

Critical Study of the Factors Influencing the Engagement Levels of the Indian workforce with the application of BlessingWhite's 'X' Engagement Model

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The Employee Engagement Equation in India, BlessingWhite & HR Anexi

Abstract

In a world that is changing both in terms of the global nature of work and the diversity of the workforce, engaged employees may be a key to competitive advantage.

A recent study done in partnership between BusinessWorld and two Human Resource consulting firms - HRAnexi and BlessingWhite – again points at significant differences between what motivates workers in India and what motivates workers in other countries. The index used in BlessingWhite's 'X' Engagement Model to determine engagement levels contains items that reflect the two axes of contribution and satisfaction. By plotting a given population against the two axes, five distinct employee segments can be identified.

In this research paper attempt is made to study the critical factors influencing the engagement levels of the Indian workforce with the application of BlessingWhite's 'X' Engagement Model.

Key Words : Employee Engagement, BlessingWhite's 'X' Engagement Model, Indian workforce.

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Introduction

Kahn introduced the concept of personal engagement with work as “the harnessing of organizational members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances.”

In the last decade, a debate has arisen that focuses on the importance of a strategic approach to Human Resource Management as it is applicable to business performance and success. Employee engagement is one such related issue. There is a growing recognition in the business world that it is people who provide a sustainable basis for a company's competitive advantage. Employee engagement is a useful recent concept in Human Resource Management: it is a composite construct that describes *inter alia* employees’ commitment, job satisfaction and involvement. Increasingly, employee engagement has also come to be recognised as making a significant difference to performance at all levels within the company.

“Most organizations don’t have a problem with ‘headcount’ they have a problem with ‘braincount’.” This observation was recently made by Allan Leighton, chairman of the Royal Mail Group in the UK and ex-president and CEO of Wal-Mart Europe. Speaking at the Fifth Annual Marketing Directors’ European Summit in London, Leighton was talking about the role of leadership in business, but his remarks referred to a common business dilemma: absenteeism. Employees turn up for work –they may even be quite happy or “satisfied” to do so – but are they giving their best, motivated by the knowledge that their “best” will benefit both themselves and the organization? In many cases the

answer is “No,” making “discretionary effort” an ever more valuable commodity and employee engagement a top leadership priority. Thus, many companies have realised that maximum productivity doesn’t come from just a “satisfied” or “happy” employee, but from someone who understands what the business is trying to achieve and feels motivated to help make it happen.

What is Employee Engagement ?

Employee Engagement is the means or strategy by which an organisation seeks to build a partnership between the organisation and its employees, such that Employees fully understands and is committed to achieve the organisation’s objectives, and the organisation respects the personal aspirations and ambitions of its employees. It is seen largely the organisation’s responsibility to create an environment and culture conducive to this partnership.

BlessingWhite’s Definition of Engagement and the ‘X’ Engagement Model

The term “employee engagement” means different things to different organizations. Some equate it with job satisfaction, which unfortunately can reflect a superficial, transactional relationship that is only as good as the organization’s last round of perks or bonuses. Others measure engagement by gauging employees’ emotional commitment to their organization. Although commitment is an important ingredient, it is only a piece of the engagement equation. Most internal workforce studies, processes and initiatives focus on performance, internal communication of company results & objectives, and/or succession planning.

While organizations are keen to maximize the contribution of each individual toward corporate imperatives and metrics set out by senior executives, individual employees need to find purpose and satisfaction in their work.

Consequently, BlessingWhite’s engagement model focuses on an individual’s:

- contribution to the company’s success
- personal satisfaction in the role.

We believe that aligning employees' values, goals and aspirations with those of the company is the best method for achieving sustainable improvements in employee engagement that will help the organization reach its stated goals.



