

Managing Employee Departures through Employee Engagement: A Review

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ABSTRACT

In this continuously changing contemporary economy, companies have to be able to anticipate technological innovations and to compete with other companies worldwide. This need makes important a company's ability to evolve through its employees' learning and through continuous development. Securing and retaining skilled employees plays an important role in this process, because employees' knowledge and skills are central to companies' ability to be economically competitive. Given that employee satisfaction is also very important for the functioning and competitiveness of a company, this study focuses on the organizational, personal and motivational factors that influence both employee retention and satisfaction.

Key words: Engagement, satisfaction, retention, disengagement, job embeddedness

INTRODUCTION

Employee commitment, productivity and retention issues are emerging as the most critical workforce management challenges of the immediate future, driven by employee loyalty concerns, corporate restructuring efforts and tight competition for key talent. For many firms, “surprise” employee departures can have a significant effect on the execution of business plans and may eventually cause a parallel decline in productivity. This phenomenon is especially true in light of current economic uncertainty and following corporate downsizings when the impact of losing critical employees increases exponentially. Research shows that the working population can be divided into several categories:

- People who are engaged
- People who are not engaged
- People who are actively disengaged

Productivity and retention rates generally fall further as employees become distracted, confused and preoccupied with potential outcomes immediately following an organizational transition such as a major restructuring, corporate downsizing, merger, acquisition, or even rapid growth spurt. Recent studies have shown that the manager, whether a front-line supervisor, a project leader, team “captain”, or senior manager, actually has more power than anyone else to reduce unwanted turnover.

Factors which drive employee satisfaction and commitment and are directly within the managers control include providing recognition and feedback, the opportunity to learn and grow, fair compensation reflecting an employee's contributions and value to the organization, a good work environment, and above all, recognition and respect for the uniqueness of each person's competencies, needs, desires and style. In turbulent times, the role of the manager becomes more important than ever because managers play a vital and distinct role, different from anyone else in the organization.

To effectively motivate and retain employees, a manager needs to deal with each person one at a time - asking questions of, listening to, and working together one-on-one. A "good manager" therefore, is one who will help talented people find satisfaction in their work, and "satisfaction" is vital to an employee's decision to stay or leave an organization. It must be recognized, however, that over the last 10-15 years, most organizations have de-layered and eliminated many middle management positions. Today's managers often have large numbers of direct reports in addition to individual responsibilities of their own. Very few have the time to effectively make the emotional tie with their subordinates that is really effective.

The manager's function is that of a "catalyst" and as with all catalysts, the manager's function is to speed up the reaction between two substances, thus creating the desired end product. Specifically the manager creates performance in each employee by speeding up the reaction between the employee's talents and the company's goals, and between the employee's talents and the customer's needs. When hundreds of managers play this role well, the company becomes strong, one employee at a time. In today's slimmed-down business world, most managers shoulder other responsibilities: they are expected to be subject matter experts, individual superstars and leaders in their own right.

What we're faced with today, is an extremely dynamic and volatile work environment marked by continued turbulence in the economy. Managers face a difficult challenge of motivating and retaining employees in an environment of increased uncertainties. Research shows that In the future, successful organizations will be those which adapt their organizational behavior to the realities of the current work environment where longevity and success depend upon innovation, creativity and flexibility. Further, the dynamics of the work environment will have to reflect a diverse population comprised of individuals whose motivations, beliefs and value structures differ vastly from the past and from one another.

EMPLOYEE ENGAGEMENT

Employee engagement is also called work engagement or worker engagement. This concept is from business management. **William A Kahn (1990)** was the one who conceptualized this concept by describing it as engagement at work as the harnessing of organizational members selves to their work roles.

An engaged employee is one who is fully involved in and enthusiastic about his or her work, and thus will work and further their organization's interests. A definition of a fully engaged employee.

- Is intellectually and emotionally bound with the organization.
- Gives 100 percent.
- Feels passionately about its goals and
- Is committed to live y its value.

