

https://dspace.org/

Factors contributing to employee engagement in South Africa

Cawe, Mawethu

2007-02-16T11:55:32Z
http://hdl.handle.net/10539/2031

Downloaded from a DSpace repository. https://dspace.org/

FACTORS CONTRIBUTING TO EMPLOYEE ENGAGEMENT IN SOUTH AFRICA

Mawethu Cawe

A research report submitted to the Faculty of Commerce, Law & Management, University of the Witwatersrand, Johannesburg, in partial fulfillment of the requirements for the degree of Masters in Human Resources Management.

Johannesburg, September 2006

ABSTRACT

Employee engagement is a critical business issue for South Africa if we are to take this country to the next competitive landscape. South African business has been mired by negative perception of underperformance and uncompetitiveness from the international community for years in the past, with an over-reliance on the mining sector. From 1994, this perception has progressively improved and going forward more urgency from business is required in order to progress even further. Whilst employee engagement represents only one factor amongst a number of macro and micro issues, it is central to this country's economy, business productivity and sustainability.

In attempting to assist business in this regard, a study of factors that promote employee engagement has been investigated. The research was qualitative and quantitative in nature. A number of respondents from across the length and breath of South Africa participated in the study. Analysis was done on the results and correlation done to the propositions and the literature.

The findings identified employee engagement strategy, the culture of engagement, leadership and management, talent mindset, communication and knowledge sharing, and organisations' reputation and branding as prominent factors in business in South Africa.

Resulting from the research, an employee engagement model is proposed which attempts to integrate key lessons for business.

DECLARATION

I, Mawethu Cawe, declare that this research is my own, unaided work, except as indicated in the acknowledgements, the text and the references. It is submitted in partial fulfillment for the requirement for the degree of Master of Management (Human Resources) at the University of the Witwatersrand, Johannesburg. It has not been submitted before, either whole or in part, for any degree or examination at this or any other university.

MAWETHU CAWE

Signed at …….

On the …….. day of ……..... 2006

DEDICATION

To my mother, Nofemeli Cawe and my children,
Lwando, Palisa and Liziwe.

You are an inspiration.

ACKNOWLEDGEMENTS

I would like to express my deepest appreciation to the following people for their advice, guidance, patience and support:

- My supervisor, Terri Carmichael for her wisdom and guidance
- My friend, Mark Bussin for his support and advice
- My assistant, Claudia Coelho for her patience and support
- To all the respondents who took the time and made the effort to complete this questionnaire.

Without the assistance of all of you, this research would not have been possible.

TABLE OF CONTENTS

Number	Chapter Title	Page
CHAPTER 1:	**INTRODUCTION**	**1**
1.1	***Motivation for the Study***	***1***
1.1.1	Impact of employee engagement in creating positive organizational ethos	2
1.2	***Objectives of the Study***	***3***
1.3	***Problems and sub-problems***	***4***
1.4	***Significance of the Study***	***4***
1.5	***Assumptions***	***5***
CHAPTER 2:	**LITERATURE REVIEW**	**7**
2.1.	***Introduction***	***7***
2.2.	***Employee Engagement Construct***	***8***
2.2.1	Theoretical foundation for employee engagement	8
2.2.2	Existing models on the definition of employee engagement	10
2.2.4	Comparative studies on drivers of engagement, attraction and retention	14
2.3	***Business case for investing in employee engagement***	***16***
2.3.1 Justification		16
2.3.2 The cost of disengagement in the US and UK		17
2.3.3 The link between engagement and financial performance		18
2.3.4 Engagement's effect on total shareholder return		20
2.4	***Impact of continuing retrenchment and downsizing on employee engagement***	***21***

Number	Chapter Title	Page
2.5	***Factors that promote employee engagement***	***23***
2.5.1	The importance of an employee engagement strategy	23
2.5.1.1	The Process	24
2.5.2	Creating a culture of engagement	27
2.5.3	The role of leadership and management	30
2.5.4	Talent mindset as a critical condition for engagement	34
2.5.5	Key drivers of employee engagement	35
2.5.6	The importance of measurements and benchmarks	38
2.5.7	Stakeholders' involvement	40
2.5.8	Communication	40
2.5.9	Organisation's Reputation and Branding	41
2.5.10	The Work/Home Life Balance	42
2.6	***Literature review summary***	***44***
CHAPTER 3:	**PROPOSITIONS**	**46**
CHAPTER 4:	**RESEARCH METHODOLOGY**	***47***
4.1	***Introduction***	***47***
4.1.1	Preliminary interpretative questionnaire	48
4.2	***Questionnaire Design***	***48***
4.3	***Definition of population and sampling method***	***50***
4.4	***Data Collection***	***50***
4.5	***Data Analysis***	***50***
4.6	***Validity and Reliability***	***51***
4.6.1	Validity	51
4.6.2	Reliability	52

Number	Chapter Title	Page
4.7	*Limitation of the research*	*52*
CHAPTER 5:	**RESULTS**	**53**
5.1	*The Research Sample*	*53*
5.2	*Review of the responses to open ended questions*	*55*
5.3	*Review of the responses to structured questions*	*62*
CHAPTER 6:	**INTERPRETATION OF THE RESULTS**	**72**
6.1	*Proposition 1*	*72*
6.2	*Proposition 2*	*77*
CHAPTER 7:	**CONCLUSIONS AND RECOMMENDATIONS**	**79**
7.1	*Summary*	*79*
7.2	*Perception vs. Reality*	*80*
7.3	*Recommendations for Leadership and Management*	*80*
7.4	*Suggestions for further research*	*82*
	REFERENCES	**83**
	APPENDICES	**92**

LIST OF TABLES

Number	Table Title	Page
Table 2.1	Comparison of Drivers in Europe and the US	15
Table 4.1	Factors that promote Employee Engagement	49
Table 5.1	Number of Responses by Company Turnover	53
Table 5.2	Number of Responses by Staff Complement	54
Table 5.3	Number of Responses by Industry Type	54
Table 5.4	Number of Responses by Job Title	55
Table 5.5	Respondents' understanding of Employee Engagement	56
Table 5.6	Responses to benefits associated with Employee Engagement	57
Table 5.7	Responses to Employee Engagement Initiatives	58
Table 5.8	Respondents' Opinions regarding Employee Engagement Culture	59
Table 5.9	Respondents' Opinions on Promoters of Employee Engagement	60
Table 6.1	Most to Least Favoured Factors	76

LIST OF FIGURES

Number	Table Title	Page
Figure 2.1	Andrew Brown's Engagement Pyramid	11
Figure 2.2	Hewitt Associates: Say, Stay and Strive	12
Figure 2.3	A Strategy process for clarifying and articulating what Engagement means to an Organisation	26
Figure 2.4	The Top 10 Influential Factors that create a people centric culture	31
Figure 2.5	Five Activities in Employee Engagement	33
Figure 2.6	Tim Shaffer's 4 Key Dimensions to Employee Engagement	36
Figure 2.7	DDI's Employee Value Proposition	37
Figure 4.1	The Research Process to be followed	46
Figure 5.1	Graphical Representation of the promoters of Employee Engagement	61
Figure 5.2	Employee Engagement Strategy	62
Figure 5.3	Culture of Engagement	63
Figure 5.4	Leadership and Management	64
Figure 5.5	Talent Mindset	65
Figure 5.6	Drivers of Engagement	66
Figure 5.7	Measurements and Benchmarks	67
Figure 5.8	Stakeholders' Involvement and Relationships	68
Figure 5.9	Communication and Knowledge Sharing	69
Figure 5.10	Organisation's Reputation and Branding	70
Figure 5.11	Work/Home Life Balance	71
Figure 7.1	Proposed Employee Engagement Model	81

LIST OF APPENDICES

Number	Title of Appendix	Page
Appendix 1	Research Questionnaire	92
Appendix 2	Respondents' Data	102
Appendix 3	Consistency Matrix	110

CHAPTER 1: INTRODUCTION

1.1 Motivation for the Study

The purpose of this study is to research the factors that contribute to employee engagement, and assist by putting forward recommendations appropriate for the South African business environment.

Melcrum (2005) defines employee engagement as composing of 3 areas:

- "Think" (cognitive commitment): describes an employee's intellectual connection with the company, including their support of and belief in the company's objectives.
- "Feel" (affective commitment): describes a strong emotional connection to the company. They feel loyal, devoted, have a sense of belonging and are proud to work for the company.
- "Act" (behavioural commitment)" employees act in ways that support the success of the organization. Willingness to stay with the company despite other opportunities and frequently go above and beyond normal expectations to help the company succeed.

It is submitted that all human beings are motivated to succeed in whatever they are engaged with. More often than not, it is accepted that the motivation to succeed could largely be influenced by values, beliefs and expected outcomes as defined, as well as the environment (Gratton, 2000). In addition, there could also exist a plethora of other related factors including underlying reasons, all which need to be explored further in this research.

In the business world, expected outcomes are quite specific, viz: you compete to remain profitable in order to survive and grow (Bendell, 2005).

It is common cause that everyone in business should understand the objectives and pull in the same direction to maximize profit and growth. There is a measure of

success stories in this regard especially where people and productivity issues occupy the centre stage; morale, commitment and engagement are positively affected. Nevertheless, some organizations have year after year made a concerted effort to address employee commitment and engagement issues and as always, successes have varied from organization to organization (Wellins, Bernthal and Phelps, 2005).

It takes little persuasion on a theoretical level to convince a business leader, that employees who are more committed or engaged, work harder and smarter, and will be better for the company than those who turn up and do merely what they are obliged to do (Gallup Research Report, 2003).

All things being equal, the study will unfold whether there are a number of variables at play that influence commitment or engagement, or lack of it. For example, what type of impact is caused by the company culture, its leadership, history, cutting edge human resources practices, or external forces to name a few.

The Gallup Research Report (2003) calculated that actively disengaged workers are 10 times more likely to say they will leave their organizations within a year (48%) than engaged staff (4%). Their 2003 survey in the US and Canada of 1000 workers found that only a quarter were actively "engaged" in their work with a huge group of between 56% and 60% not engaged and 17% actively disengaged.
Gallup's research estimates that actively disengaged (uncommitted) workers cost US businesses between $270 and $343 billion a year due to low productivity.

1.1.1 Impact of employee engagement on creating positive organizational ethos

According to Cameron (2005), employee engagement has significant impact in enabling an organization to realize better performance. This simply is as a result of abundance of extraordinary performance by employees. He refers to the developing

attitude as Positive Organizational scholarship, which focuses on the dynamics in the organizations that:

- Lead to the development of human strengths, resiliency, healing, flourishing;
- Cultivate extraordinary individual and organizational performance;
- Lead to flourishing outcomes and the best of the human condition;
- Foster and enable virtuous behaviours and emotions such as compassion, forgiveness, dignity, respectful encounters, optimism, integrity and positive effect.

Positive organizational scholarship is characterized by a focus on individual strengths; managers spend more time with their strongest performers to achieve double the productivity. Penttila (2004) states that unfortunately most managers have a tendency to focus on employee weaknesses and try to fix the unfixable which is a sure way of destroying motivation, when the real opportunity comes to utilize people's strengths.

Cameron (2005) asserts that people who are given feedback on their strengths are significantly more likely to feel highly engaged and to be more productive than people who are given feedback on their weaknesses.

Roberts, Spreitzer, Dutton, Quinn, Heaphy and Barker (2005), suggest that when teams hear five positive comments to every negative, they unleash a level of positive energy that fuels higher levels of individual and group performance.

1.2 Objectives of the Study

It is unknown whether there is empirical research of quantified losses due to low productivity as a result of low employee commitment or engagement in South Africa. For this reason, the writer proposes to conduct a research study to find the following:

- To find out whether organizations in South Africa fully appreciate the importance of employee engagement in both financial and non-financial terms;
- To make visible whether these organizations have put in strategies to implement and measure employee engagement
- To interrogate the extent of progress made in this particular field, and find out whether there are anymore lessons for South Africa organizations.

1.3 Problems and sub-problems

Problem Statement:

To identify the factors that promote employee engagement in South Africa and to make recommendations for best practices.

Sub-problem 1:

To identify the factors that promote employee engagement.

Sub-problem 2:

To investigate whether factors that promote employee engagement are common across organisations and industries

Sub-problem 3:

Consolidate best practices for employee engagement.

1.4 Significance of the study

Organizations with an inculcated employee engagement philosophy within their work environment naturally become counted as best companies to work for since people are put at the heart of the corporate purpose (Gratton, 2000).

Gratton (2000), states that the idea that people are at the centre of successful organization is an overriding passion, for others it is something some feel deep down at an intuitive level. Human beings operate in time, search for meaning and have soul, and the recognition of these aspects by the organization has far reaching positive effects. Notwithstanding the financial benefits, the other benefits such as the capability to harness the psychological contract becomes far-reaching.

Gratton (2000) defines the psychological contract as unwritten working model of what is given to the organization and what can be expected in return. This working model phenomenally changes with the transformation of individuals and the organizations they work in.

