

‘Conflict Resolution’

Introduction

Employee engagement is the illusive force that motivates employees to higher levels of performance (Wellins & Concelman, 2004). The essay will analyse the positive and negative impact and importance of employee engagement in organisation. In addition, will deliver significant information about training and development will improve employee engagement , motivation and improved organisational performance. Providing successful training employees gaining the chance to succeed in what they do and advancing to a promotion helps organisations recruit the best talents and retain them for a long time. The positive work environment influences good performance and attitude of employees, also sustainability and further development of the organisation. This research will conduct PESTLE analysis which reviews examples of how each factor impacts on the employment relationship in the UK. Furthermore, the essay will discuss historical events that have shaped the employment relations framework in the UK. “Chartism movement” was the largest mass movement for democracy in the 19th century in the United Kingdom (Navickas & Crymble, 2017). People wanted to achieve the goal of the right to vote. Over the last decade the number of workers who went on strike in the United Kingdom last year fell to the lowest level since the 1890s (National Statistic, 2018) proving that the current employment relation climate has improved. In addition, there are still numbers of notable examples of employee relations tensions in recent years. For instance: ‘McDonalds workers walked-out over zero-hour contracts’.

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What is an “Employee Engagement”?.

Employee engagement is the level of dedication, enthusiasm and motivation shows towards the business. Wellins and Concelman (2004) states that “Employee engagement is the illusive force that motivates employees to higher levels of performance. This is combined with “commitment, loyalty, productivity and ownership.” Research proves that basic satisfaction needs directly relate to employee dedication (Vandenabeele, 2014). Dedicated

and meaningful work enables employees to realize how valuable they are in the organisation, makes them more engaged and go beyond minimum. Employee engagement is vital to employees as well as to organisations to achieve goals and objectives. Organisational productivity is determined by employees' efforts and engagement (Musgrove, Ellinger, & Ellinger, 2014).

The management's ability to use employee engagement strategies is essential in the organisation. Howard and Foster (2009) recognise employee involvement as a key tool in management that not only increases the company's competitiveness, but also improves the image of the organisation, as it helps reduce employee fatigue in the company. The implications are that the employees involved directly or indirectly project a positive image of their organization, because their involvement gives the impression of a responsible company.

For organisations that set the trend and close the gaps, in addition to the goal of ensuring high productivity and productive workforce, they acknowledge the following employee's needs associated with running a forward- thinking well-being program: that they are a very important part of creating simply irresistible experience that helps employees engage , train and develop. According to the High-Impact Rewards (HIR) study by Deloitte (2019), high-performance organisations are 11 times more likely to have a broad employee well-being strategy that goes beyond traditional physical well-being than their weaker performance. For Human Resource Management is essential to indicate a successful well-being program, furthermore organisations have to create its human resource management that is suitable for the organization's structure as this will make the organizations achieve their goals and objectives. Well-being programs ease to increase engagement, individual's well-being and greater business results.

Organisations must create a total positive relationship with the workforce and create an environment in which their workforce can operate and develop. This means ensuring that personal and professional needs differ depending on life and professional circumstances, and providing an engagement structure and platform that allows employees to plan accurately, purposefully execute and continuously monitor their well-being in these circumstances. Every employee is different, well-being programs are therefore to recognise everyone's needs, if it's reminded that a successful employee is likely to stay within organisation. For instance an individual with a family of four would likely anticipate a full

contract (minimum 37 hours) to provide that job security, likewise a full time student perhaps would accept a zero-hour contract.

Training and Development.

Training and development employees fall under an important function of Human Resource Management (Weil & Woodall 2005). The costs of employee training are high but fully trained employees can achieve high profits and give long term benefits to both organisations and employees. Research states that training and developing employees has fallen compared to previous decades. In 2017 only 26% of the population said they have had full in-work training (gov.uk, 2017) and It can lead to low experience in many areas of work for many employees. A recent research indicates that “40 percent of employees who receive poor job training leave their positions within the first year”. Organisations that provide poor training can face high staff turnover, which can reduce employee engagement and create conflicts in the future. Not enough businesses have the ability to ensure that they manage and develop people and create positions to ensure employees put their skills to good use. For future successful staff development managers should provide systematic feedback, identifying individual strengths/weaknesses, recognizing individual performance etc.(Nassazi, 2013). In other words, when training is effectively used, it helps employees build new skills, confidence at work, loyalty and willingness to go the extra mile because they see promotions in the future. Giving employees the chance to succeed in what they do and advancing to a promotion helps organisations recruit the best talents and retain them for a long time.

