CHAPTER VI

GENERAL FINDINGS
A number of related findings emerged from the data gathered which would prove useful to organizations attempting to create higher levels of engagement amongst their workforce. The researcher has included findings from organizations and sales / marketing professionals separately for ease of understanding although wherever required linkages and commonalities from both are also mentioned which might help organizations deal with attrition and engagement of sales / marketing professionals in future.

6.1 FINDINGS FROM ORGANIZATIONS

6.1.1 Strategies of Employee Engagement

1. Employee engagement strategies that the researcher assessed through the questionnaire were company perception, communication / information, compensation & benefits, development opportunities, work environment, job assignment and work – life balance. It was found that HR executives across manufacturing and service industries differed significantly in terms of compensation & benefits and work – life balance as strategies to engage employees. Manufacturing and services both differ in the nature of work and the stress that employees go through. Organizations belonging to service industry, in particular retail, found it difficult to provide work – life balance to their employees due to their hectic work schedules followed.

2. It was also found that large organizations (more than 1000) employees differ significantly than small organizations with respect to compensation
& benefits. This could be due to the fact that smaller organizations by and large face resource crunch and as such cannot compete with larger organizations in terms of the pay and benefits offered. This could have been the reason for lesser focus of smaller organizations on compensation and benefits as revealed by the study. Executives in smaller organizations tend to focus more on other aspects of engagement which are well within their control.

3. This was also revealed during the data collection process wherein respondents agreed to the fact they tend to lose many employees to larger organizations which has a better brand name and pay higher than what they can afford. It is important to note here that apart from compensation and benefits there was no significant difference found with respect to use of other strategies indicating that human resource professionals realize the importance of a well-balanced employee engagement program which focuses on multiple strategies to create workforce engagement.

4. Another significant aspect that needs to be considered here is that 36 out of 114 organizations had average age of employees falling between 26-30 years whereas 49 out of 114 organizations had their average age of employees between 31-35 years. The average age of employees in the organization is an important indicator of the nature of workforce which organizations need to take into account while devising their engagement initiatives.
5. The above discussed findings reinforce the point made in literature review that *employee engagement strategies used by organizations tend to be need based and have to be customized depending on the context in which they are operating and the nature of their workforce.* Generalized strategies to engage employees across organizations and industries will not serve the purpose.

6.1.2 **Employee Engagement & Attrition**

1. Attrition rate in an organization is affected by a number of factors such as economic conditions, industry, personal characteristics of the workforce. In addition to all of this investing in employee engagement initiatives would prove beneficial for organizations. Results from the study revealed that *increase in employee engagement strategies by organizations brings about a significant reduction in attrition rate.* Regression analysis showed that employee engagement initiatives contribute to 38% of variation of attrition rate in organizations. This is a significant finding which is presented further in the form of a model to be explored and implemented by organizations interested in investing in employee engagement.

2. Most of the respondents agreed that engaged employees are likely to stay longer with the organization. The mean score being 4.22 and standard deviation being .726. (Refer Table 5.7). This shows that clustering of
scores was between the ranges of 3.94 to 4.94. In contrast, when asked whether company has shown reduced attrition rates as a result of employee engagement initiatives, results were less positive with the mean score being 3.68 and a higher standard deviation at .945. 27% of the respondents in the survey chose not to answer the question related to reduction in attrition rate due to employee engagement initiatives. This is a cause of concern as efforts and financial investments towards engaging employees may not prove to be as beneficial as they are expected to be with organizations focusing on aspects which may not be as important as considered. The reason given in some cases was that the organization had not taken an initiative in trying to relate attrition rate to employee engagement initiatives, in other cases respondents were uncomfortable in disclosing further information about attrition rate and cited reasons of confidentiality; some others also responded that since attrition rate is affected by a number of factors other than employee engagement initiative per se they had never calculated the direct impact that these initiatives had on the workforce. Although the positive sign here is that 40% of the organizations surveyed reported reduction in attrition rate between 1-3% while 22% of respondent organizations reported reduction in attrition rate between 4-6% (Refer table 5.9 & Fig 5.4).