A further study of employee engagement will be of value to South African companies and the Human Resources field. First and foremost, this is one of many attempts to improve the importance of this concept so that it is in the forefront of the HR agenda and also enabling companies and the HR community to proceed with concrete debates grounded with theory on the matter. Secondly, the study itself will hopefully assist those keen to implement this concept in their companies on the best practice in how to do so. Lastly, this study also aims to add to the body of knowledge that exists locally and globally, in the area of talent, attraction, motivation and retention.

This study is intended to trigger more interest in this concept so that further research can be conducted in the South African context. This in turn should impact positively on the retention of talent and productivity.

1.5 Assumptions

The following assumptions have been made regarding this study:

1) The demographics of the respondents will reflect the profile of senior HR professionals of the sample of large companies in South Africa, in order for the

information gathered to be credible and be valuable for use by business and HR professionals.

2) The respondents will be able to elucidate factors that promote employee engagement.
3) Semi-structured interviews with 5 senior HR Professionals provided sufficient preliminary input, along with the literature review with which to construct the survey questionnaire. The questionnaire itself was piloted before use to ensure adaptability and relevance to the study researched.

CHAPTER 2: LITERATURE REVIEW

According to Obenzinger (2002), a literature review provides a meaningful context of a project within the universe of research that already exists. A literature review sets the basis for any discussion or analysis or contemplation of implications or anticipation of future research. In essence, a literature review presents the justification, the *raison d'etre* for a research topic.

2.1 Introduction

There is a large amount of research that has been done on employee engagement and employee commitment in the workplace and its effect on the "bottom line" in the US and the UK (Perrin, 2003).

Furlonger in the Financial Mail (September 2005), covered the key dimensions that were considered in rating the Best Companies to work for survey that was compiled by Deloitte. These dimensions were ranked from most to least as follows:

1st. Job Satisfaction
2nd. Management Style
3rd. Relationship and Trust
4th. Values and Culture
5th. Diversity
6th. Change and Transformation
7th. Leadership
8th. HR Policies and Procedures
9th. Training and Development
10th. Communication
11th. Rewards, Recognition and Performance Management

Some of the fundamental human resources dimensions interrogated in that survey are not mutually exclusive with the employee engagement literature.
This literature review will consolidate some of this broad research, extrapolate and synthesize similar patterns with a view to identify main and sub-topics in order to present grounded foundations for the propositions or research questions.

Furthermore, identified research questions or propositions, will be tested using a variety of research tools aimed to verify the research assumptions. More importantly, it is the objective of this study to complement any research already conducted in employee engagement in South Africa, and also assist business to realize the importance of this key component in the people management strategy.

2.2 Employee Engagement Construct

2.2.1 Theoretical foundation for employee engagement

Employee engagement has its roots in classic work done in employee motivation, in the form of intrinsic motivation (Hertzberg, 1966).

Bateman and Grant (2003) state that intrinsic motivation is said to exist when behaviour is performed for its own sake rather than to obtain material or social reinforcers. Although Deming (1993) placed great weight on the value system, he also acknowledged the vital role of intrinsic motivation and the need to engage workers in their work. It would appear that employee engagement is strongly linked to the work of classic motivation theorists and researchers.

Kahn (1990) in his work of conceptualization of engagement stated that self and role exist in some dynamic, negotiable relation in which a person both drives personal energies into role behaviours and displays the self within the role. He further said that such engagement serves to fulfill the human spirit at work. Alternatively, disengagement is viewed as the defending themselves during role performances.

Hochschild (1983) stated that such unemployment of the self in one's role is considered as robotic or apathetic behaviour.

Employee engagement focuses on how the psychological experiences of work and work contexts shape the process of people presenting and absenting themselves during task performances (Kahn, 1990).

Kahn (1990) suggested that for psychological engagement and organizational behaviours, the two major dimensions are emotional and cognitive engagement. To be emotionally engaged is to form meaningful connections to others and to experience empathy and concern for others' feelings. In contrast, being cognitively engaged refers to those who are acutely aware of their mission and role in the work environment. According to Kahn (1990, 1992) employees can be engaged on one dimension and not the other. However, the more engaged an employee is on each dimension, the higher his or her overall personal engagement.

Kahn (1990) goes on to suggest that employees experience dimensions of personal engagement (or disengagement) during daily task performances. Engagement occurs when one is cognitively vigilant and/or emotionally connected to others. In other words, employees who know what are expected of them, who form strong relationships with co-workers and managers, or how in other ways experience meaning in their work, are engaged.

Disengaged employees, on the other hand, disconnect themselves from work roles and withdraw cognitively and emotionally. Disengaged employees display incomplete role performances and task behaviours become effortless, automatic or robotic (Hochschild, 1983).

2.2.2 Existing models on the definition of employee engagement

After having reviewed the related literature on the definition of employee engagement, it has become apparent that there is no common definition. Melcrum (2005) conducted an extensive survey and interviewed a large number of senior HR professionals to establish the extent of varying employee engagement definitions.

The first group interviewed referred to it as a process rooted in driving employees to commit to getting employees to display greater discretionary effort. The same group of people saw employee engagement as something much closer to internal branding, culture, values, shared success and devotion to the company.

The second group saw employee engagement clearly attached to how the employees felt about the company and how employees exercised that feeling in the execution of their jobs. It was also about driving commitment to their own jobs and performing their jobs in the best interest of the company.

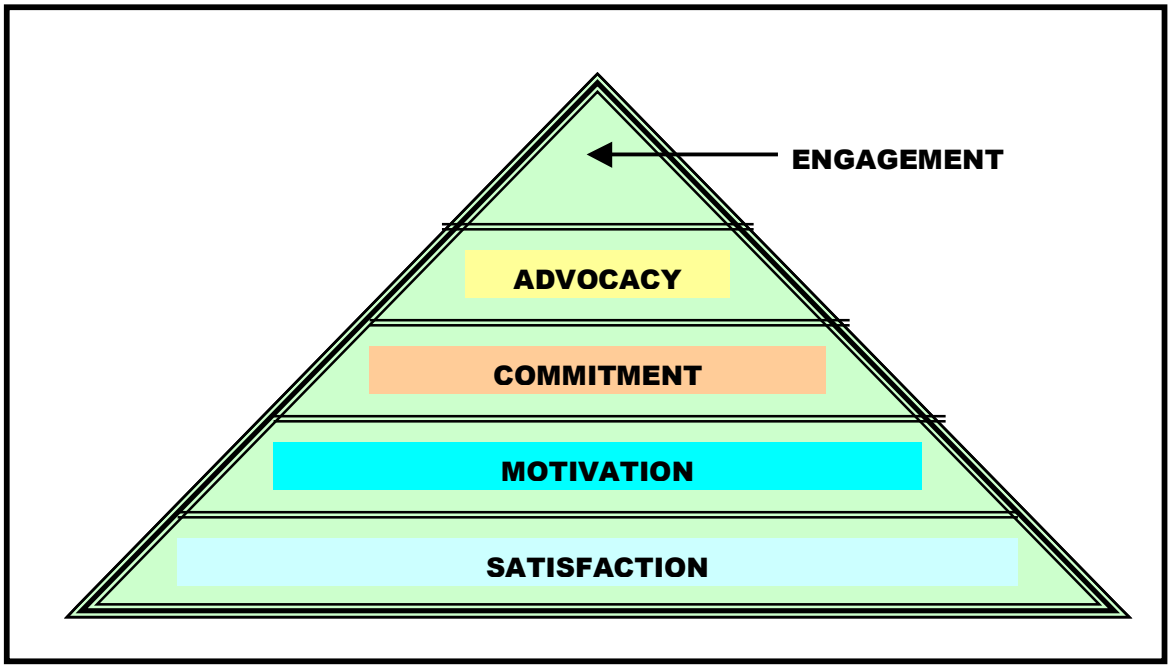
Based on the above conceptualization, the following are models of employee engagement:

The International Survey Research (2003) formally defines employee engagement as a process by which an organization, increases commitment and contribution of its employees to achieve superior business results. They resolve that employee engagement is a combination of an employee's cognitive, affective and behavioural commitment to a company.

Brown (2005), views engagement as a progressive combination of satisfaction, motivation, commitment and advocacy resulting from employees' movement up the engagement pyramid (see figure 2.1).

1. *Satisfaction*: the most passive of measures, satisfaction is what gets employees to just show up for work. It is the base level of employee contentment – whether or not they can do their job, how happy they are with their pay, how well they like their working environment – they have no real desire to go the extra mile.
2. *Motivation*: The "buzz" employees feel about their work and a desire to excel in it. A motivated worker will want to go the extra mile in the performance of their work.
3. *Commitment*: whereas motivation works at an individual level, commitment is about feeling part of the wider company. Committed workers become positive ambassadors for their companies.

Fig 2.1 Andrew Brown's engagement pyramid (2005).



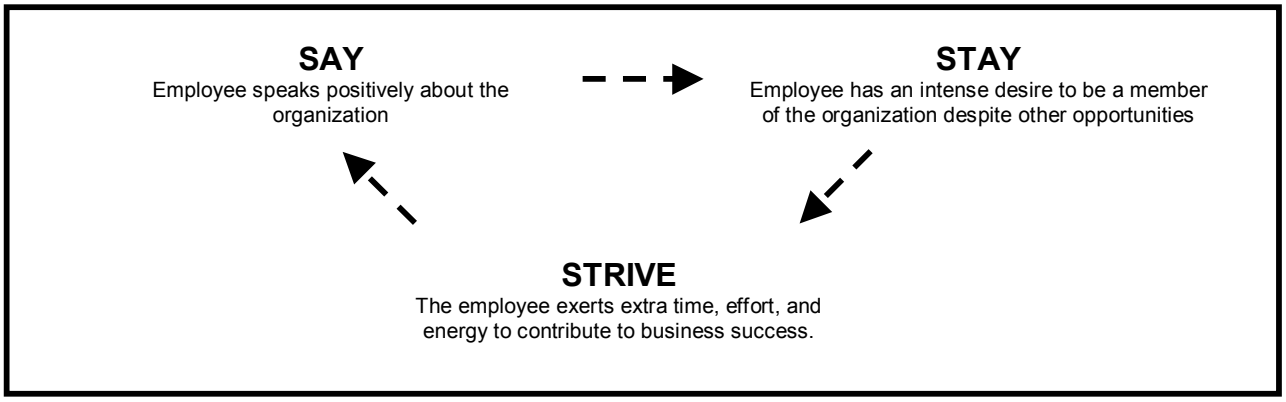
4. *Advocacy*: the real measure in this instance is how proactive employees are in speaking about the company they work for as well as the products/services they offer. If a company achieves advocacy, they'll reap the rewards in both sales and recruitment. It is free advertising and from the most credible of sources.

5. *Engagement*: Engagement is a combination of all the preceding factors. An engaged worker is satisfied, motivated, committed and is an advocate for the company and what it produces.

Hewitt (2005) describes engagement as the measure of an employee's emotional and intellectual commitment to their organization and its success – in other words, a hearts and minds philosophy. Hewitt (2005) views engagement as an outcome of employees' organizational experiences that are characterized by behaviors that are grouped in to three categories: say, stay and strive.

Engaged employees tend to speak positively about their jobs, their employer and the company they work for. The willingness of the employee to share positive experiences of the company can help the company in terms of recruitment and as well as create a positive external image. Engaged employees are more likely to feel an emotional connection to the organization and stay with the company over a long period of time. Finally, engaged employees are inspired to "go beyond the call of duty" and are willing to be flexible to ensure the company's success (See figure 2.2).

Fig 2.2 Hewitt Associates (2005): Say, Stay, Strive model



The view of Melcrum in their Employee Engagement survey (2005) which perceives employee engagement as about translating employee potential into employee

performance and business success is the one that will be adopted for the purpose of this research.

In Melcrum (2005) it is asserted that although the employee engagement models are different from each other, they are largely clear and consistent with one major aspect. They all signify that getting more out of employees' potential is considered necessary for the greater good of the company and the growth of employee.

Melcrum (2005) further states that as regards a reasonable picture of what engagement looks like in reality, with real people and their day to day operations that is not easy. Each company's set of circumstances and business operating model will dictate the type of model and definition of employee engagement approach which is most appropriate.

Gubman (2004) also suggests that the key goal of engagement should be determined by the organization and its strategic goals for the year. What drives that particular organization to succeed will be determined by the strongest levers of the company's leadership, brand, culture, rewards framework, communication and infrastructure.

Effrom, Gandorsey and Goldsmith (2003) further elaborate that what engages employees is the feeling that they are making a difference in the work that they care about; that they are working with people who share their mission and values; and that their company respects them as adults.

In a nutshell, it is submitted that employee engagement involves an emotional and psychological connection with an organization and its people which can be translated into positive or negative behaviour at work. The organization and its environment play a leading role in shaping employees' attitudes and the state of engagement.

