

EMPLOYEE ENGAGEMENT IN AUTOMOTIVE INDUSTRY

K. Kaaviyapriya & Priya Xavier

Faculty of Management, SRM Institute of Science and Technology, Kattankulathur Campus,
Chennai, India.

Abstract: Talent management is one of the most potential strategies for any organization's sustainable success. It encompasses various practices for achieving the organizational goals such as hiring the right candidates, developing their skills to match the position, and retaining talented employees. Particularly retaining talented employees is very crucial for any organization. In that context, employee engagement plays a vital role in retaining employees for a longer period and also for the organizational success. So our study investigates how talent management strategies impacts employee engagement in the case of automotive industry located at Chennai. The study conducted face-to-face depths interviews with 20 employees and 5 managers who are designated in higher positions who were working in that industry to find out talent management practices acquired by the industry. Furthermore conducted some literature reviews for identifying the talent management practices that affecting employee engagement and thus leads to organizational success. Based on the findings automotive industry only good in managerial support, but lacking in other talent management practices such as rewards and recognition, compensation management, fair pay and employee career development.

Keywords: Talent Management practices, Employee Engagement, Employee Retention, Organizational Success

INTRODUCTION

Background of the case study

The Global automobile industry is the single greatest engine of economic growth and it considered as a key sector for every major country in the world. In most developed countries automobile manufacturing industry contributes a higher percentage of GDP. The contribution of the automobile sector to the overall GDP of India stands at 7.1 percent and 49 percent of the manufacturing GDP with an annual turnover of Rs 7.5 lakh crores and export of Rs. 3.5 lakh crores. In connection to that, a case on chennai automotive manufacturing industry is involved in manufacture of parts and accessories for motor vehicles and their engines. The industry is lacking in talent management attributes for retaining talented employees. For a successful talent management process, organizations must need to identify different talent attributes for achieving organizational goals by empowering employees. Additionally, the authors demonstrated that search for talent management in HR reached nearly 2.7 million times on the popular search engines on the internet; today many organizations such as manufacturing and service sector are conducting talent management practices (Ozel, A., & Karacay, G. (2019). Automotive industry is connected with many industries such as electric-electronic, transportation, construction, iron & steel, plastics, glass, textile, petrochemical and supplier of tourism. The automotive industry always strongly

needs the competitive advantage for their overall organizational performance. So that automotive industry is one of the world's largest industries by revenue. Talent Management fits the potential position to keep the talented employees within the organization for the business success for a longevity period. Talent management is very much important for any organizations and gives more benefits to both individual and organizational outcomes.

Over the few past decades now there is a huge deep interest turns towards “what is talent and talent management in hr?” & “what are the different talent attributes and it practices how impacting organizational performance through talented employees. Main thing of conducting talent management practices in various organizations is to find out how the practices to help talented employees retained and thus impacting business overall performance. Hence to keep a constant availability of talented employees become one of the greatest difficulty from the evolution of 21st century for any organization (Alias, N. E., Nor, N. M., & Hassan, R., 2016). Skills shortage intensified the need of talent attributes for any organization (Zheng, C., 2009); and also skillful training & development creates the individual capacity to deliver high quality work performance. A causal review of searching “war for talent” is a popular and growing field in human resource management (Lewis, R. E., & Heckman, R. J., 2006). A great number of journal articles published in the topic related to talent management strategies with its core set of principles like how its importance in fueling talent attributes to employees as talented and thus impacting job performance evaluating after the implementation. But however there is lacking in clarity in terms of definition, scope, and overall goals of talent management (Lewis, R. E., & Heckman, R. J., 2006).

Rewards & recognition, training & development and career development are talent management practices that enhancing engaging workforce and it is not well established (Akter, H., Ahmed, W., Sentosa, I., & Hizam, S. M., 2022). Attracting employees, developing and retaining considered as a crucial factor of organizational effectiveness; for that it requires effective talent management process (Čizmić, E., & Ahmić, A., 2021). According to Julia Christensen Hughes & Evelina Rog (2008), talent management process is very important based on two reasons such as organizations successfully acquire and retain talent employees and enhancing engagement of employees (Julia Christensen Hughes & Evelina Rog, 2008). Recently there is a strong debate about how talent management is different from combination of HR practices. Organizations are now increasingly aware about talent management due to new changing world of work, globalization, knowledge-based competition and demographic changes (Egerová, D., 2014). Lot of lacking definitions for talent management; but however talent pool leads to demotivation among employees in the organization. Few authors noticed that every employees in the organization has some unique talent for doing their job in their workplace. But the organization matters how they individually motivate employees to use that talent ability to explore their best performance. Our paper strongly demonstrating that employees have unique talent but there is a variation in time duration among employees in exhibiting their high performance.

