

A STUDY ON EMPLOYEE ENGAGEMENT IN DECISION MAKING PROCESS

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ABSTRACT

Employee Engagement is the level of commitment of an employee towards the organization. An Engaged Employee is aware of business context and works with peers to improve performance within job and also for the welfare of the organization. Engagement is the positive attitude held by the employee towards the organization. The paper focus mainly on employee engagement and its importance in decision making process and steps taken by the company to make the employee engaged towards the success of the organization. The employees are engaged in decision making it will increase job satisfaction, level of participation and reduce intention to quit the organization by the employees. Now-a-days employees engagement in decision making is very important and seeks benefit to both organization as well as to the employees.

KEYWORDS: Employee Engagement, Decision Making, Peers, Business Context, Level of Participation

INTRODUCTION

Engagement at work was conceptualized by Kahn, (1990) as the ‘personal engagement’. In engagement, people employ and express themselves physically, cognitively, and emotionally during role performances. Employee engagement is the thus 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. The organization must work to develop and nurture engagement, which requires a two-way relationship between employer and employee. Employee engagement is a tool that determines the association of a person with the organization. Engagement is most closely associated with the existing construction of job involvement and flow. Job Involvement refers to the psychological and emotional extent to which someone participates in their work, profession and company. Top performers are engaged in their work and have high job involvement. Flow is the state in which there is little distinction between the self and environment. When individuals are in Flow State little conscious control is necessary for their actions. When Kahn talked about employee engagement he has given important to all three aspects physically, cognitively and emotionally. HR practitioners believe that the engagement challenge has a lot to do with how employee feels about work experience and how he or she is treated in the organization. It has a lot to do with emotions which are fundamentally related to drive bottom line success in a company. There will always be people who never give their best efforts no matter how hard HR and line managers try to engage them. “But for the most part employees want to commit to companies because doing so satisfies a powerful and a basic need in connect with and contribute to something significant”.

REVIEW OF LITERATURE

- Employee engagement is defined as employees' willingness and ability to help their company succeed, largely by providing discretionary effort on sustainable basis (Perrin's Global work study, 2003). Another study (Scarlett survey) views it as measureable degree of an employees' emotional attachment to their job, colleagues and organization that profoundly influences their willingness to learn and perform at work. The employee engagement is an emergent working condition and a positive cognitive, emotional and behavioral state directed toward organizational outcomes (Shuck & Wollard, 2009). Gallup (which is known as authority on employee engagement) relates employee engagement to a positive employee's emotional attachment and employee's commitment (Demovsek D, 2008). Thus the employee engagement make employees emotionally bonded to their organization and tend them to become passionate about their work and hence results in improvement of employee performance.
- Employee engagement is a complex concept. It has been extensively studied during the last decades, and many different definitions of employee engagement have been created by many different authors (e.g. Rutledge, 2005; Cook, 2008; Elegbe, 2010; Hellevig, 2012). No matter how the definitions differ from each other, it is safe to say that almost all authors find employee engagement to be a very important aspect in the profitability of business and the success of human resource management policies (e.g. Vance, 2006; Cook, 2008; MacLeod & Clarke, 2009.). It makes sense: when employees are ready to do the extra effort even when they are not asked to do it, they are also more committed to the customers of the company. This means better customer service, and that means higher turnover and profit for the company. Simply, engaged employees make the organization work smoothly and well.

CATEGORIES OF EMPLOYEE ENGAGEMENT

According to the Gallup the Consulting organization there are there are different types of people:-

Category 1: Engaged: Employee work with passion and feel a profound connection to their company. They drive innovation and move the organization forward.

Category 2: Not-Engaged: Employees are essentially "checking out". They are sleepwalking through their workday, putting time – but not energy or passion – into their work.

Category 3: Actively Disengaged: Employees are not just unhappy at work; they are busy acting out their unhappiness. Every day, these workers undermine what their engaged coworkers accomplish.