2.2.3 Comparative studies on drivers of engagement, attraction and retention

Towers Perrin carried out two sets of research, one in the US (2003 Towers Perrin Talent Report) and one across six countries in Europe (2004 European Talent Survey). They asked both groups questions on a variety of workplace factors in their organization – practices, processes, culture, leadership style and development opportunities. In other words, all the key elements typically seen to be the drivers of workforce behaviour.

They found a "top 10" list of drivers of attraction, engagement and retention. What they found was that – while there were some similarities between the US and the European reports – the key factors were quite divergent in each list (See table 2.1).

Table 2.1: Comparison of drivers in Europe vs. US – Towers Perrin (2003).

The Top 10 Drivers in Europe

	TOP 10 ATTRACTION DRIVERS	TOP 10 ENGAGEMENT DRIVERS	TOP 10 RETENTION DRIVERS
1	Work/life balance	Senior management interest in employees	Manager inspires enthusiasm for work
2	Recognition for work	Ability to improve skills	Career advancement opportunities
3	Career Advancement opportunities	Senior management demonstrates values	Company reputation as a good employer
4	Challenging work	Challenging work	Fair and consistent pay determination
5	Competitive Pay	Decision - making authority	Intent to work after retirement in another field
6	Learning/Development opportunities	Company reputation as a good employer	Decision making authority
7	Job autonomy	Ability to influence company decisions	Overall work environment
8	Variety of work	Company focus on customer satisfaction	Intent to work after retirement to stay active
9	Pay rises linked to individual performance	Fair and consistent pay determination	Manager provides access to learning opportunities
10	Company reputation as a good employer	Overall work environment	Senior management demonstrates values

The Top 10 Drivers in the US

	TOP 10 ATTRACTION DRIVERS	TOP 10 ENGAGEMENT DRIVERS	TOP 10 RETENTION DRIVERS
1	Competitive Healthcare benefits	Senior management interest in employees	Career advancement opportunities
2	Competitive Pay	Challenging work	Retention of high-caliber people
3	Work/life balance	Decision - making authority	Overall work environment
4	Competitive retirement benefits	Company focus on customer satisfaction	Ability to improve skills
5	Career Advancement opportunities	Career Advancement opportunities	Resources to get job done
6	Challenging work	Company reputation as a good employer	Competitive Pay
7	Caliber of coworkers	Collaboration with coworkers	Clear goals from manager
8	Pay rises linked to individual performance	Resources to get job done	Challenging work
9	Recognition for work	Ability to influence company decisions	Manager inspires enthusiasm for work
10	Company reputation as a good employer	Senior management vision	Overall satisfaction with benefits

2.3 Business Case for investing in employee engagement

2.3.1 Justification

It is critical for the company to spell out the reasons for following the route of employee engagement. This goes far to test the company's genuity and not just pursuing it for fashionable reasons.

The business case for employee engagement becomes an imperative benefit in order to increase the proportion of engaged employees, and to a lesser extent disengaged employees, the importance of engagement to employee retention and total shareholder return, and company branding cannot be undermined.

According to Towers Perrin (2003), research shows that companies with higher levels of employee engagement outperform their competitors in terms of profitability. They proceed to state that Managers must first understand what engages their employees and what factors drives engagement in their companies.

In a survey conducted by Hewitt (2005) for the annual list of the 50 Best Employers to work for in Canada, results showed that employees of those companies, were on average 21% more engaged that employees of other organizations. In fact, it was found that the "best" employers have an 80% engagement score compared to just 59% at other participating organizations. According to Hewitt (2005), enhancing employee engagement creates a "win-win" situation. Employees are happier and more productive and this ultimately leads to a positive impact on business results.

Employee Engagement also acts as a catalyst towards the retention of staff.
Greenberg (2004) says that employee engagement is critical to any organization that seeks not only to retain valued employees, but also increase its levels of performance.

Greenberg (2004) goes on to state that one of the most important drivers of an employee's intention to leave was his or her level of commitment to the organization.

Retaining customers is the most important factor affecting growth (Levin and Sloan, 2005). Having said that, it is apparent that no activity has more leverage on top and bottom lines as the control of voluntary turnover.

2.3.2 The cost of disengagement in the US and the UK

The Gallup Organization's employee engagement survey (2003), estimates that actively disengaged employees cost US businesses between $270 and$ 343 billon a year, using the results of its engagement index and national average for productivity and salary as a base. This includes high rates of absenteeism and staff turnover from this sector of employees.

In the UK, using similar census data on the number of working adults, their average salary and productivity, Gallup also estimated that in 2003 the productivity gap among actively disengaged employees costs somewhere between £43 and £44 billion a year.

Melcrum (2005) states that, Towers Perrin conducted two studies into employee engagement – one in the US (the *2003 Towers Perrin Talent Report*, a survey of 36,000 full time employees), and one across six countries in Europe (the *2004 European Talent Survey*, a study of 15,000 full time employees). With some variations, they are largely comparable.

In Europe, they used as the parameters for defining "engagement" responses to seven core questions:

1. *I understand how my work contributes to the company's overall success*

2. *I am personally motivated to help the company succeed.*
3. *I am willing to put in a great deal of effort beyond what is normally expected*
4. *I have a sense of personal accomplishment from my job*
5. *I would recommend the company to a friend as a good place to work*
6. *The company inspires me to do my best work*
7. *The company values are aligned with my personal values*.

Five of these have also been the basis of calculating "engagement" in the US study (Towers Perrin 2003). Question 7 was new and Question 1 a contraction of two questions in the U.S. study – "understand how my unit contributes" and "understand how my role relates to the company goals." There were also an extra two questions on which engagement was based in the US study – "pride in the company" and "really care about the company's future."

Based on average composite readings to these questions, Towers Perrin (2003) calculated standard engagement levels for each country, and the results were broadly similar to those in Gallup's research – in the US, they found that 17% were "highly engaged" in their work, 64%, "moderately engaged" and 19% "actively disengaged." In Europe, results were broadly even, with notably Germany showing slightly stronger levels of "highly engaged" employees (23%) and Spain the largest proportion of "highly disengaged" employees.

2.3.3 The link between engagement and financial performance

In the US study, Towers Perrin (2003) moved this data one step further. They collected financial data for respondents' companies (where they were publicly listed – a sample of about 5,000 companies) and began to calculate linkages between those respondents' scores on certain engagement factors with their companies' overall financial performance.

As part of the study, they had calculated the 10 most critical workplace factors driving levels of engagement. Put simply, they had found that where these 10 factors were rated highly by a respondent, their engagement was high; where it was low, engagement was low. They have also assessed employees' attitudes, intentions and beliefs on two key factors:

1. *Retention:* one question on the survey asked employees to state their intention (or non-intention) to leave the company, with a range of possible answers:
    - *I have no plans to leave*
    - *I am not looking for another job, but would consider the right opportunity*
    - *I am actively looking for another job*
    - *I have made plans to leave my current job*
    - *I plan to retire in the next few years.*

2. *Customer focus:* through three items on the survey , asking employees the culture of customer focus at their organization:
    - *My company cares deeply about customer satisfaction*
    - *My company has a strong ability to serve customers (compared to its competitors).*
    - *My company can adapt rapidly to shifts in the market.*

Mapping these results in a structural equation model to the engagement scores and financial data for the company provided some enlightening insights. In this survey it was proven that engagement can be seen to have a positive relationship with the customer focus of the company. Namely, the more highly engaged your employees, the more likely you are to have a strongly customer-focused organization. Finally, and perhaps least surprisingly, Towers Perrin (2003) found strong linkages between what the customer focus employees expressed about their organization and revenue growth. There is also an inverse relationship (i.e.

"high" results on one factor relate to "low" results on the other) between customer focus and the cost of goods sold.

It is interesting to note that the analysis also showed a direct correlation between employee engagement itself and revenue growth. The implications of the Towers Perrin (2003) study are quite apparent. The power of discretionary effort by highly engaged employees on multiple levels can be seen for example in the service business, an engaged employee is proven to focus on customer service and excellence and by doing so improves customer loyalty and retention. Business indirectly benefits and revenue grows and behaviour modeling and performance culture improves.

2.3.4 Engagement's effect on total shareholder return

Hewitt (2003) also conducted a different financial analysis in its full database of 2,000 "Best Employer" companies in over 50 countries worldwide – client and former client companies and those who had taken part in Hewitt's "Best Employer" listings – to measure the correlation between high engagement levels among their employees and total shareholder return (TSR) to the company.

Tracking the results of these results in Hewitt's (2005) engagement surveys over a period of four years (1999 – 2003) with those companies' TSR, they found a positive correlation between the two. In short, companies that had between 60% to 100% of employee engaged (in Hewitt's (2005) classification system, where the average organization has 49% of employees engaged) showed an impressive average TSR of 20.2% for the period. Meanwhile those companies with moderate levels of engagement (49% to 60% engaged employees) had an average TSR of 5.6%, and companies with less than 40% engaged employees saw a negative TSR (-9.6%).

Although this is a straight correlation, Hewitt (2005) contends that their individual client work shows that engagement has a casual relationship with business

performance and not vice versa due to the number of companies they've seen improve results after specifically focusing on engagement.

2.4 Impact of continuing retrenchment and downsizing on Employee Engagement

In the face of intense competition and shareholder pressure for high returns, in order to ameliorate the existing revenue pressures most companies resort to easy, short-sighted, knee-jerk reaction type of response and thousands of employees, in particular low level employees, lose their jobs in the hope that costs will be minimized and profits maximized.

Kowalski (2004) states that since January 2001 almost 4, 5 million employees lost their jobs due to downsizing in the US. In the first instance, the business rationale for retrenchments or downsizing in each organization becomes subjective, on the other hand, whether it is the real means to the desired end, is a moot point. Needless to say, the psychological damage that retrenchments and downsizing cause to surviving employees is too ghastly to contemplate.

Kowalski (2004) states that due to the negative impact of retrenchments and downsizing, business leaders must acknowledge the fact the employee engagement is declining; constant retrenchments has to be one of the contributing factors.

According to West (2000), when downsizing, organizations "do not accomplish the desired improvements, but instead experience an escalation in negative consequences." (pg: 1) these include negative effects on the "survivor's" morale, productivity and overall commitment to the organization. West (2000) goes on to say that researchers report such downsizing effects as: feelings of job insecurity, anger, job stress, decreased loyalty and organizational commitment, lowered motivation and productivity, and increased resistance to change. Survivors also

suffer from a common set of symptoms, which include guilt, anxiety, fear, insecurity, anger and in more severe cases, even depression (West, 2000).

It is therefore obvious that retrenchment and/or downsizing have a negative effect on employee engagement, because as stated before, the elements that are needed to create engaged employees are the ones that are adversely affected by the retrenchment of their colleagues.

In reality, however, business cannot shy away from retrenchments and downsizing, especially if such interventions are part of the company's integrated business strategy. However, to minimize the psychological damage on employees such as loss of long standing relationships, loss of coaches, mentors and friends; feelings of uncertainty about the future, disengagement and high stress levels due to amplified responsibilities, proper management processes need to be in place before and after retrenchments in order to better the situation

Bates (2003) recognizes that due to business legacy issues, employee engagement has declined over the past generation during the fundamental shift in the employer-employee relationship that experts say many managers have not yet recognized.

Coffman (2003), states that the developing relationship between company and worker has changed to partnership. He says that the death of old traditional loyalty opened up opportunities for a new enlightened form of loyalty based on shared values and goals and mutual caring and respect.

2.5 Factors that promote Employee Engagement

2.5.1 The importance of an Employee Engagement Strategy

The importance of the company designing and communicating its engagement strategy is of essence to the success of this key intervention. Engagement strategy would define the company's business rationale and what it hopes to achieve.

Melcrum (2005) states that to fully embed employee engagement as a real business issue, requires commitment to building an integrated, multi-faceted strategy. In addition, a company built employee engagement strategy which takes into consideration company culture, leadership and other company facets improves the likelihood of success as opposed to "off-the-shelf" products or copying from other companies.

Thorten (2005), head of internal communications at Wanadoo, UK sums it up by saying that there are many factors in employee engagement and they differ from company to company. Thorten believes that in order for engagement strategy to be successful, it must be tailored to the objectives and culture of each organization. Furthermore, in each organization, engagement initiatives have to be adapted to business units, managers and individual employees in order to effectively move employees to the ultimate goal of engagement.

However, it is accepted that employee engagement is a human resources technology or concept that has its foundations on industry-wide empirical research and literature. Using that argument, as a point of departure whilst there is acceptance that employee engagement should be custom-built; the process of it should be based on best practice fundamentals.

