



## Employee Engagement as an Antidote to Combat Corporate Brain Drain

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### ABSTRACT

One of the growing problems faced by companies is, when employees leave the company due to turnover, retirement, downsizing it leads loss of knowledge. This leads to incredible knowledge and experience walking out the door. It is important to prevent knowledge from escaping when an employee leaves the company. Companies are using employee engagements in order preserve knowledge. It is important to have engaged employees who are satisfied with their work, willing to accept responsibility and looks forward to a long term association with the company. There are not many ways in which intangible assets (employee knowledge) can be measured. Organisations need to understand that losing employees could mean missed opportunities sometimes they aren't even aware of how much of a problem it is and what crisis they will have in the future The objective of this article is to shed light on employee engagement and why it is important, as well as use it as a tool to prevent corporate brain drain. Findings show that this corporate brain drain has an adverse effect on the talent pool and measures should be taken at the earliest. This study tries to see the impact of employee engagement on trying to reduce attrition and serve as an antidote for corporate brain drain.

**KEY WORDS:** *Employee engagement, knowledge, corporate brain drain*

### 1. INTRODUCTION

Brain drain is taking place at a very fast rate in developing countries; People get disenchanted with low rewards available for their qualifications and experience, which compels them to migrate in search of greener pastures.

It's usually the brightest employees who search for something better and take up the risk of moving from the land of the known to the unknown. Brain Drain involves immigration of trained and highly skilled human labour away from a place that needs it the most, in the quest for financial gain or career advancement.

When a company loses an employee they lose the knowledge that employee carries with him when he walks out the door. Information stored in computers to some extent can be easily retrieved, but the information in the minds of the employees cannot be recovered.

Employee engagement, the organization's capacity to engage, retain, and optimize the value of its employees hinges on how well jobs are designed, how employees' time is used, and the commitment and support that is shown to employees by the management would motivate employees to stay in the organization.

One could argue that the employee that has been let go would possess much greater potential than the poached employee under the right leadership and mentoring. Companies need to understand the importance of using employee engagement across all facets of the organisation from top to bottom. Employees need be engaged and given a sense of attachment towards the job they do. It is necessary to collect their insights and opinions which will be valuable in order to increase the level of engagement at the workplace. When an employee feels satisfied they will feel safe and will work to their full potential and are more likely to stay put.

The term brain drain refers to the movement of highly trained or qualified people from a particular company in search of better opportunities and rewards for their work. When an employee leaves the organisation, he takes with him the training and experience he has gathered in the job and provides it to the companies' competitors. The organisation has to aim to see that old knowledge is collected and shared so that it might not walk out the door.

Employee Engagement is a positive attitude held by the employees towards the organization and its values. It is rapidly gaining popularity and importance in the workplace and impacts organizations in many ways.

Thus, organizations need to better understand how different employees are affected by different factors of engagement and focus on those in order to achieve the strategic outcomes as well as to improve overall effectiveness.

Embedding employee engagement as a tool in all organisations is a top priority to survive in the new global economy as they are building a future with and around people. If the companies HR policies ensure that an employee does not feel unwanted, his insights and suggestion are taken into account and he is given more challenging and engaging roles within the organisation, the employee will feel more engaged to his job and will in turn be more productive, content and loyal to the organisation.

When organisation has good, employee centred HR practices they will be able to retain their talents and make sure that they have fulfilling careers within the organisation itself. The employee who has been with the company longer would definitely hold a greater attachment to the organisation, and have a better working knowledge about the company which can be productively used.

## 2. REVIEW OF LITERATURE:

**Bhatla (2011)** focused on the need for employees and how their presence can improve the progress and work efficiency of the organization as a whole. Also focused on the challenges faced by the HR managers to improve employee engagement for an organization's survival.

**Shashi (2011)** reinforced the importance of employee communication on the success of a business. She revealed that an organization should realize the

importance of employees, more than any other variable, as the most powerful contributor to an organization's competitive position.

**Kruse (2012)** has discussed that employee engagement is the emotional commitment of an employee that he/she has towards the organization and its goals. These efforts motivate and engage the employees in an organization, hence the productivity and profitability of the organization increases.

In their study **Sreekanth and Aryasri, (2012)** have reported that employee engagement is closely related with employee behaviour and commitment towards the organization.

**Swarnalatha and Sureshkrishna, (2013)** say that employee engagement is the extent to which employees think, feel and act in ways that represent high levels of involvement to their organization. Engaged employees are motivated to contribute to their knowledge, skills and abilities to help their organization succeed.

