

## **A study on analysing the impact of Employee Engagement on Performance Management**

**Ms.G.Zipporah**<sup>1</sup>

*Research Scholar, Department of Business Administration, Osmania University, Hyderabad, Telangana, India*

**Dr.G.S.V.Prasada Reddy**<sup>2</sup>

*Associate Professor, Pendekanti Institute of Management, Hyderabad, Telangana, India*

### **Abstract**

In the present world attracting and retaining the expertise has become a necessity. There is a clear understanding that employees are looking forward for something beyond their regular pay. The companies are also realizing that there's a necessity for them to have a good measure for employee engagement so as to give the employees back. Thus it can be observed that employee engagement is having a direct impact on performance of the employees. The main objective of this research paper is to bring out the direct relation between employee engagement and performance management. Survey method is followed to test the employees on how far they get motivated by what the company is offering. The paper also talks about how important it is for the organization to concentrate on engaging the employees so as to enhance their performance. The results of the survey will allow us to focus on bottlenecks so that best performance can be obtained from the employees so that survival of the organization gets easy.

Keywords: Attracting , retaining, performance, bottlenecks, Survival

### **Introduction**

Performance management is a set of processes and systems aimed at developing employees, so they perform their job to the best of their ability. The goal is to help employees build on skills that enable them to perform better in their roles, reach their potential, and boost their success while also accomplishing the strategic goals of the organization. Effective performance in an organization can happen with a properly drafted performance management policy and also by setting proper goals for achieving the same. It is very important for any company to focus on monitoring the progress of employees so that a clear check can be established on the tasks of the employees. The process of performance appraisal should be effective so that employees know where they stand and their contribution to the organization can be analysed thoroughly giving special attention to all aspects. When the performance is analysed and appraised, it is also important for an organization to give feedback to the employees. True and genuine feedback will

help the employee grow and perform more better. Here the organization can plan for better developmental plans so that employees can become competitive. Finally a proper reward plan can be taken up so that employees stay happy and loyal, this way we can also ensure employee retention thus reducing attrition.

When people hear the words performance management, the fiscal year evaluation may be their first thought. However, an effective performance management process involves much more than just the annual evaluation. Human Resources has established modules to assist in managing employee performance. Human Resources recommends in addition to setting goals at the beginning of the evaluation period and evaluating performance at the end of the evaluation period, that feedback sessions are held throughout the year.

Performance management is often based on a combination of goals, objectives, and competencies that an organization has developed for each position and/or level. Competencies are usually aligned with organizational values, and include knowledge, skills, abilities, and attributes. More than just an annual performance review, performance management is the process of setting objectives, continuously assessing progress, and providing on-going coaching, feedback and support to ensure that employees are meeting their performance objectives and professional development goals. For this a proper plan for measuring performance is required.

Performance planning is a collaborative process between managers and employees where job activities are reviewed and performance standards and expected results are discussed and agreed on. The performance plan should be documented, including any training or development plans needed to help the employee achieve their objectives. While job descriptions establish the job activities that employee's need to conduct to deliver the services of the organization, performance objectives define the qualitative and quantitative standards for key job activities. Employees at all levels in the organization should be able to clearly understand how their job activities and the level of their performance directly contribute to the success of the organization. Often, the most challenging part of the planning phase is finding appropriate and clear language to describe the performance objectives and measures or indicators of success.

## **Literature Review**

It would appear that there are sufficient grounds for arguing that engagement is related to, but distinct from, other constructs in organisational behaviour (Saks 2006). For example, Robinson et al (2004) state that: "...engagement contains many of the elements of both commitment and OCB but is by no means a perfect match with either. In addition, neither commitment nor OCB reflect sufficiently two aspects of engagement - its two way nature, and the extent to which engaged employees are expected to have an element of business awareness."

Saks (2006) argues that organisational commitment also differs from engagement in that it refers to a person's attitude and attachment towards their organisation, whilst it could be argued that engagement is not merely an attitude; it is the degree to which an individual is attentive to their

work and absorbed in the performance of their role. In addition, while OCB involves voluntary and informal behaviours that can help co-workers and the organisation, the focus of engagement is one's formal role performance rather than purely extra-role and voluntary behaviour.

According to May et al (2004) engagement is most closely associated with the constructs of job involvement and 'flow' (Csikszentmihalyi 1990). Job involvement is defined as 'a cognitive or belief state of psychological identification' (Kanungo 1982:342). This differs from engagement in that it is concerned more with how the individual employs him/her self during the performance of his/her job. Furthermore, whilst the focus of job involvement is on cognitions, engagement, according to most definitions, also encompasses emotions and behaviours.

Across industries, engagement is substantially higher in the non-profit sector than in every other sector looked at by Towers Perrin (2003). This would appear logical, given that people tend to be drawn to this sector through a sense of mission, rather than from any prospect of high pay or wealth accumulation. This finding is also consistent with the numerous definitions and views surrounding engagement, which identifies a 'passion for work' as being a key component factor (Truss et al 2006, Brim 2002 and Holbeche and Springett 2003).

