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LJUBLJANA
SLOVENIA

MASTER'S THESIS

**KEY FACTORS AND CHALLENGES FOR RETENTION OF EMPLOYEES IN A
PUBLIC SECTOR ENTERPRISE, A CASE STUDY IN POWER GRID CORPO-
RATION OF INDIA LIMITED**

Ljubljana, September 2010

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STATEMENT

I, Satya Brata Borgohain do hereby certify to be the author of this Master's thesis written under the mentorship of Professor Dr. Nada Zupan in compliance with the Act of Author's and Related Rights-vide Para 1 of Article 21. I herewith agree this thesis to be published on the website pages of the Faculty of Economics, University of Ljubljana.

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INTRODUCTION

Ever since organizations in any form came into being the function of managing people assumed importance and became the organization's integrated function. Over a period of time, only the nomenclature of the discipline got changed from labour management to welfare management and then to personnel management and human resource management. The term **Human Resource** is a new nomenclature for the function/department responsible for managing the people in the organization. Of all the functional departments in an organization, the function of Human Resources department assumes significance because it has to deal with the human beings and human sensibilities. Human resource is a term used to describe the individuals who comprise the employees of an organization. The function of the department is basically concerned with the most effective utilization of the people in the organization as a means of fulfilling the goals and objectives of the organization. It is primarily concerned with the management of employees' capabilities, their potentialities and talent management.

Armstrong (2006) defined HR management as a strategic and coherent approach to the management of an organization's most valued assets, that is the people working in the organization, who individually and collectively contribute to the achievement of its objectives. The overall purpose of human resource management is to ensure that the organization is able to achieve success through the efforts of people (Armstrong, 2006)

Basically, the function of human resource management is to manage people in an organization. Managing people is a challenging task the HR professionals have to address. As the entire function of human resource management becomes essential and remains a critical function of the management, the most common and important aspect of human resource department revolves around attraction and retention of employees. Attraction and retention of employees have become a matter of concern for human resource professionals over a period of time. Be it in the age of industrialization, the era of liberalization, globalization and the period of economic boom and downturn, it has become a challenging task to attract good people and retain them in the organization.

In the present day context of unpredictability in the fast changing economic and market scenario, the organizations around the world have to demonstrate excellence in performance. In fact, with the passage of time, the work environment is changing from non-competitive nature to more and more competitiveness in all aspects. The expectations of employees are going day-by-day, calling upon the employers to respond to their needs for offering a challenging job, a challenging career and a challenging work environment. This ultimately leads towards a challenging task of attraction and retention of employees. Therefore, there is a need for attraction and retention of talent by formulating new Human Resource strategies from time-to-time to ensure a sustained competitive advantage. This

requires a systematic approach towards attraction and retention of talent in the organization.

As the people in any organization are different from others and they are unique and non-imitable, they reflect the cutting edge of the organization. It is up to the organization how the people are nurtured, developed and retained in the organization. Perhaps, it would not be difficult to attract people in an organization. The difficulty would be to engage them appropriately and retain them for a long term. Here, the organization has to prepare for various challenges all the time. The challenge is to ensure appropriate engagement and development of the employees, harnessing their fullest potentialities. The challenge is to retain them in the organization for long tenure.

It is essential to understand in this context as to why retention is a challenging job. Understandably, this is due to various factors that the retention is a challenge. The probable factors may be due to the demographic conditions and socio-cultural expectations and changes. The factors may be on account of the changes in the world of work. The common factor for this may be due to people's expectations from their jobs. Retention, no doubt, becomes challenging when the work force is highly diverse and geographically spread-over to different regions, different cultures and different societies. Expectations of people vary from regions to regions as they imbibe shared values which are distinctively different from others. Expectations grow with the changing scenario of socio-economic and cultural environment and more so with the life style changes. This becomes the ultimate challenge all the organizations have to face today.

Keeping in view the present day scenario, it is essential to understand why people stay in an organization. Perhaps, people stay with an organization for various reasons like job security and work culture. Work culture shows how the organization values the human beings. It reflects the strongly held belief the employees hold on the importance given to factors like flexible atmosphere of work. The factor may be like the sense of having a meaningful working life. It means the value it carries in being the part and parcel of the organization's system. The meaning it carries in sharing the sense of belongingness. The meaning it carries in bringing in the sense of togetherness for a purposeful working life. These finer aspects vary widely from organization to organization, region to region and country to country.

It is a general phenomenon that people stay with their employers when they see the organization as a source of pride and affiliation. People remain in the organization when they are respected by their superiors. People desire to continue working when their expectations are met and when they are fairly compensated and perhaps most importantly when they perceive their work as meaningful.

Finnegan (2010, p. 3) mentioned that it is time now for rethinking the entire concept of retention. According to him, it is time to move employee retention initiatives from programs to processes that require full management participation and become ongoing staples of performance. It is time to elevate retention to top-down status so it joins sales, service and other essentials by gaining organization-wide processes and executive attention.

It is now generally felt that the retention is not to be construed as one way solution. All the functional departments in an organization have to think and re-think retention model that best suits individual organization. This probably requires an organization-wide approach. Schiemann (2009, p. 14) has rightly pinpointed that the talent marketplace is a playing field for determining who gets what talent and how well it is being used within and outside the organization. Externally, it is represented by global and local forces that influence an organization's ability to keep and retain the talent to be successful. Internally, it is the vibrant day-to-day dynamics that enable some organizations to have the right talent in the right place to achieve business goals better than the competitors can (Schiemann, 2009, p. 14).

It seems that the talent marketplace is an unpredictable one. It generally depends on the people where to work, how long to stay and with what conditions of service. It depends as to what are the expectations of employees from an organization. It entirely depends on the reasons for job change, career plan and the extent of fulfillment of the goals of the individual employee.

Harries (2000, pp. 16-17) stated that the turnover rates vary widely from organization to organization. Employees generally consider three basic factors when deciding to change jobs:

- Job satisfaction of current job.
- Expected job satisfaction of alternative employment.
- Investment.

As regards job satisfaction with the current job, if the employees are satisfied, they are less likely to change job. Here, the expected job satisfaction with alternative employment refers to how content the employees predict that they would be with other job opportunity and what would be the investment on them. Ostensibly, investment here refers to various aspects of job that are not sources of satisfaction but are factors that commit employees to staying. A major investment may occur over time because, psychologically, many people become reluctant to change jobs as they prefer a known quantity (present job) to an unknown quantity (the alternative job). Therefore, organizations that wish to reduce turnover must be ensured that they appropriately reward their employees. An organization may also

need to consider how to increase employees' investment in the organization (Harries, 2002, pp. 16-17).

The subjects for the research in this document are to study the key factors and challenges for retention of employees in a public sector enterprise in India. On the backdrop of the formation of the organization from nine different entities, the study assumes importance as it goes into the various aspects of intricacy of human beings and how the employees are attracted, engaged, nurtured, developed and retained in an organization.

The purpose of the study is to make an objective assessment as to what impact the organization can create in the minds of employees through HR intervention in evolving an organizational climate conducive to efficient functioning and employee's engagement. It would be endeavored to ascertain the factors that would facilitate creation of an organization of choice for employees in a PSU.

The scope of the study will be to understand how organizations today address the various aspects and intricacy of human beings and discover the correlation between the organizational climate, employee engagement, employer's brand image and the perception of employees about the 'employees retention' in the organization. The research problem emanates from the premises that in an organization the employees are its prime assets and if they are fully engaged qualitatively and emotionally through motivation, job challenge, unique brand image and appropriate organization climate, they will remain loyal & committed and endeavor to give their best output utilizing their fullest potentialities.

The research objectives of the study are to make an assessment and find answers to the following questions that revolve around the issue of retention of employees in an organization:

- What is the perception of employees about the organization as a 'brand'? Whether the employees and the management facilitate creation of the brand image of the organization?
- How the organizational climate contributes towards creation of a culture of employees' appropriate engagement and what are the driving forces of organizational climate?
- What is the perception of the employees about the employees' engagement? What are the major drivers for employees' engagement in the organization?
- What are the perceptions of the employees about the key factors for retention of the employees and what challenges the organization has to address attracting and retaining talent?

The research methodology is based on the qualitative and quantitative aspect of research strategy. Broadly, the thesis is separated into two parts, theoretical and empirical. The

theoretical part includes literature reviews through a search from the website of the University of Ljubljana, internet search for e-books, official journals and publications of academic institutions, various government departments and ministries. The theoretical part consists of four chapters.

The empirical part uses questionnaire for the study framed for assessing the employer's brand perspective, organizational climate and the employee engagement pattern in the organization. During the research process, primary and secondary data are used. The primary data are collected from the internet mediated questionnaire administered to about 110 employees posted at the corporate center and the various regions through random sampling basis. Collections of data from secondary sources include annual report of the enterprise, HRIS site and personnel manuals maintained by the HR department of the organization. The empirical part consists of two chapters.

The master thesis begins with the introduction as a part highlighting the research problem, the purpose and objectives of the project and the sequencing of chapters. The first chapter of the thesis deals with the theoretical perspective on the concept of Human Resources, talent, employee's attraction, turnover, retention and attrition. It delves into the role of human resource function in employees' engagement and retention of performers understanding the factors and challenges for retention of talent in organization.

The second chapter delves into the concept of organization climate and its impact on employees' engagement and retention, understanding the factors interwoven in organizational climate in public sector enterprise. This is the core chapter where emphasis has been laid to highlight the significance of organization's climate in employees' engagement. It also captures the factors that affect organization climate and the impact on employees' retention.

The third chapter explains the key drivers for employees' engagement in an organization understanding the way the employees find it meaningful to remain engaged and contribute for the organization.

The fourth chapter deals with the impact of employer's brand on employees' retention in a public sector enterprise understanding the context from theoretical perspective. It also underscores the essentials for value addition in organization's image building propositions towards creation of "employer -of- choice".

The fifth chapter gives a description about the organization, the POWERGRID. This also includes the understanding on the evolution of public sector in India, overview of power sector, organization's SWOT analysis, financial profile and employees' attrition profile. In addition, it covers aspects like evolution of HR practices in the organization, employee's engagement scheme and welfare schemes of the organization.

The sixth chapter includes the methodology applied for the research on the factors and challenges for retention. It deals with the description of the questionnaire, the method of data collection, its analysis and interpretation.

The seventh chapter refers to the suggestions and recommendation which may be considered for implementation in the organization. The last part of the study incorporates the concluding part highlighting the specific solution to the organization for adoption of a strategy in creating an environment conducive to effective functioning, designing organization specific employee's engagement initiatives and attraction & retention of employees.

1 THEORETICAL PERSPECTIVE ON TALENT MANAGEMENT, EMPLOYEES TURNOVER, RETENTION AND ATTRITION

Talent management is one of the significant aspects of human resource management function. It is considered as the most challenging task for any organization to attract and retain talent. Today talent management is conceived as the most critical aspect of HR management as it has a direct impact on the organization's functioning and its competitive position. Therefore, it calls for strategic approach to the entire function of management of talent in an organization.

1.1 Talent Management Perspective

Talent is generally perceived as an inborn capability of a person. Talent is the capability of a person to do things in a different way. Talent is the reflection of one's personality. It's a way a person does a thing that distinguishes him or her from others. According to Michaels, Jones & Axelrod (2001, p. 13), talent is the sum of a person's abilities. Talent is his or her intrinsic gifts, skills, knowledge, experience, intelligence, judgment, attitude, characters and drive. It also includes his or her ability to learn and grow. According to Michaels et al., what distinguishes the high performing companies from the average performing is not better HR processes, but the fundamental belief in the importance of talent. Therefore, each company must understand the specific talent profile that is right for it.

According to Schweyer and Peter (2009, p. 14), talent is an equal part what an employee brings to the job and what his or her employer is able to bring out through effective leadership and the workplace environment. Here, according to the author, the talent is that aspect of human personality that in the organizational context means the ability of the person to do the job and the effectiveness of the leadership quality in extracting job from people in an organization.

In the book titled “War for Talent”, Michaels et al. (2001, pp. 2-6) mentioned about the survey conducted to understand how companies build a strong pool of management talent. The survey was meant to comprehend how the companies attract, develop and retain the people in the top 200 managerial positions and how they build a pipeline of younger talent that might one day move into more senior positions. The perspective on talent management as explained in the book is drawn from three major research initiatives conducted by McKinsey & Company led by three authors Michaels et al. (2001, p. 13). Out of these three researches, the talent management case studies were conducted for the period from 1997 to 2001 covering twenty-seven companies around the world. The following are the findings of the survey as brought out in the book “War for Talent” (Michaels et al, 2001):

- Talent is now a critical driver of corporate performance and that a company’s ability to attract develop and retain talent will be a major competitive advantage far into the future.
- There are three fundamental forces fueling the war for talent. These are:
 - The irreversible shift from the industrial age to the information age.
 - The intensifying demand for high-caliber managerial talent.
 - The growing propensity for people to switch from one company to another.

According to Michaels et al. (2001, pp. 2-6), since these structural forces show no sign of abating, the war for managerial talent will be a defining feature of the business landscape for many years to come. The survey reports reveal that the war for talent is creating a new business reality and there is a shift from the old reality to the new reality as shown in Table 1.

Table 1: Old Reality Vs. New reality

The Old Reality	The New Reality
People need companies	Companies need people
Machines, capital & geography are the competitive advantage	Talented people are the competitive advantage
Better talent makes some difference	Better talent makes a huge difference
Jobs are scarce	Talented people are scarce
Employees are loyal and jobs are secured	People are mobile and their Commitment is short term
People accept the standard package offered	People demand much more

Source: E. Michaels, H. Jones Handfield and B. Axelrod, War for Talent, 2001, p. 6.

As the organizations today have to face the new reality in effectively managing their talent, it is now the role of the organization to effectively manage this function. Talent management requires special skills of those executives who are responsible for this challenging function. According to Schweyer and Peter (2009, p. 16), the modern talent management executive will be multi-disciplinary; part economist, demographer, speaker, leader, coach and consultant. The talent management executive will be among the organization's most knowledgeable authorities on globalization, out-sourcing, sustainability, corporate social responsibility, talent-related technologies, finance, corporate governance and measurement. Increasingly, the winning organizations will require world-class talent management executives, the authors added.

In her recent book Ooi (2010, pp. 1-7), a practicing manager, having long tenure of working experience in Asia in a large company (IBM), shared her perception on the emerging trend in Asia on the war for talent. According to her, the war for talent is global but it is especially pressing in India where success requires powerful new strategies and innovations. New strategies are to be formulated to address the emerging trend in talent management perspectives in India.

Phillips and Edwards (2009, pp. 2-6) added that the talent management is one of the most important strategic objective of the organizations today. From every viewpoint, talent is essential and is often regarded as a key strategy in maintaining a competitive advantage. The following approaches are essential for effective talent management in any organization (Phillips and Edwards, 2009):

- A successful talent management process identifies critical jobs in the organizations and ensures that the current and backup incumbents are top performers.
- A successful talent management system is a clear process for identifying and developing high potentials. Identifying top performers and fostering their development provides higher chances for performance and retention.
- A successful talent management process plans for organizational transition.
- A successful talent management system addresses movement of talent and the holes this can leave in the organization. It is necessary to plan for the gaps and create a culture in which talent belongs to the organization and not to a specific group. When managed appropriately, there will be no serious gaps or shortages because the talent management system is so robust that it can fill the openings so quickly.
- A successful talent management creates talent pools. Formal rotation programme enables a person to work for different managers in different functions during rotation assignments.

1.2. Perspective on Employees' Turnover

As retention is the percentage of employees remaining in the organization, **turnover**, the opposite of retention, refers to the percentage of employees leaving the organization for whatever reason (Phillips and Connel, 2003, p. 2). Companies are concerned about the growing trend of employees' turnover rates. Turnover is a costly part of business as the company is required to replace the employees as quickly as possible. The costly part, in a sense, is that the employees who have left the company carry with them the knowledge, experience, unique quality and their capabilities. There may be direct and indirect costs on turnover. Direct costs may be due to the expenditure on recruitment, selection and training. Indirect cost may include the employees' morale, productivity, etc. According to Finnegan (2010), the cost of turnover is usually calculated within the following five categories:

- Lost productivity which is attributable to the following:
 - Diminishing productivity arising out of the departing employee;
 - Disruption to peers and supervisors;
 - Learning curve for the new employee;
 - Lost customers dealt by the departing employee.
- Separation cost.
- Vacancy.
- Hiring cost. Finnegan stated that the most turnover calculators ignore lost productivity to last after other costs that are easier to measure. Lost productivity is meant to include everything that does not happen from when an employee leaves until a replacement is fully proficient. According to the author, intangible factors like lost productivity are difficult to quantify in monetary terms as mentioned below:
- How to calculate the factors like value of loyalty which are extremely tougher to measure?
- What is the cost of losing an employee who do not touch customers directly but impact them in other ways?

1.2.1. Consequences of Turnover on Retention of Employees

Today, the managers have to be concerned about the consequences of the employees' turnover. According to Phillips and Connell (2003, p. 4) although every manager and team member is aware of problems associated with turnover, a review of its major consequences puts retention in the proper perspective. Phillips and Connell (2003, p. 4) opined that the following categories frame the major negative consequences of turnover:

- High financial cost.
- Turnover has a huge economic impact on the organization, both in direct and indirect costs. The financial performance of the companies gets inhibited by high turnover rates.

- Issue of survival. In a tight labour market where success of the organization depends on employees with critical skills, recruiting and retaining the appropriate talent can determine the success or failure of the organization.
- Exit problem. With increased litigation at the workplace, many organizations spend considerable time and resources addressing the issue of disgruntled and departing employees. Even the employees who leave voluntarily can cost the organization the time and money.
- Productivity losses. A departing employee may have the critical skills needed for working with specific project. A lost employee may not be replaced in the short time.
- Loss of business opportunity.

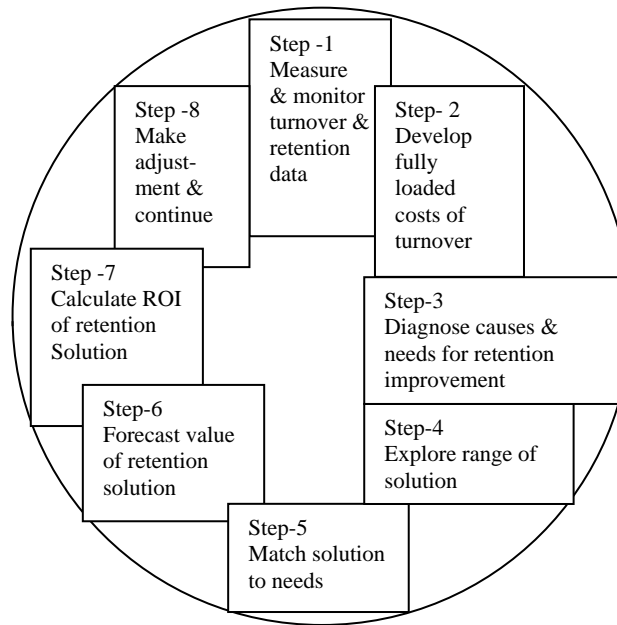
Turnover may result in a shortage of staff for a project or leave the remaining staff unprepared to take advantage of the new business opportunity.

1.2.2 Approaches to Employees' Turnover

Employees' turnover is a regular phenomenon in any organization. It takes place at a reasonable pace in certain organization whereas in some organizations the rates are considerably very high. Everyone would agree that some amount of employees' turnover is essential as it facilitates infusion of new blood in the organization. It is essential to understand as to how to address the issue of employees' turnover as the organizations are facing the turnover challenges to a great extent.

Phillips and Connell (2003, pp. 22-30) explained in detail a systematic approach towards addressing the issue of employees' turnover. Coined as the strategic accountability approach to turnover, this concept envisages positioning the organization in a preventive stance working to reduce the risk of turnover. It is a process that brings accountability to the retention issue in eight steps as depicted in Figure 1. These eight steps are arranged in a sequence stipulating the significance of each step right from the beginning of measurement of turnover data to the last steps of calculating the return on investment and necessary adjustments that are required in an organization.

Figure 1: Strategic Accountability Approach



Source: J. J. Phillips and A. O. Connel, Managing Employee Retention, 2003, p. 23.

This approach is a continuous cycle of improvement, starting with a problem and ultimately leading to a reduction in turnover. The approach moves logically from one issue to another incorporating financial accountability, understanding the cost of the problem, cost of the solution and the actual impact of the solution. Highlights on some of the significant approaches suggested by Phillips and Connel (2003, pp. 22-30) are the following:

- **Measure and monitor turnover and retention data.** Monitoring turnover data construe understanding the different classification of turnover. While employees' death and disablement are to be excluded, the early retirement is an option which deserves to be reckoned.
- **Develop fully loaded cost of turnover.** The fully loaded cost of turnover should be developed. Cost formulas should be used to detail the cost of the turnover. In addition to the total cost on recruitment, selection and training, other costs should be included to generate fully loaded cost profile as shown in Table 2.

Table 2: Recommended Categories for Accumulating Turnover Cost

Exit cost	Lost productivity
Recruiting cost	Quality problems
Employment cost	Customer dissatisfaction
Orientation cost	loss of Knowledge/experience
Training cost	Management time for turnover
Wages & salaries while training	Temporary replacement cost

Source: J. J. Phillips and A. O. Connel, Managing Employees Retention, 2003, p. 26.

- **Explore a range of solution.** Major categories of needs and solution lie in understanding the diagnostic tools, demographic analysis, job satisfaction survey, exit interviews, organization commitment survey, brainstorming, etc.
- **Match solution to needs.** The key issues required to be considered while matching solution to needs are as follows:
 - Avoid mismatches ensuring that the need has been identified in detail to make the solution most obvious.
 - Discourage multiple solutions and focus on key solution that will add value.

1.3 Perspective on Employees Retention

Retention means the organization's capability to keep its employees to work and continue in the organization for a long period of time. Normally, people join a company for a long term service. If they find the place suitable for long term engagement, they continue to work and remain in the company. Otherwise, they leave the place for better alternative. The ability of the employer to keep the employees continuously engaged, fulfilling the expectations of the employees, their career growth prospect and job satisfaction, etc., depends on the retention strategy of the company.

According to the Wikipedia encyclopedia's definition, the word retention means the ability to retain employees in the organization. Retention is about having a long-term view of helping people achieve their full potential. Retention construes the ability to keep the employees engaged in the organization. Retention signifies that the employees find a meaningful reason for being associated with the company for mutual betterment.

According to Ivanovia and Collin's (2003) dictionary of Human Resources and Personnel Management, the term retention means the process of keeping employees on the staff and

not losing them to rival firms. Here the emphasis is on the process of retaining employees so that they do not get lured by other employers.

One of the significant aspects of HR functioning in a company is the attraction and retention of employees. Once people are attracted, recruited and positioned in the company, the next job is to retain them by providing the facilities for their development and to harness their potentialities. Here, both the functions are interlinked. Because, if the employer has the ability to attract certain talent in the market, they can keep them engaged and retained for long term.

According to Harvard Business School's publication (2002) captioned "Harvard Business Essentials: Hiring and Keeping the Best People", the hiring and retention are two sides of the same coin. They complement each other, and if both are done well they produce what every company desperately needs that is the first-class human assets. The publication also explains as to why people stay in an organization. People stay with a company for many different reasons such as job security, a work culture (that recognizes the importance of work-life balance), recognition for a job well done, flexible hours, or a sense of belonging. These reasons can vary widely from country to country. The following are the major motivations for staying in the organization as brought out in the Harvard publication:

- **Pride in the organization.** People want to work for well-managed companies headed by skilled and resourceful leaders. Leaders mean the top-level managers who have a clear vision of the firm's future. The managers who can devise powerful strategies for success and motivate others to realize that vision.
- **A respected supervisor.** Even more important is the employees' relationship with the supervisor in the company. People are more likely to stay if they have a supervisor whom they respect and who is supportive type of personality.
- **Fair compensation.** People also want to work for companies that offer fair compensation. This includes not only competitive wages and benefits but also intangible compensation in the form of opportunities to learn, grow and achieve.
- **Affiliation.** The chance to work with respected and compatible colleagues is another element that many people consider essential. People want affiliation with the success of the company.
- **Meaningful work.** Finally, people want to work for companies that let them do the kind of work that appeal to their deepest interests. Satisfying and stimulating work make their work meaningful.

Various researches have been carried out to find out as to why people stay in the organization. As it is evident from the result of the top three recent researches it seems that although people come for money, but they do not work simply for money. The following three researchers have methodically summed up the core issues in their books based on their research findings and conclusion:

- Kaye (2008) in his findings pointed out the following aspects as to why people stay in an organization:
 - Exciting work and challenge;
 - Career growth, learning, and development;
 - Working with great people;
 - Fair pay;
 - Supportive management/good boss;
 - Being recognized, valued, and respected;
 - Meaningful work and making a difference;
 - Pride in the organization, its mission, and its product;
 - Great work environment and culture;
 - Autonomy, creativity, and sense of control;
 - Flexibility: work hours, dress and so on;
 - Location;
 - Job security and stability;
 - Diverse, changing work assignments;
 - Fun on the job;
 - Being part of a team;
 - Responsibility;
 - Loyalty, commitment to the organization or coworkers.

