

# Exploring possible measures to Improve Employee Engagement in Durgapur Steel Plant, a state-owned Steel Producing & Manufacturing Industry of India under SAIL

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**Abstract:** - This article deals with exploration of possible measures to improve the Employee Engagement in an Organization. For a case study it has been explored in a steel producing and Railway Wheel & Axle manufacturing company of India where highly skilled & qualified employees are there but the engagement level was not up to the mark due to various factors like lack of Motivation level, over consciousness regarding Rights but negligence to Responsibilities, Militant Trade Unionism etc. The situation has improved a lot in last 10-12 years taking various measures to improve the employee engagement level and it has earned a respectable position in SAIL achieving all-time best productions & Techno-Economics, various Awards & Accolades adding many feathers to its cap.

**Keywords:** - Motivation, Employee Engagement, Need, Leadership, Rewards, Recognition, Accountability



## 1.0 Introduction:

For any organization, highly engaged employees are committed to their organization and invested in its success. They are proactive in doing things for betterment of the company beyond their regular duty, in sharing their ideas, in promoting their company and organization inside and out, and they exert discretionary effort – above and beyond what is required just to earn their salary and stay employed.

Employee engagement remains a major challenge for companies and organizations worldwide – and an often elusive outcome even for those organizations who are already committed to achieving a high level of employee engagement and

Who already have employee engagement programs in place? One proven strategy that can provide a clear path to enhancing the level of employee engagement in any company or organization is to benchmark against the current “best practices” in employee engagement worldwide.

Although at times there appear to be differing opinions on exactly how to define employee engagement, we found an overall consensus to be as follows:

*Employee engagement is a desired outcome that occurs when workers feel a heightened mental and emotional connection to their jobs, their manager,*

*their coworkers, and/or their organization and its mission.*

As a result, they are more dedicated and more willing to apply voluntary, discretionary effort to their work above and beyond the norm to help their organization succeed.

## **2.0 Global Scenario of Employee Engagement:**

Enhanced levels of employee engagement are certainly needed. According to Gallup's 2013 State of the Global Workplace study, *only 13% of employees across 142 countries are 'engaged' at work. Another 63% are 'disengaged' – essentially "checked out." And almost a quarter of all employees – 24% are "actively disengaged."* Taken together, these **disengaged** and **"actively disengaged"** workers outnumber the engaged workers by a ratio of almost **7:1**. In the U.S. according to the same study, 30% of employees are engaged, 52% are disengaged, and 18% are "actively disengaged" – for a ratio of over 2:1.

Although employee engagement varies widely by region, by socio-economic & cultural conditions, political situations, environment of corruption and degree of freedom/democracy etc., these globally low levels of employee engagement negatively impact not only performance, productivity, and bottom-line results, but also retention – particularly for a company's top performers who have the most employment options. On a macro level, these losses hinder economic productivity and quality of life for economies and countries globally.

Main problem is that, this "actively disengaged" group is **negative and even potentially hostile** to their organizations – often acting out their unhappiness and **undermining the accomplishments of the 13% who are engaged and committed to organizational progress and innovation.**

## **3.0 Employee Engagement in DSP:**

In India, some of the factors among factors mentioned above are very strong. For example,

degree of democracy / freedom & its aberrations, political situations & trade unionism, environment of corruption, work culture are very strong which influence low employee engagement.

In Durgapur Steel Plant, though no such study has been carried out to provide the exact figures but a rough estimation can be made based on our experience that, around **15-20% non-executive employees** in any shop are **'engaged'** (5-6 % are 'highly engaged'), around **50% are disengaged** i.e. they work without special attachment & involvement and **30-35% are 'actively disengaged'** who themselves do not work and resist others to engage.

Though the engagement level in DSP needs further improvement but **it seems better than global figures of engagement levels as mentioned above in para 2.0**, may be because of the following possible factors:

- Continual Improvement in work culture in last 12-15 years experiencing serious adverse situations during loss making era of DSP.
- Continual Boosting of morale due to improvement of profitability of the organization since 2003-04 (excluding last 3 years when company is running in negative profitability).
- Improvement in political situation and hostile/militant trade unionism since 2011.
- Improvement in motivation level due to salary revision in 2012
- Some motivational schemes like Nehru Award, Star Employee of the Month Award, Shram-Veer Award, Vishwakarma Award, Quality Circle, Innovation Award etc. existing in DSP are working satisfactorily to motivate some employees (detailed list shown below).
- Many initiatives from top management like LGI, Alokit, Rise to Win, Displaying Birthday of Employees in DSP portal etc. have increased the employee engagement and feeling of pride.

