



Impact of employee engagement on organizational success: A study in TATA Advanced Materials Limited, Bengaluru

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Abstract

Employee Engagement is the level of employee's commitment and participation towards their organization and its values. The organizational success depends on employee's productivity which is accelerated through employee's commitment towards his organisation. This paper is attempted to analyse the relevance of engaged employees for the growth and development of organisation and its success. This paper makes an attempt to study the different dimensions of employee engagement with the help of review of literature. In this study in a manufacturing company, the factors contributing towards productivity and its overall impact on the organisation is measured through the data collected by way of questionnaire. The main objective of the study was to analyse and interpret the impact of employee engagement on success of the company using both primary, secondary data. The study uses the 6 Cs of employee engagement out of 10 Cs defined by Gambler (2007) to measure employee engagement and outcomes of employee engagement with suggestive conclusions.

Keywords: employees, engagement, performance, satisfaction, relationships, outcomes

Introduction

Engagement is consistently shown as something given by the employee who can benefit the organisation through commitment and dedication, advocacy, discretionary effort, using talents to the fullest and being supportive of the organisation's goals and values. Engaged employees feel a sense of attachment towards their organisation, investing themselves not only in their role, but in the organisation as a whole. Engaged employees are more likely to stay with the organisation, perform 20 per cent better than their colleagues and act as advocates of the business. Engagement can enhance bottom-line profit and enable organisational agility and improved efficiency in driving change initiatives. Engaged individuals invest themselves fully in their work, with increased self-efficacy and a positive impact upon health and well-being, which in turn evokes increased employee support for the organisation.

Engagement levels can vary according to different biographical and personality characteristics. Younger employees may be positive when they first join an organisation, but can quickly become disengaged. Highly extravert and adaptable individuals find it easier to engage. Engagement is a choice; dependent upon what the employee considers is worth investing themselves in. Engagement levels vary according to seniority, occupation and length of service in an organisation but not by sector. The more senior an individual's role, the greater the chance of being engaged. Presidents, managers, operational and hands-on staff tend to be the most engaged, professionals and support staff the least, but this varies between organisations. There are seven

commonly referenced drivers of engagement: the nature of the work undertaken, work that has transparent meaning and purpose, development opportunities, receiving timely recognition and rewards, building respectful and assertive relationships, having open two-way communication systems and inspiring leadership. There is an increasing awareness that employee engagement is pivotal to successful commercial and business performance, where engaged employees are the 'backbone of good working environments where people are industrious, ethical and accountable' (Levinson, 2007a; Cleland *et al.*, 2008).

Types of employees

We can find three types of employees in any organisation. They are:

- **Engaged** employees work with passion and feel a profound connection to their company. They drive innovation and move the organization forward.
- **Not-engaged** employees are essentially 'checked out'. They're sleepwalking through their workday, putting time - but not energy or passion - into their work.
- **Actively disengaged** employees aren't just unhappy at work; they're busy acting out their unhappiness. Every day, these workers undermine what their engaged co-workers accomplish.

Employee Engagement is the devotion, passion of employees and effective leadership skills with support from the top management to the employees. Human resource leaders set the drive and creed of their company and spread that positive morale to the employees in the company.

