Scope for business and tenure of Employment in the digital environment

Dr. K . R. Subramanian

Professor of Management & Senior Consultant-Credait.com

ABSTRACT

Current business environment is characterised by rapid changes on the one hand and the complexity of keeping a continuity of employment. In the past we have heard of life time employment in one company for new entrants to any business organization. But today it seems hardly possible for any body to continue till retirement as an employee in the organization he/she joins to make a career. The business environment as we know continually changes due to emergence of new technologies and new ways of doing business. Mobile technologies and the smart phones have revolutionalised the ways of doing business, apart from the growing competition. Digital technologies have made possible accessibility to a variety of information by the tap of a finger. IT has become an integral part of any business or rather it is the driver of modern business. A prospective employee has to be sensitive to digital technologies and has to keep continuously updating his/her knowledge and Technologies for achieving business success. An Employer has also needs to adopt new Technologies and generation of employees to suit his demanding needs. This article would attempt to trace the genesis and consequences of this change in the outlook.

KEYWORDS

Continuity of employment in a particular company, environmental and technological influences and perceptions, digital technolgies and outlook of companies and employees, genesis and consequences of such changes in outlook.

INTRODUCTION

Recent debates in academc circles about Employment is regarding the tenure, because of the shortening nature of employee tenure for security of job or other reasons. From a recent report on the employment scenario published by the Bureau of Employment in the USA dated september 2018, it appears that the average tenure of emploment in many industries is about 4-5 years. This is contrary to the belief that empoyment tenure has tumbled down due to digitalization and other changes in the market condtions due to the acute competitive forces. Due to the skyrocketing of customer expectations companies need to be more and more competitive and innovative. In the current market scenario a short tenure may be employment continuity in a particular company for a period of 2 years or less , whereas a long tenure may indicate an empyee working in a particular company continuously without a break for 5 years or more. Of course, this may vary from company to company and in different industries as per their perspectives.

Figure 1: How to define tenure?

Job tenure tends to highlight and focus on stability and qualty of the employee Tenure and Employment. Though there may be individual differences, it definitley gives an insight of the employee satisfaction and continuity of employment . Long tenure enables an employee to become an expert in his field due to his exposure in different capacities. Short tenure of an employee may not in all situations be disadvantageous, but is quite useful when you need a specific skill in an employee which may be in demand in the industry at any given time. Some times long term employees may not have the inclination to develop the changes in skill sets needed as the job evolves with the company expansion and diversification due to the dynamics of the market; unless the concerned person goes for specialsed training and development sponsored by the company. Many times this occurs when an employee is not promoted or he does not move out. The situation may also be different as employees may be seeking greener pastures due to availability of better jobs to enhance their abiilities and skill sets.

What separates a good company from a great one is, people who work with dedication. Even in a world driven by technology and commodity pricing, the most

successful companies realize that their greatest asset lies in their workforce. That's why employee tenure is one of the most effective ways to evaluate the quality of a business. Some of benefits of highly tenured employees are obvious, while others may not be as apparent.

OBJECTIVES AND METHODOLOGY

The nature of jobs and employment is continuously changing with respect to the demands of time and the competitive business environment.Gone are those days when life time employment was considered desirable as an individual takes a job in a company. As he/she puts in more years of service (we call it tenure of employment) he or she gets opportunities to review the current employment status with future possibilities because of the experience on the job and the skill sets aquired which may be in demand elsewhere for better compensation and benefits. This affects the present tenure of employment in the company. Conversely, the company during the stages of growth and expansion may be requiring additional or entirely new set of skills which some of the current employees may not have and which may lead to separation.The present article is to review the status of the current scenario in this regard. However in order to achieve greater focus, the following specific Objectives have been identified for the purpose of this research paper:

1. A critical review of the current business environment.
2. The impact of the environmental forces on business continuity.
3. The effect of environemntal forces on employment.
4. Review of how Employees and Employers look at the current scenario.
5. Analysis of how businesses cope with the current developments.
6. Some suggestions for Employees and Employers.