**List of Motivational Schemes / Awards Schemes in Vogue in Dsp-Sail**

Sl. No.	Motivational Schemes / Awards Schemes	Beneficiary	Periodicity	Processed By
1.	Jawahar Award	Exe (E6-E7)	Annual	Personnel (Od)
2.	Ceo's Excellence Award	Exe (E1-E5)	Annual	
3.	Jawaharlal Nehru Group Award	Exe + Non Exe	Annual	
4.	Nehru Award	Non Exe	Annual	Industrial Engineering Department
5.	Dr. B.R. Ambedkar Suggestion Award	Exe / Non Exe	Annual	
6.	Star Employee Of The Month Award	Non Exe	Monthly	
7.	Incentive Scheme (Ris 2007)	Non Exe	Monthly	
8.	Laagat Me Kamee (Under Implementation)	Exe + Non Exe	Annual	Personnel (Works)
9.	Prime Minister's Trophy & Steel Ministers Trophy	Plant	Every 2 Years	Business Excellence
10.	Prime Minister's Shram Award	Non Exe	Annual	
11.	Vishwakarma Rashtriya Puraskar	Non Exe	Annual	
12.	Quality Circle (Acqc, Ccqc, Ncqc)	Group (Non Exe + Exe)	Annual	
13.	Ceo's Trophy For 5s	Group (Non Exe)	Annual	
14.	Awards On Engineer's Day Celebration	Department (Exe)	Annual	
15.	Work Skills Competition	Non Exe	Annual	
16.	Best Out Of Waste Contest	Exe / Non Exe	Annual	Chrd
17.	Innovation Scheme	Group (Exe + Non Exe)	Annual	

**4.0 Employee Engagement vs. Motivation**

Employee Engagement and Employee Motivation are highly co-related and they are complimentary to each other. Only highly motivated persons can be highly engaged for the cause and betterment of the organization. *Some of the possible reasons for low motivation and less employee engagement are as follows:*

- Poor profitability of the organization
- Non-implementation of Salary revision
- Inadequacy in leadership
- Inadequacy in grievance redressal
- Low or nil production incentive/bonus (viz. no production incentive for SAIL executives)
- Excess political interference and trade unionism
- Reduced effectiveness of existing motivational & employee engagement schemes
- Inadequacy in taking actions against bad performers which is affecting performance of good performers

- Inadequacy in enforcing discipline at workplaces against restrictive practices
- Improper job rotation w.r.t gainful utilization (not right people at right place)
- Unbalanced workload distribution
- Lack of proper instant rewarding system for good performer etc.

**5.0 Best 10 of the most impactful 'Best Practices' to enhance Employee Engagement**

As per Henry Miller Group Survey, worldwide accepted as best practices to enhance Employee Engagement are as follows:

**5.1 A Strategic Imperative**

Senior leadership needs to insure that enhancing employee engagement is a strategic imperative for a company and organization. Explicitly it is to be included as a key strategy in an organization's overall strategic plan. Then, a well-planned organizational cascade strategy is to be developed and implemented so that all levels of management

throughout the organization are aware of the strategic importance of enhancing employee engagement, the potential benefits, and their role in achieving success.

## 5.2 Vision, Values, and Goals

Senior leadership needs to create and then communicate the organization's vision, values, and goals. Insuring that all employees are clear about these guiding principles for organizational success is one fundamental factor that can spur employee engagement efforts. An inspiring, shared vision can act as a beacon to engage employees to help make it a reality. Living by a shared set of values in pursuit of company goals can unify the workforce and offer a bigger picture and reasons for employees to take pride in the company or organization they contribute to – and elevate their level of participation and engagement as a result.

## 5.3 Leadership

To build a culture of high employee engagement, *senior executives need to be inspirational, enthusiastic, visible, and accessible*. They must clearly communicate the company goals and continually share compelling success stories that reinforce the vision and values of the organization. To create needed trust and integrity built on mutual respect and build their credibility, their every action must “model the way.” This means keeping their word and doing what they say they'll do – “walking their talk.” It also means living out the expressed values in their professional and personal behavior, engaging in open and honest dialogue with employees, and telling the truth – especially when topics are difficult or news is negative.

