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Employee engagement and its effect on facilitating business performance

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المستخلص :

الغرض من هذه الدراسة هو توضيح ما هو القصد من إشراك الموظفين، أهميته وتأثيره على تسهيل مستوى أداء العمل بالنسبة للشركات ومساعدة الباحثين والممارسين في أداء أعمالهم. تعتبر هذه الدراسة دراسة مفاهيمية وتقوم على مراجعة الأدبيات الأكاديمية والممارسات العامة المتعلقة بإشراك الموظفين وعلاقتها بالموظفين وبالقيادة الإدارية والتطلعات الاستراتيجية واستراتيجيات الموارد البشرية وأساليبها في التميز الاستراتيجي والسمعة الجيدة والقدرة التنافسية للشركات في بيئة العمل عالي الأداء . لهذا الهدف اتبعت الدراسة المنهج الوصفي لتوصيف وتوضيح اثر اشراك الموظفين علي أداء الاعمال . تشير النتائج إلى أن هناك مجموعة متزايدة من البحوث المقنعة التي ربطت مختلف ممارسات إشراك الموظفين مع النتائج النهائية لأداء الاعمال. وتشمل نتائج الأعمال الهامة الأخرى المرتبطة بزيادة مستويات مشاركة الموظفين مع زيادة الإنتاجية ومستويات مشاركة العملاء، فضلاً عن نمو الإيرادات. كما تميل مشاركة الموظفين إلى تجميع مجموعة من مبادرات الموارد البشرية مثل التزام الموظفين والمشاركة مع التركيز العالي على رضا الموظفين وتحفيزهم من أجل إظهار السلوك الإبداعي والاستباقي من أجل تمكين منظمة الاعمال لتحقيق الأداء العالي.

ABSTRACT:

The purpose of this study is to clarify what is meant by employee engagement, its importance, and its effect on facilitating high level of business performance in order to help researchers and the practitioners in their studies and works. This is a conceptual study based on a review of the academic and popular literatures on employee engagement and its connections to managerial leadership, strategic aspirations, human resources strategies and its contribution to strategic excellence, reputational and competitive capabilities of companies within a high-performance working environment. For this purpose the study followed the descriptive method to describe, explain, and validate the effect of engagement on business performance. The findings indicated that, there is an increasing body of compelling researches that has linked various employee engagement practices with bottom line results. Other important business outcomes associated with increased levels of employee engagement include higher employee productivity and customer engagement levels, as well as revenue growth. Also, employee engagement tends to encapsulate a range of human resources initiatives like employee commitment and involvement with a further focus on advancing employee satisfaction, motivation and effort in order to demonstrate creative, proactive and insightful behaviours to enable the organization to achieve high performance.

Keywords: Talent Management, strategic goals, High performance, Employee Engagement.

Introduction:

Today's organizations realize that the most important and valuable resource, which needs to be leveraged, retained, motivated and engaged is human resources. In order to achieve the organization's strategic goals, line managers need to engage their employees by listening to them, spending face to face time and addressing their grievance to HR department. (UK Essays, 2016).

An engaged employee works and produces better business results (source) because they feel the organization recognizes their contributions and efforts in achieving strategic goals and the most important things in their aspiration of growth and reward.

Statement of the problem:

This study tries to provide a critical review of employee engagement and its effect on facilitating high level of Business performance in order to help researchers and the practitioners in their studies and works, and to cover the gap in the link between employee engagement and business performance.

Objective of the Study:

The main objective of this study is to provide a critical review for the employee engagement, its importance and its effect on facilitating high level of Business purpose and its connections to managerial leadership, strategic aspirations, HR strategies and the critical contribution of employee engagement as a route to strategic, reputational and competitive excellence within a high-performance working environment.

Employee Engagement, commitment and involvement:

According to CIPD engagement usually seen as: an internal state of being, both physical; mental and emotional (CIPD 2015). CIPD (2010) defines it as: “a combination of commitment to the organisation and its values and a willingness to help out colleagues (organisational citizenship). It goes beyond job satisfaction and is not simply motivation. Engagement is something the employee has to offer. It cannot be ‘required’ as part of the employment contract .The Hay Group defines engaged performance as “a result that is achieved by stimulating employee’s enthusiasm for their work and directing it toward organization success. This result can only be achieved when employers offer an implicit contract to their employees that elicit specific positive behaviours aligned with organization’s goals”.

Engaged employees have mutual benefits with their organization which leads to employee and organization success.