According to Shaw (2005), the core problems in the strategy design and implementation has been as a result of inarticulation of what engagement actually means at the front line. After they had studied reactive methodologies applied at organizations four or five years in engagement programmes, they propose the following process:

2.5.1.1 The process

It is, in essence, a simple strategy-setting process:

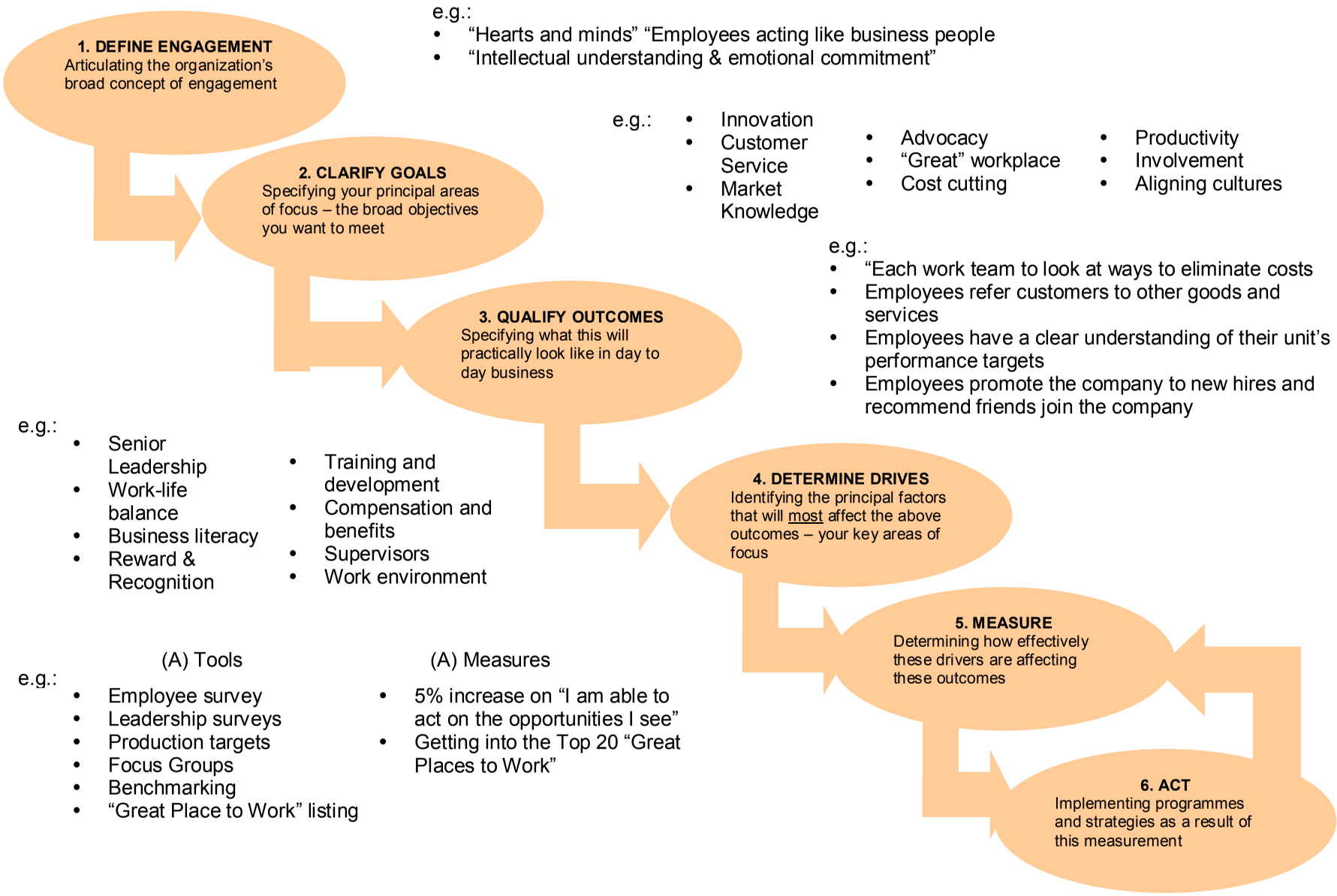
1. *Define Engagement:* Begin with whatever is the high-end, vision statement in the organization
2. *Clarify Goals:* What does your answer to Step 1 actually mean? Which broad areas (e.g. brand, values, culture, productivity, cost, waste, service, output, etc.) would you like to see this vision manifest itself in? Out of all the potential goals of this engagement project, you cannot aim for all of them at once. Look at the company strategy and the current priorities for the business. What are the three to five factors that you are going to zero in on as you roll out the engagement programme? Which, out of all the ideals, is most important right now? This is where you should be directing your resources and energy. Your three to five factors will impact other areas as well – but this process is about limiting your perspective, not limiting your impact.
3. *Qualify outcomes:* In step 2, the broad areas of focus were articulated. Now for each one, describe an actual activity that will typify the "engagement" you would like to see. If for example, one of your goals is "Recognition," you might put here, "Managers and employees regularly highlight the good work of colleagues in team meetings." This is the stage where, should an employee be directed to look at your map; they would clearly understand what action they should take in future in order to deliver optimal results.
4. *Determine Drivers:* You may have already have undertaken driver analysis in your organization. Whether by survey, focus group or simply through desk research and experience, outline here the critical *input* factors that will most

affect the outcomes you have articulated in Stages 2 and 3 – the people, the processes, environments and resources that you need to leverage to achieve your goals.

5. *Measure:* Study to what extent the one is positively affecting the other. Outline the tools need you to do this.
6. *Act:* With a clearly outlined set of objectives and data to outline the levels of success in achieving them, you can *now* begin to act on the findings and re-measure *ad fininitum.*

Melcrum's (2005) model is shown in figure 2.3.

Fig 2.3: A strategy process map for clarifying and articulating what engagement means to the organization



Lastly, clear business strategy is peremptory with an employee engagement strategy to support it. Masarech (2004) states that employee engagement requires more than committed employees doing the work they like to do, satisfying their personal motivators at work, and enjoying their colleagues' company. If the workforce is disconnected from the organization's strategy, not feeling part of a whole and not seeing how their day-to-day tasks drive the company forward, employee engagement will be almost impossible to sustain. Employees need clarity of discretion so that they can best apply their unique talents to drive business priorities.

In a survey conducted by Masarech (2004) to check the alignment of talents with strategy, a mere 18% of managers in companies agreed that their organization's strategies are well communicated and everyone's work priorities support that strategy.

It stands to reason that in the absence of business strategy or lack of clarity thereof, people and engagement strategies will suffer the same fate, as it cannot work in isolation.

2.5.2 Creating a culture of engagement

Cropley (2005) says that the function of an organization's culture is to define boundaries, convey a sense of identity, and help generate commitment to something larger, enhance stability, social system and act as a mechanism to guide and shape attitude and behaviour of employees.

Kee (2003) identified 10 key cultural elements that encapsulate the organizational culture which are:

1. Assumptions: Unwritten rules that are accepted as fact.
2. Norms, customs and routines: How people behave, interact and work at all levels of the organization.

3. Power: Not the result of position or a title, power – which can be positive, negative or mixed – determines who influences opinion
4. Rites and Rituals: Ceremonies and events that highlight what is important and not important
5. Roles and Responsibilities: Determine expectations and provide insight into performance measure
6. Stories and Myths: Help describe the company history
7. Structure: The invisible organizational chart that identified relationships, communication and power.
8. Symbols: Nonverbal communications that help explain values and beliefs
9. Systems and Rules: Methods to control, measure, and reward desired behaviour.
10. Values: What the organization cares about the most.

It is common knowledge that leaders shape and change culture in organizations. This they do by "walking the talk", demonstrating what is important to them and therefore to the company. Also reward, modeling behaviour, and measurement or assessment on a continuous basis the organizational culture status from time to time and put remedial action in place where necessary (Kee 2003).

All the mentioned dimensions cumulatively become building blocks towards creating a culture of engagement because employees will identify with correct organizational behaviours which are supported by leadership and management, organizational values, vision and mission, HR policy and so forth to catapult the company's success through highly engaged and performing employees.

Over the course of the past 30 years, researchers at the Gallup Organization (2003) have conducted thousands of qualitative focus groups across a wide variety of industries. The approach underlying this research has been founded on what might be called "positive psychology".

In particular the Seligmen and Csikszentmihalyi (2000) study was on the characteristics of successful employees and managers and productive work groups. Throughout the workplace research both the qualitative and quantitative data have indicated the importance of the influence of the supervisor or manager over the employee's level of engagement.

Melcrum (2005) lists 12 influential factors in employee focused workplace. After 30 years of research, the Gallup Institute (2003) has determined that there are five essential skills that leaders need to have if they are going to succeed in increasing employee engagement. They are:

- Building trust – We build trust by trusting others; a basic belief in people.
- Mentoring – to give and receive feedback, to coach and counsel employees in a way that increases engagement.
- Inclusion – Ensuring that team members know that everyone on the team has strengths the team needs to be successful.
- Alignment – ensuring that employees feel aligned with their organization's purpose, values and vision.
- Team Development – developing the leadership potential in all the members of the team.

Ayers (2005) states that all of these skills are dependant on each other, i.e. one has to build trust before one can be effective at mentoring, and mentoring is crucial to be successful at inclusion and alignment.

It is no secret that the organization's culture drives its performance. Successful cultures, however, do not just spring up by themselves. In Melcrum (2005), Schein states that corporate culture is "developed by its leaders either when the organization starts up or reinvented via a change in strategy" (pg: 40).

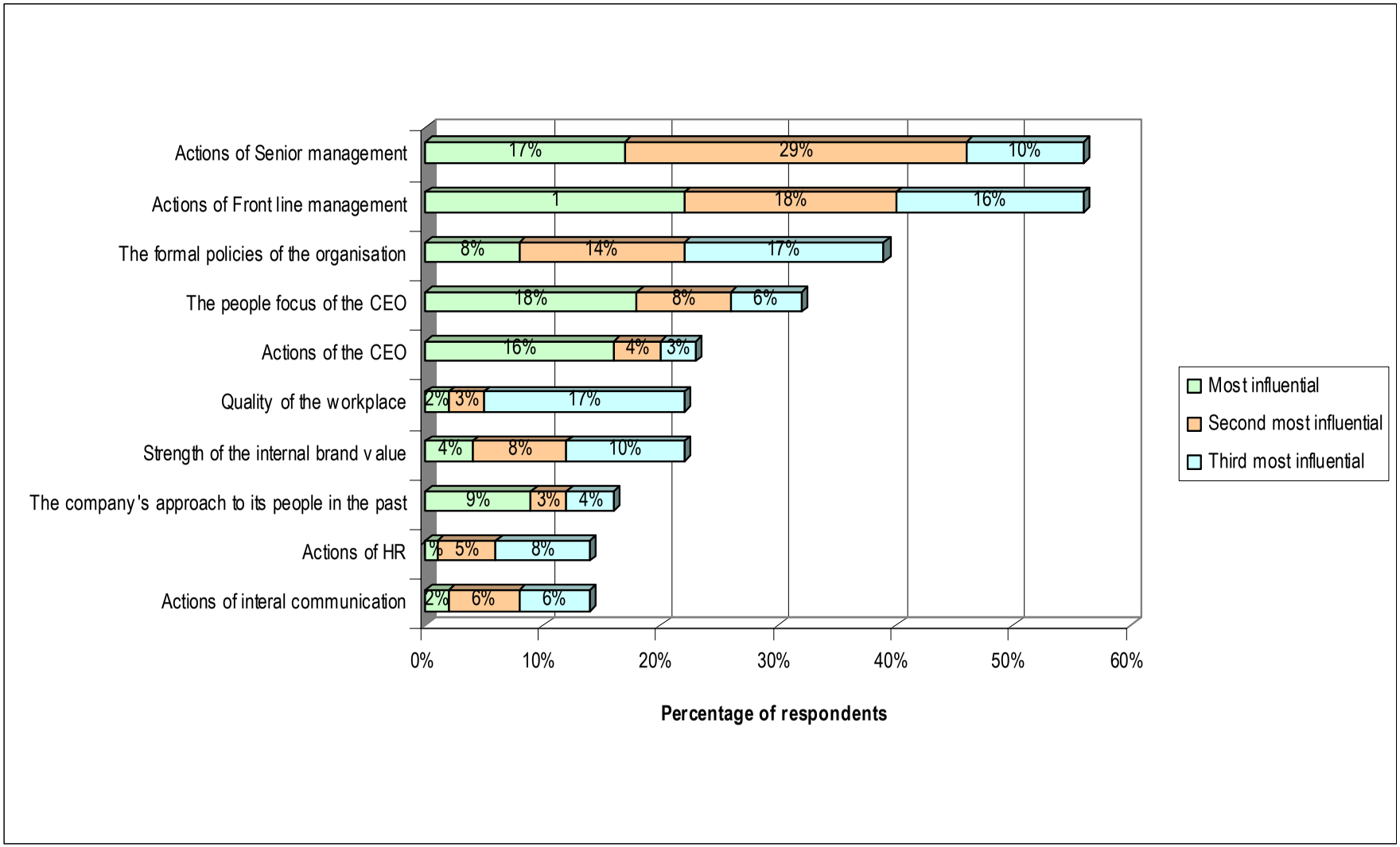
Bashinksy (2004) writes that more than 80% of CEOs surveyed in Hewitt's Best Employer study (2003) revealed that their organization's ability to succeed would be impacted by three things, *vis a vis* acquiring and retaining talent, quality of leadership and organizational culture.

