Reimagining employee engagement in India
Insights from the 2015/16 state of employee engagement surveys
There's widespread agreement among leaders and senior HR practitioners in India of the strategic value of employee engagement, but are they ‘walking the talk’?
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India's emerging role in the global economy is a game changer for companies. Significant investment in making India a manufacturing and services hub has put the focus on human capital and skills development as never before. To realise India’s full potential on the world stage, an engaged and productive workforce is essential.

So what is engagement? It’s the Think-Feel-Act nexus – a connection both rational (think) and emotional (feel), an employee has for their organisation, combined with the motivation and willingness (act) to invest discretionary effort to go above and beyond what’s expected of them.

Over the last 20 years, the way it has been surveyed within organisations in India and around the world has evolved. Different questions are now being asked.

Initially, engagement surveys tried to find out whether their employees were satisfied. The focus then moved to discovering if employees were committed, that is, could the organisation retain them? More recently, the questions looked to determine if employees were aligned to the overall business strategy and offering discretionary effort. These elements, together with Think-Feel-Act, create the condition Willis Towers Watson has termed sustainable engagement (Figure 8).

And this is top of mind for Indian CEOs looking for ways to compete for talent and differentiate their company’s offering, particularly where they have seen strong success in recent times; is there a burn-out or stress factor at play? Sustainable engagement is leading the transition from traditional notions of engagement into a more holistic picture of employee wellbeing.

But there is still some skepticism among leaders of Indian companies of how employee engagement links to their organisation’s bottom line performance. In the desire to create an engaging organisation, there is a missing link – determining whether engagement delivers what it promises, in terms of superior results. Only half of respondents to our poll agreed that they have seen clear business results after putting survey results into action.

Willis Towers Watson polled 133 of India’s top organisations and leaders, gaining responses from senior business leaders, including top management, as well as the HR function, to discover how they perceive engagement surveys and where the impetus for engagement is coming from within their companies.
Indeed, engagement numbers worldwide over the last 20 years have not moved. Does that mean traditional surveys are not asking the right questions or measuring the right things?

A shift is taking place; the movement from the notion of engagement to sustainable engagement, which is a combination of traditional engagement, enablement and energy. And that means the way we assess employee engagement is also in significant transition, driven by new concepts and technologies.

While there is broad agreement among leaders of India’s companies of the value of employee engagement and the need for measurement, there are significant gaps between obtaining data and knowing what to do with it. Implementing strategies or ‘walking the talk’ is a question that is yet to be answered.

Our poll showed 86% of respondents believe that employee engagement is a strategic priority in the organisation and regard it as a crucial input for evaluating managerial performance. However, only 49% of respondents believe this is actually happening in their company (Figure 4).

Progressive Indian companies are seeing engagement surveys and the implications for employee wellness as part of a broader discussion on strategy.
While the traditional view of employee engagement is that it ‘comes from the top’, our poll showed the more successful approach is multi-faceted. While the evaluation of managerial effectiveness has been based, in part, on feedback from engagement surveys, there is a shift to wider or collective accountability.

Our poll shows 82% of employers believe their employees want to be engaged with the organisation but who is responsible for making that happen? Figure 6 shows the response for four key areas within organisations.

It’s more accurate to say that engagement can only be achieved where each of these key areas within the organisation works together on accountability:

- **Top management, CEO**: 75% of respondents agreed that employee engagement initiatives are driven from top management (Figure 5). CEOs and other senior leaders have a major role to play in creating a high-performing culture and positioning the company as a great place to work. But if a company’s leadership doesn’t demonstrate it believes in the people aspect of their business, or unable to ‘walk the talk’, the job of HR and other managers to create results becomes that much harder. Articulation and communication of the company’s values is essential for them to be shared throughout the organisation and drive performance.

- **HR**: There is strong evidence HR teams remain the custodian of engagement – 74% of respondents agree that they have planned budget around employee engagement initiatives, while 75% feel that these initiatives are looked at positively by their employees (Figure 5). But HR practitioners must also be engaged with the conditions they want to create for the organisation and to understand the positive impact of strong HR leadership on the business. A key role of HR leaders is to influence other senior managers to help drive a high performing organisation. Optimally, the HR leader is business savvy and understands how engagement leads to better business results through
the integration of policies. There is a need to establish strong engagement within the HR teams themselves before setting the bar for the rest of the organisation. HR team members then play the role of coach, and provide timely feedback and guidance to other top managers and leaders.

