Employee Engagement In VUCA Period By Means Of Employer Branding In Indian IT Industry

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Abstract: *VUCA is the new reality today. It is affecting everything from decision making to profits and revenues to employee engagement. It is employee engagement which affects productivity which in turn affects revenues and profits. This paper tries to explore employer branding as a tool to improve employee engagement during VUCA times. The research is restricted to IT companies in India because these organizations already have many policies for employee engagement as well as this industry is facing VUCA since its inception. Employer branding as well as employee engagement are very well researched topics and a lot of research is going on VUCA. But very little study has been done keeping all these factors into consideration. This paper tries to connect all the dots and present a picture which proves that employer branding can be an effective employee engagement method during VUCA period.*
Keywords: *VUCA, Employee Engagement, Employer Branding*

I. Introduction

Mike Johnson, in his book titled 'The New Rules of Engagement', wrote 'the ability to engage employees, to make them work with our business, is going to be one of the greatest organisational battles of the coming 10 years' (Robertson-smith & Markwick, 2009). And the battle is getting converted into a war with VUCA. VUCA times are not only making operations difficult for organizations but also presenting a big challenge on the HR front by jeopardizing the engagement initiatives by organizations. This paper strives to present a solution for these organizations by means of employer branding and using the same for strengthening employee engagement in VUCA times.

II. Literature Review

What is Employee Engagement?

If somebody reads a lot of literature on employee engagement, that person is likely to be confused about the very basic question, i.e., the definition of employee engagement. There are many definitions of employee engagement. Every organization, be it private or public or a consultancy, has its own version of the concept (Robertson-smith & Markwick, 2009).

A similarity exists in all definitions of engagement, notwithstanding of the source, which essentially describes employee engagement as a 'desirable condition' that has a purpose for the organization and 'connotes involvement, commitment, passion, enthusiasm, focused effort and energy, so it has both attitudinal and behavioural components'. (Macey & Schneider, 2008)

Why is Employee Engagement important?

A positive relationship has been found between organizational performance and employee engagement: productivity, employee retention, customer loyalty, profitability and safety. Research also points out that the more involved employees are, the more probable their employer is to surpass the industry average in its revenue growth. Conversely, double-digit growth companies have higher employee engagement. Research also shows that engagement is positively related to customer satisfaction (Markos & Sridevi, 2010).

Engaged employee constantly exhibits three general behaviours that increase organizational performance: the employee promoters the organization to co-workers and other in his/ her circle, the employee has a strong desire to be an organizational member despite opportunities to work in other organizations, the employee puts extra effort, time and initiative to make a contribution to the success of the organization (Baumruk and Gorman, 2006) Another area of benefit is reputation and organisational brand. Engaged employees are better advocates of their companies and defend the employer from risks to reputation associated with poor service levels or product quality (Lynn Walters, n.d.).

What happens to an organization if it has disengaged employees?

Employees who are not engaged are most likely to be wasting their time, talent and effort on tasks that may not be useful. They generally do not display full commitment, do not stick around for situation to change in

the organization, have a lot of doubts about their organization in terms of performance measures such as growth and appraisals (Blessing White, 2006). Research has frequently suggested about a relationship between how people's attitudes and behaviour, how they are managed and business performance (Markos & Sridevi, 2010).

Conversely, having a disengaged staff brings huge risks. Organisations may lose their best people, suffer productivity loss and face enormous difficulties during organisational change etc. Disengagement threatens innovation, effective collaboration and human capital management because employees are not inclined to use their skills and tacit knowledge for betterment of the organisation.

What is VUCA?

The term 'VUCA' was devised in the United States Military Academy at West Point. It originated as a crisp way of defining the 'new' situation that the US military found itself after the end of Cold War. This transformed landscape would bring with it a lack of certainty, stability and simplicity, and increase ambiguity. It is now everyone's imperative to recognize VUCA, because it touches everyone. (Full, Decision, Can, Your, Reach & Harm, n.d.) *Volatility:* The speed and rate of change we are facing in our business environment demands quicker decision making. The test for leaders is to transfer from knee –jerk to proactive yet fast response to the fluctuating environment. ("The implications of a VUCA World and APA," n.d.)