Employee Engagement is said to be powerful retention strategy in times of diminishing loyalty.

Csikzentmihalyi (1975) defines flow as the holistic sensation that people feel when they act with total involvement. Flow is the state in which there is little distinction between the self and environment.

Employee Engagement as the extent to which work force commitment both emotional and intellectual which exists relative to accomplishing the work, mission and vision of the organization. It is said that an engaged employee is the one who can express himself physically cognitively and emotionally during role performance.

Development Dimensions International or DDI defines employee engagement as the extent to which people enjoy and believe it what they do and feel valued for doing it. It also looks closely at value, Engagement and belief which are actual basis for employee engagement rather to keep person involved or engaged in an organization.

People tend to receive more pleasure one satisfaction from what they do if they are in jobs roles that match both their interests and their skills. It is natural tendency in a human being that a person wants to be recognized and reward for his contribution. They feel good, happy when their contributions are valued and appreciated.

And when the same human being feels that he is making meaningful contribution to their jobs their organizations and society as a whole they tend to be involved or more engaged. The

connections between what people do every day and the goal and mission of the organization is crucial to engagement.

Willims R.et.(2005)all say that past five years have seen surge in the popularity of employee engagement. Many of companies worldwide are making engagement a key ingredient in this overall strategy they believe that are four primary drivers.

- People have become the primary source of competitive advantage. It is believed that almost 80% of market value today comes from intangible assets and 20% from tangible assets. In the year 2002, 20 years later were Brookings institute (2003) examined the primary source of market value in today organization and how it has changed. In 1982, 62% market value of an organization came from tangible assets and 38% from intangible assets. Tangible assets include things like machinery, products etc. intangible assets included brand, intellectual property and important being quality work and everything can be changed or replaced but quality in term of organizations talent, its passion and commitment is not possible to replace. Engagement is fuel that drives the value of intangible assets.
- Retention and the war for talent - The society of HRM reported that 48% of the employee it polled are seeking new jobs. According to Alan Weber the editor of East Company it isn't the issue of jobs its work. Growing recognition by workers that corporate leaders have so abused them during recession that when a job producing recovery really kicks in companies will suffer a wave of employee deflation. Additionally worker is getting older with many of the baby bloomers hitting 60 in 2006 and ready to retire. Companies are also becoming increasingly aware of enormous financial costs of turnover-and and are increasingly viewing employee engagement to keep their key employee an attracting new once.
- Popular appeal - Engagement is about recognizing people appreciating their contribution talent and focusing on the people to do well. It is positive psychology to appeal through positiveness and retain good staff.
- Overwhelming Impact - The human resources function is to take initiative and adopt efficient and positive business strategy. The positive relationally between engagement and performance provides a way for HR to prove its contribution.

BASIC ASPECTS OF EMPLOYEE ENGAGEMENT

According to (**Vazirani N.**) employee engagement as three basic aspects which have been found through global studies and they are stating that it is largely the organizations responsibility to create an environment and culture for a win-win equation for the partnership between employee and organization. This can be achieved by interactions at highest levels by

the employees and role of employees to create the conditions and promote the employee engagement and also to recognize employees' experiences and their psychological makeup in order to understand employee and his reasons to be kept engaged as it is necessary to look into different types of people . Gallups the consulting organization talks of different types of people to be studied for employee engagement and they are

1. **Engaged** – They are builders. They are concerned with company and their place in it. They work with passion are sincere in approach drive for newer innovations think about their roles and expectations not only move toward but also take organizations with them.
2. **Not Engaged** – They are employees who concentrate only on tasks and need to be told to do the work and do it and just say that they have finished it they are not bothered about goals or expected outcomes. They always feel that they are neglected their contributions and expectations are overlooked. They are unproductive in their relationships with subordinates and bosses.
3. **Actively Disengaged** – They are total negative filled with unhappiness. They sow seeds of negative at every opportunity. Every day, actively disengaged workers undermine what their engaged coworkers accomplish. The problems and tensions that are fostered actively disengaged workers can cause great damage to an organizations functioning. Therefore it is important that employees need to be motivated at every level and in order to achieve high performance levels and superior result employee engagement is necessary.

