

Talent Management through Employee Engagement in Hospitality Companies

Ms. Poonam Jindal and Dr. Mohsin Shaikh

Research Scholar, Pune University and Assistant Professor HRM and OB, Vignana Jyothi Institute of Management

Professor & Head, Department of Management Studies, SKN College of Engineering, Pune, India

Accepted 22 Dec 2016, Available online 27 Dec 2016, Vol.4 (Nov/Dec 2016 issue)

Abstract

The purpose of this paper is to analyze if there is any gap in the employee perception on employee engagement and what is available at the workplace as employee engagement activities, so that employee engagement can be used as a tool for talent management. Survey was conducted among the employees of a travelling company of India to measure employee perception on various factors of employee engagement which was compared with the organization perception. The findings say that there is a gap in the employee perception and what is available at the organization. Considerable gap is seen in Work, Total rewards & Company practices and related factors. The results will help the organization shape continuous improvement efforts related to attracting, developing, and retaining talent as well as suggest opportunities for process improvement. When employees are effectively and positively engaged with their organization, they form an emotional connection with the company. This article focuses on identifying the gap between the employee perception on employee engagement vs. available at workplace in a travels company. The research evidence across both public and private sectors supports the view that staffs, who are engaged, bring higher productivity and organizational performance, which is visible through increased operating and net profit, improved customer focus, lower levels of absenteeism and higher retention. The article will be the value addition in the field of talent management research and how employee engagement can be used for the retention of talent.

Keywords: Employee engagement, Talent management, Perception, Employee Commitment.

1. Introduction

What makes an employee to work at 2.00 am in night at the time of go-live the project and then also not complaining about the late working hours. This is the psychological contract an employee has with the company when he is committed and happy with the work and workplace, and this concept is called employee engagement in the language of HR pundits.

HR experts in India remain to struggle with talent management problems, mainly retention. The hunt to retain employees has taken HR experts through concepts such as employee satisfaction, employee delights etc. A concept of "Employee Engagement" is the degree to which an employee is emotionally bonded to his organization and passionate about his work that really matters.

Engagement is about making your employees feel to do their best. An engaged employee puts his or her hundred percent to in his or her company and work. The quality of output and competitive advantage of a company depends upon the quality of people who work there. It has been proved that there is a link between

employee engagement, customer loyalty and profitability. Organizations actively pursue higher levels of employee engagement to increase productivity, imbue positive energy within the corporate culture, and enhance organizational reputation within the industry or the broader business community. (Simon L. Albrech, (2011) "Handbook of Employee Engagement: Perspectives, Issues, Research and Practice")

Drawing on diverse relevant literatures, we offer a series of propositions about (a) psychological state engagement; (b) behavioral engagement; and (c) trait engagement. In addition, we offer propositions regarding the effects of job attributes and leadership as main effects on state and behavioral engagement and as moderators of the relationships among the 3 facets of engagement. (William H. Macey, Valtera Corporation; Benjamin Schneider, 2008).

Studies have shown that fully engaged employees perform better than those who are disengaged. Specifically, these employees exhibit intense organizational performance, increased financial success, elevated productivity, and are retained more than their disengaged employees.

HR plays a very crucial role in keeping the employees engaged. Both employee engagement and retention are closely related. And this relationship has an impact on the top revenues and the bottom-line.

1.1 The Research Objectives

The main objectives behind the research are:

- 1) To find out the meaning of employee engagement and importance as talent management tool.
- 2) To find out the employee engagement activities in the company.
- 3) To find out the gap between the employees perception and HR's perspective about engagement activities.
- 4) To find out the main employee engagement components those have the significant role in talent management and retention.

