

Assessment of Employee Engagement: A Study of Selected Management Institutes of Indore city

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Most competitive companies throughout the world, including educational institutions, spend millions to retain their highly skilled employees. Today, the engagement and retention of high potential talent is a competitive advantage to all organizations. Many organizations rely on compensation, but they should focus on increasing employee engagement and developing systems that provide better support for employees' success. Each organization is different, and there are many factors that can affect the outcomes; engagement scores can serve as meaningful predictors of an organization's long-term success. Some companies use engagement scores as lead measures in their HR scorecards. This exploratory study examined the overall level of engagement for employees with special reference to a few selected management institutes of Indore city in order to examine the possible employee engagement factors for management institutes in Indore. This study is important in not only understanding what drives engagement, but in understanding what factors have the greatest impact on low engagement.

Introduction

'Pleasure in the job puts perfection in the work'
— Aristotle.

One of the most salient career paradigm shifts has been the change from job security to employability security. Today, the engagement and retention of high potential talent is a competitive advantage to all organizations. According to the American Management Association, the biggest cost on turnover is that of replacing an employee who leaves. This cost is calculated conservatively at 30% of an employee's annual salary and for those employees whose skills are in high demand, the cost can rise to two-thirds of their annual salary (Dibble, 1999).

Literature reveals the cost of losing best employees to be enormous – the loss of one competent employee to a competitor institution strengthens the competitor's advantage. Retaining talented employees has become one of the major priorities of organisations and the key differentiator for human capital management (HR Focus, 2006). Competition and the lack of availability of highly talented and skilled employees, put pressure on organisations to engage employees more efficiently (Fegley, 2006). Glen (2006) reiterated that employee engagement remains the key to retaining talent.

Employee engagement is the extent to which employees are committed to the company, believe

in the values of the company, feel pride in working for their boss or managers, and are motivated to go the "extra mile". Employee engagement drives the employee toward cognitive & emotional commitment to the organization. Engaged employee understands what the Company is trying to achieve and helps it make happen. Employee engagement influences employee performance, and retention. Engaged employees learn more, grow faster, and show more initiative than employees who are not. They are committed to finding solutions, solve problems, and improve business processes.

Different people are engaged by different things, so the actual dimensions of engagement may vary for a given group or organization. Many organizations now measure the level of engagement among their employees so as to increase those levels of engagement because they believe that doing so will improve productivity, profitability, turnover and safety. Most researchers agree that employees are more satisfied and less likely to quit if they are emotionally connected to people at work and cognitively committed to their work, which are the core dimensions of employee engagement.

Literature Review

The global workforce is now more mobile than ever before, meaning that companies are no longer simply competing for talent nationally,

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but rather on an international level (Earle, 2003: 244). Holtom, Mitchell and Lee, (2006:329) argue that talent retention will remain a problem until organizations start treating employees holistically as a person with personal commitments and well as work related commitments.

Career development and advancement within the organisation have been cited by several authors as indicative of whether employees will remain with a company (Van de Ven, 2007; Walsh & Taylor, 2007:164). Trahan (2007) holds that mere commitment is not enough and that employee engagement, enablement and integrity ensure organisational success.

According to Kahn (1990), people are engaged when some psychological conditions are met. These are *psychological meaningfulness, safety and availability*. Psychological meaningfulness occurs when employees feel valuable and worthwhile. When they perceive work situations around them as predictable and clear, the safety condition is met. Lastly, availability occurs when they feel they have enough resources for performing their jobs. Employees feel more engaged when they have clear direction, performance accountability, and an efficient work environment. Employees need to understand where to focus their efforts. Without a clear strategy and direction from senior leadership, employees will burn valuable time on activities that do not make a difference for the organization's success. Employees must receive feedback to ensure that they are on track and being held accountable for their progress.

Lockwood (2006) reports that employee engagement can influence the bottom line as the new world of work demands flexibility, speed and innovation (Martel, 2004: 42). Recent comparative studies between employee engagement and an organisation's financial performance indicated that organisations with a high engagement figure outperform organisations with lower scores (Coleman, 2005).

