

## Stochastic Modelling and Computational Sciences

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### DIGITALIZATION OF EMPLOYEE ENGAGEMENT: PROS AND CONS

**Dr. Manali Rohan Patil**

Assistant Professor, PTVA's Institute of Management, Ms. Asawari Parsekar, Student, PTVA's Institute of Management

#### ABSTRACT

*In an era where technology integration is ubiquitous, organizations are increasingly turning to digital tools to enhance employee engagement. This paper explores the digitalization of employee engagement, delving into its advantages and disadvantages within contemporary organizational settings and reveals a complex landscape where digital tools significantly impact employee engagement. The study has been carried out on one IT company in Mumbai. While 75% of respondents work in a hybrid model, the majority acknowledge the benefits of digitalization in enhancing communication and work-life balance. However, issues such as losing of human connection and data security remain prominent challenges. Digital transformation of employee engagement is a double-edged sword, offering substantial benefits but posing notable difficulties. Organizations must strike a balance by leveraging digital tools while maintaining a human-centric approach to engagement. To maximize the benefits of digitalization, organizations should conduct regular surveys, implement digital recognition programs, utilize learning management systems, and leverage analytics for personalized engagement strategies. Ensuring robust data protection and providing digital literacy training is essential to mitigate the cons associated with digital engagement. This study underscores the need for a balanced approach to digitalizing employee engagement, where technology augments but does not replace human interaction.*

*Keywords: Digitalization, employee engagement, technology, transformation*

#### INTRODUCTION

The word "employee engagement" has taken on greater depth in today's increasingly automated society. Digitalization of employee interaction has emerged as a significant trend as companies strive to adapt to evolving workplace dynamics and the needs of a workforce with advanced technology skills. By utilizing digital tools and platforms, employers hope to foster a more engaged, productive, and enthusiastic staff.

However, as with every organizational endeavour, worker engagement digitalization has its own set of advantages and disadvantages.

#### ***Pros of Employee Engagement Digitalization:***

- **Enhanced Accessibility:** Employees may now access resources, information from anywhere at any time owing to digital employee engagement initiatives like mobile apps and online communication platforms. This encourages more flexibility and participation in engagement activities.
- **Better Communication:** Digital tools make it easier for staff members and management to communicate with one other, removing obstacles and promoting a more open environment. It enables prompt and efficient interchange of ideas, criticism, and updates.
- **Enhanced Collaboration:** Project management software and virtual collaboration platforms enable teams to collaborate more effectively, irrespective of location, encouraging knowledge sharing and cross-functional co-operation.
- **Customization and Personalization:** Employers can use digital engagement platforms to personalize participation programs to each employee's interests and necessities, creating more meaningful and engaging interactions.

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- **Data-Driven Insights:** Organizations may improve employee engagement strategies and make more informed decisions by utilizing analytics and data tracking capabilities to obtain insightful information about employee sentiment, behaviour and levels of engagement.

### *Cons of Employee Engagement Digitalization:*

- **Digital Overload:** When workers rely too much on digital tools and channels for communication, they may find it difficult to prioritize work and manage several channels, which can result in information overload, distraction and lower productivity.
- **Disconnect and Isolation:** Employees who work remotely run the danger of feeling cut off from their co-workers and company as a whole. This is especially true if digital engagement programs aren't warm, compassionate, or humane.
- **Data security and privacy issues:** This may come up as a result of digital employee engagement programs, particularly if sensitive employee data is being sent or stored electronically. To reduce risks, employers need to put strong security measures in place and follow data protection laws.
- **Tech Literacy Gaps:** Individuals may not be as familiar or skilled with digital tools and platforms, which can cause differences in levels of participation and possibly make less tech-savvy people feel excluded.
- **Possibility of Misinterpretation:** When face-to-face encounters are characterized by non-verbal cues and nuances, miscommunication, misunderstandings and misinterpretations of tone or intent are more likely to occur while communicating via digital means.

