

# A Study on the Significance of Employee-Centric Strategies at Workplace

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**Abstract:** The purpose of this paper is to study the significance of employee-centric strategies at workplace. Factors like Employee Engagement, Employee Empowerment and Employee Enablement at workplaces are analyzed and their outcomes on an organization, its employees and its customers are studied. Employee-centric strategies through higher job satisfaction, improved productivity and efficiency are shown to have positive outcomes. The case study of the Rourkela Steel plant in which employee-centric strategies were adopted is further portrays how employing these strategies have the potential to increase an organization's profitability. It is thus concluded that employee-centric strategies are beneficial to employee, customers and the organization alike because of its focus on people as the greatest resource of the organization.

**Keywords** — *employee-centric strategies, employee empowerment, employee enablement, employee engagement, organizational development, organizational growth*

## I. INTRODUCTION

Employees play a major and significant role in the functioning of an organization. From acting as a link between the CEO and top-level management and customers to fueling every accomplishment and success of the organization through their talent, passion and commitment, their contributions to an organization are invaluable. The adoption of strategies that focus on an organization's employees, i.e., employee-centric strategies, is thus not surprising since it is the employees who offer competitive advantage and distinctive edge to an organization over other closely competing companies in today's VUCA (Volatile, Uncertain, Complex, Ambiguous) World.

Employee-centric strategies, as mentioned above, are strategies that are oriented towards the professional as well as personal needs and interests of employees, their working environment as well as less tangible variables in a way that they re-enforce the idea of employees being an organization's best assets. These strategies honor an organization's employees and provides an environment that is supportive and warm which is reflected in the terms of rewards in the organization's value system. Employees are considered to be individuals who learn, reflect and take prudent, pertinent and important decisions for the organization on a daily basis instead of being seen as just instrumental parts of carrying out tasks.[3] Employee-centricity is a concept that is transformational, and to completely understand and appreciate the true sense of its meaning, a detailed research is required along with a study of its significance to an organization.

Evolution of employee-centricity as a concept: Organizational approach towards employees and their management has evolved over the years from the time when employees "were acquired like a sandpaper, that would be

put back on the street, when it was no longer required." The initial dominant theories offered reclusive and subordinate positions to employees. On the contrary, classical management theorists adopt an approach that has an employee-centric vision. It maintains that the identification of employees as integral parts of success of the organization encourages their commitment, willingness and motivation at work instead of focusing on employees only for social aspects in organizations, as maintained by approach of human resources. Although, organizations couldn't be considered employee-centric only because they saw nurturing human talent as a source of competitive advantage. Rather, organizations initially started with focusing on employee satisfaction for better customer service and eventually employee engagement and employee-centricity. It is now that the relevance of the concept of employee-centricity is being realized in its true sense. Organizations now focus on developing loyalty and passion among employees who are treated as the internal customers of the organization.[2]

The question of who to focus on as an organization- the customer or the employees arises here since the value of an organization's customers cannot be undermined. It is the customers and their experiences that drive success and growth of an organization. Customer-centricity refers to focusing on the customer needs and wants and putting them at the heart of every business decision. But a crucial requirement for taking care of an organization's customers is supporting employees internally. The two concepts of employee-centricity and customer-centricity are not exclusive and it is only when the employees' requirements are catered to and their potential optimized that they can serve customers in the best possible way. Thus, to achieve the goal of customer-centricity, it is inevitable for the company or organization to be employee-centric.

## OBJECTIVES OF THE STUDY:

- To study the various employee-centric strategies that can be adopted in an organization
- To study the outcomes of employee-centric strategies with respect to employees and customers
- To study the impact of adopting employee-centric strategies in workplaces on an organization

## HYPOTHESIS:

1. H0- Adopting employee-centric strategies does not have a positive impact on organizations
2. H1- Adopting employee-centric strategies has a positive impact on organizations.

**RESEARCH PROBLEM:** During the course of research, it was realized that the magnitude of research on employee-centric strategies as a holistic concept is quite limited. This research aims to bridge that gap and provide a comprehensive research on the subject.

