

## GLOBAL ENGAGEMENT SHIFT: CHANGES IN PERCEPTION AND WORK PRACTICES

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### **Abstract**

The word employee engagement devours its importance from past thirty years. The worth of practicing engagement is confirming by surveys, past literature, articles and reports which shows that outcomes of employee engagement are most priorities of every organization. Johnson's (2004) propounded in his book "The New Rules of Engagement" that the ability to engage employees, to make them work with our business, is going to be one of the greatest organizational battles of the coming 10 years". Employee engagement level declined in year 2010, continue to decline in 2011 as revealed by a study of WorkTrends. The study surveyed more than 31,000 employees from 28 countries to measure employee engagement level by countries, industries and job level over the last five years. In the year 2012, the engagement level was 60 per cent, increased by 2 per cent point from previous year 2011 which was 58% only. Positively it is increasing by one point in each year in 2013 and 2014 to 61 per cent and 62 per cent respectively. The paper focuses on current perceptions on engagement and work practices. The paper attempts to explain engagement shift globally by adopting quantitative analysis. The study is specified to data and interviews sign up by Aon Hewitt's global employee research from 2010 to 2014.

**Key words:** Career Opportunities, Employee Engagement, Employee Value Proposition (EVP), HR practices

## 1.INTRODUCTION

Employee engagement is one of the most navigated and digging field of study on the map of today's management professionals. HR managers, business leader as well as top management are in the hunt for engaging employees. What exactly employee engagement is? Why top leaders and leading consultancy companies like Gallup, Inc., Blessing White, Hay group, Hewitt-Aon, Deloitte and many more are constantly following the levels of employee engagement. An obvious answer is the impact of engaged and disengaged employees on their own self and firm's output. Employee Engagement was first cracked out by William Kahn in 1990. According to Kahn (1990) employee engagement is defined as "the harnessing of organization members' selves to their selves to their work roles; in engagement, people employ and express themselves physically, cognitively and emotionally during role performance" (p.694). Above definition advocates three faces of engaged employee; physical (body), cognitive (mind) and emotional (soul). To be engaged an employee has to carry all these faces in one move. There should be proper and right alignment of all these part for fully engaged.

The global economy continuously facing unmatched challenges generated by macro-economics, technological improvements, demographics drifts and social alterations. All these global trends challenge senior leaders and managers to put up with workforce issues like talent acquisition, customer demands and loyalty, market patterns, communication channels, HR strategies, workforce alignment, people management and many more. But on the same note, leaders alone cannot execute the blueprint- what is required is employee engagement, which not only endure short-term company's growth but also roots future business and financial successes. Employee Engagement is key to make people valued. According to Aon Hewitt (2013) employee engagement is defined "as the psychological state and behavioural outcomes that lead to better performance" (p.3). Aon Hewitt splits it into three parts Say, Stay and Strive. Say refers to employee's positive words about the organization to peers, expected employees, customers and co-workers. Stay means sense of belonging and strong desire to be part of the firm; and Strive posits extra effort and enthusiasm in one's work and for the company. Therefore, employee engagement is amalgamation of behavioural, intellectual and physical aspects of an employee towards work and the organization.

In 2015 Deloitte report “Culture and Engagement” speaks that culture and engagement are now no more secret issue of today’s business. Their role and importance are howling day by day. Thus, it appears that engagement share many elements in their dashboard. The compelling benefits of engagement are no more hidden from companies. Here is the list of advantages of engagement.

1. Higher Productivity
2. Lower Absenteeism
3. Lower Turnover
4. High Retention
5. Less Accident and Shrinkage (theft)
6. Quality Improvement
7. Customer Satisfaction
8. Customer loyalty
9. Higher Performance
10. Profitability

## 2. RESEARCH OBJECTIVES

The main objectives of the study are as follows:

1. To examine the global engagement shifts.
2. To study changes in work perceptions and practices caused by global engagement shifts.

