



## How to create an engaging employee culture in an organization

Sandeep Gandhi <sup>1</sup>, Apoorva Sharma<sup>2</sup>

<sup>1</sup> Professor, Management Department, Kalinga University, Raipur, Chhattisgarh, India

<sup>2</sup> Research Scholar, Management Department, Kalinga University, Raipur, Chhattisgarh, India

### Abstract

In the present day scenario of tough competition and rapidly changing environment the wealth producing organizations must inculcate an engaging employee culture to engender highly engaged employees for survival. An engaged employee is physically, intellectually and emotionally attached to their work and applies discretionary effort resulting into higher productivity, profitability, customer satisfaction, retention and many other desirable outcomes. Creating an engaging employee culture is time taking and requires a lot of effort and attention of leadership. The organization and leadership bear the prime responsibility for creating and managing an engaging employee culture. The employee themselves must also contribute for achieving this. This paper focuses on how the organization, leadership and employees can create an engaging employee culture to achieve a high level of employee engagement. The engaging culture and the resultant employee engagement can be sustained by enabling and energizing the employees by periodically monitoring the employee engagement level and introducing effective employee engagement practices based on such studies.

**Keywords:** engaging employee culture, employee engagement, employee engagement practices

### 1. Introduction

The organizations, profit oriented or non- profit oriented, are facing a very tough, challenging and competitive environment today. For surviving, reaching at the top and remaining there in such a difficult time and environment; the most important asset is talented, engaged and job fit workforce. Hence people are the basic source of competitive advantage.

The report by the Brookings Institute, (2003), has clearly brought out the importance of the quality of workforce by comparing the contribution of intangible assets which includes work force quality to the market values of the organizations for the year 1982 and 2002 as given in table <sup>[1]</sup>.

**Table 1:** Increasing importance of quality of work force in contributing to market value of organization.

% Contribution to market values			
Year	Tangible assets (production facilities, machinery, building etc)	Intangible assets (brand, intellectual, property and quality of workforce )	Total market value
1982	62	38	100
2002	20	80	100

Products and technology can be copied/ replicated. A new cutting edge technology and facilities can be created but the engaging culture and quality of a talented/ engaged workforce of the organization cannot be imitated easily by competitors as changing product and price is easy but creating an engaged workforce is very tough and time consuming. The force which is propelling the work force quality is engagement engendering engaged employees.

### 2. Objectives of the Study

1. To study about the engaging employee culture and its importance
2. To examine the role and responsibilities of organization, leadership and employees in creating an engaging employee culture.
3. To suggest measures for sustaining the engaging culture that fosters engaged employees.

### 3. Research Methodology

The study is descriptive in nature. It is based on secondary data and information which is collected from the concerned documents of various department, reports, papers and web-sites.

### 4. Limitations

The research was limited to the secondary data available in journals, publications, reports, research papers and websites only.

### 5. Engaging employee culture and its importance

Schein, 1990 proposed the two levels of organizational culture. The visible level (surface manifestation) consisting of observable symbols, ceremonies, stories, slogans, dress, physical setting, and behaviors resulting from the invisible level including underlying values, assumptions, beliefs, attitude and feelings (culture iceberg analogy) <sup>[2]</sup>.

Schein, 2004 explained that the culture is the personality and character of an organizations which guides the behaviors of the members of the group <sup>[3]</sup>.

The organizational culture is made up of shared values, beliefs and assumptions about the acceptable norms of behavior,

interaction and decision making and in general how to carry out work activities. The organizational culture which fosters employee engagement is an engaging employee culture.

There are many definitions of employee engagement. All the definition point out that employee engagement is a desirable condition, and is associated with involvement, commitment, passion, enthusiasm, focused effort, energy and motivation, so it has both attitudinal and behavioral components (*Macey & Schneider, 2008*)<sup>[4]</sup>.

*Shuk & Wollard, 2010* proposed the following working definition of employee engagement (based on 159 articles selected for reviews out of 1009 records) as “ an individual employee’s cognitive, emotional and behavioral state directed towards desired organizational outcomes ”It was also indicated that employee engagement is rooted in the psychology of the employee and observed through behavior<sup>[5]</sup> Tower Perrin Talent report, 2003 concluded based on analysis that there is a clear relationship between increased engagement improved retention of talent and better financial performance<sup>[6]</sup>.

Engaged employees are more productive, profitable, safer, healthier, loyal and demonstrate high level of task/job performance organizational citizenship behavior, discretionary effort, commitment and customer service (*Harter et al., 2002*)<sup>[7]</sup> (*Wagher & Harter, 2006*)<sup>[8]</sup> (*Richma,2006*)<sup>[9]</sup> (*Little & Little,2006*)<sup>[10]</sup> (*Fleming & Asplund, 2007*)<sup>[11]</sup> (*Lockwood,2007*)<sup>[12]</sup> (*Rich, Lepine & Crawford, 2010*)<sup>[13]</sup> (*Leiter & Bakker, 2010*)<sup>[14]</sup> (*Christian, Garza & Slaughter,2011*)<sup>[15]</sup>.

