaged employees. Engagement with the organization measures ensures engaged employees are within the organization as whole, and doing meaningful work to their satisfaction. Engagement with strategic alignment ensures that employee's effort is focused in the right direction. If that effort is not focused in the right directions, it could be wasted. Engagement with performance is a more specific measure of how employees feel about their own performance level in the organization. Engagement with the management support ensures on how the employees feel about their direct superiors and the management in supporting them and their decisions and acknowledging their works at all levels.

Oaklay, J.L. (2005) identified the factors that drive employee engagement and the effects of employee engagement on customer satisfaction and financial performance. Interaction between managers and employees involving supportiveness and goal-setting was a key driver. Also, Jody & Barrera (2010) found that employee engagement improves when employees are expected to cooperate and work together as well as assume short-term leadership positions in certain circumstances. The study finds that organizations with engaged employees have better market orientation and have customers who use their products to a higher degree, leading to higher levels of customer satisfaction. Swaminathan.J. & Rajasekaran. D. (2010), revealed the influence level of job satisfaction, motivation and effectiveness on employee engagement. Findings of factor analysis revealed that Job satisfaction is the highest influencing factor of Employee Engagement followed by motivation and effectiveness orderly.

Kenexa. (2011), report provides insight into employee engagement levels across countries, job types and industries, and examines trends in employee engagement over the last five years to have better understanding of employee engagement and motivation is critically important because it is clearly linked to a wide range of outcomes including job performance, customer satisfaction and, ultimately, organizational performance.

There are a range of factors, known as drivers that are thought to increase the overall engagement level of the employees in an organization. By the managing those drivers, an organization can effectively manage engagement level of it employees. Drivers

such as communication and feedback, clarity on roles and responsibilities, organization culture, rewards and recognition, relationships with superiors and peers, career development opportunities and knowledge of the organizations' goal and vision are some of the factors that facilitate employee engagement. Employee perceptions of job importance-"an employee's attitude towards the job's importance and the company had the greatest impact on loyalty and customer service than all the employees factors combined." Employee clarity on job expectations-'if expectations are not clear and basic materials and equipment are not provided, negative emotions such as boredom or resentment my result, and the employee may then be focused on surviving more thinking about how he can help the organization succeed". Career advancement/ Improved opportunities-"many improvement opportunities were created outside suggestions system where employees initiated changes in order to reap the bonuses generated by the subsequent cost savings". Perceptions of ethos and the 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, is unlikely to engage employees". Effective internal employee communication-conveys description of what's going on in the organization. Reward to engage-"the incentive to reward good work is a tired and test way of boosting staff morale and enhancing engagement".

Research Methodology

This study aims to understand the factors that influence employee engagement and whether employee engagement activities by the organization result in improved performance of the employee. The study was conducted on employees of Information Technology Companies in Chennai using structured questionnaire. This research was exploratory in nature as an attempt was made to identify how the respondents are influenced by a few factors that enable them to be motivated to increase their job performance in question. The research relied entirely on primary data and pertained to demographic/socioeconomic characteristics of the employee's option towards the management. A primary research was conducted on a sample of 350 employees of seven Information Technology companies in Chennai. All were from organizations with 100 or more employees. The researcher used convenience sampling method. A number of previous studies has employed convenience sampling (Rossiter & Thornton, 2004). The basic objective was to get a sample which was able to closely represent the population to be considered for the study. Three hundred and seventeen respondents returned the questionnaires, of which there were seventeen incomplete questionnaires which were rejected and a total of 300 valid questionnaires (response rate of 85%) were accepted for the study. A structured questionnaire has been framed for conducting the survey. The questionnaire consists of two parts, first part with questions on the demographic details of the respondents and the second with questions based on the conceptual variables. Five

point likert scale ranging from 1 – strongly disagree to 5 – strongly agree was used as the measurement scale for the variables to reduce the statistical problems of extreme skewness (Fornell, 1992). The items for the questionnaire were adopted from different sources. The reliability of the scales was tested using Cronbach's alpha and all the scales satisfied the minimum value of 0.7. Since all the scales used in the study were adapted from previous research, the content validity of the scales was ascertained.

Data Analysis and Findings

A total of 300 respondents completed the survey. 66.7 percent of the respondents were male and 33.3 percent females. The respondents were between 20 years to 50 years of age with work experience ranging from 2 years to 12 years. 66.7 percent of the respondents are between 26 years and 40 years of age. 76.7 percent of respondents have 5 years to 10 years of work experience. The 38.7 percent of respondents are senior software engineers, 32 percent are team leaders and 16 percent are project leaders.

Table no. 1 Table showing demographic details of the respondents

	Age			Experience				
	< 25 years	26 to 40 years	> 40 years	< 2 years	2 - 5 years	5 - 8 years	8- 10 years	Total
Frequency	69	199	32	16	15	101	129	300
Percentage	23	66.3	10.7	5.3	5	33.7	43	100
	Designation					Gender		
	S/w Engineer	Senior S/w Engineer	Team leader	Project Leader	Asst Project mgr	Male	Female	Total
Frequency	12	116	96	48	28	200	100	300
Percent	4	38.7	32	16	9.3	66.7	33.3	100

There are various variables that determine employee engagement in an organization. In order to find the predominant factors that affect engagement, factors analysis is being used. Factor Analysis was employed on the variables in each of the theoretical dimensions of the questionnaire employed for this study. The Principal Component Analysis method was used with Varimax Rotation. The factors with eigen values of more than 1 are extracted. KMO test is performed to find out the sampling adequacy in order to satisfy the condition for which factor analysis can be proceeded with.