On the other side, involvement reflects the act of reciprocity, moreover; employee involvement is transferring the ownership of initiatives and business process from the management board to the bottom line in the organization, accordingly, an involved employee will take an active role in the business in order to implement the new initiatives, take ownership of them and actively participate in driving change (Ashley Freeman 2016) The key challenging factor that faced the organization in engagement and involvement is how to transform involvement into authentic engagement where both sides realize the benefit? Dave MacLeod (2012).

Employee involvement can involve positive initiatives to gain employee commitment and enabling organization to generate ideas from employees through opened communication channels.

(Heidi Reeder, 2015) identifies four factors which contribute to determine an individual’s level of commitment. These factors are (1) treasures: refer to the benefits a person experiences from a given situation, (2) troubles: are the frustrations associated with that situation, (3) contributions: are the efforts the person has already made toward a cause or goal, and (4) choices: are the viable alternatives available to an individual at any point in time.

While employee engagement tends to focus on job-oriented issues, employee commitment focuses on organization-oriented issues. An engaged employee may not be committed to the organisation, maybe he or she work hard in his/her job to seek opportunities elsewhere. Therefore, commitment does not necessarily result in improved organization performance.

Participation and engagement in a corporate wellness program might seem to describe the same thing. The difference is in an employee's mindset. Participation is simply taking action, while engagement is making an investment (Alan Kohll, 2016)

Generally, Employee engagement tends to encapsulate a range of HR initiatives like employee commitment and involvement with a further focus on advancing employee satisfaction, motivation and effort in order to demonstrate creative, proactive and insightful behaviours to enable the organisation to achieve high performance.

Employee Engagement and Business outcomes:

Extensive research conducted by Gallup (2015) shows that employee engagement is strongly connected to business outcomes such as productivity, profitability and customer engagement and is essential to an organization's financial success. Engaged employees support the innovation, growth and revenue that their companies need. And according to Gallup (2015) interview research conducted with over 80 thousand, most of U.S workers continue to fall into not engaged category (68%).

Disengaged employees don't care about the organization success. Disengaged employees always complain and nothing is ever enough to them, they always make excuses, don't help others, prefer to work alone, are not initiators and don't invest in themselves (Kate Taylor, 2016) In addition to that, (Arborquest consulting and Stephen J. Gill ,2011) have identified twenty signs of disengagement like high turnover, high absenteeism, negative comment about the work, lack of teamwork, lack of performance feedback, lack of learning and poor product and service quality.

When employees are engaged, they adopt the vision, values, and purpose of the organization they work for. They become passionate contributors, innovating problem solvers and stunning colleagues and they become citizens of that organization because employee feel closely associated with the organization (David Mizne, 2016). Moreover, organization citizenship behaviour' (OCB) is willingness to go the extra mile (CIPD ,2016).

Engagement creates a psychological contract between the employees and the organization, and according to that contract the two parties – the employee and the employer- reach their mutual obligations. The two parties perceptions and obligations will often be informal and imprecise: they may be inferred from actions or from what has happened in the past, as well as from statements made by the employer, for example during the recruitment process or in performance appraisals. Some obligations may be seen as 'promises' and others as 'expectations'. The psychological contract identifies correctly what employees need to do in order to meet their side of the bargain and what they can expect from their job. Traditionally, the psychological contract described is an offer of commitment by the employee in return for job security provided by the employer, and in some cases the legendary 'job for life', and this concept no longer suits the new generation - young people- because they tend to move between jobs and change careers.

According to CIPD the psychological contract may have implications for organisational strategy in a number of areas including process fairness, communications, management style, managing expectations and measuring employee attitudes. Focusing on organization and employee relation in term of creating job security and trust is key factor to guarantee and maintain employees' commitment and engagement (CIPD, 2016).

Association between Employee Engagement, Managerial Leadership and HR strategies:

In their research Gallup (2015) classified employees into three groups; actively disengaged employees, not engaged employees and engaged employees. Worldwide, organizations and employees recognize the advantages of engaging employees. Generally engagement levels among employees vary across different global regions and among countries within these regions. At the regional level, Northern America (that is, the U.S. and Canada) have the highest proportion of engaged workers, at 29%, followed by Australia and New Zealand, at

24%.(Gallup ,2013) , highlighting the importance of that, Gallup was tracking employee engagement in US since 2000 According to Gallup Daily tracking, 32% of employees in the U.S. are engaged - meaning they are involved in, enthusiastic about, and committed to their work and workplace. Worldwide, only 13% of employees working for an organization are engaged (Gallup, 2015).

