EMPLOYEE ENGAGEMENT IN RELATIONS WITH HRD CLIMATE AND WORK CULTURE: SPECIAL REFERENCE TO STEEL INDUSTRIES IN INDIA

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ABSTRACT

Employee engagement constitutes the core competency of HRD climate for a successful organization growth. It is a conscious deliberate approach to attract, develop and retain best people with the aptitude of abilities to meet current future needs of the organization. It is also linked to important organizational issues such as employee retention, the productivity of satisfaction. So employee engagement ensures the successful execution of any business strategy. Products of services alone cannot help organization for growth and sustain in the market and keep customers loyalty. In this circumstance, the organization needs highly motivated, dedicated and committed employees who are very passionate about their career as well as organization climate of the culture.

KEYWORDS: Engagement Drivers, Culture Building, Organization Climates and HRD Climate

INTRODUCTION

In this chapter research and survey work done in the area of employee engagement by various organizations is critically reviewed. Though there are not many specific studies in areas of employee engagement, the review of literature covers studies in related areas as well, that have implications for the current study. These studies clearly indicate the importance of employee engagement for facing competition and sustaining the growth of the organization.

Management development and succession planning issues were explored by Potts and Sykes (1991) through a survey of Human Resource (HR) executives conducted by sending survey form to 170 executives of different organizations; the survey results pointed out that 12 percent of the organizations did not have formal management development and succession planning (MD&SP) system. Only 46 percent of the respondents with the MD system had a formal policy and only 8% felt that if was visible to all employees. A good 46 percent opined that managers recognized for their management development efforts.

Sahu (1985) collected data on tea manufacturing and production organizations in both the public and the private sector. Its results suggested that except trade union leaders all other perceived the participative management as a means to improve productivity and job satisfaction and to decrease absenteeism and waste. Sahu identified several barriers to participative management such as lack of proper educational background of workers, limited appreciation by union leaders and political climate.

SCOPE OF THE STUDY

Although much work has not been done by any researcher in employee engagement related topic and relationship with organizational climate and culture in the present industrial and changing economic environment, there is increasing scope for integrated studies in the employee engagement. It is possible for motivational changes, employee's tastes and perceptions in an organization periodically. Such studies are going to help the organizations in formulating new strategies for gaining competitive advantages and successfully handling non-engaged employees.

RESEARCH METHODOLOGY

The findings of the study have been evaluated on the basis of primary research as well as secondary research. The following are the sources used for the study;

Sources

- Primary Source

Questionnaire

- Observation

Table 1: Sample Profile

Base: All Respondents	50
Designation Wise	**50=**
Sr./Jr. MANAGERS	4
OCT	21
OPERATOR	8
SOST	17
Grade Wise	**50=**
A	5
B	18
C	14
D, E & F	13
Years of Service Wise	**50=**
<than 15	18
15-19	23
≥than 20	9
Age Wise	**50=**
<than 40	18
40-49	25
≥than 50	7

- Secondary Source

- Company Profile

- Annual Report

- HR Policy of the company

- Case study

Questionnaire Development

The significant variable, which drive the employee engagement process and the framework of the questionnaire, were identified through a survey of literature such as HRD scorecard 2500 (Rao 2008), Best employer surveys, employee engagement surveys and other research conducted in this field as well as discussion with different levels of executives of Steel Plants.

Table 2: Five Point Rating Scale for Questionnaire

Points	Meaning	Level of Agreement
5	Very much true	90 to 100
4	Mostly true	75% or close to 75%
3	Somewhat true	50% (or closed to 50%)
2	Not true at of the time	25% (or close to 25%)
1	Not at all true	0 to 10%

Source: T. V. Rao, HRD Audit questionnaire in evaluation HRD edited by Udai pareek(1997)

Sets of questionnaires were prepared for executives and non-executives of Steels Plant to know their response about different activities which are leading for employee engagement.

