

# Title: A Study on Employee Engagement and Role of Effective Leadership

By

Sulbha Waghmare<sup>1</sup>, Assistant Professor,

Department of Management (MBA), Indira Institute of Management, Pune, India

[sulbhabw@rediffmail.com](mailto:sulbhabw@rediffmail.com), Mobile No. 9049497631

**Abstract:** *As the economic outlook improves, a growing number of employees will set their sights on new job opportunities, creating a wave of employee turnover. The best way to combat the trend is to cultivate a leadership style that focuses on employee engagement. The extent to which members of the organization contribute in harnessing the resources of an organization equally depends on how well the managers or leaders of the organization understand and adopt appropriate leadership style in performing their roles as managers and leaders. Thus efficiency in resource mobilization, allocation, utilization and enhancement of organizational productivity depends, to a large extent, on leadership styles among other factors (Chuang, 2005). The purpose of the paper was to gain an understanding about Employee Engagement and Role of Effective Leadership. It has been found that for an organisation to succeed in today's work environment, leaders understand what it takes to create a work culture that enables the full engagement of employees. Leaders create such a culture by focusing on the five key elements namely (a) Creating a culture of opportunity, (b) Creating a culture of personal accountability, (c) Creating a culture of validation, (d) Creating a culture of inclusion, (d) Creating a culture of community so that each individual employee feels the pride and takes ownership in the organisation and themselves. "To win in the marketplace you must first win in the workplace" (Douglas R. Conant). Effective leadership accompanied with managerial skills is a combination that can exceed employees in performing at a higher level.*

**Keywords:** Employee Engagement, Leadership, Emotional Commitment, Customer Satisfaction, and Work Culture.

## Introduction:

Employee engagement is the emotional commitment the employee has to the organization and its goals that means an engaged employee actually care about their work and their organisation. They not only work in the organisation just for a pay check, or just for the next promotion, but work on behalf of the organization's goals.

*When employees are cared*

—when they are engaged

—they use *discretionary effort*.

This means the engaged computer programmer works vigorously when desired, without being requested. This means the engaged merchandising assistant picks up the trash on the store floor, even if the boss isn't inspecting. This means the TSA agent will pull a bag suspicious bag to be searched, even if it's the last bag on their shift.

To develop great employee engagement the organisation must first start with engaging the top leadership. Organisations that are highly engaged have one thing in common: They have highly engaged leadership at all levels of the organization. They also have a strong base of employees who feel an intellect of self-importance and are appropriate to their organisation and in their role. In Dan Pontefract's words, employees are able to find the *sweet spot* of alignment in their personal and professional sense of purpose.

Employee Engagement is embraced of four key components namely pride, job satisfaction, advocacy and employee retention. Employee engagement, therefore, is not strictly happiness, excitement or the willingness to work long hours. Engaged employees align with their organization's goals and are personally bestowed in the outcomes.

## Review of literature:

Employee engagement is gradually becoming an initiative in both public and private sectors. The thought of engaging employee is not a new concept but one of the motivational factors that we know for years (Esty & Gewitz, 2008). The question is how an organisation engages their employees and what do the role leader play in gaining full involvement. First, let us take a look at what an Employee engagement is.

The term engagement refers to an "individual's involvement and satisfaction with as well as enthusiasm for work" (Harter, Schmidt, & Hayes, 2002, p. 269). Built on the work of (Kahn,

1990), engagement describes the intimate involvement with and framework of the work experience. When employees are engaged, they are emotionally connected to others and cognitively vigilant to the direction of the team (Harter et al., 2002). Engagement occurs when employees know what to expect, have the resources to complete their work, participate in opportunities for growth and feedback, and feel that they contribute significantly to the organization.

According to (Schaufeli et al., 2002), employee engagement has three components -1) Vigor, 2) Dedication and 3) Absorption. Vigor aspect in engagement deals with stimulating and energetic experience that the employee has in his job. Dedication aspect relates to employee's devotion, commitment and involvement in the job. Absorption is characterized by high attention that the employee pays to his job. Absorption implies that the employee is so engrossed with the job that the time flies away and finds it difficult to disconnect from the job.

Engagement is a system in which employee get excited and enthusiastic towards their work and find value of individualization while performing their job (Kompaso & Sridevi, 2010). Previous studies imply employee engagement as a team work done by employee and employer to get the things done (Kompaso & Sridevi, 2010). Some describe employee engagement as a structure which bonds employees to perform their jobs better and more energetically; this might be achieved if employees find their self-beings worthy and meaningful while performing their role (Gruman & Saks, 2011). As the time passes , companies start to realize that people are the most valuable for them; management ask human resource department to develop such strategies which enhances the agenda of employee engagement and increase their commitment level towards their work. Technology advantage is one of the driver force behind employee engagement; as it improves the work-life balance (Kompaso & Sridevi, 2010)The lack of knowledge often creates complexity for human resources researchers to establish an effective strategy for employee engagement (Shuck et al., 2011).