Most of the organizations have proved that their strong link of employee engagement in high performance, loyalty and profitability at time in today's competitive market and in today's world of globalization and technological market it necessary for employees to identify with organization. Studies have shown that there are some factors which lead to Employee Engagement. They are

- Career Development in terms of opportunities for self development. And relating the talent in the organizations will help in employee engagement.
- Leadership in terms of clarity, respectful treatment of employees and behavior in terms of ethics will help in engagement of an employee.
- Empowerment in terms of employees role in decision making and in building image of the organization.
- It also provides equal opportunities and fair treatment for advancement and growth.
- Performance appraisal which is not biased well determines criteria for determining level of employee engagement.

- Motivation in terms of pay and benefits so that it will boost engagement levels. Security in terms of not only pay but in health and safety measures will boost employee engagement.
- Job satisfaction is key factor for engaged employee.
- Open door policy in terms of upward as well as downward communication through appropriate channels will help the engagement levels.
- Consideration for family at the time of the time of crises or need will also develop emotional attachment will leads to engagement.
- Co-operation in terms to coordinating work and maintaining ---- working relationships will lead to employee engagement.

ENGAGEMENT DRIVERS

Engagement Drivers play a very important role in employee engagement. They are the levers that organizations can use to build a more engaging work environment. Mainly there are three drivers that lead to the formation of an engaging work environment. The three drivers are right employees in the right jobs exceptional leadership and organizational. systems and strategies. These driver together help in creating positive impact on employee behaviour and attitude. This also builds loyalty, better motivation by providing for their personal and practical needs thus encouraging them to stay with the organization. These engagement drivers should be initiated from top with extensive input from HR.

Engagement is not simple; it has to be a leadership driver initiative from the most senior level all the way to the front line. It needs support from all quarters like environment, strong - systems and strategies that promotes and support engagement. Correct recruitment selection, leadership training in-certain skill, performance management and accountability systems that provide direction support and objective assessment. All this will help to provide an environment in which engagement will flourish.

Building engaged work force is a long term ongoing initiative. It requires coordinated consistent efforts from leaders individuals and organizations systems which are linked with drivers. A fully engaged workforce is a loyal workforce expect turnover to drop but it will give not only help fulfilling all needs but will remain competitive some studies have shown that employee engagement is necessary in today's globalization like employee engagement in India.

India is 25 best employers rediff business article of April 17, 2007 says that Aditya Birla group, Satyam Computer Services and Marriott Hotels in India have been ranked as the top three employees in India.

The best employees in Asia 2007 study contributed by Hewitt Associates and presented in partnership with Wall Street Journal Asia, provides a definitive benchmark against which you can measure how effective an organization is in providing a workplace that engage the intellectual and emotional commitment of its employees. The best 25 employees in India include companies from both, the new as also the old economy sectors. The other who make up the top 25 include are some names below Eureka Forbes Limited, Gisco Systems (India) Private Limited, Godrej Consumer Products, Wipro BPO, Kotak Mahindra Bank Ltd., Domino's Pizza India Ltd., Ford India Becton Dicknson India Pvt.Ltd., HSBC, Johnson and Johnson Medical etc.

The study determines what it is that makes organizations great employees, analysis the relationship between the best employees and top performing organization and identifies engaging workplace trends for the future.

This survey was done with 230 companies view of over 1,14,000 employees. It also revealed that employees engagement in India has gradually increased since Hewitts first best employers study conducted in 2001. It shows that organizations are placing a growing emphasis on creating a more challenging environment for their people. In India career opportunities is key driver of employee engagement. The study showed that 76% of employees at best employee are satisfied with their career opportunities for the organizations are able to manage employees career opportunities for growth and development irrespective of an employee background, differentiating only on basis of performance. Best employees have highly engaged work force to building a sustainable workforce and focus on growing and loyal employees, retaining talent and giving recognition to them and making them feel valued.