## 5.4 The Voice of the Employees

Voice of employees is to be allowed in helping to increase employee engagement. It is to be found out *what what's working to engage employees and what they are thinking via surveys and social media – and then* find ways to replicate and extend these “best practices” throughout the organization. Measures to be taken to Ignite engagement by empowering people to share stories, exchange ideas, and disseminate best practices in accordance with

achieving the vision and goals and living out the values. And, because enthusiasm is a moving target, leaders need to continually monitor progress.

## 5.5 Rewards, Recognition, and Career Path Development

Every human being wants recognition and rewards of his work. It is to be insured that formal rewards and recognition programs are in place to measure results. Appreciation by rewarding top performers and contributors in achieving business objectives are very important in enhancing employee engagement. DSP is having many reward & recognition schemes; their effectiveness may vary and need to be reviewed time to time. *A list of Reward, Recognition and motivational schemes existing in DSP is shown in Annexure-I. One practical example may be cited here to show how a reward/ recognition can change/transform an 'actively disengaged' employee to a 'highly engaged' employee. In PMD department one senior workman was highly negative in attitude, involved in hostile trade unionism and seemed to be uncontrollable by the reporting officer of PMD. But in last month when IED sought nomination for Star Employee of the Month from PMD, that officer nominated his name. It gave a magical result as experienced by concerned officer which he revealed to IED. The person completely changed after getting nominated for Star Employee Award and now he is highly involved in his job, obedient to controlling officers.*

## 5.6 Accountability

Companies and organizations with highly engaged workforces hold managers at all levels accountable not only for their team's engagement, but also for how that engagement affects the team's overall performance. They imbed employee engagement into manager's balanced score cards and make it part of performance evaluation criteria. In addition, they ‘align the systems’ to focus on employee engagement by making it a part of the recruiting, hiring, compensation – including variable pay and incentive programs, communications and Reward & Recognition (RR) systems.

## 5.7 Enablement and Empowerment

Employee engagement, productivity, retention, and profitability rise when employees are enabled to meet tangible goals by being given a fair amount of responsibility, the tools to succeed, enough autonomy, opportunities for mastery, and a sense of purpose. Working with employees in adjusting job content so they have a “say” in their work experience and can focus on using their skills, abilities, and strengths, decentralizing responsibility down to a team level, involving employees in decisions that affect their work, and opening up decision-making authority have all been proven to enhance employee engagement. If necessary, enablement to be increased by flattening organizational structures to develop a greater sense of trust in senior level managers, to give each employee more autonomy and decision-making authority, and to make it easier for all to see the impact of contributions on the overall performance of the company.

## 5.8 Well-being

Leadership can encourage employee engagement by having employee-focused policies that express a genuine concern for and make an investment in employees’ physical and emotional well-being. Beyond being a major driver of enhanced employee engagement, the benefits of caring about increasing the well-being of employees are compelling – and remarkably similar to those accruing from increased employee engagement. Increased well-being has been proven to produce positive results in different research studies.

## 5.9 Meaning

One of our most powerful needs in life is a search for meaning. Walt Whitman famously commented on this need in his poem, O Me, O Life, where he opined that the answer is: “That the powerful play goes on, and you will contribute a verse.” One

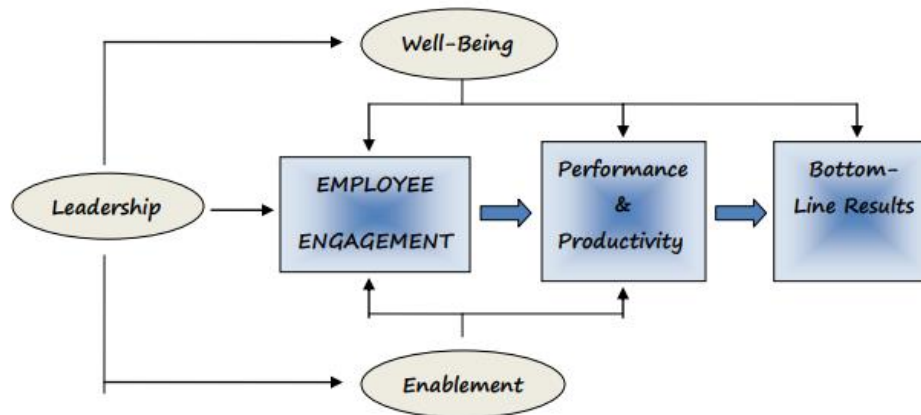
significant “best practice” is to help employees to make their “verse” in their life be the contribution that they make to the success of the organization. The goal here is to meet their human needs for altruism, to help them feel connected to the company’s vision and values, and to offer them the opportunity to be an important part of some noble purpose larger than just their job or the company. Team leaders can help employees see the impact of their contribution by clarifying their “line of sight” connection from their specific job responsibilities and performance to how they affect the overall company goals, values, and performance results.