Several methods were considered for the sake of above research. The main criteria was how suitable and valid conclusions could be arrived for the specific Objectives as cited above. Data collection through a structured Questionnaire would be most useful with separate set of questionnaires designed for employees and employers. But such a methodology was considered unweildy and cumbersome due to limitations of time and available resources. While these considerations were going on it was found out while doing the preliminary data collection that enormous amount of data was available from published sources and what was needed was proper classification , tabulation and analysis. This has

been achieved to a satisfactory level as may be seen from data analysis and conclusions.

REVIEW OF LITERATURE

A recent survey of American companes where job hopping is considered quite normal and job tenures are shrinking in several industries was revealing. The top reason cited for an internal movement for desirable opportunities was for further career advancement (64.4%), followed by an interest in expanding skills (41.8%) These reasons suggest that employers and department leaders can increase employee satisfaction by creating more opportunities for development and enrichment.It may come as a surprise that most employees don't make these types of moves to get better pay. Well under half (38%) of workers pointed to a desire for better compensation and benefits as the reasons for switching roles within their companies.Please see Tables 2A and 2B given below:
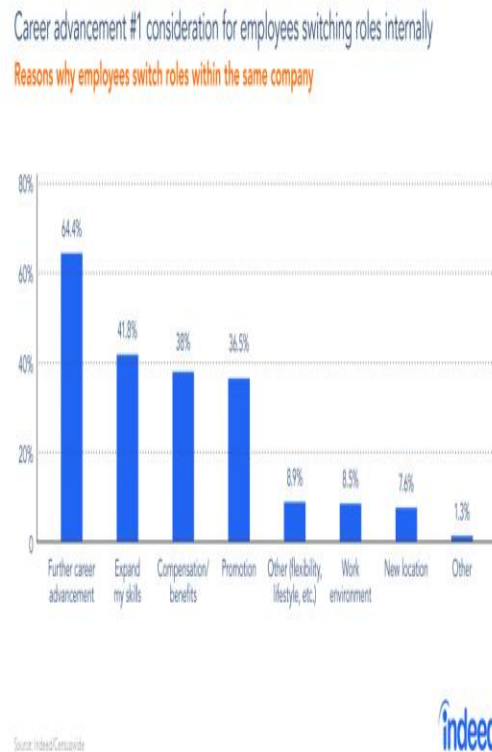

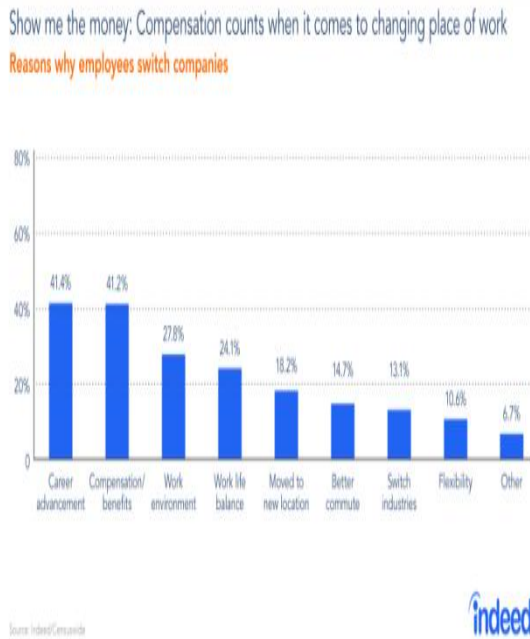*Figure 2A: Reasons for internal movement of Employees*

Figure 2 B: Reasons for changing of Jobs/Companies

Career advancement remains at the top, and is cited by fewer people (41.4% vs. 64.6%), which may suggest that employees start out looking for internal opportunities for advancement before they move to outside companies.Coming in right behind career advancement, 41.2% of respondents were interested in better compensation and benefits. It makes sense that this percentage is much higher among employees who leave their companies and who may feel that an internal move is less likely to result in significant compensation changes.

By studying the top reasons behind employee moves, we can develop more effective strategies for improving employe retention. To hold on to top workers for longer, companies should focus on compensating employees fairly and giving them more opportunities to develop and advance. In other words, invest in your employees and they will be invested in your firm. Following are some strategies you can use to put this into practice:

- *Offer competitive salaries and benefits* – Be aware of the salaries and benefit packages in your industry and geographical area to ensure that your salaries are competitive. You'll not only retain top employees, but you'll attract a stronger pool of new talent.