### **REVIEW OF LITERATURE**

**Lukic, J.** has highlighted that the working environment and conditions have altered as a result of the modern digital tools and technologies' rapid and extensive advancement as well as their widespread implementation. Consequently, a great deal of employee engagement-related ideas, procedures, practices, and activities need to be re-evaluated and modified to fit the demands of the modern workplace. The main ways that digital technologies have changed employee engagement are highlighted in this study. Results from a case study done in a Serbian IT company revealed that while modern technologies make it possible to work remotely and have flexible hours, they also present a number of drawbacks, including stress brought on by technology, an excessive reliance on it, work-life conflict and burnout syndrome. In order to create, enhance, and maintain employee engagement in the digital era, managers and other leaders can benefit from the information provided in this article.

**Rakovic, L. Sakal, M. & Matkovic, P.** through their research have highlighted that technology is integrated into every aspect of an organization to accomplish digital transformation. Workplaces are impacted by the drastic and all-encompassing changes. Many writers lay an excessive amount of emphasis on technology use and consider it to be essential to the digital workplace. However, the authors' position—which holds that people, processes, and technologies should all be coordinated in the digital workplace—is more accurate. The phrase "digital workplace" is frequently ill-defined in theoretical study. Moreover, studies frequently ignore the difficulties associated with implementing the digital workplace in favor of overemphasizing the advantages.

**Gasparovich, E. Uskova, E. & Dongauzer, E.** in their essay explains the elements that influence staff involvement and explores the connection between the terms "digitalization" and "employee engagement." The authors propose that employee engagement can be determined by various factors, including the enterprise's digitalization level, based on the links they have found. The article describes the present status of the Russian economy's digitalization at the state, industry, and individual firm levels. The authors come to the conclusion that the best strategy for improving each company's efficiency right now is digital transformation.

When the quality of manufacturing outputs is highly valued in the automobile parts industry, employee involvement is necessary to mediate employee loyalty and organizational commitment to increase employee

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performance. Customer expectations for quality must be met in the production of automotive parts. Thus, the intended level of work quality is determined by employee performance. Researchers **Milisani, M. Devi, K. N. & Naser, H.** have looked at how employee engagement affects employee performance in order to determine how employee loyalty and organizational commitment relate to one another.

### RESEARCH METHODOLOGY

#### *Objectives of the Study:*

1. To assess whether digitalization can improve employee engagement.
2. To study the shortcomings and difficulties related to digital employee engagement approaches.
3. To provide suggestions to businesses thinking about deploying or currently using digital solutions for employee engagement.

#### *Research Approach:*

A mixed-approach strategy that combines quantitative and qualitative techniques.

#### *Data Collection Methods:*

Questionnaire to collect statistical information

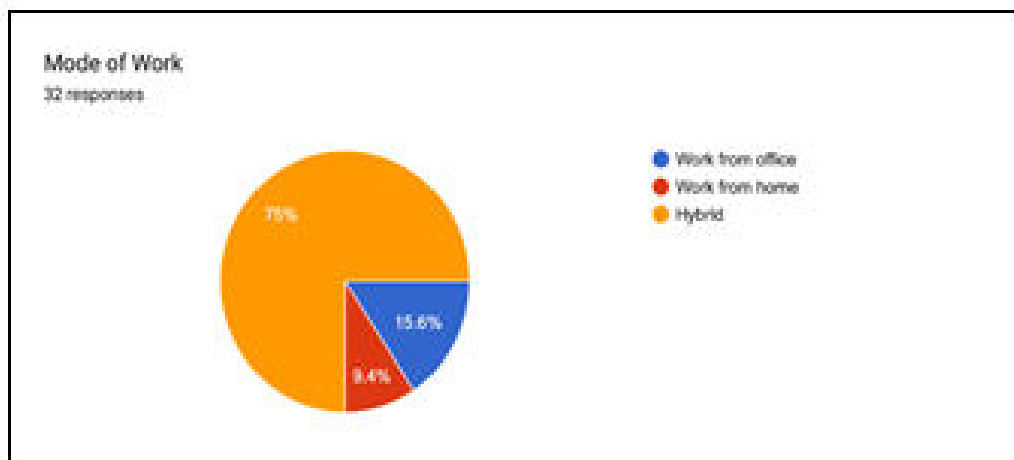
#### *Sample Size:*

The survey involves participants employed for a span of less than 1 year to more than 5 years in the industry. The sample size is 32.