The employee engagement is not only beneficial to the organization but also to the employee himself as he experiences a high level of physical and psychological wellbeing. This also reduces absenteeism and medical expenses.

## 6. Role and responsibilities of organization, leadership and employees in creating an engaging employee culture

In an engaging culture the employees are engaged which improves the company performance to a very high level in all the areas. In a crisis the organization are forced to take short term measures like downsizing, paycuts, cost saving etc for survival. But for improving the performance of an organization for surviving the competition on a sustainable basis, the organizational culture needs changes for creating an engaging culture; a long term measure. It takes a lot of time, effort, planning and courage. The creation of an engaging culture is a difficult task and may take years. Employee engagement and engaging culture is never achieved/finished, it is only improved. Proper feeding and care is required to retain these gains, otherwise these improvement will disappear surprisingly quickly.

The existing culture and levels of employee engagement needs to be ascertained before embarking on creating an engaging employee culture. The organization may have a dominant culture broadly defining acceptable form of behavior, decision making and doing things along with sub cultures. The organization must know its cultures which reveals its identity. A strong leadership with a clear vision is a prerequisite for creating an engaging culture. However there are two other sources of influence for change apart from leadership; these

are the organizational strategies and systems and the employees<sup>[16]</sup>.

## 6.1 Organization

The following factors are cited for creating an engaging culture for improving the employee engagement.

### 6.1.1 Mission statement

For creating an engaging culture, it is crucial that the value of employee engagement be communicated through the mission statement of the organization. It can include statement like, providing a great work environment and treat other with respect and dignity. The mission statement should properly articulate the purpose of the organization enabling employees to attach, align and connect. A statement, to make and deliver ‘pizza’ has no pride for the employees, whereas ‘delivering happiness’ make them proud and are connected to the purpose of organization

### 6.1.2 Recruitment/ Selection/ Promotion

The people are the building block of an organization and if they have desirable properties and talents the organization can effectively tap the employee’s passion, commitment and loyalty by having the right employees working in the right jobs. The high job fit and organization fit can be ensured by an organization by effectively developing employees’ talent, while making selection, placement and promotion decisions.

Hence utmost care is required at recruitment level to select persons (the building block) having personal characteristic which make them more inclined than others to be inherently engaged in their work.

Development Dimensions International (DDI) coined the word engagement propensity. Based on their study using propensity items it was found that the six personal factors; attachment to the job, agreeableness, emotional stability, openness to experience, achievement orientation and self-efficacy, are significantly co-related to engagement. Hence organization can use such cost effective test before selection, to identify the potential employees who are more likely to be engaged on the job<sup>[16]</sup>.

Both the social exchange theory (SET)<sup>[17]</sup> and self-determination theory (SDT)<sup>[18]</sup> support the view that individuals have characteristics which make them inclined to different levels of engagement or non-engagement under the similar conditions.

In view of above it is clear that individual characteristics is important and must be carefully examined while selecting an individual for organization.

### 6.1.3 Training and development

Training and orientation of new employees make them aware of the value, purpose, policy, pay structure etc of the organization and how their job contributes to the overall goal of the organization. This fosters person-organization fit.

Training help new and current employees acquire the knowledge and skills for the job, avoiding skill redundancy / deficiency. This fosters person-job fit.

The organizations providing opportunity to their employees for developing their abilities and learning new skills and knowledge, help them to realize their potentials and to

develop their career.

#### **6.1.4 Job design and empowerment**

The job must have meaningfulness, variety, autonomy/empowerment and co-worker support. With this the employee performance improves and they willingly put effort on task outside their formal job description.

#### **6.1.5 Performance management system**

The performance management system powerfully affects the engaging culture. The right performance management system should be designed by considering following issues -:

1. Linking the organizational goals/ priorities to employee's goals. The employees must be associated in goal setting process.
2. The performance expectation and goals must be communicated by managers to their direct reports throughout the organization.
3. Providing for recognition and encouragement by managers to the employees exceeding exceptions and going beyond the call of duty.
4. Providing performance feedback to employees periodically. The employees must also be encouraged to give feedback for improvement.

#### **6.1.6 Reward and recognition**

Employee must be rewarded and recognized for good work. It makes them feel as a valued part of organization. It shows how leadership cares for employees and recognizes their skills and efforts. Reward and recognition must be managed on day to day basis.

#### **6.1.7 Career development**

The employees must be provided with a learning culture to develop and learn new skills. They must be provided with challenging tasks and growth opportunities. In the absence of above the organization may lose highly engaged and top performing employees.

#### **6.1.8 Team environment, mutual respect and trust**

A high level of team work is achieved by mutual respect and trust. Trust is when leader's actions are consistent with their words, are concerned about the welfare and interest of employees and respect/values their skills. Do not over supervise and micromanage the employees. Team spirit can be improved by training for team leader skills. The cultural program, games and picnics can be arranged for fostering team spirit in the department.