- *Develop programs focused on skill-building* – Give employees an achievable path to advancement. Offer support, structured programs and mentoring opportunities to help them hone the skills they'll need to move to the next level at your company.

- *Cultivate a supportive corporate culture* – A supportive, inclusive culture goes a long way toward retaining talent. While it helps to enact small changes, the best way in the long term to change your business's culture is by starting at the top and incorporating these changes into the company's hiring and personnel management programs.

- *Recognize achievement* – The employees want to see tangible rewards for their achievement, and they report a slight preference for compensation over promotions. However, there are many ways you can recognize accomplishment, from outstanding achievement awards handed out on a regular basis (and it has to include a financial component) to offering learning opportunities for top performers.

Companies that see the best retention success truly value their employees. By recognizing success, providing pathways for advancement and cultivating a supportive culture, firms will give their top employees more reasons to stay onboard for longer.

Tenured employees can help recognize and correct issues before they become major problems. A proactive approach to customer service is so important.and Successful businesses know they need to aim for a customer experience that is not just adequate, or even good but exceptional. In order to build customer loyalty and grow profits, customer service must be legendary; Tenured employees hold the key.The longer you stay on a job, the more skilled you'll be. Tenured employees don't just refine their skills over time—they also acquire specialized knowledge and evolve with their industry. They've had first-hand experience with previous products, services, and systems. Customers rely on this experience and view tenured employees as trust worthy industry experts.

Over a period of time, tenured employees build connections with customers and clients. They become

familiar with their needs, their business, and their communication style. When they do this, they transform a customer's perception of a company. No longer a faceless corporation, the company is humanized, having a consistent contact at a company which gives consumers the impression of stability. When a business supports its employees for years or even decades, consumers feel more comfortable trusting the brand.Equipped with experience and detailed industry knowledge, tenured employees stop being outsiders and perform as intricate members of client teams.Tenured employees are invaluable to the learning process. Not only can they answer questions about equipment, processes, and practices. They also provide valuable insight into building relationships with customers. Their first-hand experience imparts a level of wisdom corporate training programs simply can't.Such employees have learned from their mistakes. They've developed the ability to predict customer concerns and provide proactive solutions. Even better, they can teach these lessons to new hires, allowing them to learn the same skills without making the same mistakes. As new hires become tenured employees, the cycle continues and customer service improves with each generation.

No employee is fully dedicated to his work unless he/she can see the clear benefit for the future. Tenured employees can help.The goals of successful career may seem far away for a recent graduate, but his experienced mentor shows they're definitely possible. A single long-term employee can be proof that the journey to success lies within your company. Regardless of the cause, each time a company loses a tenured employee they also lose customer service expertise, as well as the time and money spent on acquisition and training.There are few factors that have a greater impact on a business's success than customer experience. But raising your company's customer service profile to legendary status;. the process will require a holistic approach—one that leverages the skills and experience of tenured employees.

The days have long since passed when people would stay at one job for their entire career. Workers now switch jobs several times in their careers; Worried about being considered a job hopper if you change companies too often, you might stay longer at your current job, even if you don't like it, because leaving it might impact your future employment options. The median number of years that wage and salary workers have worked for their current employer is currently 4.6 years, according to an Economic News Release from the Bureau of Labor Statistics (USA). However, this longevity varies by age and occupation:

- The median tenure for workers age 25 to 34 is 3.2 years.
- The median tenure for employees age 65 and over is 10.3 years.
- Workers in management, professional, and related occupations had the highest median tenure (5.5 years).
- Workers in service occupations had the lowest median tenure (3.2 years).