- **Managers**: with direct influence over their teams, employee engagement and productivity should be part of their performance expectations, supporting positive momentum and a culture of improvement. The key role here is that managers need to play the role of a bridge between the desires and strategies of the CEO or senior leadership team and employees. It’s said that leaders focus on a better tomorrow for the organisation and managers drive a better today. The ability for managers to act as bridges or connectors is of critical importance and this brings their engagement score into focus. Only 49% of respondents agreed that, in their organisation, employee engagement scores are a crucial input for evaluating managerial performance (Figure 4).

- **Employees**: Gaining more traction is the concept of mutual accountability, leading to a shift from the term ‘engagement’ to employee ‘wellbeing’. Involving employees in action planning and improvement efforts, or giving them the ability to help identify, own and implement solutions for themselves will be critical. Our poll found 60% of respondents agreed that employees should take responsibility for their own engagement, so there is significant room for improvement here.

Our poll found HR, managers and leadership teams are almost equal in terms of having accountability for actions identified from an engagement survey. Developing business strategies so that all three can work together to bring about change is vital and empowering employees to take responsibility for their own engagement and wellbeing will be a growing indicator of success.
The need to develop leaders

What role do leaders play in developing, sustaining and nurturing engagement? Results will not flow from employee engagement feedback unless the organisation’s leaders are committed to it as a key business initiative.

Again, there is a divide between perception and reality. 94% of respondents feel that employee engagement scores should be a part of the Leadership KRA, but only 38% agree that this happens in their organisation. Tellingly, only 14% of respondents were in absolute agreement that engagement is being discussed during business deliberations (Figure 7).

Does that mean the organisation is failing on employee engagement? Not at all, but there is a distinct risk the company is not using the insights derived from engagement surveys to help it deliver on strategic objectives. Further, it questions whether the survey has been structured correctly in the first place, so that results inform a process of continuous improvement and drive the right outcomes.

Leaders have a crucial role to play – they need to lead the management initiative for actions resulting from survey feedback and ensure follow-up; this needs to occur through consistent dialogue and discussion with their teams. Organisations with high engagement stores, particularly for manager and leadership effectiveness, have invested in people management training over a number of years.

Regular engagement-related activities are a must. Organisations should focus on an ongoing process, rather than a once-a-year exercise. While the annual survey (or more frequent polls using technology advancements) sets the ball rolling, there is no substitute for the implementation phase based on the insights.

85% of respondents agreed that periodic progress review of engagement activities would help the organisation stay on course but there appears to be some frustration evident in the lack of results. Only half of the respondents feel that they see clear business results after putting survey results to action (Figure 7).

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Figure 8: The three Es – engagement, enablement and energy

It’s important for organisations to realise that not all attrition is bad. Some employees will never become ‘engaged’ – so what do you do?

The shift away from measuring engagement in a work context only to one that looks at professional, social and family life as well as physical wellbeing and mental attitudes is providing a stronger picture of an employee’s ‘engageability’ as well as enablement and energy.

Throughout the Asia-Pacific region, we are seeing an emerging trend of companies asking how they can create more ‘mutual accountability’ with employees for their engagement, rather than it being seen as a company-only responsibility. As such, companies are adding a supplementary module to their engagement programmes, through which each employee receives a report of the three areas of opportunity to improve their personal engagement as well as suggested actions.

Although not explicitly required, companies encourage employees to take these reports to development discussions with their manager. This greatly enhances the impact of any action process, increasing the involvement of individual employees and making them more accountable for their own level of engagement. The popularity of this offering clearly indicates that companies are eager to find ways to address engagement from both a top-down, or
traditional perspective and bottom-up, employee-driven perspective.