The research paper by Bhatnagar J. in Human Relations Journal investigate talent management and its relationship to levels of employee engagement, which showed that good level of engagement may lead to high relation, but only for limited time in the 272\BPD\ITITES a need for a more rigors employee engagement.

Due to globalization, corporate sector is discovering new ways of operating and surviving at the global level in all spheres of management. This paper by Sathe Debsis discusses the dynamics of changes that are taking place in management of employee relations and now human resource management (HRM) strategy is being used in this regard. Conclusion drawn shows that building cooperative employee relations continues to be high on corporate priority while employee welfare still remain a priority for promoting employee satisfaction and engagement the focus on employees loyalty is getting diluted to give away to performance orientation.

Article in Ivey Business Journal by Thomas K. explains the popularity of intrinsic rewards and how these rewards help to build a high engagement culture.

The engagement in India has a clear members of specific factors associated with young, dynamic and paced fast economy. Employees expect opportunity a chance partake in the action. They trust their leaders and are willing to make the necessary sacrifices to ensure the success of the organizations they belong.

According to Annual report of 2009 at Bangalore states that India ranks highest in both performance excellence and employee engagement.

Successful employee engagement strategy helps to create a positive environment in work place. It helps to create emotional attachment and brings about changes in attitude and behavior by even importing service as well as customer client relationship.

Best practice of employee engagement include approaches after initial recruitment and induction which also include.

1. Rewards
2. Team Building
3. Leadership / Mentoring
4. And good culture in an organization

As it has become critical in virtual and global environment so that it can survive in today's competitive world.

JOB RETENTION

In this continuously changing contemporary economy, companies have to be able to anticipate technological innovations and to compete with other companies worldwide. This need makes important a company's ability to evolve through its employees' learning and through continuous development. Employee Retention refers to the ability of an organization to retain its employees. However, many consider it as relating to the efforts by which employers attempt to retain employees in their workforce. Therefore, retention becomes the strategies rather than the outcome. Companies should anticipate technological innovation and be able to compete with other companies worldwide, so as to evolve through the continuous learning and development of its employees.

The increasing global competition for the 'best' employees brought about by the shortfall in new workforce entrants in many advanced industrial economies makes essential companies' ability to ensure that their employees will keep on working for them in order to maintain their competitive advantage. However, a large, and perhaps growing, number of employees nowadays do not want a traditional career within one company. Consequently, they are less

loyal and more opportunistic than workers in the past. If employees feel they aren't learning and growing, they feel they are not remaining competitive with their industry peers for promotion opportunities and career advancement.

Securing and retaining skilled employees plays an important role in this process, because employees' knowledge and skills are central to companies' ability to be economically competitive. The retention and further development of highly skilled (or valued) employees is often the key priority in terms of a company's human resource management strategy. Some companies have in place strategic policies to respond to the upcoming global competition for the most skilled employees, which include looking to the future. Therefore, companies may focus not only on high achievers at the present time, but also on those with potential to become high performance in the future.

EMPLOYEE DISENGAGEMENT

Managers often blame organizational policies or pay scales for the loss of talent. Contrary to expectations, research indicates that money is not even in the top five reasons employees give when asked why they are leaving an organization.

The way an organization distributes money indicates what management really wants however. It sends a message to employees whether the company truly pays for performance; incentive plans indicate service or sales to customers; and an organization that pays and supports employee development will generously pay for academic and training courses. Salary and benefits tend to attract people to organizations, but are not usually the reasons employees leave. Listed below are some factors towards which employees seek change:

- Value
- Equity
- Finances
- Favoritism
- Anomaly
- Precedent
- Appropriateness

Viewed from an employees' perspective, a "healthy" organization is one in which people are generally satisfied with the quality of their work life. They feel empowered to help shape decisions that affect them, they have the resources and skills to satisfy customer needs and they are generally confident in the abilities of the leadership team. From the organization's perspective, the organization is "healthy" if it is viable as measured by its profitability, competitive market position, and customer satisfaction.

