Chapters 3 and 4 Outlines

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**Chapter 3**

* Organizations have to respond quickly to the changes in business and market demands. The old human resource models are not adequate for the changed environment and talent has become the key strategic factor for organizations to compete in the global world. The major challenge is to align the talent that is much diverse and has many different skill sets.
	+ The old method of forecasting the human resource requirements for organization has not been appropriate in the new era. There have been a large number of employees which may result in layoffs and terminations but these organizations do not have appropriate talents in the human resource to work with. There are a large number of baby boomers retiring which may result in a deficiency of knowledge with the organization. Organizations cannot make such long-term forecasts because there are fast changes in the tastes and preferences of customers. This has also affected the ability of companies to predict talent required for meeting customer’s needs. Demographic trends have been easier to predict and organizations are using them to make forecasts. Today organizations face shortage of skills and not a shortage of workers.
	+ Most of the management structures have been built with an aim of efficiency but this is not applicable in the changing world of the 21st century. There has been an increasing trend towards the knowledge and technology intensive economies. Today, companies have to be innovative so that they can compete in a changing world. The major concern of organizations will be to find talent that will be able to convert huge amount of data into meaningful knowledge. The business world will be dominated by people who can take out the right information at the right time. Both human and social capitals are equally important in defining the success of organizations. A culture of innovation should be put in place by allowing innovation and risk taking.
	+ There has been continuous pressure on the resources due to increasing population and increased demand. There has been a need for organizations to innovate and with new technologies and developments. There have been whole new industries which have been created as a result of demand of sustainable resources. The energy sector is turning towards the renewable resources to make sure that there is an uninterrupted flow of energy throughout the work span. New alternatives to energy resources have been found to replace the traditional ways. Natural resources are also getting shorter and organizations have been finding new ways to use them in the most efficient manner.
	+ The USA thinks that the post-World War II period was a golden time for it in all respect but the fact is that the country was the only major provider for goods and services in the world at that time. The profits were transferred to the employees in various forms and all the factors were predictable in a sense that organizations looked for long-term relationships with their employees. Organizations got a loyal employee and employees got their jobs secured.
	+ This golden era ended in the 1970’s when there were oil shocks and gross national product for the USA decreased for at least three years in this decade. This all led to the formation of financial services industry which forced the organizations to consider strategy and restructuring. US organizations had not prepared well to manage the innovation both in terms of global as well as technological aspects. There were changes that outdated the old social contract to be replaced by a new one.
	+ With a huge change in workforce demands by organizations, they must also know that there have been changes in their needs and values. They cannot be treated as a single unit because they have different needs and values. Further, there has been a great level of diversity in organizations resulting in impossibility in prediction of any factors that may motivate workers. The organizations segment their work force according to generational cohorts to identify needs of separate group of people separately. Traditionalists are rapidly declining in the work place. Baby boomers saw economic prosperity and are not well prepared for their retirements. The pension plans offered by organizations also changed which were affected by the economic downturn in the 2000s. Generation X saw separated families and became independent at a very young age. They competed with baby boomers for jobs and do not like the older generations. Generation Y has been protected by their households. They are much independent and do not see their jobs as long term contracts with organizations. There have to be new methods of employee motivation for these people.
	+ Newer generations have desired flexible work setting so that they can give appropriate time to their families and personal lives and organizations have to make work-life policies so that employees can balance their lives.
	+ It is very difficult for the organizations to manage the diverse work force in the present era because people having unique skills will demand higher remunerations whereas people working at lower remunerations will not have the required skills. Diverse workforce has resulted in a diverse market place having a lot more things on offer than in the past.
	+ Several other types of challenges have been presented to organizations when they operate in more than one country at a time. People coming from diverse cultures will present different challenges to organizations both in terms of employment and employee retaining. Relative differences between these countries in the ease of doing business will also affect the organizations. Different organizations react differently to the global challenges presented but the successful ones are those who adapt themselves to changing factors in the shortest period of time.