## 3. STATEMENT OF THE PROBLEM:

Organisations are facing the issue with how to keep their employees engaged to carry out their assigned tasks efficiently. Disengaged employees tend to have a negative attitude towards their work and tend to be unproductive. There is a need to find an innovative, cost efficient tool that can help them implement engagement and reward policies. Employee engagement serves as a tool of tremendous advantage in order to keep employees stay longer in the organisation. It has a positive effect on employees which is reflected in their willingness to work harder and achieve the organisational goals. Employee engagement is more than just benefits and perks, it's about getting your employees to put their hearts and minds into the work they do each day without having the slightest intention to leave.

## 4. NEED FOR THE STUDY:

The challenge today is not just retaining employees but engaging them and keeping them committed about their work. It is important for organisations to understand why people leave the job and by doing so try to keep them engaged. Organizations need to instill a sense of involvement, positive emotions about their work and a sense of belongingness in their employees. Employee engagement needs to be added as an integral component into the company's strategy to

ensure long lasting relationship with employees and retention of information to avoid corporate brain drain. Organisations must be able to manage their workforce and build loyalty and passion to meet the needs of the organisation and also their employees.

#### **5. OBJECTIVES:**

- To understand the concept of corporate brain drain.
- To analyse the issues involved with corporate brain drain.
- To study the need to combat corporate brain drain.
- To find out if employee engagement can be an antidote to corporate brain drain.

#### **6. RESEARCH METHODOLOGY:**

This paper is based on review of the secondary data that has been collected from the existing available sources such as including theoretical papers, case studies, and other types of papers, books, journals.

#### **7. LIMITATIONS:**

Due to lack of time this paper is based on solely secondary data that has collected from various existing sources.

#### **8. WHY IS CORPORATE BRAIN DRAIN AN ISSUE?**

Corporate brain drain is a situation where employees job hop, look for bigger, lucrative opportunities, taking with them the knowledge and training that they have towards the job.

Corporate brain drain happens when people feel dissatisfied at work and they feel left out with alignment of their companies. They have a feeling of being held hostage to their job filled with fear and uncertainty. As labour markets open up and new job offers are available this can lead to a drain on the talent. Therefore it is important to retain the skilled workers as much as possible.

Brain drain leads to an economic cost to the company. When a highly efficient and skilled worker leaves the organisation, he takes with his key skills, experiences and organisation memory that are required for the job, especially when it comes to highly technical jobs where the more the employee works the more knowledge he gets from doing the job repeatedly, it is very difficult and sometimes even highly expensive to replace such human capital from the organisation. It also adds in more recruiting, selecting and training

costs which the company has to expend a lot of its resources and financial capital to do.

Companies take years to build up their intellectual capital; knowledge bases are created by the talents of the company through several trials and errors. It is important that companies make sure that they hold on to these bases as they are mostly informal and come from experience. Sharing of knowledge and skills is paramount to the company and when the creators of this knowledge bases leave the organisation they leave gaps in the human capital that cannot be easily filled.

Brain drain could also affect the morale of the retained employees, those who feel similarly unrewarded would look for greener pastures as those of their contemporaries, which could cause even greater problems to the organisation as well as bring in a sense of lack of interest in the job and low productivity.

Brain drain also brings in a culture of fear and uncertainty into an organisation which would affect its team cohesiveness, employees fearing loss of job and lacking security in a given job always work with that in mind and do not stay loyal to the organisation. Attrition rates are one of the elements that have to be kept lesser and stable by organisations, brain drain causes not only a loss of talent, but also increases the percentage of employees leaving the organisation. A company that is seen as unable to retain its talents cannot attract new talents to fill in the gaps.

The poached employee who may have better skills would also cause a disruption in the organisation, by retaining his old work culture and methodologies and find it difficult to adapt within the new work culture. The employee will also be a source of insecurity to the existing employees who may feel their input, skills and knowledge is being disregarded by the company. Brain drain does not only cause the huge loss of intellectual capital, but also causes expensive gaps in the organisations human capital, and also lead to lower employee morale and loyalty.

#### **9. HOW CAN EMPLOYEE ENGAGEMENT HELP TO COMBAT CORPORATE BRAIN DRAIN?**

In today's world, where employees seem to have a lot of opportunities available and companies suffer from high attrition rates employee engagement seems to a

tool to reduce corporate brain drain .It helps to increase the level of commitment and psychological attachment towards the organisation and also encourages high level of productivity by the individual.

Every company should focus on retaining their employees; it's important to constantly understand their needs and motivate them so that they do not get bored and leave. Career oriented growth opportunities are expected from employees so that they are satisfied with their career path. It's important that companies create a positive work environment of trust and transparency through constant communication in order to establish relationships. A culture of optimism to improve productivity and better morale. Companies need to make their employees feel valued and provide recognition and rewards in order to effectively keep their employees engaged.

