

The Secret to Corporate Robustness-Employee Engagement

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Abstract: *Employee engagement is a set of theories, disciplines and behaviors that touches almost all facets of human resource management. Employee engagement is stronger predictor of positive organizational performance clearly showing the two-way relationship between employer and employee. Engaged employees are proved to be highly attached to their organization and involved in their job with a greater enthusiasm for the success of their employer, going extra mile to achieve corporate performance target and beyond.*

Keywords: *Corporate performance, Employee engagement, Employee survey & assessment, Organizational behavior*

1. Introduction

Jack Welch, the Greatest C.E.O. of His Day, once said: There are three indicators to measure the soundness of a company, namely cash flow, customer loyalty, and employee engagement.

With the development of organizational behavior and positive psychology, managers began to study how to stimulate employees' autonomy and potential to achieve corporate performance goals. In 1990, William Kahn of Boston University proposed the concept of engagement for the first time. He believed that engagement is a constraint for employees to actively complete their work. The status of the job Dutch psychologist Wilmar Schaufeli understands employee engagement from the three dimensions of vitality, dedication and focus, it is believed that it is a positive psychological state of working wholeheartedly. Simon Sinek, author of "Start with Why" described employee engagement in a simple sentence. He believes that when people invest financially, they want to get rewards and when they emotionally, they want to make contributions. Employee engagement is employee engagement. Generally speaking, engagement is a kind of commitment and investment of employees to the in terms of values, emotions, attitudes, knowledge, skills, etc.

2. What is employee engagement

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3. The impact of employee engagement on corporate performance

Employees with high engagement are usually energetic, active and serious about their work, have a close and harmonious relationship with their colleagues, and get along harmoniously with their They have a high sense of belonging and responsibility to their organization, and have obvious commitments and contracts ^[1]. They are willing to accept challenges and dare to solve work problems

areas they are not good at; they are willing to explore the unknown and remain curious about new and unknown things; they pursue continuous improvement and improve and demonstrate their skills through self-learning important force. At the same time, according to Barbara Fredrickson, a professor of psychology at the University of North Carolina at Chapel Hill, who proposed the "expand-build" theory of positive emotions in 1998, individual positive emotions will generate positive work attitudes and behaviors, and high engagement is a positive attitude. Directive positive emotions can show more innovative behaviors, which is conducive to cultivating highly creative employees.

Hewitt's employee engagement survey results for several consecutive years show that dedicated employees have a huge impact on business results: per capita profit is \$3,800 higher than other companies; per capita market value is \$18,600 higher than other companies; per capita sales \$27,000 more than other companies, engagement is significantly related to business performance.

In 2003, when Best Buy faced fierce competition from Circuit City and other competitors, which led to a decline in profits, it launched a business performance tracking system centered on the measurement of employee engagement. Factor analysis, taking measures to improve employee engagement, effectively increased the company's profit margin and sales, enhanced performance in the capital market, and maintained the company's continued competitiveness. In 2005, sales revenue increased by 8.2% year-on-year, and the total Revenue increased by 12%, and profit increased by 22% year-on-year, as shown in Figure 1 below.