10 Cs of Gambler

1. **Connect:** Leaders should always show and make known that they value employees. Good employee engagement is only going to happen if employees feel positive and strong about their relationship with their boss. If they have a negative attitude towards their boss or feel that the boss has a negative attitude towards them, employee engagement is not going to happen.
2. **Career:** Management and leaders should provide work for their employees' that's not only challenging but also meaningful work. They should also provide opportunities for career advancement. Most people want to look forward to a new challenge or job title.
3. **Clarity:** Leaders must communicate a clear vision. Communication is always important in any relationship. The clearer a leader or manager is about what they want from the employee as well as the overall picture of how that job affects the company, the better. If the employee doesn't have a clear vision of not only their job but also the goal of the company and its entire picture, there will be tension between employees and management as well as frustration.
4. **Convey:** Leaders need to clarify their expectations about employees and provide constructive feedback on their functioning in the organization and how that fits into the entire picture of the company.
5. **Congratulate:** Always make sure to give recognition to a job well done by an employee. The management has to congratulate the employees who have worked well and get reward.
6. **Contribute:** Leaders should make their employees feel important. An employee is going to be much more engaged if their manager asks their input on a job or function of the company. Let the employees feel like they are contributing to the company's success and its future.
7. **Control:** Employees need and value control over the flow and pace of their jobs. Leaders can create opportunities for employees to exercise this control. A feeling of "being in on things," and of being given opportunities to participate in decision making often reduces stress; it also creates trust and a culture where people want to take ownership of problems and their solutions.
8. **Collaborate:** Employees that work in teams typically have the trust and cooperation of their team members. Team builders end up being great leaders because they bring everyone together and build a good team that has trust in each other. Team building should be stressed.
9. **Credibility:** Leaders should always strive to maintain a company's reputation and demonstrate high ethical standards. Once there is a lack of credibility or it gets out that a leader has been involved in some sketchy business, there is no order in the company. Employees and clients will not trust that manager and it will affect the image of the company severely.
10. **Confidence:** Excellent leaders help create and spread confidence throughout their company by being exemplars of high ethical and performance standards. If employees see their leader as a confident and ethical person, they will strive to be like their leader.

Literature review

West (2005) argues that when individuals feel positive emotions, they are able to think in a more flexible, open-minded way and are also likely to feel greater self-control, cope more effectively and be less defensive in the workplace. According to Robinson (2006), employee engagement can be achieved through the creation of an organisational environment where positive emotions such as involvement and pride are encouraged, resulting in improved organisational performance, lower employee turnover and better health.

Kahn started a qualitative study on the psychological conditions of personal engagement and meant by interviewing summer camp counsellors and staff at an architecture firm about their moments of engagement and disengagement at work. He defined disengagement as the decoupling of the self within the role, involving the individual withdrawing and 5 defending themselves during role performances (May *et al.* 2004). This is consistent with Robinson *et al.* (2004) description of engagement as a two-way relationship between the employer and employee. Susi & Jawaharrani (2011) examined some of the literature on Employee engagement, explore work-place culture & work-life balance policies & practices followed in industries in order to promote employee engagement in their organizations to increase their employees' productivity and retain them. Work-life balance is key driver of employees' satisfaction. Bhatla (2011) focused on the need for such employees and how their presence can improve the progress and work efficiency of the organization as a whole. He also focused on the challenges faced by the HR managers to improve employee engagement for an organization's survival. Bijaya Kumar Sundaray (2011) focused on various factors which lead to employee engagement and what should company do to make the employees engaged. Proper attention on engagement strategies will increase the organizational effectiveness in terms of higher productivity, profits, quality, customer satisfaction, employee retention and increased adaptability. Sarkar (2011) opined that employee engagement is a barometer that determines the association of a person with the organization.

Hewitt defines employee engagement is the energy, passion, "fire in the belly" employees have for their employees, so as they stay (desire to be a member of the organisation) say (speak positively about the organisation) and strive (go beyond what is minimally required). Luthans and Peterson (2002) elaborated on Kahn's work on employee engagement, which provides a convergent theory for Gallup's empirically derived employee engagement. They opined that to be emotionally engaged is to form meaningful connections with others and to experience empathy for them. In contrast, being cognitively engaged refers to those who are acutely aware of their mission and role in their work environment. Dvir, Eden, Avolio, and Shamir (2002) defined active engagement in terms of high levels of activity, initiative, and responsibility. Towers Perrin (2003), defines that engagement involves both emotional and rational factors relating to work and the overall work experience. Wellins and Concelman (2004) suggest that "Employee engagement is the illusive force that motivates employees to higher levels of performance. This coveted energy is an amalgam of "commitment, loyalty, productivity

