

Assertive Leadership and Employee Engagement And its Impact on Retention

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Abstract -

The organization world over are going through various changes and challenges. One of the major uphill task in front of organizations is to retain best talents as well as to keep them motivated enough to give their best performance. . it is said that people join the company but leave the boss. The author has tried to research the role of leadership and impact of engagement on the retention of the employees. The author have focused on the ' Assertive leadership' role in engaging and retaining the employees. The research is focusing on the problem across the industries and is based on the secondary data. In the current unstable economy where organizations are becoming more complex and the competitive landscape to retain the talents is becoming more threatening;' Assertive leadership' model is stressing on the leadership style where the leader is loving , mentoring and nurturing the employees but at the same time he or she is not so weak to be dominated by the employees , norms or culture.

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Introduction - Googling the word “leadership “generates 439 million search results. Leadership is undoubtedly the most talked about, referenced, researched or analyzed subject, whether within or outside management literature many people today are seeking to understand and many people are writing about the concept of practices of leadership. There are many reasons for the popularity of the topic, including that organizations are faced with changes like never before. The concept of leadership is relevant to any aspect of ensuring effectiveness in organizations and in managing change. Leadership is not only used to motivate employees for better performance, to adopt new behaviours, values and attitudes (Daft and Marcic, 2001.) But now days it is one of the most important tool against the war of talent.

As the slowdown of economies world over has impacted the organizations, retaining best players will be difficult and it is becoming a leader’s top priority. Money is not the answer: money is only one driver in terms of retention. Employee engagement on the other hand is multi dimensional and companies need to weigh compensation, work life balance, professional development programmes and other factors which contribute to job satisfaction. A study conducted by Mckinsey and company in 1997, dubbed as the ‘war for talent ‘predicted that the most important corporate resource over the next 20 years would be talent: smart, sophisticated business people. Subsequent surveys in 2006 and 2007 further reaffirmed the trend and revealed that finding and retaining talented people was the single most important managerial preoccupation

Organizations are also recognizing the fact that it is also about attracting and retaining the ‘right people’. Employees are an asset only when their work values are in alignment with

organizational purpose and when they are emotionally and intellectually engaged with organizational objectives

Engagement is a deep and broad connection that employees have with a company, resulting in a willingness to go above and beyond what's expected of them to help their company succeed

.ⁱEngagement is a relevant metric, as it correlates highly to performance. We hear a lot about the engagement today, for good reason. According to the right management, 84 % of the (disengaged) workforce is considering looking for a new job. ISR research reports that high engagement companies declined 32.7% over 12 months. What kind of engagement an employee is going to have depends on the leader and leadership style.

Research Methodology

The research is based on the secondary data available in various Business magazines, journals related to leadership. After intensive and extensive reading author has drawn some relation with the leadership and employee engagement which has a bearing on employee attrition.

Review of literature

[Atwater, Leanne e.](#) have examined the extent to which changes in leader behavior is related to changes in employee attitudes. The results indicated that improved subordinate ratings of the leader on consideration, performance orientation, and employee development related to increased subordinate engagement and satisfaction as well as reduced intentions to leave. This study demonstrates that improved leader behavior following 360-degree feedback is related to improved employee attitudes. **Julie Gebauer and Don Lowman writes in Engagement Gap that** most leaders have yet to harness the power of engagement, failing to achieve the

performance lift that a fully engaged workforce can deliver. While most people regularly say they want to give more to their companies , only a fifth of the global workforce in our recent study is currently fully engaged .----- Engagement is a deep and broad connection that employees have with a company , resulting in a willingness to go above and beyond what's expected of them to help their company succeed .