3. Findings from Table 5.7 also show that most respondents chose to remain neutral with respect to their conducting employee engagement surveys
(Mean Score – 3.43). Also the standard deviation of 1.121 shows wide disparity in the responses received to this statement. This could mean that *although attempts are made to implement employee engagement, surveys to tap the engagement levels of employees may not be a practice being implemented diligently by majority organizations*. There were some large organizations who agreed to be using Gallup Work Place Audit while for some the survey was custom-made by an external consultancy. These were conducted at regular intervals decided by the organization. Also important to note is the finding to the statement “Actions are taken regularly to combat disengagement issues”. The mean score was found to be 3.62 with a standard deviation of .999. These together *hints at a lack of follow-up and neglect on the part of organizations after the implementation of engagement practices*.

4. Organizations also report an average mean score for benchmarking activities with leaders in employee engagement (i.e. 3.54) with a standard deviation of .970.

5. With respect to attrition, 82 out of 114 organizations surveyed calculated a consolidated attrition rate (Refer table 5.10 & Fig 5.5). However, it is important to note here that there were a few organizations who calculated attrition rate for freshers, employees leaving within a year of joining and also attrition among critical positions. If employees who leave within a
year of joining are more it indicates a weak induction and socialization process in the organization. Understanding attrition among this group of employees will help in redesigning induction program. Loss of any productive employee affects organizational growth but employees who are at critical positions in particular leave a gap which takes time to fill in. *Calculating attrition rates for these levels might help an organization evaluate its processes of hiring, socializing and retaining employees.*

6. Further, when asked to rank reasons for employee attrition in order of importance *majority of respondent’s ranked compensation and benefits as the most important reason for employees leaving followed by work conditions* (Refer Table 5.11 & Fig 5.6).
6.2 FINDINGS FROM SALES / MARKETING PROFESSIONALS

6.2.1 The experience of sales / marketing employees was not found to be significantly related to employee engagement. One of the reasons for these results could be the fact that sales / marketing employees tend to change jobs more frequently than other professionals. This eventually results in loss of an experienced employee by the organization. The fact also remains that most of the sales / marketing executives negotiate a better pay package but move laterally in the new organization. A general trend accepted across industries remains that sales / marketing professionals are there to make quick money through job changes and incentives. This leads human resource professionals to perceive them as being less loyal to the organization and also results in organizations focusing more on providing them with better pay and attractive incentives as strategies to hire and increase their job tenure. Short tenures combined with bottom line roles in the organizational hierarchy could be resulting in little or no relationship between work experience and employee engagement.

6.2.2 It was found that employees at different levels in the organizational hierarchy vary significantly in terms of their engagement levels. The researcher found that engagement levels rose considerably for employees at senior managerial level while there was minor difference in the engagement levels of employees from lower to
middle manager levels. As mentioned in literature review, senior positions give power, status and authority which are found to be contributing positively towards engaging employees.

6.2.3 The literature has provided evidence to consider the fact that work experience and designation of employees are interlinked and together they contribute to employee engagement. In the present business scenario there is increasing focus on performance and productivity to promote employees rather than consideration of seniority alone. This has resulted in a number of young but talented and competitive employees moving up the organizational ladder. With respect to sales / marketing executives, career growth tends to happen faster with vertical movements of experienced employees across organizations. Thus, increasing their engagement levels with the organization as a result of the career growth offered and also the participation which they enjoy in decision – making. The same may not be the case with all long – term employees resulting in frustration among this group of employees and consequently lowered employee engagement.

6.2.4 This could be a reason why the relationship between work experience within organization and employee engagement was found to be insignificant while designation seemed to have an effect on employee engagement. Experience of employees alone does not affect engagement levels; it is coupled with designation, age and the nature of
job. This is an important indication that career growth and the nature of job assignment given by the organization matters when an employee remains for a longer duration in the company.

6.2.5 The researcher also found that for most of the employees total work experience was slightly more as compared to work experience within organization (i.e. majority of employees had remained with their present employer for less than 5 years). This indicates frequent job change which was most of the time due to attractive incentives as mentioned above or career growth offered by a competing firm.

6.2.6 Another important aspect to be noted here is that most of the respondents in the survey felt that if they have to climb the career ladder quickly, they would have to move to another company. This is reflected in the mean score of 2.68 for the item with a high standard deviation of 1.233 indicating a lot of differing opinions about this aspect and a general dissatisfaction with growth opportunities within (Refer Table 5.18). Although HR executives are aware of this fact, the case remains that the scope for providing incentives and negotiating the compensation package is higher while hiring an employee than in retaining them. This in turn results in loss of talented employees to the organization despite efforts towards retention.
6.2.7 Respondents were also asked to rate their present company in relation to other companies for whom they might work in future by indicating the time duration in the options provided. This item was purposely included by the researcher to get a general idea of the job tenure within organization that sales / marketing executives perceive for themselves.