BlessingWhite's 'X' Engagement Model

Full engagement represents an alignment of **maximum job satisfaction** ("I like my work and do it well") with **maximum job contribution** ("I help achieve the goals of my organization"). By examining engagement against these two factors allows organizations to ensure that productivity gains are sustainable in the long-term. Engaged employees are not just committed. They are not just passionate or proud. They have a line-of-sight on their own future and on the organization's mission and goals. They are **"enthused" and "in gear,"** using their talents and discretionary effort to make a difference in their employer's quest for sustainable business success. By better aligning these two factors, companies can increase contribution, reduce turnover or absenteeism and help build a sustainable culture in which each individual plays a meaningful part.



BlessingWhite's 'X' Engagement Model Indicating Segments

The index used here to determine engagement levels contains items that reflect the two axes of contribution and satisfaction. By plotting a given population against the two axis, we identify 5 distinct employee segments:

- Fully engaged
- Almost engaged
- Honeymooners& hamsters
- Crash & burn
- Disengaged

Segmentation of the workforce based on these segments allows us to develop actionable plans to improve worker engagement.

Description of Segments of BlessingWhite's Engagement Model

The Engaged : High contribution & High satisfaction

These employees are at 'the apex' – they are contributing strongly to the success of the organization and find great satisfaction in their work. They bring discretionary effort and initiative. When recruiters call, the large majority cordially cut the conversation short. If their engagement is not sustained, individuals in this segment could transition over time to any of the three adjacent groups.

Almost Engaged : Medium to high contribution & satisfaction

A critical group: these employees are among the high-performers and are reasonably satisfied with their current job. They may not have consistent "great days at work" but they know what they look like. They are however at risk – they are highly employable, open to offers from other firms and would have a deep impact on performance should they leave or otherwise slide down on the contribution scale. Individuals in this segment can progress into any of the other four segments. Investing in this group to increase engagement is typically the most rewarding for the organization.

Honeymooners & Hamsters : Medium to high satisfaction but low contribution

This segment includes two sub-groups:

Honeymooners are new to the organization or their role – and happy to be there. The "honeymoon" phase typically lasts 12 to 18 months during which satisfaction is high but people are still to find their stride and understand how to contribute fully to the organization's goals.

Hamsters are more tenured individuals who may perceive themselves as contributing strongly, but are in effect "spinning their wheels" – going nowhere, contributing little to the success of the organization. Some may even be hiding out curled up in their cedar shavings ("retired in place"). They are very satisfied with their position and are less likely to leave.

Crash & Burn : Medium to high contribution but low satisfaction

Disillusioned and potentially exhausted, these employees are top producers but are growing bitter due to a lack of personal satisfaction. They are sometimes bitterly vocal that senior management is making bad decisions or that colleagues are not pulling their weight. If left alone, they are likely to slip down the contribution scale to become disengaged – bringing down those around them. They may leave but are more likely to stop working hard.

The Disengaged : Low to medium contribution and satisfaction

Most disengaged employees didn't start out as bad apples, but they have become the most disconnected to organizational priorities and are not getting what they need from work. Mostly skeptical of any organizational initiative or communication, they are more likely to indulge in contagious negativity. If left alone, people in this group are likely to continue collecting a pay check but contribute minimally.

Review of Literature

The expectations of the workforce are changing, due in part to changes in the psychological contract. Kahn had proposed that in a work context people seek 1) psychological meaningfulness 2) safety, in terms of freedom to express themselves and 3) availability of the resources to enable them to perform effectively. Some would argue that the roots of such thinking can indeed be found in the earlier motivational theories and research of authors such as Maslow, Murray and McClelland. The fast-changing organisational context may have created the conditions in which employers are paying greater attention to their employees' basic expectations.

A lot of research has been done on employee engagement. These researches have been done by various consultancy firms like Hewitt Associates, Gallup and Towers Perrin etc. Each has their own philosophy of finding engagement level of employees. Gallup's rigorous research has identified 12 questions that measure employee engagement and link powerfully to relevant business outcomes, including retention, productivity, profitability, customer engagement, and safety. These questions - the Q₁₂ - measure dimensions that

leaders, managers, and employees can influence. Gallup offers a performance management model – The Gallup Path - based on proven strategies used by the world's most successful businesses. In *First, Break All the Rules* (Simon et. al., 1999) and in the April 2002 edition of the Journal of Applied Psychology, Gallup published research proving that engaged employees are more productive employees. It also proved that engaged employees are more profitable, more customer-focused, safer, and more likely to withstand temptations to leave. Many have long suspected the connection between an employee's level of engagement and the level and quality of his or her performance. When companies manage in a way that focuses on improving employee engagement, Gallup found that productivity improved in the range of 25% or more.