Through their survey Gallup address the question of why aren't engagement levels across the world increasing? Gallup sees a clear division emerging within the engagement industry. Different approaches in doing engagement survey, using technologies, survey period, culture consideration and geographical areas need to be considered when measuring employees' engagement. Gallup highlighted some point about why organization fail to make necessary changes that will engage employee like; viewing engagement as a survey instead of as an ongoing process, focusing on survey data rather than developing managers and employees, defining engagement as a percentage of employees who are not dissatisfied, all the highlighted points need to be considered in order to improve workplace and performance (Gallup, 2015).

(The Global Perspectives survey ,2014) released by global research firm ORC International, placed the UK 18th out of 20 countries in employees engagement. The only countries with lower employee engagement are Japan and Hong Kong. Only 37% of UK workers felt they were encouraged to be innovative, down from 47% last year.

In order to benefit from employee's engagement results, employees and employers need to redefine their expectations. Due to the rapid changes in business environment there are new expectations from both employment parties. Traditionally, employer's expectations are around high-quality work output, low absenteeism, good attitude and reasonable cost, and employees expectations are around; good work environment, respect, steady employment and living wages. Starting in the late 1970s, these expectations began to weaken or even fall away (Laurence Shatkin, 2015). During 1980s and forward, organizations focused on cutting cost more than meeting employee's expectations of stable work. And from employee's perspective, loyalty becomes a thing that depends on stable work, employees started to think carefully before signing any noncompetitive contract. Flexible working contract, tele-job, sufficient pool of interchangeable workers, insurance, unemployment support and independent contractors are factors that organizations need to consider.

In its valuable research, Vodafone (2012) explored the shift in employee expectations in UK. The research highlighted three core areas: 1) despite unemployment being 15 years high, a talent blockage exists in today's employment market, therefore organization need to know exactly what talented employees want, 2) businesses need to embrace more flexible, collaborative and better ways of working, 3) there are hidden secrets to retaining talent; pay is secondary (Vodafone, 2012).

Changes during the last two decades from considering shares, cash and investments as the most valuable wealth to considering the employee –human resources- as a strategic priority to win the global competition, as a result of these changes, organizations are adding more value to their employee's skills set (Heger, 2007, 25,121-133). Having engaged employees has become crucial in a time where organizations look to their employees to take initiative, bring innovation, and be proactive with solutions to current needs (Laura C. Batista-Taran, and etal, 2016). And in order to do that, organizational leaders need to lead and increase their employees engagement levels in addition to facilitating the engagement process. (Bakker and Schaufeli 2008, 29, 147-154) found that employees who have positive interactions with their managers have increased levels of engagement. Additionally, (Walumbwa, Orwa, Wang, and Lawler 2005, 16, 236-256) found that using a transformational leadership style leads to increased organizational commitment and job satisfaction, and still (Cartwright and Holmes

2006 16, 199-208) found that leaders who focus on relationship building and trust development increase engagement levels.

While celebrating its centenary, (The Royal College of Nursing (RCN) 2016) used the centenary activities to boost engagement and staff wellbeing, the activities include ‘Walk the lamp’, where staff, RCN members, friends and family are walking Florence Nightingale’s original lamp between every one of the membership organisation’s offices. The walk will cover 1,500 miles, starting in Exeter and ending in Belfast in October, with each leg of the walk lasting about 10 to 15 miles. These type of initiative required strong leadership to plan, develop, engage and execute in order to involve and guarantee employee’s commitment.

Leaders play vital role in developing employee engagement by creating supportive environment, culture, engagement drivers, and sharing the organization vision with the employees. And in order to play that role, in 2008 Johnson and Johnson developed science-based training programs to improve employee engagement and productivity. Grounded in the sciences of performance psychology, exercise physiology and nutrition, it teaches employees to manage and maximize their energy so they can perform their best (Johnson and Johnson, 2016).

Leaders and HR departments need to use employee engagement as strategic competitive tool to reach and achieve organizations strategic goals. And due to the new changes in the labour market, employees are operating more like free agents than in the past. In short, the balance of power has shifted from employer to employee, forcing business leaders to learn how to build an organization that engages employees as sensitive, passionate, creative contributors (Deloitte, 2016), therefore leaders must continuously invest in employees, focus on inspiration, be transparent and continuously cascade the organization mission and vision.