If you were to change jobs every three to five years, you would be right within the average, and the job switches may reward you with higher compensation and a broader base of skills than you'd acquire by working for only one or two companies during your entire career. Staying too long at a job can also hinder your employment prospects, and a lengthy tenure with one company can give the impression that you aren't interested in growing your career. It can also lead employers to think that you may not have the flexibility or open-mindedness for success in a new role.So when is the best time to change jobs? ; the bottom line is that it's a question of balance, with enough years put in to learn and grow, but not so many years that your skill set becomes stagnant or redundant in one company's way of doing things.There isn't such a thing as a perfect resume because there are so many reasons for leaving a job and for staying at a job. However, do be cognizant of the fact that your decisions matter on a long-term basis as well as a short-term one.

When employees leave a job, of their own volition or not, employers lose the institutional knowledge or history that they take with them, and many organizations lack sufficient transfer programs to stem the loss. However, very few metrics or measures exist to quantify the loss of institutional knowledge, continuity, and history. What we do know is that these costs manifest in the turnover, recruitment, replacement, and training costs that many organizations face. The failure to retain and transfer institutional knowledge could result in a steady increase in employee turnover and further loss of institutional knowledge, translating into higher costs and lower institutional efficiency. For any organization, the retention of the institutional knowledge or institutional memory is an important attribute in the recruitment and retention of employees. This is especially so for some highly skilled positions, such as in the technology fields. In these cases, the greater threat is the difficulty in quantifying and replacing these employees. While many managers worry about the level of turnover, the more important statistic should be the level and capacity of knowledge the people leaving possess. Organizations routinely sustain the loss of employees,

but when those employees are highly skilled, possessing knowledge not readily replaceable, the organizations suffer.

There are steps organizations can take to reduce the level of institutional knowledge that they lose with the loss of skilled employees. Specialized training, documentation of processes, and job sharing are a few of the ways to combat this loss. One of the more effective methods of lessening the loss of institutional knowledge is having the older and more experienced workers serve as mentors and trainers, allowing them to pass on their knowledge to others within the organization. In order to prepare for the loss of institutional knowledge and plan for knowledge transfer, organizations must develop strategies to ensure business continuity. This is something that many organizations are not doing enough. As for the value of institutional knowledge, business continuity, and business processes, the majority of various groups believed that what they have learned at the institution was very important and had value. Further, they maintained that this value, or institutional knowledge, would be a critical issue if not addressed by management generational groups believed that their supervisors and managers would be hard pressed to find replacement employees with similar skills or knowledge. The institution did not have either a tacit or explicit formal plan to transfer knowledge.

If efforts aren't made to address the retention of institutional knowledge of Gen. X and Millennial employees, we could see a large gap in the continuity, and history that the earlier generational groups provided. This knowledge will be difficult to replace. As a result, these organizations will experience gaps in institutional knowledge. Hopefully, continued scholarly research on this topic will bring this issue to the forefront and lead to effectiveimplementation of a plan to preserve institutional knowledge. A solid business continuity strategy seeks to mitigate the impact on a business when critical functions are interrupted. Business continuity is challenging for any organization to identify and address. There are so many factors that can disrupt operations. Organizations that don't have a business continuity strategy in place are at enormous risk. The strategy an organization chooses affects the potential downtime, which can in turn impact not just their bottom line, but perhaps whether or not they remain in business.

Figure 3: Significance of Business continuity

The fundamental challenge of business continuity is that it is unknown. What you can do, however, is to put some hard thought into how you plan your infrastructure. In other words, assessing data centers and redundancy is a way to achieve balance between ensuring critical systems don't go down and being realistic about cost. Conducting third-party vendor evaluations is a critical component of validating a business continuity plan. It starts when you sign up with a vendor—and it continues whenever you assess your strategy. After all, if a vendor goes down, you go down. Budgeting your business continuity plan starts with an audit of your infrastructure. An effective business continuity strategy balances cost and risk by determining which workloads are mission-critical. Humans make mistakes.

You may have a highly resilient data center from a technical perspective, but if the appropriate operating procedures aren't in place, you may not meet your actual resiliency requirements. True business resiliency isn't just about your data centers. It also has to do with making sure your data isn't compromised. A business continuity plan does not last forever. It is important to put a strategic business continuity plan in place and revisit the plan at regular intervals to unsure that it still meets the needs of your business over time.