FORMS OF EMPLOYEE ENGAGEMENT

- **Collective Bargaining:** It result in collective agreements which lay down certain rules and conditions of service in an establishment. Such agreements are normally binding on the parties. Theoretically, collective bargaining is based on the principle of balance of power. But, in actual practice, each party tries to outbid the other and get maximum advantage by using, if necessary, threats and counter-threats like strikes, lockouts and other direct actions. Joint consultation, on the other hand, is a particular technique which is intended to achieve a greater degree of harmony and cooperation by emphasizing matters of common interest. Workers prefer to use the instrument of collective bargaining rather than ask for a share in management.

- **Works Councils:** these are exclusive bodies of employees, assigned with different functions in the management of an enterprise.
- **Joint Management Councils and Committee:** Mainly these bodies are consultative and advisory, with decision-making being left to the top management.
- **Board Representation:** The role of a worker representative in the board of directors is essentially one of negotiating the worker's interest with the other members of the board. At time this may result in tension and friction inside the board room. The effectiveness of worker's representative at the board depends upon his ability to participate in decision-making.
- **Workers' Ownership of Enterprise:** social self-management is an example of complete control of management by workers through an elected board and workers council. Even in such system, there exist two distinct managerial and operative functions with different sets of persons to perform them. Though workers have the option to influence all the decision taken at the top-level, in actual practice, the board and the top management team assume a fairly independent role in taking major policy decision for the enterprises, especially in financial matters.

Factors Influencing Employee Engagement

- **Trust and Integrity:** These influence the degree to which the employee feels that "members of the management team are concerned about their well being of their employees tell the truth, communicate difficult messages well, listen to employees and follow through with action, and demonstrate the company's expressed goals and values through their own personal behavior"
- **Nature of the Job:** This refers to the day to day work of the employee, "the degree to which she/he derives emotional and mental stimulation from their work and opportunities to participate in decision-making"
- **Line-of-Sight between Individual performance and Company Performance:** This refers to "how well the employee understands the company's goals, is aware of its overall performance, and most importantly, know how his/her individual contribution impacts this performance"
- **Career Growth Opportunities:** This is the degree to which an employee feels that there are future opportunities for career growth and promotion within the company.
- **Pride About the Company:** This refers to the "amount of self-esteem than an employee derives from being associated with her/his company" . This is also linked to behaviors such as recommending the company to prospective customers and employers.
- **Coworkers/Team Members:** This factor recognizes the significance of the influence that an employees' colleagues have on his/her level of engagement.
- **Employee Development:** Not to be confused with career development, this factor refers to the "degree to which an employee feels that specific efforts are being made by their company or managers to develop employee skills"
- **Personal Relationship with One's Manager:** This refers to the degree to which an employee values the relationship that she/he has with his/her direct manager.

Advantages of Employee Engagement

- **Increase in Productivity:** The employee now assumes responsibility and takes charges. There is lesser new or delegation or supervision from the manager. Working hours may get stretched on their own without any compulsion or force from the management. All this leads to increased productivity.
- **Job Satisfaction:** In lots of organizations that employ participative management, most of the employees are satisfied with their jobs and the level of satisfaction is very high. This is specially when people see their suggestions and recommendations being implemented or put to practice. Psychologically, this tells the individual employee that, 'he too has a say in decision making and that he too is an integral component of the organization and not a mere worker'.
- **Motivation:** Increased productivity and job satisfaction cannot exist unless there is a high level of motivation to the employee. Decentralized decision making means that everyone has a say and everyone is important.
- **Improved Quality:** Since the inputs or feedback comes from people who are part of the processes at the lowest or execution level. This means that even the minutest details are taken care of and reported. No flaw or loophole goes unreported. Quality control is thus begins and is ensured at the lowest level.
- **Reduced Costs:** There is a lesser need of supervision and more emphasis is laid on widening of skills, self management. This and quality control means that the costs are controlled automatically.

Disadvantages of Employee Engagement

- **Decision Making Slows Down:** Participative management stands for increased participation and when there are many people involved in decision making, the process definitely slows down. Inputs and feedback starts pouring from each side. It takes time to verify the accuracy of measurements which means that decision making will be slowed down.
- **Security Issue:** The security issue in participative management also arises from the fact that since early stages too many people are known to lots of facts and information. This information may transform into critical information in the later stages. There is thus a greater apprehension of information being leaked out.