*Findings indicated that most of the respondents perceive their job tenure to be between 1 – 3 years* (Mean Score being 2.68; Refer Table 5.18). This reinforces the reports by various researchers regarding average job tenure of sales / marketing respondents discussed in literature review. Blessing White (2008) has found that although Indian employees seem to be more engaged than their counterparts in other countries, the tendency to switch jobs is also very high. Findings from the present study highlight this point further.

6.2.8 From Table 5.19 and Fig 5.13, it emerges that sales / marketing respondents in the survey were most satisfied with aspects of job assignment followed by company perception and work life balance. *Development opportunities had one of the lowest mean scores thus creating a high possibility of being a major reason for attrition amongst this professional group.* Sibson (2008) found that 82% of sales staff rated compensation (base salary, incentives, cash recognition, premium pay and the pay process) as being either important or very important. This was closely followed by work content
(variety, challenge, autonomy, meaningfulness and feedback) at 79%, benefits was cited by 68%; career (advancement, personal growth, training, and employment security) by 67%, and affiliation by 60%.

6.2.9 Further, some respondents were very skeptical about organizations sharing its financial success with their employees. In some cases this was a result of promises made by the management but being fulfilled after a very long duration or in some other cases not being fulfilled at all. Continuing on the same note, responses were dispersed widely on the belief that salary package and perks of the company are at par with the best in the industry.

6.2.10 Respondents agreed that information was being communicated to them about new products & services, future direction of the organization, their job assignment and most of the employees surveyed also seemed to be confident about the decision making ability of their managers.

6.2.11 However, dissatisfaction was quite evident with respect to consideration of employee opinion by senior management and effectiveness of appraisal system. During the data collection process, the researcher found that despite a general level of satisfaction with senior management and leadership on business issues, these were areas that respondents were not very comfortable sharing information about. Some of the respondents who did share their views revealed that
appraisal is an area of extreme dissatisfaction with employees and most of the time it is after the completion of appraisal and incentive process that sales professionals decide to quit. Gallup (2011) found that 51% of Indian employees were actively disengaged with respect to their belief that their organization’s performance management system effectively distinguishes superior performance. It was also found that for managers and executives, this perception is strongly linked to their level of engagement. Further the study also found similar negative perceptions about the way rewards were distributed.

6.2.12 It is interesting to note here that despite dissatisfaction with the above mentioned aspects, majority of the respondents were willing to put in extra efforts and were positive about coming to work every day. There could be two possible reasons for this finding: firstly, most of the respondents had been in the organization for a short while. There is a need to prove oneself in a new place. Secondly, the efforts and results in the form of business delivered by sales / marketing professionals are directly tied to benefits and incentives.

6.2.13 Respondents were moderately satisfied with work – life balance initiatives. This was mainly due to the fact that almost all respondents agreed that sales / marketing are jobs which are extremely stressful by their inherent nature. Seasonal demands and various other
circumstances faced by the organizations forces them to be on their toes. The acceptance of this fact could probably be making the whole process more bearable to them. It could also be possible that due to their acceptance and preparedness these employees have developed coping strategies at a personal level.

6.2.14 *Being a part of mentoring relationship seems to have a significant effect on employee engagement score.* The fact that there is support and guidance provided for career development and progress of younger employees in terms of mentors boosts their confidence in the organization. Employees who are mentors also cherish the whole experience of sharing their knowledge. Thus, creating a win – win situation for mentor, mentee and organization.

6.2.15 In case of sales / marketing professionals, mentoring may prove to be more beneficial as it is expected that they generate business for the organizations as quickly as possible. This gives them less time to learn the “tricks of the trade” as compared to other professionals. Also their performance has a direct impact on bottom line results which is why it is important to invest in providing support for them. Mentoring might prove beneficial in not only inducting the new employee in the ways of the organization and providing him relevant knowledge but also in creating a continuous knowledge sharing process which in turn results
in increased employee engagement. An off shoot of this could be in increasing job tenure amongst sales / marketing professionals.