1.2 Research Methodology

A travelling company is selected for the study which is located in Hyderabad and Chennai. The sample size for the study is 75 employees from the same company and HR department. A questionnaire is prepared with 20 statements and a survey was conducted among the 100 employees to know their perception on employee engagement and HR's rating on each of the engagement factor was taken to know the employee engagement available at the workplace. The survey included 20 questions each to the employees and the HR based on the various factors of employee engagement under the following key components:

- People
- Work
- Opportunities
- Company practices
- Quality of life

The responses were taken on a 5 pointer Likert scale. Weightages are given for each option on the scale and average score on 5 for each question is calculated. Weightages are given as follows:

Strongly Disagree - 1, Disagree – 2, Neutral – 3, Agree – 4, Strongly Agree – 5

The meaning of employee engagement and importance as talent management tool, this objective is achieved through extensive literature review

2. Literature Review

Employee engagement is generally the level of commitment and involvement an employee has towards their organization and its core value and beliefs. An engaged employee is presumed to be aware of business context, and work dynamics with colleagues and peer

groups to improve performance with the job for benefit and excellence of the organization. It is a positive attitude held by the employees towards the organization and its values. It leads to positive employee behavior that leads to organizational success.

High levels of engagement in domestic and global firms promote retention of talent, foster customer loyalty and improve organizational performance and stakeholder value. (Nancy R. Lockwood, 2007)

As organizations have expected more from their workforce and have provided little in return other than simply a job or employability, it is perhaps not surprising that employee cynicism and mistrust have increased. (Susan Cartwright and Nicola Holmes, 2006)

High factor loadings at intermediate stages of employment were indicative of high engagement levels, but the interview data reflected that this may mean high loyalty, but only for a limited time. In the second phase factor loadings indicated three distinct factors of organizational culture, career planning along with incentives and organizational support. (Jyotsna Bhatnagar, 2007)

Study shows a significant difference between job engagement and organization; with co-employee support as a major individual factor that influences both measures of engagement and the work outcomes. (Alogbo C. Andrew & Saudah Sofian, 2012)

Employee engagement is the emotional connection an employee feels toward his or her employment organization, which tends to influence his or her behaviors and level of effort in work related activities. The more engagement an employee has with his or her company, the more effort they put forth. Employee engagement also involves:

- the nature of the job itself - if the employee feels mentally stimulated;
- the trust and communication between employees and management;
- ability of an employee to see how their own work contributes to the overall company performance;
- the opportunity of growth within the organization;
- And, the level of pride an employee has about working or being associated with the company.

Kanrad (2006) states that employee engagement has three related components: a cognitive; an emotional and a behavioral aspect. The **cognitive** aspect of employee engagement encompasses employee's beliefs about the organization, its leaders and working conditions. The **emotional** aspect concerns how the employee feels about the company, whether employees have positive or negative attitude towards organization and its leaders. The **behavioral** aspect of the employee engagement is the value added component of the organization and consists of the discretionary effort engaged employees bring to work in the form of extra time, brain power and energy devoted to the task and the firm.

Employee engagement means the functional and emotional connection from the employee towards their organization. Employee engagement doesn't mean that making employee satisfied or making employee happy, because a satisfied employee may leave the organization for the better salary and good opportunities in other companies and a happy employee might not be productive and hardworking at his work place, he might be happy due to various other reasons (company's facilities etc...). The employee is called as engaged when he is self-driven, passionate, and innovative at his workplace (Kevine Kruse 2012).

A fully engaged employee doesn't just work for salary, promotion or any self-objectives but he works for the organizational objectives. The more level of engaged employees in the organization leads to higher profits (Towers Perrin Research Company 2012).

Employee engagement is the state of mind where it measured by performance and productivity of the employees and it is also supported by prioritizing some of the key elements such as planning, recognition, communication and contribution (Kim Monaghan 2016). The expenses on employee engagement programs are huge for the company. Although there is a strong correlation between employee engagement and business performance but there is no proof that the former causes the latter. Instead of investing in employee engagement programs organization can invest where employee gets more clarity, develop effectiveness and increase commitment (Ann Latham 2015).

The word 'engagement' is limiting because it assumes that purpose is to engage people rather than building the organization with meaningfulness, fun, valuable and exciting (Josh Bersin 2014).

The companies whose level of engaged employees is higher has less attrition rate than other companies and also marked higher in in productivity and customer satisfaction ,so this proves that result of employee engagement also shows result in bottom line (Gallup's survey 2015).