Many organisations that provide zero-hour contracts or temporary contracts are less likely to provide full training compared to employment with a ‘normal’ contract that can invest in training and further development if the organisation they work for does not provide it. It can indicate negative impacts such as de-motivation and low productivity for employees with “zero” hour contracts does not give “stability”, therefore employees are less likely to retain within the organisation. CIPD (2017) research states that only “two thirds of people feel secure in their job, with older and low skilled workers in routine jobs having seen a significant fall in job security over the past 20 years.”

Positive work environment and organisational culture.

The positive work environment influences good performance and attitude of employees, also sustainability and further development of the organisation. Another implication of positive

work environment is happier people, employee stability, business advantage and higher profits. The introduced work environment in the organisation can have positive and negative impact on employee morale, productivity and commitment. New programs on lifestyle changes, work-life balance, health and safety, which previously were not considered key benefits, are now employee priority and common practice among most businesses managers (Humphries, 2005).

The organization's culture and climate are expected to affect the level of commitment. Climate includes aspects such as systems and organizational satisfaction; culture includes aspects such as community (Schein, 1987). Culture is one of the important sources of competitive advantage and it always will be because it positively or negatively affects the organization's behavior and the company's results (Fleming, 2006). An effective corporate culture results in a high level of commitment, which results in high performance. According to research (E&Y) 55% of the companies have seen a 10% increase in operating profits driven by their investment in positive culture. For instance "Google" company states that higher employee happiness levels are associated with a 12% rise in productivity (forbes.com, 2018). However Amazon, known as a company with poor working conditions, decided to increase employee wages to achieve higher productivity instead improving their organisational culture (FT, 2018).

What is "Employee Relations"?

"Employee relations" is the term used to describe the relationship between employer and employees (CIPD, 2019). Negative or positive employee relationships usually apply to the efforts made by the business, often the HR department manages relationships between employees and managers. A positive atmosphere of employee relations and high engagement can potentially lead to better business results as well as improve employee health and well-being. However, negative impact between employees and managers can lead to stress and high 'staff turnover' in the company.

PESTLE Analysis.

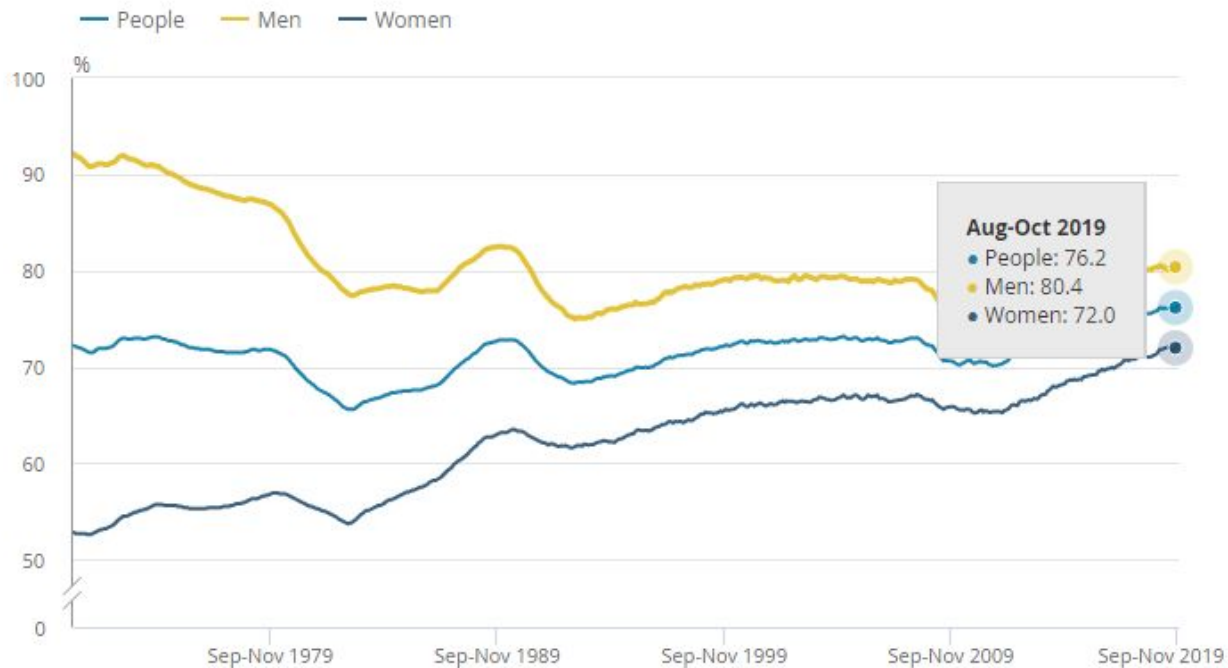
Below, PESTLE analysis is shown, which reviews examples of how each factor impacts on the employment relationship in the UK.

