

CREATING AN EMPLOYEE-CENTRIC CULTURE IN ORGANIZATIONS

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ABSTRACT

The high employee turnover rate, job related stress, and the need for innovation and improved performance to gain competitive advantage are reasons to create an employee-centric culture in organizations. Bureau of labor statistics revealed that in January 2019, there were 5.6 million employee turnover in the United States. Of the total number of turnovers, 3.5 million employees quit, and 1.7 million were either laid off or fired, in the month of January alone. Organizational leaders have the responsibility to reduce turnover and optimize employee potential. Scholarly articles focus on employee performance, innovation, strategic management, and leadership, however there is limited mention of the creation of an employee-centric culture that favors followership, and instills loyalty and commitment in employees, to reduce turnover. This article seeks to provide a general framework to guide corporate leaders to create an employee-centric culture. The author reviewed scholarly literature and relied on experiential knowledge to provide theoretical and empirical guidelines for the creation of an employee-centric culture. Factors such as trust, information sharing, autonomy, community relations, play time, and family-like atmosphere are important towards reducing turnover rates and improving employee creativity and innovation acumen.

Keyword: Employee-centric, turnover, trust, innovation, customer-employee verity, leadership.

1. INTRODUCTION

There's an accepted common knowledge that customers are number one on the hierarchy of importance in every business entity. However, a critical analysis may reveal that employees are tied with customers for the number one spot. The relationship between employees and customers may be viewed as a marriage between two individuals. It takes two to tango. No one person in a marriage is more important than the other. Employees have to spend an average of 25 years in school, sacrifice family time, energy, and money to develop their skills to provide efficient goods and services to improve the wellbeing of customers. The cost of educating an individual from kindergarten to four years of college may be about \$250, 000 in America.

Customers on the other hand provide employees with their hard earned money to compensate for skills, time, and money spent to provide goods and services. Obviously the mutually beneficial relationship between customers and employees places both in the number one spot on the hierarchy of importance in any business activity. Inventions and innovations such as airplanes and computers, are products of employee skills and know-how to improve lives of customers.

The importance of employees cannot be over-emphasized thus creating an organization where

the needs of employees are held in high esteem may be required to reduce the high turnover rate and job related stress of employees in organizations. According to a report by Catalyst.org (2018), employee turnover rate cost the U.S \$53 billion a year, through lost revenue as a result of low or stoppage of productivity, and cost of training new employees. In the same report, the average number of years employees stayed on the job in 2016 was 4.2. Bureau of labor statistics figures for January 2019 revealed a 5.6 million employee turnover rate out of the 5.8 million hires.

Job-related stress may be the main reason for employee turnover. A stressful job may be related to the job environment, lack of information on job related issues, low compensation, and nature of the job (Catalyst.org. 2018). Factors such as leadership and employee behavior, lack of clear and practical organizational mission in alignment with behaviors (Welch, 2015), may contribute to a stressful job environment. According to The American Institute of Stress (2018), 80% of workers reported job related stress, with 66% attributing it to increased workload. Making hiring mistakes by focusing only on employees' experience and likability, rather than combining factors such as growth potential, intelligence, positive energy, passion, and ability to get task completed (Welch, 2005) may be a contributory factor to employee turnover. Employees, especially millennials look for opportunities to grow and be innovative. The lack of growth potential and an innovative culture may lead to a turnover of millennial employees. However, a rigorous innovative culture such as Amazon's where according to Pisano (2019) employees cry at their desk due to pressure related to a zero tolerance for failure innovative-culture policy, may be a good reason for quitting. In this study, the author discusses ways to mitigate employee turnover through the creation of an employee centric-culture within organizations.

The author discusses the relationship between customers and employees and the need to recognize both as equally important. The nature of an employee-centric culture is delved into as factors such as CEO compensation, the hiring process, and employee societal relationships are critically examined. A family-first organizational structure and the need for effective knowledge and information sharing, and giving employees' autonomy to be creative and innovative are discussed. The concept of allowing employees 'playing time' on the job is also discussed.

The Employee and Customer Verity

The school of thought that upholds customers as being of utmost importance to business organizations especially profit-making ones may be understandable. However employees cannot be relegated to number two in the hierarchy of importance. Employees are the tools of quality production and service needed to improve the wellbeing of customers. Technological innovations such as automobiles, computers, and cell phones were created by employees to solve problems of customers and in the process improve their lives and wellbeing.

The theory that customers are number one in the hierarchy of importance of business organizations may be perfectly suited in the age of competitive advantage on the market thus a scramble to maintain customer patronage and loyalty. Competition on the market for customers does not however diminish the importance of employees of business organizations in churning out quality and innovative products and services to improve the lives of people and society in general. Let's not lose sight of the purpose of businesses which is to provide goods and services to improve the wellbeing of members of society.