The benefits of the employee engagements are reflected on productivity, performance and reduce absenteeism, reduce disputes, reduce staff turnover and also improves the skill and knowledge of the employees (Chartered Institute for Professional Development 2009).

Alan M. Saks (2006) reveals in his research that there is a meaningful difference between job and organization engagements and that perceived organizational support predicts both job and organization engagement; job characteristics predicts job engagement; and procedural justice predicts organization engagement.

JK Harter, FL Schmidt, TL Hayes(2002) found that generalizable relationships large enough to have substantial practical value were found between unit-level employee satisfaction-engagement and these business-unit outcomes. One implication is that changes in management practices that increase employee satisfaction may increase business-unit outcomes, including profit.

Crawford, Eean R.; LePine, Jeffery A.; Rich, Bruce Louis, 2010 explains that relationships among job demands and employee engagement were highly dependent on the nature of the demand. Demands that employees tend to appraise as hindrances were negatively associated with engagement, and demands that employees tend to appraise as challenges were positively associated with engagement.

Fred Luthans, Suzanne J. Peterson, (2002), explain that research indicates that the manager's self-efficacy is a partial mediator of the relationship between his or her employees' engagement and the manager's rated effectiveness. Overall, these findings suggest that both employee engagement and manager self-efficacy are important antecedents that together may more positively influence manager effectiveness than either predictor by itself.

So Employee engagement can be defined as:

"Employee engagement is a state in which the employees are emotionally and intellectually committed to the organization which makes them feel involved, committed, passionate and empowered and they exhibit those feelings though the efforts they put in their work."

2.1 Categories of Employees

According to the Gallup, in an organization, there are basically three categories of employees depending upon their level of engagement.

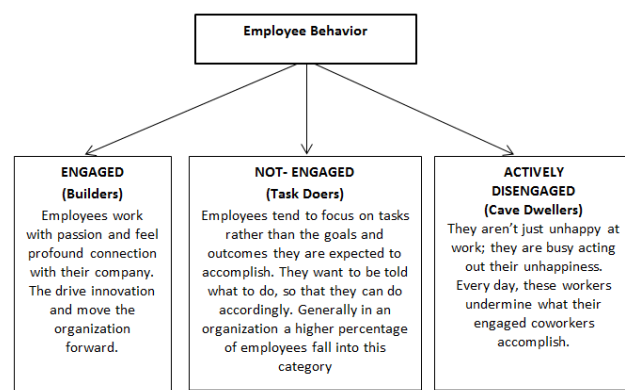


Fig. 1: Degree of Engagement

2.2 Survey Reports

Only 13% of employees worldwide are engaged at work, according to Gallup's new 142-country study on the State of the Global Workplace. In other words, about one in eight workers -- roughly 180 million employees in the countries studied -- are psychologically committed to their jobs and likely to be making positive contributions to their organizations.

Comparing highly engaged employees with less engaged workers provides some insights into how engagement affects business outcomes. The Towers Perrin (2006)24 study compared groups of highly engaged

workers with groups of less engaged employees. Key findings of these comparisons show that: 84% of highly engaged employees believe that they can positively affect the quality of their company’s products.

A research and information company Melcrum, surveyed 1000 corporate communications and HR professionals and conducted 40 case studies and found that many respondents credit offering employee engagement programs with the result that more than 50% report improvements in employee retention and customer satisfaction.

2.3 Drivers of Employee Engagement

There are certain factors that lead to employee engagement. These factors are common to all organizations, regardless of sector. However the relative strength of each factors are likely to vary depending on the organization.

The factors which lead to employee engagement are Career development, Leadership, Empowerment, Training

and development opportunities, Equal opportunities and fair treatment, Pay and benefits, Communication, Image, Performance appraisal, Health and safety, Co-operation, Family well-being measures, Job satisfaction.