Practicing the employee engagement through Zinger model will offer structured tool that leaders can use to create engaging actions. According to (Zinger, 2010) there are 14 employee engagement elements include; achieve results, craft strategy, connect, authentic, recognition, engage, enliven work roles, excel at performance, esteem organization, foster community, serve customers, develop career, leverage energies and experience well-Being (David Zinger Model ,2010)

Contribution of Employee Engagement to Reputational and Competitive Excellence within a High-performance Working Environment:

High performance working -HPW- is defined by the UK Commission for Employment and Skills as ‘a general approach to managing organisations that aim to stimulate more effective employee involvement and commitment in order to achieve high levels of performance (Ian Stone & others 2012). High performance organizations are enterprises that over time continue to produce outstanding results with the highest level of human satisfaction and commitment to success. To create high performance working environments, leaders needs to consider the tough and aggressive competition that organizations want to win. However, considering the changes that happened because of globalization and changes in employees’ expectations, the features of high performance according to (Centerod) include; clear business strategy that brings value to customers and differentiates from competitors, leadership ability to manage change and unleash organization capability rather than control, mission and values that inspire people and bring out their best, efficient structures, processes and procedures aligned to strategy and customer service, positive culture and open communication and information-sharing channels (Centerod ,2016).

Employee engagement as a common element in creating High performance working environment, appeared when applying the six B’s of HR strategy and its affect of employee/employer psychological contract; Buy: Attracting people to join the organisation, Build: develop your employees and shaping their expectations, Borrow: create fairness, Bind: engage people better in the current tough economic climate, Boost: Appointing the right

people at the top of organization, Bounce: Creating clear standards of what an organisation expects from its people and communicating when this is not achieved.

DTI in association with CIPD (2005) in their 10 case studies highlighted the role of employee engagement and reward in high performance working practices for example in Bacardi & Martini UK they used to use employee engagement survey and back to floor concept for managers. And in Data Connection Services company case study they used to recruit two candidates exclusively at the entry level and provide them with strong career development by the other side they reward them by profit sharing and money wise (CIPD, 2005).

World-class customer service is commonly defined as the ability to meet or exceed a customer's expectations Rachel Miller (2012). Committed organizations to provide 'world-class' service/corporate performance use employee engagement as an important elements to provide satisfy stakeholders needs. Focusing on stakeholders-especially customers-preferences, attitudes and needs and then creating culture and environment that supporting employee engagement will help organization to fulfil its customers' needs, exceeding their expectations and survive in the challenging global market.

According to Rachel Miller (2012), training and development in world-class service will equip employees with the skills necessary to solve customer's issues in logical and timely manner, clear and consistent communication skills and employees will feel a renewed sense of purpose and a stronger affiliation to corporate goals and objectives. Employees with high morale perform better and encourage other team members to do the same.

Aspect Capital as financial leader company in financial sector, created its business strategy to achieve high performance through people and technology, and in order to achieve that goal Aspect Capital focused on activities like; supporting teamwork, effective leadership, commitment to reshaping the organization's culture, high pay to attract talented people, consciously learning from the past in addition to strong focus on training including the imaginative use of high quality coaching and mentoring to build an 'incubator' for 'on-the-job' and company specific training(DTI-CIPD 2005, 25-26)

Alignment of engagement strategic goals to organizational goals is critical to ensure engagement adds value to the business. A good vision will provide inspiration and direction for employee engagement activities and help employees to understand where organization is going (Emma Bridger 2015,43)

Organization' leadership team must keep communication channels opened –open door practice - and must keep their promises. Google have been very intentional about creating the culture they want. One aspect of that culture is their focus on transparency. The idea is to break down barriers, encourage creativity and collaboration. And employees as a result, are feeling empowered by that transparency. Creating an environment and culture where employees believe they can make valuable contributions to business success, begins at the top of the organization. Organizational strategic and operational practices must be directed to stimulate engagement. Engaged employees within an organization provide a competitive advantage to organizations, and become strong organizational assets for sustained competitive advantage and a strategic asset (CMI 2015).

Conclusion:

The findings indicate that, there is an increasing body of compelling research that has linked various employee engagement practices with bottom line results. Other important business outcomes associated with increased levels of employee engagement include higher employee productivity and customer engagement levels, as well as revenue growth. And employee engagement tends to encapsulate a range of HR initiatives like employee commitment and involvement with a further focus on advancing employee satisfaction, motivation and effort in order to demonstrate creative, proactive and insightful behaviours to enable the organisation to achieve high performance.

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