Joo and Mclean (2006) support the view that employee engagement can provide organisations with sustained competitive advantage. This is due to the fact that human and organisational resources are difficult to emulate and contain specific skills and attributes unique to the organisation (Lado &

Wilson, 1994). Through value creation that is rare and difficult to imitate (Teece, Pisano & Shaen, 1997), organisations can develop a competitive advantage over rivals (Foss, 1997). This inadvertently leads to the argument that a set of engaged employees becomes a strategic asset (Joo & Mclean, 2006) in that it is a "set of difficult-to-trade-and-imitate, scarce, appropriable and specialised resources and capabilities that bestow a firm's competitive advantage" (Amit & Shoemaker, 1993).

Employee engagement is influenced by several factors. These include being challenged at work, having responsibility, sharing trusting relationships and being managed by results and not just the inputs required (Kreuger, 2006). Trust is one of the critical predictors of employee engagement in behaviours beyond their role requirements.

According to Holbeche and Springett (2003), 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.

Saks (2006) argues that one way for individuals to repay their organisation is through their level of engagement. In other words, employees will choose to engage themselves to varying degrees and in response to the resources they receive from their organisation. Bringing oneself more fully into one's work roles and devoting greater amounts of cognitive, emotional, and physical resources is a very profound way for individuals to respond to an organisation's actions, as suggested earlier by the work of Kahn (1990). Thus employees are more likely to exchange their engagement for resources and benefits provided by their organisation.

The Gallup Organisation (2004) found critical links between employee engagement, customer loyalty, business growth and profitability. They compared the scores of these variables among a sample of stores scoring in the top 25 per cent on employee engagement and customer loyalty with those in the bottom 25 per cent. Stores in the bottom 25 per cent significantly under-performed across three productivity measures: sales, customer complaints and turnover.

Robinson *et al* (2004) identified key behaviours, which were found to be associated with employee engagement. The behaviours included belief in the organisation, desire to work to make things better, understanding of the business context and the 'bigger picture', being respectful of and helpful to colleagues, willingness to 'go the extra mile' and keeping up to date with developments in the field. Furthermore, the research found that employee engagement was closely linked to feelings and perceptions around being valued and involved, and that the key drivers of engagement included effective leadership, two-way communication, high levels of internal co-operation, a focus on employee development, a commitment to employee wellbeing and clear, accessible human resources policies and practices to which managers at all levels were committed.

The literature surrounding employee involvement suggests that the root of employee disengagement is poor management, whereby employees do not have good working relationships with their managers and are denied the opportunity to communicate and have some power in decision-making, let alone receive information from their managers.

Problem statement

Business today requires physical, human and social capital. Human capital is to be engaged mentally and physically in order to create high value intellectuals. The challenge to management is to understand why disengagement and neutrality exist among employees and therefore assessing the level of employee engagement is required for improving and measuring progress.

Objective of the study

To assess the overall level of employee engagement in terms of their job, colleagues, supervisor and organization with special reference to a few selected management institutes of Indore City.

Research Methodology

The study area for this study is Indore city. Indore is considered as an educational hub. There is no dearth of good educational institutes in Indore. In fact, a number of students come to this city for higher studies. Academic and non teaching staff of a few selected management institutes of Indore city is the respondents of the study. A total of 63 out of 75 employees responded to the survey, representing a 84% participation rate. The participation rate is high and reflects the interest of employees in the assessment process and the issues addressed. The data collected with the help of questionnaire were coded, tabulated and suitable statistical tools such as percentage, mean score, etc were calculated using SPSS. The questionnaire used for the study is taken from Decision wise Employee Engagement Survey (<http://www.decwise.com/employee-surveys.html> accessed at 25/11/2010).