### DATA ANALYSIS AND INTERPRETATION

#### 1. Mode of Work:

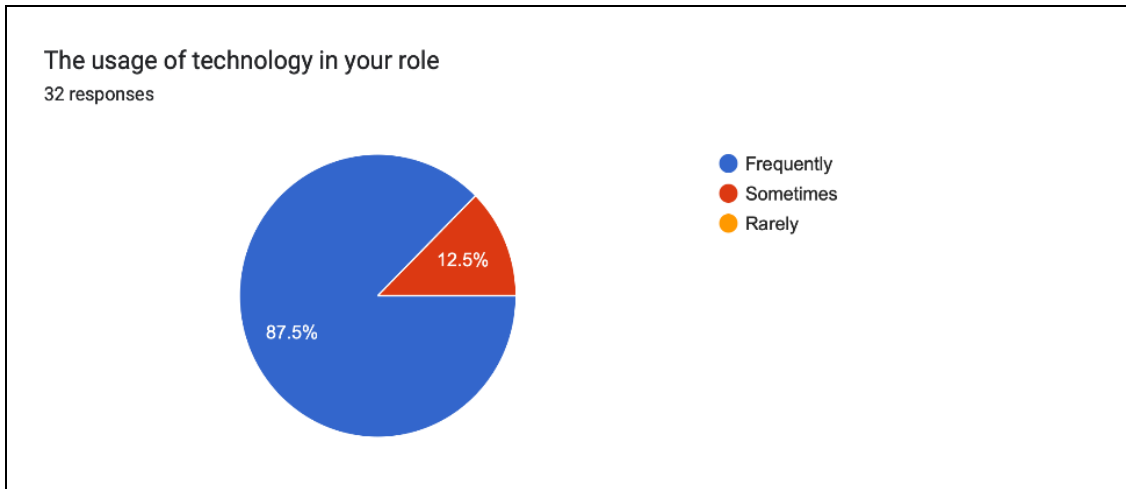
The manner in which work is conducted has a big impact on how well employees are engaged. The work style of the respondents is described in Fig.1. Most of the respondents i.e. 75% work in a hybrid arrangement, with 15.6% of workers doing work from office. Only 9% of employees work remotely.



**Fig. 1** Mode of Work

#### 2. Usage of Technology:

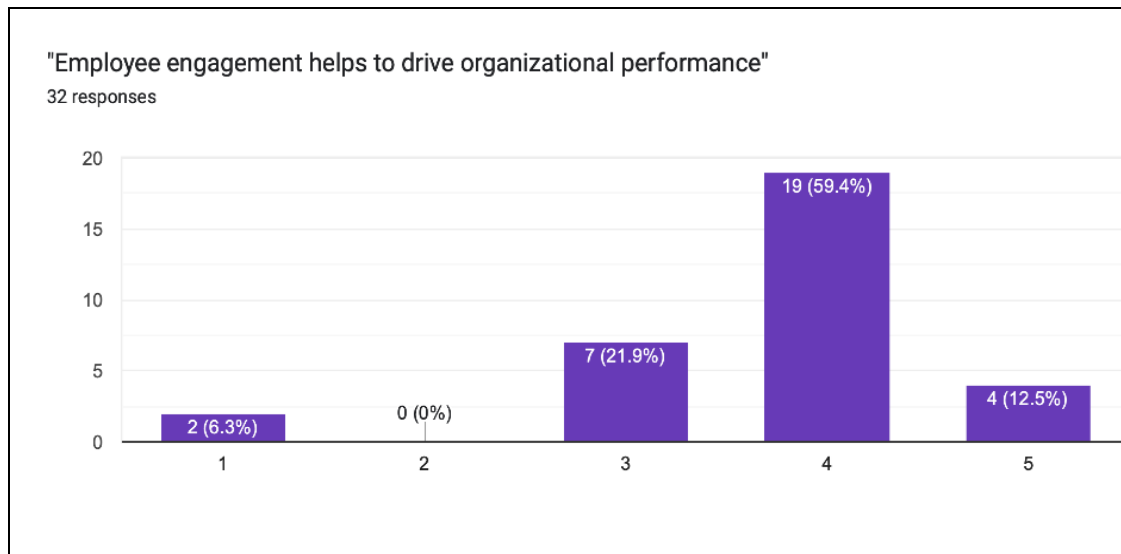
Excessive use of technology is an important aspect of the digitalization of employee engagement. However, if employees were using technology regularly, they would feel at ease with this excessive use. Therefore, the purpose of this question is to ascertain whether employees use technology regularly. Fig. 2 makes it evident that 87.5% employees use technology excessively.



