

How to get employee engagement?

BRANKO LOBNIKAR

Studies have shown that employee engagement has impact on business results, productivity, customer loyalty and staff turnover. Developed economies realized that development and growth cannot be achieved simply by adding capital or increasing the number of employees; the results stems from the innovation ability of employees and their efficient management. When business needs to do more with less, engaged employees may be the difference between surviving and thriving. Employee engagement is the extent to which employee commitment, both emotional and intellectual, exists relative to accomplishing the work, mission, and vision of the organization. In an empirical study of employee engagement, conducted on a sample of professionals and managers employed in a large Slovenian company (n = 71), we found that 27 percent of managers, included into the survey, are engaged in the job, 66 percent are not engaged, and additional 7 percent are actively not engaged. However, in comparison to the employee engagement in developed economies, the engaged employees' percentage in the analysed company is comparable to that in the U.S., being higher than the average engagement in Slovenia.

Keywords: employee engagement, efficiency, efficacy

1. Introduction

We would have to take the saying „employees are our biggest asset”, which is often used as a slogan, literally and seriously. Especially in a period of altered economic dynamism, which is visible in stagnation, if not lower economic production. Practice as well as research offers enough evidence that a company's success heavily depends on adequate employee management and their ability as well as willingness to use their knowledge, skills and capabilities in their work. Discussions on adequate employee management can be summarized in three words: satisfaction, confidence and commitment. Literature review shows that in this context a lot of attention was dedicated to establishing employee satisfaction, but only a few researches focused on the relation between satisfaction and work success of employees. Even less researches and findings dealt with the impact of engagement on the work success of employees (Gruban 2005). Only lately has more attention been dedicated to the concept of employee engagement within the framework of human resource management.

Employee engagement concerns the degree to which individuals make full use of their cognitive, emotional, and physical resources to perform role-related work and was, as a concept, developed by Kahn in 1990 (Xu-Cooper 2011). Another definition of employee engagement was set by Shuck and Wollard (2010, cit. in Shuck et al 2011) as an individual employee's cognitive, emotional and behavioural state directed toward desired organizational outcomes. According Kahn, engaged employees are fully present, and draw on their whole selves in an integrated and focused manner to promote their role performance. They are willing to do this because three antecedent conditions are met: (a) employees feel psychologically safe in the presence of others to apply themselves in their role performances, they (b) have sufficient personal resources available to devote to such performances, and (c) their work is sufficiently meaningful that such personal investment is perceived as worthwhile (Kahn 1990, cit. in Xu-Cooper 2011, p. 401.).

Robertson and Cooper (2010) seek to bring together two distinct constructs, namely the employee engagement and the psychological well-being; they defined this integrated construct as “full engagement”. The concept of full engagement rests on the principle that the

beneficial impact of narrow engagement is enhanced when psychological well-being is also high – and similarly the negative effects of low engagement would be exacerbated when psychological well-being is poor. This wider focus on psychological well-being is important and better reflects a more rounded view of engagement, covering both the aspects of narrow engagement that describe positive employee behaviour but also assuring underlying employee psychological well-being, which in turn is important in supporting high engagement (Robertson–Cooper 2010, p. 328.). The full engagement is supported by the notion of flow, which Csikszentmihályi (1975, cit. in Devi 2009, p. 3.) defines as the “holistic sensation” that people feel when they act with total involvement. Flow is the state in which there is little distinction between self and environment.

Engagement has an impact on the actual business results of the company, productivity, customer loyalty and the staff turnover. Many believe that employee engagement is a dominant source of competitive advantage and thus, have been drawn to its reported ability to solve challenging organizational problems such as increasing workplace performance and productivity amid widespread economic decline (Macey–Schneider 2008, Macey et al 2009, cit. in Shuck et al 2011). Researches prove that the majority of employees do not attain the level of engagement employers wish for. Gallup (2006) published the results of the most extensive research on engagement, which was carried out in 114 countries around the world and comprised different types of industries and activities. Research showed that only 26 percent of employees are engaged, meaning that the majority of employees are not engaged. They come to work, do what they have to and go back home. They are not bad people or bad employees. They are only not engaged in their work and do not have any passion for their work and company. The percentage of not engaged employees in the average amounts to around 55 percent of all employees. The remaining 19 percent of employees are so-called actively not engaged. This group of employees is not loyal to the company and its vision; while at the same time they usually oppose everyone and everything. The majority of them are unhappy and disappointed and share their bad mood with everyone prepared to listen. They actually recruit new members to their “club of actively not engaged employees”.