International Survey research showed that employee engagement is a scheme in which a company embellishes the eagerness and responsibility of its human resource department to achieve maximum profits (Andrew & Sofian, 2012). Furthermore, resources demand the

researchers to create the strategies as well as training programs to prompt the positive employee engagement environment (Shuck et al., 2011). International Survey also implied that employee engagement is a combination of an employee's emotional, behavioral and intellectual commitment with their company (Andrew & Sofian, 2012).

According to (Robinson, Perryman & Hayday, 2004), Employee engagement is 'a positive attitude held by the employee towards the organisation and its values'. The organisation too must capture the culture of engagement and foster an effective communication. One other can be defined as the willingness and ability to perform at a level resulting in organisational success. And, each employee can perform at different levels of being energetic about what they do and the quality at which they do it (Esty & Gewitz, 2008).

A determining factor in improving employee engagement is the culture of the organisation. According to (Compton and Granito, 2002), the culture of the organisation is just one of four other factors that need to be in alignment for an organisation to remain vibrant and successful. The other factors include marketplace, strategy and leadership style. As with the culture, leadership must evolve as organisation evolves. As changes occurs, leadership must be prepared to meet those expectations of the organisation and the community (Cochran 2006)

Leaders are the individuals in the organization who set the tone and culture. (Northouse, 2004) defines leadership as a process whereby one individual influences a group of individuals to achieve a common goal. An effective leader is able to influence his or her followers to reach the goals of the organization. There is a clear distinction between managers and leaders. While managers create order and consistency, leaders produce change and motivate their employees. Building the relationship between a leader and his/her followers requires an appreciation from the leader for the personal values of those who would be willing to give their energy and talents to accomplish shared objectives (Bass, 1985).

(Hardage, 2006) in his paper management responsibility in this equation is employee selection. Many companies understand the importance of putting a premium on personal attributes when hiring. Selecting employees for the right culture fit goes a long way to maintaining an engaged workforce. Southwest Airlines looks for potential employees who

have a servant's heart, will treat people with respect, and will fit in to the culture of working hard to be the best and have a fun-loving attitude while not taking them too seriously.

(Çınar & Kaban, 2012), the leaders who emphasize on vision are more successful. A remarkable leader is always expected to engage employees to their work strongly, so the employee would feel motivated, emotionally attached, committed to future and understand the future vision by contribution of courageous leaders (Kantabutra & Avery, 2011).

(Hitt, 1998) notes, 'The essence of leadership is found in a person's ability to move an organisation successfully from state A to state B; that is to a higher level performance. He or she must transfer vision into significant actions'. This quote from Hitt reinforces the need for leaders to establish a supportive environment with his or her employees. The ability to do so will engage the employees to an all new motivational level. Each employee's job performance is linked to the leader's ability to provide an opportunity for growth through challenging each with meaningful and valued work.

Connecting the link between the leader and the employee with a focus on organisational success will create a positive and cultivating environment. Leadership is about vision; a vision where everyone can openly speak up and be heard and a climate where the facts can be addressed in an open forum. Four practices found in Collins (2001), are: (a) lead with questions, not answers, (b) engage in dialogue and debate nor coercion, (c) conduct autopsies, without blame, (d) build 'red flag' mechanisms. These best practices allow for leaders to step into an arena where engaging the employees provides for truth and self-purpose.

### **Methodology:**

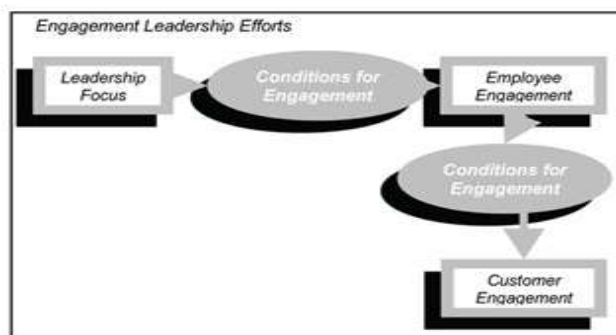
This paper is a conceptual study based on the review of literature from various journal research papers, articles, textbooks, and magazines, etc. on employee engagement and role of effective leadership. Different scholars recognized various factors and settled that the role of an effective leadership plays a strong focus on lively engagement culture. Organizations reach excellence through the combination of effective leadership and engage employees who are empowered at every level.

### **Employee Engagement and Role of Effective Leadership:**

A strong organizational leadership team has a significant impact on its employees' engagement levels. Employee engagement is the extent to which employees are motivated to contribute to organizational success, with an enhanced sense of their own well-being. Engaged employees favourably rate their pride in their organization, willingness to recommend it as a place to work and their overall job satisfaction.

