

Employee Engagement: A Dilemma in Economic Slowdown

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Abstract

Employee engagement is the strategy of winning staff's hand, head, heart, and soul to instill an innate desire and passion for excellence. Engaged workers want their company to thrive because they feel linked to its goal, vision, and mission physically, socially, emotionally, and even spiritually. Companies are bleeding and facing financial constraints with the economic downturn resulting in decreased wages, lay off, retrenchment, pink slip, voluntary resignation, golden hand shake, closure. As they have bonds with the company, engaged workers face more heat, their morale is low, placing a question mark on the relevance of employee engagement. Both employee and employer are in catch 22 situations.

Keywords: Employee, Engagement, Morale, Layoff, Retrenchment

Introduction

The only meaningful resource today is dedicated and active workers. Access to other resources is no longer a constrain, capital moves freely across boundaries, technology is accessible to organizations, with globalization raw materials can be transported globally, information is accessible to anyone who wants to flag it down on the high digital super path. There is a lack of dedicated workers who are spiritually linked to the company and put additional effort into the organization's vision, purpose, objectives and goals. The world economy is often under extreme pressure due to the global recession, resulting in downsizing and other measures to reduce the financial burden. Even engaged workers are in a psychological crisis and it is a matter of controversy whether employee engagement is a boon or a bane.

As per engagement perspective one can classify the workforce in three categories, disengaged employee, neutral employee (neither engaged nor disengaged), engaged employee. Disengaged employees are those employees having a negative attitude towards the organization and engaged with organization with negative outlook. Sometime these types of employees show rebellion and militant type of characteristics and generally more involved in predatory trade union activities. Neutral employees are neither engaged nor disengaged employee. These types of employees are more interested in maintaining their membership with the organization, salary, perks and paid leaves. These types of employee are concerned with performing their duty as per the employment contract and hardly concerned about organization's matter and its goals, purpose, vision, mission, strategic objectives. These types of employees are self-centric generally do not create any nuisance in the organization. At last, third type of employee that organization possess is engaged employee. These engaged employees do not only surrender their hand, head, heart but also the soul to the organization and they keep organization's goal ahead of their personal goal. These types of employees always aspire for organizational excellence and strategic advantage of the business. Engaged employee are generally connected to the organization not only physically, mentally, emotionally but to the highest extent spiritually. Connection to any organization spiritually seems to be more philosophical and academic in nature.

2. Literature Review

As per Kahn, W.A. (1990), employee engagement is harnessing of workforce to their work roles, workforce employ and expresses themselves physically, cognitively and emotionally during role performance and

psychological differences of individuals impact their ability to engage or disengage in their role performance. As per Macey and Schneider (2008), employee engagement is an attachment, dedication, motivation, loyalty, zeal, keenness, focused endeavor, vigor and liveliness towards achievement of organizational goals and obligations. Maslach et al. (2001) visualized employee engagement as contrary to the three burnout attributes: fatigue, skepticism, and feeling of inefficacy. Schaufeli defined engagement as an optimistic, gratifying work environment that is endowed by dynamism, perseverance, and assimilation. Wellins and Concelman (2005) suggested that it is concerned with an amalgamation of commitment, loyalty, productivity and ownership and at the same time is an imaginary power which pulls the workforce to give some extra effort for higher level of performance. As per Crabtree, 2013, (Gallup report) on America's workforce showed that employees either not engaged or disengaged causing a total loss of 500 billion USD. As per Shaw and Fairpurt, (2005) employee engagement basically deals with poignant, rational and mental loyalty to the work and workplace and self-propelled power required to perform it. Robinson et al. (2006) states engagement is one level higher of commitment.