It seems Kaye's findings bring out few realistic aspects like "being recognized, valued and respected", "meaningful work and making a difference" and "diverse and changing work assignments".

- Ulrich, Allen, Brockbank, Younger and Nyman (2009) in their book titled "HR Transformation" bring out seven factors why employees stay in an organization. These are:
 - Vision: A sense of direction or purpose;
 - Opportunity : An ability to grow, develop and learn;
 - Incentives: A fair wage or salary for work done;
 - Impact: An ability to see the outcome or effect of work done;
 - Community: Peers, Bosses and leaders who build a sense of shared purpose, identify and experience;
 - Communication: Knowing what is going on and why;

- Entrepreneurship or flexibility: A range of choices about terms and conditions of work.
- Another contribution on the issue is based on the workplace interviews carried out by Gallop's studies on "Twelve Elements of Great Managing" as brought out by Wagner and Harter (2006) in their book on twelve elements of great managing which are:
 - First Element: Knowing what is expected;
 - Second Element: Materials and Equipment;
 - Third Element: The opportunity to do what I do best;
 - Fourth Element: Recognition and Praise;
 - Fifth Element: Someone at work cares me as a person;
 - Sixth Element: Someone at work encourages my development;
 - Seventh Element: My opinion seems to count;
 - Eight Element: A connection with the mission of the company;
 - Ninth Element: Coworkers committed to doing right work;
 - Tenth Element: A best friend at work;
 - Eleventh Element: Talking about progress;
 - Twelfth Element: Opportunity to learn and grow;

It appears from the above 12 elements that the people would like to work and stay in an organization that promotes a system of giving opportunity to them to do whatever interests them. Similarly, another emotional aspect included in the twelve elements is that of caring and encouraging development. These are finer aspects of working life which are difficult to come by. And, these are perhaps the core issues that infuse a thought of being a part and parcel of an ideal organization to work for.

Out of all the above factors contributing to motivating employees to stay, perhaps, the people now are looking for an ideal workplace, a more meaningful workplace where they feel free to work and get engaged in the job that they like. As workplaces and job opportunities are available for talented people, they look for such an environment where they can take pride of being an employee of the organization and desire to remain engaged on long term basis. It is now up to the organization to create such workplace where employees derive job satisfaction, identify themselves with the organization and become long term associates. Emphasizing on the job satisfaction, Messmer (2007) stated that the retention in this current environment depends largely on four key drivers of job satisfaction. These are:

- **Attractive compensation and benefits.** Offering a fair and competitive salary is the most obvious way to attract and keep top talent, even though money isn't always the key factor determining an employee's job satisfaction. Employers should also evaluate whether the benefits they offer are as attractive as those the competitors provide. De-

mographic changes in the workplace, including delayed retirements, dual-income couples, domestic partners, and single-parent households, are making one-size-fits-all benefits packages insufficient. Many companies now offer flexible benefits which give employees a variety of choices.

- **A supportive work environment.** All employees desire a positive, supportive workplace. In fact, job applicants put this attribute near the top of their lists when evaluating companies. Managers need to make employees feel valued and engaged and extend support when staff members face work and personal challenges. Professionals who enjoy interacting with supervisors and peers not only make the office more enjoyable, but also produce better work and show the greatest loyalty. Talented people want to be heard and recognized for their contributions and so they need to be appreciated in their performance. Successful companies encourage employees at all levels to develop and experiment with new ideas.
- **Opportunities for career development and advancement.** For many workers, an opportunity for continuous learning weighs heavily in their decision to accept or remain in a position. As a result, employers are increasingly emphasizing career development activities. Some organizations go as far as in trying to pay more to achieve learning milestones, such as completion of certain coursework to show they value employees' efforts to enhance their skills. Effective managers complement the training and development opportunities by being attentive to the professional needs, concerns and career aspirations of individual employees.
- **Flexibility to balance work and personal demands.** It is also a concern for employees to have some degree of control over when and where they work. It is difficult to find a healthy balance between personal and professional responsibilities. Flexi-time is the benefit valued most by employees.

According to Messmer (2007), retaining top performers isn't an easy task, especially in today's competitive hiring environment. But by paying close attention to the key areas of job satisfaction, an organization can reduce the odds of losing the most valuable team members and become a more retention-focused employer.

Here, job satisfaction as pointed out by Messmer becomes a key element for driving the employees towards continuity in service. It drives home the point that employees would like to continue working in a workplace where they find their jobs interesting and they can derive satisfaction from day-to-day work.

Weiss and Mackay (2009, pp. 125-128) stated that getting connected to the people is the single most important retention strategy in addition to other aspects like giving

people learning and growth opportunities, rewarding and recognizing people for making a contribution. It also includes aspects like providing career certainty for top performers; creating variety for them and making people feel significant in the organization.

1.3.1 Strategy for Managing Retention

Perhaps, HR managers and talent management experts have been grappling with the issue of retention of employees knowing fully well that there is no standard strategy or solution applicable to all organizations. Each company has to design its own model keeping in view the type of organization, the business they are in, the competitors they have to face, the market conditions they are operating their business and the quality of manpower deployed. Of all these aspects, the decisions and strategy for hiring and retention of manpower may be critical for each organization. Each organization adopts strategy for hiring and retention of employees which fits in the organizational context.

Phillips and Connel (2003, p. 31) suggested typical solution for employee retention highlighting the emerging need on one side and the alternative solution on two pertinent aspects of HR practices, viz., recruiting new employees and establishing an appropriate environment. The model suggested by Phillips and Connel (2003) is shown in Table 3.

Table 3: Typical Solution for Managing Employee Retention

Category	Need	Solution
1. Recruiting New Employees		
Image	To work in an organization with a positive public image	Maintain a strong positive organization image
Market performer	To work in an organization with a solid performance future	Improve and maintain profitability and performance
Recruitment	To be attracted to a specific organization	Recruit good employees that fit the organizational culture
Selection	To be selected fairly and afford a job in a timely manner	Manage a fair, equitable selection programme
Job fit	To have an appropriate job that meets expectations and skill requirements	Place employees in a job that matches skills and talent
Orientation and initial training	To adopt quickly to the job, team and the organization	Provide a formal orientation, socialization and training experience

Table continues

Continued

Category	Need	Solution
2. Establishing an Appropriate Environment		
Job satisfaction	To be satisfied with key aspects of the job	Design a job and work environment to meet employees needs
Workplace design	To have an attractive, comfortable productive work setting	Create professional and attractive work areas that support job function and promote efficiency and productivity
Safety	To feel safe at work	Sustain a viable workplace safety programme
Job security	To have a secured job and to feel confident about employment continuity	Maintain a viable workforce suitability and security process

Source: J. J. Phillips and A. O. Connel, Managing Employee Retention, 2003, p. 31.

One significant aspect that can be drawn from the typical solution for managing retention suggested by Phillips and Connel (2003) is about placement of employees in a job that matches skills and talent. It seems the HR professionals in organizations quickly add the standard one liner “placement of right people for right job” but in practice the same is never practiced. The result is frustration in not being able to perform, lack of interest in job and job fatigue

According to Harvard Business School’s publication (2002) captioned “Harvard Business Essentials: Hiring and Keeping the Best People”, the following are the strategies for retention of talent in an organization:

- **Getting people off to a good start.** Getting people off to a good start begins with hiring people who are suited to their jobs and making sure that they understand what they are getting into. People know both aspects in terms of the culture of the company and the specifics of their job descriptions.
- **Creating a great environment.** In a company, managers often assume that the company’s policies and corporate culture determine the working environment. Although they do, to an extent, but the policies can be circumvented. In any case, the atmosphere in a department or unit is more important to individual employees than the culture of the corporation as a whole.

- **Sharing information.** It is essential to share information with the employees. Information about company's business, financial performance, strategies and plans are to be shared. Employees should be communicated that they are important. And, the company trusts them and their abilities to understand and contribute to the business as a whole.
- **Giving people autonomy.** Many people enjoy working with a minimum of supervision. So, people must be given autonomy to function. Doing so will make them happy and make their contribution worthwhile for the company.
- **Challenge people to stretch.** Most people in an organization enjoy a challenging task. If a bigger responsibility is entrusted to them, they feel happy in shouldering that responsibility and take pride in their achievement.
- **Being flexible.** Flexible work arrangements are highly successful in retaining employees. Flexible work plans, and telecommuting are effective means for boosting retention.
- **Designing jobs to encourage retention.** Another significant retention strategy is to add a variety to a repetitive job, engaging isolated employees in occasional team projects, giving challenging opportunities to explore. Repetitive jobs create boredom and therefore jobs need to be redesigned to keep the talent engaged.
- **Identifying potential defectors early.** It is essential to conduct a "stay interview" by asking people how they feel about their assignments, company's policies and the working environment. Understanding individual goals, whether they feel included or excluded by the corporate norms and practices and what would keep the employees with the company is important aspect of retention strategy.

1.4 Attrition Rate

Services of employees get separated on account of resignation, retirement and death of employees in an organization. Attrition rate is generally expressed in terms of the percentage rate of the number of employees who have left the company out of the total numbers of employees including those who have joined during the period of calculation.

According to Wikipedia encyclopedia, attrition means the loss of personnel by withdrawal. In terms of employees, attrition means leaving a company by employees to join somewhere else. In business terms concerning customers, it means loss of clients or customers.

According to Tracey (2004), the author of the Human Resources Glossary, attrition is usually expressed as attrition rate which is the percentage of trainees dropped from training due to failure to maintain normal progress or achieve established standards. The attrition

rate plays an important role in an organization because high attrition rate becomes a concern for the organization. Due to high attrition rate, the cost of the organization increases

2 CONCEPTS OF ORGANIZATION CLIMATE AND ITS IMPACT ON EMPLOYEES

Organization climate is generally manifested in management functioning and in personnel practices in the organization. It, perhaps, gets manifested in the form of leadership style, communication system, delegation of authority and decision making process in the organization. Organization climate shows how the employees are treated in the organization, be it their developmental aspect, reward system, motivational level, etc. It captures how openness and transparent the management demonstrates in its dealings with its employees. It, perhaps, tells upon the prevailing atmosphere of the climate of proactivity and experimentation. By proactivity it means the support system the organization provides to employees who can preempt something and can take decision relating to their job. Similarly, experimentation could mean the climate of support in case of failure of employees in achieving results on a project or work which is not a routine job.

In short, the organization climate seems to be the sum and substance of the perception of the employees on the organization's management. According to Punia, Punia and Dhull (2004), the organizational climate shows a person's perception of the organization to which he or she belongs. It encompasses the set of characteristics and factors influencing the behavior of employees. The authors submitted that the organizational climate is a composite of many factors. The various factors influencing the organizational climate mainly include those aspects like communication, performance standards, support system, warmth, responsibility, reward system, identity, conflict resolution, and participation in decision-making, structure and motivational level.

It is understood from the above that the organization climate reflects how the organization formulates its rules, policies and norms for functioning and determine job standards. It shows the management's beliefs and practices in involving employees in decision making process and transparency in management functioning.

In addition to all the relevant factors influencing organizational climate as stated by Punia et al., Stringer (2002) brought out another significant factor on organizational leadership. According to him, the leadership style shapes the dimension of organizational climate. He explains how different the climate influences employees' energies and efforts and the impact leadership practices have on people's thoughts, feelings and behavior. By citing examples, the author has demonstrated how leaders can manage performance using organizational climate and how effectively the leaders arouse and direct the motivational energies that incite people to work productively.

Hellriegel and Slocum (2010) also added that the effective organizations have leaders who can integrate customer and employees on organizational goals. The ability of the organizations to achieve their goals depends on the degree to which leadership abilities and styles enable managers and team leaders to plan, organize, control, influence and act effectively. According to Hellriegel and Slocum (2010), organizational climate as manifested in a variety of human resource practices, is an important predictor of organizational success. Organizational climate clearly influences the success of an organization. Many organizations, however, struggle to cultivate the climate they need to succeed and retain their most highly effective employees. Hellriegel and Slocum (2010) explained that the organizations can take steps to build a more positive and employee-centered climate through:

- **Communication** – how often and the types and means by which information is communicated in the organization.
- **Values** – the guiding principles of the organization and whether or not they are modeled by all employees, including leaders.
- **Expectations** – types of expectations regarding how managers behave and make decisions.
- **Norms** – the normal, routine ways of behaving and treating one another in the organization.
- **Policies and rules** – these convey the degree of flexibility and restriction in the organization.
- **Programs** – programming and formal initiatives help support and emphasize a workplace climate.
- **Leadership** – leaders that consistently support the climate desired in the organization.

Wallace and Trinko (2007, pp. 2-6) brought another dimension on leadership issue and observed that the twenty-first century leaders create ongoing conversations about the future, helping the organization think more strategically and challenge assumptions about their models. These conversations also help the organization make contingency plans by anticipating different scenarios of challenge and success. According to them, engaging the intellectual capital of an organization requires a commitment to lots of listening, lots of appreciative questioning and deeper understanding of the motives and perspectives driving the workforce. Twenty-first century leaders find the time to enlarge both the circle of dialogue and investment as a means of keeping fresh, connected and alert to those they lead.

Another contribution made on the subject is about the core issue of internal drivers which may be considered as the contributing factors on organization climate. These drivers would ultimately have an impact on employees' retention. Phillips and Connell (2003, p. 4) remarked in this line of thinking that there is a significant impact of internal drivers and issues on the organization climate in an organization. These drivers/issues may be considered as the factors contributing towards having the right organizational climate. According

to Phillips and Connell (2003) the internal drivers and issues that have tremendous impact on the organizational climate and employees' retention/turnover are:

- **Need for challenging work.** Employees want creative, challenging and useful work. Employees have a need to use their minds and make a significant contribution.
- **Need for autonomy, flexibility and independence.** Employees are becoming more accustomed to having the autonomy and flexibility to organize and control their work and work environment. In fact, telecommunicating is making it easier to work at home. This need is attracting many employees to organizations offering a flexible structure.
- **Need for performance based rewards.** More employees are seeking appropriate rewards systems that reflect individual contribution and performance. If rewards are not in direct proportion to achievement, employees often will find jobs at organizations where they will be rewarded accordingly.
- **Need to learn new skills.** Employees desire to acquire new skills and these new skill sets are becoming a new emerging trend. Employees seek organizations willing to invest in them in learning new technology, processes and develop all types of skills.
- **Career growth.** In addition to obtaining new skills, employees want the opportunities to advance within an organization as they grow and develop their skills.
- **Desire to be on the leading edge.** Employees want to be associated with the best employer. Employees are interested in organizations with a strong reputation, considered to be on the leading edge of technology or the best at what they do.
- **Desire for competitive compensation.** Employees' desire for competitive compensation is growing day by day. They seek more money, more benefits and with more disposable income.
- **Need for a caring environment.** Employees place a high level of importance on working in a caring and supportive environment.
- **Need for work-life balance.** Many employees seek a job where they can establish a balance between their work and personal lives. Employees seek more involvement in family activities and social networks and they desire an organization that will provide the appropriate work-life balance.

What appears to be a different thought process on the above perspective on organizational climate brought out by Phillips and Connell (2003) are that of the opportunities

for learning new skills, challenging work assignment, the environment of sharing and caring and the emphasis on work-life balance. These seem to be the core factors for organization climate in any organization.

2.1 HR Perspectives in Public Sector Enterprise in India

The Second Pay Revision Committee (2008) dedicated a special chapter on human resource management in public sector enterprise. The committee observed that the public sector enterprises in India have always been considered as ‘model employers’. The PSUs used to recruit the brightest people in a very fair selection process and generally through a transparent system and open competition, the committee recorded. Further, the committee opined that the jobs in public sector always used to be the most preferred, by educated middle-class and the talent is generally given its due respect in the public sector. However, the committee is of the views that the situation has changed over a period of time. Earlier, there is little opportunity available for professionals to migrate from one organization to another, but during the last decade, it seems ample opportunities have been opened up for them to leave the organization. To add to this, the demand for talent is not confined to any particular sector of industry but the professionals are moving across sectors. As a result, public sector is under huge pressure in terms of attracting and retaining talent, the pay commission observed.

The committee further commented that the Human Resources as a functional discipline is one of the most complex and challenging fields of management as it deals with the people’s dimension in business management. The committee observed that the biggest challenge now being faced by PSUs is human resource management as it plays a strategic role in the growth of an organization and thereby maximizing returns on investment. Another new thought infused in the report of the commission is that the HR management’s role is required to be perceived as business strategic partner in the organization and it has to identify its key role with clarity in the context of organizational working as well as contributor to organization’s strategy. According to the report, the strategic HR practices help the organization achieve long-term and short-term goals through optimum utilization of human resources. This involves the development of human resources objectives, which are in alignment with the enterprises’ objectives. Thus, there is a new agenda in the role of HR and it has to come out from its traditional role of managing HR alone, the commission remarked.

Furthermore, the committee is of the opinion that the changes in industrial scenario give a clear signal to the public sectors to revisit their human resources management practices and formulate HR strategies with focus on profitability on long-term basis. To achieve this, the thrust needs to be on competitive HR policies & practices. The committee observed that the main focus of HRM function must be to build enterprises that change, learn, move and

act faster than those of its competitors. And, the emerging trend is to build competitive and not merely comfortable public sector enterprises. Therefore, human resource management in public sector enterprises is required to keep pace with the changing legal and governmental regulations and the changing scenario in the business world, the committee observed.

2.2 Pay-for-performance

India's pay commission broached the topic on pay for performance for the first time in the committee's recommendation. Hence, understanding the conceptual framework on the issue becomes essential before discussing the recommendation of the committee on pay for performance in PSUs.

The concept of pay for performance is understood as the payment made to the employees in return for their performance. It comes within the purview of the human resource management function to design a suitable compensation structure for the organization. This concept is not a new one. Organizations have been designing the compensation package linking with employees' performance over a long time. Pay for performance system is considered as one of the important trend in today's organization. The common approach is to devise pay linking with the individual performance or group performance. The philosophy behind this is that the increase in pay will be made with the increase in performance. Therefore, the employees are expected to value high on this aspect to make it a successful scheme. Such scheme may be designed for individual employee, specific group, or a section or department. This can be also made applicable for sales incentives, profit sharing, etc.

According to Koss (2007), from the beginning of time, there have been systems that reward different levels of performance. Citing the historical evidence, he submits that the word "salary" is derived from the Latin word "salarium", which means "salt money". In Roman times, soldiers and workers were paid in part with salt, considered a precious commodity many centuries ago. The expression "worth his/her salt" comes from this Roman pay system where workers could earn approximately 10 times the salt for superior efforts.

Koss (2007) further added that with the American workforce moving from the family forum economy into the factory setting, many employees were paid a piece rate for production. The union movement was built out of the piece-rate system, where employees were treated like machines and received no pay for retirement, illness and injuries. Unions became active in early 1900s as a way to force employers to treat employees more fairly. In today's world of business, firms use some type of performance-based compensation plan, Koss stated.

According to Chingos (2002), any effective pay for performance plan is more than just the happy medium between what a company can afford and what employees will settle for. A well-designed plan is a tool that fosters excellence and builds competitive advantage. Emphasizing the significance of rewards system while deciding pay for performance, Chingos added that the rewards need to be linked with individuals, group and overall company performance and designed with the company's overall business objectives. Therefore, according to Chingos, effective human capital management requires a holistic reward strategy that links pay programme, benefits and career opportunities.

It appears, Chingos (2002) gave another perspective on pay-for-performance laying importance to personal accountability aspect. This approach on accountability means setting specific and measurable targets in a variety of areas. To be effective, accountability does not have to mean rigid inflexibility, in which missing a target by one unit or 0.1 % results in zero reward, regardless of any circumstances. However, Chingos added that there should be a clear cause-and-effect relationship between results and rewards and therefore he emphasized that the strong performance should be rewarded, whereas poor performance should not. The moot point Chingos submitted is that one of the most challenging aspects of any pay-for-performance programme is to strike the right balance among various compensation elements and performance measures.

India's 2nd pay commission report (2008) highlighted one significant aspect on the emerging trend on pay-for-performance philosophy. The report indicated that it increases organizational effectiveness by aligning employees' effort to the organizational mission. According to the report, the rating of accomplishment of individual, team or business groups and having distinct differences in performance incentives between very good performers and non-performers send clear messages to the workforce that deliverance of results affects everyone in the organization.

2.3 Significance of Retention Issue and HR Management in PSUs

Dwelling on the retention issue, India's 2nd pay commission report (2008) mentioned that in public sectors the attraction and retention of high performers have become a challenging task. Therefore, HR practices and its management have a major role to play in order to achieve professional and competitive HR standards. Further, it calls for building up a culture of change in engagement, and, retention of employees, who are high performers in the organization. There is lot to be done by HR in terms of identifying & nurturing talent, creating a performance-driven culture and bringing about changes in the mindsets of employees at all levels so that all of them aim at providing value to customers, the committee observed. Multiple roles are, thus, required to be played by HR professionals such as business strategic partners, the change agents, the consultants, the service-providers, etc.

Human resources play an important role in development of businesses and is the main differentiator of excelling companies from other companies. In view of the growth in business, expanding market, high demand by consumers and change in technology, the biggest challenge being faced during the last decade by companies has been the need to meet their requirement for talented people and the rush for hiring of people is being seen in all the sectors, the commission noted.

Another aspect the commission observed is that the demand-supply equation for talented professionals is growing in India. As a result, both attraction and retention of employees in PSUs have emerged as major challenges for HR professionals. The commission made a critical remarks that the problem is not only limited within the country but it has become a global phenomenon and even the MNCs and global recruitment firms are hiring people from India to meet their demands. However, in recent times, one can also see that the trend is gradually reversing and now expatriates are being assigned to or hired for Indian operations. Even a lot of expatriate Indians working abroad are coming back because India has now a lot to offer. The future outlook confirms that global nomad employees, who move from country to country on varying assignments, will become a common feature, the commission recorded.

3 PERSPECTIVE ON EMPLOYEE ENGAGEMENT

The term **employees' engagement** is generally understood as the way the employees find it meaningful to remain engaged and contribute for the organization. In practice, people find it meaningful to contribute for the organization when they find that their goals are in tune with organization's goals. Meaningful contribution means that their energy and focus inherent in work engagement facilitate to bring their full potential to the job.

According to Bakker and Leiter (2010, p. 2), employee engagement is defined as a motivational concept. When engaged, employees feel compelled to strive towards a challenging goal. The employees accept a personal commitment to attaining these goals. Further, the work engagement reflects the personal energy the employees bring to their work. Engaged employees not only have the capacity to be energetic, they enthusiastically apply that energy to their work. And, therefore, the work engagement reflects an intense involvement in work, Bakker and Leiter (2010) remarked.

Another aspect added in this context by Bakker and Leiter (2010, p. 1) is about viewing work engagement as the opposite of churn out. It is a common phenomenon that the engaged employees become absorbed in their work. Work engagement may pertain to any type of challenging work. It describes employees' ability to bring their full capacity to

solving problems, connecting with people and developing innovative services facilitating retention.

It appears from the above submission that the word engagement is a term synonymous with personal commitment, personal energy and the intrinsic aspect of employees' motivation. Truly, the motivated employees derive self-propelled energy to remain committed to the job and remain engaged meaningfully. Commenting on the concept of engagement, Thomas (2009, p. 11) presented that in the last few years organizations have adopted the phrase "employee engagement" to capture the kind of motivation required in today's workplace. It is the logical successor to earlier terms in the evolution of work. It began with "enriching", the workers' jobs in the 1970s. Then the concept "empowered" workers in the 1980s and 1990s. And now that the work is more demanding it is essential to make sure that the workers are psychologically "engaged" in performing that work. Therefore, the more specific useful definition of engagement is the degree to which people actively self-manage their work (Thomas, 2009).

According to Macey (2009, p.4), the term engagement, in philosophical parlance, is the psychic energy on the inside that brings to mind powerful images. Those who apply more psychic energy to a given task focus intensely on it and spend less energy focusing elsewhere. Any organization that can capture more of that energy on the tasks that need doing, in turn, has a greater opportunity to create value. Macey (2009, p.4) adds that it is indeed the emphasis on energy that sets engagement apart from other popularized HR concepts, especially employee satisfaction. Employee satisfaction implies satiation and contentment with what has been obtained whereas engagement implies going after, seeking and striving. The notion of energy is the key to engagement whereas satiation is the key to understanding satisfaction (Macey, 2009, p.4).

It is understood that the connotation to the term engagement is the deliverables in terms of work output vis-à-vis the human capabilities and potentialities. Commenting on this aspect, Gebauer and Lowman (2008, pp. 3-4) submitted that four out of every five workers worldwide are not delivering their full potential to help their organization succeed. All people bring to the workplace a portfolio of skills, knowledge, experiences and other attributes such as creativity, agility, discipline, passion and motivation that they can choose to use on the job or withhold. Enlightened leaders know that the people who give 100 percent on the job and go beyond expectations are engaged in their work. And these leaders also know that the engagement is a business imperative, especially in today's complex, global and rapidly changing business environment.