Accord's engagement surveys have yielded similar results to Gallup and the study in The Harvard Business Review. There is absolutely no doubt that productivity and profitability increase significantly when companies use job analysis and behavioral assessment in their hiring practices, and then work on engaging their employees through work-group-level surveying and bottoms-up implementation of suggested changes. Hewitt (1994) in its study pioneered the measurement of Employee Engagement—shifting the focus from “employee satisfaction” to “employee engagement”. Engagement is the energy and passion employees have for what their employer is achieving in the market that has a much stronger connection to business results. Ensuring that employees are actively working toward company goals is a solid start.

Development Dimensions International, Inc., in its research says “employee engagement exhibited substantial relationships with several aspects of interpersonal performance, including Coaching, Sales Ability/ Persuasiveness, and Teamwork—highly engaged employees were 3.0 times, 2.7 times, and 2.2 times more likely to excel in these areas, respectively, as compared to poorly engaged employees. Results show that the average levels of engagement were considerably higher for employees of supervisors with higher levels of engagement, as compared to those of low engagement supervisors. Furthermore, subordinates of highly engaged supervisors were less likely to indicate that they may leave the organization within a year”. This research also supports a substantial relationship between engagement and critical business outcomes such as individual performance and the likelihood of leaving the company.

Taken together research shows that engaged employees: perform better, put in extra efforts to help get the job done, show a strong level of commitment to the organization, and are more motivated and optimistic about their work goals. The concept of engagement is a natural evolution of past research on high-involvement, empowerment, job motivation, organizational commitment, and trust. All of these research streams focus on the perceptions and attitudes of employees about the work environment. Employers with engaged employees tend to experience low employee turnover and more impressive business outcomes.

Research Methodology

Objectives of the study

1. To gain insight into the engagement levels of employees in India in comparison with rest of the world.
2. To understand the factors influencing the engagement levels (factors influencing satisfaction and contribution) of the Indian workforce.
3. To study the BlessingWhite's definition of engagement and the 'X' Engagement Model.

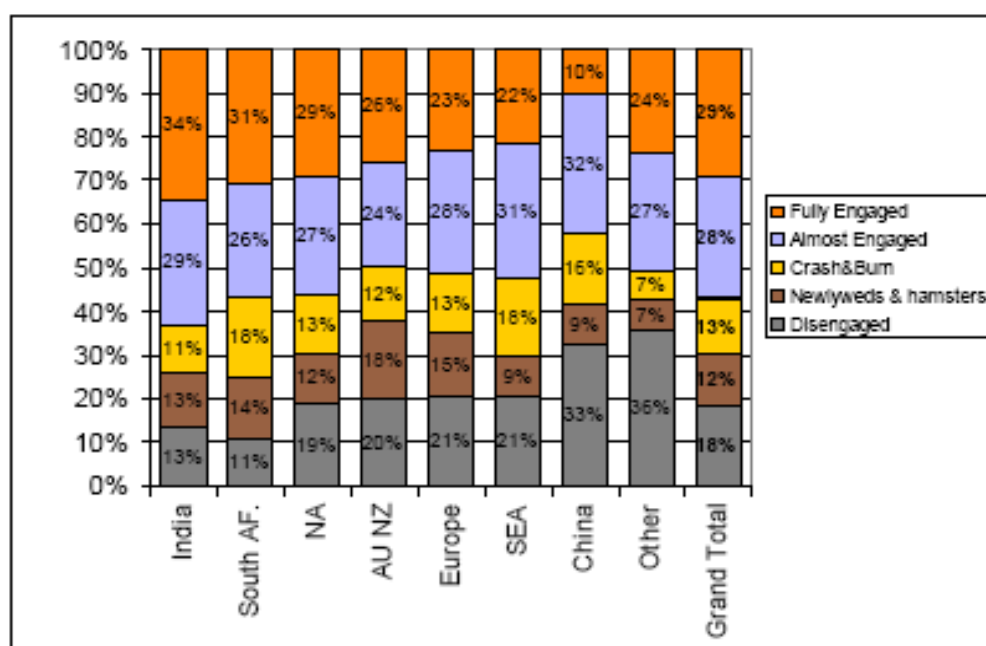
An in-depth desk research through secondary data was conducted to understand the various aspects that are involved in achieving the above three objectives. The study used was mainly 'Exploratory' in nature.