and ownership.” they further added that it includes, “feelings and attitudes employees have towards their jobs and their organization. Robinson *et al.*, Perryman and Hayday (2004), defines “engagement as a positive attitude held by the employee towards the organization and its values. An engaged employee is aware of the business context, works with colleagues to improve performance within the job for the benefit of the organization”. They further add that organization must develop and nurture engagement which is a two way relationship between employer and employee. The Gallup Organisation (2004) found critical links between employee engagement, customer loyalty, business growth and profitability. Gallup finds that higher workplace engagement predicts higher earnings per share (EPS) among publicly-traded businesses. Gallup’s meta-analyses present strong evidence that highly engaged workgroups within companies outperform groups with lower employee engagement levels, and the recent findings reinforce these conclusions at the workgroup level. Lucey, Bateman and Hines (2005) have deciphered that “Employee Engagement is how each individual connects with the company and the customers”

Significance of the study

The study has been conducted to identify the current level of employee engagement and the work related aspects which needs to be improved for the purpose of employee

Analysis

Table 1: Response of employees with regards Clarity.

Responses	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Percentage	15	35	25	15	10

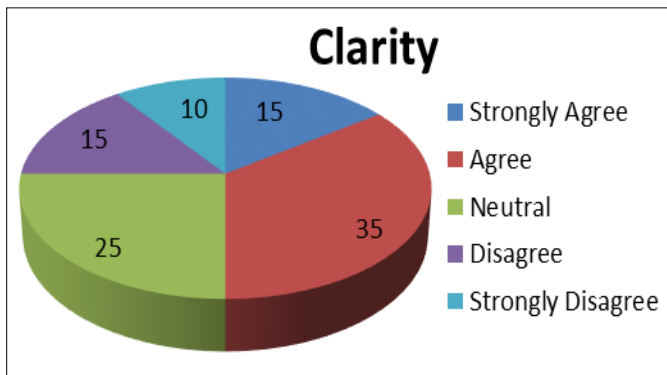


Fig 1: Response of employees with regards Clarity

From the above table and fig, we can interpret that majority of the employees i.e. 35% said we agree that we have clarity about their engagement. Followed by 25% of the employees said that they neither agree nor disagree, 15% of the employees said that they strongly agree and also 15% of the employees said disagree and 10% of the employees said that they strongly disagree.

Table 2: Response of employees with regards Confidence.

Responses	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Percentage	46	11	29	1	13

engagement. The present research will help leaders to highlight the areas for improvement in human resource management. The results of the research will help to give specific recommendations to the company regarding engaged employee in human resource management which areas to pay more attention. The manufacturing Company brought about a paradigm shift in the Indian watch market when it introduced its futuristic quartz technology, complemented by international styling. It continues to grow and set new standards for innovation and quality.

Research Methodology

The sample size for this research is 100. Questionnaire is used as the tool for data collection. Primary and Secondary both sources are used for data collection in this study. The aim of this study is to find the employee engagement and its impact in manufacturing sectors. Here the 6 Cs as major parameters has been taken with five questions each and total thirty questions are designed for the questionnaire survey. The 6 Cs are: i) Clarity ii) Confidence iii) Convey) Connect v) Credibility and vi) Carrier to measure employee engagement at their work-place. The Likert’s five point scales has been implemented in this study on the points strongly agree, agree, neutral, disagree, and strongly disagree option for primary data collection.