Harsh Dwivedi and Smita Choudhary says that leadership style is the pattern of behaviours engaged in by the leader when dealing with employees. Dr Bannerjee and Sujaya says the flip side of a high growth economy is that leadership positions have become easily available to anyone who is half prepared for the job -----someone who can lead the business for now risking the organizations culture, talent development and retention expecting support functions like HR to take on an unfair load of leadership responsibility Gary Hamel quips as a student of management, he is depressed that so many people find work depressing (only 20 % of employees are engaged in their work heart and soul. P. Premlatha has examined factors impacting voluntary turnover such as job satisfaction, organizational commitment, job involvement and individual's performance are identified as independent variables; alternate employment opportunities as moderating variable; and behavioral intentions to quit as intermediate linkage in impacting voluntary. She has presented a conceptual framework of voluntary turnover by identifying and examining the relationship among the major determinants, moderating factor and intermediate linkage

Sheridan & Vrendenburgh, 1978; Ribelin, 2003; Eisenberger, Stinglhamber, Vandenberghe, Sucharski, Ivan & Rhoades, 2002; Rhoades, L., Eisenberger, R., & Armeli, S. (2001) are of the opinion that leadership and relationships play a key role in organizational success. Recent

research on the association between employee satisfaction and job performance suggests that the single most important contributor to the feelings of employee engagement, empowerment and satisfaction is based on the relationship they have with the leaders of the organization.

Joe Folkman says however those leaders who focus on their own leadership effectiveness can actually boost employee satisfaction and commitment. In the word of Wellin and Jim (2005), engagement means – passion , commitment , extra efforts . Welborne defined engagement in terms of ‘ what people do at work , and is about getting rid of things that block productivity .’ Robinson and et.al. (2004) defined engagement as a ‘positive attitude held by employee toward organizational values , and is aware of business context ; work with colleagues to improve the business performance for the benefits o organization . dereck stockley defined engagement as the extent that an employee belives in mission , purposes and values of an organization ; ; they demonstrate commitment . The above definitive explanations clarifies the employee engagement has a link with the employees individual attitude and behavior and ultimately with the business performance.

Factors affecting Engagement	Inclusiveness at workplace
Leadership	Immediate management
Empowerment	Senior management's interest in employee's well being
Image	Clear vision from senior management
Career Development	Fair treatment

The popular researches on engagement classified the above factors under the two subheads that is workplace environment and workplace climate. Workplace environment incorporate soft and hard factors relating to work environment of an organization, they are people, work values, opportunities, process and procedures, quality of life, total rewards.

WPI denotes how immediate management and subordinate used create a climate for mutual inclusion for common work. These include

- **Employee's Feeling Factors** – Fairness and trust; Treatment and respect; employees feeling of expressing views at work.
- **Supervisor or Immediate Management** – information sharing behavior; invitation of diverse opinion ; encouragement to use the unique talents ; openness to new ideas and talents ; utilization of talents , management delight in best use of talents .

Ishak.N.A. (2005) in his work mentioned that the components of workplace climate and environment, especially, superior subordinate relationship in the workplace promotes organizational citizenship behavior and employees' innovativeness.

Objective of study

- To know the impact of leadership style on employee engagement.
- To know the relationship between employee attrition and Leadership.

Hypothesis

- There is a relationship between leadership style and employee engagement.
- There is relation between leadership style and attrition .

The Role of leadership and Employee Attrition

Today's corporate sector is highly competitive and more powerful than it was a few decades ago. Organizations are highly dependent on their employees for sustainable competitive advantage. Aon Consulting reported in a recent research study of about 1,800 workers that employee commitment is declining in every industry, age group, and income group. Following the global economic meltdown of 2008 and 2009, despite layoffs and increasing unemployment rates, companies in the booming sectors have continued for the talent search. The Gallup organization also recently reported evidence of declining employee engagement in a major survey that found only 26 percent of employees consider themselves "actively engaged" in their work. A change in the psychological contract with employees over the last few years has contributed to a set of critical paradigms shifts about careering. The Gallup organization also recently reported evidence of declining employee engagement in a major survey that found only 26 percent of employees consider themselves "actively engaged" in their work. A change in the psychological contract with employees over the last few years has contributed to a set of critical paradigms shifts about careering. High attrition leads to low customer satisfaction and lower customer retention.

Companies specially in booming sectors have grown exponentially. For example Wipro and Infosys have grown from 5400 employees in 2000 to 131000 employees in 2011. While the global economy has begun to show signs of improvement, companies are facing a huge challenge of retaining talent and arresting attrition. Right from the blue-collar workers to senior level executives from banking, IT and other sectors, all are today moving out from their organizations in search of 'greener pastures' leaving the companies in a lurch.