Data and Data Analysis

India Versus the Rest of the World

Region	Disengaged	Honeymooners & Hamsters	Crash & Burn	Almost Engaged	Fully Engaged
India	13%	13%	11%	29%	34%
South AF.	11%	14%	18%	26%	31%
NA	19%	12%	13%	27%	29%
AU NZ	20%	18%	12%	24%	26%
Europe	21%	15%	13%	28%	23%
SEA	21%	9%	18%	31%	22%
China	33%	9%	16%	32%	10%
Other	36%	7%	7%	27%	24%
Grand Total	18%	12%	13%	28%	29%

Source : The Employee Engagement Equation in India, BlessingWhite & HR Anxi



Source : The Employee Engagement Equation in India, BlessingWhite & HR Anxi

Factors Influencing Satisfaction

In the survey, respondents were asked to pick the single top item that they believe would **most influence their satisfaction** at work.

	Career development opportunities and training	More challenging work	More opportunities to do what I do best	Greater clarity about my own work preferences and career goals	Greater clarity about what the organization needs me to do – and why	Improved cooperation among my co-workers	More say in how my work gets done	A better relationship with my manager
India	30.03%	20.09%	19.33%	10.74%	7.71%	4.47%	4.04%	3.58%
Grand Total	28.22%	12.24%	23.80%	9.80%	8.28%	7.39%	5.43%	4.82%

Source : The Employee Engagement Equation in India, BlessingWhite & HR Anxi

The nuance in these requests (and a more actionable approach) appears when we look at the data by segment based on the BlessingWhite engagement model:

	Disengaged	Crash & Burn	Honeymooners & Hamsters	Almost Engaged	Fully Engaged	Grand Total
Career development opportunities and training	26.25 %	27.45 %	28.67 %	32.06 %	31.13 %	30.03 %
More challenging work	15.63 %	18.82 %	20.33 %	16.98 %	24.75 %	20.09 %
More opportunities to do what I do best	20.31 %	19.22 %	18.00 %	19.18 %	19.61 %	19.33 %
Greater clarity about my own work preferences and career goals	10.31 %	12.94 %	11.67 %	11.57 %	9.19 %	10.74 %
Greater clarity about what the organization needs me to do – and why	13.13 %	8.63 %	9.67 %	6.88 %	5.27 %	7.71 %
Improved cooperation among my co-workers	5.63 %	5.88 %	4.00 %	4.69 %	3.55 %	4.47 %
More say in how my work gets done	5.00 %	3.14 %	3.67 %	4.10 %	4.04 %	4.04 %
Grand Total	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

Factors Influencing Contribution

In the survey, respondents were asked to pick the single top item that they believe would **most influence their contribution** (expressed as “your performance”) at work.

