CHAPTER-I

INTRODUCTION
1.1 Introduction

From the era of scientific management and even before, different business strategies, HR policies and practices are made to survive and compete in the business world. Many organisations have identified the need to invest in human capital, to achieve the maximum effort from their employees and to be able to create success in highly competitive global markets. While organizations keen to maximize the contribution of each individual towards corporate imperatives and metrics, individual employees find purpose and job-satisfaction.

“75% of executives worldwide rank human performance ahead of productivity and technology in strategic importance. 80% say by 2010, attracting and retaining people will be the Number One force in strategy.” (Business Week, Oct. 4, 1999)

Research evidence has shown that there can be no magic one formula or set of ‘off the shelf’ prescriptions that can be applied in securing employee commitment towards the organization goals. Still organizations are trying one or another formula and investing to create a culture of harmony, wellbeing and a productive environment. ‘Employee Engagement’ is the recent concept in the same direction given by Kahn in 1990.

Thus, it is not surprising that organizations of all sizes and types have invested substantially in policies and practices that foster engagement and commitment in their workforces. Indeed, in identifying the three best measures of a company’s health, Jack Welch, a business consultant and former General Electric CEO, recently cited employee engagement first, with customer satisfaction and free cash flow coming in second and third, respectively (Welch, J., & Welch, S. (2006, May 8).

The importance of employee engagement in the current business scenario attains significance and it has been labeled as the “hottest topics in management” in recent times (Welbourne 2007).

Previous researches show that the prime factor for the health of an organisation is the engagement of employees. The employees who are engaged in their work and committed to their
organizations give companies crucial competitive advantages including higher productivity and lower employee turnover.

For fostering commitment and engagement different policies and practices are adopted and practiced. Organizational support as policy matter also enhances the level of engagement. In the report, “Supportive managers: What are they? Why do they matter?” it has been found that ‘Employees with supportive managers are more likely to have high job satisfaction, high organizational commitment and lower level of job stress and life stress.’ (Stephenie Okerman).

Work-life Balance (WLB) has been an issue of concern for corporate world and governments for last few decades. To help employees to minimize their work-family conflict through family-friendly initiatives is a step to develop supportive culture. Though in India till date there is no amendment in the labour laws regarding this, but many organizations have enacted their HR policy and are adopting family-friendly initiatives.

As per previous researches Family-friendly initiatives help for the improvement of Recruitment and retention, Organizational Performance, Individual Productivity, Absenteeism, Positive attitudes and behaviors.

In present research we will find out how family-friendly initiatives practiced by the organizations to resolve the work-life interface effect employees’ engagement.

1.2 Changing attitude towards work

Employee attitudes represent an important barometer of performance related behaviours. Employee attitude can affect levels of morale, commitment to the organisation, levels of absenteeism and nature and scope of discretionary behavior which influence the level and quality of performance.

In a survey of present Indian workforce (Generation Y), it is found that for them the ‘Ideal Work Environment is’-
• Work-life balance, not such routine work.
• Linked more directly to customers, more leisure, more informal areas.
• More sharing with colleagues, more fun.
• Motivation, other than monetary, i.e. holidays, team building events.
• Change.
• Computer is the foundation of work process.
• Growth in terms of business & personal development.

(Study of Gen-Y in India in October 2009 by Sleelcase WorkSpace Futures)

T. Shankar and J. Bhatnagar puts that Work-life Balance (WLB) has been an issue of for the last few decades. The current context of globalization and the changing nature of work have the impetus for this topic. The current work scenario is marked by the fast pace of change, intense pressure, constant deadlines, changing demographics, increased use of technology and the co-existing virtual workplace. Juxtaposed with this, the increase in average income and rise in living standards his te individuals striving for better work atmosphere, improved family and personal life. Today it time when employees want it all (T Shankar and J Bhatnagar, 2010)

In the changing world of work there is considerable change in the attitude and expectations of the employees. As we know that attitude – behaviour relationship is much stronger, so the corporate world has to understand the attitudinal evolution of employees for inculcating discretionary effort and better performance.

