

A study on employee engagement strategy management essay



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Engagement is about creating opportunities for employees to connect with their colleagues, managers and wider organisation. It is also about creating an environment where employees are motivated to want to connect with their work and really care about doing a good job.'

Why is employee engagement relevant to ITC? Almost all examples quoted in the consultant findings demonstrate an out-and-out lack of employee engagement; moreover, the opposite appears to be the case. At this point, it is important to note that a global survey by BlessingWhite Intelligence (2008) on the state of employee engagement found that that " Indian workers are among the most focused and satisfied in the world". In the Asia-Pacific groupings, full engagement for Indian employees reaches 34% in comparison to the lowest of only 10% for China. Moreover, over 65% of respondents said ' yes' when asked if, assuming they had the choice, they would hope to remain within their organisation in 2008. From this, the apparent lack of employee engagement and retention issues apparent within ITC would appear to point to something we are doing wrong as a company.

The first question should be: Why is employee engagement important? Links between employee attitudes, employee management and business performance have been repeatedly demonstrated in CIPD (2009) research, and the Aberdeen Group (2009) reported only this year that 82% of ' Best-in-Class' organisations attributed employee engagement initiatives directly to transformations in revenue and / or profitability.

Employee engagement spills into the concept of the ' psychological contract'. The ' psychological contract' is a popular framework within which

aspects of the employee relationship can be studied (Bratton & Gold, 2007; 14). Guest and Conway (2002) define it as “ the perceptions of the two parties, employee and employer, of what their mutual obligations are towards each other”. These obligations tend to differ from individual-to-individual and are often imprecise / unspoken and inferred “ from actions or from what has happened in the past, as well as from statements made by the employer”(CIPD; Employee engagement; Revised November 2009). This contract forms the basis for 'employer brand' (The psychological contract. Revised January 2009) and often employed to promote in staff retention and recruiting drives. For all of the latter reasons, ITC should pay close heed to this contract. After all, taking account of the emotional needs of the employee ought to be a consideration when we consider they are the only resource within our organization that can simply “ walk out”, taking their skills and possible opinions of negative employer brand with them.

Customer service issues

With regards the consultant reports of customer service issues, several studies have found that employee engagement is an important variable on this front. The CIPD (2009; 2) reported that Visa Europe figures show that employee engagement levels ran parallel with an increase in customer satisfaction. Likewise, it seems intuitive that an increase in customer satisfaction would henceforth lead to an increase financial performance. In a recent study within the customer service industry by Chi and Gursoy (2009), empirical support for this link was indeed presented. On the engagement level, while they found employee satisfaction did not appear to impact on financial performance directly, they did find an indirect relationship between

the latter, with customer satisfaction acting as the mediator. Storey, on the other hand refers to engagement as EIP (employee involvement and participation) and stated that it is

“...thought to contribute to improved levels of worker satisfaction and commitment and, subsequently, organisational performance.”

From this it would appear that engaged and satisfied employees are a requirement for customer satisfaction, with customer satisfaction being the strongest indicator in financial performance. It would also appear, however, that all three variables are required to be woven into the same fabric for overall business success. For ITC, without employee engagement / satisfaction, there will little customer satisfaction, and without customer satisfaction there will be no success. The obvious lack of ITC employee engagement at this moment in time is a worrying factor with regards this tripartite equation. Therefore, the obvious question should be how do we tackle employee disengagement, how do we go about driving employee engagement?

Employee engagement drivers

According to the CIPD (Employee engagement; Revised November 2009), there is no absolute list definitive of engagement 'drivers'. Their research has shown, however, the key employee engagement drivers are:

- Opportunities to feed employee views upwards
- Feeling well-informed about what is happening in the organisation
- The employee believing that their manager is committed to the organisation

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Most writers agree that one of the most important factors at play with regards employee engagement is reciprocal communication between management and the requirement to keep all employees well informed, etc. As you might imagine, these factors are also very much involved in the psychological contract; it is also suggested that, in a crisis, “mutually recognised expectations are best shaped by honest communication and solid information” (Dietz 2009). At this moment in ITC history, we might be described as being on the verge of crisis point.

Intranet 2.0

One suggestion that appears oddly lacking in ITC since its inception is our lack of corporate Intranet. All of the key engagement drivers suggested above can to some end be addressed with the implementation of an Intranet solution, this of course would not solve all of our problems, but it would at least supplement any other measures we ultimately put into place. This Intranet should not be of the antiquated variety, that is, one where static pages existed, with the sole purpose of providing information. We should be embracing all that Web 2.0 tools have to offer (i. e. highly dynamic / interactive internal social networking tools, instant messaging, wikis, blogs, discussion forums, and RSS feed technologies, etc.). Intranet 2.0 is still very much in its infancy, so the ability to introduce a rich networking environment is very much in line with core business strategies of innovation and creativity. We also have a largely young workforce, and Web 2.0 technology tools are something the younger generation have grown accustomed, and this acquaintance can be employed to our advantage in the recruitment field.