Analysis and Discussions

It can be seen from Table No. 1 that 57.1 % of the respondents are male whereas 42.9 % are female. Age of all the respondents varied from 26 years to 50 years. A large number (73%) of respondents were in the category of 26 to 35 years of age which implies that there are many young professionals in the field of education. 22.2 % of respondents belonged to the category of 36 to 50 years. Regarding education, 69.8 % of respondents belonged to academic staff while 30.2% belonged to administrative staff. A maximum number i.e. 81.25 % of the respondents were post graduates while 15.60 % of respondents were graduate and 3.10 % are doctorate and above. 46 % of respondents were having income between Rs. 10000-20000 per month. Whereas 6.3% of the respondents have income above Rs 50,000. It is also observed from the Table 1 that the highest 50.8% of the respondents have 1-5 years of work experience with the organization. 20.6 % have work experience of 6-10 years. Only 6.3% are having experience of above 20 years with the organization.

Table 1 Socio Personal Characteristics of the Respondents

Socio Personal Characteristics	Category	Count	%
Gender	Male	36	57.1
	Female	27	42.9
Age group of employees	26-35 yrs	46	73.0
	36-50 yrs	14	22.2
	less than 25 yrs	3	4.8
Staff	Academician	44	69.8
	Administrative staff	19	30.2
Educational Qualification	Graduate	10	15.625
	Post Graduate	52	81.25
	Doctorate and above	2	3.125
Monthly Income	less than 10,000	12	19.0
	10000-20000	29	46.0
	20000-30000	10	15.9
	30000-40000	8	12.7
	above 50000	4	6.3
Work experience (With inst.)	1-5 yrs	32	50.8
	6-10 yrs	13	20.6
	Under 1 yr.	7	11.1
	11-15 yrs	7	11.1
	above 20 yrs	4	6.3

Table No. 2 Descriptive Statistics

	N	Min.	Max.	Mean	S.D	Skewness	Kurtosis
Perceptions about:	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic
Job	63	36.00	60.00	48.7619	4.89145	-.001	.302
Supervisor	63	19.00	49.00	32.5556	6.22891	.018	.302
Colleagues	63	21.00	45.00	34.2222	4.67472	.047	.302
Organization	63	26.00	63.00	45.0317	9.61848	-.156	.302
Valid N (listwise)	63						

For the overall engagement level of employees, it is evident from the above table that the mean value of job (48.7619) is the highest among job, supervisor, colleagues and organization. It seems that the respondents are highly engaged in terms of their job, followed by organization (mean value 45.0317) and then colleagues (34.2222). It is also revealed from the above table that the mean value for supervisor is 32.5556 which imply that respondents are moderately engaged in terms of their supervisor and colleagues. So it can be concluded that employees are highly engaged with their job, organization and colleagues and moderately engaged with supervisor there exist no disengagement among employees of a few management institutes of Indore City.

From Table 3 , it is clear that respondents are fully engaged for almost all factors of job. The highest scoring factors are: job provides them the sense of meaning and purpose (85.7%), they have all the resources and tool for doing their job well (76.2%), for most days they look forward to come to work (74.6%) and they find enjoyment in doing their job (73.0%). The lowest scoring factors are employee voice (38.1%), authority to do job (39.7%) and received training for doing job well (41.3%).The only job factor for which employees are disengaged is the value for work. They believe that their work is not valued in the organization (37.1%).

Table 3 Perceptions about Job

Questions	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
I have the tools and resources I need to do my job well.	0%	12.7%	11.1%	63.5%	12.7%
I have received the training I need to do my job well.	1.6%	30.2%	27.0%	28.6%	12.7%
The amount of work I am expected to do is reasonable.	7.9%	7.9%	23.8%	55.6%	4.8%
My job provides me with a sense of meaning and purpose.	6.3%	.0%	7.9%	65.1%	20.6%
Most days, I feel like I am making progress on important work projects or initiatives.	.0%	12.7%	28.6%	41.3%	17.5%
My job offers enough variety to keep me engaged.	3.2%	9.5%	33.3%	41.3%	12.7%
I find enjoyment in the job that I perform.	1.6%	6.3%	19.0%	54.0%	19.0%
My talents and abilities are used well in my current position.	6.3%	22.2%	17.5%	49.2%	4.8%
The level of stress in my job is manageable.	1.6%	6.3%	25.4%	61.9%	4.8%
I have the authority I need to do my best work.	3.2%	23.8%	33.3%	28.6%	11.1%
I feel that we can speak up without fear of retribution or negative consequences.	1.6%	30.2%	30.2%	33.3%	4.8%
My work is valued by this organization.	3.2%	34.9%	27.0%	27.0%	7.9%
It is easy to become absorbed in my job.	1.6%	4.8%	30.2%	63.5%	.0%
Most days, I look forward to coming to work.	.0%	1.6%	23.8%	73.0%	1.6%