Organizations try their best to maintain a balance between employee commitment & performance of the organization. Every organization have come up with its rewards & recognition policies which helps the employee to boost their morale & keeping them passionate & their self esteem higher. Oosthuizen (2001) stated that it is duty of managers to motivate the employees successfully and influence their behavior to achieve greater organizational efficiency. La Motta (1995) is of the view that performance at job is the result of ability and motivation.

## Research Methodology

A survey was carried out in a non-profit organization at Hyderabad. A self-fulfilling questionnaire was distributed to employees to test them on various attributes on the following scale.

Strongly Agree	Disagree	Agree	Strongly Agree	Neither Agree nor Disagree
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## Data Analysis

Attribute 1: Employee Intent

- (a) I plan to stay with this organization for the next three years atleast
- (b) I would recommend this organization to others as the best place to work for

Only half of the employees either agreed or strongly agreed to stay with the organization for more than three years. Out of all the employees, only 35% of them intended to say that the organization is a good place to work at and that they are happy with it. Here we can observe that less than majority alone are

happy with the organization, so the performance of the employees can be expected to be average since they are not expressing happiness over their stay.

#### Attribute 2: Employee Engagement

- (a) I understand my role and give my best to all my assignments
- (b) My participation in organizational activities is voluntary
- (c) There is a sense of belongingness that I feel towards the organization and my work

A little more than half of the employees strongly agreed that they were able to understand the role as mentioned by the organization and are satisfied with the job-expectations that they set for themselves. Around 39% of the employees feel that they have a sense of belongingness towards the organization as they treat it as their priority. Employees who are motivated and like the environment of the organization are coming forward to participate in the affairs of the organization voluntarily. Hence it can be said that the organization has to still focus on the employee engagement aspect.

#### Attribute 3: Career plans for employees

- (a) Growth prospects of the company are attractive and well planned for each employee
- (b) I receive constant support from my management for career enhancement
- (c) Company encourages me for self learning and upgrading

It can be observed that 42% of the employees feel that the organization is having a well planned career path for all the employees. Less than majority feel that the self learning aspect is what the organization needs to concentrate on, as they feel that the employee has to be behind the management for getting their requests granted for self learning. Thus the management needs to focus on allowing self learning and employee upgradation to be a part of the work culture.

#### Attribute 4: Employee Recognition

- (a) Company has culturally consistent rewards
- (b) Every employee is treated in a fair way
- (c) Employees hardwork is recognized

The employees feel that the organization is fairly recognizing their talent and 41% of the employees strongly agree to it. Less than half of the employees felt that their hardwork is not recognized as they feel that sometimes the management prioritises the less deserving when compared to the deserving. Thus the organization needs to have an equitable method to recognize the deserving so that the employees stay happy in the organization.

#### Attribute 5: Job Satisfaction

- (a) I am happy with the roles and responsibilities
- (b) There is role clarity
- (c) Roles and responsibilities are practically achievable

Less than half of the employees feel that there is no job satisfaction. 32% of the employees feel that the company is focusing more on getting the work done in a very quicker rather than focusing on quality and and comfort levels of the employees. The employees are able to understand the role clearly but are given lesser time to achieve their job. Hence finding it difficult to put up with the expectations of the organization in terms of performance of their tasks.

Attribute 6: Teamwork

- (a) Knowledge sharing is encouraged in the teams
- (b) Team spirit keeps you going

When it comes to working as a team the employees feel that knowledge sharing does not happen that feely as only 29% of them strongly agreed that knowledge sharing happens on a routine basis. Spirit of unity that keeps the team going is a little absent as 25% of them agree that there is unity in thoughts of the employees. Working as a team and contributing with hassles is what the management needs to focus on. The sense of working in unity and having consensus is a very important factor.

### Gap Analysis for better Employee Performance

Factors that employees felt were missing	
Job satisfaction	18%
Employee Recognition	11%
Knowledge sharing	2%
Motivation and encouragement	3%
Leadership Strategies	11%
Organizational Policies	10%
Transparency	2%
Autonomy	2%
Growth opportunities	17%
Pay structure	15%
Training and development	9%

### Conclusion

Employee engagement in today's world is a vital factor for any organization. The present paper focusses on finding out the factors that truly keep an employee engaged in the organization. It is an engaged employee who really contributes to the performance of an organization. The organization also can work on keeping the attrition rate low with the employee engagement tool. From the above analysis it can be understood that job satisfaction plays a vital role in keeping the employee stable. If the organization wants to achieve stability then role clarity is what is to be concentrated on. 18% of the respondents strongly agreed that job satisfaction is what they look forward to. 17% of the respondents feel that growth opportunities provided by the organization will truly keep them engaged. Employees also expect that they will be rewarded handsomely by the organization. The next factors which are considered vital for an employee are the managerial skills of the leaders and the organizational policies. They feel that a leader is good they voluntarily contribute to the organization and also feel like giving their best to the organization. 11% of the employees feel that they deserve appreciation for the work they do and the contribution they give to the organization. Recognition is what keeps the employee hydrated in the organization. Also a good number of employees look to getting trained so that they enhance their marketability. Employees also look forward for having a team oriented atmosphere where knowledge sharing happens voluntarily. Employees also

expect that the organization trains them on various aspects. Thus employee engagement always contributes to a better employee engagement.

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