Additionally, employees with positive opinions of their leadership team state a much higher intention to stay with the organization. Those who favourably rate their leadership teams are also much more likely to have confidence in the organization's future and feel that they have a promising future with the company.

Successful leaders recognize that they need to create the conditions under which employees choose to be engaged, and that doing so results in customer engagement. Leaders need to exhibit a clear genuineness in their actions toward employees. They can pay attention to two factors at play in the art of creating emotional connections namely Essence and Form.



*Figure 1*

© Wilson Learning Worldwide Inc.

Essence is the quality of being a leader. It involves the values, emotional characteristics, and clarity of purpose required to foster engagement. Think about the person in your life who had made a credible impact on you as a leader - a person to whom you felt obliged to give your energy and commitment. Most likely, it was someone who had a strong sense of Essence as a leader.

Form is what a leader says or does. It represents those decisions, actions, and behaviours that demonstrate the leader's Essence. Key here is consistency; Form always reveals Essence. Self-serving or organizationally-biased leadership behaviours will rarely produce employee engagement. Instead, leaders need to understand their role in creating a culture of

engagement, and act with consistency between what they want to be as leaders and what they actually do.

Leaders need to apply their leadership Essence and Form on four levels presented in the figure:



*Figure 2 Penna's Hierarchy of Engagement (2007)*

### **Leading Oneself Being:**

Clear on what one wants to be as a leader is the first step in leading oneself. You need to lead yourself before you can lead others and to keep ourselves inspired, motivated, and energized we need to lead ourselves with our heart, purpose, and devotion.

### **Leading Others (one-to-one):**

The ability to work with others and take people further than they would go on their own is the key to One-to-one leadership skills and are often considered foundational, like communication skills, goal setting, delegating, etc.

### **Leading Teams (one-to-group):**

In addition to one-to-one skills, leaders need to be able to lead and inspire individuals to work effectively together and achieve as a team.

### **Leading a Work Culture:**

The act of Leading a Work Culture is distinct from Leading Others or Leading Teams. Many leaders focus on improving their one-to-one and one-to-group skills. However, today's leader

understands what it takes to create a culture that enables the full engagement of employees. Leaders create such a culture by focusing on the following key elements:

- **Creating a culture of opportunity:** People want to feel that they contribute to a winning team and not to a losing team that's barely hanging on.

Leaders need to use their current strategy to help employees move forward in the perspective of growth and not just survival. For example, if a company makes a strategic decision to outsource a particular process, that is certainly a cost savings and efficiency measure, but also provide an opportunity for the organization to increase its effectiveness in customer service. How the organization's leaders communicate this change is critical to how employees perceive the decision: either as further evidence that their survival is in threat, particularly if jobs will be cut, or as an opportunity to grow and enhance their future success. The organization's leaders can choose to communicate about the move honestly by highlighting the flexibility and growth opportunities the change will bring. As a result, employees will focus on new things they could do in direction with the new outsourcing partner. Their question becomes "how good can we get?" as a result of this change.

The leaders must help employees understand the connection between their personal contributions and the organization's ability to succeed.

- **Creating a culture of personal accountability:** Effective leaders operate on the premise that people are more productive when they focus on achieving the result. They lead people beyond the boundaries of their jobs and inspire them to relentlessly pursue desired results by creating an environment that motivates them to repeatedly achieving the desired results. This mindset can become part of the culture only if people clearly understand the results they are expected to deliver.

Effective leaders at all levels play a significant role by knowing how to articulate employee expectations and how to hold them accountable for fulfilling those expectations.

- **Creating a culture of validation:** Individuals want to know that the company's leaders care about them as people and not just as employees. The fastest way to gain employee engagement is to make employees feel like they matter to the organisation. When leaders initiate to take a personal interest in their employees, to recognize efforts, reinforce performance and provide opportunities for development, they teach people very quickly that



their contributions really matters. These actions take little time and cost nothing, but the payoff is tremendous in terms of promoting employee feelings of appreciation and worth. Yet every employee who is making a contribution needs to feel personally supported and respected. With validation, employees retain with the organisation.

Having a culture of validation requires leaders to go beyond a focus on financial metrics. There must be processes in place to encourage on going validation and to ensure managers have the mind set and skills to identify the effort of employee contributions. Leaders must ensure that managers understand the value and importance of feedback and recognition and that they have opportunities to learn how to reward and reinforce each individual member of their work teams.

- **Creating a culture of inclusion:** People don't hate changing — they hate being changed. Engagement occurs when employees are well-informed and involved and have an opportunity to openly express thoughts and feelings.

