

Formal Organizational Initiatives and its Impact on Employee Engagement

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Abstract--- *Due to globalization and diversified manpower requirement, the business scenario has completely changed. Each and every organization, whatever scale, is thinking ways to change the business situation to accomplish competitive advancement in the market.*

Keywords--- *Employee Engagement, Formal Organizational, Advancement in the Market.*

I. INTRODUCTION

Due to globalization and diversified manpower requirement, the business scenario has completely changed. Each and every organization, whatever scale, is thinking ways to change the business situation to accomplish competitive advancement in the market (Heaney, 2010).

The significance of worker commitment in the present business situation achieves noteworthiness and it has been named as the "hottest themes amongst the executives" lately (Welbourne 2007).

"Employee engagement which was defined as a persistent, positive affective-motivational state of fulfilment in employees that is characterized by vigor, dedication and absorption (Maslach et al., 2001) and also statistical relationship has been found with productivity, profitability, employee retention, safety, and customer satisfaction" (Buckingham & Coffman, 1999; Coffman & Gonzalez-Molina, 2002).

The higher the engagement level in domestic and global firms, the more it promotes retention of talent, sustain customer loyalty, and pushes overall organizational performance and stakeholder value (Wilson, 2009; Markos & Sridevi, 2010).

An employee might look satisfied, showing up for work on time and doing the job without any complaints; but that doesn't mean that they would ever go the extra mile when required, or bother to complete those small tasks if they think no one will notice. Being in the happy or fulfilled state of mind in the organization is not a very reliable parameter to know whether the employee is engaged or not, there are more quantifiable parameters such as high productivity and profitability of the organization to determine the engagement (Larkin, 2009; Lee, 2012). Engaged employees deeply care about the company vision and they have an emotional commitment to their work and the company, which means that they will work on behalf of the organisation's goals and not just for the next pay date or promotion (Forbes, 2017).

Employee engagement is a technique which can be used by the organizations to have a grip over uncertainty of external environment. "The organization that understand the conditions which enhance employee engagement will have accomplished something that their competitors will find very difficult to imitate" (Kumar & Swetha, 2011).

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“Engaged employees are not naturally born, but can be developed and nurtured by organizational support and practices”, said Lockwood. According to him, engagement is not an event, it is a process. Employee engagement strategies enable people to be the best they can at work, recognizing that this can only happen if they feel respected, involved, heard, well led and valued by those they work for and with (Lockwood, 2007).

Woodruff in 2006 argued, “Apart from monetary benefits, there are several other non-monetary factors that affects the employee engagement like advancement, autonomy, refined treatment, employer commitment, internal and external environment, praise, support, the feeling of being challenged and trusted, the feeling of working for a reliable organisation, the feeling of working on important assignments and the feeling of respect in work-life balance”.

Organizations demand for employees who are flexible in nature, innovative in work approach, and willing to contribute to the company to their fullest and also go ‘above and beyond the letter’ of their formal job descriptions. (Katzenbach, 2000).

1.1 Conceptualizing ‘Employee Engagement’

Kahn (1990) was the very first person to use the term ‘personal engagement’. He used to believe that “employees are capable of using different physical, emotional and cognitive levels of their attributes in their work performance on day to day basis to differentiate from others”. Kahn conducted two qualitative studies on ‘summer camp counsellors’ and on architects and from that he investigated what work conditions would be favourable for personal engagement in both of the scenarios. He focused on three components viz. meaningfulness, safety and availability.

Meaningfulness

Kahn found that meaningfulness is a factor which gets influenced by the type of task a person carries out daily, the role he/she must fulfil and their interactions at work. Luthans (2008) stated that “individuals find their jobs meaningful if they perceive their jobs as important, worthwhile and significant”.

Safety

This component was influenced by interpersonal relationships, group and intergroup dynamics, management style and organisational norms (Kahn, 1990). Luthans (2008) found that “individuals have the need to feel secure enough to give their personal input without feeling that their career, status or image will be put in jeopardy”.

Availability

Availability component is influenced by the reduction of emotional and physical energy as well as individual insecurity and outside lives (Kahn, 1990). Luthans (2008) argues that “individuals are positive that there will be more than enough cognitive, physical and emotional resources available to them”.

1.2 Definitions of Employee Engagement

There is no universal definition on employee engagement. Engagement has been defined in numerous different ways by academic researchers, consultancy and research institutions and companies. According to Forbes (2017), Employee engagement is the emotional commitment the employee has to the organization and its goals.