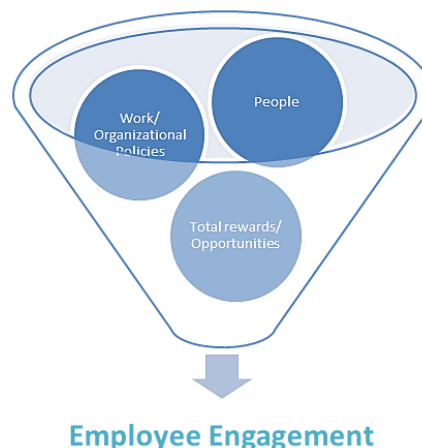


Fig. 2: Drivers of Engagement

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Responses	Average Score
I know what is expected of me in the job	0 (0%)	0 (0%)	3 (4%)	48 (64%)	24 (32%)	75	4.28 / 5
I have the materials and equipment I need to do my job...	0 (0%)	1 (1.33%)	10 (13.33%)	43 (57.33%)	21 (28%)	75	4.12 / 5
Workload is distributed equally throughout our department	3 (4%)	19 (25.33%)	14 (18.67%)	26 (34.67%)	13 (17.33%)	75	3.36 / 5
My Organization has a strong culture, policies and...	0 (0%)	6 (8%)	6 (8%)	43 (57.33%)	20 (26.67%)	75	4.03 / 5
My organization praises or recognizes me whenever I do a...	3 (4%)	17 (22.67%)	17 (22.67%)	24 (32%)	14 (18.67%)	75	3.39 / 5
My organization follows a performance linked pay system...	1 (1.33%)	10 (13.33%)	23 (30.67%)	26 (34.67%)	15 (20%)	75	3.59 / 5
I am aware of the promotion opportunities in my...	1 (1.33%)	14 (18.67%)	20 (26.67%)	30 (40%)	10 (13.33%)	75	3.45 / 5
My Organization follows a performance management system...	3 (4%)	11 (14.67%)	19 (25.33%)	32 (42.67%)	10 (13.33%)	75	3.47 / 5
My colleagues and I share information and new ideas and...	0 (0%)	0 (0%)	9 (12%)	46 (61.33%)	20 (26.67%)	75	4.15 / 5
My colleagues do their best and I enjoy working with my...	0 (0%)	3 (4%)	10 (13.33%)	44 (58.67%)	18 (24%)	75	4.03 / 5
In the last year, I have had opportunities to learn and...	4 (5.33%)	12 (16%)	14 (18.67%)	31 (41.33%)	14 (18.67%)	75	3.52 / 5
I can freely approach my manager for problems, if any	0 (0%)	3 (4%)	7 (9.33%)	38 (50.67%)	27 (36%)	75	4.19 / 5
There is a good communication between me and my superior	0 (0%)	2 (2.67%)	6 (8%)	39 (52%)	28 (37.33%)	75	4.24 / 5
My superior cares about me as a person	1 (1.33%)	3 (4%)	13 (17.33%)	34 (45.33%)	24 (32%)	75	4.03 / 5
I feel free to offer comments and suggestions and my...	0 (0%)	4 (5.33%)	18 (24%)	35 (46.67%)	18 (24%)	75	3.89 / 5
I am comfortable in my place of work	1 (1.33%)	1 (1.33%)	11 (14.67%)	41 (54.67%)	21 (28%)	75	4.07 / 5
I have a best friend at work	1 (1.33%)	6 (8%)	16 (21.33%)	29 (38.67%)	23 (30.67%)	75	3.89 / 5
My organization cares for my security and health	3 (4%)	5 (6.67%)	19 (25.33%)	31 (41.33%)	17 (22.67%)	75	3.72 / 5
Work pressure is not affecting my family life. I am...	3 (4%)	11 (14.67%)	29 (38.67%)	25 (33.33%)	7 (9.33%)	75	3.29 / 5
My Organization conducts cultural as well as other...	3 (4%)	20 (26.67%)	25 (33.33%)	22 (29.33%)	5 (6.67%)	75	3.08 / 5
							3.79 / 5