A culture of optimism needs to be created, to improve productivity and better employee morale. Companies need to make their employees feel valued and provide recognition and rewards in order to effectively keep their employees engaged.

An engaged employee is an employee who is fully engrossed in his work, who finds his job challenging and also as a means for career development. It is seen in studies that Employees with the highest levels of engagement and commitment perform 20 percent better and are 87 percent less likely to leave the company than employees who are less engaged with their work.

An engaged employee is one who feels he is being cared for at work, who feels that their opinion counts and has adequate feedback and opportunities to grow within the organisation. An engaged employee is one who is a great boon to the company as not only will the attrition rates reduce, but he is more satisfied in his job and not willing to change it, thereby he work harder at the job, bringing in fresh ideas and perspectives to help the company grow and develop. A reduction in engagement scores of just .05 percent could predict an increase in overall employee turnover for a company of as much as 0.75 percent.

Another advantage of employees being more engaged is that they would work to build up customer satisfaction, an employee happy in is job, will spread it around positively and influence customers to stay

loyal to the business. In jobs designs where the employee is the most important link to the product it is important the companies ensure that the link is kept engaged so that he positively influences the customer to stay loyal to the organisation.

## **10. CRITICAL FACTORS THAT INFLUENCE EMPLOYEE ENGAGEMENT:**

Employee engagement as a tool can be used in different ways to reduce corporate brain drain some of them are:

>Job design: The job characteristics and profile should suit the needs of the employee, not only qualification based, but also personality and interest of the employee should be taken into account. Job design must be improved in such a manner that it given the employee the opportunity to learn as well as grow in his particular field.

>Empowerment: Employees must be empowered to perform better; they must be encouraged to bring forward their input and innovative ideas and given space to open up about their opinions to move the organization forward.

>Training and Development: Training and development can be made more employee centred to identify where the employee may be lacking and take steps to improve it in terms of training and also have development programs within organisation so that employee can have the opportunity to move up the career ladder make work meaningful

>Communication: Channels of communication can be made more open so the employee can openly discuss his grievances and also have the opportunity to make changes to his work when required. The chain of command and communication can be better established and make the employee feel at ease in the organisation.

>Compensation : The employee should be given better incentives to remain in the job, to encourage loyalty in the job the employee can be rewarded for their long stay with the company and have experience linked bonuses.

>Health and safety: In a work environment where the stress is one of the major drawbacks, it is important for organisations to look at how to reduce stress in the working environment, reduction in harsh and

unrealistic targets as well as stopping of penalisation of employees for not meet company expectations is one of the ways in which company can ensure the health and safety needs of the employees are met.

>Recognize achievements: Another tool that can be used more prevalently, is the recognition of the achievements of the employee within the organization, financial incentives as well as recognition among peers can act as great motivators to employees to work harder at improving themselves in their particular activity an also a create a benchmark towards which they can work.

>Initiate social activities: Employee engagement aims at making the employee more comfortable with the job and the organization, to feel at home as one the valued members in the company and one of the ways in which that can be done is by encouraging more social activities within the company, trips and outings sponsored by the company can work as a way to bring the employees together to work towards a common goal.

> Create a culture of support: The organization needs to build up an environment where the employee feels valued and needed, support systems must be in place for those struggling in areas can develop in areas where there is a lack. Peer learning as well as temporary role transfers can be encouraged to make the employee grow in the field.

These are a few ways in which employee engagement can be practically applied in organizations to make employees feel more fulfilled and needed in the job so there is less chance of the employee leaving because of lack of opportunities or feelings of disregard in the organization.

## 11. FINDINGS:

Brain drain is a serious problem that is affecting companies all around the world, lack of opportunities and recognition is creating a lack of loyalty in jobs and in turn increasing the attrition rates in companies. Corporate brain drain not only causes a gap in human capital, but also reduced the intellectual capital of the company. One of the ways in which an organization can overcome corporate brain drain is by making sure the employee is engaged in the organization. Providing better opportunities, letting the employee voice out his opinions, providing rewards both financial and peered to employees for their

achievements are some ways in which employee will feel more engaged and willing to serve the organization for longer periods.

## 12. CONCLUSION:

In conclusion, companies need to keep themselves aware of the threat of corporate brain drain in order to stay viable and competitive .They must aim to keep their employees engaged at all times with all possible ways so that the intention to leave does not arise . Although a new employee will bring a new breed and injection of experience and knowledge, the employee that leaves takes with him something more valuable that is irreplaceable. Retaining knowledge and people to reduce attrition, optimise process in order to develop motivated employees with high commitment towards the organisation.

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