Uncertainty: Uncertainty is all around us and is growing. In these times it is extremely difficult to have clarity on the present and precisely foretell future outcomes. Organization's capability to be at ease with it and form behaviours that allow it to navigate through uncertainty is fundamental. ("The implications of a VUCA World and APA," n.d.) *Complexity:* With uncertain and changing times comes more complexity. Companies have to consider multiple and interconnected factors in their decision making. Organizations need to let go of seeking the one perfect solution and seek out collaboration and connect the dots of opportunity. ("The implications of a VUCA World and APA," n.d.)

Ambiguity: The effect of complex and ever changing environment leads to a good amount of ambiguity making it hard to understand the meaning and impact of events. Leaders should be able to think across different platforms, communicate effectively across organisations and be quick and responsive in decision making. ("The implications of a VUCA World and APA," n.d.)

Why is Employee Engagement important during VUCA times?

The VUCA world is facing an employee engagement crisis, with grave and lasting repercussions on world economy. According to Gallup Daily tracking, worldwide, only 13% of employees working for an organization are engaged. (A. Mann & J. Harter., 2016)

What is Employer Branding?

A brand defined by American Marketing Association is "a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors" ("Brand and APA," n.d.). Barrow and Ambler coupled the principles of human resource management and marketing by devising the term 'Employer Branding' in 1990s (Srivastava and Bhatnagar, 2010). It is defined as, "the employer brand establishes the identity of the firm as an employer. It encompasses the firm's value system, policies and behaviours toward the objectives of attracting, motivating, and retaining the firm's current and potential employees" (The Conference Board, 2001). Employer brand is a unique image related to an organization as an employer (Knox and Freeman, 2006). It is the process of making a unique and identifiable identity of the organization that distinguishes it from its competitors (Backhaus and Tikoo, 2004).

How can Employer branding be used for employee engagement?

