



TenStep Supplemental Paper

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The Changing Equation

Organizations now ally their interests and objectives with market determinants and shareholders. Top management makes vital corporate decisions in concurrence with their other stakeholders, leaving the employees as second rung opinion makers. HR executives opine that this has led to large scale resentment and attrition among the middle and lower rung executives. Does this mark the beginning of a negative trend in HR policies in leading organizations?

No! Though experts feel that the churn at the top level management is harmful to the organization's leadership development processes, some feel that such a twist at the top level offers plenty of growth opportunities for the middle and lower rung executives. It will infuse fresh ideas and rich talent.

Does this ensure an encouraging career path for all the employees? Not really. On the contrary, there is a growing incidence of middle and lower rung employees being asked to quit, either voluntarily or through force in the form of employee redundancy programs. Organizations are introducing attractive voluntary departure/retirement packages (VRS) than ever before to entice the average and below average employees to quit. The objective is obvious –drastic cost cutting to enhance commercial and share values.

Where does this leave the employee in the cauldron of uncertainty? What is the new indicator of employee satisfaction in the context of corporate image? Does organizational performance still stem from employee satisfaction? Before becoming judgmental, let us consider the case of Company X. Company X was considered the dream employer at the height of its business success. However, things turned sour on the business performance front, and the dive followed a decline in the global economy and a slide in the fortunes of the software industry. Soon, the much touted employee satisfaction at the company gave way to employee dissatisfaction syndrome and a sudden spurt in attrition rates. What made such a revered employer gain a top ranking one year and fall out of favor from the minds of employees within a year? Obviously, it was the company's slackening business fortunes.

The cue to a winning relationship

Employee satisfaction is the outcome of business performance, not vice versa. In other words, employees are satisfied only as long as the organization performs well. The moment business fortunes slacken, employer-employee relations sour. Collective performance and business growth alone can help organizations nurture and retain the best talent more than the tag of employer rankings or awards for best management.