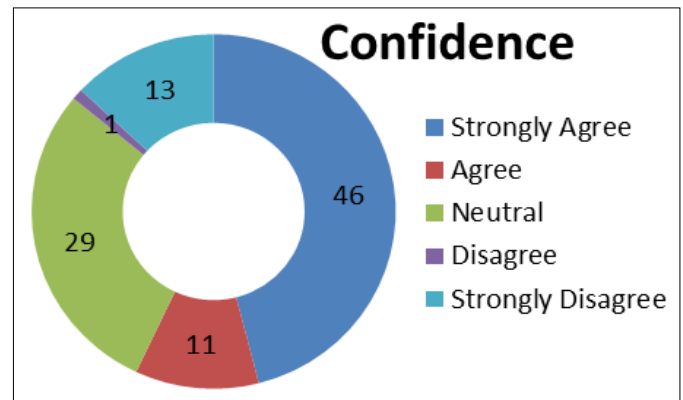


Fig 2: Response of employees with regards Confidence

From the above we can interpret that majority of the employees strongly agreed that i.e. 46% they have confidence on their engagement in the work, followed by 29% of the employees neither agree nor disagree, 13% employees said that they strongly disagree and 1% employees said they disagree.

Table 3: Response of employees with regards Convey.

Responses	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Percentage	30	40	12	10	8

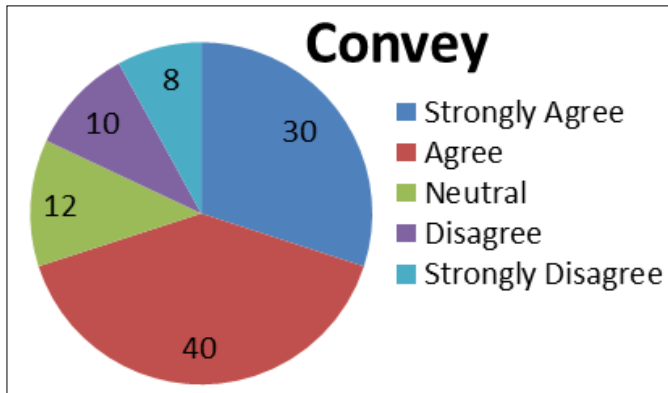


Fig 3: Response of employees with regards Convey

From the above table and fig 40% of the employees agreed the message is conveying properly from the superiors to the subordinates, 30% of the employees strongly agree the message is conveying properly, 12% of the employees neither agree nor disagree about the convey of message, 10% of the employees disagree and only 8% of the employees strongly disagree with regard to convey of message. It shows that there is a feedback system in the organisation which leads to improvement of the employees by correcting themselves if they were doing mistake (not performing well).

Table 4: Response of employees with regards Connect.

Responses	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Percentage	25	30	15	20	10

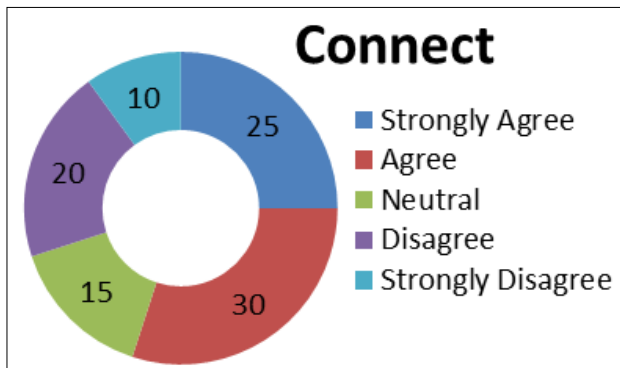


Fig 4: Response of employees with regards Connect

From the above, we can interpret that majority of the employees i.e. 30% agree they have a positive attitude about their boss. 25% of the employees strongly agree they have good relationship between their bosses. 20% of the employees disagree about their good relationship with their bosses, 15% of the employees neither agree nor disagree and 10% of the employees strongly disagree about the attitude about the boss.

Table 5: Response of employees with regards Credibility.