Kahn (1990) has added another dimension to this concept of employees' engagement going deeper into the subject of psychological aspect of employees' emotional involvement. According to Kahn (1990), engagement is a multidimensional construct. Employees can be emotionally, cognitively or physically engaged. For psychological engagement, the two major dimensions are emotional and cognitive engagement. To be emotionally engaged is

to form meaningful connections to others and to experience concern for others' feelings. In contrast, being cognitively engaged refers to those who are acutely aware of their mission and role in their work environment.

According to Kahn (1990), employees can be engaged on one dimension, not the other. However, the more engaged an employee is on each dimension, the higher his or her overall personal engagement. Kahn (1990) further suggests that engagement occurs when one is emotionally connected to others. For example, employees who know what is expected of them, who form strong relationship with co-workers and managers, or in other ways experience meaning in their work, are engaged. Disengaged employees, on the other hand, uncouple themselves from work roles and withdraw cognitively and emotionally, Kahn explained.

In line with the above submission, Luthans and Peterson (2001, p. 385) also concede that the employees who have strong emotional ties to their managers, who feel that their opinions count and who believe their managers have an interest in their development are more likely to positively respond to their managers and produce favourable outcomes that help the managers to be more effective. According to Luthans and Peterson (2001), this success, in turn, builds the manager's self-efficacy. Similarly, employees who know what is expected of them understand their purpose well. Similarly, employees who are given opportunity to excel and grow and who are constantly seeking information regarding how to improve their progress are more likely to experience success. The cognitive and emotional engagement of the employees leads to the enhanced self-efficacy of their managers through experienced success, Luthans and Peterson (2001) observed.

Another contribution made on the subject is by Luecke (2002) who remarked that the people want to work for companies that let them do the kinds of work that appeal to their deepest interests. He outlined few aspects on engagement and retention of employees. These include "getting people off to a good start" means hiring people suited to their jobs, creating a great environment conveying that the atmosphere in a department or unit is more important to individual employees than the culture of the corporation as a whole.

According to Cook (2008), employee engagement is personified by the passion and energies the employees have to give their best to the organization to serve the customer. It is all about the willingness and abilities of employees to give sustained discretionary effort to help their organization succeed. Further, Cook explained that the engagement is characterized by employees' commitment to the organization, believing in what it stands for. It is all about preparedness to go above and beyond what is expected of them to deliver outstanding services to the customer.

From the above submission, the term engagement is understood as to how positively the employees think about the organization, feel about the organization and become proactive

in relation to achieving the organizational goals for customers, colleagues and stakeholders. Management practitioners would agree with the views that companies must manage human resources in a responsive way that appreciates employees' distinct contributions to the organization. While the engaged employees find their work more enjoyable, they would definitely turn that enjoyment into more effective action to bring their full capacity to solving problems, connecting with people and developing innovative services.

According to Gebauer and Lowman (2008, p. 3), the engaged employees not only help company's succeed in times of growth, but also help their companies weather an economic downturn or other challenging events that could adversely affect results. In fact, people's energy, dedication and desire to contribute not only help generate and sustain results in good times, but it also facilitates in shortening the period needed to turn a business around, Gebauer and Lowman (2008) commented.

Viewing engagement on a different perspective, Gostick and Elton (2010, p. 160) remarked in their book entitled "Invisible Employee" that there are just three words, 'Set', 'See' and 'Celebrate' and the success is not far behind. They cited a practical example stating that the secret of engaged employees and a successful workplace is in a organization with full of people who get up in the morning and through their fist say, "Yes, I got to go in to work today".

Of late, it is probably becoming an accepted phenomenon that the employee engagement is not only a subject of concern for those who are at the helm of affairs of the management functioning, it matters to each and every employee in the organization. Everyone in the present day context is willing to share responsibility. Everyone may like to talk about developing vibrant, engaging work environment and look for congenial workplace to offer opportunity to contribute, to perform and to excel in everything in life.

The American Society for Training and Development (ASTD) in association with Dale Carnegie Training and the Institute for Corporate Productivity (i4cp) conducted learning and employee engagement study (2009) to assess the relationship between workplace learning and employee engagement practices. According to the report, the engaged employees can be described as those who are "mentally and emotionally invested in their work and contribute to their employer's success.

ASTD's basic goal of the study is to gain an overview of engagement in today's workplace and to find out how organizations can boost engagement levels, with a particular focus on learning as a role in the process. Interestingly, this study finds that on an average, respondents viewed only about a third of employees as highly engaged, whereas nearly one in fourth were seen as minimally engaged or disengaged. The largest portion of employees (about four of 10) viewed as only moderately engaged, suggesting that there is a lot of room for improvement in this area. The report presents that the following three elements—

contributions, connections and growth and advancement—that drive employee engagement and this must be ingrained in an organization’s culture for employee engagement to flourish (ASTD’s Study Report, 2009):

- **Contributions.** Engaged employees are those who are mentally and emotionally invested in their work and contribute to their employer’s success. Organizations can create that knowledge by imparting a clear mission and vision. Further, informed employees feel a sense of pride in what their organization is striving to achieve as well as a sense of empowerment that they have a role in helping to reach those goals.
- **Connections.** Another vital link in the employees’ engagement chain is ‘connection’. Connections are the foundation of healthy working relationships and friendships. Managers must be held “most” accountable for the engagement of their employees. The study found that the organizations that hold “all managers” or “all employees” responsible for engagement were most likely to have an engagement based culture. Conversely, the organizations with the lowest levels of engagement were the ones that saw human resources department responsible for engagement.
- **Growth and advancement.** Employees look for opportunities for growth and advancement in their organizations. This means that the learning opportunities offered at an organization have a direct effect on engagement.

4 IMPACT OF EMPLOYER’S BRAND ON EMPLOYEES’ RETENTION IN A PUBLIC SECTOR ENTERPRISE

Employer branding is understood as the organization’s value in the market. It is about long term relationship with the employees and the customers. There are two sets of employees, one is the current employees of the organization and the other set is the prospective employees. Both are concerned about the image of the organization in the eyes of the public. Employees are the internal customers of the organization and they facilitate creation of its brand image. When people talk about a company, they usually refer to the organization climate, especially leadership style, and, performance profile of the company. In HR perspective, people are the architect of building the brand image and contribute towards long term sustainability. Employer branding is understood as a concept linked to HRM as a strategy for attracting and retaining talent in a highly competitive environment

According to Banerjee (2008, p. 36), employer branding is the process of creating an identity and managing the organization’s image and its role as an employer to its present as well as prospective employees. Banerjee viewed that the HR branding is a subset of em-

employer branding and therefore the organization needs to take the following basic steps before it can embed an HR brand:

- The HR team of the firm must focus on developmental activities like strategic recruitment requirements, training needs of employees and competitive compensation plan.
- The HR team must be given professional importance and must operate as an active member of the CEO's core team. It should be ready with information that helps to take business decision.
- The HR team must have close interaction with each departmental head within the organization so that it can play the pivotal role of facilitator for cross-functional issues.
- The HR team must lead the way for proper communication to reflect the vision of the firm and inform employees on a regular basis regarding parameters like the firm's current status, changing market dynamics and the firm's readiness to combat upcoming challenges.

4.1 Perspectives on Employer Branding and Employee Value Proposition

The term employer branding, is a commonly used phrase in corporate world and it is considered as one more significant aspect of retention of employees in an organization. A brand is a product, service or concept which is publicly distinguished from other products, services or concepts so that it can easily be communicated and help in the establishment of a unique identity (Banerjee, 2008).

Ambler and Barrow (1996, p. 186) defined employer brand as the package of functional, economic, and psychological benefits provided by employment. According to the author, employer branding is to be construed as the personality of an organization as a preferred employer so that a person joins and works for the organization instead of its competitors.

The management practitioners may agree to the view that the term **Employee Value Proposition (EVP)** assumes significance in the context of employer's brand image in any organization. EVP is understood as a package of benefits the employees get in return for their services. The EVP varies from company to company. Each organization designs its unique EVP. According to Finnegan (2010, p. 3), having a good Employee Value Proposition (EVP) is the first step to attract employees who could better identify, align and stay with a company. Finnegan stated that an EVP is a written statement that tells the applicants and employees what the company will provide for them. According to Finnegan (2010, p. 3), a good EVP should address the following from the stand point of employees:

- How will the employees grow and change because the employees choose the company?
- How will the employees impact the lives of others?
- What are the values of the company?

- How does the working for the company improve employees' life?
- Will the employee be proud to tell others that the employee works for the organization?

According to Heger (2007), an employer's brand helps differentiate organizations from their competitors by creating a distinct image of the total employment relationship clearly conveying the employment value proposition the organization offers to its prospective and current employees.

It seems that the prospective employees today may look for the package of benefits, both tangible and non-tangible from an employer. They may seek to tie a psychological contract with the prospective employer. They know their skills, talent and capabilities and expect the return that suits their profile. It is, perhaps, for this reason that the EVP of an organization is conceived as an important element of attracting and retaining talent as it communicates a distinct brand image.

Sinha (2008, p. 29) contributes in his submission towards the need for creation of employee value propositions (EVP) that facilitates the organization to deliver long-term competitive advantage. According to him, people make the organization and they are the true assets, the real capital of every organization. Competitors can never replicate the essence of people in an organization. The author opined that the successes will favour organizations which can create unique employee value propositions (EVP). This is about something which is different; it is something which is only available in certain organization. It is a package that ensures that there is a balance between what an employee receives from his employer in return for the performance on the job. If the employees perceive the 'get' to be greater than the 'give', then the organization will have the propensity to have more satisfied employees and in turn increased retention, Sinha predicted.

Ready, Hill, & Conger (2008) identified factors that differentiate the successful companies from others. These factors are brand, opportunity and purpose. All these factors play a role in all aspects of the talent management process. Brand, opportunity and purpose can create compelling promises which can attract talent.

It is apparent from the definitions of employer branding that the brand image of a company is noticeable, identifiable and can be easily distinguished from other companies. Company's brand communicates the goals, objectives and mission of the organization for which the company exists and these are clearly different from others. These factors play a role in attracting and retaining talent and sustaining the brand image.

Moroko and Uncles (2008) described employer branding as a context distinct from consumer and corporate branding and conceptualized the employment experience of a firm as a product produced by the culture, policies and processes of the firm. Here, the context is

that the employees also have the ability to help build strong brands, particularly within the service brand context. Moroko and Uncles (2008) stated that there are two dimensions of success for an employer brand: attractiveness and accuracy. As with customer-centric brands, attractiveness is underpinned by awareness, differentiation and relevance.

According to Moroko and Uncles (2008), the ongoing personal contact of employees with consumers gives them a great deal of influence over the way in which consumers view the company. Employees also have the ability to help build strong brands, particularly within the service brand context. Emphasizing the employer brand success, Moroko and Uncles (2008) submitted that once attracted the candidates commence employment and their experience matches or exceeds the perception they formed during the recruitment process. This is the most desirable position as it ought to result in the company being able to acquire and retain the best possible candidates. Furthermore, these employees are likely to be highly engaged, resulting in higher performance.

4.2 Perspective on “Employer -of- Choice” and “Great Place to Work”

People would like to have their choice while choosing an employer. With the wide range of choices available these days, people desire to work in an organization of choice. According to Herman and Gioia (2000, p. 3) employer of choice means any employer, be it private sector or public sector that attracts and holds up talent for long tenure. Today, employees have choices. They have a range of choices of occupation, geographical locations, industry and work arrangement. The concept of “employer-of-choice” appears to have emerged as there is a growing perception of employees towards employer as a brand. Employees want to work for the best employers. Organizations strive to be the “best organization to work for” because this very statement itself translates directly into lower rates of turnover. A company that is an employer of choice will be more attractive to prospective employees, Herman and Gioia (2000) noted. According to Herman and Gioia (2000, pp. 3-13), there are eight principles to consider an organization for an employer of choice:

- **Company image.** The company must have a solid, stable history with a good reputation and respect in the community. In particular, the company must be socially conscious and environmentally sensitive.
- **Organization culture.** The organization needs to demonstrate high values and standards, promote inclusion and a sense of community rather than status symbols.
- **Respected leadership.** Employees want to see ethical and respected leaders who are visible and accessible in the organization. They want leaders who can see into the future and can steer the company through changing times.

- **Caring for people.** Careful attention to issues on quality of life is becoming increasingly important as employees seek flexibility, involvement and good communication.
- **Growth and opportunity.** Personal and professional growth is very strong motivators for today's employees. They want to concentrate on keeping updated with their skills and participate in various training programmes.
- **Meaningful work.** People want to do more than just come to work and they want to be engaged and involved in planning and doing various activities. They want tasks that are meaningful and personally rewarding and they want to see value in their work.
- **Making a difference.** Today, workers are searching for companies that have a social conscience. They want to participate in making the world a better place, a different place and a unique workplace.

It may be summarized from the above observation of Herman and Gioia (2000, pp. 3-13) that the people would like to work in an organization which is distinctively different from others. People would like to be associated with an employer which provides opportunity for meaningful work. Basically, people would like to be identified with the brand image of the organization and take pride in being its employees.

According to Phillips and Connel (2003, p. 3), the organizations listed in Fortune magazine's "100 Best Companies to Work for in America" and Business Week's "employers-of-choice" are striving to be the preferred employer. Organizations included in these lists often use this recognition in print ads, recruiting literatures, and, other communications. Therefore, there is a need for creation of value additions in organizations in order to facilitate creation of a sustainable atmosphere of image building.

Referring to the concept of the great place to work, Bhattacharya (2008, pp.28-39), while mentioning the survey of the Great Place to work Institute, reveals that it is the nature of relationship between the organization and its employees that make an organization a great place to work. The relationship characterized between the employee and the employer can be further broken down into three fundamental attributes:

- **Trust** – The relationship between employee and his management.
- **Pride** – The relationship between employee and his job.
- **Camaraderie** – The relationship between employee and his peers.

According to the author, a great place to work is one where employees trust the people they work for, have pride in what they do and enjoy the people they work with. The best workplaces highlight on how organizations are managing changing demographics in an

environment where there are abundant people, but a shortage of available talent. No two best places are alike. However, if there is one thing which comes again and again in these workplaces, it is the feeling among employees that their organization is unique. The survey finds that over 90 percent of the employees of the best places agree with the statement, “I am proud to tell others I work here”. The findings reveal the elements of a great place to work as shown in Table 4.

Table 4: Elements of Great Place to Work

T R U S T	Credibility	Two way communication Manager’s competence Integrity-reliability of management
	Respect	Professional support Collaboration Demonstrated caring
	Fairness	Equity Impartiality Justice
	Pride	For the job About the team With the organization
	Camaraderie	Individual is valued Welcoming atmosphere Part of something larger

Source: P. Bhattejee, Human Capital, July 2008, p. 31.

On a closure look at the submission of both the above authors on the concept of “employer of choice” and “great place to work”, it seems there are few similarities. The employer of choice concept, among other elements, gives weightage to the values on quality of life and caring for people. The concept “great place to work” signifies showing respect by way of demonstrated caring along with other aspects mentioned above. Similarly both the concepts profess the significance of company’s image and the sense of taking pride.

According to Bhattejee (2008, pp. 28-39), the best workplaces in India compare well with the top 100 in the US. When it comes to management being perceived as competent and having a clear view of where the organization is going and how it will get there, India’s top 50 score is slightly better than the US top 100. However, India’s best places lag behind the top 100 in US in areas like providing unique and special benefits, ability to take time off from work, when required, and welcoming people when they change work units. In his study report, Bhattejee (2008, pp. 28-39) covered one of India’s key public sector enterprises in the power sector, National Thermal Power Corporation of India Ltd (NTPC) wherein the best practices of the organization across all the following elements of great

place to work were taken into consideration which compares well with other organizations considered great places to work in India, as shown in Table 5.

Table 5: Comparison on Indian PSU and Private Sectors

Elements	Best Practices in Indian PSU, NTPC	Best practices in Private Sectors
Credibility	<ul style="list-style-type: none"> ➤ Employees' participation in management at both unit and corporate level as part of employee relations strategy is unique in the company. ➤ Right to Information Act, 2005: Any person can ask for information and seek clarification from the company. The query is responded in a time-bound manner. 	<ul style="list-style-type: none"> ➤ Any employee with a concern is encouraged to use the open door policy and speak with his superior, higher management personnel. ➤ Open communication forum with the CEO of the company where the CEO will appraise the business updates and future plan.
Respect	<ul style="list-style-type: none"> ➤ Suggestion scheme to involve grass root level employee in bringing about work improvement. ➤ Culture of reward and recognition by celebrating achievements and events and recognizing the contribution of employees. 	<ul style="list-style-type: none"> ➤ University tie-up for higher education of employees. ➤ On the spot rewards for individual and team performance. ➤ Global employees' opinion survey understanding employees' expectation and global trend in best practices.
Fairness	<ul style="list-style-type: none"> ➤ Equal Opportunity Employer: Special physical work settings and facilities like ramps, screen reading software, special parking enclosure, etc. ➤ Policy on gender harassment: 50 % of women in administrative support function. ➤ Extended maternity leave, child care leave and child care center facilities. 	<ul style="list-style-type: none"> ➤ Performance bonus based on annual appraisal. ➤ Women integration network. The company's endeavour is to have at least one third of candidates interviewed for each open position as women. ➤ Economic Value Added (EVA) model designed for rewarding employees.
Pride	<ul style="list-style-type: none"> ➤ Every employee proudly proclaims: "We light every 4th bulb in the country". ➤ Company's vision reverberating as they start their day by singing together the company's song or when they hoist company's flag 	<ul style="list-style-type: none"> ➤ International recognition for community contribution. ➤ Employer branding award for innovations in recruitment. ➤ Humanitarian award, recognizing employees who promote human welfare, particularly in life threatening situation.
Camaraderie	<ul style="list-style-type: none"> ➤ Celebrating festivals, sports club activities, cultural evenings, employees' birthday, picnics, etc. 	<ul style="list-style-type: none"> ➤ Sabbatical for social services. ➤ Welcome gift: A basket full of company's product.

Source: P. Bhattejee, Human Capital, July 2008, pp. 32-35.

4.3 Employer Branding in the Current Perspective of Economic Scenario

Rao (2008, pp. 38-40), a pioneer in Indian HRD, believes that the current scenario of economic turmoil and resultant layoffs will bring out the truth behind branding strategies used by companies. Today the situation is even more complicated. According to Rao, the Gen Y and Gen Z employees are highly mobile, have high aspirations and demand a lot more. In view of this, employee retention and talent management has become a major issue. To meet talent management challenges, most employers resort to employer branding strategies. The strategies used by some of these organizations include activation of employee engagement activities; relook at compensation, projection of scores through business magazines, conferences, seminars, etc.

According to Rao (2008, p. 40), the OCTAPACE values create a very good psychological atmosphere in addressing the employer branding issues in the current perspective in terms of the following process strategy:

- **Openness.** Openness to new ideas and respect for ideas of employees at all levels. Based on the ideas of employees, management builds scenario through a participative process.
- **Collaboration.** Various departments work together to reduce transaction costs and collaborate to address common issues.
- **Transparency.** Organizations share as much information as possible to help people to come up with ideas.
- **Authenticity.** Employees are encouraged to speak what they feel and trust each other.
- **Proactivity.** Employees are encouraged to take lots of initiatives in cost cutting measures ensuring return on investment.
- **Autonomy.** Giving freedom and full autonomy to strategic business units to work out their own responses is a good proposition.
- **Confrontation.** Confronting poor and under performers is a welcome change. Confronting poor bosses who do not let their creative and productive junior function becomes a practice.

- **Experimentation.** Promoting research and development activities becomes a culture in a vibrant organization that believes in leveraging employees' potentialities and creative ingenuity.

5 PERSPECTIVE ON PUBLIC SECTOR, POWER SECTOR OVERVIEW AND DESCRIPTION ABOUT POWERGRID

The Power Grid Corporation of India Limited (POWERGRID), a government of India enterprise, is constituted in pursuance of the gazette notification of the government to carve out as a separate organization with the mandate for transmission of electric power in the country. It is one of the largest transmission utilities in the world. The organization has achieved operational efficiency through development of state-of-the-art operation and maintenance techniques such as hot line maintenance, emergency restoration system, dynamic testing of relays and thermo-vision scanning of switchyards. POWERGRID with its strong in-house expertise in various facets of transmission, sub-transmission, distribution and telecom sectors is offering consultancy services at national and international level. In the international arena, POWERGRID has emerged as a strong player in transmission sectors in South Asia (POWERGRID Annual Report, 2008)

5.1 Evolution of Public Sector in India

Prior to Independence, there were few 'Public Sector' Enterprises in the country. Post independence, India adopted planned economic development policies in a democratic and federal polity. The country is facing problems like inequalities in income and low levels of employment, regional imbalances in economic development and lack of trained manpower. India at that time is predominantly an agrarian economy with a weak industrial base, low level of savings, inadequate investments and infrastructure facilities.

In view of this type of socio-economic set up, India's visionary leaders drew up a roadmap for the development of public sector as an instrument for self-reliant economic growth. This guiding factor led to the passage of India's Industrial Policy Resolution of 1948 and followed by Industrial Policy Resolution of 1956. The 1948 Resolution envisaged development of core sectors through the public enterprises.

Department of Public Enterprises (DPE), Government of India (2009) conducted a survey on public enterprises in India. According to the report, Public sector enterprises have been set up to serve the broad macro-economic objectives of higher economic growth, self-sufficiency in production of goods and services, long term equilibrium in balance of payments and low and stable prices. A large number of CPSEs have been set up as Greenfield projects consequent to the initiatives taken during the Five Year Plans. India's public sec-

tor emerged as the driver of economic growth consequent to the industrial revolution in Europe. With the advent of globalization, the public sector faced new challenges in the developed economies.

According to the survey report of the DPE, no longer the public sector in India had the privilege of operating in a sellers market and had to face competition both from domestic and international competitors. Further, in the second half of the 20th century in the developed economies, the political opinion started swinging towards the views that the intervention as well as investment by Government in commercial activities should be reduced to the extent possible. Lot of emphasis is laid on market driven economies, rather than State controlled and administered economies. The collapse of socialist economy of the Soviet block convinced the policy planners, around the world that the role of the State should be that of a facilitator and regulator rather than the producer and manager, the survey report mentioned.

The Government realized that a strong and growth oriented nation could be built if India grows as part of the world economy and not in isolation. Thus, liberalizing and deregulatory steps were initiated from the year 1991 onwards, which aimed at supporting growth and integration with the global economy. The main elements of the Government policy towards Public Sector enterprises are (Department of Public Enterprises, Government of India (2009):

- To devolve full managerial and commercial autonomy to successful, profit making companies operating in a competitive environment.
- Generally, profit-making companies will not be privatized.
- Public sector companies and nationalized banks will be encouraged to enter the capital market to raise resources and offer new investment avenues to retail investors.

5.2 Power Sector Overview

Power development is the key to the economic development in India. As per report published by the Ministry of Power, Government of India (2009), the power sector has been receiving adequate priority ever since the process of planned development began in 1950. As a result, the development of generation, transmission and distribution of power almost became exclusive in the public sector and the state government became responsible for the development within the state. However, since the states were not able to meet the growing demand of power and in order to augment the state efforts, the Government of India constituted the central generation companies, the central sector generation utilities viz. National Hydroelectric Power Corporation Ltd. (NHPC) and National Thermal Power Corporation Ltd. (NTPC). These Corporations also established associated transmission system for evacuation of power from their generation to the constituent states.

The government promulgated Central Electricity Regulatory Commission Act (1998) for setting up of independent regulatory bodies both at the Central level and at the State level viz., the Central Electricity Regulatory Commission, CERC (1998) and the State Electricity Regulatory Commission (SERCs) at the Central and the State levels respectively. The main functions of the CERC (1998) are to regulate the tariff of generating companies owned or controlled by the Central Government. It is mandated to regulate the tariff of generating companies, other than those owned or controlled by the Central Government, if such generating companies enter into or otherwise have a composite scheme for generation and sale of electricity in more than one State. It is also the responsibility to regulate the inter-state transmission of energy including tariff of the transmission utilities and to regulate inter-state bulk sale of power.

The national electricity policy of the Government of India emphasized that the electricity is an essential requirement for all facets of our life. It is recognized as a basic human need and considered as a critical infrastructure on which the socio-economic development of the country depends. The government underscored the need for supply of electricity at reasonable rate to rural India for its overall development. Equally important emphasis is given on availability of reliable and quality power at competitive rates to Indian industry to make it globally competitive and to enable it to exploit the tremendous potential of employment generation (Ministry of Power, Government of India, 2009).

Over the years, the installed capacity of Power Plants (Utilities) has increased to 14558 MW (Megawatt) from meager 1,713 MW in 1950, registering 85 folds. Still the country is facing a peak shortage of 12 % and energy shortage of 10 %. To meet the present deficit in demand and to meet the future demand the Government of India has an ambitious mission of 'Power for All by 2012'. This mission would require that the installed generation capacity should be at least 2, 00,000 MW by 2012 from the present level.

The Indian power sector is in a take-off stage and is ready for investment and technology absorption in the areas of generation, transmission, distribution and energy conservation. The government is trying to foster investment particularly in clean-coal technology, extra high voltage transmission and distribution technologies. The Government has launched the ultra mega power project initiative, whereby the Ministry of Power would facilitate the setting up of large coal-based power projects of 4,000 MW and above in the private sector.