Table 4 Perceptions about Supervisor

Questions	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
I clearly understand what my supervisor expects of me.	0.0%	11.1%	27.0%	49.2%	12.7%
My supervisor establishes effective working relationships with all team members.	7.9%	15.9%	23.8%	49.2%	3.2%
My supervisor treats people with fairness and respect.	4.8%	22.2%	23.8%	44.4%	4.8%
My supervisor is accessible and responsive to people's needs.	9.5%	19.0%	27.0%	39.7%	4.8%
My supervisor gives me regular feedback on how I am doing.	9.5%	33.3%	28.6%	27.0%	1.6%
My supervisor provides clear expectations for my work.	6.3%	23.8%	33.3%	34.9%	1.6%
My supervisor has high expectations for our team's performance.	.0%	17.5%	15.9%	38.1%	28.6%
My supervisor regularly recognizes or acknowledges me for doing a good job.	1.6%	23.8%	25.4%	38.1%	11.1%
My supervisor helps our team to develop and grow.	.0%	28.6%	31.7%	34.9%	4.8%
I trust my supervisor.	4.8%	28.6%	30.2%	27.0%	9.5%

From the above table, the highest scoring factors are supervisor has high expectation for the performance (66.7%), followed by "I clearly understand what my supervisor expects of me (61.9%) and supervisor establishes effective working relationships with all team members (52.4%). The lowest scoring factors are "My supervisor provides clear expectations for my work (36.5%) and "I trust my supervisor" (36.5%). For the factor "My supervisor gives

me regular feedback on how I am doing", the respondents are disengaged (42.8%). This implies that there is no system or proper system of providing feedback to respondents by the supervisor regarding their job performance. Also respondents are unclear regarding expectations for their work and there is lack of adequate help from supervisor for team to develop and grow.

Table 5 Perceptions about Colleagues

Questions	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
The people I work with help each other when needed.	1.6%	11.1%	19.0%	46.0%	22.2%
The people I work with treat me with respect.	.0%	1.6%	20.6%	73.0%	4.8%
My coworkers and I openly talk about what needs to be done to be more effective.	.0%	3.2%	20.6%	60.3%	15.9%
There are people at work that care about me as a person.	.0%	1.6%	12.7%	61.9%	24.8 %
We deliver quality products and services on a consistent basis.	.0%	7.9%	14.3%	44.4%	33.3%
People in my department do what they say they will do.	3.2%	15.9%	20.6%	38.1%	22.2%
I enjoy working with the people in my work group.	3.2%	3.2%	20.6%	55.6%	17.5%
The people I work with show a sense of urgency.	1.6%	12.7%	34.9%	41.3%	9.5%
My workgroup/team has a good reputation within the organization.	3.2%	9.5%	17.5%	44.4%	25.4%

From the above table it is evident that the highest scoring factors regarding colleagues are that there are people at work that care about others as a person (86.7%) followed by people treat with respect (77.8%), "We deliver quality products and services on a consistent basis" (77.7%) and "my coworkers and I openly talk about what needs to

be done to be more effective" (76.2%). The lowest scoring factors are "The people I work with show a sense of urgency" (50.8) followed by "People in my department do what they say they will do" (60.3%). Still from the data, it is clear that the colleagues or the team members have a healthy work environment to work with.