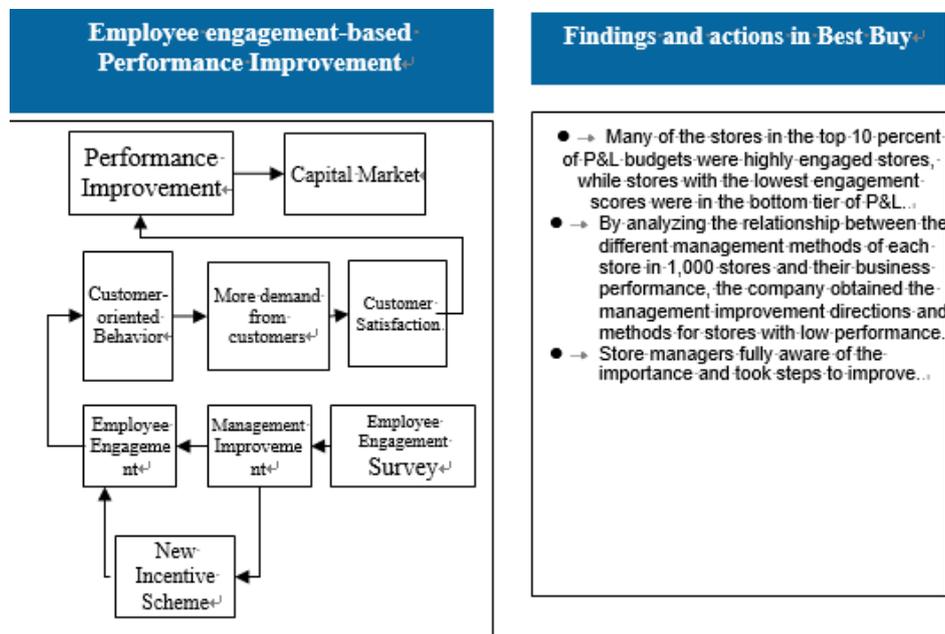


Figure 1: Performance management and Best Buy case

4. How to evaluate employee engagement

How invested are employees in helping the company achieve its organizational goals? How motivated are they in pursuing these goals? For the evaluation of employee engagement, there are many different methods in the industry. Gallup [2], Hewitt etc. have built corresponding models. Generally speaking, it can be measured from the following five aspects:

4.1 Cognition

Dedicated employees are not only concerned about their own happiness and satisfaction, employees with high professionalism have a clear understanding of the company's strategic direction and goals.

4.2 Contribution

This feature goes a step further than "cognition". Dedicated employees not only have a deep understanding of the company's strategic direction, but also know how their work contributes to the company's strategy implementation and success.

4.3 Alignment

An engaged employee feels that his personal values are aligned with the company's values and mission. Schematically represented by a Venn diagram of two circles, one representing personal goals and the other representing corporate goals, there will be moderate overlap between the two circles.

4.4 Satisfaction

Employees are most satisfied when their expectations are met, related to their job, their organization, and their immediate managers, and they experience no frustration in pursuing their personal goals.

4.5 Retention

Employee retention is an external measure and an important measure of employee engagement.

When evaluating employee engagement, the most important thing for companies to be clear is that each of the above five aspects is very important, and one should not lose sight of the other. Only referring to any one of the indicators will not give a comprehensive understanding of employees, as below in Figure 2

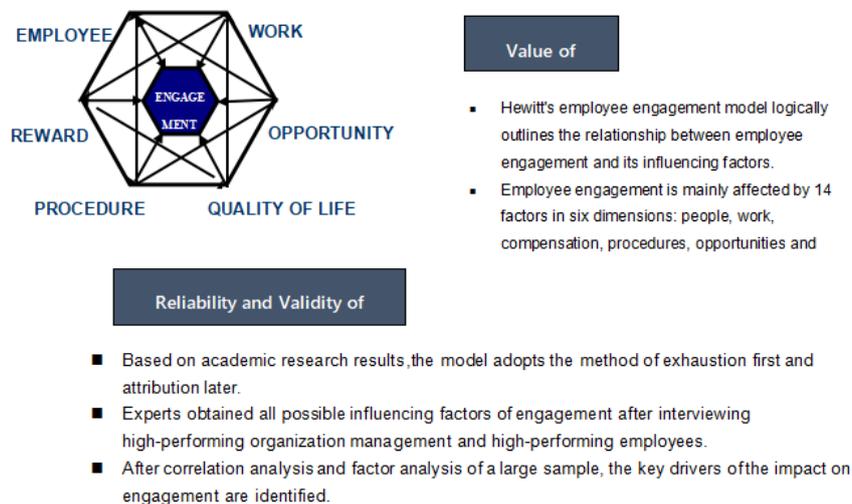


Figure 2: Engagement Assessment Model

5. How to improve employee engagement

Measures that companies can consider to enhance employee engagement include:

5.1 A fair and coherent human capital strateg

Many large companies do not have consistent HR policies and processes, and many others do not have policies in writing, a situation that can lead to a gradual loss of trust in the basic fairness of the company. For example, in some companies, because there is no clear stipulation on the number of vacation days that employees are allowed each year, some people try to get the longest possible vacation everywhere, and the result is often unfair, which leads to employee dissatisfaction.

5.2 The highly valued employee relationship management^[3]

Companies that handle employee relations well have more dedicated teams, and an important part of the employee relationship management process is communication. According to the analysis of Accenture's human capital development framework, companies that do a good job in employee career development processes have 52% higher employee engagement than companies that do poorly. At companies with high employee engagement, employees meet with their supervisor or career counselor about twice a year to discuss their career development, compared with less than once a year at companies with low employee engagement.