Problem of Case Study

Automotive Industry is the key sector for economic growth in the world. By 2030 manufacturing cars will rise in high percentage and the economic profit greatly depends on the automotive

industry manufacturing parts and its success. In Case of automotive Industry located at Chennai, nowadays facing difficulties in engaging the employees than three years before due to different talent management practices such as fair pay, rewards and recognition and employee career development the industry employees resulting to lower level of engagement and it affecting organizational goals and overall productivity and profitability.

CASE REPORT AND ITS LITERATURE REVIEW BACKGROUND

Talent Management and its Practices

Talent management is the whole activity of contribution to determining the different talent attributes and ensure the employee commitment for organizational goals (Ozel, A., & Karacay, G. (2019). Additionally, the main goal of the talent management is to attract, select, develop & retain talented employees who have the capability to improve organizational performance. Talent management practices such as talent development, talent deployment, talent planning, talent acquisition, talent retention and talent evaluation (Pandita, D., & Ray, S., 2018). This is an organization-specific link it depends based on the chosen talent attributes with their organization and impacting its outcomes. TM is considered as the strategic management of the flow of talent throughout the organization and identified four main perspectives such as exclusive people and positions; inclusive people & social capital (Iles, P., Chuai, X., & Preece, D., 2010). Based on the differential contribution of employees are segregated for talent management process promotes demotivation in the workplace (Iles, P., 2013). Talent management is generally characterized as the attraction, development and retaining the best people and it only focuses on employment practices and omits the employment relationship (Egerová, D., 2014). According to Gallardo-Gallardo, E., Dries, N., & González-Cruz, T. F., (2013), there has different approaches for segregating the talent management process; based on that organization has to frame strategy for talented employees. From that, organization priorities plays a vital role in recruiting, developing and retaining employees for achieving the organization overall goals (McCracken, M., Currie, D., & Harrison, J., 2015).

Employee Engagement

To date antecedents & consequences of employee engagement are more in the research interest among academicians. According to Saks (2006) model, a little antecedents & consequences mentioned in Saks (2019) revisited model. It is well proved that employee engagement has deserves a great role and key part for any organizational ultimate goals. Nevertheless, huge interest now focusing on different talent management practices and thus fostering employee engagement (Bhatnagar, J. (2007). According to Kahn, W. A. (1990), defines engagement that people employ and express simultaneously themselves physically, emotionally and cognitively during their work role performance. Engaged employees have such a strong bond in their work role, even tiredness they take in a positive way as an achievement. Relationship between talent management practices and employee engagement there exists a positive relationship (Smit, P.K., Schultz, C.M., & Van Hoek, C.E., 2021). Organization must create a culture for talent that leads to engagement and thus ensures the combination of talented and engaged employees for organizational sustainable success (Savarimuthu, A., & Jothi, D.A. (2020). The synchronization of talent management and employee

engagement potentially improves talent retention (Pandita, D., & Ray, S., 2018). The dual presence of talent management practices and employee engagement builds healthier business outcomes with low attrition rates. TM are closely linked with HRM practices and various academicians argued that TM is re-labelled as HRM. Employee engagement is the primary outcome by talent management (Pandita, D., & Ray, S., 2018).

CASE METHODOLOGY

It was a qualitative research. The study used face-to-face depth interviews for primary data collection. Additionally, for the deep understanding of knowledge the study conducted some literature reviews and collected the secondary data. Targeted individuals are employees and managers for the data collection.

ISSUES IN AUTOMOTIVE INDUSTRY

Rewards & Recognition

Rewards & recognition considered as one of the effective talent management practices in enhancing the work engagement (Akter, H., Ahmed, W., Sentosa, I., & Hizam, S. M., 2022). Recognition provides great sense of feel to talented employees that their work really recognized and then motivates highly in the workplace. Rewarding and appreciating matters behind that how it strongly promote that the employees innovative and dedicating performance in a longer period of time. Generally, a person places more importance whether his/her work for recognition and appreciating things from the higher officials. According to Weiss, M. & Zacher, H. (2022), less research has shown interest on how perceived voice/constructive suggestions to workers from superiors influencing employee engagement. Also from the authors findings, they recognized that rewards and appreciation as an important job resource and it further stimulates emotional stability (personal resource) for fostering job engagement over a longer time.