Engagement can be divided into three groups: (a) *engaged employees* are active employees, who work with passion and feel a deep connection to the company they work for. They have high innovation ability and help with the development of the company. They have confidence in themselves and managers. (b) *Not engaged employees* are “partially absent”. They do what they have to. During their work time they are “half asleep”, they invest their time into work, but not their energy and passion. (c) *Actively not engaged employees* are not only dissatisfied with their work position; they also actively show their dissatisfaction. They underrate work performed by their engaged colleagues every day. They have a harmful impact on the engagement and satisfaction of customers (Dimovski et al 2003, p. 184.). The table 1. summarizes data on employee engagement levels by country.

Table 1. Comparison of employee engagement to other countries

	ENGAGED	NOT ENGAGED	ACTIVELY NOT ENGAGED
Slovenia	16 %	68 %	16 %
USA	27 %	56 %	17 %
Canada	24 %	60 %	16 %
Germany	12 %	70 %	18 %
United Kingdom	19 %	61 %	20 %
Japan	9 %	67 %	24 %
France	12 %	82 %	9 %
Singapore	12 %	68 %	20 %
China	12 %	62 %	24 %

Source: Gruban (2005)

Data on the impact of engagement on business results is revealing. *Gallup* (2006) states in the research that companies with engagement levels attain 18-times higher value of profit per share than companies with low engagement levels, in comparable business environments. At the same time they also record higher growth rates than their competitors. Environments with highly engaged employees have an 18 percent higher productivity, 12 percent higher profitability and higher innovation ability among employees, which consequently has an impact on the business success of the company. Business environments with a high number of actively not engaged employees record between 31 and 51 percent higher staff turnover than environments with a high number of engaged employees. The high engagement level is visible in numerous seemingly unimportant activities carried out by employees on a daily basis and which in turn create higher customer engagement. A high level of engagement is related to a low level of absenteeism and a lower level of accidents at work. Undoubtedly – employee engagement is an important factor of competitive advantage and a factor, which determines whether a company is thriving or not, with similar material starting points (*Gruban* 2009).

2. Description of the used method, instruments and sample

Within the framework of the research, we studied different behavioural factors in a large Slovenian production company in the food industry. In the fall of 2009, we carried out an anonymous and voluntary inquiry. The sample included employees with a high vocational education or higher and/or employees that perform a management function in the company. The overall defined population in the company included 92 individuals, which were invited to participate in the research. We received 71 answered questionnaires, which represents 78.02 % of all respondents included in the research. The sample included 67.6 % of men and 32.4 % of women. The average age of respondents was 40 years. The average number total years of service were 17.9 years and the average number of years of service in the company is 14.2 years. As regards education level, three percent of respondents did not finish secondary school, 38 % have secondary school, 15.5 % have higher education and as many as 43.7 % have high vocational or university education.

Personal engagement was established based on the "Q12" questionnaire, which *Gallup* (2009) has been using successfully for researches in different parts of the world for years - it measures the personal engagement of employees. The Cronbach coefficient of internal consistency (α) for the used questionnaire is 0.737.

These claims represent the basis for measuring employee engagement and are based on long-term Gallup studies. Agreement with individual claims was assessed with marks from 1 (I completely disagree with the claim) to 5 (I completely agree with the claim). The answers to the questions and the analysis of agreement with claims represent the basis for the level of employee engagement.

Reference limits, used by the research and consultancy organization Gallup for this purpose for over 25 years, are part of their copyright methodology. For the purposes of our research, we used the following division: *actively not engaged* (less than 30 points or an average score below 2.5), *not engaged* (between 31 and 44 points or an average score between 2.5 and 3.7), and *engaged* (45 or more points, or an average score above 3.7).

3. Analysis and interpretation of research results

Personal work engagement was measured with 12 different claims. The results (see table no. 2) reveal that the respondents are well aware of what is expected of them. As much as 92.9 % of respondents are very familiar or familiar with the expectations of their employer. All of the respondents are familiar with the expected work results, but 5.6 % are not well acquainted

with the expectations. 64.8 % of respondents said they have everything they need to perform their work, 1.4 % do not have everything, while others are partially satisfied with the equipment and material, which they need for their work. 17.1 % of respondents can do what they are good at every day, which means they can express their natural talent. 38.6 % frequently have this opportunity, while 21.4 % do not have or rarely have this opportunity. Others use their talent as necessary.