5.3 Organization Climate in Public Sector Enterprise in India

Experience tells us that the prevalence of right kind of organization climate is *sine-qua-non* for attraction and retention of talent in the market for **Public Sector Enterprises (PSUs)**. People, perhaps, move to public sector enterprises in India because of high social status and job security. However, a better pay package may not always be the sole factor for migration of talent. The general working environment, work culture, job satisfaction, area of operations, personnel policies are some of the intangible factors, which people take into consideration before moving to another organization (India's 2nd pay commission, 2008). It is the emergent role of individual PSUs to ensure that the quality of working environment, avenues for growth and development of employees, empowerment, inculcating a sense of ownership amongst the executives, are taken care of, to retain the talent in the organization, the commission observed.

Understanding the measures required to be taken by these PSUs, India's 2nd pay commission (2008) recommended revision of pay scales in every five years. This is suggested to retain talent in PSUs since the economic/industry scenario changes drastically over a long period of time. The commission emphasized the need for a robust and transparent performance appraisal system based on pre-determined key performance areas. According to the commission, once such a system is in place, the PSUs can go for performance related payments. Progressively, executive compensations in PSUs should be aligned with their counterparts in the Private Sector, the commission observed. This is a welcome change in approach taken by the pay commission. This view is taken, perhaps, due to the necessity for retention of talent in PSUs. Once compensation structure is designed in parity with private sector, the retention rate of talented people in PSUs will definitely go up.

According to the Pay Commission, the right approach requires that the employees or the work force be treated as resource and thus, the relationship between the management and employees should be valued in high esteem in an organization. Commission also added that it is high time that the PSUs should reorient themselves in the matter of human capital and they must ascertain motivational methods for both tangible and intangible employees. It is in this context that the periodic revision of remuneration in the PSUs is necessary. The commission recommended that the salary revision for the Executives & Non-Unionized Supervisors is done by the Government of India through the Department of Public Enterprises (DPE), the nodal department for PSUs.

In view of the present scenario and the challenges ahead for the public sector and in particular the competition from the Private Sector and MNCs, the Second Pay Revision Committee is conscious of its role to recommend a comprehensive pay package to the CPSEs so as to improve efficiency, productivity & economy through rationalization of organizational structures, systems and processes. The Committee therefore emphasized the

need for functional and operational autonomy for the CPSEs along with the need to improve transparency, discipline, and accountability, assimilation of technology and research and development.

5.4 Profile of Power Grid Corporation of India Limited (POWERGRID)

As the historical background goes, the organization took over the transmission network along with the associated manpower of the following organizations. The manpower and transmission assets were transferred to POWERGRID on as is where basis (Human Resource Management Department, POWERGRID, 2003).

- April 1991: The transmission assets of Nuclear Power Corporation Limited were transferred to POWERGRID.
- April 1992: Transmission assets of Neyveli Lignite Corporation Limited were taken over by POWERGRID.
- January 1993: The power transmission system, comprising of the main transmission lines, including the extra high voltage alternative current transmission lines and the HVDC lines, and sub-stations in the National Thermal Power Corporation Limited, the National Hydro Electric Power Corporation Limited and the North-Eastern Electric Power Corporation Limited were acquired by the Government of India and transferred to POWERGRID.
- August 1993: The transmission assets of Tehri Hydro Development Corporation Limited transferred to POWERGRID.
- 1994: The Government of India entrusted POWERGRID with the responsibility of controlling the existing load dispatch centers in the country with a view to achieving better grid management and its effective operation and maintenance.
- October 1998: POWERGRID notified as a *Mini-ratna* (jewel) organization by the Government of India.
- December 1998: POWERGRID notified as the Central Transmission Utility by the Government of India.
- May 2008: POWERGRID is notified as a *Nav-ratna* (nine jewels) in the country.

5.4.1 POWERGRID'S Functional Responsibility

Being in the natural monopoly business of power transmission, POWERGRID has been conferred with the statutory status of the Central Transmission Utilities in India by the Ministry of Power. POWERGRID has been given the responsibility to discharge the following functions:

- Transmission of electricity through inter-state transmission system.

- Planning and co-ordination relating to Inter-State transmission system with-State Transmission Utilities.
- Exercise supervision and control over the Inter-State Transmission system.
- Operation of all Regional Load Dispatch Centers (RLDCs) and communication facilities.
- Telecommunication lines and Consultancy services to various National and International organizations.

POWERGRID is a listed organization with public holding of 13.64 % and the balance by Government of India. The organization has a transmission network of 71,500 Circuit Kms with 125 Sub-Stations, transmitting 80,000 MVA. POWERGRID carries 45 % of India's electric power and has a Network availability of 99 %.

5.4.2 Objectives of POWERGRID

The objective of POWERGRID is to create a strong and vibrant national grid in the country to ensure the optimum utilization of generating resources, conservation of an eco-sensitive right of way and the flexibility to accommodate the uncertainty of generation plans. With modernization of Regional Load Dispatch Centers (RLDCs) and implementation of various inter-regional links, inter-regional power exchange has grown manifold. Growth of inter-regional power exchange has helped in meeting more demand in energy deficit regions besides achieving overall economy. Inter-regional power transfer capacity of the national grid has been enhanced to about 17,000 MW in FY 2007-08. Five major power regions of the country namely, North-Eastern, Eastern, Western, Southern and Northern are now operating as one synchronous grid (same frequency).

5.4.3 POWERGRID'S Mission

The mission statement of the organization has been designed keeping in view the mandate of the organization reflecting on the company's resolves to ensure efficient functioning in transmission of electric power across the country with reliability, consistency and on business principles. The mission statement of the organization states as under:

“Transfer of electric power through national power grid with reliability, security, economy and on sound commercial principles”.

5.4.4 Achievements and Awards of POWERGRID

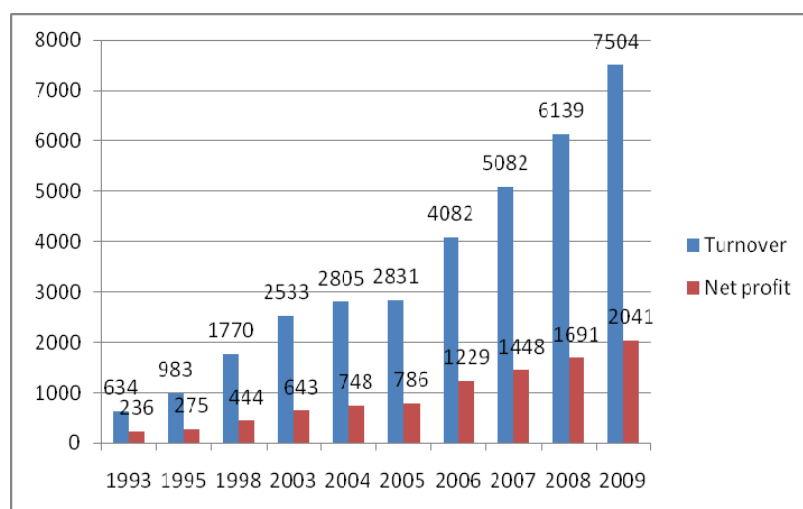
The organization has bagged many prestigious awards and accolades from government and international agencies some of which are:

- Consistently achieved “Excellent” ratings against targets set under Memorandum of Understanding (MOU) by the government of India.
- Bagged three national awards for meritorious performance.
- Conferred star public sector organization award for business standards.
- Received All India Organizations of Employers Industrial Relations Award.

5.4.5 Financial Profile and Asset Base in POWERGRID

The organization has reported a net profit of Rs.2041 Crore for the financial year 2009-10, a 21 % rise as compared to the previous year’s profit of Rs.1691 Crore. The turnover of the organization rose to Rs.7, 504 Crore from Rs.6, 139 Crore, up by 22 %. In this financial year, the Organization’s Earnings per Share (EPS) increased to Rs.4.85 as compared to an EPS of Rs.4.02 for previous fiscal. The book value also grew from 34.73 to 37.81 for the financial year 2010. POWERGRID achieved an increase in capital expenditure from Rs.8, 167 Crore in the last year to Rs.10, 586 Crore. A profile of turnover and profit of the organization for the period of fifteen years (up to 2008-2009) shows an increase of 616 % in net profit and turnover increased by 1009 %, as shown in the Figure 2.

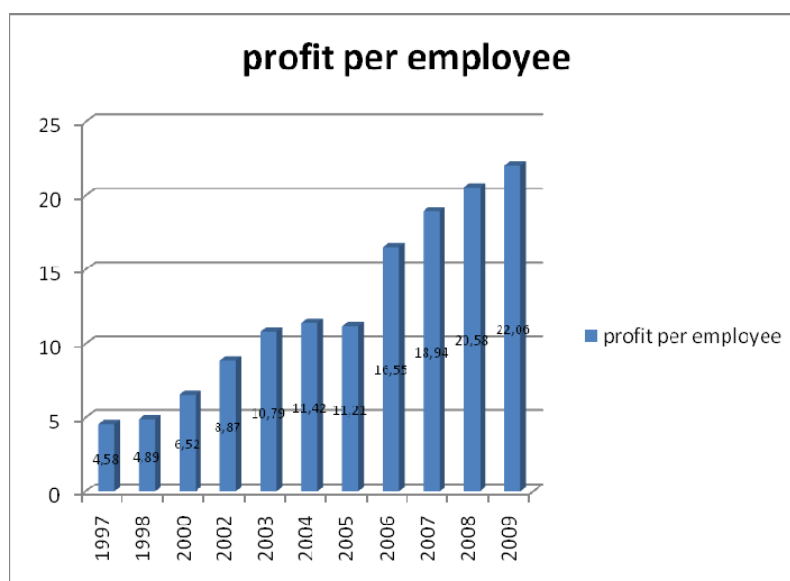
Figure 2: Turnover and Net profit of POWERGRID (Rupees in Crore)



Source: POWERGRID HRIS Portal, 2010.

The Figure 3 shows that the profit profile of employees in terms of the ratio of organization’s total profit after tax is increasing gradually over the last 7 years from the financial year 2003-2004.

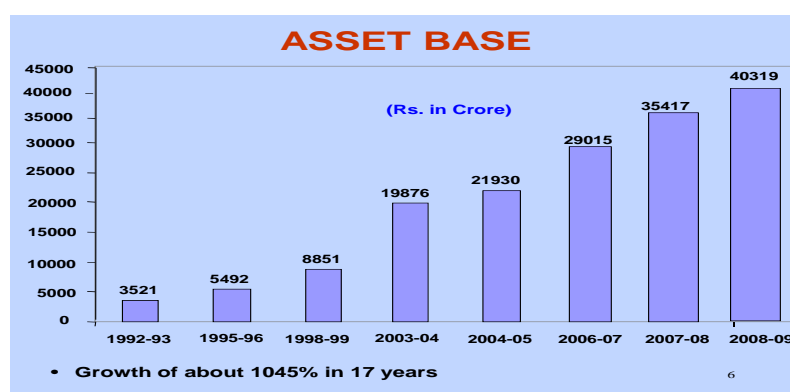
Figure 3: Profile on Profit per Employee (Rupees in Thousands)



Source: POWERGRID HRIS Portal, 2010.

The asset base of POWERGRID has grown manifold over the years. A compilation of the data on asset base of the organization for the last 17 years has shown a tremendous growth profile of the organization. Figure 4 shows the trend in gradual increase in the asset base of the organization.

Figure 4: Asset Profile of POWERGRID (Financial Year)



Source: POWERGRID HRIS Portal, 2010.

5.4.6 SWOT Profile of POWERGRID

POWERGRID has set up for itself an ambitious target of doubling its transmission system in the XI five years plan of the government. This means that the organization will be required to do much more in the coming years than what it has done in the past 10 years.

POWERGRID's SWOT analysis reveals the following (HRM Department, POWERGRID, 2003):

- **Strengths**
 - Excellent track record in project implementation and operation & maintenance
 - Strong balance sheet and ability to raise low cost debt
 - Engineering skills in project configuration and package design
 - Excellent Project Monitoring & Project design and consultancy group
- **Weaknesses**
 - Low risk diversification of business portfolio, primarily transmission assets and Communication links
 - A functional orientation hampers cross-functional perspective
 - Long and multi layered procurement process
 - Bureaucratic decision-making process – affects responsiveness
 - Limited experience in operating in a truly liberalized environment
- **Opportunities**
 - Huge infrastructure and wide spread over in the country.
 - Expansion of services of consultancy, operation & maintenance activities in domestic and international markets.
 - Scope for forward and backward integration.
 - Scope for strategic alliance with private players.
- **Threats**
 - Delay in reforms in state electricity boards.
 - Ever-stringent environmental norms and amendments in Electricity Rules allowing open access in transmission lines.

5.4.7 Employment and Attrition Rate of Employees in POWERGRID

Historically, as the organization came into being with the bifurcation of transmission units of power generating companies, the entire manpower stood transferred and their services were absorbed in the newly constituted organization. Thereafter, all the positions were managed by these transferred employees. However, with the passage of time, as the organization grew in size with various business opportunities, it started recruiting executives at the induction level. Over the period of time, the organization has been regularly inducting executives at various positions. The manpower in-position in POWERGRID in all the grades/levels in the executive category as on August 7, 2010 is shown in Table 6.

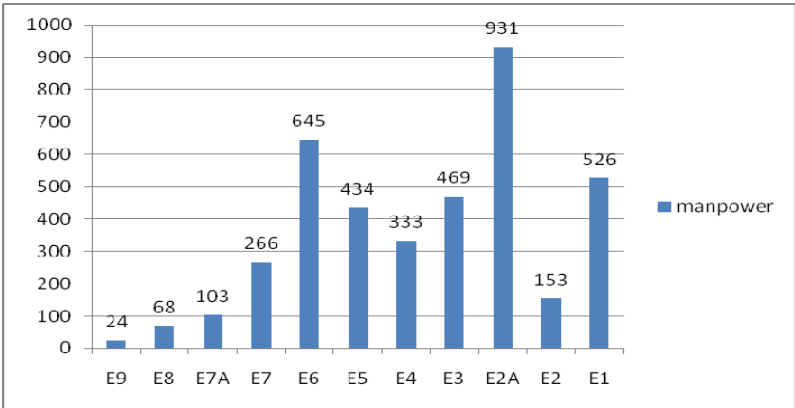
Table 6: Manpower Position in POWERGRID as on 7.8.2010

REGION	Executives	Supervisors	Workmen	Total
Corporate Center	496	96	128	720
Northern Re- gion-1	402	346	358	1106
Northern Re- gion-2	219	184	439	842
Eastern Region-1	183	124	138	445
Eastern Region-2	223	183	307	713
North Eastern	191	137	445	773
Southern Re- gion-1	186	151	153	490
Sothern Region-2	258	213	183	654
Western Region-1	187	174	165	526
Western Region-2	199	132	135	466
Northern Re- gional Dis- patch Center	47	10	28	85
Eastern Load Dispatch Cen- ter	40	5	36	81
North Eastern Load Dispatch Center	30	4	12	46
Southern Load Dispatch Center	39	10	22	71
Western Load Dispatch Cen- ter	34	7	37	78
Deputation.	10	0	0	10
Distribution Management System	226	64	72	362
TELECOM	164	15	25	204
Executive Trainees	141	0	0	141
(Fixed Tenure basis)	307	94	0	401
TOTAL	3582	1949	2683	8214

Source: POWERGRID HRIS Portal, 2010.

Figure 5 shows the profile of executives deployed in the organization. It is seen from the data that there are more numbers of executives in the entry level (E2A for executives recruited directed by open competition) and middle management level at E 6 grade. It shows the importance given to middle management levels in discharging functional responsibility as at these levels senior managers are given full responsibility as in-charges of sub-stations and construction of lines. They are supported mostly by entry level officers (E2A) as working hands for project work/field jobs. Therefore, the number of intake for this level is high.

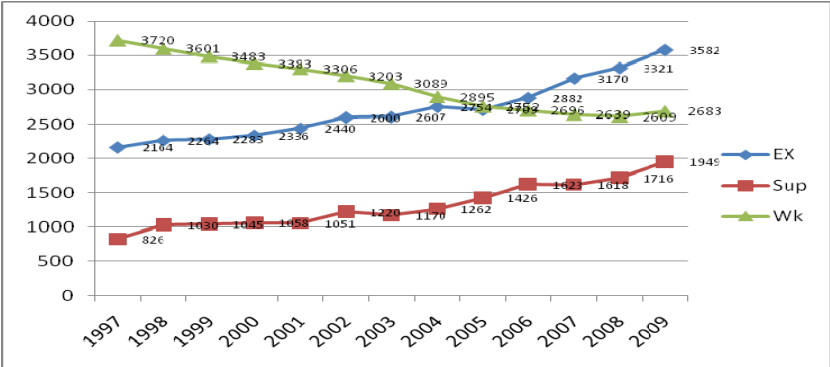
Figure 5: Manpower in Executive category in POWERGRID



Source: POWERGRID HRIS Portal, 2010.

Figure 6 showing the profile of manpower growth over the Years in POWERGRID reflects that the overall trend has been towards increasing the intact of employees in executive levels whereas in workmen level the intake is getting reduced year by year. Data reveals that the strength of workmen category gets reduced from 3720 in 1996-97 to 2693 in 2008-09 whereas, in case of executives, it gets enhanced from 2104 to 3602 during the same period. The reduction in workmen level is due to retirement and death of employees. That shows that the organization is heading towards becoming an executive-oriented company.

Figure 6: Manpower profile



Source: POWERGRID HRIS Portal, 2010.

The organization works out the attrition rate based on the actual number of employees who have voluntarily resigned from the services. This excludes the employees who are separated from the organization on account of attaining the age of superannuation & death.

Table 7 shows the attrition profile of the employees in executive, supervisory and workmen categories. Compilation of data is made for the last 5 years showing the position of total number of persons who had tendered resignation, excluding those who had involuntarily separated from the organization due to retirement, death and repatriation of services on completion of tenure of deputation.

Table 7: Attrition Profile in POWERGRID

Exit Reason	2005	2006	2007	2008	2009
Executives	65	188	215	143	131
Expired	7	6	3	3	5
Repatriated	1	12	5		2
Retired	16	35	47	30	67
Resigned	41	135	160	110	57
Total Exe	2882	3170	3321	3582	3942
Attrition % of Executives	1,42	4,26	4,82	3,07	1,45
Supervisors	10	26	24	25	54
Expired	4	5	2	2	7
Repatriated		2	1	3	
Retired	1	6	10	9	12
Resigned	5	13	11	11	35
Total Sup	1523	1618	1715	1949	2350
Attrition % of Sup	0,33	0,80	0,64	0,56	1,49
Workmen	15	44	52	44	74
Expired	12	28	18	12	13
Repatriated			2	1	1
Retired	3	15	30	30	50
Resigned		1	2	1	10
Total Wkm	2696	2639	2609	2683	2870
Attrition % of Wkm	0,00	0,04	0,08	0,04	0,35
Total Resignation	46	149	173	122	102
Grand Total	7101	7427	7645	8214	9162
Attrition %	0,65	2,01	2,26	1,49	1,11

Source: POWERGRID HRIS Portal, 2010.

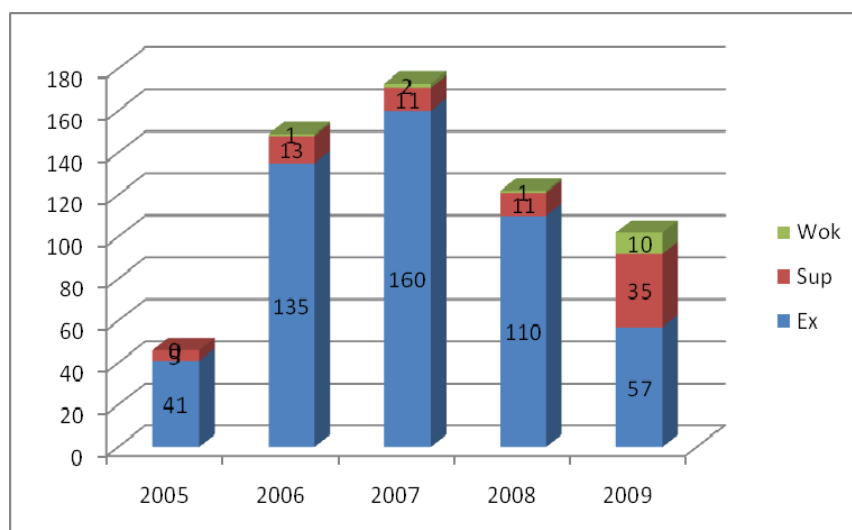
Table 8 and Figure 7 present the exit profile of employees of workmen, supervisory and executive categories that shows that the rate of exit of executive category is the highest whereas in workmen level it is negligible.

Table 8: Summary of Exit Profile of Employees

Year	2005	2006	2007	2008	2009
Executive	41	135	160	110	57
Supervisor	5	13	11	11	35
Workmen	0	1	2	1	10

Source: POWERGRID HRIS Portal, 2010.

Figure 7: Exit Profile of Employees in POWERGRID



Source: POWERGRID HRIS Portal, 2010.

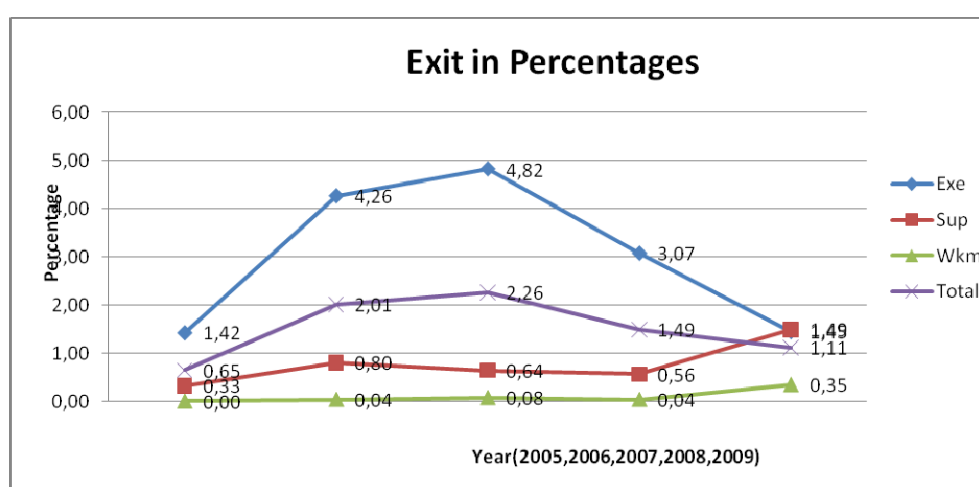
The summary of the attrition profile of the organization as shown at Table 9 and the graphic presentation in Figure 8 reveal that the overall percentage of the attrition rate is quite normal. During the year 2007 the rate went up but in the subsequent years the rate came down gradually in the next two years. This is, perhaps, due to the pay revision implemented in the year 2009. Effective implementation of pay revision may be attributable to low rate of attrition.

Table 9: Summary of the Attrition profile

Year	2005	2006	2007	2008	2009
Exe	1,42	4,26	4,82	3,07	1,45
Sup	0,33	0,80	0,64	0,56	1,49
Wkm	0,00	0,04	0,08	0,04	0,35
Total Attrition %	0,65	2,01	2,26	1,49	1,11

Source: POWERGRID HRIS Portal, 2010.

Figure 8: Graphic Presentation of Attrition profile



Source: POWERGRID HRIS Portal, 2010.

5.4.8 Evolution of HR Practices in the Organization

Consequent upon amalgamation of manpower from various constituent organizations, it became imperative to address the complexities of human resource management from the day of inception of the organization. Historically, the process of spin-off and amalgamation of Personnel of the merged organization, drawn from different organizations of power sector, posed multiple HR challenges for the corporation. Some of the inherent problems faced by the organization were the mismatch of skills of employees, diversities in systems and procedures followed in different organizations, difference in benefit structures, pay and allowances, problems of inter-se-seniority, divergent work culture, conflicting industrial relations scenario, etc.

Right from the inception, the top most priority of the organization was to design specific organization-oriented HR model in order to ensure employees' appropriate integration through HR intervention and relationship management. The organization has been success-

ful in integrating HR policies and processes into the business process keeping in view the organization's distinctive capabilities of achieving excellence in performance.

The profile of the organization as seen from the report brought out by the Human Resource Management Department (2003) reveals that the department has achieved its goals of designing organization-specific HR strategy and OD intervention. The emergence of organization's unique HR system and activities such as employees' relations, employees' retention, Training and development initiatives, performance management systems, competitive compensation, rewards and recognition system resulted into sustainable development and promotion of business. The human resource management department endeavours to link HR architecture to the best advantage of organizational capability building resulting in employees' commitment, competence, effective coordination & communication enhancing capacities in organizational excellence.

The HR department defined competitive priorities to maintain a standard of work efficiency level by keeping the transmission lines operational at 95 % availability of the system. It stipulated the requisite capability levels needed to implement strategic task by identifying the skill sets to be acquired by technicians, linemen, supervisors and executives in managing the vast system of transmission lines. The organization has been able to successfully design new business model, defining how the business needs to be organized and managed differently to overcome weaknesses and enhance the capability to implement the strategic task. Towards the process of organization change, the department adopts culture building strategy by involving employees in team work, games and sports activities, organizing cultural competitions, promoting fine arts and handicraft competitions amongst employees, engaging employees in participative forum, joint committees, etc.