Today's "IPOD generation" employees have typically experienced mergers, acquisitions, bankruptcy, extensive downsizing and failures resulting in a focus on continuous relearning, development and work/family balance. Perceptions of stress at work are quite high.

Now organizations leadership has to undergo a series of change to meet the challenges brought about by these growth and importance of manpower. They can no longer be mechanistic. New mindsets and leadership competencies are required to lead, manage, implement and accept changes. Thus the demands for new leadership competencies are the need of the hour. One of the main hurdles which Mahindra Satyam faces today is its fading popularity as an employer. And whenever the business picks up, the company may lose its employees to rival companies who are engaged in acquiring talent from the industry.

So on the one hand Indian corporate has not had the luxury of time to develop the building blocks of effective leadership inside their organization and are on the other hand susceptible to the talent dynamics in the macro environment.

It is a fact that, retention of key employees is critical to the long-term health and success of any organization. The performance of employees is often linked directly to quality work, customer satisfaction, and increased product sales and even to the image of a company. Whereas the same is often indirectly linked to, satisfied colleagues and reporting staff, effective succession planning and deeply embedded organizational knowledge and learning.

A recent meta-analysis of over 7,939 business units in 38 companies explored the relationship at the business-unit level between employee satisfaction-engagement and the business-unit outcomes of customer satisfaction, productivity, profit, employee turnover, and accidents (Harter & Schmidt, 2002). Generalizable relationships, large enough to have substantial practical value,

were found between unit-level employee satisfaction-engagement and these business-unit outcomes suggesting that management practices that affect satisfaction can have bottom line results on productivity and profit.

Poor leadership is responsible for up to 30% of the reasons why people leave their organizations. Poor leadership negatively impacts employee satisfaction, which in turn negatively impacts customer satisfaction and retention. Research published in Harvard Business Review calculated that every 5 point change in employee satisfaction scores caused a 1.3 point change in customer satisfaction scores. Poor leadership leads to poor employee productivity. Research from Blanchard shows that direct report productivity can be improved 5-12% through better management practices.

Leadership Role in Engaging the Employees

How can leaders create a culture that will attract, engage and retain high performers?

Leaders may not be able to avoid layoffs entirely, but they can take a far more analytic and measured approach to downsizing and cultivate a keen awareness of the likely consequences. Rather than making fiscally based, short term decisions, they must consider the unique, longer term competencies that high performers bring to the table. In times of economic trouble, we see layoffs, furloughs, pay cuts, and budget reduction. Morale is often low among employees, who retain their jobs. Productivity suffers, as well as, employee satisfaction. However those leaders who focus on their own leadership effectiveness can actually boost employee satisfaction and commitment. (Joe Folkman, 2011). The quickest, most reliable way of increasing employee satisfaction and commitment is to provide them with more effective managers and leaders.

¹High engagement and satisfaction starts at the top. A key engagement driver is the actions of senior leaders. Leaders must demonstrate support for an engaged culture by living the company values. (Bob Kelleher; leadership Excellence, Oct 2011).

Assertive Leadership

Leader who are have are concerned about the employees well being but at the same time are equally concerned about organization's and their individual growth . They are dynamic, and growth oriented but they are people centric.

Create a motivational culture

Leaders can't motivate employees' long term. They must create motivational cultures Leaders need to understand the different intrinsic motivational drivers of their employees. Engagement is at the forefront of most strategic plans. Leaders know that disengagement causes lower productivity, increased turnover and deteriorating morale. Since engagement previously focused more on employees than on the leaders, efforts focused on providing more recognitionⁱⁱ**First, be aware of a hard to hear truth: as a leader, you are likely the cause of employee disengagement. If you are disengaged, or not as engaged as you could be, a game of the follow the leader ensues. As the leader, you need to change this dynamic. Its much easier to change your habits (and level of engagement) than to get others to change. In fact this is prerequisite before others will take your lead and change.** Fully engaged leaders are engaged

in their roles, goals and tasks and have more energy available to engage. Fully engaged leaders bring out greatness in themselves and those around them. They bring out their greatness because they integrate all that they uniquely are into all that they do. The principles, actions and individual are one in the same. This inspires employees to bring more of their own capacity into what they do and how they do it. Sustainable positive engagement that is internally driven works for employees and for leaders .Even with little modifications in your leadership style you can succeed at engaging people.