O'Reilly (2007) mentions the different types of engagement recognized varied across three main ranges: "1. *Engagement as a momentary or pervasive experience.* 2. *The various sub-constructs that make up engagement.* 3. *The engagement relationship as either: a relationship between employees and their organization, employees and their work role, or employees and their work colleagues.*"

"Engagement is about creating opportunities for employees to connect with their colleagues, managers and wider organization". (Mark Gatenby et al., 2009).

"Employee Engagement, also called as work engagement or worker engagement, is a business management concept and an engaged employee is the one who is fully involved in, and enthusiastic about, his or her work, and thus will act in a way that furthers their organization's interests". (Wikipedia, Employee Engagement, 2010)

1.3 Classification of Employee Engagement

According to Meesala, there are three types of employee engagement: (1) engaged, (2) disengaged, (3) actively disengaged.

Engaged

"Engaged employees are enthusiastic, passionate and completely absorbed in their work. They are driven and will always ensure that they know what their role in the organisation is." (Meesala, 2011). "These employees are very proud of their organisation and will tell everybody about their organisation" (Accord Management Systems, 2004).

Disengaged

"Employees who are not engaged will put in the necessary time to finish a task, but will have no energy or passion for their work. They have no positive or negative feelings about their organisation and go through the motions daily without committing themselves" (Meesala, 2011). These employees tend to feel that their efforts are not appreciated fully and that their full potential is not being tapped (Meesala, 2011).

Actively disengaged

"These individuals are opposed to everything. They are not just unhappy at work, but they are actively living out their unhappiness at work. These individuals will not miss a chance to spread negativity. Actively disengaged employees are not interested in the goals and mission of the company; they rather openly express feelings of mistrust and hatred towards it" (Meesala, 2011). Employees that are highly disengaged will hold back physically, mentally, and emotionally.

II. STUDY ON FORMAL ORGANIZATIONAL INITIATIVES

2.1 Organizational Initiatives

The organizations are demanding more and more from their employees all over the world. And parallel to this, they are focusing more on the factors like 'motivation' and 'recognitions' of their employees to enhance productivity. A healthy balance of work and family life is strategy that the new-age management is aiming at.

Present workforce consists of many working fathers and mothers; whose aim is to find a balance between work and family roles is a matter of concern for them and the organizations.

The present work situation is set apart by the quick pace of progress, serious declines, steady decays, ever changing demographics, increased use of innovation and the co-existing virtual work environment. Compared with this, “The expansion in normal pay and rise in living standards have people taking a stab at better work environment”. (Tara Shankar and J Bhatnagar, 2010)

2.2 ‘Formal Organizational Initiatives’ Approach to Resolve ‘Work Life Balance’ Issue

Women make up almost 40 percent of the global workforce, and they are becoming an increasingly important part of the world’s formal workforce as they shift from agricultural work to industry and service sector jobs (International Labor Office. 2008). Formal organizational initiatives, also known as ‘family-friendly initiatives’ policies can aid the women employees to balance the work and family responsibilities, yield benefits for themselves, for their families, and their employers.

As explained by Deepak Chawla & Neena Sondhi (2011), the more supportive the organizations are, the more they shape an implicit ‘psychological contract’ (Rousseau 1995) between the organization and the individual. This helps and enhances employees’ work and non-work conflict, and at the same time increases and individual’s sense of commitment.

Formal organizational initiatives policies can benefit employers also, can help them for retaining highly skilled employees who might otherwise seek more accommodating employers or leave the workforce entirely. Implementing of family-friendly policies can also decrease absenteeism, enhance productivity, and can improve employers’ attraction ability.

The ‘Family-Friendly Workplace Model of Organizational Initiatives’ is best applied to companies that make a significant investment in training employees and/or must comply with national or international employment standards. With greater suburbanization and the increased shift to work in the formal sector, the demand for companies to provide family-friendly benefits is likely to grow. The model helps businesses to easily analyze the relative costs and rewards of offering long term family-friendly benefits. Using the model enables businesses to reap the potential cost savings of formal organization policies and contribute to improved health for employees, their families, and the broader community. (Retrieved from US Aid focus on India; <http://ghiqc.usaid.gov>)

III. RESEARCH METHODOLOGY

3.1 Objectives

1. To discover ‘Formal Organization Initiatives’ practiced in certain organizations.
2. For assessing relationship between the different factors of Employee Engagement and ‘Formal Organization Initiatives’ practiced in certain organizations.