Table no. 2 Table showing KMO and Bartlett's test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.824
Bartlett's Test of Sphericity	Approx. Chi-Square	2.811E3
	df	171
	Sig.	.000

The number of samples could be considered adequate for carrying out a factor analysis as the value of KMO was found to be 0.824. Further, the high value obtained in the Bartlett's test and the value of σ (0.000) indicated that the data is appropriate for factor analysis.

Table no. 3 Table Showing the Result of Factor Analysis

Factors	Statements	Factor Loadings	Eigen Value	% Variance explained	Cronbach's Alpha
Employee Recognition	My participation in the team is appreciated	.899	3.505	18.449	
	My decisions are supported by the management	.897			
	I'm aware of what is expected out of me at my workplace	.846			
Employee Satisfaction	I'm satisfied with the current pay and monetary benefits	.803	3.136	16.505	0.824
	I'm satisfied with my plans and my target	.782			
	I'm satisfied with the feedback on my performance given by my superiors	.775			
	I feel that I'm more engaged to my job and organization	.740			
Career Planning	I am provided with the opportunities at work, to learn and grow in the organization	.837	2.643	13.913	

	My career planning is done well ahead by the organization	.825			
	I have received the training I need to do my job well	.817			
Employee Perspective	I have the opportunity to do my best at my work	.869	2.053	10.807	
	I feel that my organization work culture is appropriate for the employees	.852			
	I feel valued for the work I do	.719			
	I feel proud to tell where I work	.706			
	I enjoy working in this organization	.702			
Business Goals	I'm clear about the mission and purpose of the organization	.817	1.654	8.704	
	My targets are achievable within the time frame	.788			
	My roles and responsibilities are explained by the management	.786			
	We work effectively across departments and functions	.765			

Table no.3 shows the result of factor analysis. The nineteen statements are grouped into five factors namely employee recognition, employee satisfaction, career planning, employee perspective and employee responsibility. The factor loadings, Eigen values and the % variance explained are shown for each variable. Also, the Cronbach's alpha value of 0.824 proves that the scales taken up for the study are highly reliable.

Table no. 4 Table showing Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.610[a]	.372	.362	.74791

a. Predictors: (Constant), Business goals communicated company-wide and understood , Career Planning, Employee Satisfaction, Employee Perspective, Recognition given for high performers

Table no. 4 shows the R and R^2 values. The R value represents the simple correlation between the factors and is 0.610, which indicates a high degree of correlation between the independent variables and the dependent variable. The R^2 value indicates how much the total variation in the dependent variable, improvement in job performance can be explained by the three independent variables, which is 37.5%.

The next table is the **ANOVA** table, which reports how well the regression equation fits the data (i.e., predicts the dependent variable) and is shown below

Table no. 5 Table showing ANOVA[b]

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	97.581	5	19.516	34.889	.000[a]
	Residual	164.456	294	.559		
	Total	262.037	299			

a.   Predictors: (Constant), Business goals communicated company-wide and understood, Career Planning, Employee Satisfaction, Employee Perspective, Recognition given for high performers

b.   Dependent Variable: Employee engagement practices improved my job performance

This table indicates that the regression model predicts the dependent variable significantly well. The "sig." column of the "Regression" row indicates the statistical significance of the regression model that was run. Here, p (0.000), which is less than 0.05, and indicates that, overall, the regression model statistically significantly predicts the outcome variable.

The Coefficients table provides us with the necessary information to predict the dependent variable employee engagement practices improved my job performance through the five independent variables. Also, the Table no.6 shows that among the five independent variables, only three variables (Employee recognition, Employee satisfaction and Career Planning) influences the dependent variable.

Table no. 6 Table showing Coefficients[a] of the Regression model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.169	.382		-.443	.658
Recognition given for high performers	.431	.080	.292	5.372	.000
Employee Satisfaction	.457	.058	.411	7.843	.000
Career Planning	.201	.067	.154	2.994	.003
Employee Perspective	-.012	.073	-.009	-.170	.865
Business goals communicated company-wide and understood	.003	.062	.003	.051	.959

The regression equation can be represented as,

Improvement in job performance = -0.169 + 0.431(Employee recognition) + 0.457 (Employee Satisfaction) + 0.201 (Career Planning)

Engagement is build on time, commitment and consistent monitoring. Employee engagement requires that all employees operate from their own strengths passions. Organizations need to recognize that engagement is a strategic issue that has its base on employee recognition and employee satisfaction. Hence they should be keen on finding opportunities to recognize employees who are performing well. The recognition given must be timely, frequent and more importantly specific. Also, employees who are satisfied with the organization's remuneration, plans and targets, show significant loyalty towards the organization an put in extra efforts to improve their performance. Also, career planning which is one of the employee engagement activities for every employee should be made. The employee should be free to select the method of doing things which will be useful for his/her future. If the organization gives good opportunities for the employees to plan their career, they are engaged to the organization and work without fear of future and improve their performance in the current job. If there are signs of disengagement among the employees, is should be identified and reduced effectively by continuous monitoring of the engagement level of the employees in the organization. Furthermore coping strategies and measures should be adopted in order to reduce the disengagement level and increase the satisfaction level of the employees in the organization and thereby resulting in improved job perfromance.

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