Nurturer And disciplinarian

Though the business might be the province of engineers and economists rather than artists and theologians the customers, investors, taxpayers and policy makers everybody has a soul which responds to love more willingly than fear. The time has changed and is changing continuously and now. John Mackey, co founder of Whole Foods Markets once remarked that he wanted to build a company based on love instead of fear; because love brings trust, generosity and forbearance. Flaunting your power doesn't improve the situation. Being nasty or instilling fear is disrespectful and hurtful .Ethically intelligent criticism seeks to bring out the best in others. It is given with an eye toward improving the other person, for that person's sake and for the sake of others. At the same time discipline has to be inculcated strongly in the organization through reinforcement by the leader behaviour .

Employee as Family

Personally I have witnessed an organization whose leadership treated their employees as their family they even called their organization as “Parivar” and I have seen great loyalty of the

employees towards the organization. Treating employees as family means enjoying, celebrating as well as helping, counseling and also grieving in their sorrows as we grieve with our family members. **A key engagement driver is empathy. You will get more discretionary effort when employees think you care about them as people.**

Build High Trust

Trust in our leaders, organizations and culture is on the decline. Only about half of employees trust senior management, and only 28 % believe CEOs are a credible source of information. Individuals and organizations that have earned and operate with high trust experience a dividend that is like a performance multiplier, enabling them to succeed in their communications, interactions and decisions. High trust companies outperform low trust companies by nearly 300 %.²If your best employees no longer trust you , based on what happened to high performing peers , they won't reciprocate with their innovation or loyalty when the market improves .It is much easier to reopen a plant or division than restore employee's trust in leadership . Leaders must step up and make a commitment in return for commitment.

Relatedness

Although work is often seen as economic transaction, in which people exchange labour financial compensation, the brain experiences the workplace first and foremost as a social system.

People who feel betrayed or unrecognized at work – for example , when they are reprimanded , given a petty assignment , or told to take a pay cut – experience it as a neural impulse , as

² Talent Management ; by Amy M . Bladen ; leadership Excellence ; may 2010

powerful and painful as a blow to the head . Though they control their emotions they also control their contributions and involvement in the organizations only because of the social context.

Leaders who understand this can create collaborative teams, culture. Indeed this leadership quality will create everlasting relation which can command respect even after the employee has left the organizations. ³Employees join great companies but quit bad managers. The key driver of engagement is the relationship with the managers

Diversity Management

Companies are facing a gender crisis with more women from mid and top level positions quitting to focus on family or to pursue a career that has less working hours and lesser time-zone. Some organizations are also facing challenges to retain women employees at mid and senior levels, as they get tied down to domestic responsibilities.

Value and Ethics

They have to create a respected organization .Respected organizations are often marked by the depth of esteem in which the community holds them. Because the community embraces the company, it produces a deep sense of pride in the employees. Infosys commands tremendous respected identity in business community just because it's ethical and value based leadership. Authentic Leadership has optimal self esteem and they objectively accept their strengths and weaknesses. They present their true selves to others in a trusting and open manner and encourage them to do the same.

