Chapter 4

Employee Online Communities: A Tool for Employee Engagement and Retention

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ABSTRACT

This chapter seeks to impart understanding of the role of employee online communities for enhanced employee engagement and retention in an organization. The highly engaged and motivated employees would contribute more towards accomplishing the organizations goals. The various research studies conducted in the past across the world identify job satisfaction as a major determinant of employee engagement and retention. The role of internal communication through employee online communities of organizations or intranets is theoretically suggested to be a major influencer for the enhancement of employee engagement efforts. This can help to enhance and support culture, corporate values, mission statement, and annual company goals. The purpose of this chapter is to investigate the role that the employee online communities of organizations play in order to support the twin objectives of employee retention and engagement. Engaging employees can be the catalyst for inducing positive change among employees and, as a result, boosting an organization’s success.

INTRODUCTION

Employee online communities are a powerful tool for managing any enterprise, but more and more organizations are realizing that these communities can be a powerful employee engagement tool as well. A more engaged employee means higher company morale, increased productivity, better collaboration and lower employee turnover. The business intranets of today harness the existing power and momentum of social networks and route them into business advantages. Improving employee management, collaboration and engagement is a goal of every organization. Employees who feel they are a part of something larger than themselves and that their work is valued tend to be more productive, innovative and loyal. A community used to contribute to this results in a higher ROI, improved bottom line and more sustainable company success.

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The rules of building an employee community are identical to the external communities. Flexible hours and the globalization of the work force are only a few trends in the changing work environment (Asif, S., & Sargeant, A. 2000). Companies are also recognizing the importance of providing creative and comfortable spaces for their employees and are building a sense of community among them by sponsoring team-building activities during business hours. The new generation of employees think not only about what they want to do, but how, when, and where they want to do it; it becomes increasingly important to think about how these businesses will communicate internally. With employees located in such diverse locations, it is important to offer a centralized way of communicating knowledge and building a strong corporate culture.

An employee online community is a group of employees of an organization with some shared interest who connect and interact with each other over time. Relationship of some sort is implied. The dawn of the information age found groups communicating electronically rather than face to face. A computer mediated community uses social software to regulate the activities of the employees. These are places where employees gather to share knowledge, build recognition and tap opportunities. Initially sensed to be resource pools for value addition, where employees ventured to fulfill their need for self-actualization, participation in employee online communities and forums started as a medium for exchange of ideas and information, and now organizations have started using these communities for employee evangelism and support. To be effective in this new environment, managers must consider the strategic implications of the existence of different types of both virtual community and community participation (Kozinets, R., 1999). Employees join these forums because of the multifaceted opportunities they provide to them. As likeminded employees converge together, these are new cliques where organizations can use internal opinion leaders for evangelism.

BACKGROUND

Employee Engagement

Almost all managers realize that there is a direct relationship between employee engagement and financial success of an organization. Harvard’s meta-analysis of studies shows that corporations with highly engaged employees have 10 percent higher customer rates, 21 percent higher productivity and 22 percent higher profitability than those with low engagement levels. A UK taskforce found that companies with high levels of engagement had employee turnover rates 40% lower than their low-engagement-level competitors. This data supports that employee engagement matters, and yet worldwide only 13% of employees report being “engaged” at work. And fewer than half would recommend their current employer to their personal networks. Employee engagement is a vast construct that touches almost all parts of human resource management facets (Kompaso, S. M., & Sridevi, M. S. 2010). Gallup organization defines employee engagement as the involvement with and enthusiasm for work. Gallup as cited by Dernovsek (2008) likens employee engagement to a positive employees’ emotional attachment and employees’ commitment. Robinson et al. (2004) define employee engagement as a positive attitude held by the employee towards the organization and its value. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. The organization must work to develop and nurture engagement, which requires a two way relationship between employer...
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