In his article, Bakker et al. (2008) cited explanations four reasons why engaged employees perform better than non-engaged workers. Engaged staff: first, optimistic feelings are always encountered with zeal, commitment, optimism, happiness, and enthusiasm; second, improved psychological and physical wellbeing is experienced; third, build their own assignment and personal resources (e.g., encouragement from others); and finally pass their dedication to others. Bakker, Demerouti, and Verbeke (2004) stressed that employees who are engaged earn higher scores in their role performance from their co-workers, suggesting that employees who are engaged perform well and are able to perform more.

Several literatures lead to the conclusion that personal resources often have a significant role to play in deciding the level of work commitment in addition to job efficacy. In their analysis of female school principals, Bakker et al. (2006) found that those with the most personal resources scored highest on job commitment. A broad cross-sectional study of 1,910 South African police officers was conducted by Rothmann and Storm (2003) and found that dedicated police officers are problem-focused, taking aggressive action to try and eliminate or rearrange hooligans. Studies performed by Xanthopoulou et al. (2007) found that workers engaged are highly self-effective, confident and feel they can perform.

3. Research Objective

- An exploratory, qualitative study of employee engagement concept.
- Assessment of impact of economic meltdown on terms, conditions and morale of engaged employee.
- To study critically employee engagement as dilemma for employee and employer in economic slowdown.
- Conclusion by giving suggestions how to cope up the recession using employee engagement as a major instrument.

4. Research Methodology

This research paper is exploratory and qualitative study based on secondary data and real time experience of practitioners, academicians, researchers, HR consultancy and research institutions. A lot of research has been done by several individuals and institutions and they have shared their views and are in public domain or one can say it had been published in journal, newsletters, research report or books. The researcher has taken an overview of available sources and has tried to rationalize it with the present socio-economic- techno- political environment. A volume of literature is available on this topic but there is a dearth of written material available on impact of economic slowdown on the mechanism of employee engagement. This research paper is an effort to analyze critically and increase the knowledge base.

Engagement as a Pious Bond by employees: Employees have varying levels of dedication and participation, and their understanding of the company varies.

Satisfied employees: are those workers who want to be a part of the company and are satisfied with the status quo. Satisfied workers aren't necessarily efficient workers.

Motivated employees: is more concerned with individual objectives and makes additional efforts to reward organizational activities that meet his or her ultimate requirements.

Committed employees: committed to the company's priorities, goals, objectives combined with personal goals.

Engaged employees: are emotionally attached with the organization and builders. They know the desired expectations for their role so they can meet and exceed them. They're naturally curious about their company and their place in it. They perform at consistently high levels. They want to use their talents and strengths at work every day. They work with passion and they drive innovation and move their organization forward.

The engagement of employees is the degree to which employees want to devote their physical, mental and emotional resources in their job and organization. In simple terms, employee engagement helps workers not only work with their minds and bodies, but with their hearts as well. When anybody puts heart and soul into work, it creates a friendly environment in which it is possible to accomplish organizational and individual goals more effectively. Employee engagement is a multidimensional construct composed of elements of cognitive, emotional, behavioral, and individual role performance. Engaged workers would be favored in every company to have innovation and imagination to hit the helm. It is a phase of developing to discover new heights in the business world that would give the company a competitive edge. Engaged workers would have a deep trust in the organization, a voluntary desire and enthusiasm for loving and enjoying their jobs, and would imagine a broader image in relation to the company's vision and mission. There is no question that employee engagement is a relationship between the company and the workforce in which everyone works together to accomplish corporate goals and individual ambitions.

It is only a dedicated employee who is associated with the organization intellectually and emotionally, cares strongly about its goals and is committed to its objectives. He goes the extra mile and ties himself to the acts that drive the company. Engaged workers are more likely to stay with the organization and advocates its goods or services. Employee participation is a constructive attitude towards the company and its ideals maintained by workers. It is rightly said that engaged employees are the only sustainable competitive advantage for a business. Engaged employees are interested in the company's future and eager to provide its discretionary effort towards its goal. The productivity of an organization is calculated not by employee satisfaction, but by employee engagement.