## Review of Literature:

1. Walter R. Nord et al (2009) in “Increasing Corporate Social Responsibility Through an Employee-centered Approach” mentions the importance of the top-down approach in an organization since a lot of change can be driven through employee-involvement. It is also mentioned that traditional styles of management restrict the proper improvement of CSR initiatives unlike employee-involvement.
2. Jan Hoogervorst (2016) in “The imperative for employee-centric organizing and its significance for enterprise engineering” talks about the Law of Requisite Variety that states that “part of the system with the greatest flexibility of behavior will control the system.” and applies it to the context of employee-centricity. It then talks about employee involvement and government and operational competence and finally about enterprises theories and their ontological implications.
3. Samuel Bonsu (2020) in “Creating an employee-centric culture in organizations” talks about giving equal importance to customers and employees of an organization equal importance for reducing employee-turnover rates, improving trust in the organization and the implications of these for organizations. Various examples of employee-centric strategies are then mentioned in the paper.
4. Sahil Ramchandani et al (2020) in “Employee-centric Organizations: A conceptual framework with drivers and consequences” identify the importance of employee enablement for employee-centricity of an organization and then mentions the factors responsible for attaining employee enablement.

5. Solomon Markos et al (2010) in “Employee Engagement: The Key to Improving Performance” focus on the concept of employee engagement and mentions its evolution, its principal drivers and its implications on the performance of the organization. Various strategies for of employee engagement are then mentioned.
6. Linda Honold (1997) in “A review of the literature on employee empowerment” talks about the roots of the concept and the leader of a role in creating an employee empowering environment. The implications on personal lives of employees of employee empowerment are then mentioned along with the various employee empowering strategies.
7. J.A.P Hoogervorst et al (2005) in “Total quality management: The need for an employee-centered, coherent approach” mentions the incompatibility of Total Quality Management with traditional ways of management and argues for the adoption of a human-centric approach to achieve Total Quality Management.
8. Rohini Sharma et al (2013) in “Regenerating organizational strength the employee centric way” mainly talk about the various advantages of employee-centric strategies in an organization and then present the case study of an organization previously suffering from major financial losses that later achieved success through employee-centric approaches.

## II. EMPLOYEE-CENTRIC STRATEGIES

Employee-centric strategies can be divided into three broad categories: employee engagement, employee empowerment and employee enablement. These strategies function in harmony with one-another and play a major role in promoting an employee-centric culture in an organization that benefits the employee, the organization as well as its customers.[1]

**EMPLOYEE ENGAGEMENT:** Employee engagement is a concept that was laid on the foundation of employee commitment, job satisfaction and organizational citizenship behavior but is a much broader concept in the current times. It can be defined as “a positive attitude held by the employee towards the organization and its value and something which requires a two-way relationship between employer and employee. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization.” Employee Engagement strategies make employees experience meaningfulness at work, feel relevant and develop a sense of safety in the organization. A great enthusiasm for success of the organization is seen among employees that are highly engaged in their work along with high involvement and an emotional attachment to the organization. Employee engagement strategies are established in the following ways:

(a) Ensuring healthy and harmonious workplace relationships: These can be looked at in terms of supervisory relationships as well as the relationships between co-workers. Supportive and trustworthy supervisory relationships develop safety, improvement of an employee's creativity and increases readiness in investing oneself to the organization and its work. As per a 2017 report by Gallup, "59% of the employees supervised by highly engaged managers are prospectively engaged rather than those managed by actively disengaged managers." [9] Also, healthy and harmonious relationships between co-workers make employees feel that their work is meaningful and also gives individuals the feeling of relatedness that everyone seeks.

(b) Rewarding and recognizing individuals appropriately: According to Gallup, "only 51% of employees feel satisfied with their jobs and the top reasons why employees leave their jobs is that they don't feel appreciated." [10] The level of engagement levels among employees differs with how they perceive the benefits that are received by them from a real work. In the absence of appropriate rewards and recognition, employers may risk the employees experiencing exhaustion and burn-outs. A person's competence, work and efforts should thus be reflected in rewards which should be allocated with objectivity and fairness. Rewards may be in form of respect and support or providing a salary that is adequate or providing a promotion and ensuring job security.

(c) Organizational goals and objectives: An increase in the extent to which an employee identifies herself/himself/themself as a part of the organization is seen when there is an alignment of the direction that the organization is taking and the employee's view of the organization's direction, i.e., when employees are made fully informed of the organizational goals, objectives, decisions and future ambitions. Aligning employees' personal goals and objectives with that of the organization is also considered to be an important factor that significantly increases job satisfaction, reduced turnover intention, increased productivity and organizational commitment increasing the congruence between an employee and organization. A report by The Chartered Institute of Personnel Development based on a survey of 2000 of its employees identified the importance of being kept informed about what is going on in the organization.