It is self-evident that employees are responsible for the wellbeing of customers by providing solutions to their problems and being innovative to provide products and services that may improve their lives. Business organizations are being innovative in food production to reduce poverty in the world as well as solve other societal problems such as water contamination. I further buttress the mutually beneficial relationship between employees and customers by drawing on a doctor-patient analogy. There is no question that a medical doctor is held in higher esteem than a patient. A medical doctor (employee) provides a service mostly to save the lives of patients (customers). The doctor-patient ratio signals a non-existent competition by doctors for patients thus doctors maintain their number on spot in the hierarchy of importance. Even in a scenario of rife competition the importance of a medical doctor to a patient cannot be diminished.

Business employees may be viewed as doctors seeking to improve the lives of customers or patients. Engineers working for business organizations such as General Electric and Samsung develop machines for hospitals, aimed at detecting and in some cases providing cure to patients. Grant it, without the innovative acumen of employees, life-saving machines used by doctors may not be available to customers. The importance of an employee cannot be over-emphasized as we may all be either employees or customers at a point in time. In business, employees are a reflection of customer needs and wants, and a solution to the problems of society.

Nature of employee-centric organization

Business leaders may understand that the importance of employees cannot be second to customers but rather held in equal esteem thus the need to create an employee-centric culture to reduce employee turnover and stress at the workplace. Business leaders have engaged in many practices to improve the employee experience and optimize their potential. There are CSR activities wherein educational and medical incentives are provided to employees. Perks such as vacation trips are given to reduce employee stress. Companies such as Netflix are rewarding employees with extensive maternal leaves as part of their employee-centric programs. Despite these goodwill to employees, there are other areas that need improvement including the hiring process and team formation, information sharing and family-like orient, community involvement, and employee playing time.

Hiring Process; Assembling a Diversified Team

Hiring is an important undertaking in a business as it involves the most important resource of production and service administration—human resource. As Welch (2005) noted, the implementation and manifestation of a winning strategy and best technology requires human skills. Business managers tend to hire extroverted individuals who exhibit a lot of energy and passion and have experience and high level of likability or nature that managers may easily relate to (Welch, 2005). As Cain (2012) pointed out, the power of introverts should no longer be overlooked. Hiring an introvert who is hardworking, thoughtful, logical, methodical, and diplomatic but lacks social skills and energy, and conceals passion may be just as important as an extrovert who is energetic, competitive, passionate, in a business organization. As Cain (2012) pointed out, extroverts and introverts may form a good result-yielding team.

Vickberg and Christfort (2019) assessed that various character traits of humans ranging from pioneers, drivers, guardians, and integrators may be critical to a successful teamwork thus

performance. According to the authors employees that have the “pioneer” character are creative and focused on the big picture. Employees with the “driver” trait are logical and problem-solving, “integrators” are diplomatic, and “guardians” are reserved and pay attention to details. The authors identified that managers have the ultimate responsibility of combining these various idiosyncrasies on the same team for higher levels of productivity. A team of only “pioneers” may not be able to co-exist as there may be a lack of attention to details, logic, and diplomacy, needed for improved performance thus resulting in turnover.

Welch (2005) advocated the hiring of individuals with growth potential and not only experienced one’s who may have a single skill set and are nearing retirement age thus lack the flexibility to learn new skills as the changes of time and job needs may dictate. Employees may also quit if they do not foresee a growth future for the organization thus the need to create an innovative culture that promotes changes with the trends of time. Challenging employees to be creative and innovative to boost profit thus growth potential of the organization and reduce turnover rates distinguishes effective managers from others. As Maslow (2014) identified, one of the steps to employee self-actualization is gaining esteem needs which involves job promotion and a clearly defined position and title of importance. Growth potential whereby individuals have careers and not jobs in an organization of sustainable profitability and growth may reduce employee turnover.

Family-first Approach

In a 2018 survey conducted by Mercer.com of 200 and more American and Canadian organizations, 57% of participants cited personal/family reasons as the number one cause of turnover. Takahashi (2014) observed that the American business system is structured on profit maximization in the short term to satisfy shareholders, as opposed to the Japanese model of investing in the growth and sustainability of businesses, and ensuring employee job security. The profit-maximization structure of America puts pressure on employees to perform efficiently under a high amount of workload thus taking away family time. A leadership vision of business sustainability whereby profits are invested back in the business, ensures a lifetime opportunity for employees thus reducing the pressure to perform for immediate profit and ensuring employee family time and job security.