5.5 Employees Engagement and Organization Climate Perspective in POWERGRID

It finds a mention in the organization's Annual Report (2009) that the human resource is the most important asset and accordingly its policies are focused on development of human potentiality through skill up-gradation, job rotation and career enhancement. The foremost HR strategy is directed to analyze key priorities in addressing various issues concerning employees' engagement and creating an appropriate organization climate. The HR policies and its practices followed in the organization reflect on the organization climate and the employees' engagement as seen through the various integrated models highlighted below:

- **Industrial Relations (IR) Perspective.** The organization adopts an integrated approach in managing human resources with much emphasis on industrial relations in which the various industrial relations strategies and mechanisms are designed taking into consideration the issues concerning the entire organization. One of the reasons for

maintaining a harmonious IR scenario is the formation and operation of only one platform of employees as bargaining agent for the entire organization. Its unique forum POWERGRID National Bipartite Committee (PNBC) is the joint management forum which is instrumental in major policy decisions involving workmen category of personnel. The forum discusses issues like employees' welfare, wages and benefits, social security measures, training and development, etc(Personnel Manual,2005, Vol. III).

The forum conducts meaningful deliberations and takes various important decisions. Once a collective decision is taken, the forum ensures consistency and uniformity in implementation of decisions across the organization. In fact, the organization is the first PSU in power sector to have constituted a bipartite forum through a system of secret ballot which is regularly administered by the management. Over the years, the forum has proven itself as a successful employee involvement, empowerment and transformation instrument and contributed to the development of human resource management policies in the areas of reward, training & development, promotions, incentives, employee welfare and setting up of performance targets.

The forum is extensively useful in communicating the organization's vision, business plans, core values and important business developments. Unlike other industrial relations oriented bi-partite forums, where conflict of interest is a common phenomenon, the forum performs the role of facilitator for bringing about positive change with appreciation for both employees' and organizational goals wherein business targets are discussed and communicated to the employees at all levels.

In addition to the national level forum, the organization has also constituted regional bipartite forums for addressing all regional and sub-station level issues to ensure employees' participation in decision making process. These forums are primarily engaged in identifying the areas for improvement at the sub-station/regional level management and enhance coordination among employees working in different shift duties. These forums have been ensuring wholehearted employee involvement and empowerment in management of sub-stations and contributing in setting new standards in all aspects of management.

- **Competency Development Model.** The organization emphasizes the significance of taking HRD initiatives to ensure a higher level of performance for organizational excellence. To bridge the gap between available and required quality of manpower, skill up-gradation model is initiated in the organization to create a vibrant and productive workforce. A detailed annual calendar of programme is chalked out to impart different levels of training based on training need analysis of employees and planned phase of learning and re-learning strategy. Basically, training programmes are

organized to cover the following levels of training in order to enhance knowledge/skill/attitude of employees:

- Induction level – for newly recruited employees and category upgraded employees.
 - Refresher level – for existing employees to equip them in updating knowledge in their functional areas as well as across other functions.
 - Advanced level – for providing advanced technological inputs to identified individuals who are thorough in their functional assignment.
 - Global Outreach Initiative – to acquaint executives abroad with latest technologies, trends and practices related to industries in general and power transmission aspects in particular.
 - Employees are encouraged to pursue long-term general aptitude courses. In addition, the organization's policy exists for pursuing higher education, study leave, incentive for acquiring higher qualification, and sponsorship for further studies for learning new skills. These schemes are made primarily to encourage and recognize employees' self initiated development.
- **Training infrastructure.** The organization has set up training centers called the 'Employee Development Centers' (EDC) which are provided with adequate infrastructure such as class rooms, syndicate rooms, trainee hostel, board and lodging facility, recreation facilities, training aids, etc. These in-house centers conduct various training programmes at low cost and with flexible schedule.
 - **Training collaborations.** The organization has made an arrangement for collaboration with prestigious educational institutes for imparting managerial training. These collaborations provide the organization cost effectiveness, flexibility and accessibility to quality training.
 - **Special training.** Employees who show potential for future growth and development are identified and subjected to comprehensive development modules such as General Management Programmes (GMP), training overseas in specialized technical fields. Such programmes are regularly organized.
 - **Training as critical business activity.** Training in the organization is perceived as a critical business activity. Training activities are included as a vital performance parameter in Memorandum of Understanding (MOU) assigned by the administrative ministry of the organization. MOU is an instrument used by Government of India to set key business targets to a public sector undertaking on yearly basis. The organization, ever since its inception, has surpassed the training target under the MOU targets.

- **Compendium of HR policies, rules and guidelines.** Comprehensive policy documents have been prepared in the form of Personnel manuals (2005), printed in 3 volumes, covering all aspects of policy guidelines and the same are widely circulated in all establishments in the organization. The purpose for such manuals is to bring about awareness and ensure uniformity in implementation of rules, policies and guidelines in the organization. Transparency in rules and policies facilitate in demonstrating organization's culture of openness and trust.
- **Delegation of power/auditing systems.** With a view to ensuring objectivity and clarity in decision making process, the delegation of power and auditing procedures for various functional areas like finance, quality, construction, etc., are formulated so that every employee in the corporation is aware of the functional and operational responsibility.
- **Performance appraisal and management system.** Personnel Manual (2005) of the organization highlights the objective of the Company's Promotion Policy for employees. The basic objective is to provide, keeping in view the organizational requirement, adequate growth opportunity consistent with merit and suitability. The promotions are generally based on seniority-cum-merit. The relative weightage for different factors are; seniority, appraisal report/merit rating test, trade test & interview. Test, Trade-test and Interview, wherever prescribed, for the candidates fulfilling all the eligibility conditions, are conducted regularly once in a year in the organization.

The organization believes in the philosophy of generating growth from within, and in pursuance thereof, endeavours to achieve synchronization of the goals and objectives of the organization with the aspirations for growth and development of the individual employees. This aspect is clearly mentioned in the statement for promotion policy of the organization. In order to facilitate the fulfillment of the growth expectations, the organization strives to create and sustain an environment conducive to efficient and effective functioning of the employees in their roles and responsibilities and to provide the necessary scope and facilities for development of technical and managerial skills and capabilities through training, job rotation, opportunity to serve in the field, job enlargement and job enrichment. Employees are expected to avail fully of the developmental opportunities, as mere reliance on length of service may not be sufficient to meet fully their growth aspirations.

As the employees taken from the constituent organizations of power sectors (9 companies) to the newly created amalgamated entity, the seniority in the respective grade of the employees was to be maintained. Service weightage is to be worked out for each organization based on date of entry in the grade of employees in the parent organization. For this purpose, equivalent grade was determined and implemented for all em-

ployees transferred from all the constituent organizations. New promotion policy was implemented considering all aspects like essential qualification, number of service in the grade, service weightage, merit and suitability, etc.

In order to continuously grow and sustain the growth rate, the organization adopted performance oriented strategy. Systems and procedures are designed and developed to promote growth and transparency. Performance linked incentives is designed to recognize the efforts of the employees commensurate with their skills, capabilities and potential for taking higher responsibility. Job Rotation and Skill enhancement facilitate employees to feel motivated and empowered as it fulfils their developmental needs.

- **Compensation management model.** The organization has devised a compensation model in conformity with the directives issued by the 2nd Pay Commission (2008) and as circulated by the department of public enterprises, Government of India and as appropriate for the organization. Compensation package for the executive category of the organization has been implemented with effect from January, 2007. Similarly, wage revision order in respect of employees in workmen category has been issued giving effect from January, 2007. Unified wage structure has been drawn keeping in view the prevailing package in the comparable industry and the competitive compensation in the market. The same is in accordance with the directives of the pay commission and in conformity with the wage agreement signed between unions and management.
- **Grievances settlement measure.** POWERGRID has adopted the policy of continuous communication and confidence building measures among employees. The organization has a well documented and well communicated multi level time-bound grievance settlement mechanism for Workmen, Supervisors and Executives which starts at the lowest appropriate level. There is a grievance cell to regularly monitor the grievances of the employees and facilitate their timely redress.
- **Welfare measures.** The organization has formulated its comprehensive welfare guidelines. The objective of the guidelines is to provide welfare measures and develop recreational facilities to enrich social life of employees and their families and also to encourage them to act as agents for community development. Some of the welfare facilities provided are as follows:
 - **Medical facilities.** The organization has one of the best medical facilities in the corporate sector. Not only the employees but also the parents and children are also entitled to excellent medical facilities. Even the employee at the lowest level can walk into any hospital empanelled by the organization for treatment. Some of the features of POWERGRID medical policy are as follows:

- Empanelment of Hospitals: Reputed Hospitals, nursing homes located in the vicinity of POWERGRID’s establishments are empanelled by the organization to provide quality and timely medical facilities to the employees and their eligible dependents.
 - Visiting Medical Consultants: In each first aid room, provision for visiting medical consultants exists and their visits are scheduled so that the employees can have consultation whenever needed with the medical consultant. Provision also exists for transport facility in case of emergencies.
- **Education facilities.** Schools in Sub-station Township: Based on the number of nursery school going children nursery schools are run in the township. The organization has established own schools providing secondary and senior secondary level education to the children of employees and also benefiting the neighboring areas, fulfilling its obligation towards corporate social responsibility.

Reservation of seats in reputed hospitals for wards of children: Wherever it is logistically not possible to establish and run a school of its own, the organization has tied up with reputed schools in the areas near its establishment to provide quality education to the wards of its employees.

- **Transport facilities.** Since organizations’ establishments are located at remote areas, transport facilities are provided to the employees and their families so that they don’t face any hardship. Transport facilities are provided for the following purposes:
- For schooling.
 - For shopping.
 - For journey to and from rail/bus head.
 - For medical emergency and referral cases.
 - For miscellaneous purposes like educational trips, picnic, etc.
- **Employees’ consumer co-operative stores.** Consumer co-operative stores are established and run in substations and townships to facilitate supply of essential items of domestic consumption at fair price. Financial assistance is also provided for establishing the cooperative stores.
 - **Sports and games activities.** The organization considers that the sports and games are an integral part in the holistic development of an individual. The forum called the “POWERGRID Sports Promotion Council” (PSPC) is constituted which is responsible for promotion and development of sports culture in POWERGRID. Various inter and intra-regional tournaments are organized in order to identify talented sports person for

participation in various tournaments at district level and state level. Meritorious sports persons are also sponsored to help them excel.

- **Cultural and social council.** It is the apex body which organizes various cultural programmes across the organization on occasions like national festivals, foundation day and other festivals. These cultural programmes provide an opportunity to employees and their family members from different regions to understand the culture of each other. This also contributes to organizational integration and team building efforts.
- **Employees welfare associations.** The objective of the association is to involve people in the projects and headquarters for various cultural and other activities. Site management is delegated with financial power to incur expenditure on welfare facilities befitting to the requirement in each region.
- **Corporate social responsibility.** POWERGRID's Annual Report (2009) dedicates a paragraph on CSR stating that the organization has been working towards the development and well-being of the community. A number of social development schemes are being promoted involving socially weaker sections and the people with special needs and women. The organization believes in the philosophy that the corporate social responsibility is a major agenda that needs to be reviewed regularly by the management. The organization emphasizes overall development of the region in which it operates by undertaking various community development schemes in villages adjoining the sub-stations by providing medical, education, drinking water besides other infrastructure facilities like roads, community centers, etc.

To fulfill its social obligations as CSR agenda, each region of the organization is allocated budget for various community development initiatives like construction of school, recreation center, arrangements for drinking water, vaccination of children, etc. Primary level schools are also set up in various places where no such facility exists. The organization has adopted few villages located in and around the organization's project sites so as to fulfill its corporate social responsibility and contribute towards social development.

- **Citizen's charter in POWERGRID.** The organization formulated its citizen's charters providing a visible front of its objectives, mission, commitments, terms of service and its obligation to various stakeholders. Information about its scheme, policies, and specific project plans of the organization including the issues of general interest to stakeholders is available in all POWERGRID'S offices. The information is also available in POWERGRID'S website and the same is upgraded from time to time. This is intended to provide all information on schemes, plans and practices to users outside the organi-

zation as well as information about accessing the services (POWERGRID Annual Report, 2008).

- **POWERGRID’S renewed commitment to transparency.** The role of vigilance function of the organization has been considered as an essential management arm. Accordingly, a number of steps have been taken to improve vigilance functioning and demonstrate transparency in management practices. Publications of NITs (Notice Inviting Tenders) and contract documents on website, bill tracking systems and E-payments, etc., have been implemented in the organization. In order to improve transparency and enhance public image on the organization, information such as status of sub vendor approval, publication of HR rules and policies, details of contract awarded as well as evaluation criteria are made available on the website for use of various stakeholders (POWERGRID Annual Report, 2008).

6 RESEARCH STUDY ON “KEY FACTORS AND CHALLENGES FOR RETENTION OF EMPLOYEES IN A PUBLIC SECTOR ENTERPRISE”

The research study begins with the articulation of the research methodology and formulation of research questions. The following paragraphs present the research methodology, research questions and research process describing the questionnaire, data details, research analysis and the results of the research study.

6.1 Research Methodology

The primary goal of this research work is to determine the key factors and challenges for attraction and retention of employees in a public sector enterprise with particular reference to the POWERGRID, a government of India enterprise. The study is envisaged to solicit response on the following assumptions:

- Employees perceive the organization as a unique brand and it is due to its brand image the organization has been able to attract the prospective employees and retain its current employees.
- Employees are of the opinion that the organizational climate facilitates in creating the atmosphere of employees’ appropriate engagement in the organization.
- Employees’ involvement in decision making process, communication systems, propensity for motivation, learning and growth opportunities, employees’ welfare measures and work-life balance are the major drivers for employees’ engagement in the organization.
- Job security, social security, work life standards are the key factors for retention of employees. The major challenge in attracting and retaining talent is to synchronize the

future growth profile of the organization with the career growth prospect and expectation of the employees.

Keeping in view the goals of the study, deductive research process with questionnaire, based on literature review, has been prepared. The research type followed corresponds to the analytical and explanatory research. The research methodology is primarily based on the qualitative and quantitative aspect of the research strategy.

Basically, the thesis is interwoven in two parts; theoretical aspect and the empirical part of the research study. The theoretical part includes literature reviews through website search, electronic access to official journals and publications of academic institutions, websites of various government departments, organizations and the concerned administrative ministries of the Government of India. The theoretical part consists of five major chapters which are further arranged point-wise, *seriatim*. The main emphasis on this part is to deal with the theoretical aspects on employees' retention, organizational climate and employer brand perspective.

The empirical part contains the responses on the survey and results which are collected through the questionnaires, both objective type and open-ended questions. In addition, the responses are also recorded, through internet-mediated telephone, from the practicing managers and HR professionals of the organization and their views/opinions are synthesized to draw logical conclusion. Accordingly, their inputs have been appropriately incorporated in the concluding chapters.

During the research process, primary and secondary data are used. The primary data are collected from the internet mediated questionnaires administered to about 112 employees posted at the corporate center and regions through random sampling basis. Collections of data from secondary sources include annual report of the enterprise, HR websites and personnel manuals obtained from the HR department of the organization.

6.2 Research Questions

Primarily, the research is focused to address the following pertinent questions:

- The first research question is meant to understand: “What is the perception of employees about the organization as a ‘brand’. Whether the employees and the management facilitate creation of the brand image of the organization?”
- The second question pertains to: “How does the organizational climate facilitate in creating a culture of employees’ appropriate engagement and what are the driving elements of organizational climate”.
- The third question relates to: “What is the perception of the employees about the key drivers for employees’ engagement in the organization”.

- The last question seeks to bring out the straight answer: “What are key factors for retention of the employees and what challenges the organization has to address in attracting and retaining talent”.

6.3 Research Process – Questionnaires and Data Details

The research process begins with the questionnaire which is prepared based on theoretical knowledge and experience on the subject. Based on the filled-in questionnaire, the data are tabulated and analyzed.

6.3.1 Questionnaires

The research process is initiated with the conceptualization of the questions which are framed befitting to the research subject. Accordingly, an objective type questionnaire with multiple choices is prepared soliciting response from the respondents, covering the contents in three major parts. The first part consists of personal profile. The second part contains questions for assessment of the perception of employees on company’s image, captioned “Employer Brand”. The third part deals with the issue on organizational climate survey soliciting responses on aspects like work environment, motivational aspect, communication system, rewards and recognition scheme, EVP, etc., appended as Annexure 4.

Another set of questionnaire is designed to obtain views and specific comments of senior managerial personnel through an open-ended questionnaire. This set of questionnaire is meant for HR professionals in senior management positions who are posted in various regions of the corporation and functioning as the heads of HR departments of these regions. The basic purpose is to obtain additional inputs on the issue from these managers who have put in long years of service in the organization enclosed as Appendix 5.

The research process started with the identification of the levels and the departments of the employees to be covered under the survey. As the subject of the research pertains to an area of interest for all employees in the organization, executives representing top management, middle management and key functionary have been chosen for the survey. Further, large number of representations of executives from regions is taken into consideration for the survey as there are a considerable numbers of executives posted in seven regional offices of the organization. These executives are mostly functional managers engaged in construction, O & M and the associated transmission lines of the organization.

While choosing the individual respondent, a representative sample of the employees is taken keeping in view their qualification, experience, age profile, the current job responsibility and position in the hierarchy in the organization structure.

Basically, the respondents are chosen as a sample of employees and the selection of a particular respondent is done by applying random sampling method. The Table 10 shows the position of the distributed questionnaires indicating the department *vis-a-vis* the managerial level/position of the respondents in the organization:

Table 10: Distribution of Questionnaire in POWERGRID

Levels/positions in the hierarchy	Number of questionnaires distributed in the Deptt	
	Corporate Center	Regions
1. Senior level managers	20	28
2. Middle level managers	16	27
3. Junior level Executives	9	12
Total	45	67

The questionnaire for the research study is sent across all the respondents through e-mails by personally contacting the nodal officer of each establishment/department. All the respondents have been requested to fill in the questionnaire and send back the same through e-mails/fax and telephonic response. Some of the responses on open-ended questionnaire are considered and taken note of based on telephonic conversation with the respondents. All the questionnaires are self administered through personal contacts and liaison with the concerned executives posted in the regions and corporate center. Response to the questionnaire is received based on constant follow-up with the respondents.

6.3.2 Data Details

Table 11 gives the results of the questionnaire which are completed and received back with responses. In fact, due to timely follow-up with the respondents, the entire research process seems to have yielded good results as 91 % of the filled-in questionnaire has been received. The total number of responses thus received is 102 excluding the one having missing data/details/feedback.

Table 11: Statement of Returned Questionnaires

Questionnaires	Delivered	Returned	Percentage
Corporate Center	45	39	86
Regional Headquarters	67	63	94
Total	112	102	91

The following table shows the gender-wise frequency distribution and the percentages of the respondents:

Table 12: Gender-wise frequency and percentage

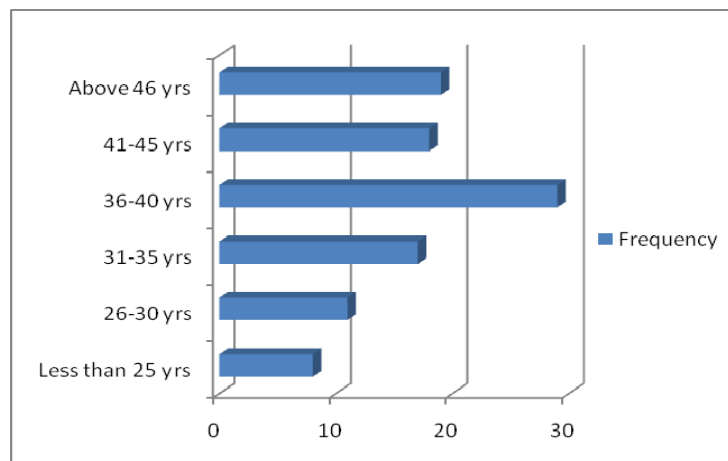
Gender	Frequency	Percentage
Male	80	78
Female	22	22

The age profile of the respondents as drawn in the following clusters is tabulated and shown in Table 13 and Figure 9.

Table 13: Age Profile of Respondents

Age	Frequency	percentage
Less than 25 yrs	8	7.8
26-30 yrs	11	10.7
31-35 yrs	17	16.6
36-40 yrs	29	28.5
41-45 yrs	18	17.7
Above 46 yrs	19	18.7

Figure 9: Age profile of the Respondents



The respondents' number of years of experience showing the respective frequency and the percentages are shown in Table 14.

Table 14: Number of Years of Experience of Respondents

Experience	Frequency	Percentage
0-5 years	7	6.8
6-10 years	12	11.7
11-15 years	18	17.6
16-20 years	36	35.2
Above 21 years	29	28.4

6.4 Research Analysis and Results

Based on the data received from the respondents, the data are tabulated and compiled. The tabulated data throw light on various aspects of the employees' retention issue as the same delves into the finer details on each sub-question structured within the main theme of the subject. The following chapter presents a critical analysis of the results as they emanate from the questionnaires on employer's brand image, organizational climate and the contextual framework of employees' engagement in the organization.

Basically, there are two aspects of the questionnaire, one which is designed with multiple type questions meant for all employees selected as primary respondents. The other set of questionnaire is designed specifically for senior managerial personnel in the organizations and posted in regions, line establishments/offices including the corporate center. This set of questionnaire is designed to elicit response from the practicing managers as to what have been their experiences and perceptions on issues relating to employees' engagement, organizational climate and the organization's brand image perspective.

6.4.1 Employees' Perception about Organization's Brand Image

The first research question addresses the basic issue pertaining to the employees' perceptions about the organization's brand image. The broad perspective of the issue relating to employer's brand image raises several questions which are framed to unveil the understanding the employees have on brand perception, loyalty, pride and commitment for the organization. These questions emanating from the following hypothesis are:

Hypothesis 1: "Employees perceive about contributing worthwhile for the organization and facilitate the management in creation and retention of its brand image".

Based on the above premise, specific questions are designed to gauge the feelings of the employees towards contributing for the organization in retaining the brand image. Questions are also asked about employees' opinion on the attractiveness of their jobs and their willingness to identify with the success of the employer. The respondents are given five options to indicate their appropriate answers ranging from strong disagreement to stronger

feeling of agreement on a five point scale. The answers to these questions are tabulated as in the Table 15 showing the mean value, median, mode and standard deviation measures for each question to facilitate objective analysis and interpretation.

Table 15: Perceptions about Organization's Brand Image

Questions	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree	Mean	Median	Mode	STD DEV
Employees' feel about contributing towards creation of brand image.	2	6	6	54	34	4.09	4	5	0.94
Employees consider their jobs more attractive & intend to continue with the organization.	7	6	11	42	36	3.92	4	4	0.72
Employees' willingness to associate for its brand of success & their engagement.	5	3	19	53	22	3.82	4	4	0.96
Employees & mgt. endeavour to thrive and survive the brand.	0	8	22	43	29	3.91	4	4	0.89
Organization's USP is different from its competitors.	0	8	26	41	27	3.85	4	4	0.90
Organization is the "employer of choice" amongst PSUs.	4	21	19	43	15	3.43	4	4	1.09
Employees have the trust in management & leadership in brand creation.	0	7	8	47	40	4.17	4	4	0.84

While asked about employees' feelings on making worthwhile contribution for the organization, majority of the employees (86 %, considering both the views on agreement and strong agreement) expressed in favour of the contention. However, it is observed that out of all the above seven questions on employees' perception about company image, there is a signal of disagreement (23 %) to the question about treating the organization as 'employer

of choice'. Almost 18 % employees have remained neutral on this question. This shows that the employees may not consider the organization as the best choice among PSUs in India and yet they would like to associate with the organization and facilitate its brand image. This is because the employees, while responding to the question, stated that they consider their jobs more attractive and they (56 %) have expressed their willingness to continue with the current jobs and desire to identify with the organization's success.

The above finding is also corroborated with the statement that majority of employees (72 %) would like to associate themselves with the organization due to its management's style of functioning, leadership aspects and employees' engagement initiatives that instill a deep sense of pride & commitment. Further, on the issue of collective efforts of both employees and employer towards enhancing company image, the respondents have agreed in large numbers (70 %, considering both the responses on agreement and strong agreement). However, on the question of whether the organization's current brand image communicates the USP that helps differentiate it from its competitors, 56 % have expressed their agreement although 26 % of the employees have maintained a neutral stand. Therefore, the mean score appears lower for this question as compared to other issues on employer brand image. It means 56 % of the respondents feel that the organization's unique selling proposition stands differentiated from the competitors. This is because the organization is still in the monopoly business of power transmission and its operational parameters are distinguishable from other organizations.

On the other hand, the data on the organization's leadership issue and trust in management reveal that its mean score (4.17) represents comparatively higher score. It shows that the employees have trust in the management and feel that the organization's leadership facilitates in creating and retaining the brand image. That means, the employees view that the current leadership in the organization believes in creating a culture of trust amongst employees and promoting a spirit of team work and commitment. This is also supported by the employees' higher mean score (4.09) as shown against the question of reciprocal response from employees towards contributing worthwhile for the organization to sustain its image.