## 5.10 First Line Managers

First line managers play one of the most important roles in enhancing employee engagement. By virtue of their position, they have the best insight into the unique needs, wants, and characteristics of both employees and customers. And, the relationship employees have with their immediate manager determines in large part their levels of engagement, performance, and retention. Because of this centrality, *organizations need to pay particular attention to selecting, training, developing, managing, and coaching their first line managers.* Key is to firstly, making sure all first line managers and supervisors are trained to be skilled at both the traditional management tasks as well as in the art of leadership. Secondly, permitting each manager to monitor, track, and act on employee engagement metrics. And, thirdly, holding them accountable in their performance reviews for enhancing the levels of employee engagement.

## 6.0 Employee Engagement Model

From above analysis of the employee engagement “best practices” research, we can develop a simple model (as shown below) detailing the major drivers of enhanced employee engagement can be utilized to assist organizations in determining their employee engagement strategy decisions.



Source: The Henry Miller Group's Employee Engagement Model.

It can be seen that, Leadership, Enablement i.e. delegation of power and well-being programs for employees play vital role in enhancing Employee Motivation.

### 7.0 Recommendations

Highly engaged employees are committed to their organization and invested in its success. They are proactive in sharing their ideas, in promoting their company and organization inside and out, and they exert discretionary effort – above and beyond what is required just to earn their salary and stay employed.

As we've seen above, there is clear and mounting evidence that employee engagement is strongly correlated to individual, group, and corporate performance outcomes – including recruiting, retention, turnover, individual performance and productivity, service, customer loyalty, growth in operating margins, increased profitability, and revenue growth rates.

*By incorporating above 10 “best practices” of high employee engagement organizations into our own organization’s employee engagement plans – and by utilizing above model in selection of strategies, the tremendous potential benefits of enhanced employee engagement can become more achievable.*

*In addition to that,* some specific issues as mentioned below may be sorted out and taken care of to enhance employee engagement in Durgapur Steel Plant.

1. E-0 promotion is a big factor for enhancement of employee motivation and engagement. It is one of the best available and economically viable tools to enhance employee engagement and convert disengaged employees to highly engaged employees.
2. Monetary Benefit (Rs.15 only) for Acting as Executive by non-executives may be revised and increased as it has not been revised for long time.
3. An employee engagement survey may be conducted with questionnaire asking the needs & opinions of employees.
4. Thrust may be given on Instant Reward and Issue of Appreciation letters to good performers.
5. It has been seen that, Salary of front line managers are less than senior non-executive employees which is a cause of demotivation and less employee engagement among junior frontline managers. This unevenness in the system may be smoothed.
6. For same Production, non-executive employees are getting production incentive but Executives are not getting any benefit (there are distinct differences between daily production incentive and PRP). Moreover, duty of an Executive in a tough zone (viz. BF, COCC, SP, RMHP, Mills etc.) over comfortable zone (viz. Services Deptts) could be compensated by paying higher production incentive but stoppage of production

incentive to Executives has taken away this opportunity. This has created a demotivation among shop floor executives.

7. Existing Suggestion Scheme may be reviewed eliminating the glitches (like, clauses regarding giving & implementing suggestions in own area of suggestor only) which is the major cause for less employee participation.
8. Anomaly of leaves in works and non-works area is a cause of demotivation and negative factor for employee engagement.

### **8.0 Conclusion**

Durgapur Steel Plant, a unit of state-owned steel giant Steel Authority of India Limited (SAIL) is a steel producing and Railway Wheel & Axle manufacturing company of India where highly skilled & qualified employees are there but the engagement level was not up to the mark due to various factors like lack of Motivation level, over consciousness regarding Rights but negligence to Responsibilities, Militant Trade Unionism etc. The situation has improved a lot in last 10-12 years taking various measures to improve the employee engagement level and it has earned a respectable position in SAIL achieving all-time best productions & Techno-Economics, many Awards & Accolades adding feathers to its cap.

### **Glossary:**

E-0: Executive at zero level of pay scale

BF: Blast Furnace

COCC: Coke Ovens & Coal Chemical

SP: Sinter Plant

RMHP: Raw Material Handling Plant

DSP: Durgapur Steel Plant

SAIL: Steel Authority of India Limited

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