A survey conducted in the Great Britain by the Institute of Employment Studies of 10,000 NHS employees stated that "the key driver of employee engagement is a sense of feeling valued and involved, which has the components such as involvement in decision making, the extent to which employees feel able to voice their ideas, the opportunities employees have to develop their jobs and the extent to which the organization is concerned for employees' health and well-being." [5]

**EMPLOYEE EMPOWERMENT:** The requirement of independence and autonomy by employees to reach a level

of self-actualization is established in the hierarchy of needs theory and these can be achieved through Employee Engagement. This concept translates into the extent to which employees are involved in decision-making of their and the organization's work and the extent till which they are informed. Employee empowerment, in general, can be defined as "the degree to which an individual can influence strategic, administrative or operating outcomes at work." or "the extent to which employees feel they are given problem-solving and decision-making authority to take responsibility for using the organization's resources to achieve results." and employee empowerment strategies thus improve an employee's perception of his/her/their control over their own work. High levels of employee empowerment also reduce stress among employees along with increasing job involvement, work motivation and other factors. It was found in a survey study of 393 managers of Fortune 500 companies that "Empowered employees feel that their organization provides them sociopolitical support, that they have greater access to information and resources than in traditional organizations, and that their work climate is participatory" [4] Employee empowerment strategies can be established in the following ways:

(a) Establishment of self-managing teams: Self-managed teams are one of the best considered way that promote employee empowerment. A sense of collective responsibility, co-operation and team work are promoted and a better knowledge about work is acquired by employees through these. There is, however, a need for every organization to decide the extent to which the use of these self-managed work teams that are autonomous are required through a careful examination.

(b) Reducing monotony in employee jobs: repetitive, highly-structured and routine jobs limit empowerment opportunities. A greater degree of creativity and self-determination are allowed by jobs that have job characteristics that are enriching, involve completion of tasks that are complex, include high task variety, high involvement and autonomy. These job characteristics have a positive correlation with empowerment, commitment, job satisfaction and encourage creativity and innovation.

(c) Establishing trust in the organization: Trust is a very crucial element of an organization. It is an essential element for enhancing effectiveness in an organization and the well-being of members of the organization. It is only trust that employees rely on when they believe that someone will follow through what he/she/they have said. It encourages highly valuing cooperation and tolerance, support for each other among employees and a strong sense of shared purpose. A 2009 study by Interaction Associates found that "high-trust organizations also had more effective leadership and better collaboration at all levels of the organization. The study revealed that in addition to superior earnings as compared to low-trust organizations, high-trust organizations excelled (as compared to their low-trust peers) at exhibiting organizational behavior consistent with their



values and ethics (85 percent vs. 46 percent); at retaining employees (80 percent vs. 42 percent); and at attracting, deploying and developing talent (76 percent vs. 24 percent).” [8]

(d) **Effective Communication:** The facilitation of empowerment, broader work participation and decentralization of decision making requires the essential condition of communication of information since without the appropriate knowledge on a topic or with partial information, employees end up acting irresponsibly even if they don't want to. Alienation, work-life conflicts, stress and uncertainty are increased due to lack of information which mainly stems from the reluctance of top-level managers in sharing crucial information. Monitoring progress, an addressal of needs, employee participation and empowerment among others are promoted through communication of information.

**EMPLOYEE ENABLEMENT:** Employee enablement refers to the provision of necessary supplies, equipment that is well-functioning, a clear direction from supervisors and work processes that are effective, at the least, by an organization to its employees that assist the completing of the job of an employee. Provisions like a clarity of procedures and policies, a work environment that is collaborative in nature and financial resources must also be provided. Employee enablement strategies relate to “the extent to which employees feel they are provided with what they need to do their jobs well and are provided with an environment in which they feel comfortable to perform to the best they can be”. [1]

(a) **Establishing a work environment that is supportive to employees:** The work environment should be supportive to employees professionally as well as personally. Professionally, a safe and healthy working environment for employees must be ensured along with the one which makes employees' ability of overcoming obstacles easier because of optimal working conditions. Performance and productivity must be supported by the local environment of an organization to ensure employee enablement. Also, a working environment in which employees are encouraged to voice their concerns, constructive feedback is provided to employees and one in which concern and support is displayed for the feelings and needs of employees must be fostered to promote enhancement of new skills among employees.