## 3. RESEARCH METHODOLOGY

The quantitative analysis is used to explore the insights behind problem area; therefore, this study is explorative in nature. The present research work is based on secondary data such as interviews, surveys, articles, published research paper and tertiary data which includes e-reports, e-interview, websites and management blogs.

## 4. LITERATURE REVIEW

Looming changes are always impulsive. According to Conference Board (2013), global GDP raised at a rate of 3.3 % in 2010 to 2014, 2.5 % 2015 and is forecasted to grow 2.8 % in 2016.

Emerging and developing economies growing at much higher annual rates than advanced and developed economies. For example, emerging market and developing economies GDP from 2010-2014 was 4.9 and 2.9 in 2015 whereas mature economies GDP from 2010-2014 was 1.8 and 2.0 in 2015 only. The result is that, emerging economies have overtaken advanced economies in total share of global GDP from past few years and forecasted to grow at the rate of 3.5 and 2.1 respectively. This trend would be continuing till 2021-2025. The estimate rate according to Conference Board is 1.8 for mature and 3.6 for emerging economies.

Acceleration in technology benefits in many ways, but also give birth to many challenges. As per Moore Law (1965), computer processing speed will be doubles approximately every two years. Although he made this law after observation and forecast. His prediction showed results for several years, although it is not logical to deduce results from past trends. The more influential law than Moore's law is Ray Kurzweil Book "The Singularity is near – When Humans Transcend Biology" (2005), which predict that "predicts the technological advances will irreversibly transform people as they augment their minds and bodies with genetic alterations, nanotechnology, and artificial intelligence. Once the Singularity has been reached, Kurzweil says that machine intelligence will be infinitely more powerful than all human intelligence combined. Afterwards he predicts intelligence will radiate outward from the planet until it saturates the universe" (para 4). Therefore, these technological trends have a vital impact on both business and employees. Customers have almost zero gap between product information and its accessibility. Demographics drifts is also changing in its own way such as growing population of China and India, along with least developed nations like African countries. Work dynamics also changed due to entry of large number of Millennials (20 to 32 aged workers), diminish number of Baby Boomers (50 to 68 aged workers). The Millennials group also known as "voice of the employees" influences other group through their work environment and experience.

All these drifts absolutely affect social amendment for instance Amazon recently publicized the use of unmanned drones for providing products to end consumers or trending of wristbands by Apple to monitor regular health check-up like heartbeat. This everyday mixing of technology for betterment of social maturity also replacing jobs by machines or robots and our social decisions. This sociological phenomenon of unemployment is core cause of social unrest. There would be a

significant tension surrounding work practices and work experiences itself. Employers would struggle to meet required talent. Failure of any gap, would make employee engagement and performance in threat. Therefore, all these global changes converge leaders to re think on engagement and make it happened. Engaging employees not only need commitment but also adaptability, speed, learning skills and flexibility.

In 2011, employee engagement index declined over time revealed by a study of Work Trends. The study surveyed more than 31,000 employees from 28 countries to measure employee engagement level by countries, industries and job level over the last five years. Employee engagement level declined in year 2010, continue to decline in 2011. The phenomenon of declining employee engagement was not restricted in geographical scope; job type but also by industry. According to Work Trends, employee engagement level declined in all major countries in like China, India, Brazil, Germany, United States and United Kingdom. Next year, a study by Aon Hewitt (2013) clearly showed that only a relatively small proportion (4 out of 10) of employees are not engaged. Aon Hewitt delineates engagement “the psychological and behaviour outcomes that lead to better employee performance” (p. 3). This definition is identical to tri-dimensional nature of employee engagement i.e. say, stays and strive. In the year 2012, the engagement level was 60 percent, increased by 2 percent point from previous year 2011 which was 58% only. Another study by Aon Hewitt’s in 2014 *Trends in Global Employee Engagement*, reveals that “the perspectives of 7 million employees from 155 countries across more than 6, 000 companies that employee engagement levels increased to 61 percent in 2013, up 1 percentage point from 2012” (para. 2, 2014). In 2014, global engagement reached 62 percent. Table 4.1 shows overall engagement scores globally and by region.