DATA ANALYSIS AND INFERENCE

As seen from the above there are several changes in the business environment that is happening but the most significant one is the digital transformation of business processes and the consequent impact on the Employment scenario. Employment in general has been a concern for several industries and academic institutions since their policies for deployment depends on this critical environmental factor. Several educational institutions are dependent on industries and vise versa because the curriculum offered y them has to meet the demands of the industry so that the graduates

coming out of such institutuions will be gainfully employed.

Business environment shapes business policies as the industries have to survive and grow. Employment is crtical area of business. Suitably qualified and expeienced employees form the back bone of any industry. Longer the tenure of employees i.e. if an employee stays for a longer time in the same company he gets a chance for aquiring skills, meet with more custmers and become more familiar with issues between the company and its customers. Long tenure of employment ensures that not only such tenured employees aquire the skil sets needed for success but also the customer confidence and acceptance.If the current set of employees leave the company in big numbers it ceates a vacuum in customer acceptance and confidence.

On the other hand it is a real challenge for companes to retain talentd and skilled employees who get ample opprtunites for a shift.Too much employee turnover means the company may lose its continuity in offering customer service through confidence building because of history of such customer confidence in solving his problems. Fresh employees may bring new skill sets for a company but it can also be created by training and retraining of employees with good tenure and commitment as indicated by their service records and achievement.How the employees and employers viewat the opportunities and Threats will needto be considered.

For Employers it may be worth while to continue with employees who show promise by their performance and commitment to company by excellent rapport with clients and customers by training and reraining for new roles due to promotion or horizontal transfers. Skill enhancement through training has to be a continual activity.In the case of employees, greener pastures need not attract them if ample opportunities are provided for the relly promising ones. This will ensure their continued commitment to the company and so their customers. Customers also appreciate a long service employee who is skilled as well as dedicated to solve their problems. This would enable existing customers to keep their trust and continue to buy product and services. They may even over look any minor infringement in custmer servicebecause of relationship building. So, even in the current environment of shifting loyalties and commitment a truly experienced and committed employee contues to be an asset. Businesses cope with the current situation with policies to enhance Employee retention and commitment.How this is achieved will vary from company to company depending on the situation.No company would like to part with a committed and talented employee who is

liked by customers and is skilled and talented.However the company has to provide avenues for employees to express their talent and abilities.It has been seen in the review of literature that the institutional knowledge that is in built in a tenured employeeis valuable.

CONCLUSION AND RECOMMENDATION

Though life time employment and careers are a thing of the past, companies even in the current environmet need not become disillusioned by short term tenures and employee separation. They can retain skilled and talented employees and prevent separation through providing them with suitable opportunities within their company or corporate group through redeployment in consideration of their experience, expertise and learning. Digital technologies have provided the younger generation of employees with better communication tools but have also provided opportunities to enhance and express their skills. The job mentoring and documentation of process can go a long way in retaining talented employees and provide a data base for the company for future reference, in the absence of skilled employees. Once such employees see opportunties within thiergroup companies and a clear growth path and opportunities, they may extend their tenure with current employers for their mutual benefit and welfare!

BIBLIOGRAPHY

A. Print and Publicity

[1] Thibodaux, N. & Rouse, R. (2005). Retaining key knowledge in the utility industry: How the 'funnel theory" bridged the retirement gap. KM Review, 8(4), 16-19…..Carter, C. (2004, July-August). When your Gurus walk out the door. KM Review, 7(3), 16-19.

[2] Ashworth, M.J. (2006). Preserving knowledge legacies: workforce aging, turnover and human resource issues in the US electric power industry. International Journal of Human Resource Management, 17(9), 1659-1688

[3] "How to Build an Effective and Organized Business Continuity Plan". Forbes. June 26, 2015.

[4] Elliot, D.; Swartz, E.; Herbane, B. (1999) Just waiting for the next big bang: business continuity planning in the UK finance sector. Journal of Applied Management Studies, Vol. 8, No, pp. 43–60. Here: p. 48.

[5] Alan Berman (March 9, 2015). "Constructing a Successful Business Continuity Plan". Business Insurance Magazine.