Political factor that can have an impact on employee relationships is 'Fiscal policy'. This policy involves changing the level of taxation and government spending to influence the rate of economic growth. During a recession, the government may contain aggregate demand, increasing public spending and lowering taxes. Lower taxes increase disposable income (Pettinger, 2017). This helps to cover economic growth and unemployment costs. Increase in disposable income can reduce less stress for employees to make day to day living. The most troubling aspect of the period since the onset of recession is the fall in labour productivity (UKCES, 2014). Loss in employee wages due to past recession causes a fall in productivity due to lack of motivation. It can lead to organisation closure and loss of jobs.

The UK economy shrank 1.9% in the first three months of 2009, according to gross domestic product (GDP). It was the deepest recession since 1930, and it affected many businesses such as manufacturing and construction (Allen, 2010). Moreover, net national income fell 11.9% in 2011 and at the same time the unemployment rate rose from 5.2% to a high of 8.5%. People experienced economic difficulty in the form of income reductions, loss of work hours, and unemployment (Boyce, 2018). Increases in unemployment and reductions in income have been demonstrated to have generally negative effects on well-being (Clark, 2008). Some researchers believe the Covid-19 pandemic is going to start a V-shaped recession in the first half of 2020. The UK economist from Capital Economics, has estimated that "output in Britain will shrink by 2.5% in the second quarter but says a 5% fall".

The British Working Lives survey is the goal of promoting better work and family life by improving people and organisation development practices for the benefit of individuals and society (CIPD, 2018). In the UK, the 2017 Taylor Review of Modern Working Practices identified several key concerns of relevance to job quality in the modern labour market. Those key concerns are employment security, pay and pensions, education and training, working hours, health and safety, forced labour and employee representation. Many organisations do not offer workers opportunity to progress, which can cause low employee engagement (Taylor, 2017). 'Figure 1' states the employment rate for all people increased 0.6 percentage points on the year to a record high of 76.3% in 2019.

Figure1



(ons.gov.uk, 2020)

The 4th industrial revolution will lead us to the point where current categories of jobs will be partially or completely displaced and new types of professions will appear due to technology development and Artificial Intelligence (McKinsey, 2018). Positive impact of technology has the power to improve our lives, raising productivity and living standards, but also bring the negative impact of social unrest and political upheaval if economic advantages are not shared equitably (PWC, 2018).

In 1979 the worsening economy led to disagreement with the traditional industrial Relations system with trade unions, as the result of “strikes”. Conservative Government and Prime Minister introduced a policy decreasing the power of the trade unions because of the “undermining parliamentary democracy and economic performance due to strike actions” (Blyton, 2004). Today, The Trade Union Act (2016) is key part of the reform is that industrial action will be lawful only when there has been a ballot turnout of at least 50%.