Fair pay and Compensation

Fair pay identified as a key resource for attaining both employee and organization goal achievement through high job performance (Bradley, C. 2021). In line with the additional evidence, pay-for-performance stands for a variety of compensation strategies that influencing positively employees past and future performance (Martocchio, J. J., 2015). In the case of Chennai automotive industry employees they feels badly in their career salary, extra performance compensation. People who are working in any organization fair pay really expect for their performance and thus promote engagement in some positive extent. If they not considered employees perceptions of fair pay as unimportant; the organization will face high attrition rate and turnover.

Employee Career development

Career development influencing the employee's choice duration to work in any organization. Job crafting, job rotation especially career promotion impacts the employee's mindset to quit the organization and shift to other job. Organizations if they focus on employees career development goals then they benefit in various ways from the talented employees. Each and every employee has his/her own strength in delivering their best outcome through their unique talent attributes. Every organization has to build a framework for career promotion in a specific period of

time for their sustainable success. Without this culture, organization doesn't make any interesting business and surviving among their competitors.

SOLUTIONS TOWARDS ISSUES

Our study conducted in-depth face-to-face interviews with people who were working in the industry. From the case observations, automotive industry is lacking; and still they struggle to engage the employees due to the war for talent strategy. Notably rewards & recognition, career development, fair pay and compensation effectively stimulate employee engagement and thus helps for more productivity.

SUGGESTIONS & RECOMMENDATIONS

According to Gruman, J. A., & Saks, A. M. (2011), suggests that producing performance through performance management effectively promotes employee engagement. In line with connectivity, organization can revive from the risk of downsizing when the employees are engaged. So talent management and employee engagement are utmost importance for any organization for their successful business (Tiwari, D. B., & Lenka, D. U., 2019). And the present study elucidates the SWOT framework for automotive industry and it will be beneficial and as an opportunity for any organization.

SUGGESTIONS IN SWOT ANALYSIS

STRENGTHS	WEAKNESS
<ul style="list-style-type: none"> • Managerial Support • Workplace Fun events • Proper Training & development through high expert technical team members 	<ul style="list-style-type: none"> • Low employee salary • Slow process in employee career development • Rare rewards & recognition for employees

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Capability of management • Able to adopt potential industry strategies for attracting new and old consumers and also for competitors • Adopt employee-oriented motivational strategies for achieving organizational overall goals 	<ul style="list-style-type: none"> • Employee disengagement and poor job performance • Loss in Productivity & Profitability

RECOMMENDATIONS FOR THE FUTURE STUDY

The present study addressed some limitations for future research. First, the researchers may have the opportunity to empirically test the talent management practices based on our SWOT analysis. Second, recommending that organization have some priorities in approaching the TM process such as inclusive and exclusive dimensions. So, future study should provide more empirical evidence on which approach and dimensions leads to achieving organizational overall goals and also which TM approach and dimensions signaling to demotivation. Finally future study needs some clear clarifications regarding the relationship between talent management and HRM that talent management is re-labelled as HRM or TM has unique strategy in fueling employee engagement.

CONCLUSION

Our present study provides some useful insights that how in the context of chennai automotive industry still lacking in talent management practices; and further about “war for talent”; approaches of talent management; and how it affects employee engagement. Also, the present study clarifies that the combination of talent attributes and engagement are very much important for achieving overall organizational goals and for green success.

REFERENCES

1. Akter, H., Ahmed, W., Sentosa, I., & Hizam, S. M. (2022). Crafting employee engagement through talent management practices in telecom sector. *SA Journal of Human Resource Management*, <https://doi.org/10.4102/sajhrm.v20i0.1775>
2. Alias, N. E., Nor, N. M., & Hassan, R. (2016). The relationships between talent management practices, employee engagement, and employee retention in the information and technology (IT) organizations in Selangor. In *Proceedings of the 1st AAGBS International Conference on Business Management 2014 (AiCoBM 2014)* (pp. 101-115). Springer, Singapore.