3.2 Research Design

Sample: For this study, 220 employees of selected organizations of Bangalore city were surveyed.

Sampling Technique: Systematic Random Sampling.

Data Collection Method: Primary data.

Data Collection Tool: (1) Utrecht Work Engagement Scale (UWES 17). (Developed by Wilmar B. Schaufeli.), (2) Formal Organizational Initiatives Questionnaire.

Data Analysis Tool: Chi Square Test of Homogeneity, Karl Pearson Correlation, Mann Whitney Test 2 Groups, Kruskal Wallis Test 3 or more Groups.

3.4 Statement of Problem

Review of literature on employee engagement in India and Bangalore in specifically reveals that the degree of engagement differs periodically, geographically, industry wise and also company wise. Not much research has been done on “Formal Organization Initiatives in and How They Affect Employee Engagement” in the recent and changing scenario. The present study a is humble attempt in this direction.

3.5 Hypotheses

1. There is significant positive correlation between ‘formal organization initiatives’ and employee engagement.
2. There is no correlation existing between ‘formal organization initiatives’ and employee engagement.

IV. DATA ANALYSIS & RESULT

Demographic Analysis of the Employees 55% of the employees were male members and 45% of the employees were female employees. They were considered for the study, 42% of the employees were the married, and 58% of the employees were unmarried. 55% of the employees were post graduates degree holders, 35% were graduate degree holders and 10% were the diploma holders. 59.55% of the employees draw a monthly income between 25,000 and 55,000 INR, followed by 22.73% of the employees whose salary ranges between 10,000 and 25,000 INR, and 17.72% employees with monthly salary between 55,000 and 75,000 INR. The employees from the different industries were considered for the study. 41.82% from manufacturing industry, 21.37% from the service industry, 17.73% from ITES industry and 19.09% from the finance and accounting industry. Unit wise employee sample were collected and 37.8% were from operation and production unit, 17.73% from the Industrial Relations & HR unit, 13.19% from customer care unit, 12.73% from finance and accounting division, 8.19% from the marketing division and 10.46% from the inventory & material division. The average age of the employees was 33.45 years and it was in the range of 18 – 62 years. The employees were having relevant experience of about 6.8 years and it was in the range of 0 – 30 years.

Analysis of the Formal Organizational Initiatives Practiced in the Certain Organizations

In the research study, the first objective was to study and analyze the formal organizational practices in the organizations. Practices like providing suitable maternity and paternity leaves to female and male employees, when they need it - is being well esteemed by the employees. All surveyed along with their opinion that their company does have proper HR policy. On some of the issues which are beyond the working culture like providing special leaves in case of other emergencies and rearranging the duties of employees in case of his personnel problems, there

were mixtures of response available from the respondents as they were not sure to which direction they shall answers.

On issue like “*my organization does not care for people working in it*”, “*My organization had daycare facility for working mothers in the organizations*”, “*Our company provides a choice for part-time work, in view of company’s application*”, “*There is provision for conference calls/ video conferencing as Work From Home (WFH) facility in our organization*”, and “*We can choose starting and leaving time for work within given range of hours*”, - the respondents surveyed were mostly on the negative score range, as they were majorly disagreed.

Also, it was further evaluated that there were significant opposite relationship existing between the age and on job experiences of the employees with the scores of the formal organizational practices. Hence, it concludes that younger employees in terms of age and experiences scores high on formal organizational practices in comparison to the matured employees. Otherwise the response pattern of the males and females was almost similar.

Analysis of the Employees Engagement Factors Practiced in the Certain Organizations

In the research, this was the second, third, and fourth objective which aimed to analyze the relationship between employee engagement factors and the formal organizational practices in the organizations. Since the employee engagement factors were categorized into three parts i.e. Vigor, Dedication and Absorption, correlation analysis was performed and the results stated that there was significant positive relationship exists between the employee engagement factors and formal practices in the organization i.e. more the employee is taking initiatives in formal practices, the more he will have employee engagement in his/ her organization.

Moreover, it was also evaluated that there was no impact of age and on job experiences of employee over his/her engagement in the organizations.

It is also found that the degree of engagement in terms of Vigor, Dedication, and Absorption between male and female employees are all about same.

There was no significant difference observed among the response pattern of the respondents regarding Vigor factor of employee engagement, sub-categorized according to their education qualification. But there was significant difference noted among the response pattern of the respondents to their income and type of industry.