Fig. 3: Employee Engagement – Employee perception

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Responses	Average Score
The Organization provides materials and equipment needed...	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (100%)	1	5.00 / 5
Workload is distributed equally throughout in each...	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (100%)	1	5.00 / 5
Rewards and recognitions are given to the employees for...	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (100%)	1	5.00 / 5
The benefit package offered by the Organization is fair...	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (100%)	1	5.00 / 5
The Organization has a clearly defined career path for...	0 (0%)	0 (0%)	0 (0%)	1 (100%)	0 (0%)	1	4.00 / 5
The promotion opportunities in the Organization are...	0 (0%)	0 (0%)	0 (0%)	1 (100%)	0 (0%)	1	4.00 / 5
Organization follows a performance management which sets...	0 (0%)	0 (0%)	0 (0%)	1 (100%)	0 (0%)	1	4.00 / 5
Organization provides opportunities for its employees to...	0 (0%)	0 (0%)	0 (0%)	1 (100%)	0 (0%)	1	4.00 / 5
Employees are encouraged to share information and their...	0 (0%)	0 (0%)	0 (0%)	1 (100%)	0 (0%)	1	4.00 / 5
Employees are given freedom to approach their...	0 (0%)	0 (0%)	0 (0%)	1 (100%)	0 (0%)	1	4.00 / 5
There is both upward and downward communication through...	0 (0%)	0 (0%)	0 (0%)	1 (100%)	0 (0%)	1	4.00 / 5
All employees are treated fairly	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (100%)	1	5.00 / 5
Management cares for all its employees at all levels and...	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (100%)	1	5.00 / 5
The employees can fully trust their management and the...	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (100%)	1	5.00 / 5
The Organization has a strong culture, policies and...	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (100%)	1	5.00 / 5
Organization provides good facilities (e.g.,...	0 (0%)	0 (0%)	0 (0%)	1 (100%)	0 (0%)	1	4.00 / 5
Organization cares for employee security and health	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (100%)	1	5.00 / 5
Organization takes measures to provide a better work ...	0 (0%)	0 (0%)	0 (0%)	1 (100%)	0 (0%)	1	4.00 / 5
Schedule of work and rest is appropriate	0 (0%)	0 (0%)	0 (0%)	1 (100%)	0 (0%)	1	4.00 / 5
Organization conducts cultural as well as other...	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (100%)	1	5.00 / 5
							4.50 / 5

Fig. 4: Employee Engagement – Available at Workplace

The several components of employee engagement are

People: Senior leadership, immediate manager, Co-workers, Customers.

Work: Work activities, Resources, Processes.

Total rewards: Pay, Benefits, Recognition.

Opportunities: Career opportunities, Learning/Development.

Company practices: People practices, Policies, Diversity, Performance assessment, Company reputation.

Quality of life: Work life balance, Physical work environment.

2.4 Outcomes of Employee Engagement

Individual outcomes: Motivation, Commitment, Satisfaction, Loyal, Secured job, Higher performance.

Organizational outcomes: Higher profits and productivity, Improved quality, Satisfied/loyal customers, Increased retention, Revenue growth.

A recent article in *Economic Times* (Apr 22, 2014) gives an insight on the employee engagement problems and its impact on the productivity of the workforce. The article says that many companies in India recognize the relationship between engagement and productivity and have already employed measures to address the problem. A large proportion, however, is yet to understand the extent of the challenge. A recent Gallup study revealed that only 9% of employees in India are engaged with their employers. This is less than half the number when compared to the developed economies.

3. Data Interpretation and Findings

The results are given as data a grid which shows the number of responses, percentage of employees who have chosen each option, the average score for each question and overall score. The overall scores can be compared to know the gap between the employee perception on employee engagement and what is available at workplace.

The grid below (Fig. 3) shows the results of employee perception on employee engagement.

The grid below (Fig. 4) shows the results of employee engagement available at the workplace based on the response from the HR.

Overall score is calculated by taking the average score obtained for each question i.e., for each factor considered in the study on employee engagement. The figures 3 and 4 shows the average score obtained for employee perception on employee engagement and what is available at workplace respectively. The overall scores and gap are given below:

Employee Perception	Available (HR Perception)	Gap
3.79	4.5	-0.71

Fig: 5

It can be seen that there is a slight gap between the employee perception on employee engagement and what is available at the workplace.

The table below shows the summary of the scores obtained for each of the 6 key components and the gap observed between the employee perception and what is available at the workplace.