KEY FINDINGS OF THE PRIMARY RESEARCH SURVEY

The mean, top box scores and top2box scores of each item has been worked out, and are represented in the Table 3 given below;

Table 3: Perception of Employees on Various Attributes

Table_3_Attributes	N	Range	Min	Max	Mean	Top Box%	Top 2Box%	Rank
A Pay Compensation	50	4	1	5	4.43	46.00	97.60	3
a. Market Competitive Salary	50	4	1	5	4.14	18.00	96.00	
b. Substantial Wealth Creation Opportunity	50	4	1	5	4.80	80.00	100.00	
c. Good Retirement Benefits	50	4	1	5	4.16	22.00	96.00	
d. Compensation is Based On Performance and Potential	50	4	1	5	4.68	72.00	96.00	
e. Excellent Perquisites	50	4	1	5	4.38	38.00	100.00	
B Good Climate	50	4	1	5	4.61	63.60	97.60	1
a. Company is Well Managed by Capable Leaders	50	4	1	5	4.68	72.00	96.00	
b. People are With Diverse Backgrounds	50	4	1	5	4.28	34.00	96.00	
c. Senior Officials Take Active Interests in their Juniors & Help them Learn their Job	50	4	1	5	4.62	64.00	98.00	
d. Performance appraisal Reports in the Organization are based on Objectives Assessment and adequate Information and not favorian	50	4	1	5	4.62	62.00	100.00	

Table 3: Contd.,

e. Company has Strong Performance in related to Employees Engagements	50	4	1	5	4.84	86.00	98.00	
C_Scope for Growth and Development	50	4	1	5	4.42	46.00	96.40	4
a. High Career Advancement opportunities	50	4	1	5	4.28	30.00	98.00	
b. Fast Promotion for High Performers	50	4	1	5	4.52	56.00	96.00	
c. Ongoing Training for development and growth	50	4	1	5	4.26	36.00	90.00	
d. Competency mapping is Used to Identify Competency Gaps	50	4	1	5	4.54	56.00	98.00	
e. Career Opportunities are Pointed out to Juniors by Senior Officers in the Organisation	50	4	1	5	4.52	52.00	100.00	
D_Quality of Life and Culture	50	4	1	5	4.48	50.80	97.60	2
a. Interesting and Challenging Work	50	4	1	5	4.46	50.00	96.00	
b. Can Meet My Personal Commitment	50	4	1	5	4.52	54.00	98.00	
c. Choice For Place Of Posting to Meet Family Commitment	50	4	1	5	4.44	46.00	98.00	
d. Reasonable Work Places	50	4	1	5	4.48	52.00	96.00	
e. Long Term Commitment To Me(Job Security)	50	4	1	5	4.52	52.00	100.00	

To interpret the data, attributes with a mean score more than 4.5(90-100 percent) are rated as very much true or excellent, and with a mean score, less than 2.5 (50 percent) are considered not true or weak as presented in Table-4.

Table 4: Mean Score Interpretation for Analysis

Mean Score	Interpretation
4.51 or more	Excellent
4.01-4.50	Very Good
3.51-4.00	Good
3.01-3.50	Moderate
2.51-3.00	Satisfactory
2.5 or Less	Weak

Source: Researchers distillation

All the attributes have been ranked on the basis of their respective mean scores. Then the result of the study was further analyzed in detail using the test of significance, so that category wise differences in perception can be found out.

Sig Test Results (Z Test@90% & 95% Significance Level)

- The top box scores of operators segment i.e.100% on the basis of the parameter "compensation is based on performance & potential" is significantly higher@90% level of significance than the all level top box scores i.e.72%.

- The top box scores of employees with more than 20 years of service on the basis of the parameter "company is well managed by capable leaders" are significantly higher@90% level than the all level top box scores.

- Significantly lower proportion@90% level of significance from the employee segment with age more than 50 years i.e.57%, compared with the all level i.e.86%, have the perception that the "company has a strong performance in related to employees engagements" on the basis of top box scores.

- Significantly lower proportion@90% level of significance from the employee segments, D, E&F Grade i.e.23%; with years of service more than 20 years i.e. 22%& with age more than 50 years i.e.14%, compared with the all level i.e.52%, have the perception that the "career opportunities are pointed out to juniors by senior officers in the organization" on the basis of top box scores.