There is an improvement in organizational identification and self-esteem of employees if the firm has a strong and identifiable employer brand (Lievens et al., 2007). Having an established employer brand consistently leads to enhanced trust in the organization guaranteeing a steady supply of applicants (Holliday, 1997). It also sustains good performance and high loyalty and commitment in employees. Thus, there is an increase in organizational effectiveness because of its credibility with its workforce (Burack et al., 1994). The ability to ensure organizational success by drawing and keeping the right people, creating an environment in which employees cherish the brand, enhancing organizational performance in key areas of retention, recruitment, engagement and revenues and distinguishing employers from each other, crafting competitive advantage is the forte of the employer brand (Fernon, 2008).
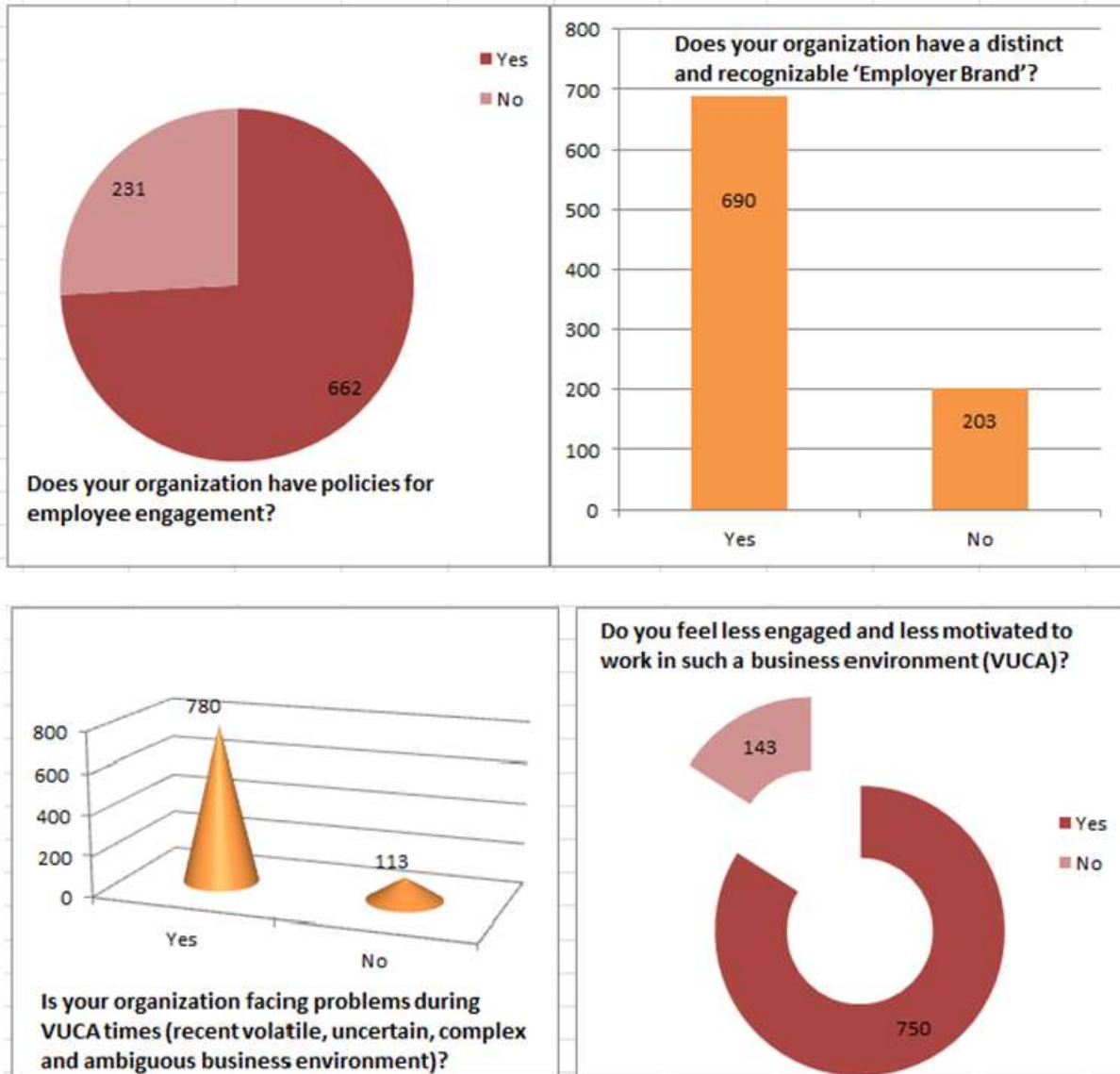
Research Gap

A lot of research material can be found on employer branding, employee engagement as well as VUCA. Many research articles and thesis have tried to connect employee engagement with VUCA as well as
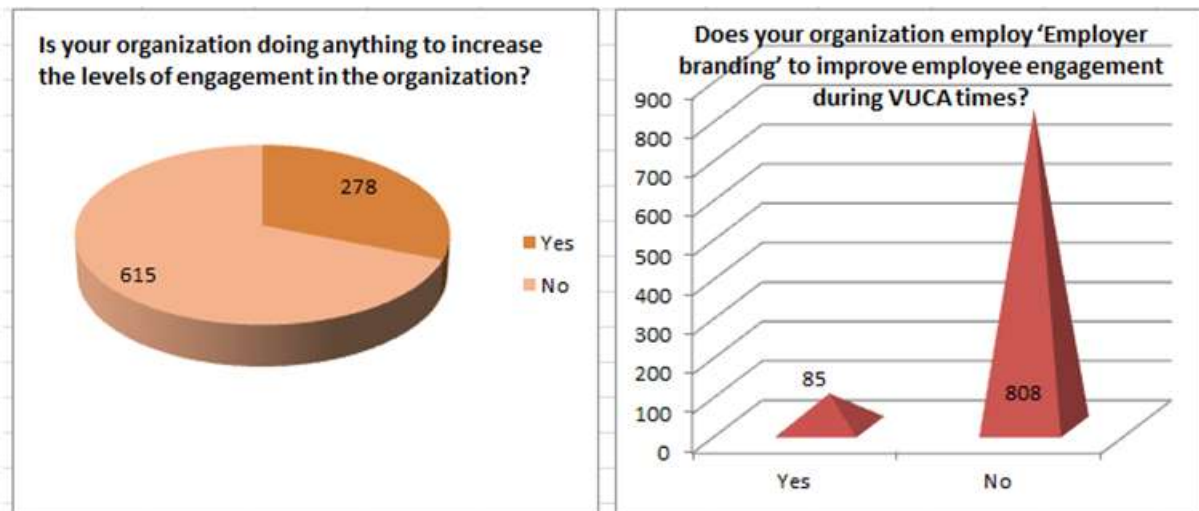
employee engagement with employer branding. But no substantial research has been done on employee engagement by means of employer branding in VUCA time. This paper tries to bridge that gap by exploring the subject and proposing a model for the same.