**Fig. 2 The usage of Technology**

**3. Impact of Employee Engagement on Organizational Performance:**

Employees with higher engagement levels develop a feeling of belongingness towards the organization which in turn results to produce better quality of work and fuels the overall organizational performance. This can be validated by the figure below. On a scale of 1-5 where 1 represents least agreement and 5 represents the highest agreement, 59.4% respondents have given a rating of 4 agreeing to the fact that more the employee engagement better is the organizational performance.

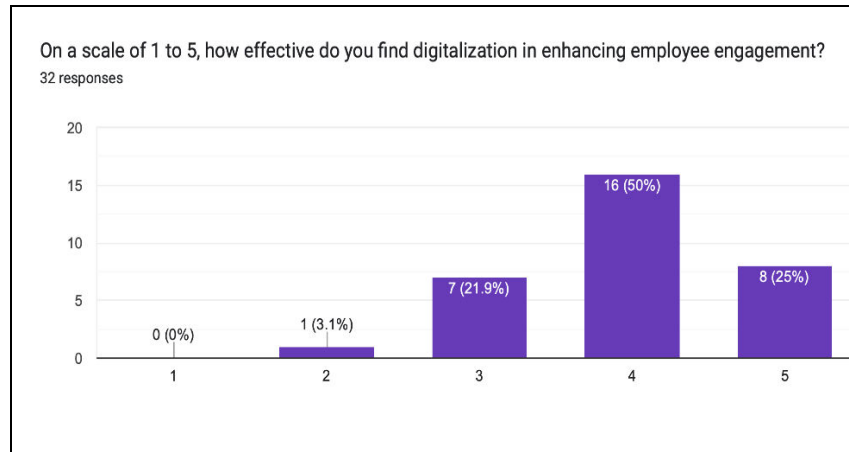


**Fig. 3 Impact of Employee engagement on organizational performance**

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### 4. Effectiveness of Digitalization on Enhancing Employee Engagement:

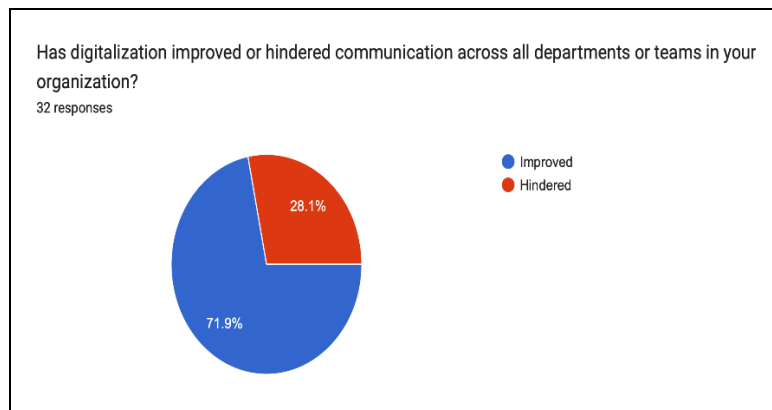
Employees were asked to score their experiences with digitalized employee engagement on a scale of 1 to 5. 50% of employees rated 4 on a scale of 5, as they find digitalization effective to enhance employee engagement.



