



# A strategy to assist management in workforce engagement and employee retention in the high tech engineering environment

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## ABSTRACT

Many companies use survey methods in an attempt to gauge employees' attitudes and opinions toward the company. These attitudes and opinions are directly related to an employee's engagement within the company. In many instances, employees wait in vain for the survey response and the subsequent employer actions, but the truth is sometimes management does not know what to do with the results. For this reason, we theorize that this type of survey, typically utilizing the Likert-scale, is not adequately assisting management in addressing employee engagement and retention issues. For instance, in many occasions, once the survey results are tabulated, companies are doing little or nothing to address the issues. In fact, far too many companies make the mistake of conducting employee engagement surveys, and then ignore the answers. Thus, we propose that a company should take advantage of the survey results, and utilize them to provide data to bridge employees' needs and goals with stakeholders' responsibilities and goals by refining and incorporating them into a hierarchical decision model (HDM). Thus, this would essentially be utilizing the quantitative data to determine what to measure qualitatively. We use a case from the high tech industry, specifically focusing on the engineering environment. Engineering environments are known to be more creative and such approaches would be more beneficial.

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## 1. The elements of employee engagement and retention

### 1.1. Human capital

The majority of literature reviewed highlighted the current trend of workforce engagement and the importance of people at different organizational levels, but it seemed to lose sight of the real people behind the concept. In years past, prior to the 1980s, corporations offered what amounted to a lifetime of employment in return for a high degree of loyalty in the part of its employees (Baker, 2006). However, younger employees have seen the results of what corporations have done to their parents (e.g., closing pension funds, massive layoffs)—on top of placing more and more burdens on the employee (e.g., increased healthcare premiums, pension contributions); all of this for few guarantees (Baker, 2006). In fact, the results of a recent company survey distributed at Northrop Grumman revealed that 100% of the director-level respondents “view the human capital skills issue as a critical management issue for the company” (Goretsky & Pettry, 2007). For this reason, Northrop Grumman added human capital manage-

ment to their program to create a new human capital strategy (Goretsky & Pettry, 2007).

Furthermore, this elicits a tremendous need to understand the actual “commodity” being measured and assessed—which is human capital. Consequently, human capital is not a commodity that a company can “buy.” Even though it sounds dehumanizing, a company has to learn how to develop it, how to measure it, how to increase its productivity—and then how to hold on to it (i.e., retention). Though a company can hire an employee—in which that employee is monetarily compensated, that company has no guarantees where that employee is headed or how engaged that employee will be at any given point in time. This is referencing *actual* people—they are an accumulative product of where they have been and where they currently are, but it is extremely difficult to determine what direction they are heading. “Investing in what is commonly known as human capital, or the organization's people, is a proven way to boost an organization's market capitalization” (Kaliprasad, 2006).

IBM, in order to achieve their retention goals, developed a system that gave managers a view of the company's human capital. Considering the company has over 333,000 full-time employees, it involved creating a custom-built database of the company's workforce that allowed managers to assess who has what skills. This provided management an end-to-end view of their human capital and allowed identification of skill gaps (Baker, 2006).

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Kaliprasad (2006) pointed out that the ability to retain employees depends significantly upon the ability to manage them. He derived four key interlinked processes that can be utilized for an effective human resource management system: the motivational process; the interaction process; the visioning process; and the learning process.

Economically speaking, irreducibles are not quantifiable (Eschenbach, 2003), but conceptually, investing in human capital could be likened to other economic investments. Granted, this again sounds dehumanizing, and is greatly subjective. In fact, Kennedy suggested that it was possible that many managers lacked the tools to properly assess the value added by the mature engineer, and recommended, “that managers adopt an assumption of value in this experience and pay more attention to the factors that may help retain these people” (Kennedy, 2006).

Similarly, if a company is guiding an employee in a certain direction (e.g., education), then that company has some idea where that employee is headed. The purpose of this action is twofold. First, it aids in employee engagement, and secondly, it provides direction that substantially increases the value of that employee to the company.

In fact, “Keeping employees educated and developing them for future challenges has become the only sustainable competitive advantage in today’s marketplace, with, for example, Motorola believing that it receives \$33 for every \$1 invested in its employee’s education and training” (Kaliprasad, 2006). Likewise, the Chartered Institute of Personnel and Development’s Recruitment and Turnover Survey 2006, stated that the second most frequently cited action to increase employee retentions was learning and development opportunities (Wilson, 2006).

Globally speaking, in China, workers focus primarily on the availability of learning and development opportunities when deciding whether or not to join an organization; this was seen as the most important factor in attracting workers and keeping them engaged and motivated on the job (Gebauer, 2006).