Table 4.1 Global and Regional Engagement Drifts

Year Region	2010	2011	2012	2013	2014	SHIFTS
Worldwide	56%	58%	60%	61%	62%	+1 percent
North America	64%	64%	63%	65%	66%	+1 percent
Europe	51%	52%	57%	57%	57%	No Change
Asia Pacific	55%	58%	58%	61%	64%	+3 percent
Latin America	72%	71%	74%	70%	71%	+1 percent

Africa/ Middle East	52%	52%	53%	61%	67%	+6 percent
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Engagement scores suggest that Latin America have highest and more stable engagement score as compared to other countries, due to cultural and economic prospects, this country is able to maintain 71 percent. Africa/Middle East region scored next highest level of engagement in 2014 (with an addition of + 6 percent points). North America recovered by +2 percent. Asia Pacific indicated steady growth in engagement level, but was increased by + 2 percent in 2013 and by + 3 percent in 2014. Europe continued at the same position.

According to Ken Oehler, work experience or practices of performing job itself is divided into two elements; one is foundational elements which comprises basic carry out activities like safety, health, benefits, communication policies and infrastructure and the job itself. Differentiators are defined as work perceptions of employees on company like brand or reputation, performances, leadership, innovation and customer focus. Aon Hewitt (2014) found some deterioration in perception of employees as well as improvement in foundational elements. Nonetheless this deterioration is more harmful than improvement because these areas are critical for best employer such as Business unit leadership, Innovation, communication, Customer focus and brand alignment or EVP. Employee Value Proposition refers to “balance of the rewards and benefits that are received by employees in return for their performance at the workplace” (Recruiters Network). Any firm’s EVP is very important to attract, retain and engage talent employees. Table 4.2 gives a depiction of the global work perception for the average employee.

Table 4.2 Largest Changes in the Global Work Perception 2012-2014

Relative % Pt Change in Work Practices Perception Score 2011-2012		Relative % Pt Change in Work Practices Perception Score 2012-2013		Relative % Pt Change in Work Practices Perception Score 2013-2014	
+6%↑	-2%↓	+ 6 %↑	-2 %↓	+ 2 %↑	- 6 %↓
Communication	Organization Reputation	Organization Reputation	Business Unit Leadership	Business Unit Leadership	Business Unit Leadership

Business Unit Leadership	Diversity	Diversity	Brand Alignment	People/HR Practices	Brand Alignment
Managing Performance	Benefits	Benefits	Innovation	Resources	Innovation
Innovation	Customer Focus	People Focus	Customer Focus	Customer Focus	Recognition
Recognition	Sense of Accomplishment	Safety	Communication	People Focus	Manager

Ken Oehler (Global Engagement Leader) said that “A number of factors, including social, demographic, technological and macro-level economic changes, have challenged business leaders to create agile, innovative organizations that can grow, but creating this type of organization is impossible without having engaged employees, and companies with low-to-moderate engagement levels will struggle” (2014, para.3). Study also found that “high performing companies (Best Employers)” drives healthier organization’s outcomes with high engagement scores. In contrast to, those companies with high engagement scores alone.

Engagement always drive by some stimuli which an employee feels most valued and provides motivation. There are a range of drivers to stimulate engagement. One can manage and control engagement through drivers. What facilitates such behavior entirely is as hard as perceiving shared definition of employee engagement. According to Robinson et al. (2004), the most important driver of engagement is “a one in which individual sense particular factor esteemed and involved in the organization” (p.22). According to the authors important engagement drivers includes involvement indecision making, employee health and safety, opportunities for development, good line manager, two-way communication. These drivers fluctuate from business to business. The main drivers are as follows:

- **Good quality line management-** good line manager or immediate supervisor is equally important for nurturing employee-employer relationship. Mangers who care for their employees’ development and growth, show interest in their career progression, inspire them and treat fair are key drivers behind engaging employees.