5.3 The reward system linked to performance^[1]

The No. 1 driver of high engagement has to do with pay, yet research shows that what matters is not how much an employee is paid, but how companies use pay and other forms of rewards and recognition to make employees feel like they are part of the organization. A sense of belonging has a key impact on employee professionalism, and psychological rewards are crucial, such as a sense of ownership of the company, a sense of integration, and a firm belief that one's work is important to help the company achieve its goals. One way to create a sense of belonging is to link rewards to business results. Studies have shown that if you link rewards to employees' personal performance and business results, there is a strong incentive for employees to maintain and improve performance.

5.4 Continuous performance evaluation

A positive evaluation conclusion is a kind of reinforcement and recognition of employees' good behavior, and it is an important incentive measure. Providing negative feedback constructively is also a sign that managers care about employee progress. Companies that do well in this area have 52% higher employee engagement than companies that do poorly.

5.5 A solid foundation for human resources management

The company provides engaged employees with the resources they need to do their jobs effectively. A company with a highly dedicated workforce spent several years improving the foundation of human resource management. The company established a shared service system to improve the efficiency of salary payment, benefit management, and attendance records. The information system and human resource transactional work the process is simplified.

5.6 Knowledge management that interacts with employees

For employees to contribute effectively to the company's mission, it is imperative that they have access to the latest and best information^[2]. A professional consulting firm provided employees with web-based tools to better access and share intellectual capital, collaborate informally across departments, and created incentives to encourage active participation.

6. Employee Engagement Strategies

So far we have discussed the evolution and definition of employee engagement, the factors that affect it and importance of employee engagement explaining how it is linked to business performance. In order to have engaged employees in any organization, managers need to look at the following ten points:

6.1 Start it from the top

Employee engagement requires leadership commitment through establishing clear mission, vision and values. Unless the people at the top believe in it, own it, pass it down to managers and employees, and enhance their leadership, employee engagement will never be more than just a "corporate fad" or "another HR thing". Employee engagement does not need lip-service rather dedicated heart and action-oriented service from top management. It requires "Leading by Being example"

6.2 Enhance employee engagement through two-way communication

Managers should promote two-way communication. Employees are not sets of pots to which you pour out your ideas without giving them a chance to have a say on issues that matter to their job and life. Clear and consistent communication of what is expected of them paves the way for engaged workforce. Involve your people and always show respect to their input. Share power with your employees through participative decision making so that they would feel sense of belongingness thereby increasing their engagement in realizing it.

6.3 Give satisfactory opportunities for development and advancement

Encourage independent thinking through giving them more job autonomy so that employees will have a chance to make their own freedom of choosing their own best way of doing their job so long as they are producing the expected result. Manage through results rather than trying to manage all the processes by which that result is achieved.

6.4 Give employee's appropriate training

Help employees update themselves increasing their knowledge and skills through giving appropriate trainings. Generally it is understood that when employees get to know more about their job, their confidence increases there by being able to work without much supervision from their immediate managers which in turn builds their self-efficacy and commitment.

6.5 Have strong feedback system

Companies should develop a performance management system which holds managers and employees accountable for the level of engagement they have shown. Conducting regular survey of employee engagement level helps make out factors that make employees engaged. After finalizing the survey, it is advisable to determine all the factors that driving engagement in the organization, then narrow down the list of factors to focus on two or three areas. It is important that organizations begin with a concentration on the factors that will make the most difference to the employees and put energy around improving these areas as it may be difficult to address all factors at once.

6.6 Focus on top-performing employees

A study conducted by Watson Wyatt Worldwide in 2004/05 on HR practices of 50 large USA firms shows that high-performing organizations are focusing on engaging their top-performing employees. According to the finding of the same research, what high-performing firms are doing is what top-performing employees are asking for and this reduces the turnover of high-performing employees and as a result leads to top business performance.

7. Conclusion

According to "Global Employee Engagement Trends in 2022" research report released by Kincentric, it shows that although the global employee engagement level does not seem to have changed much in the past three years, if you study it in quarters, you can see that The real ups and downs of employee engagement, the first quarter of 2022 hit a new low in recent years, only 62%.

Facing the current working environment full of fluctuations and uncertainties, it is time for organizations to assess the situation, reassess, reflect, and adjust in a forward-looking manner, stabilize and improve employee engagement, and achieve long-term success.

References

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