**Fig. 4** Effectiveness of digitalization to enhance employee engagement

### 5. Impact of Digitalized Employee Engagement on Communication:

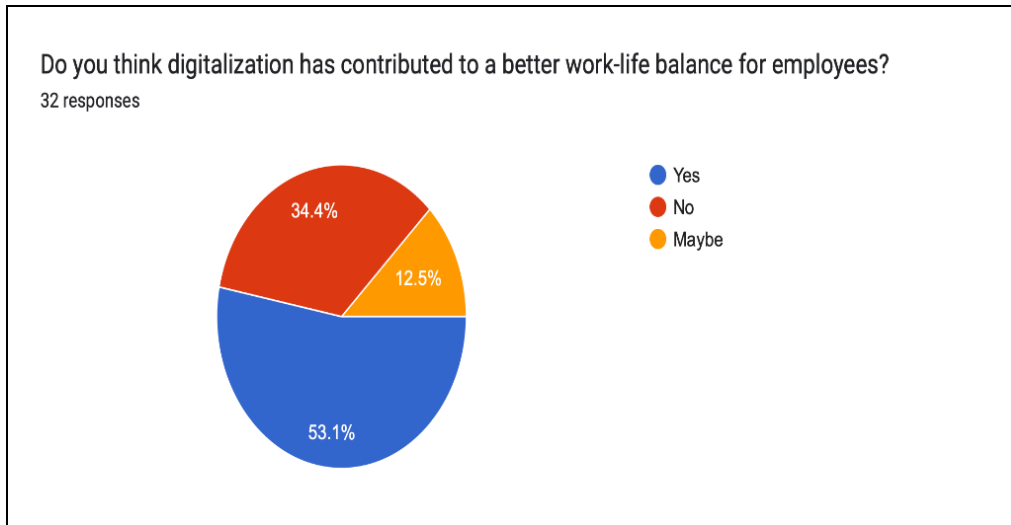
Business practices in the past had the view that communication is hampered by dependence on technology. The purpose of the survey was to find out how the digital transformation of employee engagement affected communication. Of the respondents, 71.9% said that communication had improved as a result of digitalization. When transitioning to digitalized employee involvement, businesses also take into account the importance of transparency and communication convenience. The majority of respondents do, however, believe that increased transparency in communication inside the company as a result of digitalizing employee engagement has increased employee awareness and involvement.