III. Research Methodology

An online survey was conducted across employees on Indian IT companies like TCS, Infosys, CTS, Accenture, L&T Infotech, TechMahindra, Wipro Infotech etc. The questionnaire was sent by means of e-mails and Facebook & LinkedIn messages. Out of 1538 people to whom the survey was forwarded, 893 responded. Please find below the key findings and analysis of the same.

IV. Results

Is your organization doing anything to increase the levels of engagement in the organization?

278
615
■ Yes
■ No

Does your organization employ 'Employer branding' to improve employee engagement during VUCA times?

85
808
Yes   No

How does your organization employ 'Employer branding' to improve employee engagement during VUCA times?

108
142
643

■ Attracting potential employees
■ To motivate, engage and retain employees
■ Both of them

According to the data collected following analysis can be done:

- A major percentage of IT companies in India have policies that cater to employee engagement
- Most of the major IT organizations of India have a reputed and recognizable employer brand in the industry as well as among the potential joiners of the industry
- A majority of IT organizations are facing trouble such as declining number of new clients, declining revenue from existing clients, employee dissatisfaction, changing global scenario, breaking world treaties and trade agreements and depleting profits in VUCA times
- Most of the employees feel demotivated by a volatile, uncertain, complex and ambiguous world. They do not know what is expected out of them. Also they are not sure about what does the organization expect out of them in such difficult time. VUCA period may lead to lay-offs, retrenchment or introduction of voluntary and compulsory retirement schemes. Such situation creates fear and uncertainty in minds of employees whose productivity, engagement and belongingness for the organization decreases considerably
- A majority of Indian IT organizations, although they have policies, are doing nothing or very little to improve employee engagement or implement best practices
- 'Employer Branding' is used in very less organizations as an instrument to improve employee engagement, especially during VUCA times
- Most of the organizations are using external branding for attracting fresh talent for the organization rather than motivating and engaging the internal employees

V. Conclusion

It can be concluded that although Indian IT organizations are having best of policies for employee engagement as well as best methodologies for doing employer branding, they are not combining the two concepts properly to achieve organizational success as well as employee happiness during VUCA times. According to the literature on these subjects, employer branding can act as a powerful tool for engagement and engagement can help organizations handle VUCA situations successfully. Thus, a model needs to be devised which combines these three concepts in order to ensure organizational success.