Table 2. Descriptive statistic of work engagement in the analysed company

CLAIMS	AVERAGE	STANDARD DEVIATION
I know what is expected of me.	4.3	0.76
I have everything I need to do my work well.	3.6	0.95
In my work, I can do what I am good at almost every day.	3.5	1.05
In the last week, my work was commended or my achievements recognized.	2.2	1.24
My manager pays regard to me as a person.	4.0	0.89
Someone in the organization plans for and encourages my development.	2.1	1.04
My opinion counts and is considered.	3.4	1.02
The importance of my work is reflected also in the company's mission.	3.5	1.01
My colleagues are engaged in good and quality work.	2.6	1.08
I have many good colleagues at work.	4.0	0.90
Over the last 6 months, my development and progress was discussed.	2.1	1.42
I had an opportunity to learn and develop in the last year.	3.2	1.41

Source: author's survey

Based on the presented methodology, we divided the respondents into groups with regard to their engagement level. The results are presented in Table no. 3 below.

Table 3. Engagement level of employees in the analysed company

ENGAGEMENT CATEGORY	ENGAGEMENT LEVEL - AVERAGE VALUE	SHARE OF EMPLOYEES
Engaged	above 3.7	27 %
Not engaged	from 3.7 to 2.5	66 %
Actively not engaged	below 2.5	7 %

Source: author's survey

Although we presumed that there will be no actively not engaged employees among the population, their share totalled 7 %. This fact is concerning above all because we only included professionals and the middle-level management in the research. If these employees are actively not engaged, they can actively show their disappointment and thus reduce the engagement of their colleagues and subordinates. 66 % of respondents are among the not engaged employees, who work during their work time, but only do what they have to: they stick to the "line of least defence" principle. As many as 27 % of respondents are engaged in their work. Compared to employee engagement in other countries, the share of engaged among the analysed population is comparable to the share of engaged employees in the USA. According to available data by country, the share of engaged employees is the highest in the USA (27 %).

With a factor analysis we tried to uncover one or several hidden characteristics, which cannot be measured directly, but which presumably have an impact on the observed variables. The factor analysis includes 8 variables (after excluding four variables, which did not contribute to internal consistency). The structure matrix of the distribution of individual claims to factors is presented in the table below.

Table 4. Structure matrix of the distribution of claims by individual factors

CLAIM	factor 1 35.84 %	factor 2 15.1 %	factor 3 12.72 %
» My manager pays regard to me as a person.«	0,811		
» Someone in the organization plans for and encourages my development.«	0,709		
» In the last week, my work was commended or my achievements recognized.«	0,646		
» I had an opportunity to learn and develop in the last year.«		-0,895	
» Over the last 6 months, my development and progress was a topic of discussion.«		-0,824	
»The importance of my work is reflected in the company's mission.«			0,833
»My opinion counts and is considered.«			0,706
» I have everything I need to do my work well.«			0,600

Source: author's survey

The common feature of the claims, included in the first factor, is mutual communication, which is why this factor was called "*Communication*", and explains 35.84 % of the overall variance. The two claims, included in the second factor, refer to career, and were called "*Career planning*", and explain 15.01 % of the overall variance. With the claims, included in the third factor, employees establish that the management can present goals and the company's mission, assure conditions for successful work performance, and explains 12.72 % of the overall variance. It is called "*Confidence in the management*".

In continuation, we used the acquired factors to also establish whether these factors of personal engagement were related to some social-demographic variables of employees. The results of the analysis are presented in table no. 5 below.

Table 5. Relation between personal engagement and social-demographic data

		EC	ECP	ECM	AGE	ED	TYS	YS
EC – Communication	r		-0,217	-0,264*	-0,005	-0,016	-0,005	0,051
	p		0,078	0,031	0,968	0,897	0,969	0,683
ECP – Career planning	r	-0,217		-0,208	-0,311*	-0,308*	0,366**	0,267*
	p	0,078		0,092	0,010	0,011	0,002	0,029
ECM – Confidence in the management	r	0,264*	-0,208		0,095	0,134	0,034	0,062
	p	0,031	0,092		0,445	0,280	0,786	0,618

Note: Legend: EC – personal engagement »communication«; ECP – personal engagement »career planning«; ECM – personal engagement »confidence in the management«; AGE – age, ED– education; YYS– total years of service; YS – years of service in the company. * p = 0.05 ** p = 0.01

Source: author's survey

Based on the analysis of correlation (Pearson correlation coefficient), we did not establish a statistically significant impact of demographic factors, such as age, education, total years of service and years of service in the company, on personal engagement factors called "communication" in our research, as well as on personal engagement factors called "confidence in the management". We established a positive impact of the total years of service and the years of service in the company on personal engagement factors "career planning", while age and education have a negative statistical impact on this factor. As regards employees with a longer years of service and years of service in the company, we can influence the increase of personal engagement with more frequent talks on personal progress. We must encourage them to undergo additional training and study; we must recognize their advantages, knowledge and skills. The finding that these impacts lose their strength with age is interesting.