Responses	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Percentage	45	30	15	8	2

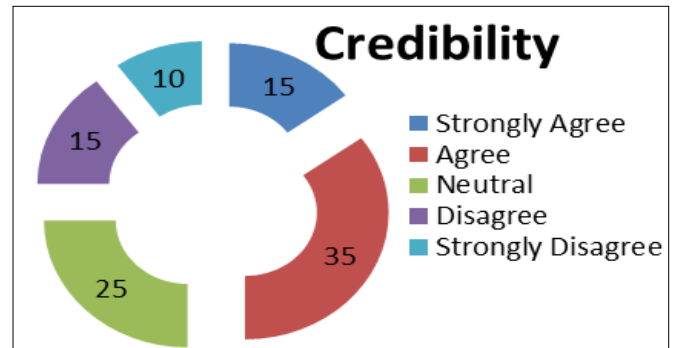


Fig 5: Response of employees with regards Credibility

From the above table and fig, we can analyse and interpret that majority of the employees i.e. 35% agree they strive to maintain a company's reputation and demonstrate high ethical standards followed by 25% of the employees neither agree nor disagree, 15% of the employees both strongly agreed and disagree and only 10% of the employees strongly disagree. It shows that majority of the employees are striving for company's reputation and trying to demonstrate the high ethical standards.

Table 6: Response of employees with regards Career.

Responses	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Percentage	24	38	20	10	8

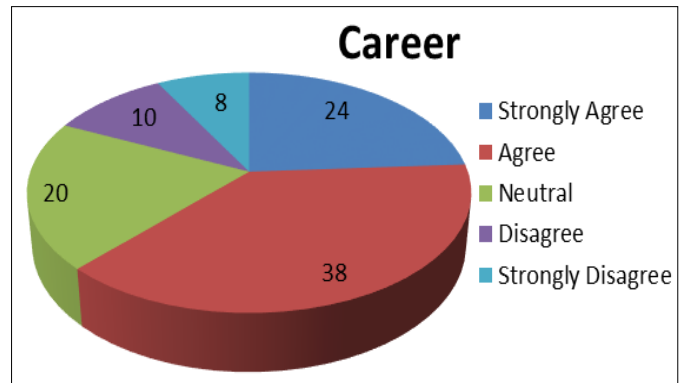


Fig 6: Response of employees with regards Career

From the above we can interpret that majority of the employees i.e. 38% agree the management is providing the opportunity for career advancement, followed by 24% of the employees strongly agree, 20% of the employees neither agree

nor disagree, 10% of the employees disagree and only 8% of the employees strongly disagree that the company is not providing opportunity for career advancement.

Response of employees with regards 6 Cs

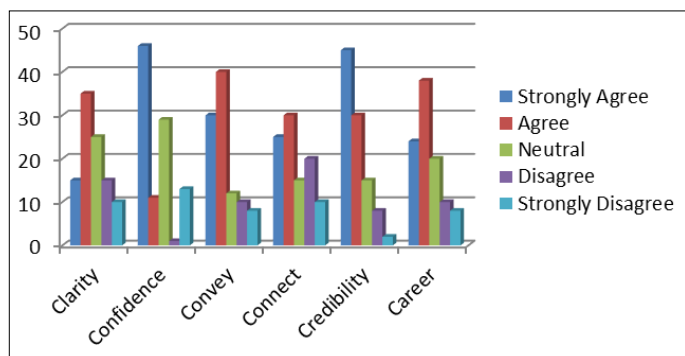


Fig 7: Response of employees with regards 6 Cs.

The above analysis shows that employee engagement and its impact on organizational success is depends on 6 Cs parameters which are i) Clarity ii) Confidence iii) Convey iv) Connect v) Credibility and vi) Career. Here we are measured on parameter wise. After analysis of employee engagement and its impact on organizational success, we are getting average 45.83% employees are strongly agree, 39% employees are agree, 28.33% employees are neither agree nor disagree, 19% employees are disagree and 12% employees are strongly disagree.