2.5.3 The role of Leadership and Management

The participants of the Melcrum's Employee Engagement survey (2005) believe that the actions of senior and front line management are the most influential factors in building a people centric culture as well as being the key driver in employee engagement.

Figure 2.4 demonstrates the importance of leadership – both senior and front-line – to create a people-centric culture.

Fig 2.4: The Top Ten influential factors that create a "people centric" culture (Melcrum Publishing, 2005)



As can be seen from figure 2.4, over half the respondents rated the actions of management as one of their top three. What's more, nearly a quarter (22%) feel that the actions of front line management are the singularly "most influential" factor, while 18% believe it is the people-focus of the CEO, 16% the actions of the CEO and 17% the actions of senior management.

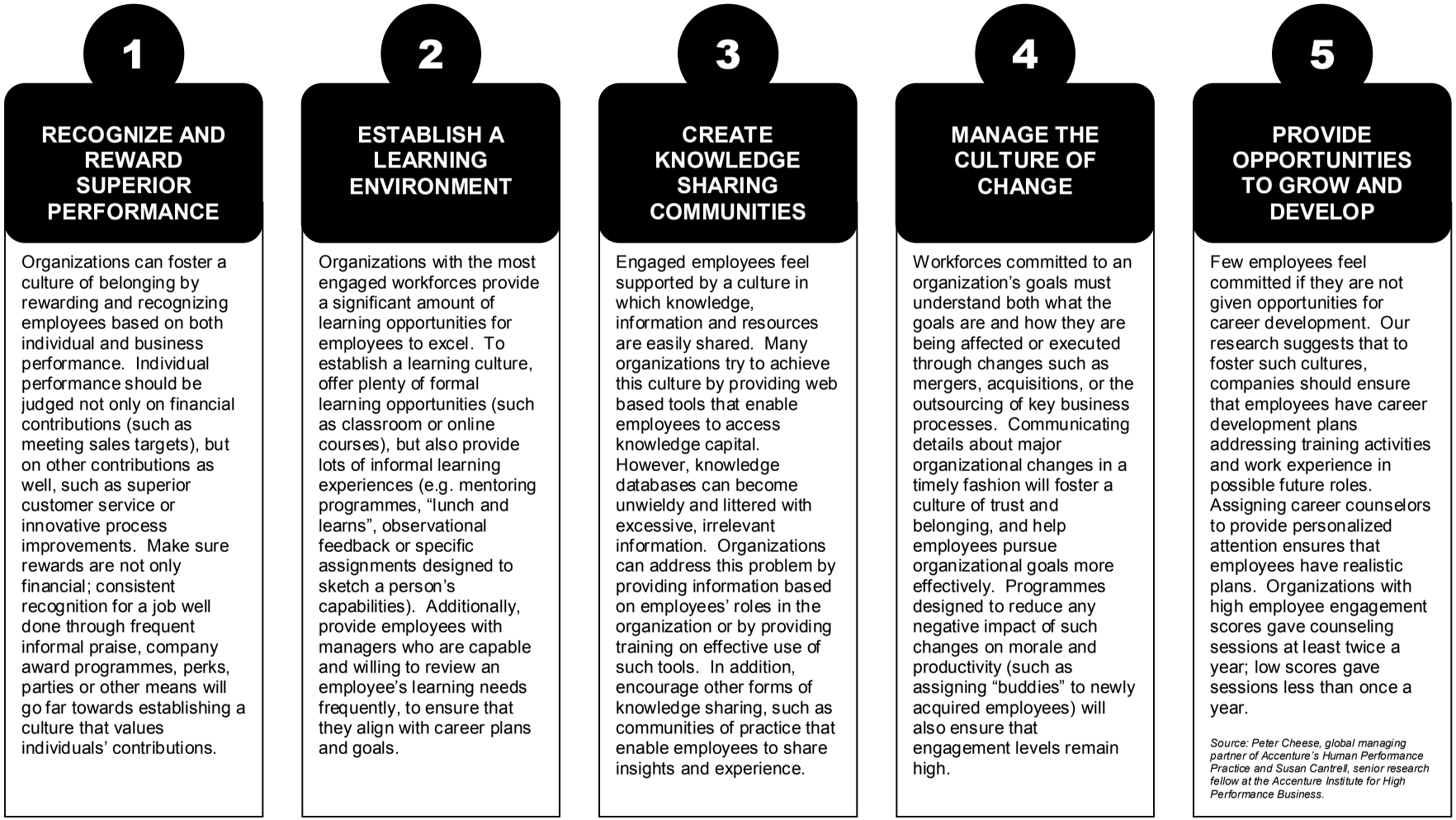
If respondents believe the actions of senior and front line management are most important for both driving engagement and creating a people-centric culture that fosters engagement, it would seem that addressing leadership's actions and behaviours is the most valuable area on which to focus.

An organization's leadership sets the tone for the entire atmosphere of the company. Therefore, companies capable of building strong relationships between the leadership and employees will be able to create a supportive people culture, which in turn, will drive higher levels of engagement.

Robinson, Harley and Lee (2005) state that integrated corporate culture and employee engagement is key. They go on to say that research has shown that the more engaged the workforce, the more innovative, productive and profitable the company. Although employee engagement surveys have become increasingly popular, such surveys fail to inform what specific actions are needed to get people more engaged.

Robinson *et al* (2005) further demonstrated that through an analysis of data collected from 2,400 employees and 240 HR executives in 26 organizations through a new measurement tool has revealed that organizations with the most engaged employees, have built a culture that fosters motivation, commitment, inspiration and passion by focusing on five activities, ranked in order of their impact on engagement scores (see figure 2.5, overleaf).

Fig 2.5: Five activities in employee engagement – Accenture Human Capital Development Framework. (2005)



2.5.4 Talent mindset as a critical condition for engagement

According to Bowman (2004), neuroscientists such as the esteemed Drs Harry Chugani of Wayne State University and Joseph Ledoux of New York University asset that talents do not change significantly after the mid-teens. This means that people's interests, strengths, needs and stresses including thoughts, feelings and behaviour patterns basically remain fixed throughout adulthood. This also means that people do not change a great deal on those mentioned aspects after they are hired, despite all the training, coaching and other development programmes.

To countenance this situation, it follows that, identification of talents in terms of skills, knowledge and attributes that are suitable in a particular organization is of essence. Linked to this would be the selection of a suitable assessment instrument that allows for the discovery of the right match of candidates. However, Bowman (2004) states that people can learn new skills and knowledge and increase their self-awareness and usefulness. But it is also accepted that if new skills and knowledge do not coincide with innate talents, then training and development will not have a major a lasting effect.

Thus, one of the factors that helps in the promotion of employee engagement philosophy is the placement of employees in jobs that match their talents, and then provide appropriate skills and knowledge training to further their development. Bowman (2004) summed it up when he stated that people excel when they are involved in things that interest them and which use their strengths rather than their weaknesses.

2.5.5 Key Drivers of Employee Engagement

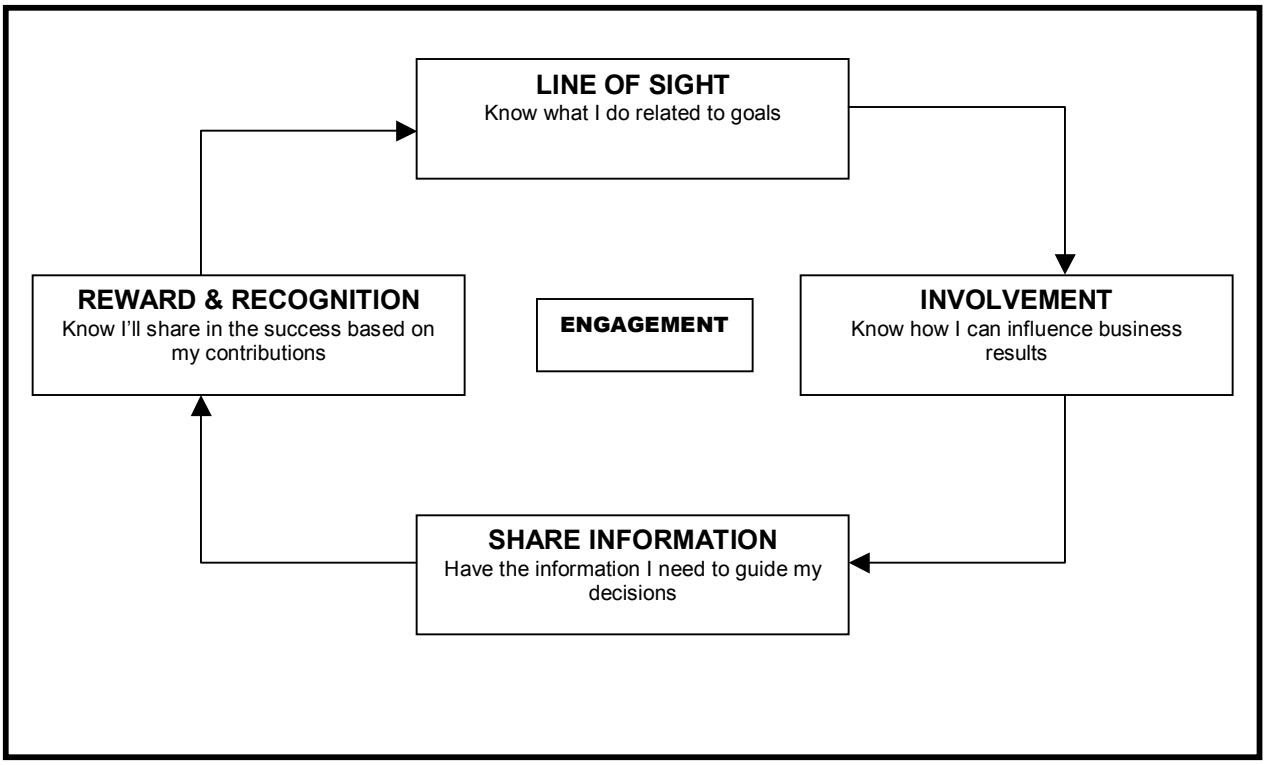
Melcrum (2005) states that defined differently, key drivers mean that levers that can be pulled to maximize the impact on engagement. These levers or key drivers are seen as significant to employee engagement.

Shaffer (2005) states that to achieve employee engagement is about getting to think and act like business leaders and about creating a work environment that causes people to perform at exceedingly high levels – a place where employees want to use their discretionary effort on behalf of the organization. While working at Towers Perrin, Shaffer (2005) and several of his colleagues performed competitive and regression analysis in order to determine what workplace conditions were vital to achieving employee engagement. He later modified the original version, and according to him, the four dimensions to creating engagement are (Fig 2.6):

- *Line of Sight:* "I know what I do contribute to business goals and outcomes."
- *Involvement:* "I know I can make decisions to influence business results."
- *Share information:* "I have the information I need to guide my decisions."
- *Reward and Recognition:* "I know I'll be rewarded for my contributions"

Shaffer (2005) believes that there is a science to engagement. He further states that to be truly effective, companies need to balance their efforts according to their desired outcomes and focus their resources on improving engagement in areas that will provide the highest performance and returns.