4. Discussion

Previous research confirmed that employee engagement affects the company's results, productivity, customer loyalty and staff turnover. The meta-analysis (*Gallup 2009*) included 199 researches in 152 independent organizations. It was proven that there is a positive correlation between a higher engagement level of employees and the level of success (business results), which is among other evident in higher efficiency and productivity, higher profit or revenues, lower fluctuation, better quality of work, a lower number of accidents at work, less absence from work and presenteeism¹.

4.1. How to increase the personal engagement of employees?

Personal engagement can be increased by satisfying psychological needs and expectations of colleagues. The satisfaction of these needs assures personal and professional development of employees as individuals and employees as colleagues.

It is namely understood that development and growth in developed economies cannot be attained by adding capital or increasing the number of employees. We also look for added value in the increase of productivity, which arises from the innovation ability of employees and their efficient management. The basic question that arises is how to attain their maximum engagement. *Gruban (2005)* gives a simple, but efficient instruction to managers: "Clarity is the key, kindness is the way".

Insufficient employee engagement is a problem for many managers. All too often we see a simple divide: engaged are good, the not engaged are bad, lazy. The problem thus moves away from management efficiency. A fact we must not forget is that the majority of employees is highly motivated and engaged when they come to the company, but their engagement in the average consistently falls throughout the duration of their employment. Therefore, this is not only a problem of personnel selection, or of "good or lazy" employees, but above all a problem of managing relations at work (*Mumel 2008*, p. 34.).

Questions, which we need answers to, are how to preserve a high level of employee engagement through a long period of career development with efficient management. Employee management must consider various and numerous factors, which affect how our employees will be engaged or not engaged. In this context, it is important that managers dedicate the majority of their time to operative issues and tasks. At the same time, the secret lies in the differences that appear in the different levels of engagement among departments in the same company. Factors that result in lower engagement in one department can be completely different from factors, which result in lower engagement in another department. Managers are namely the decisive factor for employee engagement in a given middle. *Gruban (2005)* supports the saying that people come due to excellent companies, but leave due to bad managers. "Even if the most talented in the knowledge economy are looking for employers offering the best benefits, highest salaries or an opportunity for personal development, their subsequent work success and the time, in which they are prepared to be maximally engaged or remain in the company, above all depend on relations with managers. The mediocrity of management goes hand in hand with the average employee engagement. How employees feel about their work and the company as a whole is how they feel about their manager." *Seijts and Crim (2006)* combined the instructions for managers to assure employee engagement in 10 C's:

1. *Connect* – the manager must show the employee that he appreciates him as a person and that he appreciates his work. Employee engagement is the result of the relationship between employees and their manager.

¹ Presenteeism – presence at work merely out of fear of losing the job.

2. *Career* – the manager must assure work challenges and projects with the possibility of career advancement to the employee. He must also encourage him, trust him and assure the necessary knowledge and resources.
3. *Clarity* – managers must clearly present the company's vision and goals. Employees want to know what their role is, how much they will contribute and how it will be implemented.
4. *Convey* – a good manager introduces work processes and procedures that will help employees face everyday tasks and attain the planned results.
5. *Congratulate* – all of the employee's work must be visible, commended and awarded by his superior.
6. *Contribute* – employees want to know that investing efforts and time in work contributes to the overall goals of the company. The manager must lead them to the point where they recognize and feel how and how much they contribute to the company and the implementation of goals.
7. *Control* – the manager must give employees the opportunity to participate in the process of adopting important decisions, which on the one hand raises stress among employees, but on the other hand strengthens confidence and culture.
8. *Collaborate* – good managers build teams that create an environment of confidence and mutual cooperation.
9. *Credibility* – employees want to be proud of their work as well as the company. The manager's task is to maintain the company's reputation and represent high ethical standards.
10. *Confidence* – a manager gains the confidence of employees by living the values, norms and ethical standards of the company.