As per Izabel Robinson, although attitudes to the work can be attributed partly to psychological differences between individuals, they are likewise shaped by the organizational context within which work is performed and the management practice. Attitudes to work are thus influenced by the degree to which an organization regards its employees as an asset to be invested in, as a resource to be developed, or as a commodity to be exploited (Izabela Robinson, 2007).
The ESRC working in Britain Survey (2000) found that work intensification, greater management control, and surveillance and long hours were key factors that contributed to lower levels of job satisfaction and personal commitment to the organization, especially among those with higher level of education. Focusing on the changing work experiences of employees, the survey findings shed fresh light on, among other things, the sources and extent of the ‘long hours’ employment culture and the increased dissatisfaction of employees with their jobs and working lives. It reveals that as the twenty-four hour, seven-day working week gains ascendancy, the possibility of achieving a satisfactory work-life balance is proving an elusive goal for more and more people. (Robert Taylor)

Long working hours and work intensification have contributed to reduced levels of job satisfaction and made work more stressful. As Taylor (2000c:9) puts it, ‘today’s world of work is much less satisfying to employees than the one they were experiencing 10 years ago.’

“Generation X and Y are keeping the pressure on companies to devise flexible, innovative options that give high performing employees more choice and control in managing and competing demands of work and family” (Klun 2008)

Thus it is time to redesign our men management policies and practices and include those attributes in organizational environment which can enhance our human and organizational performance.

1.3 Employees’ Engagement and Organizational Performance

Though the concept of employees engagement of recent origin yet it has been proved that it is positively correlated with the organizational performance.

According to Watson Wyatt (www.watsonwyatt.com), research companies with clear strategic directions are the most successful at engaging their employees. Engaged employees are not only highly committed but understand how they can make a positive contribution. i.e.

Strategic direction  = engaged employees  = competitive advantage
Robert J. Vance gives two examples of the companies in his research article that benefited from enhancing engagement and commitment. i.e.

1. Reaping Business Results at Caterpillar: Construction-equipment maker Caterpillar has garnered impressive results from its employee engagement and commitment initiatives, including:
   - $8.8 million annual savings from decreased attrition, absenteeism and overtime (European plant).
   - A 70% increase in output in less than four months (Asia Pacific plant).
   - A decrease in the break-even point by almost 50% in units/day, and a decrease in grievances by 80% (unionized plant).
   - A $2 million increase in profit and a 34% increase in highly satisfied customers (start-up plant).

2. Engagement Pays Off at Molson Coors Brewing Company: Beverage giant Molson Coors, engaged employees were five times less likely than nonengaged employees to have a safety incident and seven times less likely to have a lost-time safety incident. Moreover, the average cost of a safety incident for engaged employees was $63, compared with an average of $392 for nonengaged employees. By strengthening employee engagement, the company saved $1,721,760 in safety costs during 2002. Engagement also improved sales performance at Molson Coors: Low-engagement teams fell far behind engaged teams in 2005 sales volumes. In addition, the difference in performance-related costs of low- vs. high-engagement teams totaled $2,104,823.

1.4 Decline in Employees’ Engagement

Over the past decade, and particularly in the past four years, employers and employees have faced human capital challenges in the uncertain economy. The economic downturn that started in 2008 has had a big impact on companies and decisions made by management. These decisions have impacted employee engagement levels globally.
Secondly the organizational environment and policies only on papers are responsible for the decline of employees’ engagement. In his book ‘The Idea of Justice’, Prof Amartya Sen refers to the two Indian philosophical concepts of Niti and Nyaya. Niti relates to the policies, principles and institutions of justice while the Nyaya refers to the actual delivery of justice.

Prevention of injustice is very different from pursuit of perfect justice. They are two sides of the same coin, but their value perception is different. So far as the Indian legislative framework is concerned, laws pertaining to worker relations have for long needed to be updated. Labour reforms have been widely discussed, but the subject remains on the pending agenda. (R Gopalakrishnan)

As per ‘Watson Wyatt’s Work Asia Survey Report for 2008-09’, Indian employees continue to be among the most engaged workers across Asia-Pacific, but the downturn has taken its toll with employee involvement dwindling at the workplace. This report further explains that the employee engagement score, measured in terms of engagement, commitment and line of sight has declined 3 per cent in India compared to the last year.

In a recent survey, ‘Trends in Global Employee Engagement’ conducted by ‘Aon Hewitt’ (www.aonhewitt.com), it is found that “The overall global average employee engagement score is 56% in 2010, down from 60% in 2009.”

As per another report, ‘A 2011/2012 Kenexa High Performance Institute Worktrends Report’ - In 2011, declines for each individual EEI (Employee Engagement Index) item, as well as the collective EEI score, were seen across the six major economies that account for almost 50 percent of the world’s gross domestic product: Brazil, China, Germany, India, the United Kingdom and the United States. Between 2007 and 2009, EEI scores actually increased before flattening out in 2010 and then declining in 2011.