Fig 2.6: Jim Shaffer's four key dimensions to employee engagement

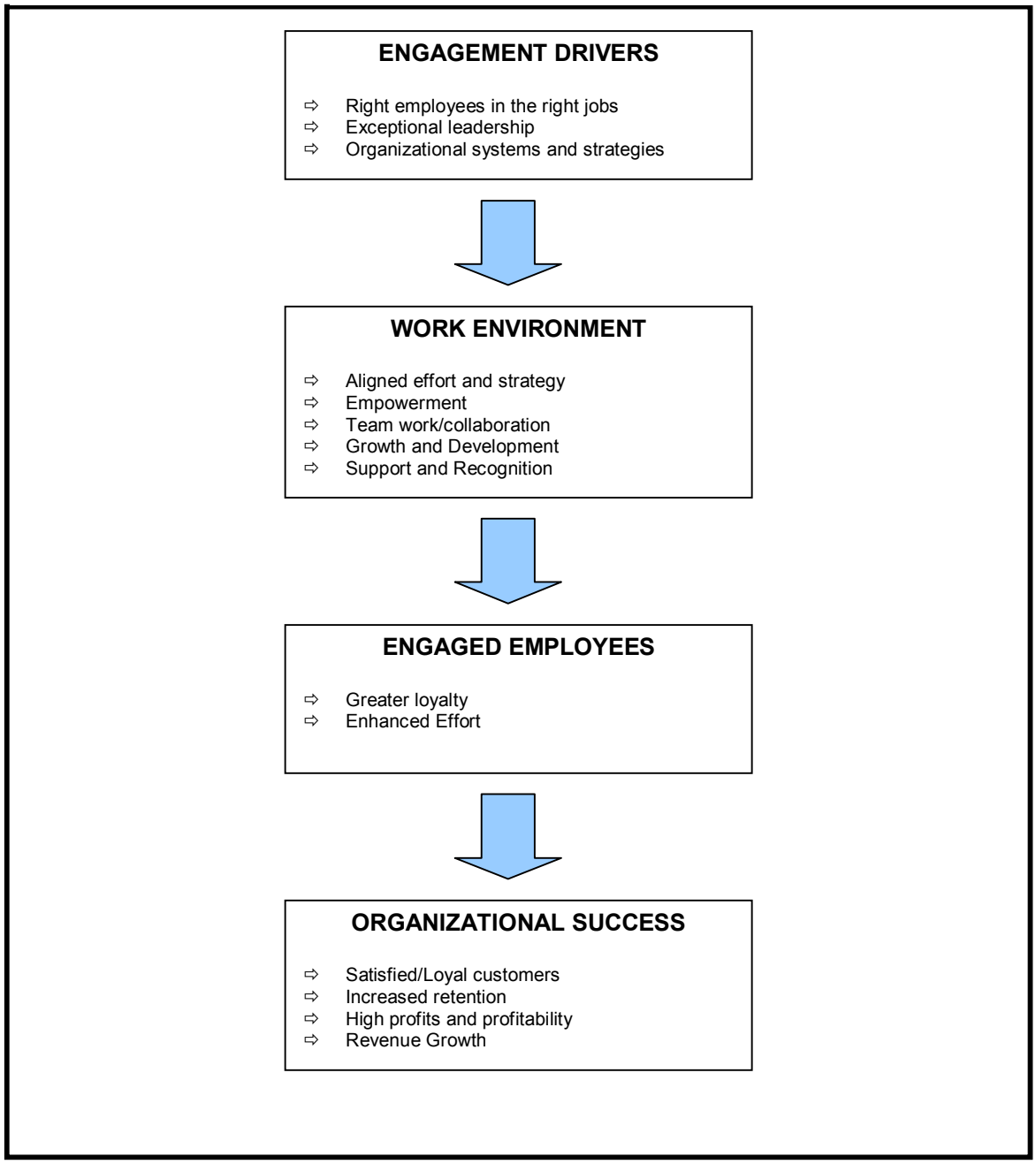


On the other hand, as shown on Figure 2.7, the Development Dimensions International's (2004) value proposition includes four sequential components.

In the DDI's model of engagement drivers. Organizations need to hire people that fit the job profile, develop leaders with the right skills, and provide support through strong strategies. According to Wellins, Berthal and Phelps (2005) together, the engagement drivers lead to the creation of an engaged workforce and environment. Once created, the engaged work environment has a positive impact on employee behaviour and attitudes. More specifically, an engaged environment builds loyalty in employees by meeting their personal and practical needs, thus encouraging them to stay in the organization. An engaged working environment also leads to greater employee motivation and that can be differentiated from the organization's competitors.

Finally, long term benefits show on the bottom line, i.e. organization have more satisfied and loyal customers, increased profits, better quality products or services and greater growth potential.

Fig 2.7: DDI's Engagement Value Proposition (2004)



2.5.6 The importance of Measurement and Benchmarks

The old adage, “what is not measured will not obtain success” still holds water, in order to demonstrate to the business community that employee engagement is not just a novelty but a reality which leads to improved bottom line, measurement of engagement is key. Also, tools to be used for such purposes need to be consistent, simple, defensible and relevant with business objectives.

Wellins *et al. (2005)* state that all organizations obviously want their employees to be engaged in their work. Several standardized tools exist for assessing employee engagement and these tools tend to have several common goals and characteristics. He states that these include using short and easy to use measures that focus on the fundamentals of a great workplace; benchmarking their results with those of other companies and comparing them; altering their practices or policies to effect employees’ responses; linking the measurement of employee engagement to company financial performance.

According to Wyatt (2003), companies are voluntarily disclosing non financial measures in annual reports and accounts and market professionals are strongly encouraging this, saying that these measures can indeed influence share prices. He goes on to say that a more engaged workforce have higher levels of customer satisfaction, which in turn leads to acquiring more customers and keeping them. Wyatt (2003) further states that there a five key areas that can be explored in assisting companies to “effectively integrate these measures into an overall framework to guide management and help drive performance. These areas are people management practices, employee engagement, customer satisfaction, business key performance indicators and shareholder value.

Most companies place significant value on understanding their customers, but under-invest in the understanding of the internal drivers of customer value, particularly how employee engagement influences customer satisfaction,

perceptions and behaviours. Customer and employee satisfaction are almost always measured in isolation of each other (Wyatt, 2003).

Since 1997, the Gallup Organization (2003) has survey approximately 3 million employees in 300 000 work units within companies. This survey consists of 12 questions – called the Q12 – to measure employee engagement on a five point scale indicating weak or strong agreement. Results have shown that companies with high Q12 scores experience lower turnover, higher sales growth, better productivity, better customer loyalty and other manifestations of superior performance (Krakoff, 2004).

The following are the 12 questions that the Gallup Organization (2003) uses in measuring employee engagement:

(a) Do you know what is expected of you at work?
(b) Do you have the materials and equipment you need to do your work right?
(c) At work, do you have the opportunity to do what is best everyday?
(d) In the last seven days, have you received recognition or praise for doing good work?
(e) Does your supervisor, or someone at work, seem to care about you as a person?
(f) Is there someone at work who encourages your development?
(g) At work, do your opinions seem to count?
(h) Does the mission/purpose of your company make you feel your job is important?
(i) Are your associates (fellow employees) committed to doing quality work?
(j) Do you have a best friend at work?
(k) In the last six months, has someone at work talked to you about your progress?
(l) In the last year, have you had the opportunities at work to learn and grow?

2.5.7Stakeholder involvement

The critical role that all stakeholders play, albeit in varying degrees, in the success of the employee engagement concept cannot be underestimated. All literature reviewed on employee engagement rates involvement of stakeholders as the ultimate decider of the success or failure of the concept. The involvement of all stakeholders has immense benefits, viz: it is educational and promotes better knowledge, gets people to internalize the concepts; strategy becomes a product that everyone has had a part of, and hence ownership, integrity and confidence occur.

According to Thomas and MacDiarmid (2004), organizations where there is no connection between the boardroom and the employee, it is difficult to harness the true potential of individuals or the organization because the power of synergy is being ignored. The sum of all the parts, all strategically aligned, is a powerful force in any marketplace.

2.5.8 Communication

Communication is not simply a two-way process as superficially defined in most cases. Communication in the context of employee engagement also includes integrity, sensitivity to the medium, appropriate culture and environmental issues (Gubman 2004).

In addition, Dutton (2003) describes the essential elements of engaging in a more actively in respectful conversations as: conveying presence by being psychologically available and respective; being genuine by removing fronts and speaking and reacting from a real and honest place; communicating affirmation by emphasizing; imagining and seeing others in a positive light; expressing recognition and genuine interest, and lastly effective listening and supportive communication are also important.

Thomas *et al* (2004), also state that management needs to demonstrably value employee feedback. Actual dialogue is essential; communicating openly, honestly and frequently will build employee engagement only if it goes both ways.

Thomas *et al* (2004) goes on to suggest that leaders in an organization should build a sense of purpose with all employees. The organizational structure and reporting roles need to reinforce openness and dialogue with easy access to tools and forums where employees are listened to without fear of reprisal. Employees that step tentatively into this dialogue for the first time need to be rewarded with action by management, respect for their input as well as with follow-up in each and every moment. Things may not necessarily change because of every employee's suggestions but their comments need to be treated fairly and consistently throughout the organization.

Study after study confirms that recognition and respect are more motivating than money. One of the best ways to show employees that they are valued is to listen to them.

2.5.9 Organisation's Reputation and Branding

According to the Corporate Research Foundation (2005), an organization's reputation and branding are a critical success factor in building an employee engagement culture. Organisational reputation is achieved by how the company builds relationship both with internal and external stakeholders, including business success. Gratton (2000) states that leadership actions and behaviour are catalytic to the organization's reputation and that financial prosperity is not the only measure of success.

In research done by the Corporate Research Forum (2005), it was evident that company branding can only be achieved through employees who are engaged. The research further states that branding does not only entail the "look and feel" perspective, but also the customer's psychological and emotional connection to the

company which can only be achieved through highly engaged employees who live the brands of the organization (Levin and Sloane, 2005).

2.5.10 The Work/Home Life Balance

Work-home life balance is a fundamental issue in today's business world. Amid boundryless society, globalization, competitiveness and constant pressure put on business by shareholders and customers, healthy (physical, psychological and spiritual) employees are a success factor for business. The current operating and economic conditions for the organizations have a substantial impact on employees (Kickul and Posing, 2001)

At the same time, business has recognized that employees live in a society and there is recognition that the balance between work and home life is also important in order to obtain a more engaged workforce (Schutte, Toppinen, Kalima and Schaufelli, 2003). A lack of interest or neglect by corporates in this area leads to high cases of burnout due to increasing stress and a resultant drop in productivity.

Schaufeli and Enzmann (1998 pp. 36) define burnout as a "persistent, negative, work-related state of mind in 'normal' individuals that is primarily characterized by exhaustion, which is accompanies by distress, a sense of reduced effectiveness, decrease motivation, and the development of dysfunctional attitudes and behaviours at work."

Levett, Lucas and Ortlepp (2000) state that burnout can be seen as the end result of consistently unmediated or unsuccessful attempts at mediating stressors in the environment on the part of the individual.

Research recently coined burnout as the erosion of work engagement with the job (Schaufeli, Salanova, Gonzaléz-Roma and Bakker 2002). However, Schaufeli and Bakker (2004) state that burnout and work engagement are independent because

of their antithetical nature and therefore are negatively related. New data from the Gallup's Employee Engagement Index (2005), offers insight into the degree to which engagement levels at work may affect employees' attitudes and behaviour away from the office. This survey shows that 78% of Americans rate satisfaction with their personal lives highly (at 4 or 5 on a 5-point scale). But engaged workers are much more likely to respond with 5s (65%) than 4s (27%). Not engaged workers are less likely to respond with 5s (36%) than 4s (42%). It was also found that in some cases, employees who have negative relationships at work also tend to have unsatisfying personal relationships. It is alarming to note that 51% of actively disengaged employees answer "yes" when asked if there were 3 or more days in the past month when the stress of work caused them to behave poorly with their families or friends. That figure drops to 29% among not engaged and further to 18% among engaged employees.

The question is that does this data suggest that different family conditions make employees less likely to be engaged at work? Gallup found that single and married people, those with and without children, households with one wage earner versus two or more, all have similar proportions of engaged, not engaged and actively disengaged workers among them (Crabtree, 2001).

In the latest Gallup Employee Engagement Index survey (2005) asks American employees how they think their daily work experience affects their physical and psychological health – 43% of employees feel their work lives are positively affected by physical health, 29% say negatively and 27% say not at all. But, according to Crabtree (2005), the big difference is employee engagement – amongst engaged employees, 62% say that their work lives positively affect their health. That number plummets to 39% amongst not engaged employees, and 22% amongst the actively disengaged.

In terms of psychological (mental) health, 52% of employees say that their work positively affects their wellbeing, 21% feel that the effect is negative, and 27% say

there is no effect. Furthermore, the differences by engagement level are more dramatic, 78% of engaged workers feel that their work lives benefit them psychologically, 48% of not engaged employees and 15% of actively disengaged employees say the same. Conversely, 51% of actively disengaged employees feel that their work lives are having a negative effect on their psychological wellbeing, compared to 20% of not-engaged workers and 6% of engaged workers (Gallup Employee Engagement Index, 2005).

2.6 Literature review summary

Notably, employee engagement is a key success factor for any company and at macro level is a stronger differentiator between winning and losing nations (Cameron, 2005). There is no doubt that for South African business to be counted amongst the most enterprising economies like China, it needs to revisit the primary asset – people – to elevate it to the higher level.

Admittedly, there are numerous prevailing forces existing in South Africa which make employee engagement quite a challenge, such as depth of leadership skills in companies, scarcity of key talent, labour conflicts, and slow pace of transformation and outside work issues viz: high rate of poverty, unemployment and lack of proper education, all have a secondary effect on employee engagement.

Be that as it may, South Africa is not distinctly unique from the rest of the world and as part of the global community we need to find sustainable solutions to our challenges. This research report represents one amongst a million suggestions to find ways to improve business performance which will ultimately affect the macro economy to generate more jobs and reduce unemployment and poverty.

A collective of employees' performance has favourable ramifications for this country, and through this research study such an assertion has been validated

using a sample of companies. As a result of the findings in this research report, it is expected that business will aggressively focus on the concept of employee engagement as a method of improving performance.