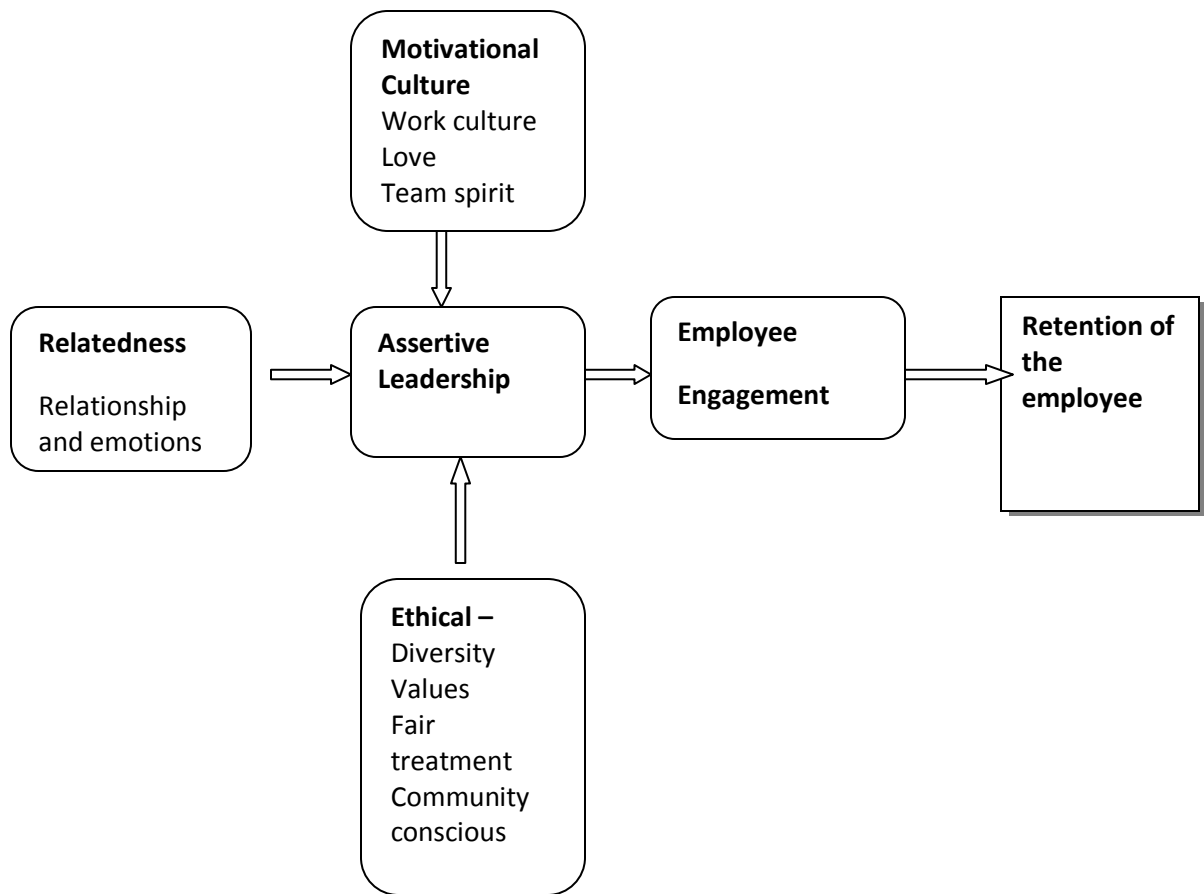
³ Employee engagement ; Bob Kelleher ,Leadership Excellence , October 2011

Authentic Leadership is theorized to impact work engagement of followers in the sense of increasing their involvement, satisfaction and enthusiasm for work , however , the work engagement literature distinguishes involvement and satisfaction from engagement .

Boost your leadership capacity and engagement. Here are six starting points.

1. Develop an acute level of self awareness: The way you react to circumstances. How stressful and positive you are in challenging situations.
2. How your beliefs, values and purpose is evident in y our conversations, relationships and decision making and other aspects of leadership role.
3. Observe and become of others .
4. Ask and listen.
5. Point out others' greatness.

Analysis – As the researcher progressed in the research an ‘Assertive Leadership’ model evolved where the factors are defining an assertive leadership style , a style which is not fearful of loving its employees but also disciplining and reprimanding them when needed .There is definitely an impact of leadership on the employee engagement and also it proves that there is a relation between leadership style and attrition. Because all the articles were related either with leadership or employee engagement, talent management and attrition problem and they all were implicating towards leadership styles impact with employee engagement or attrition. There is further scope of primary research.



Conclusion:-In today's time finally, "Assertive Leadership " appears to be one key contributor to the development of a psychologically healthy workplace. Leaders can directly influence morale, satisfaction and perceptions of stress which engages employees in happy manner and stops him or her in leaving the organization.

Leader's role becomes that of sharing strong vision and making his or her organization believe in his or her vision , and at the same time taking care of their employees' personal and professional problems as their mentor and simultaneously providing enough space and power so that they could fly on their own and in the subsequent process nurture leadership in them .If a leadership nurtures this relation with its employees then people will be retained by themselves as the proverb says people don't leave jobs they leave their boss.

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