	Development opportunities and training	Regular, specific feedback about how I'm doing	Greater clarity about what the organization needs me to do – and why	Better communication with my manager	More resources	A better relationship with my co-workers	A coach or a mentor other than my manager
India	26.28%	25.32%	21.74%	7.41%	7.25%	7.25%	4.76%
Global	20.35%	20.34%	18.54%	6.77%	17.78%	4.81%	11.41%

Source : The Employee Engagement Equation in India, BlessingWhite & HR Anxi

As with satisfaction factors above, the nuance in these requests (and a more actionable approach) appears when we look at the data by segment based on the BlessingWhite engagement model:

<i>Choose the item that would most improve your performance. (Select only one.)</i>	Disengaged	Crash & Burn	Honeymooners & hamsters	Almost Engaged	Fully Engaged	Grand Total
Development opportunities and training	24.69%	27.84%	24.67%	27.23%	26.23%	26.28%
Regular, specific feedback about how I'm doing	14.69%	15.29%	21.33%	29.28%	30.76%	25.32%
Greater clarity about what the organization needs me to do – and why	31.88%	23.92%	26.67%	18.01%	18.38%	21.74%
Better communication with my manager	7.50%	9.02%	8.00%	6.30%	7.60%	7.41%
A better relationship with my co-workers	9.06%	7.45%	5.67%	8.05%	6.37%	7.25%
More resources	5.31%	9.80%	6.67%	6.73%	7.84%	7.25%
A coach or a mentor other than my manager	6.88%	6.67%	7.00%	4.39%	2.82%	4.76%
<i>Grand Total</i>	<i>100.00%</i>	<i>100.00%</i>	<i>100.00%</i>	<i>100.00%</i>	<i>100.00%</i>	<i>100.00%</i>

Source : The Employee Engagement Equation in India, BlessingWhite & HR Anxi

Findings

- Just over one third (34%) of employees in India are fully engaged and 13% are actually disengaged. Although a sobering situation, India stands out from the world population as having one of the most focused and satisfied workforces.

- When reviewing the data on a national level, the Indian working population lists three items as most important to their satisfaction in the workplace:
 1. Career development opportunities and training (30%)
 2. More challenging work (20%)
 3. More opportunities to do what I do best (19%)
- These three factors top of Indian worker's wish lists consistent with the top three global demands. More challenging work in particular stands out as a louder request from Indian workers.
- Career development opportunities are a clear expectation of Indian workers, rating as the number one request for employees at all levels of engagement. Offering challenging work however will mostly build engagement with the "Honeymooners & Hamsters" segment, as well as help sustain the engagement level for those already fully engaged.
- The top three factors influencing contribution for Indian workers match the top three global requests, but the pattern is even more pronounced in India with a clear top three:
 1. Development opportunities and training (26%)
 2. Regular, specific feedback about how I'm doing (25%)
 3. Greater clarity about what the organization needs me to do – and why (22%)
- It is important to note that relationships with co-workers and managers (while higher than global figures) do not rank highest on most people's wish list. As we conclude globally, it is not the quality of the relationships that hinders employee

engagement, but rather the lack of time invested in clarity and coaching to gain people's engagement.

- Indian workers do not feel as deprived of resources to get their tasks accomplished.
- While we find the same three factors in the top of each segments list, there is a shift from “greater clarity” for those low on the satisfaction scale (Disengaged, Crash & Burn) to “Regular, specific feedback” for those higher on the satisfaction scale.

Conclusion

The Engagement Level in India has a clear number of specific factors associated with a young, dynamic and fast-paced economy. Employees expect opportunity and a chance to partake in the action. They trust in their leaders and are willing to make the sacrifices necessary to ensure the success of the organisation they belong to. The pay and development opportunities rate highly in their expectations.

In such an environment, companies should not feel compelled to attract and retain talent through inflated salaries and pampered working conditions. Instead, they should focus on building an equitable and dynamic work environment along with a culture that is demanding but rewarding. Pay scales should be competitive, but it's providing development opportunities, challenging work and clarity on the organisation's goals and expectations that will get people performing at their best. It is possible that in a period of high employment and job opportunity certain organizations may become victims of complacency: environments where employees may settle with little fear of pressure to

perform. While organizations in India will benefit from having access to an educated & motivated workforce, they should non-the-less clearly spell out their expectations for performance. Indian firms need to give people the opportunity to prove themselves and develop their career through delivering to the company's goals rather than simply rely on the demand for qualified labour. Building an engaged and loyal workforce today will help weather the challenges of tomorrow. There is ample scope for further research to study the impact of recession level of employee engagement in India.

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