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AHK HUMAN RESOURCES INSIGHTS

EMPLOYEE ENGAGEMENT AND RETENTION



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A faded background image showing several business professionals in a meeting. A woman in the foreground is looking down at a laptop, while others are visible in the background, some looking at documents or screens.

About AHK Azerbaijan

The German-Azerbaijani Chamber of Commerce (AHK Azerbaijan) is a part of the global network of German Chambers of Commerce (AHKs) operating in 92 countries at 140 locations. As the official representation of the German economy in Azerbaijan, the Chamber provides information services and supports companies in their market and business research since 2012. With more than 170 member companies today, the AHK Azerbaijan is the most powerful European economic association in Azerbaijan. While actively representing the interests of its members, the AHK Azerbaijan also offers a wide range of business and legal services to companies.

About the Publication

“HR Insights” is an initiative of a number of HR experts acting under AHK's HR&VET Working Group. It is a collection of articles created by these experts to benefit the HR community through knowledge sharing and collaboration. The purpose is to address senior executives and HR professionals' most important and challenging questions on people-related issues. The initiative uses the following methodology: bringing at least two specialists to the table, engaging in many brainstorming sessions, and documenting the primary "working tools" in Azerbaijan, with less emphasis on the theoretical aspect. These insights can be used as a supplementary source or as an introductory paper, followed by the usage of additional sources for a deeper dive into the topic.

Dayanat Ahmadov
Chairperson of the HR&VET Working Group

Meet the Authors



Asiya Hagverdiyeva

Asiya Hagverdiyeva is the Head of the Human Resources Department at Boston Consulting Group Caspian Region. She is an experienced HR professional with a previous background in finance and demonstrated history of working in consulting, banking, financial and professional services industries. She holds a master's degree in International Economic Relations and is a graduate of the Adaptive Strategic Execution Program (ASEP), a joint program of ADA and Duke University. Ms Hagverdiyeva has a number of various international certifications such as SHRM CP certification, and a CIPD diploma in Human Resources Management. She is a certified professional coach and a member of the International Coaching Federation.



Saadat Nurmammadova

Saadat Nurmammadova is the Head of Human Resources at Caspian Innovation Center. She is responsible for HR Operations, Employee Safety and HR Compliance. Ms Nurmammadova has over 20 years of experience in human resources, finance, law, community development and administration. Her industry expertise includes government, private and oil-gas sectors. She holds a bachelor's degree in International Law, a master's degree in Management, and a CIPD (Level 5) certification. Ms Nurmammadova is also International Erickson Certified Professional Coach on career development, communication, upgrading competencies, etc.

INTRODUCTION

Employed people “...express themselves physically, cognitively and emotionally during role performances.” - this is the definition of employee engagement given by psychologist William Kahn. The cognitive aspect of employee engagement concerns employees' beliefs about the organization, its leaders and working conditions. The emotional aspect is about how employees feel about each of those three elements and whether they have positive or negative attitudes toward the organization and its leaders. The physical aspect of employee engagement refers to the physical energies exerted by individuals to accomplish their roles. Thus, according to Kahn, engagement means to be psychologically as well as physically present when occupying and performing an organizational role.

Another definition of engagement by Schaufeli et al. describes it as: “a positive, fulfilling, work-related state of mind that is characterized by vigor [energy], dedication [inspiration], and absorption [concentration]”

Employee engagement is the extent to which employees are willing to stay in the company and work hard for the company, reflected in three aspects (Hewitt Organization):

Say: employees speak positively about their organisation, colleagues and their jobs

Stay: employees have a strong desire to be a part of the organisation and to stay with the organisation for a long time, rather than using their current position as a temporary transition.

Strive: employees are motivated to devote extra effort towards the success of the organisation.

Employee engagement is a broader concept than simply employee satisfaction, commitment and morale. It is an outcome-driven concept that certain employee and employer/workforce characteristics can lead to employee behaviour that has a positive influence on individual and business-level performance.

Understanding the basics of employee engagement can provide insight, but in order to achieve employee engagement, the organization needs to be aware of current levels of employee engagement. Conducting surveys and stay interviews are two methods by which an organization may seek to understand engagement levels among its employees. These processes should be conducted regularly to abreast of changes within the workforce.

Organizations can help to ensure consistent levels of employee engagement by developing employee engagement and retention programmes. These programmes focus on creating engagement at every step in the employee life cycle, from recruitment and hiring to exit from the organization. A key component of employee engagement and the organization's own development of competency and retention, is its performance management system.

Close attention to the metrics of engagement and retention can help reveal issues in time to ensure employees remain engaged and stay with the company.

Employee engagement may be regarded as a psychological state and an umbrella term to describe a broad area of people strategy with narrower concepts - such as work engagement or organizational commitment - being used when more specificity is required. This allows for a broad strategic approach, with a precise focus on priority concerns.

A broad employee engagement strategy might focus on:

- ▶ **Motivation:** how workers channel their efforts to achieve goals, including intrinsic motivation (enjoying work for its own sake) and extrinsic motivation (working for reward).
- ▶ **Organizational identification:** the alignment between how an employee sees themselves and how they view their organization.
- ▶ **Organizational commitment:** feeling attached to the organization and committed to their work.