- **Two-way communication-** informal and two-way communication permits employees to substitute ideas and also updates about current objectives and future strategies.
- **Effective Cooperation-** cooperation between horizontal and vertical hierarchical of organization refine the daily activities.
- **Developing employees-** long term career progression and development makes employee feel valued. It also delivers current and ongoing training needs which would be fairly accessible to their development opportunities.
- **Commitment to employee well-being-** Strategies based on employees' safety and welfare. Weekly fitness program cut accidents and damages on job.
- **Clear, Open human resource policies and practices-** Obligations from top management is required to develop and implement clear HR policies and practices in term of appraisals, equal opportunities and work-life balance are required.
- **Pay and Benefits-** Fair pay and benefit should exhibit in reference to internal and external employees of company.
- **Working Environment-** Harmonious workplace encourages respect and support for one another.

In the same annotation, Aon also found some top drivers which fuel engagement namely career opportunities, reputation and pay. Table 4.3 display the top drivers of global employee engagement.

Table 4.3 The Top Drivers of Global Employee Engagement

Drivers	Perceptio n Change 2012 to 2013	Perceptio n Change 2013 to 2014	North America	Europe	Asia Pacific	Latin America	Africa/ Middle East
Career Opportunities	0% pts	-3% pts	1	1	1	1	1
Organization	7% pts	0% pts	3	2	4		

Reputation							
Pay	2% pts	0% pts		3	5	3	5
Brand Alignment	-2% pts	3% pts	4	5	2	4	2
Innovation	-2% pts	1% pts		4		5	
Managing Performance	2% pts	0% pts	2				
Communication	-2% pts	0% pts					
People Focus	5% pts	-6% pts	5				
HR Practices	0% pts	-5% pts					4
Recognition	2% pts	1% pts			3	2	3

These drivers are comparatively constant across markets and regions. These drivers give a snapshot of employees working experience in various regions. By observing at top drivers of engagement, we could analyze that globally an average employee is looking for reason to work with company or in other term brand, career growth and rightful pay. This perception is steady with the average European employee whereas in Asia Pacific and Latin America most of the employees are motivated by recognition only. The engagement scenario is totally different at North American employees who mainly driven by EVP with a people-focused culture and performance.

## 5. CONCLUSION

In larger view, many research studies found overall engagement level quite low worldwide. If we talk on region-wise engagement, European region is in the struggling phase against relatively lesser GDP forecasts. The Asia Pacific shows enhanced engagement score, good work experience and positive GDP. Latin America is improving in all engagement drivers, levels and work experience. Improvement in work experiences lead to high EVP, leadership, career opportunities, pay and communication. Africa and the Middle East countries are displaying both volatile economic workforce as well as strong growth opportunities. As far as change in work perception and practices is concerned, differentiators are declined significantly which affects employee engagement scores drastically as compared to improvement in fundamental elements. Therefore, it is necessary to focus on EVP, pay, leadership and career development program

because HR holds many activities to conduct employee engagement program such as training and developing program, career ladder and coaching, pay, brand alignment, innovation and learning aptitude. All management bodies from leaders to managers, from employers to HR business partners everyone participate in making engagement come about. ((

## 6.SUGGESTIONS & LIMITATIONS

The engagement earnestness is as vital as engagement itself. Therefore, for sustainable engagement following core suggestions should be considered by leader. The 'LETs DO' strategy definitely help managers to sustain employee at adverse competitive scenario in addition to company self's growth.

1. (L) Leadership-trustworthy connection
2. (E) Engagement-Individualistic equation
3. (Ts) Talent Engagement programs
4. (D) Dimensions to create culture of engagement
5. (O) Strong Organization brand (Organization reputation plus EVP)

The main limitation of present study is that it is firmly based on results of meta-analysis done by Aon Hewitt from 2011 to 2014 on 3000 organizations worldwide, consists of 3 million employees' database.

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