#### **6.1.9 Two way communication**

There should be a two way communication. The managers must constantly communicate the values, goals, and results of various surveys to the employees. They must also be communicated about the success stories of organization to enable them to relate their individual performance with overall success of the organization. The employees must also be encouraged to give feedback, suggestions and advices for improving the work environment and performance. Thus organization must encourage both upward and downward communication.

## **6.2 Leadership**

It is important for organizations creating an engaging culture to educate the leaders from senior level to supervising level about the concept of engagement. This will help them to use the drivers of engagement to motivate employee. Managers must communicate the values and achievement of organization. They must recognize frequently the jobs well done by employees. They must focus on recognizing employees for mentoring and helping them to develop to full potential. They must provide equal opportunities to employees for growth and advancement Managers must show concern for the problems of their employees.

## **6.3 Employee**

There is a misconception that the role of employee is limited only to surveying them. The candidates must be clearly communicated during selection process that it is their responsibility to be engaged at work. The employees must be told about what organization expects from them and bring their best to work on a regular basis. They must be encouraged to look for ways to improve and provide feedback. There should be a system for this.

## **7. Sustaining the engaging culture and employee engagement**

Once an engaging employee culture, resulting into a high level of employee engagement has been created, this has to be sustained. Creating a culture that fosters employee engagement is a continuous process.

Tower Watson has given three elements of the sustainable engagement.

1. Traditional engagement
2. Enablement – The employees must be provided with the tools, resources, and support to get work done efficiently.
3. Energy- The employees must be provided a work environment that actively supports physical, emotional and interpersonal well-being<sup>[19]</sup>.

Regular employee engagement survey must be conducted to assess the engagement level and to identify the strong and weak areas in the organization. This will enable the organization to implement suitable employee engagement practices that will maintain the engaging culture fostering sustainable employee engagement.

## **8. Conclusion**

The engaging culture and the resultant employee engagement has many desirable outcomes for the organization, enabling them to remain competitive. The engaging employee culture is created by the joint effort of organization, leadership and the employee himself. The process is time consuming and takes a lot of effort. The organization must strive to maintain the engaging culture and sustain the employee engagement by enabling and energizing the employees.

## **9. References**

1. Brookings Institute, 2003, www.brook.edu
2. Schein EH. 'Innovative cultures and adaptive organisations', Sri Lanka Journal of Development Administration. 1990; 7(2):9-39.

3. Schein EH. *Organizational Culture and Leadership*, Third edition, San Francisco: Jossey-Bass, 2004.
4. Macey WH, Schneider B. The meaning of employee engagement". *Industrial and Organizational Psychology: Perspectives on Science and Practice*, 2008, 5.
5. Shuck MB, Wollard K. Employee engagement & HRD: A seminal review of the foundations". *Human Resource Development Review*. 2010; 9(1).
6. Perrin T. *Working Today: Understanding What Drives Employee Engagement the Towers Perrin Talent Report U.S Report*, 2003, 19.
7. Harter JK, Schmidt FL, Hayes TL. Business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes A meta-analysis. *Journal of Applied Psychology*. 2002; 87(2):273.
8. Wagner R, Harter JK. *12: The great elements of managing*. Washington, DC: The Gallup Organization, 2006.
9. Richman A. Everyone wants an engaged workforce how you can create it, *Workspan*, 2006, 49.
10. Little P, Little B. Employee engagement: conceptual issues *Journal of Organizational Culture, Communications and Conflict*. 2006; 10(1).
11. Fleming JH, Asplund J. *Human sigma*. New York: Gallup Press, 2007.
12. Lockwood NR. Leveraging employee engagement for competitive advantage. *Society for Human Resource Management Research Quarterly*, 2007.
13. Rich BL, Lepine JA, Crawford ER. Job engagement: Antecedents and effects on job performance. *Academy of Management Journal*, 2010, 53.
14. Leiter MP, Bakker AB. *Work engagement: Introduction. Work engagement: A handbook of essential theory and research*, Psychology Pres, Hove, 2010.
15. Christian MS, Garza AS, Slaughter JE. *Work Engagement: A Quantitative Review and Test of Its Relations with Task and Contextual Performance*, *Personnel Psychology*, 2011, 64.
16. Richard Wellins S. Paul Bernthal, Mark Phelps. *Employee engagement: The key to realizing competitive advantage*. Development Dimensions International, 2000.
17. Cropanzano R, Mitchell S. Social exchange theory: An interdisciplinary review. *Journal of management*. 2005; 31(6).
18. Meyer JP, Gagné M. Employee engagement from a self-determination theory, Perspective. *Industrial and Organizational Psychology*. 2008, 1(1).
19. Towers Watson. *Global Workforce Study*, 2012.