**Chapter 4**

* + Marketplace is customer driven and organizations have to come up with innovative management systems engaging employees. Most engagement measures include the conditions and outcomes or this engagement. Engagement can be described as satisfaction and loyalty but there has to be some energy and enthusiasm to make engagement different. Engagement is a concept that is described differently by different people so there will be difference in its interpretation as well. Engagement can be an internal motivation factor or an internal psychological state.
	+ An engaged employee will show a positive attitude towards work with higher levels of energy and willingness to invest effort in the job. Employees are strongly involved in the work for their jobs with enthusiasm and a feeling that their work matters for the whole organization. The engaged employees flow with the work place which is characterized by focussed attention, clear unison between mind and body and internal enjoyment.
	+ In term of behaviour shown by employees, engagement is accompanied by higher levels of activity, decisions and achievements. Organizational Citizenship Behaviours can help the organization to work more effectively without being rewarded explicitly. There are five main dimensions OCB namely altruism, generalized compliance, sportsmanship, courtesy and civic virtue. The motivation for this kind of behaviour will come from satisfying other’s needs rather than self-needs. This concept also includes the performance of employees in various contexts other than their own responsibilities. Engagement seen as a trait will result in employees looking at the world from a different point. This concept includes a large number of personality traits which relate to the work environment in a positive manner. Some researchers consider that engagement actually includes all aspects discussed in terms of the concept.
	+ If we consider what engagement is not, it will allow us to know what it is. If employees show a lack of positive energy towards their work, they are considered to be disengaged from their work. Engagement requires a specific level of energy from the employees and its opposite is a situation where organizational stress results in draining out all the resources from human capital of the company making it impossible for them to stay engaged. In the USA, only a small percentage of people are satisfied from the workload that they experience. A large percentage said that work load was a major source of stress for them and this stress also forced them to remain absent from their work. Organizations have to hire new employees to make sure there is more engagement of employees.
	+ Workload is one of the major causes for lack of engagement which can be in the form of too many demands to the employee or people are not willing to perform some particular tasks. Jobs requiring the individuals to work against their feelings will also drain them very quickly. Employees must be given adequate control over the resources which are required to complete their tasks. Lack of engagement will occur when there is a mismatch between responsibility and authority.
	+ Rewards play a very important role in defining the level of engagement shown by employees and if there are insufficient rewards, they will lead to a lack of engagement. Rewards can be financial in terms of less salaries received by employees or other benefits which are offered on specific achievements.
	+ Social connections also play an important role in engagement. The work group allows people to be reaffirmed as a part of a social unit. Jobs which do not allow people to interact with others properly will reduce their engagement in the society as well as in the organization.
	+ The people who observe certain discrimination in the work place can have lower engagement as compared to others. This aspect shows respect for all and communicates that all employees are equally important to the organization. This is a very important part especially in case of conflict resolution.
	+ Sometimes personal values may conflict with the organizational values creating disengagement. Another case may be that two or more values pursued by the organization are contradicting to one another and can create conflicts.
	+ The employees have to perform various roles and responsibilities in the modern organization. Having engaged employees is very important for the organizations because these employees will adapt to the changes in environment. Organizations have not been able to analyze changes in consumer demands and patterns. It is not enough for the organizations to have transactional relationships with its employees. Engaged employee will take on roles beyond their prescribed responsibilities. The most important aspect of an engaged work force is that no competitor can imitate it in any way. This will make the competitive advantage a sustainable one for the organization.
	+ There should be a clear distinction between measures of engagement and drivers of engagement. Currently, organizations mix up these two aspects of engagement. Some studies show relationship between job satisfaction and job performance but the findings have not been affirmed in the near past. A committed employee is least likely to change his job but there are certain employees who do not leave because they have no other choice to stay on. In strategic terms, using poor measures of engagement will not allow the organization to pursue and achieve strategic objectives effectively. It is also important to assess the level at which engagement has been observed. Group level engagement cannot be judged by aggregating individual member’s engagement. In some cases, there was not enough data available on group level to assess the engagement and generalize it for organization.
	+ The employees should be engaged in terms of job involvement, affective commitment and positive affectivity. These aspects can help to develop a pure measure of employee engagement.