Suggestions

The VUCA world puts a lot of pressure on the organization. It completely alters the way an organization reacts to changes in the external environment.
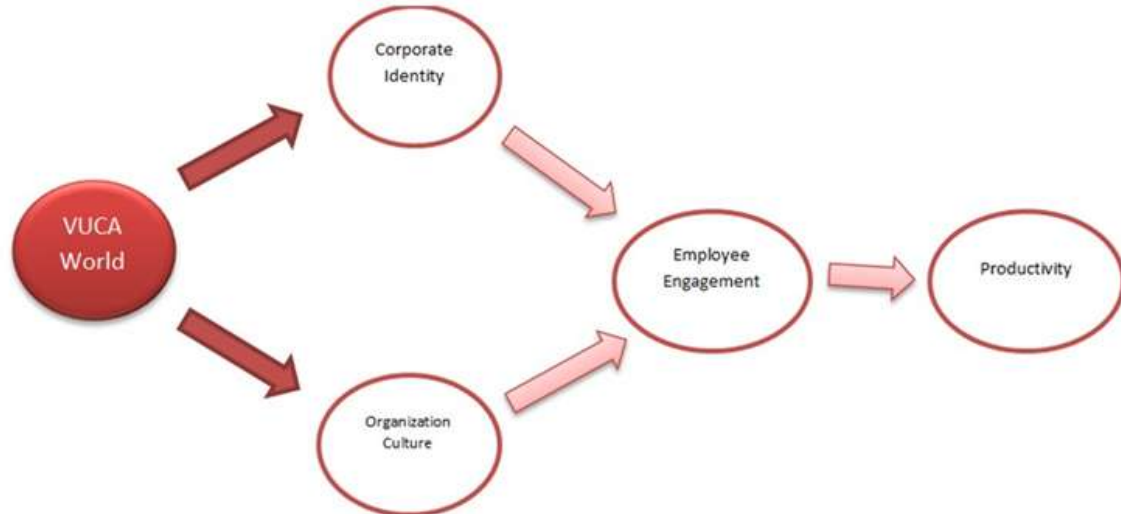
When the organization is trying to survive and perform in VUCA time it keeps on changing its goals, policies and procedures which modifies its corporate identity. Also it changes the culture of the organization, which becomes that of suspicion, confusion and anxiety. People are not clear about what is expected out of them in the ever-evolving world. Employee
engagement dips because the employee is confused and more concerned about his/her survival than giving his/her best for the organization. Employer branding can be used as a shield to minimize the effect of VUCA on the organization.
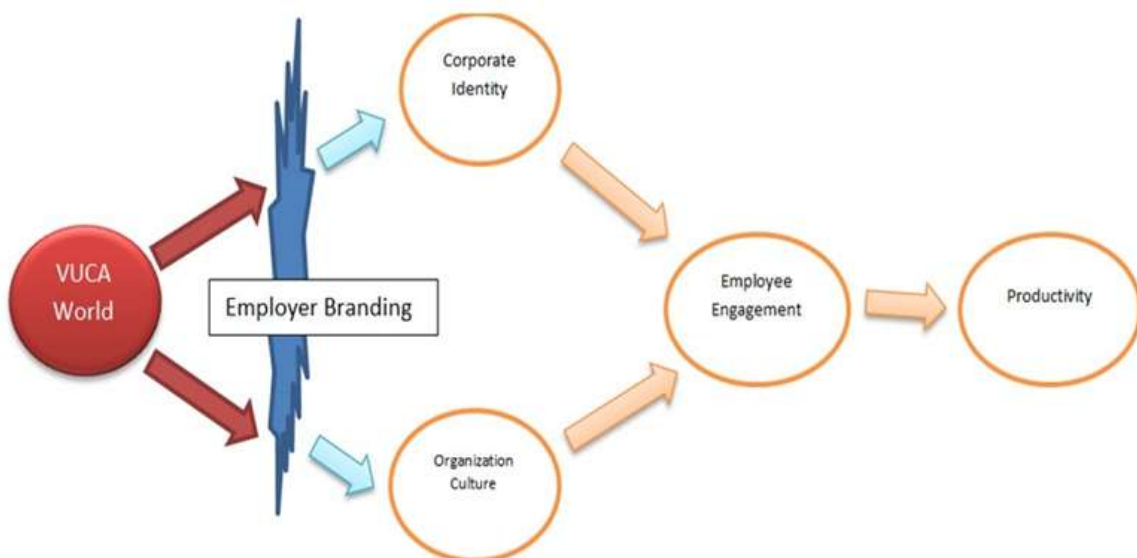
Employer branding can create a stable and positive corporate identity which puts an optimistic impact on the employees. This positive image can also reduce the negative effects of unstable environment. Employer

branding also affects the organizational culture in a big way. Employer brand by means of merchandise, décor of office, policies, communication methods etc. can go a long way in creating and modifying the culture of any organization. The modified culture emphasizes more on transparency, organizational vision, mission, goals, policies and procedures. It promotes inclusion, better performance and alignment of personal goals to that of the organization. Thus, it keeps the employee away from the culture of suspicion, backstabbing and survival. A better identity and supportive culture improve engagement of employees in the organization and in turn the productivity. Therefore, employer branding can act as a significant tool in not only building the external and internal brand of the organization but also improve employee engagement and productivity.

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