Notwithstanding the above, the employees feel that the organization may not be construed as the best employer or the 'employer of choice' amongst PSUs in India. The standard deviation measure for this question at 1.09 reflects the difference of opinion amongst employees as 18 % of them remained neutral and 20 % maintained their disagreement to the contention.

The next pertinent question relates to the organization's enhanced image soon after its listing in the stock exchange in the year 2007. As the organization grew, by leaps and bound, over a period of time, due to factors like availability of opportunity for business expansion, the employees hold a very strong opinion that the organization's image has gone up substantially after its listing in the stock exchange due to public awareness on the

organization's role and responsibility on power sector development in the country. As seen from Table 16, a sizable number of employees (93 %) have expressed in agreement out of which about 24 percent strongly agreed to the contention of the enhanced image of the organization after its listing in the stock exchange.

Table 16: Perceptions about Organization's Image after Listing in Stock Exchange

Questions	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree	Mean	Median	Mode	STD DEV
The organization's image has gone up as a result of its listing in stock exchange.	0	0	10	67	25	4.14	4	4	0.56

Employees' feelings about the need for brand creation assume significance in the light of the present day context of changing business scenario and the impact on the retention of employees. This aspect is substantiated from a response to a specific question as to whether a powerful employer brand is essential for attracting quality talent in the current competitive environment of business as well as retaining them in a Public Sector Enterprise (PSU). The responses in respect of the following questions are presented at Table 17.

Table 17: Perceptions about Attraction and Retention based on Employer Brand Image

Questions	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree	Mean	Median	Mode	STD DEV
Employer brand helps in attracting talent & retaining them in a PSU	2	3	10	67	20	3.98	4	4	0.77

As seen from the above table that the employees have mostly agreed to the question of a general phenomenon that the people are attracted to a brand and like to identify with such organization on long term basis. There seems to be a negligible number of respondents who have disagreed with this view whereas a substantial number of employees (85 %) have agreed that the people are attracted by the organization's image. That shows that the people are attracted to the organization, take pride in the organization's success and therefore their retention rate is high.

An attempt has been made through this study to understand the factors required for a brand to be successful. As regards determination of the factors essential for successful branding, the responses of the employees have been captured through the following questions as shown in Table 18.

Table 18: Factors Essential for a Successful Brand

Questions	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree	Mean	Median	Mode	STD DEV
Key to successful branding is to establish the bond of trust and credibility with employees & customers	0	13	24	37	28	3.78	4	4	0.99
Organization's public dealings are transparent.	3	7	21	49	22	3.78	4	4	0.96
Organization's website contains all relevant information on business operations.	0	9	27	37	29	3.84	4	4	0.94
CSR activities facilitate creation of corporate brand.	15	21	19	30	17	3.12	4	4	1.32
Goals of the organization match with employees' career growth prospects.	5	8	19	53	17	3.67	4	4	0.99

It reveals from the above table that majority of the employees have agreed in great numbers (63 %, combining both agreement and strong agreement) that the key aspect on successful branding rests with establishing the element of trust and credibility with the employees and the customers. This may be due to the reason that the organization treats both its internal customer as well its external customers to their satisfaction.

Another contributory factor appears to be the organization's PR initiatives and drive in its communication across public as to what it believes in maintaining transparency in public

dealings and in matters pertaining to the affairs of the organization. This is amply proved by the majority response, 48 % agreeing to the statement and 21 % stating their strong agreement to this view. Similar ratings are also seen in response to the query on the organization's website being the interface between the public and the organization. It shows that the website contains all relevant information for the public and it keeps posted with the business updates and future plans projecting thereby a good public image and transparency in its functioning.

Responding to a question as to whether the organization's goals and objectives synchronize with that of the career growth prospects and aspiration of employees facilitating brand creation, 51 % respondents have agreed to this while there are neutral views of about 18 % on this question. From this, a conclusion can be drawn that the employees' contribution is acknowledged and the employees perceive that their goals and objectives match with organization's goals and mission. That is why, the employees seem to be motivated and therefore they respond positively to the expectation of the customers and help thereby maintain the image of the organization.

On the other hand, the corporate social responsibility being the most significant factors essential for a successful brand seems to be somewhat lagging behind as the employees have given contrasting views. The standard deviation at 1.32 presents a deviating picture on the employees' divergent response to a sensitive matter as 35 % employees are not satisfied with the current state of affairs on CSR agenda undertaken by the organization. The mean value (3.12) is the lowest amongst all the above factors essential for successful brand. It seems from the response that the organization needs to do more in taking initiatives and complying with CSR as a major corporate responsibility.

6.4.2 Impact of Organization Climate and its Major Drivers

The most significant aspect of the research study is to extract an appropriate answer to the question based on the hypothesis that the organization climate facilitates creation of a culture of employees' appropriate engagement. Considering the broad drivers of organization climate, responses are solicited from employees on their perception about physical environment, leadership, communication effectiveness and team spirit. The hypothesis framed on these lines is:

Hypothesis 2: "Organizational climate facilitates creation of a culture of employees' appropriate engagement. The driving elements of organizational climate are physical environment, leadership, communication, team spirit, employees' involvement and employee value proposition".

Within these three broad forces of organization climate, few relevant questions as outlined below have been framed. Organization's physical environment is construed as the driver for organization climate. The questions on this subject are based on general physical envi-

ronment, infrastructure facilities, its cleanliness, upkeep and maintenance, etc. The responses to these questions are tabulated as shown in Table 19.

Table 19: Employees' Perception about Physical Environment

Questions	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree	Mean	Median	Mode	STD DEV
Work area is maintained and offers a safe working environment	0	3	7	67	25	4.11	4	4	0.64
Work environment is congenial for physically challenged employees	0	2	5	71	24	4.14	4	4	0.64
Working conditions are continuously improved	0	0	9	59	34	4.24	4	4	0.60
Preventative maintenance of office & replacement of office equipment	0	1	8	80	13	4.02	4	4	0.49
Employees are provided with all physical resources and office equipment.	0	0	6	78	18	4.11	4	4	0.47

Organization's physical presence gives a clear picture of the atmosphere in which the employees are working in a section or in a department. In this context, there is absolutely no disagreement amongst employees on the existing physical environment in so far as the infrastructure facilities, its upkeep and maintenance are concerned. The average mean score on all the above five questions pertaining to physical environment is above 4.12. That shows the organization's accurate impetus on providing physical facilities, office equipment and infrastructure, periodical upkeep, maintenance and availability of these facilities to all sections of people including the disabled employees. The most significant part of the question is about the opinion of the employees on preventive maintenance of

the facilities. When asked about this, the majority of the respondents have agreed (87 %) that the working conditions in the environment are being continuously improved in the organization.

The second aspect on organizational climate is the style of functioning of the management and its leadership aspect. While questioned on leadership aspect, the respondents have endorsed the views that the organization's leadership believes in promoting team spirit, mutual trust and coordinated work environment. The responses of the employees as shown at Table 20 communicate the employees' bond of trust with the management and its leadership. It seems, on employees' part, they like to work in a team in active coordination with each other as seen from a very good response from them holding strong agreement towards keeping up an atmosphere of being trusted.

Table 20: Employees Views on Organizational Leadership

Questions	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree	Mean	Median	Mode	STD DEV
Employees trust the management and the organization's leadership.	4	7	4	47	40	4.09	4	4	0.84
Employees believe in maintaining team spirit and working in close coordination with each other.	2	6	8	54	32	4.05	4	4	0.89

Another significant aspect on organizational climate is the communication effectiveness and coordinated activities within the various departments. The following questions as shown in Table 21 form the basis for understanding the perception of the employees.

Table 21: Views on Communication Effectiveness & Coordinated Activities

Questions	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree	Mean	Median	Mode	STD DEV
Free flow of communication exists among employees and they can communicate effectively with seniors	2	7	12	41	40	4.07	4	4	0.98
Functions of all the departments are efficiently coordinated and managed	6	11	9	44	32	3.83	4	4	1.16
Work contributions are acknowledged.	1	6	15	41	39	4.08	4	4	0.92
Communication channel is transparent, consistent and the employees are kept abreast of the development.	0	7	15	48	32	4.02	4	4	0.86

Results of the tabulated data as shown at the above table highlight favourable response in another element of organizational climate, i.e., communication effectiveness. Employees have given positive ratings on all the three questions which are meant for understanding the perception of employees about free flow of communication among employees, acknowledgement of the work contribution of employees and overall transparency in communication channel. However, on coordination activities, difference of opinion is seen from the response as the deviated views are above 1.16 of the standard deviation measure. That reveals that the employees perceive that the inter-departmental communication and coordination are not efficiently managed and therefore this needs to be effectively channeled to ensure communication effectiveness.

Another significant aspect of the research study is to gauge the effectiveness of management practices. Above all, the organizational climate entirely depends on the effectiveness of the overall management and day-to-day functioning in the organization. Management effectiveness can be judged from the perspective of proper delegation of work, effective feedback and monitoring system, transparency in rules, policies and systems. All these

aspects are captured through the following relevant questions and the responses are tabulated as shown in Table 22.

Table 22: Perception on Managerial Effectiveness

Questions	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree	Mean	Median	Mode	STD DEV
Management ensures effective feedback system, monitoring and span of control	2	6	8	54	32	4.05	4	4	0.89
Functioning of the management is transparent, consistent and effective	0	2	5	71	24	4.14	4	4	0.58
Works are properly delegated & there is absolute clarity on role and responsibility.	0	0	7	65	30	4.22	4	4	0.56
Rules, policies and guidelines are unambiguous and uniformly implemented.	1	5	9	59	28	4.05	4	4	0.80
Incentive scheme is suitably designed and implemented	0	4	11	52	35	4.15	4	4	0.76

It is seen from the above data that the average mean score on all the above aspects of managerial effectiveness is at a higher level at 4.12. This demonstrates the effectiveness on the overall functioning of the management in terms of its consistency in management practices, feedback system, control and monitoring and maintenance of transparency in decision making process. Employees expressed in agreement that the rules, policies and guidelines are spelt out, clear and implemented uniformly across the organization.

As regards delegation of power, employees perceive that the same is clearly defined and employees know about their role and responsibilities. There is absolutely no disagreement on this account amongst the respondents and they have agreed in higher ratings (93 %) to the statement on the transparency in its practices in respect of delegation of power.

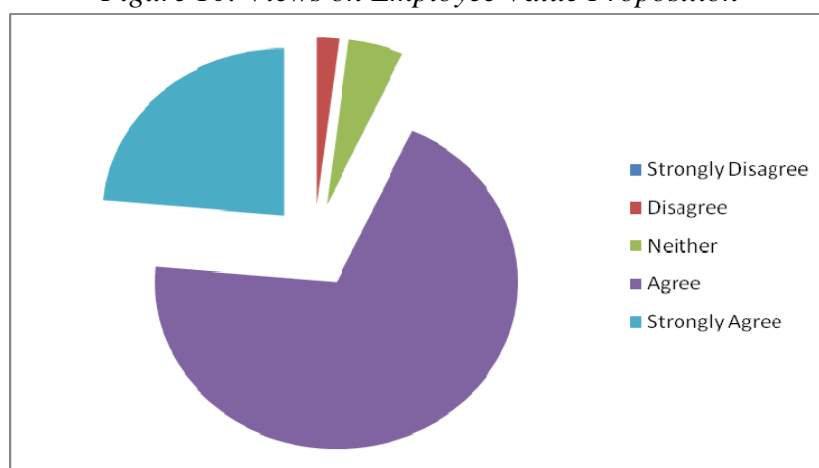
Another essential element is the culture of collective responsibility which the management believes in promoting through the incentive scheme designed to infuse a sense of individual responsibility and collectivism towards increasing the level of production and productivity in the organization. This is proven by high response on agreement by employees (51 %) while asked about their views on the incentive scheme.

In the research study, the employee value proposition is considered as another relevant element of organizational climate. A good organization climate exists in an organization where there is a balanced approach towards what employees get in terms of the expected return. Generally, the return is perceived in terms of both tangible and non-tangible aspect of the benefits and facilities the employees expect from an organization for the services being rendered. The questions framed on the issue received strong views of the employees towards organization's EVP as shown in Table 23 and Figure 10.

Table 23: Views on EVP

Questions	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree	Mean	Median	Mode	STD DEV
EVP is uniquely designed in the organization	0	2	5	71	24	4.14	4	4	0.58

Figure 10: Views on Employee Value Proposition



It seems from the above results that if the tangible returns in terms of the pay, allowances and perquisites are commensurate with industry standard it satisfies the expectation of employees from a PSU. In terms of non-tangible return, if the rewards and recognition scheme are designed befitting to the organization's system of functioning and to promote employees' initiatives, the employees feel contented. That means, if the employees believe that the transactional return and relational return correspond to the employees' performance and contribution for the organization, the organization climate may be considered congenial for a good performance in a PSU.

6.4.3 Key Contributing Elements for Employees' Engagement

The next hypothesis is employees' engagement and its key contributing elements.

Hypothesis 3: "Key drivers for employees' engagement are job challenge, work flexibility, motivation, and employees' involvement in decision making process. It is about opportunities for learning and growing in the organization".

Based on the above premises, the respondents are asked the following set of questions at Table 24 in order to understand their perception on the issue of job challenge, work flexibility and the intricate aspect of employees' involvement in the organization.

Table 24: Views on Job Challenge, Flexibility and Involvement

Questions	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree	Mean	Median	Mode	STD DEV
Employees have opportunities to do whatever is considered best in their work	3	6	10	43	40	4.08	4	4	0.99
Work challenges to do creative work	4	7	6	48	37	4.04	4	4	1.02
Employees have the flexibility in planning & organizing work.	2	9	14	44	33	3.95	4	4	0.99

"Table continues"

“Continued”

Employees know well what is expected of them and how they are being engaged & wish to continue with the job	1	5	9	59	28	4.05	4	4	0.81
Employees' involvement is solicited in making important decisions concerning larger interest.	2	4	8	61	27	4.04	4	4	0.82

It is seen from the above table that the organization provides the employees with opportunities to get engaged and do whatever they consider best in their work. As regards job flexibility, the employees have shown their agreement (71 %) to this question. This shows that in a PSU style of working, employees have flexibility in their work. However, employees hold little difference of opinion about the opportunity for experimentation and creativity in their work. As brought out in the survey results, the standard deviation measure at 1.02 shows difference of views of the respondents on this issue. That means the organization does not believe in giving flexibility towards creativity of employees.

As regards flexibility in planning and organizing work, 76 % of the employees have agreed to the statement whereas 11 % stated in disagreement and remaining 13 % preferred to hold neutral views. That means majority hold the views that employees can plan their work and get themselves engaged in organizing their work schedule.

Another positive response has emerged on the expectation of work output from employees in the organization and how they are being engaged. The mean score on this question is quite high at 4.05 and majority (85 %) of the respondents has agreed to the contention. Similar response is also received from the employees while they are questioned about decision making process in the organization. Results show that the employees' involvement and opinion is solicited in the organization while making important decisions concerning the issues of larger interest. This fact is attributed by the affirmative response as seen from the mean score at 4.04 with majority (86 %) agreeing to it.

Welfare measures and work-life balance are other essential aspects of employees' engagement in an organization which are taken into consideration in the research study. Understandably, the responses to such questions are generally good in a PSU as the public enterprises generally promote a culture of general well-being and work-life standards. This statement is corroborated by the results of the findings on the following two pertinent questions on welfare measures, social security aspect, compensation package and work-life balance as shown in Table 25.

Table 25: Perception about Welfare Measure & Work-life-balance

Questions	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree	Mean	Median	Mode	STD DEV
Welfare measures, social security and compensation package are at par with industry standards.	0	3	13	49	37	4.17	4	4	0.76
Organization promotes work-life balance as a means of employees' appropriate engagement.	0	9	27	37	29	3.84	4	4	0.93

The employees are quite content with what they are enjoying in terms of the welfare facilities and social security measures that are in place in the organization, as seen from the results of the above table. On the question of welfare measure, social security and the compensation package offered in the organization, the mean score stands at 4.17 and 47 % of the employees have directly agreed to the views and the remaining 35 % have rated their opinion with strong agreement.

Similarly, on the issue of work-life balance, employees perceive that the organization's initiatives and practices towards creating an atmosphere of balancing the interest of the work as well as the general well-being of employees' family are quite satisfactory. Of all, 64 % of the respondents have directly agreed and a negligible percentage shows disagreement (7 %). However, there is a neutral view stated by 25 % of the respondents.

Competency development is conceived in the current study as the other important factor for employees' engagement. It is vital for any organization to keep the employees gain-

fully engaged and the employees need to continuously upgrade their competency profile. The following questions are directed to elicit response from employees on issues like competency profile, HRD intervention, training need analysis, training and developmental needs and opportunities for learning and exploring the potentialities. Table 26 present the response profile of the employees on competency development aspect in the organization.

Table 26: Perception about Competency Development of Employees

Questions	Strongly Disagree	Dis-agree	Neither	Agree	Strongly Agree	Mean	Median	Mode	STD DEV
Competency profiles are assessed through training need analysis.	8	10	8	43	33	3.81	4	4	1.21
Employees are deputed for training based on training need assessment.	6	12	13	41	30	3.75	4	4	1.17
Opportunities to learn, re-learn and experiment.	10	6	16	41	29	3.71	4	4	1.22

Results from the above table show that the employees are quite unhappy about the human resource development intervention in the organization. Employees have given almost similar response on all the three questions on the subject of assessment of competency profiles of employees, training need analysis, priority in training activities and affording opportunities for learning and harnessing employees' potentialities. The measures reflected through the standard deviation calculation (ranging from 1.17 to 1.22) on the results of the answers on these questions present a contrasting and deviated perception of the employees towards all these pertinent aspects of human resource development intervention in the organization. It seems the training activities are not linked with the actual needs considering the skill gaps of the employees and the same is not based on the training need analysis of employees. Employees have a feeling that the competency profiles are not generally assessed through a systematic process of training need analysis. It seems the mandate for training is to just complete the number of training programme and the number of participants covered. Further, employees have also viewed that the training and developmental activities are not given that much priority as is expected.

6.4.4 Key Factors for Retention of Employees

The core aspect of the research study is the retention of employees. This aspect is captured in the framework of the hypothesis to identify the factors for retention of employees as well as the major challenges the organization has to prepare for the future.

Hypothesis 4: “Key factors for retention of employees are the employees’ feelings of being associated with a good organization and include other aspects like job security, social security, welfare measures and work-life-balance”.

Key factors for retention of employees in a public sector enterprise are the moot questions which emanate from all aspects of the retention issue like employer’s brand perception, organization climate and employees’ engagement design prevalent in the organization. Key factors as they derive from the responses covering all these major elements of retention are tabulated for objective analysis as shown in Table 27.

Table 27: Factors for Retention of Employees

Questions	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree	Mean	Median	Mode	STD DEV
A good image of the company is essential for attracting talent and retaining them in a PSU	2	3	8	67	22	4.01	4	4	0.77
Retention is due to job security, service benefits and social security measures.	2	4	9	59	28	4.04	4	4	0.83
Welfare measures, work-life balance and brand image are the cornerstone of the retention strategy.	2	4	9	59	28	4.04	4	4	0.83

On a specific question whether a good image of the organization is *sine-qua-non* for attracting quality talent in the current competitive environment of business as well as retaining them in a public sector enterprise (PSU), the employees answered in affirmative (87 %) with great ratings favouring in agreement to the statement. That means, employees view

that due to the current brand image of the organization, people are attracted and they find it a right place to continue working and facilitate retaining the company's brand name.

Further, the employees have clearly indicated their views on the perceived factors attributable to the retention of employees in a PSU. Employees are of the opinion that factors like job security, social status, social security measures and moderate compensation package are considered as relevant aspects contributing towards retention of employees in the organization. Responding to this question, 57 % employees have opted to agree to the statement and remaining 27 % have communicated their strong agreement to the issue. Altogether, majority has consented in favour of the question raised. Further, the result does not show any deviated or divergent views on the subject although only 5 % have expressed disagreement.

In addition to the above factors for retention of employees, the perceived views of the employees bring forth affirmative reply on another question directed to solicit views on welfare measures, work-life balance and brand image as the pillars for retention strategy. Employees agree that these aspects are to be reckoned as the cornerstone of the retention strategy. Responding to the question, altogether 85 % of the respondents have agreed to the statement with negligible numbers on deviated views.

The above results show that in a Government run PSU, welfare measures are generally taken care of as the prime objective of the organization. The provisions contained in the statutory rules govern certain welfare measures to be provided in each enterprise. Similarly, on work life balance, the organization provides ample opportunities to employees to get engaged in recreation activities, sports and cultural activities facilitating a balanced work life as well as family life. Further, employees can usually take time off whenever required and plan their other activities. Employees are not generally required to overstay beyond normal hours of work and they can enjoy regular holidays and weekdays. These are indeed major factors for retention of employees in a PSU.

6.5 Evaluation of Results

Based on tabulation of data and its analysis, the results of the responses (Appendix 6, Questionnaire with Results) on the subject of the research study indicate the various aspects on retention of employees in a public sector enterprise. Employees are of the opinion (79 %) that a powerful brand is essential to attract the people in the first place and then to retain them in an organization for a long period.

Although there are few good public sector enterprises in India, people generally know about its image in the market and that becomes the prime concern for new entrants. In a PSU, practices over the years show that the jobs are normally secured as people are taken in an organization for the entire service period unless otherwise the services are involuntarily dispensed with. Once recruited in a PSU, the factors like status in the society, mod-

erate compensation package and the work-life balance are important aspects that keep the employees engaged in the organization.

Responding to the specific query, 67 % of the employees expressed that they find their jobs in the organization more soothing and therefore they desire to continue with the organization although the employees are of the opinion that their organization may not be the best PSU in India. Survey results also present that the factors like transparent work atmosphere, team work and decision making process is significant aspects contributing towards retention of employees in the organization.

Another pertinent aspect of the key factors for retention is the EVP the organization has designed. The benefit structure in the organization is formulated keeping in view the industry standards as the pay structure and benefits are more or less uniformly applicable across the same sector. The package of benefits along with the scheme on rewards and recognition formulated and being implemented in the POWERGRID provide a satisfaction level to the employees to continue working and contribute towards organization's growth and progress.

Employees feel that the benefits and schemes are uniquely designed in the organization keeping in view all factors like diversity of employees, their varied culture, geographical boundaries of the areas of functioning, differences in the geo-physical conditions of working, environmental climate, different package of benefit structure for people working in remote localities, disturbed areas of operations from law and order point of view, etc. On this issue, the employees feel that the organization has adopted the most balanced approach amongst PSUs in India. This is the uniqueness the employees feel about the organization.

Keeping in view the above factors, the research findings indicate that the respondents have expressed in large numbers (93 %) in favour of the organization's uniqueness in terms of the package of benefits the employees receive in return for their work in the organization.

Research analysis shows that if the employee's involvement and opinion is solicited in the organization while making important decisions concerning the larger interest, the employees feel part of the management. On the query of employees' involvement in decision making process, the responses secured the highest score (86 %). Out of this 86 percent, 30 % of the respondents have expressed their stronger agreement to this question. In fact, there is a system of an effective bipartite forum representing both management and employees where most of the policy decisions of larger interest and other decisions on wages, employees' welfare, benefits and service conditions are taken in the organization. This is a good example of employer-employee relationship that bonds the management and employees as one entity.

Further, the above finding is also correlated by the statement that there is role clarity across the organization and the employees know what is expected of them to do. There is appropriate delegation of authority at all levels in the organization and everyone knows about his or her delegated authority and their role and responsibility in the organization. On this account, the respondents have agreed in great numbers (85 %) while asked about the question on their perception of role clarity and expectation from employees.

It is a general phenomenon that if the employees are meaningfully engaged in the organization, it gives them a great sense of pride and commitment which propels them to get involved emotionally and desires to be associated with the organization's success. It entirely depends on the leadership in the organization to drive the employees towards collective conscience for betterment of all. Responding to the specific query on the employees' engagement *vis-à-vis* the leadership issue, the employees have given balanced view agreeing to the question in higher percentage (84 %). That shows that the employees have full faith and trust the current leadership and concede that the current level of engagement is adequate for efficient functioning. However, there are few areas for improvement on employees' engagement issue which need to be addressed.

Another significant aspect of employees' engagement is the job challenge, flexibility and opportunities for doing what the employees desire to do and contribute through their work. In a PSU, there is a general tendency to avoid risk as far as possible. Therefore, the employees find less opportunity to demonstrate their creative ingenuity by way of experimentation and new vista for thinking, learning and exploring. Research analysis on this issue is based on the responses on three pertinent questions on which employees have given mixed response. Almost 20 % have given neutral view and 40 % each on account of both total agreement and disagreement. This shows that not much of creativity and R & D activities are promoted in a PSU. However, employees do not consider this aspect pertinent for their continuity in the organization as there are other factors like work-life balance, employees' welfare, recreation activities, compensation and job security which are essential to keep the employees engaged. Above all, employees perceive that they have to make a balance of both the haves and have-nots in an organization in a public sector.