**Fig. 5** Impact of Digitalized Employee Engagement on Communication

### 6. Impact of Digitalized Employee Engagement on Work Life Balance:

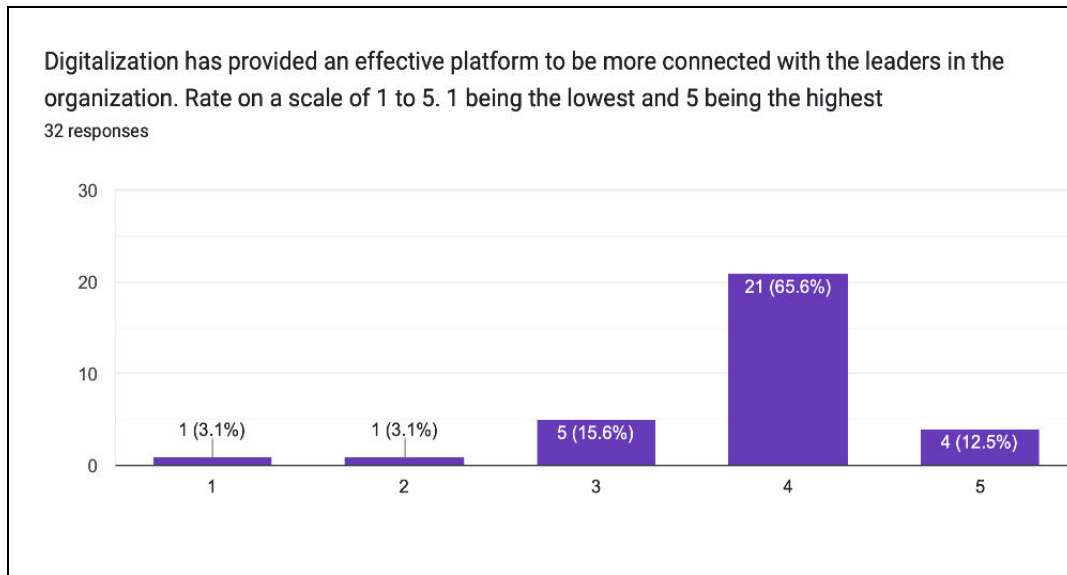
The effectiveness and well-being of employees greatly depend on work-life balance. The digitalization of employee engagement facilitates connections between employees in various departments, giving them access to a shared platform to view work, accomplishments, and contributions. They are also able to better balance their professional and personal obligations because communication doesn't demand physical presence. 53.1% of those surveyed had admitted to this fact.



**Fig. 6** Impact of Digitalized employee engagement on work life balance

**7. Connect with the Top Management:**

Interaction with organization's top leaders is one of the biggest benefits of digitalized employee engagement. The advent of digitalization has eliminated need for large meetings or events to learn from top management and allowed for more frequent communication.



**Fig. 7** Improved connect with top leaders due to digitalized with employee engagement

**8. Loss of Human Connect due to digitalized Employee Engagement:**

When employees can interact with one another at the touch of a button, digitalized employee engagement has reduced human interaction. As a result, there is now more isolation and less interpersonal interaction. Additionally, technological resilience has increased. 46.9% of respondents affirmed this information.

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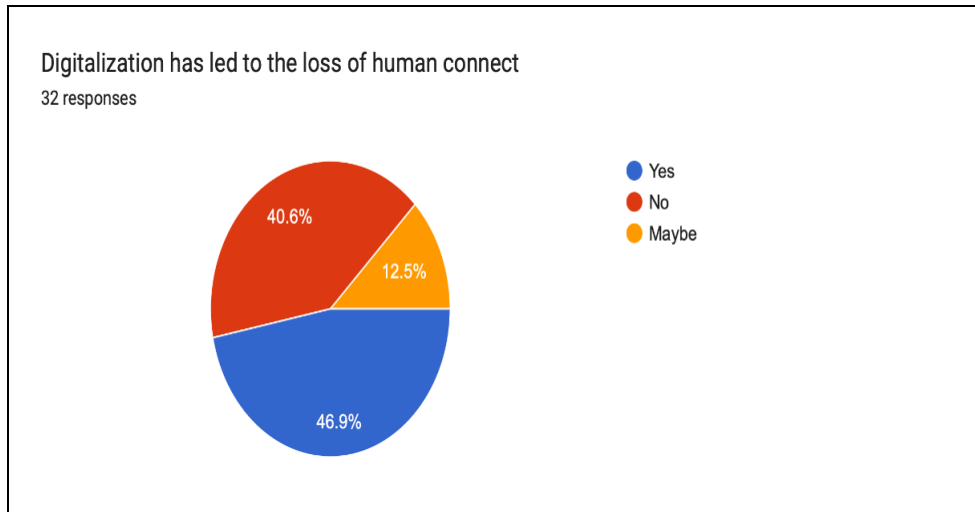


Fig. 8 Loss of Human Connect due to digitalized employee engagement

### 9. Challenges to drive employee engagement:

Digitalization of employee engagement has many challenges. Few of the possible challenges are as follows :

- Information Overload
- Technological Adaptions
- Security Concerns
- Difficulty in measuring engagement digitally
- Digital Fatigue
- Resistance to change.