Fostering an engaging environment—one of education is not a magic bullet or a fix-all, but it is an excellent place to begin.

## 1.2. Motivational theories

To grasp the full understanding of what is meant by the term “employee engagement,” a brief background in motivational

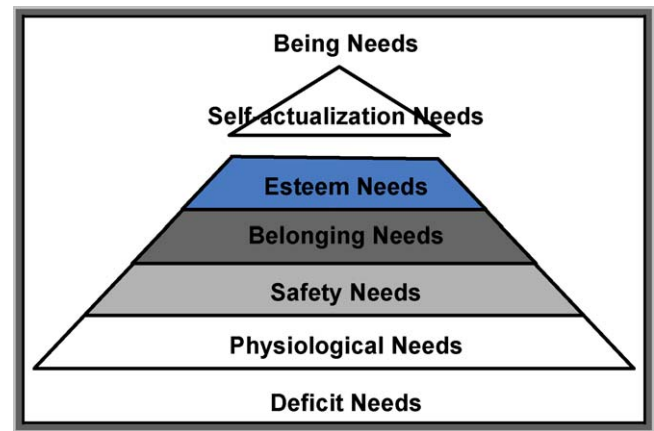


Fig. 1. Maslow's hierarchy of needs Boeree, C.G. (1998, 2006).

theories is helpful. Herzberg and Maslow, holding the cornerstone for much of the work in the field of human motivation, were among the first to catalog the factors leading to job satisfaction (Lord, 2002). Maslow's famous “hierarchy of needs theory” was developed in 1943 primarily through clinical observation. “In the USA the ideas of Abraham Maslow (1908–70) about human motivation have been and are still quite influential, in particular for the training of management students and practitioners” (Martin, Nakayama, & Flores, 2002). His theory states that the basic premise for human behavior that shapes the motivation for an individual to act is determined by biological, cultural, and situational conditions that can be ordered in a hierarchy from lower to higher, as follows: physiological, safety, belongingness, esteem, and self-actualization (Lord, 2002; Martin et al., 2002). In order for a higher need to appear, the basic lower needs of an individual must be partially satisfied before any higher levels of needs can act as motivators (Lord, 2002; Martin et al., 2002). For example, a starving person (i.e., physiological needs are not completely satisfied) will not be motivated by anything other than the quest for food, and so forth (Lord, 2002). Thus, at the top of the hierarchy, often pictured as a pyramid (Fig. 1), is the motive of self-actualization—realizing to the fullest possible extent the creative potential present within the individual (Lord, 2002).

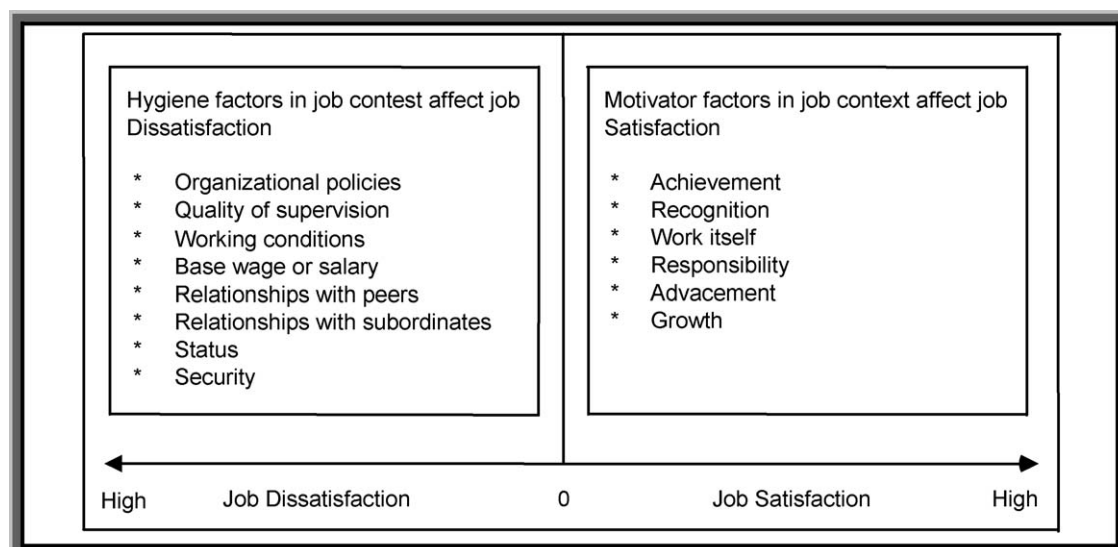


Fig. 2. Sources of dissatisfaction and satisfaction in Herzberg's two-factor theory (Kaliprasad, 2006).

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