We are generating a number of insightful reports, typically used by clients to make better decisions on whom to hire or how to develop internal staff based on the alignment between a competency profile and the requirements of a given role. Of particular interest is identifying the fit between an employee’s personality, and the culture and values of a given company.

If we can reasonably assume that the greater such a fit, the more likely one is to be engaged, we have an extremely powerful factor to add to our selection criteria. Imagine how valuable it would be to hire only those employees likely to be engaged at a company, given its unique culture and/or the ideal culture it is trying to build to help execute its strategic goals.

An organisation that combines high employee engagement with enablement and energy opens the door to a significant performance lift. Conversely, in a world where people are dispersed, sometimes isolated, working longer hours with fewer resources, the resulting stress can deflate engagement, erode enablement and deplete energy. This is part of the wider shift from engagement in isolation to a wider sense of employee wellbeing and the potential for productivity and other gains this can bring.

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Looking at different aspects of an individual's overall wellbeing is going to be a critical concept for all organisations. It's not only about the job but a sense that employers and employees contribute and look after overall wellbeing together. Our poll found 61% of respondents felt employee wellbeing would become a stronger metric for organisations than engagement (Figure 9).

Willis Towers Watson continuously researches the conditions that drive sustainable engagement and its impact on businesses. We looked at high performing companies with excellent sustainable engagement scores, three years after their employee survey. It showed the heightened performance advantages were retained (Figure 10).

The emphasis in sustainable engagement is looking holistically at employee wellbeing. By combining the traditional 'Think-Feel-Act' nexus of engagement with enablement and energy, a picture emerges of employee physical, interpersonal and emotional wellbeing at work (energy) and how the work environment supports productivity and performance (enablement). Some of the benefits include reduced employee turnover, improved operating efficiency, greater client or customer loyalty and satisfaction and improved sales performance (Figure 8).

![Figure 9. From engagement towards well being](image)

![Figure 10. Sustainable engagement continues to have an impact on business performance](image)

Source: Willis Towers Watson Research
A new paradigm - Organisational Listening

Reflecting the need to involve people more often in gathering ideas and suggestions, organisations are being urged to actively ‘listen’. While this has been undertaken through formal surveys and town halls, there is a view that these are one way conversations.

Town halls can be dominated by vocal employees asking questions of leaders, or a further instance of leaders delivering an organisational viewpoint. Surveys may generate tons of data and deliver some insights but they can be perceived as a burden by already stretched and stressed managers.

There is a need to go beyond these traditional means to effectively engage – the new paradigm is organisational listening.

In volatile and uncertain economic conditions, the notion of long range planning seems to be an anachronism. Organisations need to focus on agility and building intelligent rapid-response capability. Once the preserve of business strategy and marketing, all business functions today, including HR, need to be oriented to the rapidly-changing external environment.

Employee engagement is not a static concept; the complexity of the workplace environment means employee sentiment is fluid. Indeed, employees need to be engaged with multiple stakeholders, both internal and external, giving rise to the possibility of disengagement and heightened levels of stress.

Communication is key; one needs to look at the power and ubiquity of social media to see how the nature and frequency of interactions between a community has risen dramatically in recent years; the good news for organisations is that social media is one of the tools being tapped for immediate, real-time feedback to gauge employee wellbeing.

The reality for organisations is that each of their employees is a potential generator and broadcaster of content – presenting leaders in particular with both opportunities and challenges.

So, what is organisational listening? It’s a process of deploying listening tools to capture employee sentiment at points and frequencies, ultimately to enable more effective decision-making.

Employee opinion needs to be captured to answer a clear question or inform a strategy; organisations often make the mistake of swinging between the opposite ends of the spectrum – measuring everything or hardly anything. The number of listening points is not as important as their definition and deployment at the right places in the organisation and the right times, aligned to crucial pillars of strategy.

How often should an organisation ‘listen’ to employee sentiments? An engagement survey every month may well be overkill but technology is providing the means for transaction surveys on key metrics or strategies that would benefit from more frequent feedback.

There is a plethora of tools available but their utility is limited by the quality of deployment. Without clarity of purpose, organisations could easily find themselves with a ‘garbage in/garbage out’ scenario – and the resulting data may not provide any useful insight or lead to strategy improvement. Asking the right questions at the right time is critical.