There was no significant difference was recorded among the response pattern of the respondents regarding employee Dedication factor of engagement factor, sub-categorized according to their departments. But there was significant difference was noted among the response pattern of the respondents to their qualification, income and type of industry. There was no significant difference observed among the response pattern of the respondents regarding Absorption factor of employee engagement, sub-categorized according to their income, qualification, type of industry and department.

Findings

On analysis of formal organization initiatives, it is discovered that employees are agreed that they have proper HR policies and can have suitable maternity leaves. There is mixture of response regarding special leaves and

adjustment of work-duties. And negative response regarding availability of daycare facility for working mothers, part time job facilities and provisions of conference calls/video conferencing.

Regarding impact of these initiatives on employee engagement we found there was significant positive relationship exists between the employee engagement factors and formal practices in the organization i.e. more the employee is taking initiatives in formal practices more he will have employee engagement in organizations.

Limitations of the Study

The data is collected by online web-site and by visiting organizations personally. In first instance the executives of about 50 organizations were contacted and send requested to get filled online questionnaire. In spite of reminders almost no HR executive responded to online data. Then partial online data was collected by social network and on the basis of relations. Rest of the data was collected by personally by visiting organizations. Many HR executives of renowned groups refused to permit for the collection of data. So, there is need for the change of mindset and attitude of executives/ management. We would like to add here that we were able to collect this data only because of cooperation of rest of the HR executives. Since the physically collected data was through the HR managers of the organizations. So, there are chances for biases in few cases. The data was collected from executives and staff of different companies, inclusion of regular and casual worker can also vary the results. Other issues like central tendency and biases may be noticed from the respondents.

V. SUMMARY OF THE RESEARCH STUDY

Employee Engagement is “hot topic” of discussion among the researchers, practitioners, and corporate enterprises and is proved that it is positively correlated with the organizational performance. Work-life Balance (WLB) has been an issue of concern for corporate world and governments for last few decades. In the given study, it is found that formal organization initiatives practiced by the organizations are a good mechanism to resolve the work-life interface effect employees’ engagement. Also, employee engagement is evaluated of Bangalore city and is correlated with different demographic factors.

During this study, 220 Employees of different chosen enterprises of Bangalore city were surveyed with ‘Systematic Random Sampling’. For data collection, Employees Engagement UWES 17 questionnaire was used. For data analysis purposes, ‘Percentage Distribution Tables’ were used to list out the percentage of respondents selecting each scale point, ‘Chi Square Test of Homogeneity’ was used to analyze whether there were equal distribution of responses from the respondents on all levels of the scale or not, ‘Karl Pearson Correlation’ was used to measure the strength of association between two variables, ‘Mann Whitney Test – 2 groups’ was used to test statistics to compare the two groups on same set of responses available from the respondents and ‘Kruskal Wallis Test – 3 or more Groups’ was used to test statistics to compare the three or more groups on same set of responses available from the respondents.

On analysis of formal organization initiatives, it is found that 82.7%, 85.4%, were on the agreed “*my organization has the proper HR policy*”; “*my company provides suitable maternity leaves*”. Regarding the question “*we can use sick or special leaves for elder care or child care and regarding restructuring of jobs after analyzing*

family/ personal problems”, 43.7% and 41.8% respondents are on the disagreed frame. Similarly, 76.2%,71.0%,75.9% are disagreed on the issues “*our company provides part time jobs facility, flexibility of time, daycare facility respectively*. This shows that formal initiatives adopted by the organizations are not satisfactory.

About 80% respondents have good level of engagement i.e. Vigor, Dedication and Absorption. There were existences of significant correlation between the Formal Organization Initiatives practiced and Employee Engagement factor Vigor, Dedication and Absorption respectively practiced in their organizations. Hence the hypothesis H01 is rejected and null hypotheses H02 is accepted.

It is found that married employees were more dedicated than the single employees and junior employees were more ‘vigor’ in nature and ‘dedicated’ than the others. The employees of ITES sector more ‘vigor’ in nature and ‘dedicated’ than the employees of manufacturing, service and financial sector.

Majority of the respondents agreed that the organization have proper HR policy. Regarding formal organization initiatives the respondents are satisfied with the facility of maternity leave but not with the facilities of telecommunicating, part time jobs, facility of Crèche. This research study can be further expanded to other states, and different organization sectors.

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