Security concerns is the reason that is being voted by maximum respondents as the most difficult challenge to drive employee engagement digitally followed by difficulty to measure employee engagement digitally.

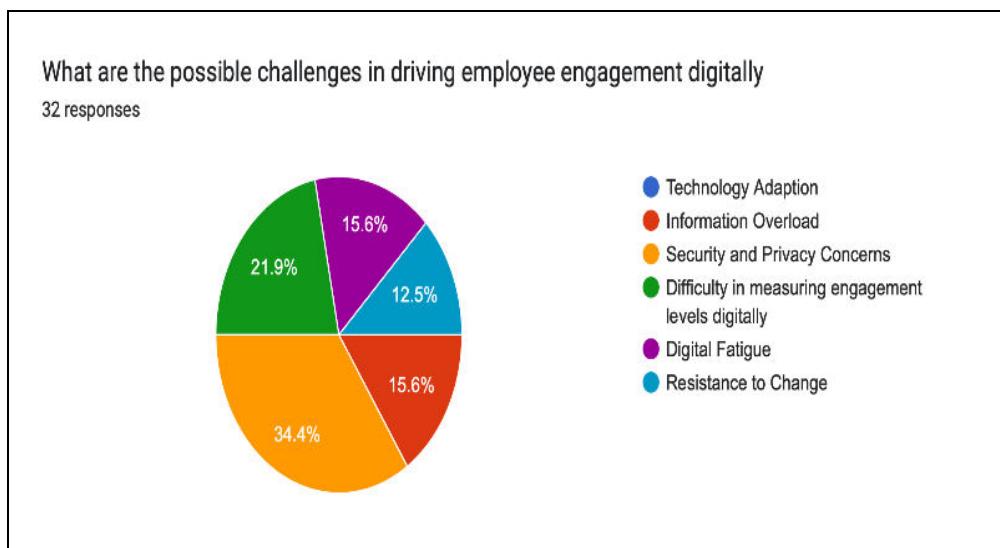


Fig. 9 Challenges to drive employee engagement digitally

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### **FINDINGS**

Employee engagement has received mixed reviews, each with its own advantages and disadvantages.

A few benefits would be:

1. An improved work-life balance for the employees.
2. With just one click, the entire organization is connected on a single, shared platform.
3. Senior management is interacting with the employees more, which strengthens their sense of community.
4. It also makes communication more fluid and transparent.

A few drawbacks of employee engagement becoming digital are:

1. A decline in human connection and an increase in loneliness.
2. Privacy and data security issues.
3. Over-reliance on technology
4. Difficulty in determining Engagement levels

### **CONCLUSION**

The digital transformation of employee engagement is a double-edged sword that has many benefits but also creates formidable obstacles.

#### *Pros*

1. **Improved Communication:** Real-time communication is made possible by digital tools, which dissolve geographical and temporal barriers and promote a more responsive and connected workplace.
2. **Data-Driven Insights:** By measuring employee engagement levels more precisely, advanced analytics and feedback systems enable managers to see problems early and take proactive measures to resolve them.
3. **Flexibility and Accessibility:** Remote work and other flexible work arrangements are made possible by digital platforms, which can improve work-life balance and job satisfaction.
4. **Efficiency:** HR professionals can concentrate on more strategic endeavours because automated processes reduce the amount of time spent on administrative duties.
5. **Scalability:** As an organization expands, digital technologies can readily grow with it, guaranteeing that engagement tactics continue to work.