- The top2box scores of A Grade employees i.e.80% on the basis of the parameter "high career advancement opportunities" is significantly higher@90% and 95% level than all level top2box scores of 98%.

- The top2box scores of employees more than 50 years of age i.e.86%on the basis of the parameter "high career advancement opportunities" is significantly higher@90% level than all level top2box scores of 98%.

- All the A Grade employees are having the perception that "interesting & challenging work" is provided to them which is significantly high score compared to the all level top box score of 50% on this parameter@90% as well as 95% level.

- Only 23% of D, E&F Grade employees are in the top box based on the parameter "interesting & challenging work" which is significantly lower than the all level top box score of 50%@90% level of significance.

- 86% of the employees more than 50 years of age believe that they "can meet their personal commitment" which is significantly lower than the all level top2box score of 98%@90% level of significance.

- 80% of the A Grade employees say that they are satisfied on the basis "choice of place of posting to meet family commitment" which is significantly lower than the all level top2box score 98%@90% as well as 95% level of significance.

STRATEGIES TO SUCCESSFULLY IMPLEMENT EMPLOYEE ENGAGEMENT

Engagement Drivers

Employee engagement basically depends on three sources such as Employees, leaders, and organizational systems and strategies. In addition to the above, the organization must take into the account of employees passion, commitment and identification with the organization to keep on the above factors, the organization should develop

employee engagement towards job and culture building which can help to organization development. So the followings are related to engagement drivers.