3. Bhatnagar, J. (2007), "Talent management strategy of employee engagement in Indian ITES employees: key to retention", *Employee Relations*, Vol. 29 No. 6, pp. 640-663. <https://doi.org/10.1108/01425450710826122>
4. Bradley, C. (2021). Utilizing Compensation Strategy to Build a Loyal and Engaged Workforce. *Nurse Leader*. doi:10.1016/j.mnl.2021.07.006
5. Čizmić, E., & Ahmić, A. (2021). The influence of talent management on organisational performance in bosnia&herzegovina as a developing country. *Management :Journal of Contemporary Management Issues*, 26(1), 129-147. <https://doi.org/10.30924/mjcmi.26.1.8>
6. Egerová, D. (2014). Talent management – towards the new perspectives. *Problems of Management in the 21st Century*, 9(2), 114-116. Retrieved from <https://www.proquest.com/scholarly-journals/talent-management-towards-new-perspectives/docview/2343773254/se-2>
7. Gruman, J. A., & Saks, A. M. (2011). Performance management and employee engagement. *Human Resource Management Review*, 21(2), 123–136. doi:10.1016/j.hrmr.2010.09.004
8. Gallardo-Gallardo, E., Dries, N., & González-Cruz, T. F. (2013). What is the meaning of “talent” in the world of work? *Human Resource Management Review*, 23(4), 290–300. doi:10.1016/j.hrmr.2013.05.002
9. Iles, P. (2013). Commentary on “The meaning of ‘talent’ in the world of work.” *Human Resource Management Review*, 23(4), 301–304. doi:10.1016/j.hrmr.2013.08.002
10. Iles, P., Chuai, X., & Preece, D. (2010). Talent Management and HRM in Multinational companies in Beijing: Definitions, differences and drivers. *Journal of World Business*, 45(2), 179–189. doi:10.1016/j.jwb.2009.09.014
11. Julia Christensen Hughes, Evelina Rog, (2008) "Talent management: A strategy for improving employee recruitment, retention and engagement within hospitality organizations", *International Journal of Contemporary Hospitality Management*, Vol. 20 Issue: 7, pp.743-757, <https://doi.org/10.1108/09596110810899086>
12. Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal*, 33(4), 692–724. doi:10.2307/256287
13. McCracken, M., Currie, D., & Harrison, J. (2015). Understanding graduate recruitment, development and retention for the enhancement of talent management: sharpening “the edge” of graduate talent. *The International Journal of Human Resource Management*, 27(22), 2727–2752. doi:10.1080/09585192.2015.1102159
14. Martocchio, J. J. (2015). Pay, Compensation, and Performance, *Psychology of International Encyclopedia of the Social & Behavioral Sciences*, 611–617. doi:10.1016/b978-0-08-097086-8.22012-6
15. Pandita, D., & Ray, S. (2018). Talent management and employee engagement—a meta-analysis of their impact on talent retention. *Industrial and Commercial Training*.

16. Ozel, A., & Karacay, G. (2019). Identifying talent attributes for talent management in automotive industry in Turkey. In *Industrial Engineering in the Big Data Era* (pp. 287-295). Springer, Cham.
17. Lewis, R. E., & Heckman, R. J. (2006). Talent management: A critical review. *Human resource management review*, 16(2), 139-154.
18. Saks, A. M. (2006). Antecedents and consequences of employee engagement. *Journal of Managerial Psychology*, 21(7), 600–619. doi:10.1108/02683940610690169
19. Saks, A.M. (2019), "Antecedents and consequences of employee engagement revisited", *Journal of Organizational Effectiveness: People and Performance*, Vol. 6 No. 1, pp. 19-38. <https://doi.org/10.1108/JOEPP-06-2018-0034>
20. Savarimuthu, A., & Jothi, D.A. (2020). Talent management: A strategy for employee engagement. *International Research Journal of Management Sociology & Humanities*, 10(12), 134–140
21. Smit, P.K., Schultz, C.M., & Van Hoek, C.E. (2021). The relationship between talent management, transformational leadership and work engagement: An automotive artisan perspective. *SA Journal of Human Resource Management/SA Tydskrifvir Menslike hulpbronnbestuur*, 19(0), a1578. <https://doi.org/10.4102/sajhrm.v19i0.1578>
22. Tiwari, D. B., & Lenka, D. U. (2019). Employee engagement: A study of survivors in Indian IT/ITES sector. *IIMB Management Review*. doi:10.1016/j.iimb.2019.10.003
23. Weiss, M. & Zacher, H. (2022). Why and when does voice lead to increased job engagement? The role of perceived voice appreciation and emotional stability. *Journal of vocational behavior*, Volume 132, <https://doi.org/10.1016/j.jvb.2021.103662>
24. Zheng, C. (2009). Keeping talents for advancing service firms in Asia. *Journal of Service Management*, 20(5), 482–502. doi:10.1108/09564230910995107