Increasing Employee Engagement

According to various studies, organizations that focus on employee engagement, consider the following factors to be important in increasing that engagement (Siddhanta, & Roy 2010).

Culture: This encompasses various factors, such as leadership style, vision, mission, values, effective communications, strategic plan, HR policies & practices etc.

Corporate culture helps an organization to connect with its people, gives employees the opportunities to contribute ideas and experience, develops employees for leadership roles and helps them grow with the organization.

Continuous reinforcement of employee focused policies: Continuous reinforcement exists when pro-employee HR policies are framed by the organization and top management provides budgets and resources that enable employees to accomplish their tasks.

Meaningful metrics: An organization's performance is essentially dependent on its employees. Hence, it is important to decide on measurement criteria for the factors that affect that performance. This determines a focus on the people in an organization.

Organizational performance: This leads to high levels of trust, pride, satisfaction, success and, of course, fun in the workplace.

Increased job involvement and job satisfaction: A clear understanding of job function & working role expectations, with opportunities to excel; the recognition of good work, opportunities to develop skills and opportunities for learning & growth, all help to increase employee engagement.

Encouraging teamwork: Teamwork is key to organizational success. To increase team engagement, team members should be allowed to interact frequently and consistently so that longer term relationships are developed including trust, cooperation and mutual reliance.

Supporting employees' mental & physical health and morale: Reports suggest that lifestyle issues such as smoking, poor diet, obesity, elevated blood pressure and stress are most likely to reduce an individual's capacity. Companies must invest in their employees' wellbeing, including their health.

Employee Engagement in Azerbaijan

"Putting people first" – is the main driver of employee engagement in Azerbaijan, originating in a focus group conducted with leaders in the market, Human Capital.

The people value of an organization is becoming a top priority for leaderships. A more highly developed corporate culture leads to an increase in, and stability of, engagement and therefore increased employee loyalty. Increased loyalty leads to decreased turnover. However, the difference between blue and white collar staff should be borne in mind.

One of the main factors having a positive effect on employee engagement is the organization's corporate culture. In recent years, more and more Azerbaijani organizations have begun to value and create a corporate culture, i.e. the assemblage of the organization's values, beliefs, ethics and attitudes. A healthy corporate culture helps an employee to feel part of something bigger and better, not just simply an employee, and to become an ambassador for the organization on the market. Openness of communication and procedural transparency are other steps towards employee engagement and the development of a healthy corporate culture.

Before working on improved employee engagement, many Azerbaijani organizations, wish first to understand the situation "as is" (i.e., the starting point) in order to identify steps to be taken and to measure progress. And so, the initial action is to conduct an engagement survey of employees to measure current levels of engagement, identify strengths and establish areas for growth.

However, for various reasons, employees do leave a company at some point. In this case, many companies in Azerbaijan, both international and local, conduct exit interviews. From these interviews the organization tries to understand the main reasons for the decision made, and then analyzes interviews grouped according to different criteria (positions, period etc.) to identify trends and root causes.

A number of companies have recently begun introducing stay interviews, whose main purpose is to understand what keeps people engaged and motivated to continue working in the company and what may be changed.

We truly believe that understanding, measuring and increasing employee engagement will lead all organizations towards a healthier corporate culture, with increased motivation and loyalty from their employees.

Our recommendation for employee engagement

1

Organize a focus group to analyse root causes and dive deeper into the issue.

2

Individual interviews with various target auditorium representatives.

3

Pulse check surveys and additional mini questionnaires.

4

Conducting stay and exit interviews with people in the organization.

Imprint

German-Azerbaijani Chamber of Commerce
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Authors

Asiya Hagverdiyeva
Saadat Nurmammadova

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Winter Park Plaza, 7th floor
75 Rasul Rza Str.
AZ 1014 Baku, Azerbaijan
Tel.: +994 12 497 63 06/07
E-mail: members@ahk-baku.de
Website: www.aserbaidchan.ahk.de



GRC Leadership Consulting (GRC)

GRC Leadership Consulting (GRC), as a member of the Chamber, initiated the AHK Azerbaijan HR&VET Working Group back in 2018 and, since then, actively collaborated on awareness-raising efforts among the local business community. As a continuation of its strong commitment to this cause, GRC is sponsoring the publishing of the “Performance Management” issue, which is the first one among the “AHK Human Resources Insights” series.

GRC is a leadership consulting firm, hence the name, completes the “missing part of the puzzle” by finding the right talent and providing the right human resources services to the private and non-profit organisations in Azerbaijan as well as regional countries.

- GRC is the Solution Partner of Harrison Assessments in Azerbaijan, which provides one of the most trusted and accurate employee assessment tools in the industry.

- In 2019, GRC was registered as a consultant within the European Bank for Reconstruction and Development’s (EBRD) Small Business Support Programme. Up to 60% of the total service fee for a project that GRC Leadership Consulting will implement for its clients can be covered by the programme.