Employee Value Proposition

An employee value proposition is the balance between what an employee receives from his/her employer in return for his/her services. It is so important because the new age workforce has so many opportunities that it becomes accountable to meet employee values to minimize employee turnover. It becomes pressure on management to define and enhance the employee's value through innovative strategies, minimize the performance gaps, and recognize employees. The employee assumes a number of roles in the organization and carries out a lot of tasks and project which are associated with the roles of the employee. Combining these with the organization's value and practices to establish a not work which needs to be evaluated to know whether the candidate is happy with the job and the organization, the organization should adopt standard practices to be followed are:
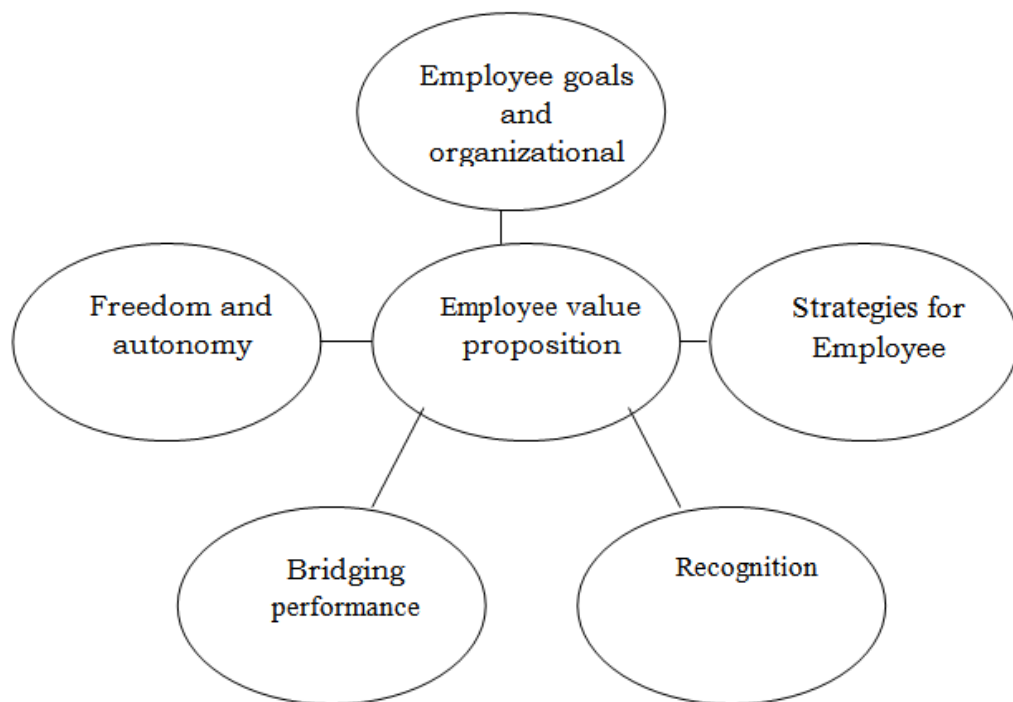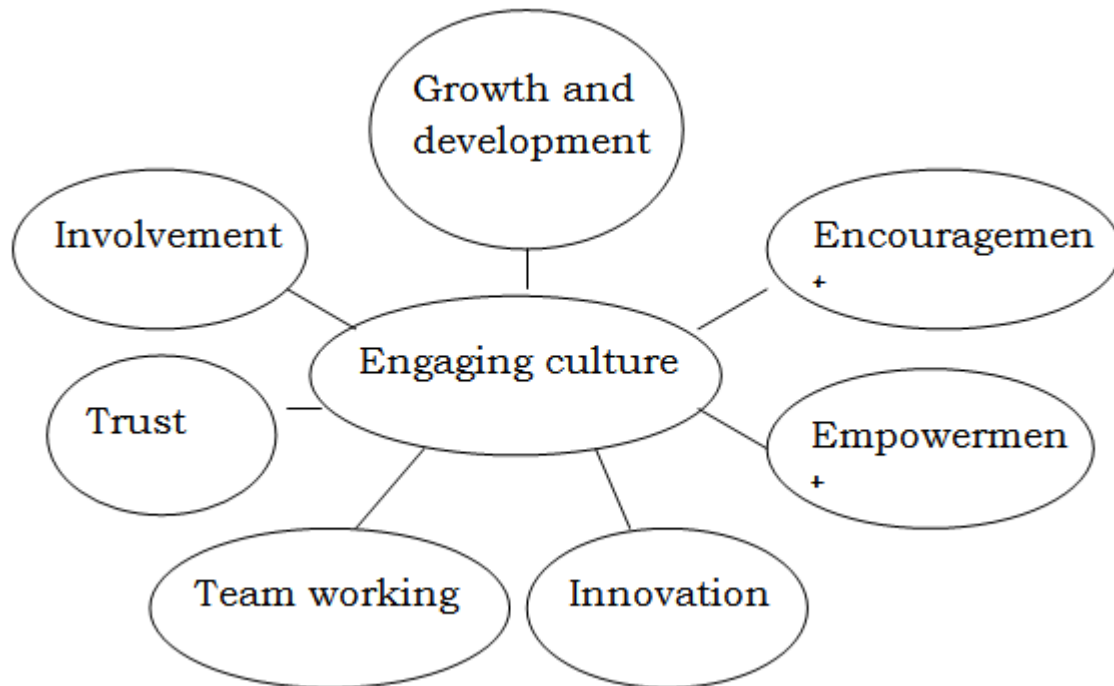

Figure 1

Source: HRM Review, April 2006, engaging the work force, employee value proposition

- Replace a common practice of all employees

- Recognize star employees

- Minimize performance gap through implementing a good training programme

- Give freedom and autonomy to take decisions

- Synchronization of employee goals with organizations goals

Climate and Culture Building

An effective corporate culture that drives employee engagement is not only abort providing the employees with pleasant surrounding but also making employees feel engaged in their daily activities, making them feel devoted to their work and making them achieve their goals. So, it is so important for management for creating a conducive and positive work environment for achieving goals. Hence, different organizations have different cultures but each culture should be guided by the following common principles.

Figure 2

Source: HRM Review, April 2006, engaging the Work Force, Employee Value Proposition

- Encouragement

- Empowerment

- Trust

- Workers participation in management

- Right people posted in the right place

- Compensation on the basis of contribution

- Mitigation of non-performing assets

- Proper utilization of talents

CONCLUSIONS

In the organizations where there is a transparent work culture, climate favorable for employees and employer and positive work atmosphere with growth, stability, clear business planning are there, it can help employee engagement. Employee Engagement is so important because it creates loyalty among the workforce and enhances the level of their contribution and association with the organization.

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