As regards the determining factors for assessment of the organization climate, research findings indicate that its major drivers are organization's physical presence, system of communication, leadership model, etc. On the issue of the organization's physical environment, all the responses are significantly positive and employees are highly satisfied with the physical office environment in terms of its upkeep and maintenance, safe working environment, availability of office equipment, physical resources and preventive maintenance aspect. The average satisfaction level of employees on all these issues as reflected through various questions is very high (above 90 %) which speaks about the employer's concern for providing clean and safe physical environment. This is unique in

a PSU where normally much emphasis is not given on such aspects of physical atmosphere in India.

Furthermore, the above response is also corroborated by the fact that the organization's offices, sub-stations and other establishments are designed with modern office architecture and provided with latest office gadgets with world class facilities and physical resources. The organization's headquarter office is India's one of the best designed public sector corporate house equipped with the most latest state-of-the-art technology in office building having modern cafeteria with subsidized food for all employees, auditorium for employees open meeting with the chairman and a majestic water fountain inside the building. The prime issue to drive home here in this context is that there is no difference between MNCs and big private industries with a public sector company in India in terms of physical environment, cleanliness and office upkeep and maintenance in so far as the same is prevalent in POWERGRID. Hence, the organization considers that the physical environment is one of the most important drivers of organizational climate.

The leadership model is the second aspect of the drivers of organization climate on which majority of the employees believe that there is an element of trust and relationship in the management-employee interface in the organization. This is primarily due to good interpersonal relationship that is prevalent in the organization so that employees know their leaders' strengths, trustworthiness and team-building capabilities. On employees' side, majority of them believe in maintaining a culture of team spirit in the organization functioning.

Research findings indicate that the communication is another element of organization climate which is essentially required to be manifested in an organization setting. Responding to the query on transparency of communication channel, a good percentage of employees viewed that they know what is happening in other departments and the development in the entire organization. There is a system of free flow of information on latest developments and future plans of the organization through news letter, intranet channel, periodical review meeting and inter-office communication. On the issue of communication with the senior management in the hierarchy, the employees have expressed similar response. However, on coordination activities, difference of opinion is seen from the response as the deviated views are above 1.0 of the standard deviation measure while this question was asked to the employees. That reveals that the employees perceive that the inter-departmental coordination are not efficiently managed and therefore this needs to be effectively channelized for effectiveness in the functioning.

Another pertinent aspect of organization climate is management effectiveness which is an important driver of the organization climate. This is one of the important criteria for being judged the best employer, the organization of choice. Above all, it is the effectiveness of

the management that reflects the overall functioning of the organization as to how day-to-day activities are planned, organized, controlled and implemented in the organization.

Further, judging by the scale of effectiveness, it reveals from the research study that the management practices score high on aspect like proper delegation of work by internal office orders, reporting responsibility and delegation of financial power. Executives in the hierarchy know what exactly is the delegated power and within the framework of which they operate and take independent decision relating to their area of work. There is an absolute clarity in decision making process. This is also supplemented by the fact that rules, policies, guidelines and the systems and procedures are well laid down and unambiguous in the organization. There is a general awareness of employees in the existing systems and procedures which are uniformly implemented across the organization. Further, the employees have affirmed their views that there is total transparency in the management functioning. The decisions taken by the management are consistent and in the greater interest of the organization. In addition to the above, supervision, feedback, monitoring system and periodical meetings are also held to understand the implementation stage of each activity and difficulties are sorted out during discussion in the review meetings.

In order to promote employees effectiveness, the incentive scheme is suitably designed and implemented in the organization in right perspective. Majority of the employees feel that the incentive scheme facilitates in promoting a culture of collective responsibility and in the same time it motivates high performers on individual level to contribute towards production and productivity.

6.6 Qualitative Analysis based on Open-ended Questionnaire

In addition to the objective type questionnaire, another set of open-ended questions is prepared for senior executives who have been associated with the organization at senior level and functioning as the responsible center for HR function in various regions and establishments of the organization. Most of these senior executives are interacted through internet mediated telephone and their responses to the questionnaire have been obtained through e-mails. Further, some of the senior executives who have already left the organization and are working in other organizations have also been interacted seeking their views on the subject. The responses gathered from these executives are compiled and shown as in the following against the respective questions.

6.6.1 General Views on Employee's Retention

Based on the discussion with senior officials and their feedback received through open-ended questionnaire, the common views on the subject are summarized below:

- **Alignment of the mission and objectives of the organization with the aspiration and career growth prospect of the employees.** The commitment of employees toward the mission of the organization and the present state of alignment of organization's goals with that of the employees' expectation continues to get reflected through the overall satisfaction level as revealed from the retention profile of employees in the organization. However, as regards vision statement, the employees have a feeling that the vision of the organization needs to be defined and communicated to the employees. Employees opined that more exposure in print and electronic media is required for communicating corporate goals, mission and vision to the public with a view to establishing enhanced corporate image and gain more public support.
- **Challenges in attracting and retaining the employees.** There is a common view of the employees that the current level of strategy for attraction and retention of employees is best suited for the organization for the time being. However, the organization needs to think over the issue of retention of employees in the next 2 to 3 years as there is likelihood of opening up opportunities in private sectors, especially for them who have experience in high voltage transmission lines in the country.
- **Perception about retention of talent in the company and designing stimulating jobs to encourage retention of talent.** Some of the senior officials expressed that the high performers in some of the key departments are being lured by private employers with higher salary. These executives are falling prey to the trapping of these employers as there is dearth of people in this line of business. However, all core people are not leaving and their retention level is pretty high as observed by senior functionary.

Notwithstanding the above, it needs worth mentioning of a common opinion that a certain amount of attrition is necessary for the organizational growth and infusion of new blood facilitates the organization in launching organization change initiative more smoothly and effectively.

- **Job security and meaningful work culture as factors for retention of employees in a public sector enterprise.** It has been unanimously stated by all the respondents holding senior management positions in the organization that job security, predictably, is a pertinent factor for attraction of executives at entry level in the organization, especially in all PSUs. This is one of the most important aspects of retention of employees as in India there is a mixed response to jobs in other sectors due to the reasons like economic degradation, recession and people's experience on profile of the Indian business houses in the last couple of decades.

POWERGRID is a national monopoly of power transmission business in the country with its distinctive track record in performance. Therefore, employees' job security aspect contributes to a great extent towards creation of an organization that fosters a cli-

mate of job stability, social security, standard of performance and the expected level of recognition in the society.

- **Employees' feeling of uniqueness for the organization.** The uniqueness the employees feel about the organization is that POWERGRID is represented by employees of all communities in India with multicultural characteristics and this is its uniqueness.
- **Employees' perception about attrition.** Employees have a feeling that the attrition may be high in specific departments (eg Engineering/Finance) in last five years as compared to earlier period due to demand for skilled personnel in private organizations. Over all, the position of attrition may not be a cause of concern for few more years.
- **General views on organization climate (Company's physical environment).** Employees have a very good feeling about the physical state the office premises. The organization has standardized the building plans for its sub-station and regional head offices. The upkeep and maintenance of the building is regularly supervised and monitored for uniformity and standards of physical office environment. The work environment is designed to accommodate all types of people including the physically challenged employees.
- **Managerial effectiveness.** Leadership style, delegation of work and team spirit are the cornerstone of the organization's success story. The leadership quality is demonstrated by the openness, transparency and involvement of employees in decision making process in the organization.
- **Effectiveness in inter-departmental communication.** The intra/inter departmental communication in the organization needs to be reviewed as it has not been able to effectively interface the IT functionary in communication system. Currently, the IT department is engaged in developing the ERP (Enterprise Resource Planning) model which is yet to take a final shape for implementation. However, employees expressed that the cross functional teams of various departments may be formed for streamlining the communication between various departments on a more informal manner.
- **Clarity of rules, policies and consistency in implementation.** Rules, policies and systems and procedures are well laid out in the organization that facilitate in maintaining uniformity and consistency in policy decisions and its proper implementation.
- **Teamwork.** Promotion of teamwork and cohesiveness in the company is practiced in the organization at all levels. Through team work, it becomes easier for sharing the resources in the organization, the senior officials felt.

- **Employees' involvement.** The company's practices of involving employees in decision making process are a good step towards seeking participation of employees in management. Information sharing on what is going on in the company facilitates employees' involvement. Seeking involvement of the employees encourages employees to develop improved work processes which are a good practice of the organization.
- **Reward, recognition, welfare measures, compensation and PMS.** Employees' reward and recognition scheme are well structured and intended to promote effectiveness in the employees. These schemes are regularly reviewed and modified to encourage employees to contribute towards production and productivity.

Organization's welfare measures are adequately implemented befitting to the requirement of specific sites, regions and project establishments. Welfare measures provided by POWERGRID are comparable to the competitors/other PSU and the medical facilities provided by the organization are amongst the best within/across the sectors. However, there is a disparity in the facilities available to the person working in/near to cities and those working at the remote sites. The facilities suitable to specific sites, as per requirement, must be reviewed from time to time.

Compensation package in the organization is adequate in comparison to the industry standards. However, the compensation provided by private competitors at the lower level is less as compared to the package for senior level personnel. This may be one of the reasons for the attrition at senior level. Although the pay package may appear to be less but while calculating the overall benefits in terms of the cost of the company the benefits including job security, post retirement facilities, medical, group insurance, etc., make a good value proposition for the employees in a public sector enterprise in India.

As regards performance management system, employees are of the opinion that the on-line system of performance management system needs to be adopted. Possibility of introducing 360 degrees appraisal system may be explored. However, the emphasis should be to ensure development of individual potentiality.

- **Competency development.** Employer's recognition of the need for skill transformation and development of competency profiles of employees needs to be re-looked. There should be more opportunities for learning and developmental initiatives in the company and the scope for experimentation must be explored in order to promote creativity and innovation.

Employees have strong feelings that the initiatives on e-learning are very much required at a higher pace. This may be done with an appropriate tie-up with the premier educational institution in the country and abroad. Against the MOU target of 7 man-day

of training per employee, POWERGRID averages at 4-5 days and therefore this gap analysis needs to be bridged by identifying the developmental needs and designing a suitable training program. Efforts focused toward competency, skill, knowledge, attitude building need be done and it must be aligned to organizational requirement. Training should be directed toward development of expertise, in coordination with the succession planning required in various departments of the organization. Training should be imparted based on the objective assessment of training needs and skill gaps. Talent has to be identified at the induction level for development of expertise which is required in line with the organizational needs.

Presently, in the performance appraisal system the benchmarks of key result areas are lacking at the unit level and the reporting officer/HOD decides the performance norms and targets for each individual. The performance management system lacks a two way communication/feedback system. And, the one way approach to the finalization of KRAs does not promote initiatives and enthusiasm. The performance management system, therefore, needs to be reinforced for enhancing organizational performance in the following framework:

- Participation of employees in goal/objective setting is essential.
 - Key performance areas may be jointly decided with employees
 - Identification of Competencies required for manning each position needs to be carried out.
 - Involvement of employees for performance planning is a must and needs to be scrupulously followed.
 - Midyear review needs to be introduced and implemented practically.
 - System of giving feedback on developmental aspect needs to be in place.
 - Annual evaluation of performance is to be carried out realistically and the system of score communication be introduced.
 - The appraisal ratings need to be communicated online through a transparent system so that the employees know their performance level.
 - There must be a system of periodic review discussion on the performance of employees wherein the actual feedback on positive aspects especially on the employees' potential aspect needs to be apprised to the employees
- **General assessment on employees' engagement.** Employees are engaged in the organization as they know about company's expectation from them and they are given opportunity to do what is best in their interest. Organization promotes the concept of work life balance as a means for appropriate engagement through different schemes and programme which is unique.

- **Assessment on employer brand.** Employees' general impression is quite good about the company's value in the market, community and the society. However, senior officials are of the opinion that the brand awareness can be increased by providing more learning opportunities for employees to nearby institutes which may be tied up for long term sustainability and therefore the interaction between the institutes and POWER-GRID establishment needs to be made.

Employees have the feelings about contributing worthwhile for the company and facilitating brand creation. This feeling has gone up substantially after the company is listed in the stock exchange. However, employees expressed that more needs to be done in implementation of CSR due to its relevance in sustainable development of the company.

Employees are of the opinion that there is a requirement for creation of a separate department for Corporate Social Responsibility as a discipline. Further, some feel that the CSR can be integrated to the Corporate Communication as an integrated approach. CSR efforts need to be targeted at the specific requirement of the site/location. Some changes need to be carried out in the regulations related to the land compensation system by providing alternative land for the transmission towers instead of crop compensation.

7 RECOMMENDATIONS

Based on the responses of the employees, certain emergent issues have cropped up from the subject of the research study. In fact, during the course of the discussion held with senior officials of the organization, some of issues as outlined in the foregoing paragraphs which are not covered through the structured questionnaire have come out from their comments which are considered essential inputs for the organization. Therefore, these are suitably incorporated in the report. Keeping in view all aspects of the findings of the research study, the following issues are recommended for future course of action for the organization:

- On the issue of employer's brand, the employees perceive that the organization needs to revamp corporate social responsibility agenda. CSR assumes significance in the context of social accountability to business practice. The entire function needs to be reorganized by creating a separate and independent department at the corporate center. The department must be headed by a senior executive in the rank of executive director. Further, the employees perceive that the organization should reinforce its efforts on corporate social responsibility on long term perspective for its sustainable development. The efforts must be made on continuous basis across all the establishments in the organiza-

tion. The organization must bring out a comprehensive CSR policy and the same is to be circulated across regions for implementation. Delegation of power of executives may be modified by giving financial powers to site In-charges to defray expenditure on account of CSR activities within the area of their operation.

- The research indicates that all the employees have expressed full satisfaction on the adequacy of the welfare activities, social security measure being provided by the company. However, employees feel that there is a scope for reviewing these measures. These measures at the sub-stations and construction sites may be made more visible as there is little scope for such activities in remote localities. Employees posted at remote location may be provided with better welfare facilities as compared to those working in soft areas and located in cities and towns. Therefore, the welfare guidelines followed in the organization needs to be suitably modified.
- The employees perceive that the performance management system needs reinforcement with a focus on objectivity, effective evaluation, identifying the developmental needs through training need assessment system. The objectives must be to make a periodic assessment on performance, laying much emphasis on the potential part of employees. The system needs to be so devised that it takes into consideration the suitable measures to bridge the gap for enhancing the skills and competencies of the workforce thereby facilitating them in achieving the desired growth of organization as well as the employees. Performance management system must be made transparent and needs to focus on the developmental needs and the potentialities of employees rather than surgical type of performance assessment. Therefore, the results of the annual appraisal ratings must be provided to the employees periodically so that the employees know as to what are their strengths and weaknesses. Feedback needs to be given periodically so that the employees can work on the areas where they have full potentiality for superior performance and demonstrate their performance par excellence.
- The functions of all the departments need to be effectively coordinated. A system of inter-departmental interface amongst employees of all levels may be put in place to ensure periodical updates on the development of project work/activities. Nodal officials for each department may be identified who will coordinate the efforts needed for bridging the communication gap and ensure regular flow of information pertaining to each department. Further, electronic system of tracking the documents/files/correspondences from one department to the other may be introduced in order to strengthen the process of coordinated activities and facilitate effective coordination.
- There must be a system of appropriate assessment of training needs of the employees. The concept of assessment centre and development centre may be introduced as being done in some of the leading PSUs in India. Employees are to be deputed for training

based on actual training need assessment and skill gaps. Feedback for training needs of employees may be obtained on 360 degree basis, i.e. obtaining views of employees first, their superiors and colleagues in other departments and based on report of the assessment officer. Much needs to be done in competency development field if the company is to genuinely ensure implementation of training and developmental initiatives in right perspectives. Annual training calendar must be published ahead of time so that employees are nominated within the stipulated frame of time and their services may be spared during the training period so as to avail uninterrupted course of training programme.

- A significant aspect which needs to be looked into in near future is that of the redesigning the scheme on reward and recognition for employees performance. This is an area which ultimately takes care of the employees' involvement which is considered as an important variable of the organizational climate. Although the organization implemented the reward and recognition in terms of the guidelines issued by the government, the scheme is currently focused on performance parameters of the regions as a whole as separate entity whereas, the scheme must be oriented towards promoting individual based performance as well. The scheme needs to be redesigned stipulating criteria for rewards in the form of monetary incentives covering both individual based and group/region based performance.

CONCLUSION

POWERGRID's organization profile reflects that it is reckoned as one of the efficiently managed transmission utilities in the world with its significant presence in the global power transmission map. The organization has been successful in excelling in entire gamut of its activities including project planning, project execution, operation of grid management and load dispatch management in India. Performance of the company and capacity utilization has been maintained consistently above 99 % and there has been no major grid failure during the last six & half years. The prestigious "MOU Excellence Award" for being amongst the top ten public sector enterprises has been awarded to POWERGRID for seven years in the past by the Ministry of Heavy Industries & Public Enterprises, Government of India. It has also been awarded "Telecom Award, 2009" for utilities providing best telecom infrastructure in the country. This year (2010), POWERGRID CMD has been conferred with "CEOs with HR Orientation Award" by Asia's Best Employer Brand Awards 2010. Further, the Director (Personnel) of the organization has been awarded "Most Powerful HR Professional of India" by World HRD Congress, 2010.

It is pertinent to mention here that the performance level of the organization has been achieved with the addition of only 11 % manpower in the last 10 years whereas the profit during the same period registered a remarkable growth of 328 % (Annual Report, POW-

ERGRID, 2008). This significant achievement is attributable due to increased performance of employees. The increase in performance level of employees can be seen from the growth profile on profit per employee, growth in net worth of the organization and capacity utilization at above 99%. Besides this, there is a tremendous growth in the asset base and expansion of business which if compared with manpower addition the same is only 11 %. However, considering the massive expansion plans in the infrastructure sector in near future there is a requirement of talent for planning, execution and implementation of the same. Further, the changing parameters of the regulatory authorities in power sector bring forth a challenging drive of Government of India for promoting competition through private sector participation in the power sector. This has resulted in creation of new opportunities for the talent available in the power sector PSUs. Although the attrition of the talent in POWERGRID is low at present, there needs to be proactive measures for attraction and retention of the talent for sustainable growth of the organization in near future.

Keeping in view the above scenario, it is high time the organization is geared up towards creation of its unique human capital which will give the competitive edge. Nurturing a pool of human talent requires a systematic approach in creating a culture of learning and creativity. This is only possible through a culture of experimentation which is not a popular concept in public sector management. On the other hand, it is also essential to regularly carry out the assessment on organization climate and employees' engagement pattern facilitating reinforcement of the drivers and inhibitors of the organizational performance and take recourse to suitable proactive actions to create an appropriate organizational climate. This is essential because in PSUs once profit is achieved, the employees become complacent and no one takes into consideration of the future plans and ensures consistency in performance. Therefore, periodic reviews on organizational climate are must to ensure sustainable growth and development of a public sector enterprise.

Furthermore, in order to keep tag on what is going on the issue of retention, the organization must hold periodic pre-mortem interviews rather than holding the post-mortem studies like exit interviews which is currently in practice in the organization. This is essential because the current employees can give realistic feelings on the goings-on and the impact they feel the organization would have in the coming days. This system may give clear signal on the inner feelings of employees on such practices/happenings which may be rectified in time before encountering the consequences. Ulrich, Ulrich and Goldsmith (2010) in their book entitled "The Why of Work: Great Leaders Build Abundant Organizations that Win" quoted Peter Drucker in this context who said "the leader of the past knew how to tell. The leader of the future will know how to ask". On similar line, Fadem (2009) added "All managers must have basic set of questions, at any level in any organization, in any situation, anywhere in the world. These questions are tools for managers". Therefore, asking right question at right time may result in realistic feedback for rectification of shortcomings and fulfilment of employees' expectation in right time. Hence, the organization

needs to keep right tag at the right time and introspect regularly on all aspects of organizational functioning.

With a view to understanding the core issue in question on the retention of employees in a public sector enterprise, this research study has been carried out for an objective assessment on employees' feelings, views and perception on a matter of importance for management. As revealed from the empirical part of the research study, the responses of the employees have been taken into consideration to corroborate the hypothesis and gauge the perception of employees on the key factors and challenges the enterprise has to face in retention of its employees.

The first research hypothesis is meant to understand: "What is the perception of employees about the organization as a 'brand'. Responding to this issue, employees have expressed that they hold a strong feelings on making worthwhile contribution for the organization as it represents a brand of success. Responding positively on the issue of collective efforts of both employees and employer, the respondents feel that there is a unified approach towards creating and retaining the company's image."

On employees' part, they have agreed that they consider their jobs more attractive & intend to continue with the organization. This shows their zeal and enthusiasm in identifying with the image of the organization. The employees also expressed their willingness to continue contributing towards retaining the image of the organization as they have full faith in the current leadership and its management functioning. However, a section of people feel that their organization may not be construed as the employer of choice amongst public sector enterprises. This may be due to the fact that in India there has been an emergence of various star companies in public sectors and some of them have been able to capture public image as the best employer. Notwithstanding this, majority of the employees intend to continue working for the organization and help retain company's image.

The second question pertains to: "How does the organizational climate facilitate in creating a culture of employees' appropriate engagement and what are the driving elements of organizational climate". The driving forces underlying the organizational climate are ingrained in the factors like physical environment, leadership aspect, communication effectiveness, managerial effectiveness, involvement of employees in decision making process and employee value proposition. On these elements, employees' perceptions are taken into consideration for an objective assessment.

Judging from the responses of the employees in the survey on all the forces of organizational climate, it is seen that the employees have voted more favourably on organization's leadership and its management effectiveness. Organization's leadership issue is judged from the employees' perception about leadership style in promoting team spirit, mutual trust and coordinated work environment in the organization. Employees have expressed a

strong bond of trust with the management and its leadership style. Further, managerial effectiveness is measured through the questions on transparency and consistency in management function, span of control, feedback system, delegation of work, role clarity and objectivity, uniformity in rules, policies, etc.

Further, on the issue of employees' engagement, it is observed from the findings that the drivers for the organizational climate like company's physical presence, infrastructural facilities; effective leadership style, communication effectiveness and employee value proposition all result in employees' appropriate engagement. If an employee finds a soothing organizational atmosphere, spearheaded by a good leadership, effective management functioning plus a moderate EVP, he or she would relish qualitative engagement in the organization. Therefore, a good organizational climate is *sine-qua-non* for employees' effective engagement that facilitates their retention in the organization.

The third question relates to: "What is the perception of the employees about the key drivers for employees' engagement in the organization". Perceptions of employees on variety of issues like job challenge, flexibility to work in the organization, opportunity to do what is best in employees' interest, employees' involvement in decision making are taken into consideration while making assessment on the key drivers for employees' engagement. A significant aspect of the managerial effectiveness seems to have been practiced in the organization by involving people in decision making process. Employees are quite happy about this aspect of their engagement as it has been the practice that whenever any major policy decisions are taken in larger interest, due consultation with the employees is taken into consideration invariably. Therefore, employees' involvement in policy decision is construed as an essential aspect of the engagement philosophy.

Another important observation is about employees' contentment on the existing welfare schemes and social security measures that are in place in the organization. On the question of welfare measure, social security and the compensation package offered in the organization, the employees have communicated their full satisfaction. Similarly, on the issue of work-life balance, employees perceive that the organization's initiatives and practices towards maintaining a positive approach towards creating an atmosphere of balancing the interest of the work as well as the general well-being of employees' family is conceived as its best practice. Therefore, these aspects significantly contribute towards employees' consistency in work performance resulting in appropriate engagement.

Contrary to what is expected as a general response from the employees on competency development initiatives in any organization, the responses from the employees surveyed in the organization show a negative signal on the intervention of the human resource development. Results demonstrate that the majority of the employees perceive that the training and developmental activities need to be revamped in the organization because the training is conducted as a formality without any linkages with the application of assess-

ment tools in understanding the developmental needs of the employees. This approach stands deterrent to the employees' engagement, especially core employees, who would be concerned about their developmental aspect. Therefore, this needs to be addressed.

The last question seeks to reveal the answer: "What are key factors for retention of employees and what challenges the organization have to address in attracting and retaining talent". Key factors as emanated from the response are social security, job security, service benefits and the image of the company in the minds of the general public. In addition, people have greatly responded to the contention that the welfare measures, work-life balance and brand image are the cornerstone of the retention strategy.

While asked about the key factors for retention of employees on an open ended question to those senior management practitioners, they are of the opinion that people consider work-life balance as the major factor. This is due to the fact that in other non- PSU sectors in India, people find it difficult to address this issue of balancing the interest of the strenuous work as well as the family. Whereas, in case of PSU employees, people can work out a right balance in so far the interest of the family and the work is concerned.

The attrition figure of the organization presents a comfortable position about the employees' turnover and their retention rate. As the current attrition rate is less than 2 %, during the last 5-6 years, it does not have any impact on the organization for the time being. However, the employees feel that as the organization is to grow with challenging projects and the company has to compete with the private players, the situation will not remain same in the next couple of years. As there is dearth of transmission engineers with adequate experience in the fields of high voltage lines and the Government has opened up the entry of private players in transmission sector, the organization has to face major challenges in retaining its core employees in the next 2-3 years. Hence, retention strategy befitting to the organizational context is to be appropriately put in place to contain attrition.