Hewitt's research shows that about half of these organizations improved their engagement levels in a one-or-two year period, while only 15 percent had experienced a decline. However, the past two years have been more challenging: the percent of organizations with declining engagement
has been steadily growing. This trend is particularly notable in 2010. Hewitt's research shows that 46 percent of organizations experienced a decline in engagement levels in the quarter ending June 2010, while just 30 percent saw an improvement.

1.5 Engagement through family-friendly initiatives

An alternative model of engagement comes from the ‘burnout’ literature, which describes job engagement as the positive antithesis of burnout, noting that burnout involves the erosion of engagement with one’s job (Maslach et al 2008).

According to Maslach et al, six areas of work-life lead to either burnout or engagement: workload, control, rewards and recognition, community and social support, perceived fairness and values. They argue that job engagement is associated with a sustainable workload, feelings of choice and control, appropriate recognition and reward, a supportive work community, fairness and justice, and meaningful and valued work. Like burnout, engagement is expected to mediate the link between these six work-life factors and various work outcomes.

As per IES (Institute of Employment Studies, UK) Survey, 2003 One among them is ‘Family-Friendly Initiatives’ i.e policies to tackle work life balance of employees.

As cited by Susan Cartwright and Cary L. Cooper in their book ‘Organizational Well-Being’ “the positive side work-life interface is labeled differently by researchers: positive spillover, engagement, work-family enrichment and facilitation (Carlson et al.2006).

Jyotsna Bhatnagar, Tara Shankar, (July 2010). The proposed model focuses on the correlates of Work-Life Balance construct and its relationship with other variables such as employee engagement, emotional consonance/dissonance and turnover intention. This paper proposes a conceptual model to be tested empirically.

Hence family friendly initiatives as policy matter and as a part of supportive culture can enhance the engagement factor of employees. In the present study we will examine land correlate the
impact of family-friendly initiatives adopted by the organisations of India with employees’ engagement.

1.6 Employee engagement; a priority for leadership

As per previous discussions it is clear that engagement of employees is necessary for employees and business. Now there is big question that who is responsible to take care of employees; government, society, coworkers or the superiors.

There are multiple cases that all policies are on papers. The trust of employees on their managers is not appropriate. As per R Gopalakrishnan, well-known French companies such as France Telecom, Renault, Peugeot and EDF have experienced increasing suicides among workers in the last two years. The cynic may observe that the French suicide rate is generally high compared to Britain, Germany and the US. That is true. However, even in the US, the rate of suicides has increased by 28% in the last two years. Surveys in the US over the last few years show that indices like ‘loyalty’ and ‘trust’ have collapsed from the 80% levels to 30% levels. More than half the respondents feel a sense of stagnation and disinterest in their work. In India too, we have witnessed hyper cases of industrial action recently. After many decades of relative labour tranquility, company executives have been killed at Grazino in the north and Pricol in the south. Strikes have occurred at Gurgaon-Manesar, Chennai and Coimbatore.

Researchers and writers agree that supporting employee engagement has clear implications for selecting, developing, and managing first-line managers. Towers Perrin (2003) encourages companies to respond to the changing nature of the employer/employee dynamic by including emotional intelligence (EQ) as a basic competency for local managers. Fleming, et al (2005) suggests that local managers be permitted to monitor, track, and act upon both employee engagement and customer engagement data; the role of first-line managers in building employee engagement is clear, and this review provides insight for all organizations to include employee engagement as a consideration when creating methods for selecting, developing and rewarding first-line managers (John Gibbons, 2006).
With the link between psychological wellbeing and organizational outcomes becoming increasingly clear, there is a need to understand more about how leaders affect the psychological wellbeing of those who report to them—both individually and as a group. Central to this is the need to explore more directly how line managers and other leadership roles can achieve the right balance between challenging and supporting the members of their workgroup. (Ivan T. Roberston & Jill Flint-Taylor 2008)

From the previous researches the role of leader to enhance engagement of employees is clear. The concept of Transformational leadership was given by James McGregor Burns (1978). He distinguish transforming leaders (who appeal to the moral values of followers and attempt to raise their consciousness about ethical issues and get them to reform organization) and transacting leaders ( who sue rewards and punishments to incent followers to do what the leader want them to do). So, may the leader adopts any style of management or leadership but it is the priority of the leader to have engaged employees in the present competitive scenario.

The study is divided into five chapters. The chapter one is introduction, chapter two deals with review of literature, chapter three is regarding objectives and methodology of study, in chapter four data analysis has been done. The chapter five deals with the conclusions and suggestions.