(b) **Ensuring appropriate accessibility of resources to employees:** There is an increasing body of evidence of staff/employees resigning or giving up their job in an organization if the infrastructure and systems provided to them are outdated and feel that the technical capability provided by their employer is lesser as compared to the capability they have in their personal lives. Work supply and equipment sufficiency is therefore of utmost importance. Workers should be made to feel that while they are asked to do hard-work, they are also being provided with technology

that is up-to-date, appropriate infrastructure, equipment, tools and supplies which facilitate smart work.

(c) **Providing employees with development and training opportunities:** An employee's career path ladder must be given the attention that is due for well-timed growth opportunities through proper development and training to ensure presence of skill, knowledge, abilities and other characteristics among employees which are also required in effective dealing with customers and smooth functioning of essential tasks. These opportunities empower and enable employees to take up roles that offer higher authority and require more responsibility of an organization in the future.

(d) **Ensuring apt work processes and structure:** Work processes refer to the processes that create internal value in an organization and work structure is the “organization of work, the work-situations and the conditions of labor in such a way that, while maintaining or improving efficiency, job content accords as closely as possible with the capacities and ambitions of the individual employee.” [8] These increase an employee's perception of the amount of work their organization is putting in for promoting their success.

### III. OUTCOMES OF EMPLOYING THESE STRATEGIES:

**WITH RESPECT TO EMPLOYEES:** The impacts and outcomes of adopting employee-centric strategies at a workplace can be looked at through two perspectives: the perspective of the personal impact on an employee and the perspective of the professional impact on the employee.

As mentioned previously, employing employee-centric strategies have a very significant positive impact on an employee. Such strategies increase job satisfaction and enthusiasm at work, and improve creativity among employees. These strategies increase an employee's perception of the amount of control/autonomy and independence they have at work and also the extent of amount their organization does to promote their success. Employees feel supported, respected and relevant and there are improvements in their creativity as well as productivity. All of these factors boost an employee's morale and their willingness to work and significantly increases how much they enjoy working.

Professionally, these strategies have the following impacts on employees:

(a) **Increased willingness to Stay:** Intention to stay is the “tendency of employees to remain with their current organization.” which is significantly increased through employee-centric strategies. Employee passion towards the organization is strived for through these strategies which leads to reduction in turnover intentions of employees. Employee turnover rates are seen to be 40% lower in organizations that have high employee engagement levels. Voluntary turnover is seen to be reduced by 54% in organizations with high employee engagement as well as

enablement. Employee empowerment also leads to a decrease in turnover.

(b) Better Task completion: employees benefit in terms of their task and job performance when they are subjected to employee-centric strategies. Performance expectations are likely to be outdone by 10% by employees that are engaged highly towards their job. Also, these expectations are likely to be outdone by 50% when employee enablement strategies are employed along with employee engagement strategies.

#### **WITH RESPECT TO CUSTOMERS:**

(a) Increased loyalty for organization among customers: Employees who work in an organization with employee-centric strategies assist customers of the organization better. Employees, because of employee empowerment and enablement, have the control, power and the required tools that are required in providing better customer services and helping them with their problems. They do not have to rely on a superior to handle problems which may take up precious time of the customers. The efficient catering of customers' needs by employees improves cultivates customer loyalty towards the organization.

(b) Customer Satisfaction: As mentioned above, performance of employees is boosted through high levels of employee enablement and empowerment along with high employee engagement i.e., through employee-centric strategies that further enhances the quality of services provided to the customers. Also, employee experience is invested in and retaining, hiring and empowering of the best talent is ensured through employee-centric strategies. These factors lead to increased and improved satisfaction levels among customers that are served by the organization.

**WITH RESPECT TO THE ORGANIZATION:** Studies suggest that organizational outcomes like overall productivity, employee retention, customer safety and loyalty, efficiency and profitability have a positive relationship with adoption of employee-centric strategies in organizations. It is also indicated by massive data that organizations with these strategies in place economically outperform organizations that don't employ these strategies since increased degrees of engagement, empowerment and enablement increase an employer's likelihood of exceeding industry average in revenue growth. Employee-centric strategies also reduce employee turnover rates in organizations and improve employer brand attractiveness along with corporate brand reputation.

## **V. IMPACT OF ADOPTING EMPLOYEE-CENTRIC STRATEGIES IN WORKPLACES ON AN ORGANIZATION:**

To further analyze the impact of adopting employee-centric strategies in workplaces on organizations, the case of Rourkela Steel Plant (RSP) can be studied.