Managers must be aware that employees want to be engaged in their work. They want to live a full, productive, successful and satisfying life. We already established that the majority of employees are highly engaged and motivated when they start working. What happens that after a few months or years they "put" their engagement away and no longer take it to the work place? Employees need good managers. Managers, who know that an adequate salary and awards are only two of the many factors that have an impact on the engagement level of their team. Managers, who do not only know, but can in practice also think, experience and take measure in a manner that encourages the work success and satisfaction of employees (Zupan 2004, p. 58.). Compared to the satisfaction of employees, engagement is a concept that is directly related to the success of the company and its business results. This means it is an upgrade of the satisfaction concept, because engagement also incorporates the work success of employees. Manager's main goal is to attain the planned results, which is possible only in an environment in which people are prepared to be engaged in the attainment of results. Practice shows that good business results are possible also when the satisfaction of people is low. It is common in business environments, where fear, control and force are predominant. How long this success lasts and how long it will be possible to keep or allure healthy and talented people to such an environment is another matter entirely (Dimovski et al 2003, p. 198.).

5. Conclusion

For the purposes of our research we modified Gallup's model (2009) of assessing employee engagement, which is often used by other researchers as well. We established that three factors, which incorporate between 8 and 12 claims of the original Gallup model of assessing employee engagement (Q 12, see sub-chapter on method), have an impact on personal employee engagement in the analyzed company. The impact of factor "Communication" on

employee engagement in our research is 2.7. According to the classification used in the research, the company ranks in the lower half of the class of not engaged employees, with marks between 2.5 and 3.7. The attained average mark of impact of factor "Career planning" on engagement is even lower, at 2.6, and is bordering on actively not engaged employees, which includes claims with an average mark below 2.5. We measured a higher average mark (3.5) for the factor called "Confidence in the management". Employees were classified in the upper part of the ranking of not engaged, which borders on engaged employees.

Gallup's researches have shown that the ratio between the number of engaged and actively not engaged employees is an excellent macro-indicator of the health of an organization. Companies with a ratio 5.4: 1 in favour of engaged employees have a critical mass of people, which provides for better work and business success. The ratio in favour of engaged employees in our research is 3.8: 1. Since the research was conducted only among management and professionals, we assess that the actual situation as regards employee engagement in the company is even worse, which represents a special challenge for the company management.

References

- Devi, V. R. 2009: Employee engagement is a two-way street. *Human Resource Management International Digest*, 17, 2, pp. 3–4.
- Dimovski, V. – Penger, S. – Žnidaršič, J. 2003: *Sodobni management*. Contemporary Management, Ljubljana: Ekonomska fakulteta.
- Gallup 2006: Publishes Long-Awaited Follow-Up to Bestselling Management Book. <http://www.gallup.com/poll/123653/Resources.aspx> [Accessed 11 March 2010]
- Gallup 2009: *Q12[®] Meta-Analysis, The Relationship Between Engagement at Work and Organizational Outcomes*. <http://www.gallup.com/consulting/126806/q12-meta-analysis.aspx> [Accessed 5 May 2010]
- Gruban, B. 2005: Koncept o zavzetosti zaposlenih: inovacija ali imitacija? (The concept of employee engagement: innovation or imitation). *Human Resources Management*, 3, 9, pp. 10–17.
- Gruban, B. 2009: *Cesarjeva nova oblačila ali managerska filozofija?* (Emperor's new clothes or managerial philosophy). <http://www.dialogos.si/slo/podjetje/brane-gruban> [Accessed 19 February 2010]
- Mumel, D. 2008: *Komuniciranje, motiviranje in reševanje konfliktov*. (Communication, motivation and conflict resolution) Maribor, Ekonomsko-poslovna fakulteta.
- Robertson, I. T. – Cooper, C. L. 2010: Full engagement: the integration of employee engagement and psychological well-being. *Leadership & Organization Development Journal*, 31, 4, pp. 324–336.
- Seijts, G. H. – Crim, D. 2006: *What engages employees the most or The ten C's of employee*. http://www.iveybusinessjournal.com/view_article.asp?intArticleID=616 [Accessed 10 August 2010]
- Shuck, M. B. – Rocco, T. S. – Albornoz, C. A. 2011: Exploring employee engagement from the employee perspective: implications for HRD. *Journal of European Industrial Training*, 35, 4, pp. 300–325.
- Xu, J. – Cooper T. H. 2011: How can leaders achieve high employee engagement? *Leadership & Organization Development Journal*, 32, 4, pp. 399–416.
- Zupan, N. 2004: *Nedenarne nagrade in priznanja kot orodje za motiviranje zaposlenih*. (Non-monetary rewards and recognition as a tool for motivating employees). *Kadri* 10, 12, pp. 56–60.