A family-like culture may be built based on teamwork, information sharing, and community relations program. Leadership may deal with employees on a one-on-one basis without a hierarchy or bureaucratic organizational structure. Creating personal relationships with employees that involves family visits, organizing parties that includes employees and their families may instill an atmosphere of oneness among employees. In researching corporate social responsibility (CSR) programs in organizations, Bonsu (2018) found out that business leaders build gyms, cafeterias, and organize community relationship building initiatives, thereby giving employees a chance to mingle in a social setting and forming closer ties among themselves and with members of society. CSR programs may be a source of motivation to improve employee commitment (Roudaki& Arslan, 2017). Zhixue, a professor of management at Peking University, observed that high employee turnover rates in China may be blamed on the lack of proper attention paid to employee wellbeing and their sources of motivation (Callegarin, 2017).

Handling Employee Idiosyncrasies

Effective organizational leadership involves the ability to know what employee's button to push, and how to do that to get the best reaction from that individual. All people have different intrinsic motivational disposition and inherent nature. There are certain people who respond well when their leaders' get angry at them and become confrontational. Others respond well when challenged with an innovative or risky task with high degree of difficulty. Other employees perform better in an atmosphere of relationship building based on diplomacy and love. Knowing how to react to different employees may reduce turnover and improve performance.

Applying various leadership styles to different employees to maximize their potential maybe an effective approach. A paternal or transformational leadership style may be effective for freshly hired college graduates. A transactional leadership style may be more effective for experienced employees who may need more rewards as they approach retirement. A transactional approach to leadership may also be well suited for extroverted employees that are competitive and logical by nature thus may not be motivated by a diplomatic or transformational orient. A democratic or diplomatic leadership style may be more effective for employees who are naturally reserved, diplomatic-oriented and non-confrontational.

Leading by Example

There are many dimensions of leadership such as, having a vision that is transformative to a realistic mission, improving and inspiring others, and the ability to make decisions beneficial to growth and development. There's no doubt that leaders affect behaviors of their followers. The essence of leadership thus may be one's ability to affect positive behavior. The best way to affect a positive behavior may be to lead by example. Leaders who exude integrity, decency, and honor and treat subordinates with dignity, respect, and fairness earn trust essential to maximize employee potential and reduce turnover in organizations.

Employee Community Involvement

Research suggests that employees' become more committed to an organization as a result of community involvement programs. De Roeck, Akremi, and Swaen (2016) pointed out that employees' develop a sense of prestige and esteem for their organization when engaging in community relations programs such as donating to charity. The authors noted that such feeling of prestige and esteem increases employee commitment to the organization and boosts productivity. Roudaki and Arslan (2017) found out in their survey of 220 employees that there is a positive correlation between employee organizational commitment and perceived corporate social responsibility activities. Employee commitment to the mission of an organization as related to community involvement may reduce turnover rates.

In my research of corporate social responsibility programs within organizations, participants pointed out that they were involved in activities such as "walk for life" to raise awareness of breast cancer, drug addiction, and other prevalent diseases. Participants also engaged in clean-up activities in children hospitals, retirement homes, and highways. Employees also showed their delight in donating to homeless shelters and families that are victims of natural disasters. Many expressed pleasure of taking part in community activity programs and admitted to its importance towards customer demand as it serves as a form of advertisement and instills loyalty to their organizations' products and services (Bonsu, 2018).

CEO and Average Employee Compensation

Business leaders offer competitive prices for their products and services to maintain a loyal customer base. Employee compensation may not be competitive as top management receive significantly more than average employees. The average CEO of an S&P 500 Index company made \$13.94 million compared to \$40,000 by the average employee (Quinnell, 2018). The pay disparity may prompt employees to seek other job opportunities that may offer more compensation, start their own business, or seek government unemployment benefits that may be similar to the amount of money on their paychecks.

As Zak (2019) discovered in research, employee trust is high in organizations that pay more. Zak (2019) also pointed out that the recognition of achievement builds trust in employees, ensuring their improved performance and longevity of tenure. Recognizing employee achievement may be done through higher compensation as opposed to the traditional handshake and perks in the form of a two day vacation to the beach, or a pizza party. Sehgal (2019) in a study of brain function, found out that money is the ultimate motivator of humans. Improving employee compensation as opposed to CEO's taking home all the money may reduce turnover rates.

Employee Autonomy

In the hierarchy of needs theory, Maslow (2014) assessed that employees require independence and autonomy to reach a level of self-actualization. By reaching a level of self-actualization employees become more creative and innovative. In essence, if employees are not given autonomy to become self-actualized, they may resign for another organization that may ensure this aspect of their growth and development. In the 21st century of parity of skills, organizational structure has become more horizontal. Trusting employees with autonomy and not micro-managing may enhance a sense of responsibility thus reduce the rate of turnover.