Sr.No.	Component	Employee Perception	Available (HR Perception)	Gap
1	People	4.06	4.33	-0.27
2	Work	3.92	5	-1.08
3	Total Rewards	3.49	5	-1.51
4	Opportunities	3.48	4	-0.52
5	Company Practices	3.74	4.67	-0.93
6	Quality of Life	3.69	4.25	-0.56

Fig: 6

Figure 6 is the representation of observations from employees and HR with regard to employee engagement.

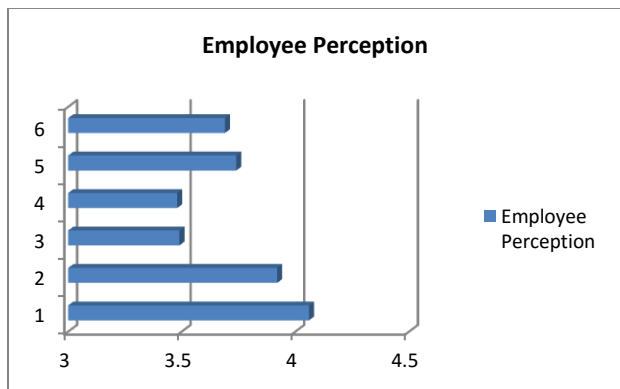


Fig: 7

Figure 7 shows how employees feel about the given areas in employee engagement.



Fig: 8

Figure 8 reflects the HR perspective on employee engagement.

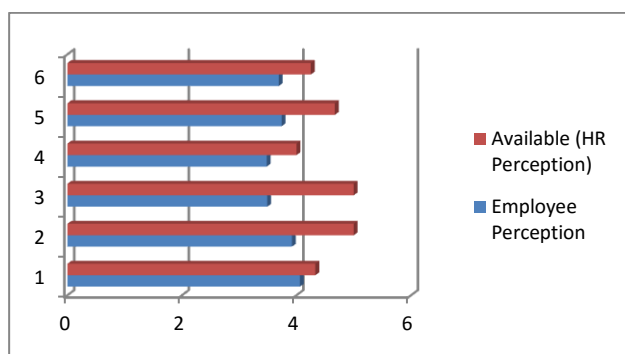


Fig: 9

In the figure 9, it shows the difference between the perception of employees and HR's perspective on facilities for employee engagement.

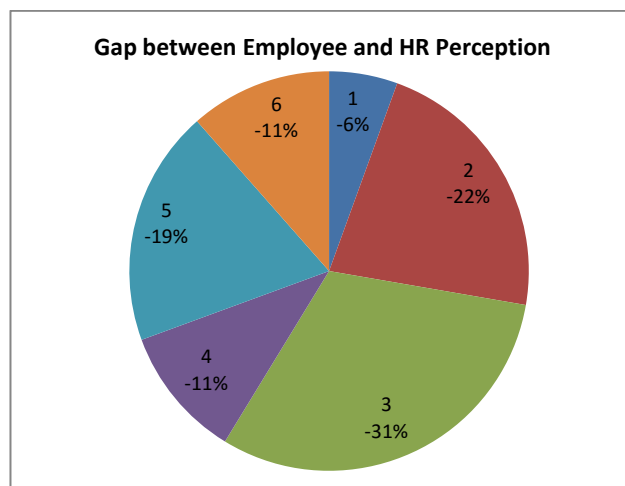


Fig:10

From the above information, it can be seen that the gap between employee perception and HR perception is highest for Total Rewards followed by Work and Company

Practices. Therefore the organization should recheck policies and practices on the factors relating to these components.