Ultimately, organisations need to shift their thinking to realise that employee needs evolve just as rapidly as market or customer needs. Every time an employee is touched by the organisation, through leadership, managers or processes, they will have a response – more or less favourable. This may not be apparent at the time but could have a significant impact down the track.

A well-designed listening programme can serve as an early warning indicator and help organisations implement solutions before it is too late.
A key frustration with traditional employee engagement surveys is the time frame. A survey is devised, put out for response, data tabulated and insights derived. In many instances this process can take months.

Technology will help get employee survey data in the hands of managers more quickly, rather than waiting for a slow, cascade process. This has the potential to make a huge difference for managers at the local level, looking to make data-driven decisions. At the same time, enough of a gap between surveys gives space for meaningful results to be identified and change to occur.

As business leaders understand that engagement is only one aspect of a more holistic approach to employee wellbeing, new and more direct ways of obtaining feedback and deriving insights are required, to result in evidence-based change and to feed into the wider business strategy.

The challenge is to balance investment with desired impact. Configurable, web-based technology helps ensure that the organisation maximises ROI by getting the right insights and guidance to the right people.

Yet, while a significant number (77%) of respondents believe technology-enabled instant employee feedback will play an increasingly important role in supplementing traditional employee engagement surveys, there seems to be a disconnection when Indian companies are looking to appoint a survey partner.

Our poll showed that Indian companies are not putting sufficient emphasis on what happens after a survey is conducted, nor are they particularly excited about technological advances. While benchmarking and customisation capabilities rank highly in terms of desirable features, only 26% of respondents indicated that ‘post-survey support’ was a top factor in selecting a partner and interest in new technology was negligible (Figure 11).

We felt this was an extraordinary omission; insights without assistance in implementation and change management is akin to visiting a world-renowned pathology lab without recourse to a doctor – you’re given potentially critical information about your health but have no way of being able to use those insights or make change in your daily life to address any issues.
At the same time, cost seems to be of minimal importance in selecting a firm to partner with; only 29% of respondents agreeing it was a determining factor (Figure 11). But this also has the ability to change over time, emerging as a key reason for dissatisfaction, indicating companies are questioning the value of what they are receiving from many providers, especially in terms of actionable results.

Our poll found only 14% employers were absolutely certain that employees are giving their honest opinion during the survey process. While this seems to suggest a need for an external survey partner, to maximise the opportunity for an unbiased view, it’s also a reflection of employees not experiencing any progress on issues identified and becoming jaded or cynical about the process (Figure 12).

It leads to a major question for companies looking to gain value from engagement surveys – will their partner be merely a service provider or can they handle a change management programme?

Full service support and technology support will be the game changers in the employee survey market. When companies are seeking a partner, it needs to be for the change management journey; someone who can be held accountable for improving an organisation’s engagement scores and positively impacting growth.

While the role of leadership is critical, in setting the culture and tone of an organisation, the emphasis on accountability for engagement is shifting – across all levels. Engagement is not just on the agenda for leaders, managers or HR – it’s the responsibility of every individual. Having said that, there are implications for the way organisations hire their leaders – making their ability to engage a top KRA metric.

Has the traditional employee survey failed to deliver in terms of verifiable impacts? An impost rather than a tool for growth and improvement? Are they just too big, too expensive and too unwieldy to do more than once every couple of years, and therefore lose their immediacy? The concept of organisational listening, combined with new technologies are set to solve many of the longstanding issues around employee wellbeing; no longer will organisations have to wait out significant periods to discover key indicators of stress or dissatisfaction.

Ultimately, there needs to be recognition that employee engagement and wellbeing is a process requiring a skilled partner to help organisations navigate the data, identify the insights and help implement the right change management programme that puts the responsibility for engagement back in the hands of individual employees, to the benefit of all.

There is a different mood in the employee engagement space in India; it’s not just about tabulating data and deriving insights, but turning them into actionable, evidence-based strategies that impact positively on an organisation’s bottom line and demonstrate to all employees the willingness to change and continuously improve.

Conclusion
About Willis Towers Watson

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