[6] Ian McCarthy; Mark Collard; Michael Johnson. "Adaptive organizational resilience: an evolutionary perspective". Current Opinion in Environmental Sustainability. 28: 33–40.

[7] Yossi Sheffi (October 2005). The Resilient Enterprise: Overcoming Vulnerability for Competitive Enterprise. MIT Press.

[8] Tiffany Braun; Benjamin Martz (2007). "Business Continuity Preparedness and the Mindfulness State of Mind". Semantic Scholar.com. "An estimated 80 percent of companies without a well-conceived and tested

business continuity plan, go out of business within two years of a major disaster" (Santangelo 2004)

[9] "Building A Resilient Nation: Enhancing Security, Ensuring a Strong Economy report"(PDF). Reform Institute. October 2008.

[10] "Business Continuity Plan". United States Department of Homeland Security. Retrieved 4 October 2018.

[11] "BIA Instructions, BUSINESS CONTINUITY MANAGEMENT - WORKSHOP" (PDF), decentral.org. Disaster Recovery Information Exchange (DRIE) Central. Retrieved 4 October 2018.

[12] Ellis Holman (March 13, 2012). "A Business Continuity Solution Selection Methodology" (PDF). IBM Corp.

[13] British Standards Institution (2014). Societal security – Business continuity management Systems – Requirements: London

[14] Anderson C. R., Hellriegel D., Slocum J. 1977. Managerial response to environmentally induced stress. Academy of Management Journal, 20: 260–272

[15] Ashford S. J. 1988. Individual strategies for coping with stress during organizational transitions. Journal of Applied Behavioral Science, 24: 19–36

[16] Brockner J. 1988. The effects of work layoff on survivors: Research, theory, and practice. In Staw B. M.Cummings L. L. (Eds.), Research in organizational behavior, vol. 10: 213–256. Greenwich, Conn.: JAI Press.

[17] Buchanan B. 1974. Building organizational commitment: The socialization of managers in work organizations. Administrative Science Quarterly, 19: 533–546.

[18] Gutchess J. F. 1985. Employment security and productivity? It can be done. National Productivity Review, 4: 275–286.

[19] Jacobson D. 1988. A personological study of the job insecurity experience. Social Behavior: in press.

[20] Mowday R. T., Steers R. M., Porter L. W. 1979. The measurement of organizational commitment. Journal of Vocational Behavior, 14: 224–247.

[21] Romzek B. S. 1985. The effects of public service recognition, job security and staff reductions on organizational involvement. Public Administration Review, 45: 282–292.

[22] Rosow J. M., Zager R. 1985. The case for employment security. Across the Board, 22: 34–41. Google Scholar.

[23] Rotter J. B. 1960. Generalized expectancies for internal versus external control of reinforcement. Psychological Measurement, 80: 1–27. Google Scholar.

[24] Smith F. J., Kerr W. A. 1953. Turnover factors as assessed by the exit interview. Journal of Applied Psychology, 37: 352–355. Google Scholar.

[25] Smith P. C., Kendall L. M., Hulin C. K. 1969. The measurement of satisfaction in work and retirement. Chicago: Rand McNally and Co. Google Scholar.

[26] Steers R. 1977. Antecedents and outcomes of organizational commitment. Administrative Science Quarterly, 22: 46–56. Google Scholar.

[27] Walsh J. P., Ashford S. J., Hill T. E. 1985. Feedback obstruction: The influence of the information environment on employee turnover intentions. Human Relations, 38: 23–46.Google Scholar.

B. WEB REFERENCES

[1] https://www.newsday.com/2.811/jamie-herzlich/small-business-a-good-plan-shields-from- storm-clouds 1.1322137?firstfree=yes

[2] http://www.bccmanagement.com/mtpod.html

[3] https://web.archive.org/web/20090717220729/http://e-janco.com/MaximumTolerablePeriod

[4] https://www.bls.gov/news.release/tenure.nr0.htm. Bureau of Labor Statistics, U.S. Department of Labor.

[5] https://www2.deloitte.com/content/dam/Deloitte/at/Documents/human-capital/millennial-innovation-survey-2016.pdf.