When it comes to the employees' call to connect with managers, the desire to believe in their commitment, and having the opportunity to have views fed upwards, the sharing medium of Intranet 2.0 is ideally suited to help facilitate these key engagement drivers. Web 2.0 tools flatten company hierarchy by providing a transparent path of communication between employees at all levels, from the Company Director down to the shop floor worker. It can provide staff across geographical location, irrespective of position or intellect, the opportunity to 'float' ideas on new products ranges, best practices, working procedures, etc. via live suggestion boxes. These ideas can appear in real time and will open to further comments / suggestions by all staff. Intranet 2.0 can also provide a channel for feedback on organisational news announcements, strategies, etc. This type of feedback can help "managers to gain insight into the needs and motivations of employees" (BlessingWhite, Inc. 2008). Indeed, employee attitude surveys[1] can be a regular feature of the system, the results of which can be used to measure employee engagement and gauge feeling amongst the workforce, all of which can help ITC identify areas to focus improvement towards.

The ability of such an Intranet to training and development tool cannot be underplayed. It can provide the workforce with the most up-to-date product information, tutorials, and marketing material, etc. This information does not have to appear in the way it did pre-Web 2.0, where static pages were displayed across the organisation, meaning each employee would be required to wade through pages in order to arrive at the relevant 'nugget' of information. Intranet 2.0 provides levels of personalisation to the point of

providing “ each employee with news updates focused on their job role” (Nielsen, J. 2009). This would be of particular benefit when it comes to areas such as the customer complaints we have been receiving from the call centre regarding staff not being “ up-to-date” on products. For example, this type of system has capability to consistently display individual staff with the most “ up-to-date” products details and Q & A scripts, etc.

As this Intranet 2. 0 proposition is based on helping the flow of communication across the entire organisation, then logically, we would require all staff to have appropriate access to such a system. Head Office, call centre and retails staff are likely to have ready access to PC, laptop, mobile phone technologies in order to do this. In the factory, however, such access is very likely limited. To get around this, deployment of PCs / touch-screens at specific locations throughout the factory is recommended; perhaps inviting factory floor staff to use the system during lunch breaks, etc. Following the suggestion that we allow all employees across the site access the canteen, situating access in this area would also make sense.

Web 2. 0 technologies and business performance

Beyond the obvious communication-flow benefits of Web 2. 0 technologies, recent findings by the Aberdeen Group also provide positive figures for their business performance benefits. Saba (2009) reported that they found that 52 % of organisations who employed social networking tools, blogs, and wikis achieved ‘ Best-in-Class’ compared to only 5% for those who did employ them. They also provided figures for Web 2. 0 tools relation to employee engagement. They found an 18% average year-on-year increase in employee

engagement for organisations employing Web 2.0 technologies in comparison to a mere 1% for those who did not

Bratton, J. and Gold, J. (2007) Human Resource Management: Theory and Practice

BlessingWhite, Inc. (2008)

The State of Employee Engagement 2008

PDF download under heading of 'Asia Pacific Overview'

Website: <http://www.blessingwhite.com/research.asp?pid=1>

Chi, C. G. and Gursoy, D. (2009) School of Hospitality Business Management, Washington State University, Pullman, WA 99164-4742, United States

International Journal of Hospitality Management 28 (2009) 245-253

Website: <http://www.sciencedirect.com>

CIPD (2009)

An HR director's guide to employee engagement; Discussion paper

PDF file available at: http://www.cipd.co.uk/NR/rdonlyres/8DD2561A-D3E3-4E63-9F63-EF74736A17B1/0/hr_director_guide_employee_engagement.pdf

CIPD (Revised January 2009)

The psychological contract

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<http://www.cipd.co.uk/subjects/empreltns/psycntrct/psycontr.htm>

CIPD (Revised November 2009)

Employee engagement -How do employers build an engaged workforce?

Website: <http://www.cipd.co.uk/subjects/empreltns/general/empengmt.htm>

Dietz, G. (2009) The psychological contract during the downturn

Website: <http://www.management-issues.com/2009/8/10/opinion/the-psychological-contract-during-the-downturn.asp>

Guest, D. E. and Conway, N. (2002) Pressure at work and the psychological contract. London: CIPD

Lombardi, M. (2009) Human Capital Management; Employee Engagement is Critical for Organizations Today

Website: <http://research.aberdeen.com/index.php/analyst-insight/human-capital-management?start=8>

Nielsen, J. (2009) Jakob Nielsen's Alertbox: 10 Best Intranets of 2009

Website: http://www.useit.com/alertbox/intranet_design.html

Saba, J. (2009) Web 2.0 in Talent Management

Website: <http://research.aberdeen.com/index.php/human-capital-management/86-human-capital-management-insights/588-web-20-in-talent-management>