Employers are pressured to deploy cost-cutting devices when there is an economic recession. With the economic downturn, almost all businesses face financial constraints as demand for goods and services dramatically decline. With a reduction in demand, it is important to reduce productivity, resulting in surplus workers. Wages and salaries have the highest share of all the variable costs. Most company companies have no choice but to settle for reduced wages, zero rise, reduction in fringe benefits, decline in social and welfare activities costs, increase in working hours, turnover, lay-off and retrenchment. With the terms and conditions of employment mentioned above, the morale of workers is at the lowest level and often pessimistic. Even the workers involved are finding their only foot out of the door. They don't even know whether or not their place will be secure the next morning. After watching colleagues get laid off, these workers are afraid of becoming

helpless, anticipating the worst to happen and having no need to give it all. Fear of unemployment has triggered a 'psychological crisis' for dedicated workers. For both sides, this is one of the most critical and pathetic cases.

A research has shown that engaged workers are more vulnerable than disengaged staff. When they think of separation from the current company, committed workers are more associated with the organization and experience more discomfort and mental anguish. Engaged workers integrate their objectives and goals with the vision, mission and intent of the company and it is very hard to relinquish the emotional and spiritual connection. In the same way, companies do not want to sacrifice their star performers who are involved with accomplishment of organization's goals visions, missions and objectives. Companies recognize that only these dedicated workers are capable to assist in crisis and face the demon of recession. As the economic crisis has ravaged industries, these businesses are in deep distress due to financial weakness, lowering the financial burden become unavoidable for them. In this economic condition, business enterprises are reluctantly compelled to discharge their engaged workers and retrenchment become a compulsion. For both workers and employers, this is a huge problem when drop in net profit causes corporations to downsize engaged employees, and these companies often realize that only the engaged employee will pull them out of this financial difficulty. This is a case with a catch 22 situation.

5. Engaged Employee as Ray of Hope to Combat Recession

In a poor economy, the motivated employee is a competitive advantage because it makes organization resilient, and helps them get through difficult times. The commitment of engaged employee facilitates to bounce back from bad news and concentrate immediately on ways to develop the business. Employee commitment should be preserved as it offers competitive benefits in a downturn. Employee engagement is much more critical and relevant in times of hardship and extreme economic conditions. When they are well handled and respected, workers are able to give their all and a strategic differentiation is the capacity to channelize their ability. It is their choices, their attitudes and their behavior that make the difference. It is important for businesses to remain focused on employee engagement in a recession prone economy and to establish emotional and spiritual ties, creating highly fulfilling and fruitful relationships with employees who can make a positive difference to the long-term success of an organization. Employee engagement should be a tool to minimize the recession's effects, and managers should actively empower their workers to provide feedback on key business challenges, think innovatively, and exploit their talents to

help create an organization where employees want to work and accomplish business goals.

6. Conclusion

The paper concludes employers should demonstrate patience for changes in terms and conditions of employment, and any lay off or retrenchment should be done with human face in mind. It is necessary to prevent the lay off or retrenchment of engaged employees. Reduced salary, zero rise, job sharing, sabbaticals, wage-free leave, redeployment, outplacement and all other alternatives must first be attempted and committed employee should be laid off when all other options have exhausted, since organization's key assets are these employees. Communication is most important. Keep employees informed whether they request the information or not. In difficult economic times, it is more important that information should disseminate and make sure that everyone in the organization hears the messages. Keeping open lines of communication is good, but don't wait for questions and concerns; anticipate what employees want to know and provide information to them. Offer opportunities for individuals and small groups to express their worries and concerns. Tell them what you know about the situation, acknowledge their strong feelings, and show respect for their views. This will go a long way towards building trust and increasing the level of employee engagement. Employee engagement is about creating conducive environment, effective leadership and at the same time it also deals with ownership of the workplace and role, advocacy of product and services, brand ambassadorship, but at the end it is concerned with creating an organization which provides real business success.

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