In conclusion, it may be added that the prospective employees are generally attracted to an organization in a public sector in India for its image, reputation and the competitive position it holds in the market. Prospective candidates weigh all other aspects like the compensation package offered, the career prospect and the service conditions. On the other hand, the current employees remain engaged in the organization based on the organizational climate, employee value proposition, work-life balance and the sustained image of the enterprise. Therefore, factors contributing towards retention of employees vary from organization to organization. As each organization is uniquely crafted, its organizational climate and the employees' engagement reflect the nature of the organization. If the nature of the organization and the employees match, retention rate of employees will be high. If the employees are qualitatively engaged, they will facilitate creation of the organization of their choice. They will make the organization as the great place to work.

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APPENDIXES

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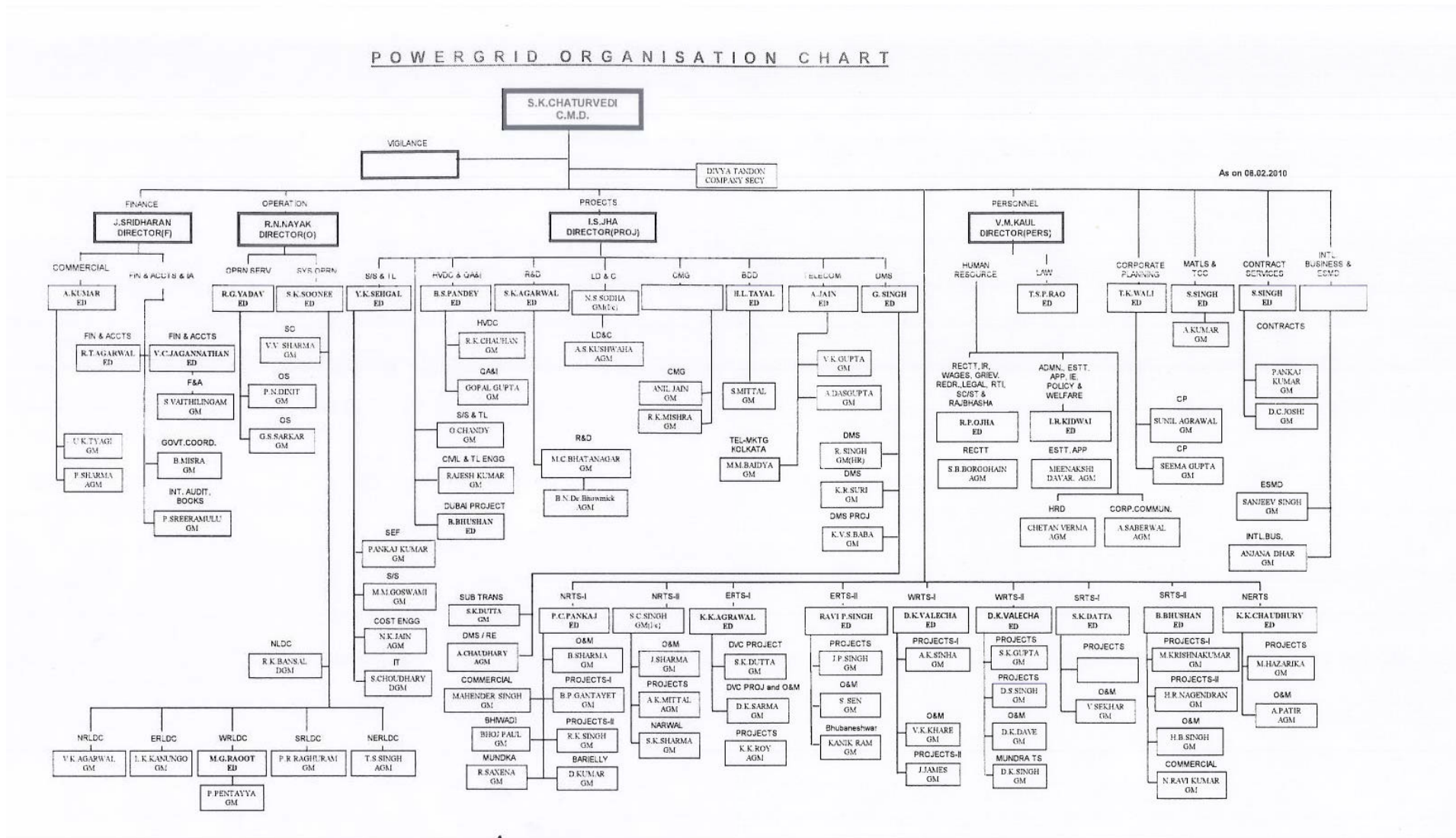
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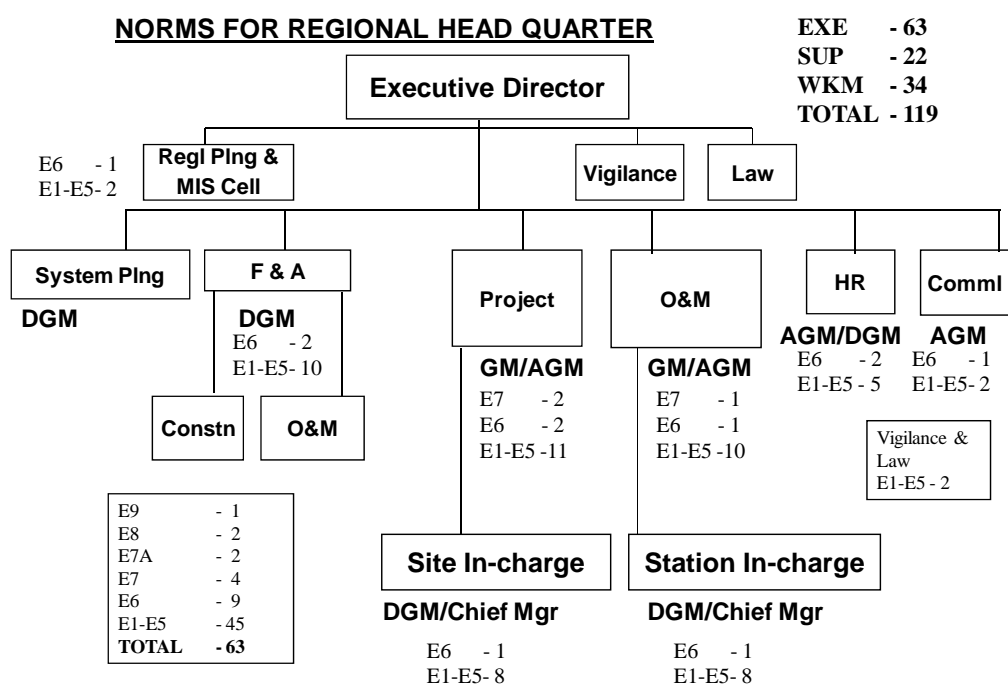
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Appendix 1: Organization chart of POWERGRID Corporate Headquarter

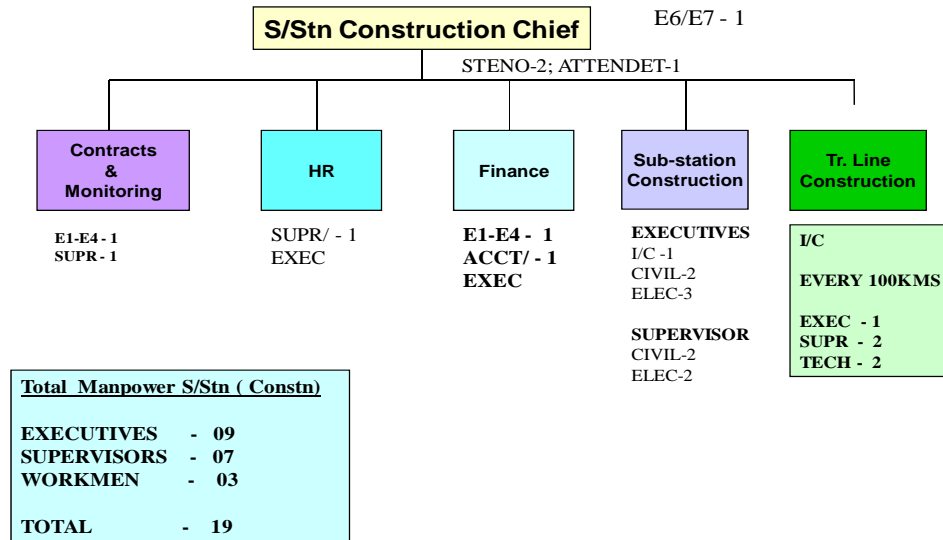


Appendix 2: Organization chart of POWERGRID Regional Headquarters



Appendix 3: Organization chart of POWERGRID Sub-stations

Norms for Construction of Sub-Station and Lines



Appendix 4: Questionnaire

QUESTIONNAIRE ON “KEY FACTORS AND CHALLENGES FOR RETENTION OF EMPLOYEES IN A PUBLIC SECTOR ENTERPRISE, A CASE STUDY IN POWER GRID CORPORATION OF INDIA LIMITED”

(Participant's Profile)

1. Name: _____

(Optional)

2. Designation _____

3. No. of years of experience:

- (i) 0-5 yrs
- (ii) 6-10yrs
- (iii) 11-15yrs
- (iv) 16-20yrs
- (v) Above 21 yrs

4. Age group

- (i) Less than 25 years
- (ii) 26-30 yrs
- (iii) 31-35 yrs
- (iv) 36-40 yrs
- (v) 41-45 yrs
- (vi) Above 46 yrs

5. Gender:

- (i) Male
- (ii) Female

6. Department:

- (i) Corporate Center
- (ii) Regional Headquarter

7. ASSESSMENT ON EMPLOYER'S BRAND IMAGE

This aspect on employer brand image is intended to understand employees brand perception, loyalty, pride, commitment and factors on retention of employees.

You are requested to answer each question by giving appropriate number in the five point scale that represent how strongly you feel about the statement.

Questions on Employer Brand	Strongly Disagree	Dis-agree	Neither Agree nor Dis-agree	Agree	Strongly Agree
	1	2	3	4	5
I. I have a great feeling about contributing worthwhile for the organization and facilitating thereby towards creation of organization's image .					
II. I fully endorse the views that the organization's image has gone up consequent upon its listing in the stock exchange in the year 2007.					
III. A powerful employer brand is <i>sine-qua-non</i> for attracting quality talent in the current competitive environment of business as well as retaining them in a public sector enterprise (PSU).					
IV. I have the opportunities to do what I do best in my work and I wish to continue with the job and remain loyal to the organization.					
V. My work challenges me to do creative work					
VI. I have the flexibility in organizing my work and can take time off from work whenever it is necessary.					
VII. My organization being a PSU, the retention rate of employees is high due to job security, service benefits, social security measures and employer's brand image .					
VIII. The key to successful branding in our organization is to establish the bond of trust and credibility with the employees and the customers.					
IX. The organization's dealings with public are transparent and it maintains effective public relations .					
X. The Organization's website contains all relevant information pertaining to its business operations and future plans and projects a good public image.					

XI.	Organization's initiatives and implementation of CSR activities facilitate in its sustainable development and creation of corporate brand image.					
XII.	Employees consider their job more attractive than similar jobs elsewhere and intend to work as hard as necessary and continue with the organization.					
XIII.	The organization empowers employees to take their own decision on matters pertaining g to their jobs.					
XIV.	Employees would like to associate themselves with the organization as it demonstrates a brand of success, unique leadership quality, employees' engagement initiatives that instill a deep sense of pride & commitment.					
XV.	The employees and management all endeavour to "live the brand" , "thrive the brand" and " survive the brand" and facilitate in creation of a unique public sector enterprise .					
XVI.	Creating a transparent work culture, employees participation in management, organization climate and brand image are the cornerstone of the retention strategy of the organization.					
XVII.	The organization's current brand image communicates the USP that helps differentiate it from its competitors.					
XVIII.	The organization is to be considered as an 'employer by choice' amongst public sector enterprises in India.					

8. ASSESSMENT ON ORGANIZATIONAL CLIMATE

This aspect on organization climate is intended to make an assessment on the organization's environment, management effectiveness, employees' involvement, competency development and rewards & recognition schemes.

8.1. Environmental Aspect

Questions	Strongly Disagree	Dis-agree	Neither Agree nor Dis-agree	Agree	Strongly Agree
	1	2	3	4	5
(I) The work area / deptt is maintained neat and clean and always provides a safe working environment.					
(II).The work environment is congenial for all sections of employees in the organization including the physically challenged employees.					
(III).Working conditions in my environment are continuously improved.					
(IV) The organization takes care of preventive maintenance, replacement and upgrading of office equipment.					
(V)Employees are provided with all physical resources and office equipment to perform their jobs effectively.					

8.2. Management Effectiveness

Questions	Strongly Disagree	Dis-agree	Neither Agree nor Dis-agree	Agree	Strongly Agree
	1	2	3	4	5
(I)The employees trust the management and the organization's leadership in creating the brand value in the organization.					
(II) There is free flow of communication among employees and they can communicate effectively with senior management.					
(III) The functions of all the departments are smoothly and efficiently co-ordinated and managed.					
(IV)Management keeps a tag on what is going on in all the departments through effective feedback system, monitoring and span of control.					
(V) Dignity of labour and contributions of employees are acknowledged in the organization.					
(VI) The functioning of the management is transparent, consistent and effective.					
(VII)Management accords proper delegation of work in the organization and there is clarity on role and responsibility.					

(VIII) Employees believe in maintaining team spirit and work in close co-ordination with each other.					
(IX) Rules, policies and guidelines are unambiguous and uniformly implemented across the organization.					

8.3. Employees Involvement /Engagement

Questions	Strongly Disagree	Dis-agree	Neither Agree nor Dis-agree	Agree	Strongly Agree
	1	2	3	4	5
(I). Employees know well what is expected of them in the organization and how they are being engaged.					
(II). Employee's involvement and opinion is solicited in the organization while making important decisions concerning the larger interest.					
(III).Communication channel is transparent & consistent and the employees are kept abreast of the happenings and development in other departments and in the organization.					
(IV)Employees are motivated to work towards creative ingenuity.					
(V)The organization is responsive towards employees' individual needs and expectation from the organization.					
(VI).The welfare measures, social security and compensation package are at par with industry standards.					
(VII).The organization promotes work-life balance as a means of appropriate engagement of employees					

8.4. Competency Development

Questions	Strongly Disagree	Dis-agree	Neither Agree nor Dis-agree	Agree	Strongly Agree
	1	2	3	4	5
(I).Competency profiles of employees are regularly assessed through training need analysis.					
(II).Employees are deputed for training based on skill gap and training need assessment.					
(III).The organization provides opportunities to learn re-learn and experiment to harness employees' fullest potentialities.					

8.5. Reward and Recognition

Questions	Strongly Disagree	Dis-agree	Neither Agree nor Dis-agree	Agree	Strongly Agree
	1	2	3	4	5
(I).Organization's scheme for rewards and recognition promotes effectiveness and creativity of employees.					
(II) Organization acknowledges employees contribution and synchronizes the goals and the objectives of the organization with the career growth prospects and aspiration of the employees which facilitate in brand creation.					
(III) The incentive scheme is suitably designed and implemented to promote a culture of collective responsibility and individual contribution towards increasing the level of production and productivity in the organization.					
(IV)The Employee Value Propositions (the balance of the rewards and benefits that are received by employees in return for their performance at the workplace) are unique in the organization.					

Appendix 5: Open ended Questionnaire

General views related to the factors for employee's retention in the company

- i. Alignment of the mission and objectives of the company with the aspiration and career growth prospect of the employees.
- ii. Challenges the organization faces in attracting and retaining the employees who are highly diverse workforce deployed all over the country.
- iii. Perception about retention of talent in the company and designing stimulating jobs to encourage retention of talent.
- iv. Job security and meaningful work culture as factors for retention of employees in a public sector enterprise.
- v. Employees feeling of uniqueness for the organization
- vi. Employees perception about attrition

ORGANIZATIONAL CLIMATE ASSESSMENT

- i. Company's physical environment.
- ii. Cleanliness and maintenance of work area
- iii. Work environment to accommodate all types of people including the physically challenged employees.
- iv. Continuity in improving the working conditions in the organization

Management Effectiveness

- (i) Leadership style, delegation of work and empowerment.
- (ii) Effectiveness in inter-departmental communication
- (iii) Clarity of rules, policies and consistency in implementation.
- (iv) The atmosphere of having trust in employees with each other.
- (v) Employees due respect in the company irrespective of difference in age, gender, religion, ethnicity, caste, creed, etc.

Teamwork

- (i) Promotion of teamwork and cohesiveness in the company.
- (ii) Sharing of resources in the company
- (iii) Knowledge sharing practices in the company.

Employees Involvement

- (i) The company's practices of involving employees in decision making process.
- (ii) Information sharing on what is going on in the company
- (iii) Dissemination of Information on employees engagement scheme
- (iv) Company's encouragement to employees in developing improved work processes

Reward, Recognition, Welfare Measures, Compensation and PMS

- (i) Employees reward and recognition scheme
- (ii) Employees' welfare measures being implemented in the company. Adequacy of company specific welfare measures befitting to the requirement of specific sites.
- (iii) Compensation package in comparison to the industry standards
- (iv) Feedback about employees performance and effectiveness of performance management system

Competency Development

- (i) Employer's recognition of the need for skill transformation and development of competency profiles of employees.
- (ii) Learning and developmental initiatives in the company and the scope for experimentation.
- (iii) Allotment of Jobs based on skill profile and suitability of employees for manning various positions.

1. ASSESSMENT ON EMPLOYEES ENGAGEMENT

- (i) Employees engagement on rational (tangibles) or emotional (intangibles) level in the organization
- (ii) Employees' awareness about company's expectation from them.
- (iii) Opportunity provided to employees to do what is best in employee's interest.
- (iv) Maintenance of work life balance as a means for appropriate engagement

2. EMPLOYER BRAND ASSESSMENT

- (i) Employee's general impression about the company's value in the market, community and the society.
- (ii) Employee's feeling about contributing worthwhile for the company and facilitating brand creation.
- (iii) Corporate image (post- listing) of the company and the employment value proposition the organization offers to the prospective and current employees.
- (iv) Implementation of CSR and its relevance in sustainable development of the company.
- (v) Employee's ability to help creation of strong brand particularly within the service brand context
- (vi) Employee's opinion about employer by choice and the way by which the organization keeps the employees attracted and retained in the organization.

Appendix 6: Questionnaire with results

QUESTIONNAIRE ON “KEY FACTORS AND CHALLENGES FOR RETENTION OF EMPLOYEES IN A PUBLIC SECTOR ENTERPRISE, A CASE STUDY IN POWER GRID CORPORATION OF INDIA LIMITED”

Participants profile

1. Name : _____

(Optional)

2. Designation _____

3. No. of years of experience :

- (vi) 0-5 yrs
- (vii) 6-10yrs
- (viii) 11-15yrs
- (ix) 16-20yrs
- (x) Above 21 yrs

4. Age group

- (vii) Less than 25 years
- (viii) 26-30 yrs
- (ix) 31-35 yrs
- (x) 36-40 yrs
- (xi) 41-45 yrs
- (xii) Above 46 yrs

5. Gender :

- (iii) Male
- (iv) Female

6. Department :

- (iii) Corporate Center
- (iv) Regional Headquarter

This aspect on employer brand image is intended to understand employees brand perception, loyalty, pride, commitment and factors on retention of employees. You are requested to answer each question by giving appropriate number in the five point scale that represent how strongly you feel about the statement.

Questions on Employer Brand Image	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
Q.No 7(I). I have a great feeling about contributing worthwhile for the company and facilitating towards creation of company's image .(=102)	2	6	6	54	34
II. I fully endorse the views that the company's image has gone up consequent upon its listing in the stock exchange in the year 2007. (=102)	0	0	10	67	25
III. A powerful employer brand is <i>sine-qua-non</i> for attracting quality talent in the current competitive environment of business as well as retaining them in a public sector enterprise(PSU). (=102)	2	3	8	67	22
IV. I have the opportunities to do what I do best in my work and I wish to continue with the job and remain loyal to the company. (=102)	3	6	10	43	40
V. My work challenges me to do creative work. (=102)	4	7	6	48	37
VI. I have the flexibility in organizing my work and can take time off from work whenever it is necessary. (=102)	2	9	14	44	33
VII. My company being a PSU, the retention rate of employees is high due to job security, service benefits, social security measures and employer's brand image. (=102)	2	4	9	59	28
VIII. The key to successful branding in our company is to establish the bond of trust and credibility with the employees and the customers. (=102)	0	13	24	37	28
<input checked="" type="checkbox"/> IX. Due to company's brand image, talent in the market is attracted and retained in the company. (=102)	2	3	10	67	20
<input checked="" type="checkbox"/> X. The company's dealings with public are transparent and it maintains effective public relations. (=102)	3	7	21	49	22
XI. The Company's website contains all relevant informations pertaining to its business operations and future plans and projects a good public image. (=102)	0	9	27	37	29
XII. Company's initiatives and implementation of CSR activities facilitate in its sustainable development. (=102)	15	21	19	30	17
XIII. Employees consider their job more attractive than similar jobs elsewhere and intend to work as hard as necessary and continue with the company. (=102)	7	6	11	42	36
XIV. Employees would like to associate themselves with the company as it demonstrates a brand of success, unique leadership quality , employees engagement initiatives that instill a deep sense of pride & commitment. (=102)	5	3	19	53	22
XV. The employees and management all endeavour to "live the brand" , "thrive the brand" and "survive the brand" and facilitate in creation of a unique public sector enterprise . (=102)	0	8	22	43	29

XVI. Creating a transparent work culture, employees participation in management, organization climate and brand image are the cornerstone of the retention strategy of the company. (=102)	2	4	9	59	28
XVII. The company's brand image communicates the USP that helps differentiate it from its competitors. (=102)	0	8	26	41	27
XVIII. The company is to be considered as an 'employer by choice' amongst public sector enterprises in India. (=102)	4	21	19	43	15

Questions No 8(organizational Climate)					
8.1. Questions on Environmental Aspect-					
(i) The work area / deptt is maintained neat and clean and always provides a safe working environment. (=102)	0	3	7	67	25
(ii) The work environment is congenial for all sections of employees in the company including the physically challenged employees. (=102)	0	2	5	71	24
(iii) Working conditions in my environment are continuously improved. (=102)	0	0	9	59	34
(iv) The company takes care of preventative maintenance, replacement and upgrading of office equipment. (=102)	0	1	8	80	13
(v) Employees are provided with all physical resources and office equipment to perform their jobs effectively. (=102)	0	0	6	78	18

Questions on Management Effectiveness(8.2)					
(i) The employees have trust in the management and the company's leadership. (=102)	4	7	4	47	40
(ii) There is free flow of communication among employees and they can communicate effectively with senior management. (=102)	2	7	12	41	40
(iii) The functions of all the departments are smoothly and efficiently managed. (=102)	6	11	9	44	32
(iv) Management keeps a tag on what is going on in all the departments through effective feedback system, monitoring and span of control. (=102)	2	6	8	54	32
(v) Dignity of labour and contributions of employees are acknowledged in the company. (=102)	1	6	15	41	39
(vi) The functioning of the management is transparent and consistent. (=102)	0	2	5	71	24
(vii) Management accords proper delegation of work in the company and there is clarity on role and responsibility. (=102)	0	0	7	65	30
(viii) Employees believe in maintaining team spirit and work in close co-ordination with each other. (=102)	2	6	8	54	32
(ix) Rules, policies and guidelines are unambiguous and uniformly implemented across the company. (=102)	1	5	9	59	28
Questions (8.3) on Employees Engagement/Involvement					
(i) Employees know well what is expected of them in the company and how they are being engaged. (=102)	1	5	9	59	28

(ii) Employee's involvement and opinion is solicited in the company while making important decisions concerning the larger interest . (=102)	1	4	8	61	27
(iii) Communication channel is transparent & consistent and the employees are kept abreast of the happenings and development in other departments and in the company. (=102)	0	7	15	48	32
(iv) The welfare measures, social security and compensation package are at par with industry standards. (=102)	0	3	13	49	37
(v)The company promotes work-life balance as a means of appropriate engagement of employees. (=102)	0	9	27	37	29
Questions(8.4) on Competency Development					
(i) Competency profiles of employees are regularly assessed through training need analysis. (=102)	8	10	8	43	33
(ii) Employees are deputed for training based on skill gap and training need assessment. (=102)	6	22	13	41	30
(iv)The company provides opportunities to learn, re-learn and experiment to harness employees fullest potentialities. (=102)	10	6	16	41	29
(ii) Company acknowledges employees contribution and synchronizes the goals and the objectives of the company with the career growth prospects and aspiration of the employees. (=102)	5	8	19	53	17
(iii) The incentive scheme is suitably designed and implemented to promote a culture of collective responsibility and individual contribution towards increasing the level of production and productivity in the company. (=102)	0	4	11	52	35
(iv)The Employee Value Propositions(the balance of the rewards and benefits that are received by employees in return for their performance at the workplace) are unique in the company.(=102)	0	2	5	71	24