CHAPTER 3: PROPOSITIONS

Two research propositions are advanced with references to the literature review which are as follows:

Proposition 1

There are a set of factors that will emerge as important in the promotion of employee engagement:

- Culture of engagement
- Leadership and management
- Talent Mindset
- Drivers of engagement
- Measurement and benchmarks
- Stakeholder's involvement and relationships
- Communication and knowledge sharing
- Organisation's reputation and branding

Proposition 2

The set of factors that will emerge as being important in promoting employee engagement will be common across all companies and industries

CHAPTER 4: RESEARCH METHODOLOGY

4.1 Introduction

The research incorporates both qualitative and quantitative elements in order to establish understanding of the concept as well as to test current practices and trends.

The research also aims to quantify and measure employee engagement trends in South Africa.

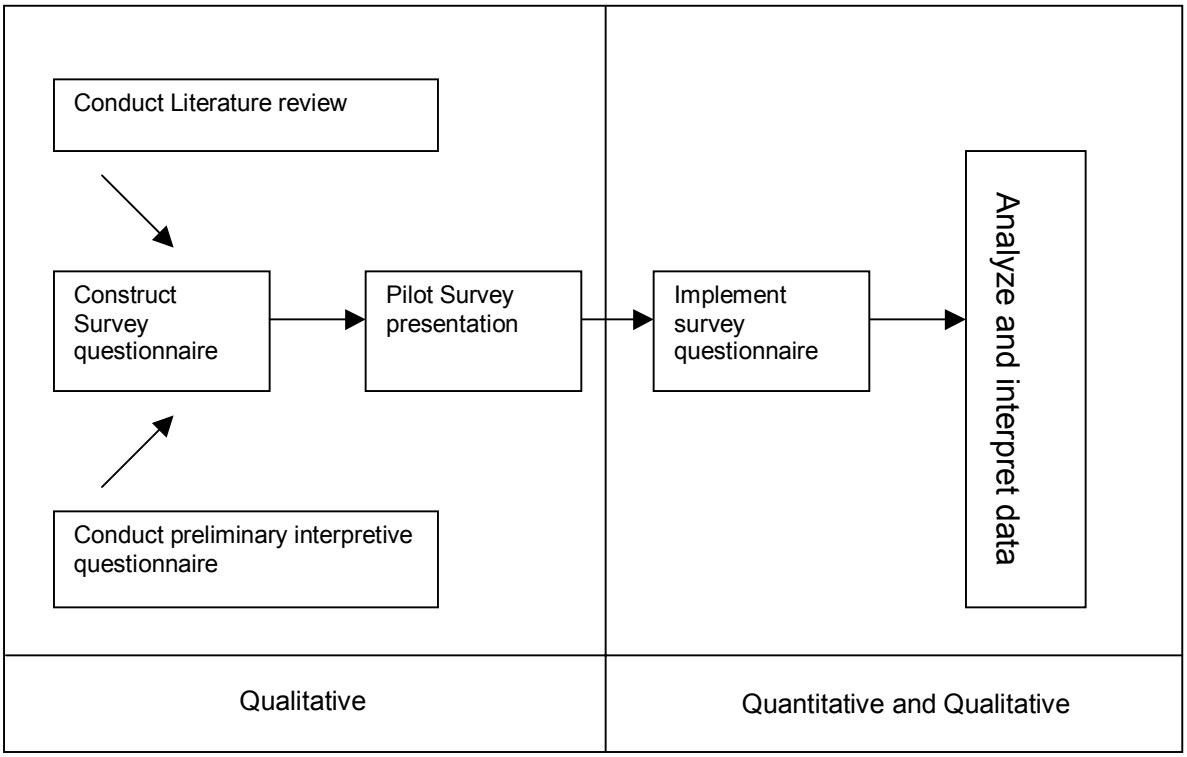
Firstly, the study was conducted in order to:

- Establish the respondents understanding of the term “employee engagement”
- Establish whether organizations have employee engagement strategies or practices and a supportive culture.
- Elicit factors that are perceived to be important in promoting employee engagement
- Conduct an analysis of employee engagement data to find differences and commonalities based on organizations and industry.

Flexibility of the research, in some instances, allowed an exploration of assumptions so that areas not considered important at the beginning could be accommodated and adjustments were made accordingly.

The overall research adhered to a combined qualitative and quantitative research methodology called mixed method research (Leedy and Ormrod, 2001). This methodology elicits open-ended responses as well as numerical data. The research process to be followed is shown in figure 4.1

Figure 4.1: The research process to be followed, Carmichael (2003).



4.1.1 Preliminary interpretative questionnaire

The purpose of the questionnaire was to gather ideographic data (Burrell and Morgan, 1979; Falconer and Mackay, 1999; Bendixen, 2002) for input in the construction of the survey questionnaire. The final research questionnaire (Appendix 1) which has been adapted based on the responses to the pilot. By combining the preliminary study with the literature review, the questionnaire is assumed to be sufficiently broad to cover all relevant areas in this study.

4.2 Questionnaire Design

The introduction provides information on the objectives of the study being undertaken and assures confidentiality concerning the submitted information. As an incentive to increase the response rate, respondents were assured that they would receive a written summary report of the study's findings.

The questionnaire was divided into three parts. The first section requested the name and position of the respondent and information relating to his/her company in terms of the company size; local or international; listed or not, industry, turnover and total number of employees and whether it participated in the Best Company to Work For Survey, all of which was useful in the analysis of the findings. The second section of the questionnaire dealt with open-ended questions relating to employee engagement as opined from each respondent's perspective, this was qualitative in approach (Miller and Huberman, 1994; Falconer and Mackay, 1990; Leedy and Ormrod, 2001). The third section of the questionnaire related to factors promoting employee engagement. A total of eight factors that promote employee engagement were listed. Respondents were asked to state the extent to which they agree or disagree with the statement put under each factor. A five-point Likert Scale was provided, with strongly agree scoring 5 and strongly disagree scoring 1.

The statements in the questionnaire that address the factors that promote employee engagement are matched to the corresponding questions as indicated in the table 4.1:

Table 4.1: Factors that promote Employee Engagement

Factors that promote Employee Engagement	Questions
Employee Engagement Strategy	1
Culture of Engagement	4;5;9
Leadership	2;3
Talent mindset	6;7;13;17
Drivers of engagement	8;12
Measurements and benchmarks	14;15;16
Stakeholders' involvement and relationships	18
Communication	10;11
Organisation's reputation and branding	19;21;22
Work and Home Life Balance	20

4.3 Definition of Population and Sampling Methodology

The sampling methodology was on a convenience basis (Leedy et al, 2001). It included local professionals in the field of human resources who are known to the researcher. It was purposefully selected respondents who have the required experience and knowledge to answer the research questions (Creswell, 1994). A minimum sample of 30 experts in 80 organisations, some which participated in the Best Company to work for Survey 2005 was needed to ensure the validity of the research in terms of the central limit theorem (Leedy et al, 2001).

4.4 Data collection

The questionnaire was piloted before distribution to gauge whether the study's purpose was understood and relevant questions were asked, as well as obtain any recommendations. Using face to face interviews, five human resource professionals were approached for input. This also included personal telephonic contacts and a high quality of input was received due to the probing that occurred during that process.

After the resultant refinement of the piloted questionnaire, the research questionnaire was distributed to the target population using email, personal delivery and mail. This was done to ensure sufficient penetration of the questionnaire to all so as to obtain maximum responses.

4.5 Data analysis

Data analysis and interpretation forms a crucial part of the research process (Eisenhardt, 1989).

In the analysis of the qualitative data, use was made of inductive reasoning. Those three propositions that shaped the data collection method were used as a guideline for the data analysis.

The data was analysed as follows:

- The responses were organized in a logical manner according to the propositions that they corresponded to.
- The responses were clustered into categories using content analysis ().
- Content analysis was further applied to distinguish constraints that related to the propositions to identify themes.
- The constructs were tabulated in rank ordered scales, after a frequency count was done to determine the order of the prominence of the factors.

4.6 Validity and Reliability

4.6.1 Validity

Miles and Huberman (1994) state that internal validity serves to rate the credibility or authenticity of the research. For example, how much truth does the research contain and how believable it is. The questionnaire was structured on the basis of the extensive literature review as well as preliminary qualitative interviews, to ensure both content and face validity (Leedy and Ormrod, 2001; Robson, 2002). All data relating to respondents' comments has been recorded in Appendix Z.

The pre-testing of the final survey questionnaire resulted in suggested changes in order to improve understanding and enhance construct validity (Leedy and Ormrod, 2001).

External validity was also confirmed since the research was conducted in a "real world" setting. External validity is about generalisability (Robson, 2002) or transferability (Miles and Huberman, 1994) of the findings to other contexts and

how useful they are in the bigger scheme of things. Though the sample chosen covered a wide range of organizations and industries and chosen for convenience, it may not be statistically generalisable. Given more time and resources, probability sampling would have been preferred within the population of HR Professionals.

4.6.2 Reliability

The standard survey questionnaire was piloted before use (Krusnick, 1999; Robson, 2002) in order to improve reliability. This was conducted through establishing congruence between research problems, the study objectives, the literature reviewed and the formulated propositions (Miles and Huberman, 1994).

4.7 Limitations of the research

The following factors potentially limit this research:

- The sample chosen was for convenience, the use of probability sampling would have been better
- Over-reliance on overseas based literature and information.

CHAPTER 5: RESULTS

A summary of the results obtained from the research and statistical analysis is presented in this chapter. Details of the survey response rate, sample demographics as well as corresponding results are provided.

5.1 The Research Sample

Forty eight questionnaires were returned out of eighty that were distributed in eighty organizations across South Africa. Forty-three questionnaires were completed sufficiently for analysis. Therefore the usability rate was 54% and the return rate of the responses was 60%. This was expected, given the relatively high degree of supervision in the process of the questionnaire distribution and collection.

Of the usable questionnaires, the forty-three research respondents represented a total of forty-three different organizations. Of these companies thirty-four were in the private sector, four were parastatals, four were from the public sector and one was a regulatory body.

The respondents' organizations were varied in size in both number of staff as well as annual turnover. The following table shows brief descriptions of the companies (one company did not respond to this question):

Table 5.1: Number of Respondents by Company turnover

Up to R30m	R31m – R100m	R101m – R300m	R301m – R750m	R751m – R1.5bn	R1.5bn – R5bn	Over R5bn
5	**6**	**5**	**6**	**2**	**9**	**9**

Company size in terms of staff complement is shown in the table below:

Table 5.2: Number of Respondents by staff complement

Up to 100	101 – 500	501 – 1000	1001 – 5000	5001 – 10000	10001 – 25000	Over 25000
4	**14**	**5**	**11**	**2**	**4**	**3**

Nine companies participated in Deloitte's 2005 Best Company to Work for survey. The types of industry that were represented were also varied; the table overleaf presents the number of respondents per industry type:

Table 5.3: Number of Respondents by Industry Type

Industry Type	**No of Respondents**	**%**
Cyclical Services (e.g. General retailers, support services, leisure and hotels, media and entertainment, transport)	8	18.60%
Professional services (e.g. legal, audit, consulting)	8	18.60%
Financials (e.g. Investment companies, banks, specialty and other finance, life assurance, insurance, real estate)	8	18.60%
Basic Industries (e.g. Chemicals, forestry and paper, steel and metals, construction and building)	5	11.63%
Non-Cyclical consumer goods (e.g. Beverages, food producers and processors, health, pharmaceuticals and biotechnology)	4	9.30%
Resources (e.g. mining, gas and oil)	3	6.98%
Cyclical consumer goods (e.g. Household goods and textiles, automobile and parts)	2	4.65%
Information Technology (e.g. Hardware, software and computer services)	2	4.65%
Non-cyclical services (e.g. food and drug retailers, telecommunications, development capital, venture capital)	2	4.65%
General Industries (e.g. Diversified industries, electronic and electrical equipment, engineering and machinery)	1	2.33%

Out of the above mentioned industries, twenty two were represented internationally, sixteen were represented nationally and seven were represented regionally.

Twelve companies were listed on the Johannesburg Securities Exchange, four were listed internationally, two were public entities and twenty-five were not listed.

Most of the respondents (76.74%) were either Human Resources Managers or Directors. The following table presents the occupations held by the respondents:

Table 5.4.: Number of Respondents by Job Title

Job Title	No of Respondents	%
HR Manager/Director	33	76.74%
Remuneration/Compensation Analyst	4	9.30%
Financial Manager/Director	2	4.65%
Not answered	2	4.65%
Operations Manager/Director	1	2.33%
Organisational Design Consultant	1	2.33%

As can be seen from the above table, most of the respondent's occupied positions that allowed to them make objective decisions regarding the questions that were asked.

5.2 Review of Responses to Open-Ended Questions

This section of the questionnaire consisted of open-ended questions, and respondents were expected to reflect on their own experiences based on the questions asked. Consequently, a number of varied answers were obtained and in order to make the data more meaningful and manageable, refinement of some concepts based on frequency and count was conducted. It should be noted that not all questions were answered by the respondents, thus answers to each

question will not tally to forty-three. A summarized version of the data under each question is elucidated.