### **THE ROURKELA STEEL PLANT CASE-STUDY:**

The Rourkela Steel Plant (RSP) is the only plant owned by The Steel Authority of India Limited's (SAIL's) in which tin

plates, high quality pipes and silicon steel are produced for the packaging industry, gas and oil sector and power sector respectively. It was set up with German collaboration on February 3, 1959.

New units of modern and futuristic facilities were installed in the plant when it was modernized in the middle of 1990s and cost reduction, securement of an environment that was cleaner and improvement in product quality were ensured through revamping of the older units. The capitalization of all modern equipment and facilities was completed by 1998. The period of post-modernized plant is focused on in this case study when the plant was facing dire straits for several years i.e., the period from 2001-2003.

The plant, in 2001, repeatedly faced losses owing to problems like 20-25 percent drop in net sales realizations, stagnation in the consumption of steel, overcapacity, export restrictions of the world as well as the Indian market along with depreciations from massive investing in the above-mentioned modernization program and substantial payments because of various policies and rise in vital input costs. Low-capacity utilization was stated to be a leading concern in the whole plant as a unit. The very existence of the plant was in question.

After the replacement of the CEO in May 2001, a three-pronged strategy were designed that aimed at for the growth and survival of the organization to promote its development. The basic objectives of the strategy included decreasing everyday-expenses, optimally reducing waste, optimizing volume of production and keeping hold of the market share by the means of improved quality and to fulfill and achieve these objectives, the "Regenerating Strength with People" program was introduced. Under this program, employees were considered the "most powerful force in moving an organization forward." It focused on focusing its employees' strength towards employee pride and motivation, improving the communication system, encouraging a sense of ownership among employees and shared leadership with simultaneous positive evolution of organizational image, increasing gross margin and also net sales realization etc. Through apt methods of communication and bringing about the feeling of organizational citizenship behavior, the program encouraged the people of the organization to work together as a family. The program encouraged the people of the organization to work together as a family. Workshops for concern-sharing, internal customer-supplier and specific issue focus participative workshops, employee-driven reforms, leadership building workshops etc., basically all strategies that were focused on the organizations and employees' mutual development were organized under this program.

As a result of the above initiatives, the profit and loss statements of the organization significantly improved from the years 1995-2000 to the implementation of the programs. "The program helped to improve the micro environment of

RSP. A favorable macro environment further aided the organization to become “Pride of India” – RSP as one of the major producers of steel in India with optimum capacity utilization and value addition.” Additionally, all modernized units started operating at 100 percent or more capacity utilization. These initiatives could be said to have brought a renaissance of the organization. [4]

#### IV. CONCLUSION

The above study highlights the importance and benefits of adopting employee-centric strategies in an organization. Some of the main elements of employee-centric strategies include employee engagement, employee empowerment and employee enablement. It is these three crucial elements that promote a healthy culture at a workplace that make it more likely for an employee to have a positive working experience in an organization. Employees feel respected as well as supported in these situations and in turn give back to the organization through their increased productivity and job satisfaction. They are able to serve customers of the organizations better with the increased control and empowerment that employees are provided with through employee-centric strategies. The organization too benefits from adopting these strategies through increased employee efficiency, productivity and profitability as can be seen through the case study of Rourkela Steel Plant. The study highlights how the steel plant, after investing heavily in new units and modernization repeatedly faced losses in the consequent years and was on the brink of shutting down permanently. The steel plant was however revived through the implementation of the “Regenerating Strength with People” program that aimed on focusing its employees’ strength towards employee pride and motivation, improving the communication system and encouraging a sense of ownership among employees among other objectives. A significant increase in the steel plant’s profits was seen in the years following the adoption of these strategies that were employee-centric in nature. The Rourkela Steel Plant eventually went on to become the “Pride of India” in the consequent years. It can thus be concluded that employee-centric strategies significantly and mutually benefit an organization and its employees along with its customers alike. It is thus included that employee-centric strategies are significant for positive outcomes at a workplace and thus H1 is accepted. Employees should be considered and treated as an important part of the organization and their professional as well as personal goals should be respected by an organization for mutual benefit. Effective grievance redressal mechanisms and regular feedbacks should also be incorporated by the leaders in an organization to further improve the degree of employee-centricity of its employees.

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