4. Findings and Scope for Further Research

The highest score is obtained by component People followed by Work, Company Practices, Quality of Work, Total Rewards and Opportunities in the order. It is seen that the least scores are obtained by key components Opportunities and Total Rewards. The organization should take proper measure to improve factors relating to these components such as rewards and recognitions, performance linked pay, promotion opportunities and learning and development. The next least scores are for Quality of Life and Company Practices. Being into Hospitality business the company should take measures to improve work-life balance of its employees, improve its performance management system and engage in more CSR and other activities for its employees. This survey helps to understand the importance of engagement activities to attract and retain the best talent in organization. The war for talent can be won only by creating peace for the internal employees, which will create employer brand of any company and helps in attracting the potential talent available outside the organization. There is a scope for further research in the extension of this study. Data from the Hyderabad office can be collected and comparison between the employees perception can be studied. Apart from that there is lot of scope of research on employee engagement activities the hospitality industry as a whole. Happy employee makes satisfied customers- this motto will motivate employees to work further in the engagement area and availability of talent in a company will be influenced by engagement activities a company has.

Reference

- [1]. Albrech, S. L. (2011). Handbook of employee engagement: Perspectives, issues, research and practice. *Human Resource Management International Digest*, 19(7).
- [2]. Andrew, O. C., & Sofian, S. (2012). Individual factors and work outcomes of employee engagement. *Procedia-Social and Behavioral Sciences*, 40, 498-508.
- [3]. Bersin, J. (2014). It's Time To Rethink The'Employee Engagement'Issue. *Forbes*. Retrieved from <http://www.forbes.com/sites/joshbersin/2014/04/10/its-time-to-rethink-the-employee-engagement-issue>.
- [4]. Bhatnagar, J. (2007). Talent management strategy of employee engagement in Indian ITES employees: key to retention. *Employee relations*, 29(6), 640-663.
- [5]. Cartwright, S., & Holmes, N. (2006). The meaning of work: The challenge of regaining employee engagement and reducing cynicism. *Human Resource Management Review*, 16(2), 199-208.
- [6]. Crawford, E. R., LePine, J. A., & Rich, B. L. (2010). Linking job demands and resources to employee engagement and burnout: a theoretical extension and meta-analytic test. *Journal of Applied Psychology*, 95(5), 834.
- [7]. Frank, F. D., Finnegan, R. P., & Taylor, C. R. (2004). The race for talent: Retaining and engaging workers in the 21st century. *People and Strategy*, 27(3), 12.
- [8]. Harter, J. K., Schmidt, F. L., & Hayes, T. L. (2002). Business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes: a meta-analysis. *Journal of applied psychology*, 87(2), 268.
- [9]. Jindal, P., & Shaikh, M. (2015). A Study of Behavioral Training as Talent Management Strategy in Organisations. *Universal Journal of Management*, 3(1), 1-6.
- [10]. Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of management journal*, 33(4), 692-724.
- [11]. Little, B., & Little, P. (2006). Employee engagement: conceptual issues. *Journal of organizational culture, communication and conflict*, 10(1), 111.
- [12]. Lockwood, N. R. (2005). Employee engagement. *SHRM Research Briefly Stated*. Retrieved January, 27, 2008
- [13]. Lockwood, N. R. (2007). Leveraging employee engagement for competitive advantage. *Society for Human Resource Management Research Quarterly*, 1, 1-12.
- [14]. Luthans, F., & Peterson, S. J. (2002). Employee engagement and manager self-efficacy. *Journal of management development*, 21(5), 376-387
- [15]. Macey, W. H., & Schneider, B. (2008). The meaning of employee engagement. *Industrial and organizational Psychology*, 1(1), 3-30.
- [16]. Mone, E. M., & London, M. (2014). *Employee engagement through effective performance management: A practical guide for managers*. Routledge.
- [17]. Robinson, D., Perryman, S., & Hayday, S. (2004). The drivers of employee engagement. *Report-Institute for Employment Studies*.
- [18]. Saks, A. M. (2006). Antecedents and consequences of employee engagement. *Journal of managerial psychology*, 21(7), 600-619.
- [19]. Sundaray, B. K. (2011). Employee engagement: a driver of organizational effectiveness. *European Journal of Business and Management*, 3(8), 53-59.
- [20]. <http://www.aon.com/unitedkingdom/employee-engagement.jsp>
- [21]. http://articles.economicstimes.indiatimes.com/2014-04-22/news/49318743_1_productivity-employers-programmes
- [22]. <http://www.gallup.com/poll/165269/worldwide-employees-engaged-work.aspx>