Table 6 Perceptions about Organization

Questions	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
There are clear incentives here for doing goodwork.	20.6%	23.8%	23.8%	28.6%	3.2%
We work effectively across departments and functions to get the job done.	12.7%	20.6%	15.9%	36.5%	14.3%
Our review process is an effective method of evaluating the performance of employees.	22.2%	23.8%	27.0%	20.6%	6.3%

This organization has effective methods for receiving and responding to suggestions for change.	17.5%	25.4%	30.2%	23.8%	3.2%
I understand how my work contributes to the overall vision and goals of this organization.	1.6%	9.5%	20.6%	47.6%	20.6%
I am confident that we have the right people in Senior Leadership positions at this organization.	14.3%	28.6%	19.0%	34.9%	3.2%
This organization cares about employees.	12.7%	30.2%	11.1%	39.7%	6.3%
This organization provides attractive opportunities for growth and development.	14.3%	30.2%	27.0%	25.4%	3.2%
I believe this organization has a successful future.	7.9%	7.9%	27.0%	38.1%	19.0%
I would recommend this organization as a great place to work.	3.2%	9.5%	19.0%	54.0%	14.3%
I could see myself working at this organization at this time next year.	7.9%	9.5%	22.2%	41.3%	19.0%
Career opportunities at this organization are better than those outside of the organization.	9.5%	17.5%	17.5%	44.4%	11.1%
I play an important role in this organization's future.	4.8%	9.5%	33.3%	34.9%	17.5%
I have a clear understanding of the goals and direction of this organization.	.0%	3.2%	22.2%	50.8%	23.8%

From the above table it is clear that the highest scoring factors are that the respondents have clear understanding of the goals and direction of this organization (74.6%). They understand how their work contributes to the overall vision and goals of the organization (68.2%) and they would definitely recommend their organization as a great place to work (68.3%). For all these factors respondents are fully engaged. But there are no clear incentives there for doing good work; their review process is not so effective for evaluating the performance of employees. Their organization has no effective methods for receiving and responding to suggestions for change. Respondents believe that they don't have right people in Senior Leadership positions at their organization. Respondents also feel that their organization do not provide attractive opportunities for growth and development.

Conclusions

Findings suggest that the factors that contribute to the high level of engagement are tools and resources needed to do job well, job providing with a sense of meaning and purpose, enjoyment in doing job, reasonable work load, variety in job, utilization of talents and abilities, effective working relationship, fairness and respect, accessibility and responsiveness of supervisor, coordination among team/colleagues, open voice for what needs to be done to be more effective within team, care as a person, enjoyment working in a team, reputation of the team/group, coordination across departments and functions to get the job done, understanding how their work contributes to the overall vision and goals of this organization, believe in the organization, career opportunities at the organization and having clear understanding of the goals and direction of the

organization. The factors that cause disengagement are that the work done by employees is not valued by the organization, there is no recognition for employee voice, lack of regular feedback, no clear instructions for what is expected, lack of trust on supervisor, lack of help from supervisor, not keeping words by team members, no clear incentives for doing good work. Lack of effective review process for evaluating the performance of employees, lack of effective methods for receiving and responding to suggestions for change. Also respondents believe that they do not have right people in Senior Leadership positions in their organization. They also feel that organization do not care about their employees and their organization do not provide attractive opportunities for growth and development.

Recommendations

From the study it is clear that there are many factors which cause neutrality and disengagement among employees and they needed to be improved so as to increase the level of engagement. For this following recommendations are suggested:

Employees must be provided with some authority to do their job well. Training for performing job well will raise their engagement level and if their work is valued by the organization, it will also add

to high engagement level.

Supervisors should provide clear expectations for the required work, they should provide with the regular feedback on how their subordinates are doing. Supervisors should provide adequate help for team to develop and grow.

Organizations should provide clear incentives for doing good work. They should implement effective review process for evaluating the performance of employees, effective methods for receiving and responding to suggestions for change. Organization should care about their employees and should provide with attractive opportunities for growth and development.

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