#### *Cons*

1. **Over-Reliance on Technology:** Over-reliance on digital tools can result in a loss of human interaction, which is essential for true employee engagement.
2. **Data Privacy Concerns:** If employee data collection and analysis are not handled clearly, there is a serious risk to privacy that could breed mistrust.
3. **Digital Fatigue:** Constant usage of digital media can exacerbate burnout and lessen the overall impact of engagement initiatives.
4. **Unequal Access:** Disparities in employee engagement may arise from the fact that certain employees may not have equal access to digital technologies or the necessary skills to use them efficiently.
5. **Impersonal Interaction:** Although effective, digital communication occasionally lacks the richness and complexity of in-person interactions, which are essential for fostering a sense of unity within the team and forging strong bonds with others.



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### ***Balancing Act***

Finding a balance is essential for the effective digitalization of employee engagement. Businesses should use digital tools to get insights and increase efficiency, but they should always keep the needs of their people first. This entails putting in place strong data protection safeguards, providing instruction in digital literacy, and enhancing digital interactions with purposeful face-to-face encounters. By doing this, businesses may take advantage of digitalization's advantages without compromising the human element, which is crucial for genuine employee engagement.

### **LIMITATIONS**

When examining the pros and cons of digitalization of employee engagement, several limitations can affect reliability and applicability of study findings. Here are some common limitations to consider:

- **Sample Size and Diversity:** Research with a small participant count may not offer a thorough understanding of the subject. The results may not be generalizable if the sample is not diverse in terms of the industry, employment responsibilities, and demographics (such as age, gender, and cultural background).
- **Geographical Bias:** Research done in one nation or region might not take into consideration customs and cultural differences in other areas of the world.
- **Technological Variability:** Various businesses employ a range of digital tools and platforms, which produce a range of experiences and results. Research may not fully reflect the variety of technologies and their unique effects.
- **Quantitative versus Qualitative Data:** Due to smaller sample sizes and subjective interpretations, qualitative studies may not be as readily generalizable, while quantitative studies may miss the subtleties and depth of employee experiences.
- **External Factors:** Although they might not be sufficiently taken into account in research, external factors including industry trends, economic situations, and regulatory settings might affect the results of digitalization initiatives.

### **RECOMMENDATIONS**

Digitalizing employee engagement can significantly enhance communication, collaboration, and overall employee satisfaction when implemented thoughtfully. Here are some suggestions to effectively digitalize employee engagement:

#### **1. Utilize Employee Survey Resources :**

- **Pulse Surveys:** Use tools such as Qualtrics or SurveyMonkey to regularly conduct pulse surveys. These quick surveys, conducted often, can help detect problems early and assess employee opinion.
- **Feedback Channels:** Use platforms like Officevibe or 15Five, which enable employees to anonymously share their ideas and provide constant feedback.

#### **2. Programs for Digital Recognition and Awards:**

- **Recognition Platforms:** Establish a culture of recognition by utilizing digital recognition platforms. Praise can be given and received by staff members, which promotes a happy workplace.
- **Gamification:** To inspire and involve staff, include gamification components in the recognition program, such as leader boards, badges, and points.

#### **3. Learning management systems and employee development (LMS):**

- **E-learning Platforms:** Use an LMS to set up a variety of training courses and courses. Promote lifelong learning and skill improvement.

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- **Customized Learning Paths:** Based on an employee's duties, hobbies, and career goals, customize their learning paths with analytics.

#### 4. Apps for Health and Wellness:

- **Wellness Platforms:** To enhance mental health and general wellbeing, introduce wellness apps. Provide online mindfulness and fitness courses.
- **Health Tracking:** Promote the use of wearables and apps that track sleep, physical activity, and general health, and incorporate these into wellness initiatives.

#### 5. Analytics and Insights from Data:

- **Engagement Analytics:** Track and examine program participation, engagement levels, and feedback patterns using analytics tools.
- **Personalized Engagement Strategies:** Make use of the gathered data to tailor engagement programs to the requirements and preferences of the team and the individual.

To establish a unified and inclusive workplace, digitalizing employee interaction necessitates a comprehensive approach that integrates several technologies and platforms. Organizations may improve employee satisfaction, communication, growth, and recognition by putting these tips into practice. This will ultimately result in a staff that is more engaged and productive.

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