Knowledge and Information Sharing

Da Silva and Barsato (2017) identified in their study that effective sharing of knowledge and information may be one of the difficult problems business deal with. Zak (2019) pointed out that in a survey of employees, only 40% of respondents were well informed about the direction their companies were headed. Creating an employee-centric organization to mitigate employee stress and turnover requires effective communication to ensure information dissemination needed to create knowledge for organizational growth. Work becomes cumbersome if employees have no clear knowledge of their mission and purpose.

Effective management involves frequent information sharing between various departments and supply chain. In the age of technology, information sharing and knowledge gathering may be widespread however building employee relationship is key to its effectiveness. Top management may share information with lower echelon employees and allow candid opinions from and among employees. When strong relationships are formed, the effect of criticism on individuals may be limited and in some cases well received, thus reducing the sting of it and subsequent turnover that may result.

An Innovative Culture

The growth and sustainability of a business organization is dependent on its ability to be

innovative thus stay competitive on the market. The long-term job security of employees is determined by the competitive advantage thus sustainability of the business. William Wu, Vice President of branding for Universum, asserted that Chinese youth prefer an innovative and creative work environment that allows them to be independent thinkers (Callegarin, 2017). This asserts to the importance of giving new college graduates a chance instead of hiring only experienced individuals.

Building an innovative culture which allows learning and experiments to be carried out without fear of being terminated for failure, but where employees are held accountable in a flat organization of efficient information dissemination is the epitome of an innovative culture (Pisano, 2019). The absence of an innovative culture thus growth in the 21st century era of widespread market competition may increase employee turnover. As Welch (2015) evaluated, innovation may be as simple as cutting down on delivery time by one minute. In essence, any minute improvement to the status quo may be considered an innovation.

Playing Time

“Playing time” may also be referred to as spending time with families, and in some cases, finding a balance between work and family. Maslow (2014) undergirded the importance of love in the hierarch of needs theory. Love can be cultivated and exhibited through play such as engaging in games, storytelling, and spending time together away from work with colleagues. As Gilkey and Kilts (2019) pointed out, playing improves the brain’s ability to understand, form logical conclusions, and be creative and innovative.

In my experience working in a financial organization, my colleagues and I engaged in many activities which first started when we were invited to Jessica’s house to celebrate her birthday. During the usual banter, we discovered that three of us run track in college and so a challenged was thrown out as to who really was the fastest. This competition spread through the entire organizations as we met on Saturdays to play football, basketball, and volleyball. The CEO got wind of it and got involved. This later spread to “running and jogging” to raise awareness and funds to diseases and their cure as part of a broader community involvement program.

In essence, playing time afforded us the opportunity to know each other better and more importantly discuss job related task more freely, enabling us to ‘thinking outside the box’. At work we were very comfortable and supportive of each other as there was more chemistry in our teamwork. Employees and their families could also meet at fun places such as Dave and Busters, beaches, sports stadiums, restaurants, to share play time together. In certain organizations football tickets are given to employees to have the opportunity to spend time together outside of work as it improves understanding of each other and fosters loyalty at work. The concept of “play” may be traced to the 1800s when according to Carroll (2008), the CEO of Pullman car company in Chicago, George M. Pullman built parks, arcades, playgrounds, casino, and a movie theater for his employees and their families. Pullman understood the importance of play to improve employee wellbeing thus boost performance and innovation within the organization.

Good Turnover

Innovation is the heartbeat of growth and sustainability in every organization. To foster an environment of innovation or fresh ideas to spur growth and profitability, organizational

leaders may have to make new hires and terminate old ones. New hires may have novel ideas and practices needed by the organization. Certain organizations hire new college graduates every year to gain new and innovative ideas while maintaining proven, dynamic, and trustworthy employees. In other cases business leaders may have no option but to terminate for various reasons such as incompetence, ineptness, and disciplinary reasons. The concept of creating an employee-centric culture is based on gaining control of employee turnover by helping employees to fulfill their full potential and maintaining the best ones, while letting go of the poor performers.

2. CONCLUSION

Creating an employee-centric organization entails the understanding that employees are number one with customers on the hierarchy of importance. Business leaders may have to hire a diversified workforce with different idiosyncrasies as opposed to the traditional gregarious and experienced individual. Fairness in income distribution, encouraging a culture of innovation based on learning and experimentation, and fostering a healthy relationship among employees are some of the factors that create an employee-centric organization. Employee community engagement has been proven to boost commitment thus reduce turnover. A clear information and knowledge about the direction of the organization may be important determinant of employee job retention. Combining all these factors including affording employees time to play is essential to creating an employee-centric organization where employees are happy and less stressed thus reducing turnover to negligible.

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