Zero-hours and short-hours contracts look set to become a permanent feature of the UK labour market. Unlike a traditional employment contract, a zero-hour contract does not guarantee a job or any hours in the long term. Those types of zero-hour contracts do not

guarantee any job security, and it all depends on demand of the business in specific time. If the demand decreases there is more likely to be no hours available. It might be suitable for instance students due to flexibility but not to individuals that have families that would benefit from holiday pay and sick pay (Ellen, 2017).

Historical events that have shaped the employment relations framework.

Chartism movement

“Chartism movement” was the largest mass movement for democracy in the 19th century in the United Kingdom (Navickas & Crymble, 2017). People wanted to achieve the goal of the right to vote (every working class, women still excluded), speaking, serving on committees and educating themselves. Chartism attempted to help the working classes with limiting the working day for nine- to twelve-year-olds to eight hours and thirteen to seventeen-year-olds to twelve and overall working conditions (Navickas & Crymble, 2017).

Although the Chartist Movement did not achieve the desired reforms at that time, it challenged the government at the time, educated the worker, and made it easier for future success (Monahan, 2016). By 1918, five of the six reformists in Chartism entered into force, with the exception of annual parliamentary elections. It took the Fourth Reform (also known as the People's Representation Act 1918) during World War I, before all adult men were eligible to vote (Collins, 2018). The past in which people fought for democracy and better working conditions has helped us today with easier life and less conflict with the government. This made employee relations better, employees have better working conditions and better work-life balance in comparing it to the past.

Current employment relations climate.

Over the last decade the number of workers who went on strike in the United Kingdom last year fell to the lowest level since the 1890s (National Statistic, 2018) proving that the current employment relation climate has improved. However research states that most likely unions are not doing their job and workers are coming under increasing financial pressure (Gall, 2016). Moreover, Paul Hackett the director of ‘The Smith Institute’ added that “employment rights are good in the UK”, but there is still a widespread perception of injustice in many workplaces. For instance, there are many examples of unfair treatment that go beyond formal employee rights and have a lot to do with practitioners, management style and culture. In addition, trade unions have experienced the biggest drop since 1995, they

believe it is because of “the loss of “good-quality jobs”, cuts to the public sector workforce and the rise of the gig economy for the 4.2% drop” (TUC, 2018).

Many organisations still experience conflicts between employees and managers due to a pluralistic approach. They believe it's inevitable because it is hard for any business to bring all the employees together and share the same values and interests (Kessler & Purcell 2003). However organisations with a unitarist approach believe working towards the same goal together to reduce conflicts. Conflicts can lead to strikes which by many organisations is considered destructive in this type of approach, because it decreases the profit.

Employee relations tensions in recent years.

There are a number of notable examples of employee relations tensions in recent years. For instance: ‘McDonalds workers walked-out over zero-hour contracts’ in October 2018.

"McDonald's is a multi-billion dollar corporation that still pays high salaries to its managers, and then pays a significantly lower wage to an amount of 2 million employees. In 2018, McDonald's gave their workers the largest pay rise in a decade, but they still won't recognise the workers' union. MacDonalds states “employees are totally free to join a union if they wish, however, we don't currently work with any specific trade union”. They believe communication is everything, and open dialogue between employees and the company. It can be argued McDonalds allows employees to join trade unions, which is ‘pluralist approach’, however it states they believe communication between employees and managers which lead more towards ‘unitarist approach’. For example, McDonalds developed confidential questionnaires for workers tabout all aspects of work (McDonalds, 2019).

Conclusion

From the evidence that has been evaluated in this essay is it clear that employee engagement is able to achieve an increase of productivity from the labour force as well as increasing employee motivation to achieve higher performance. It also proves that dedicated and meaningful work enables employees to realise how valuable they are in the organisation, makes them more engaged and go beyond minimum. The management's ability to use employee engagement strategies is essential in the organisation. Historical events proved that low employee engagement or low satisfaction of the job can lead to conflicts. The past people fought for democracy and better working conditions has helped us today with easier life and less conflict. It helped improve employee relations, working conditions and better work-life balance in comparing it to the past. However, Paul Hackett

the director of 'The Smith Institute' added that "employment rights are good in the UK", but there is still a widespread perception of injustice in many workplaces.

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