Employee Engagement Strategies

- **Start It on Day One:** Most organizations do have clear new talent acquisition strategies. However, they lack employee retention strategies. Effective recruitment and orientation programs are the first building blocks to be laid on the first day of the new employee. Managers should be careful in pooling out the potential talent of the new employee through effective recruitment. The newly hired employee should be given both general orientation which is related to the company mission, vision, values, policies and procedures and job-specific orientation such as his/her job duties, and responsibilities, goals and current priorities of the department to which the employee belongs in order to enable him/her to develop realistic job expectations and reduce role conflict that might arise in the future.
- **Start it from the Top:** Employee engagement requires leadership commitment through establishing clear mission, vision and values. Unless the people at the top believe in it, own it, pass it down to managers and

employees, and enhance their leadership, employee engagement will never be more than just a “corporate fad” or “another HR thing”. Employee engagement does not need lip-service rather dedicated heart and action-oriented service from top management. It requires “Leading by Being example”

- **Enhance Employee Engagement Through Two-Way Communication:** Managers should promote two-way communication. Employees should be given chance to say the issue that matter to their job and life. Clear and consistent communication of what is expected of them paves the way for engaged workforce. Sharing power with employees through participative decision making so that they would feel sense of belongingness.
- **Give Satisfactory Opportunities for Development and Advancement:** Encourage independent thinking through giving them more job autonomy so that employees will have a chance to make their own freedom of choosing their own best way of doing their job so long as they are producing the expected result.
- **Ensure That Employees Have Everything They Need to do Their Jobs:** Managers are expected to make sure that employees have all the resources such as physical or material, financial and information resources in order to effectively do their job.
- **Give Employees Appropriate Training:** Help employees update themselves increasing their knowledge and skills through giving appropriate trainings. Generally it is understood that when employees get to know more about their job, their confidence increases there by being able to work without much supervision from their immediate managers which in turn builds their self-efficacy and commitment.
- **Have Strong Feedback System:** Companies should develop a performance management system which holds managers and employees accountable for the level of engagement they have shown. Conducting regular survey of employee engagement level helps make out factors that make employees engaged. After finalizing the survey, it is advisable to determine all the factors that driving engagement in the organization, then narrow down the list of factors to focus on two or three areas. It is important that organizations begin with a concentration on the factors that will make the most difference to the employees and put energy around improving these areas as it may be difficult to address all factors at once.
- **Incentives Have a Part to Play:** Managers should work out both financial and non-financial benefits of employees who show more engagement in their jobs. Several management theories have indicated that when employees get more pay, recognition and praise, they tend to exert more effort into their job. There should be a clear link between performance and incentives given to the employees.
- **Build a Distinctive Corporate Culture:** Companies should promote a strong work culture in which the goals and values of managers are aligned across all work sections. Companies that build a culture of mutual respect by keeping success stories alive will not only keep their existing employees engaged.

Employee Engagement Activities in Nissan

Employee engagement programs conducted in Nissan are as follows:

- Picnic at regular intervals
- Movie at interval of 2 months

- A daily column written by CEO on the Intranet with the company announcement
- Update via an overhead paging system, which is used to recognize employees for their business achievements
- Employee suggestion systems/quick responses
- Replay on the Intranet about the CEO's decision
- CEO spending time in face to face communication with staff
- Live version of internal house magazine
- Monthly staff award
- Annual staff award
- Appointment of Disaster management team
- Problem solving committee
- Conducting soft skill training program and required training program
- Indoor as well as outdoor games like chess, cricket etc
- Employee birthday celebration
- Weekly blog related to serious business issue and staff to read and comments

CONCLUSIONS

Employee Engagement is only meaningful if there is more genuine sharing of responsibility between Management and Employees over decision making. An individual's intention to leave their organization is generally regarded as an important measure of how they are feeling about their work. Engaged employees are likely to have greater attachment to their organization. Engaging employees can help to reduce an organization's turnover and recruitment costs, increase performance of the employees, reduce intention to quit and increase productivity. We would hence conclude that raising and maintaining employee engagement lies in the hands of an organization and requires a perfect blend of time, effort, commitment and investment to craft a successful. An organization should thus recognize employees, more than any other variable, as powerful contributors to a company's competitive position. Therefore employee engagement should be a continuous process of learning, improvement, measurement and action.