

APPLICATION OF ORGANIZATIONAL FEEDBACK INDEX TO EUROPEAN INDUSTRY

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Abstract: Organizational Feedback Index (OFI) was introduced as a component of The Theory of HR Quantification. It provided a process driven methodology for computing the level of employee empowerment in an enterprise. The present study utilizes the established concepts of The Theory of HR Quantification and applies OFI to the European Industry.

Keywords: Organizational Feedback Index, Theory of HR Quantification, Employee empowerment

1. Introduction

The Theory of HR Quantification was introduced in 2016. It aimed at satisfying two objectives. Firstly, to quantify HR processes and secondly to correlate HR Management (HRM) with Strategic Management. The said Theory has been formulated in the form of different volumes wherein each volume discusses about a different concept. The concept of Feedback Index (FI) was introduced to evaluate the level of employee engagement present in an enterprise. This was hailed as remarkable since there had been no proven concept which could numerically detail out a methodology of measuring qualitative HR metrics. It was segmented into two categories: Organizational Feedback Index (OFI) which gauged the policies of the organization has a whole and Employee Feedback Index (EFI) which recorded the perception of the employees. Later a mechanism has been explained to correlate OFI with EFI. This concept utilizes the concept of feedback to study the level of employee participation. By utilizing feedback, employee engagement can be evaluated at multiple levels. Firstly, feedback policies of the organization can be evaluated from its HR manual. Secondly, employee feedback surveys can be utilized, thirdly external stakeholders can also be involved. Therefore, feedback serves as the comprehensive base to evaluate the level of

employee empowerment. The present study considers the concept of OFI and understands its application to the European Industry.

2. Research objectives

- To evaluate the level of employee empowerment present in European industry
- To apply the concept of Organizational Feedback Index (OFI) in the European economy

3. Research methodology

Research methodology comprising applied research methodology coalesced with participatory observation has been deployed comprehensively. Empirical evidences have been utilized for analyzing the existing impact based studies in implementing innovating work practices at different kinds of workspaces. A self-prepared – self-directed survey approach was chosen to obtain data for the research. Top 100 companies of Luxembourg Stock Exchange were selected for the purposes of the present study. These companies represented majority of the gross domestic product of European economy and thus signified the presence of dominance. These companies have significant influence and they were The top management of these 100 organizations employees were handed over the OFI process chart through e-mail. An initial response rate of 64% was recorded. Final response rate was 52%. The

organizations were majorly large cap organizations and few were medium cap. Further the methodology of AELS: Active – Emphatic Listening Scale was adopted to research about the psychological factors in more efficient manner.

They were initially explained the concept of OFI. They were explained that OFI is a process driven score computation mechanism which poses an organization a series of questions. It begins with the question that whether the organization is willing to increase its employee performance or not. If the organization is not willing to improve its performance, OFI is not applicable to it. Thereafter it is asked whether it has installed any feedback system presently. If no then it is given a score of 1 and OFI is over. If yes, it is checked what kind of feedback system presently prevails in the organization, whether it is one way, two way, three way. Each form of feedback system has its own merits, demerits and therefore its own OFI Test Score. This test is called the Robustness Test. Thereafter it is evaluated how much time has lapsed by since the organization implemented the feedback. This is called the Time Test. Thereafter a review is made about the Motivation Test, mentioning whether the organization motivates its workforce to

participate in its policies or not. Thereafter a Confidentiality Test is made which reviews what kind go IT security has been deployed by the organization. this test evaluates whether there are safeguards introduced for keeping the employee feedback safe or how much transparency exists or is there any leakage that exists in the organization etc. Finally, a Final Action Test is taken which evaluates whether any real action is taken on the basis of the feedback collected or not. Aggregating the entire Test Scores and Phase Scores, a combined OFI value is obtained. It varies on a parameter of 0-20. Different Score Class Intervals have been introduced which explain how much employee empowerment exists based upon the OFI score computed.

4. Research Results

The European industry that was involved in the research process grasped the concept of OFI favorably. They were enthusiastic about the innovation and were ready to implement it in their processes. The average Test Scores and Phase Scores that were obtained for the companies under survey have been shown in Table I. For the purpose of this formulation, they have been segregated into three categories: Extremely Large Cap, Large Cap and Medium Cap.

Table I. OFI Average Scores for companies under research

Particulars	Extremely Large Cap	Large Cap	Medium Cap
Phase I – Introduction			
Whether organization believes in Feedback?	Yes	Yes	Yes
Feedback System installed presently?	Yes	Yes	Yes
Robustness Test	4	4	3
Time Test	3	3	1
Phase I Score	7	7	4
Phase II - Analysis			
Motivation Test	1	1	0
Transparency Test	1	1	1
Non-Disclosure Test	0	1	0
Documentation Test	1	1	0
Leakage Test	0	0	1
IT Test	4	3	2
Phase II Score	6	6	4
Phase III – Conclusion			
Final Action Test	2	1	2
Phase III Score	2	1	2
OFI Score	15	14	10

The Extremely Large Cap European industry has obtained the score of 15 which denotes that it has good level of employee engagement. However being extremely large cap they are the economic drivers and therefore they have a lot to improve. The large cap segment has a score of 14. They have satisfactory employee engagement which is still not desired for organizations of their stature. The medium cap organizations are

getting a score of 10 which denotes that there exists weak employee engagement. Organizations with weak employee engagement cannot exist for the long term. They need to implement employee empowerment policies or they face the risk of extinction.

5. Research Limitations

The present research has been made for the large cap sector utilizing the presently available OFI methodology. It was found that the present computation methodology of Organizational Feedback Index makes it relevant for Small and Medium Enterprise sector. It requires certain modifications before it can be implemented at the large cap sector. Future studies may be made to corroborate these results.

6. Conclusion

The Theory of HR Quantification is a well drafted methodology of connecting the HR department with the rest of the enterprise. Organizational Feedback Index (OFI) being a constituent of the said Theory has been the topic of interest for the present study. Its application in the European industry was evaluated. The results obtained denoted that extremely large cap enterprises have good level of employee engagement. Large cap enterprises have satisfactory level of employee empowerment while medium cap enterprises have weak level of employee empowerment.

7. References

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