Outcomes of Employee Engagement

1. Organisational outcomes

- **Customer loyalty:** The employees who are happy in their work are more likely to create loyal customers. Engaged employees tend to have a better understanding of how to meet customer needs and, as a result, customer loyalty tends to be better in organisations where the employees are engaged. It can be found that ‘in departments where [highly] engaged employees sell to engage customers, customer loyalty, repeat purchases and recommendations to friends are double that of companies with average employee engagement’. Ultimately, this may lead to what is sometimes termed ‘customer engagement’, where there is a mental and emotional connection between the organisation and the customer.
- **Employee retention:** The employees who are happy in their work are more likely to stay in the organisation, and found that work engagement is indeed positively related to organisational commitment.
- **Employee productivity:** Engagement affects employee performance. ‘Engaged employees work harder, are more loyal and are more likely to go the ‘extra mile’ for the corporation’. Employee engagement is an ‘illusive force’ that motivates an individual to achieve higher levels of performance.
- **Advocacy of the organisation:** ‘Engaged employees are more likely to advocate the organisation as a place to work and actively promote its products and services’.
- **Manager self-efficacy:** It is found that employees who are

engaged in their organisation and their work are more likely to respond positively to their managers, demonstrate good performance and achieve success. This then helps their manager to be more effective and successful, which in turn increases the manager’s self- efficacy.

- **Organisational Performance:** The organisational performance has found a reverse causation between performance and attitude of the employees, i.e. the organisation’s performance is causing positive attitudes amongst employees. There are some mediating factors between attitudes and performance which makes causal links more difficult to determine.
- **Bottom-line profit:** ‘The appeal of employee engagement to management is its proven links to bottom- line Results’. These results may manifest in various ways such as through increased productivity, customer loyalty, increased sales or better retention levels. There is a relationship between engagement and profitability through higher productivity, sales, customer satisfaction and employee retention. A recurring problem is that many studies attribute certain employee attitudes as engagement and relate these to organisational outcomes. The studies often tend to be based on correlating high employee engagement with increased profit.
- **Successful organisational change:** Research suggests that employee engagement might play a key role in aiding the successful implementation of organisational change (eg Graen, 2008) and may be particularly important to enabling organisational agility in companies forced to adapt to the changing market.

2. Employee outcomes

- **Clarifying expectations:** Once an employee expected a job for life and promotion in exchange for their loyalty and commitment, employers now tend to offer higher salaries and increased ‘employability’ in exchange for employees’ efforts, and even greater efforts are now expected than 20 years ago. They suggest that this shift in expectations has frustrated many employees, and many are now questioning the meaning of work and seeking greater fulfilment from their employment. Engagement, then, may offer a solution for the individual, providing them with the opportunity to invest themselves in their work. ‘The combination of employing and expressing a person’s preferred self-yields behaviours that bring alive the relation of self to role’. Indeed, an increase in an employee’s sense of self efficacy has also been suggested to be an outcome of employee engagement.
 - **Health and well-being:** It has indicated that engagement may result in positive health effects and positive feelings towards work and the organisation. Gallup also suggests that perceptions of the organisation as a healthy place to work increases the employees’ level of support for their organisation: ‘engaged employees are more likely to view the organisation and job as a healthy environment and therefore more likely to support the organisation’.
- Engagement and investment of the self into one’s work may lead to mindfulness, intrinsic motivation, creativity, authenticity, non- defensive communication, playfulness, ethical behaviour, increased effort and involvement and

overall a more productive and happy employee.

Conclusions

This article is basically individual work responses taken from employees in TATA Advanced Materials Ltd. We have observed that, the current level of employee engagement and the work related aspects need to be improved for the purpose of effective employee engagement. But we found through our survey and analysis the employees are having different opinion and confidence. We also found through our 6 Cs parameters like i) Clarity ii) Confidence iii) Convey iv) Connect v) Credibility and vi) Career, the employees are agreed with these parameters to improve the purpose of effective employee engagement in the organisation and also the organisational and employee outcomes through the effective employee engagement.

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