WHY DO PEOPLE STAY IN THEIR JOBS?

Previous research into understanding why people decide to leave their jobs or stay in them focused on the attitudinal model of job satisfaction and commitment to the organization. This model supposes that low levels of job satisfaction and organizational commitment forecasts the likelihood an employee will leave when that employee is engaged in job search. The research, however, found that attitudinal variables were only moderately accurate predictors of employees' intent to leave.

Satisfaction based models explaining why people leave their jobs have not been shown to be very accurate predictors of employees actually leaving. The study, "Why People Stay: Using Job Embeddedness to Predict Voluntary Turnover" by Terence R. Mitchell, Brooks C. Holtom, Thomas W. Lee, Chris J. Sablinski and Miriam Erez, presents a new paradigm for understanding why some employees leave their jobs that is a better forecaster of actual employee departures. This study outlines and describes the nature and dynamics of job embeddedness and addresses some retention strategies that flow from a better understanding of this concept.

Job Embeddedness looks beyond the traditional factors of satisfaction and commitment that have typically been considered to retain people in organizations. Using 3 factors that are considered from both an internal and an external perspective the researchers create a 6 dimensional model of the influences that hold people in their roles. The three factors are: Links, which are the connections to the organization & the community, Fit; with the role and the community/geography around the organization and, Sacrifice; the material or psychological benefits that would be lost by moving to a new role in the organization.

The researchers expanded on the literature about organizational attachment. They looked to three types of studies to form the construct of job embeddedness:

- The importance of non-work factors, such as family, hobbies and community activities in forming attachments to the organization.
- Non-attitudinal factors such as work-related groups or the benefits of working with a particular manager.
- Evidence showing that satisfied employees sometimes quit their jobs because of a precipitating event outside of the organization.

Job embeddedness is a paradigm that considers a broad range of influences on employee retention. It is different from job satisfaction, because it looks beyond an employee's job

related attitudes to consider a complex web of dimensions that show the whole employee, both on and off the job. Much has been made of the fact that satisfied employees who are committed to the organization will stay with the organization.

OBSERVATION AND CONCLUSION

It was observed that dissatisfied youngsters tend to move around between jobs and do not stay around long enough to develop adequate job satisfaction. Those who do, often reach a stage where their extended period of service brings about increased competence, occupational confidence, responsibility and autonomy, all of which work increased job satisfaction in hand. Older workers also appear to be better able to resign themselves to their particular job situation, and to find aspects thereof that bring about contentment. In essence, older people tend to value different things at work, for example, they may be less interested in task variety than younger people within the organizational setting.

Many researchers concurred that higher occupational levels are generally associated with higher job satisfaction because people at these levels have greater opportunities to satisfy their needs for greater autonomy, challenge and responsibility at work. These have great value in building self-esteem and self-actualization, which boost satisfaction in return. Higher levels of responsibility and a wider span of authority and autonomy serve as powerful determinants of satisfaction in the workplace, as do the status of a more senior appointment, as well as better remuneration and the auxiliary benefits that normally accompany more senior positions.

Some researchers believed that added satisfaction from being in a more senior position also comes from the increased opportunities these employees have to satisfy their motivational drives, for example their need for achievement and self-fulfillment, and that these opportunities are somewhat more limited on the lower levels. The upper-level employees' job satisfaction is affected mostly by decision-making and jurisdiction, whereas that of lower level employees is influenced primarily by the opportunity to establish themselves as successful and competent, and the resultant feelings of contentment.

A successful employee engagement strategy helps to create a community at the workplace. When employees are positively engaged with their organizations they form an emotional connection with company. This increases not only customer satisfaction but also changes attitudes.

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