It is a misunderstanding that people are resistant to change. People can be astonishingly flexible if they feel included in the process. In the above narrated outsourcing example, the company's leaders could offer employees across the entire value chain an opportunity to express their thoughts, ideas and feelings before a decision is confirmed. For example, the company might choose to hold a series of meetings to describe upcoming changes and the strategy behind them. Then employees will have an opportunity to discuss the impact of the change on them personally, make suggestions, ask questions and participate in discussions about how to make the most of the change while restraining its negative effects. Being involved in creating the solution and being included in implementation plans can ensure employees respond more positively to a potentially disruptive and stressful change in business operations.

Effective leaders ensure there are systems and communication channels in place to ensure two-way communication. For example, a Web conference on a company issue with a parallel Twitter feed lets employees comment on the Web conference. This allows information to flow out to the organization and comments and reactions to flow up to the leadership team and across functional lines unfiltered. Of course, for this to work, all of the organization's managers must know how to listen effectively, as well as how to communicate and foster an

environment of trust where employees don't feel they are in the dark and where leaders trust employees and keep them well informed.

- **Creating a culture of community:** How often do employees hear managers say, "Well, the company didn't meet its revenue goals, but our department was successful?" In a high-engagement culture, they never say it because success is not measured in personal and department goals as organization is a community with shared interests and shared responsibility for success.

In high-engagement cultures, leaders address this problem by creating cross-functional teams and projects, establishing communication across business units and communicating the sense that every employee is part of the larger organizational community. In these organizations, success is measured first from the perspective of the entire organization, not the department or individual.

To achieve a culture of community, the leaders should focus on helping the organization shed its individualist behaviour in favour of practices that promote trust, engagement and spontaneous collaboration aimed at sustainability. For example, sharing success stories that show how different functions work together to solve customer issues or create organizational growth, cross-functional problem-solving workshops, or companywide social networking systems allows people from different areas of the company to discover common interests and values. Leaders in high-engagement cultures consciously offer opportunities for people to collaborate in a way that nurtures employees' commitment to one another and to their enterprise.

The above elements provide practical approaches of creating an engagement culture.

### **Conclusion:**

It can be concluded that employee engagement and the roles the leaders must understand to engage a workforce through clear, consistent leadership that facilitates full engagement. Organisations succeed due to its workforce working towards the same vision. It is the leaders who pull the team in one direction for exceptional results. With leadership the organisation would achieve result in potential revenue profit or excellent service delivery. Organisations reach excellence through the combination of effective leadership and engage employees who are empowered at every level.

## References:

1. Andrew, O. C., & Sofian, S. (2012). Individual factors and work outcomes of employee engagement. *Procedia-Social and Behavioral Sciences*, 40, 498-508.
2. Bass, B. M. (1985). *Leadership and performance beyond exceptions*. New York: Free Press.
3. Chuang (2005) *Leadership research and theory: A functional integration*. Group Dynamics: Theory, research, and practice. New York: Wiley
4. Collins, J. (2001). *Good to Great*, New York, NY: Harper Collins Publishers.
5. Compton D. and Granito J (Eds.) (2002). *Managing Fire and Rescue Services* Washington DC: ICMA University
6. Esty, K., & Gewirtz, M. (2008, June 23). Creating a culture of employee engagement. Retrieved February 22, 2017, from Northeast Human Resources Association: <http://www.boston.com/jobs/nehra/062308.shtml>
7. Gruman, J. A., & Saks, A. M. (2011). Performance management and employee engagement. *Human Resource Management Review*, 21(2), 123-136.
8. Hitt, W.D. (1998). *The leader –manager*. Battelle Press, Columbus, OH.
9. Kompasso, S. M., & Sridevi, M. S. (2010). Employee engagement: The key to improving performance. *International Journal of Business and Management*, 5(12), p89.
10. Neeta Bhatla (2011), To study the Employee Engagement practices and its effect on employee performance with special reference to ICICI and HDFC Bank in Lucknow, *International Journal of Scientific & Engineering Research* Vol. 2, Issue 8,
11. Northouse, P. G. (2004) *Leadership theory and practice* (3rd ed.). Thousand Oaks, CA: Sage.
12. Penna (2007). *Meaning at Work Research Report*. [Online] Available: [http:// www. e-penna.com/ newsopinion /research.aspx](http://www.e-penna.com/newsopinion/research.aspx) (November10, 2008)
13. Retrieved from site <http://www.forbes.com>
14. Retrieved from site <http://www.wilsonlearning.com/wlw/w-paper/l/leader-role>
15. Robinson, D. Perryman S. and Hayday, S. (2004). *The Drivers of Employee Engagement*. Institute for Employment Studies

16. Shuck, B., Reio Jr, T. G., & Rocco, T. S. (2011). Employee engagement: An examination of antecedent and outcome variables. *Human resource development international*, 14(4), 427-445.