QUESTION 1: What is your understanding of the term "employee engagement" and the benefits of having an employee engagement strategy in your organization?

Table 5.5.: Respondents' understanding of Employee Engagement

No	Description	Frequency	Example of answer	Count
1	Commitment	51.16% of the 43 respondents	It is about employee commitment	12
			Increased commitment to business success	7
			Commitment of staff to its leadership	3
2	Involvement and Participation	20.93% of the 43 respondents	Employee involvement in the business and its performance	6
			Employee involvement on matters that affect them	2
			Participation in the overall strategy	1
3	Ownership	20.93% of the 43 respondents	Take ownership in everything they do	7
			Living the company brand	2

Clearly, table 5.5 shows that when the respondents were asked to define employee engagement, over 93% of the responses unanimously described it to involve commitment, involvement and participation and ownership.

Benefits:

Table 5.6.: Responses to benefits associated with Employee Engagement

1	**Increased organizational performance**	**25.58% of the 43 respondents**	Increased productivity	5
			Company performance	4
			Business success	2

Nearly 26% of the responses linked employee engagement with increased company performance, productivity and success. The rest of the respondents did not comment, which could be attributed to a lack of awareness of the need for measurement tools.

QUESTION 2: List the employee engagement initiatives that you have implemented in your organization

The second question asked whether the respondents' organizations had an employee engagement strategy in place, 60% of the respondents replied positively, and gave the following initiatives as being part of their employee engagement strategy (Table 5.7).

Table 5.7: Responses to Employee Engagement Initiatives

No	Description	Frequency	Example of answer	Count
1	**Info sharing**	**46.15% of the 26 respondents**	Regular meetings	4
			Formal sessions with CEO/Leadership	4
			Newsletters	2
			Formal induction programmes	2
2	**Training & Development**	**42.30% of the 26 respondents**	Ongoing Training	6
			Training committees	3
			Specific training programmes	2
3	**Participation in climate surveys**	**23.07% of the 26 respondents**	Internal climate initiatives	4
			Best Company to work for Survey	2
			Business success	2

The most prominent employee engagement initiatives elicited were information sharing, training and development and participation in surveys. The frequency percentage shown in table 5.7, has been derived from the number of respondents who said that they had an employee engagement strategy in their organization (twenty-six respondents) and not the total number of respondents (forty-three).

QUESTION 3: In your opinion, what evidence would indicate that an organization has a culture of employee engagement?

Table 5.8: Respondents' opinions regarding culture of Employee Engagement

No	Description	Frequency	Example of answer	Count
1	Employee Satisfaction	48.84% of the 43 respondents	Improved survey results	8
			Employee morale	7
			Increase participation	3
			Improved Client survey levels	2
			Loyalty	1
2	Low staff turnover	37.21% of the 43 respondents	Decrease staff turnover	16
3	Increased Productivity	30.23% of the 43 respondents	Increased productivity	10
			Increased financial results	3
4	Living the Brand of the Organisation	13.95% of the 43 respondents	Employees are ambassadors	3
			Sense of belonging	2
			Living the brand	1

Most responses associated a culture of employee engagement with employee satisfaction, low staff turnover, increased productivity and living the brand of the

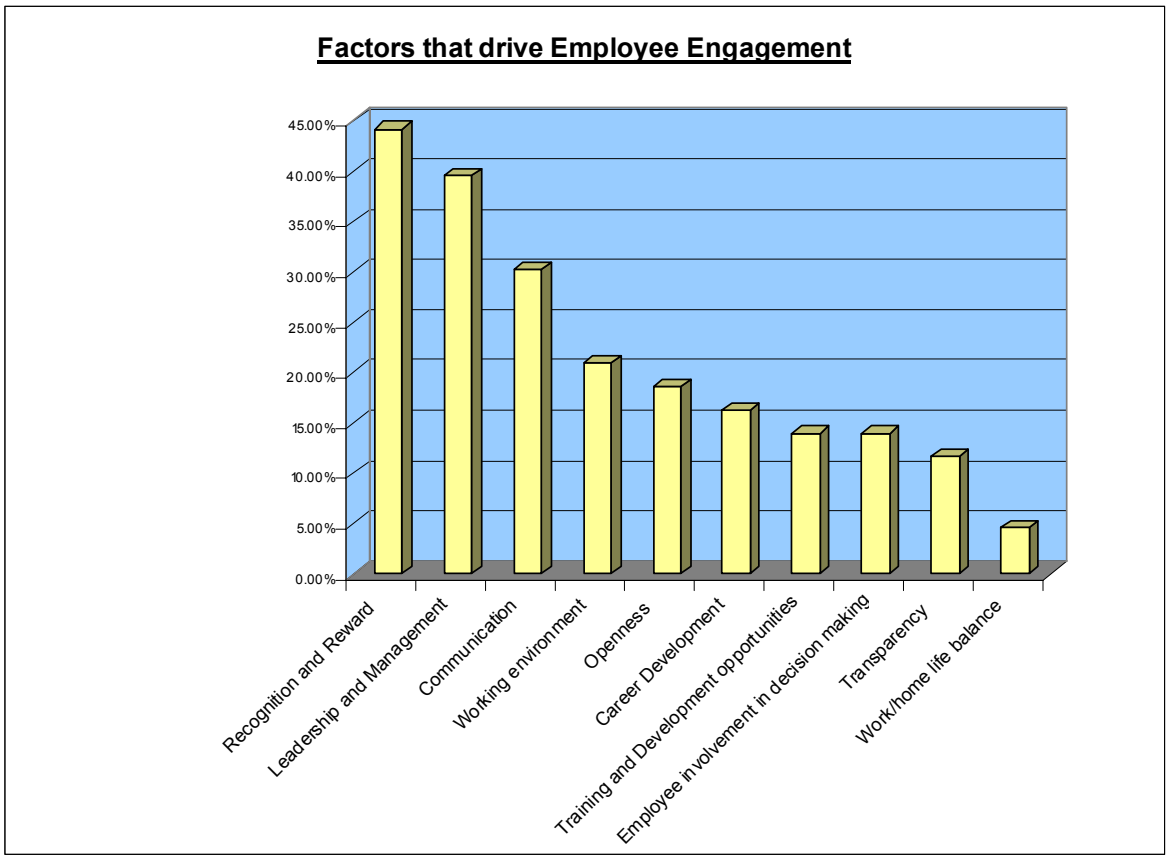
organization. Interestingly, these descriptions of employee engagement are consistent with the literature.

QUESTION 4: In your opinion, what factors would drive or promote employee engagement within an organization?

Table 5.9: Respondents' opinions on promoters of Employee Engagement

No	Description	Frequency	Count %
1	Recognition and Reward	$19_{/43}$	44.19%
2	Leadership and Management	$17_{/43}$	39.53%
3	Communication	$13_{/43}$	30.23%
4	Working environment	$9_{/43}$	20.93%
5	Openness	$8_{/43}$	18.60%
6	Career Development	$7_{/43}$	16.28%
7	Training and Development opportunities	$6_{/43}$	13.95%
8	Employee involvement in decision making	$6_{/43}$	13.95%
9	Transparency	$5_{/43}$	11.63%
10	Work/home life balance	$2_{/43}$	4.65%

Figure 5.1: Graphical representation of promoters of Employee Engagement



As can be seen from the above, recognition and reward, leadership and management and communication yielded the most responses as the factors that promote employee engagement, while employee involvement in decision making, transparency and work/home life balance accounted from the least number of responses. One would have thought that the latter would have enjoyed a higher percentage of responses, especially in the South African working environment. There could be an element of biasness here, as it was the practitioners who participated and not the employees *per se.*

5.3 Review of Responses to Structured Questions

SECTION 3

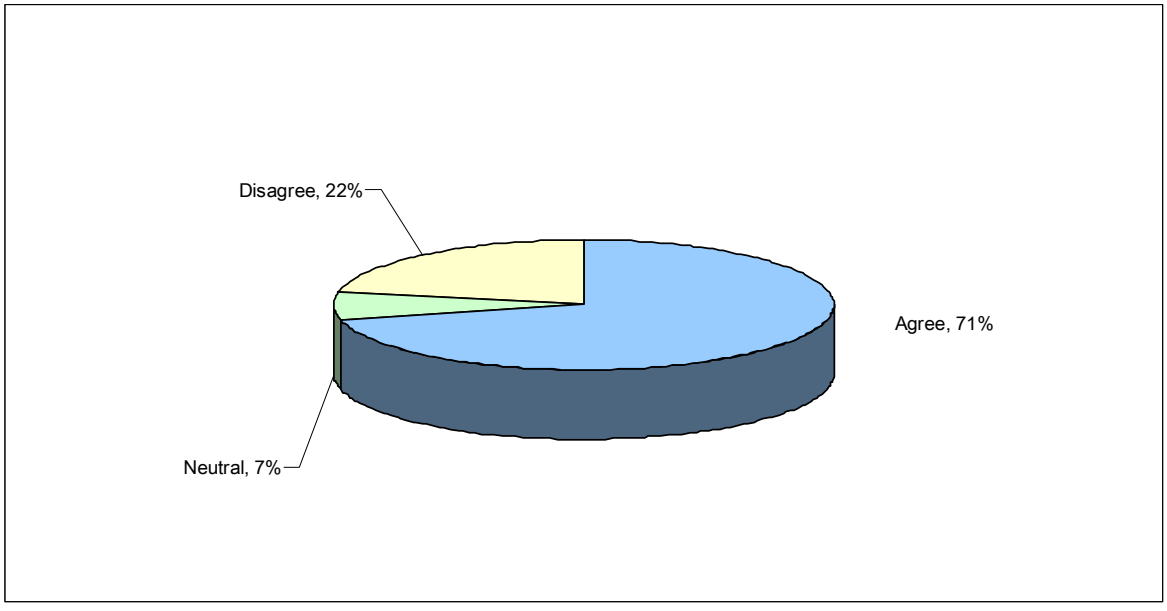
Proposition 1:

1. Employee Engagement Strategy

   (Ques. 1): Our employee engagement strategy or practice is supportive of the company's business strategy.

Strongly Agree	28%	71%
Agree	42%	
Neither Agree nor disagree	7%	
Disagree	12%	22%
Strongly Disagree	9%	

Figure 5.2: Employee Engagement Strategy



- The employment engagement strategy of the company is supportive of the company's business strategy according to 71% of the respondents.

2. Culture of Engagement

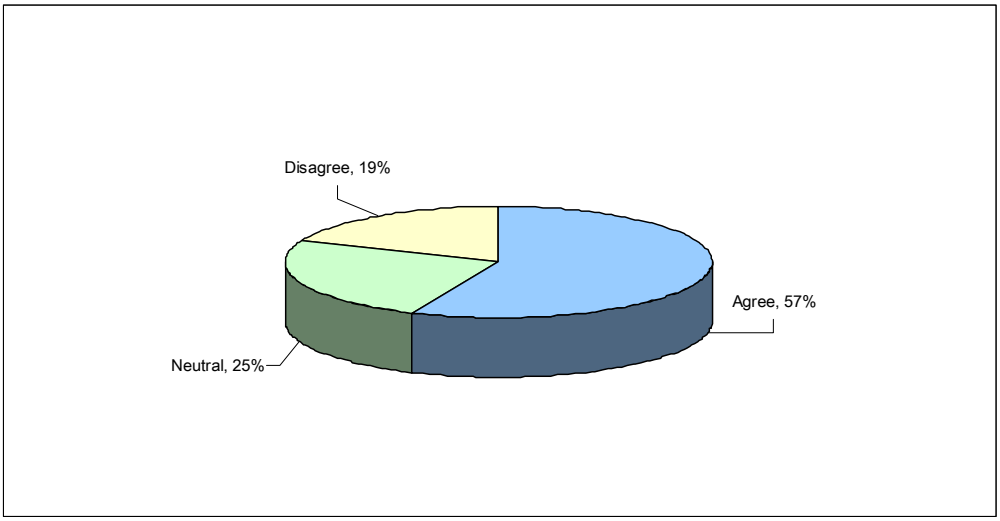
(Ques. 4): Strategic HR policies and initiatives promote employee engagement at all levels of the organization.

(Ques 5): Organisational performance is impacted positively due to the employee engagement culture.

(Ques 9):The organization has a culture of Employee engagement

	Ques 4	Ques 5	Ques 9	
Strongly Agree	9%	19%	9%	57%
Agree	56%	42%	35%	
Neither Agree or Disagree	19%	28%	28%	25%
Disagree	14%	9%	21%	19%
Strongly Disagree	2%	2%	7%	

Figure 5.3: Culture of Engagement



- 65% of the respondents' believe that HR policies and initiatives promote employee engagement at all levels of the organization.
- In 61% of the respondents' organizations, the organization's performance is impacted positively due to the employee engagement culture.
- Only 44% of respondents believe that their organization has a culture of employee engagement.

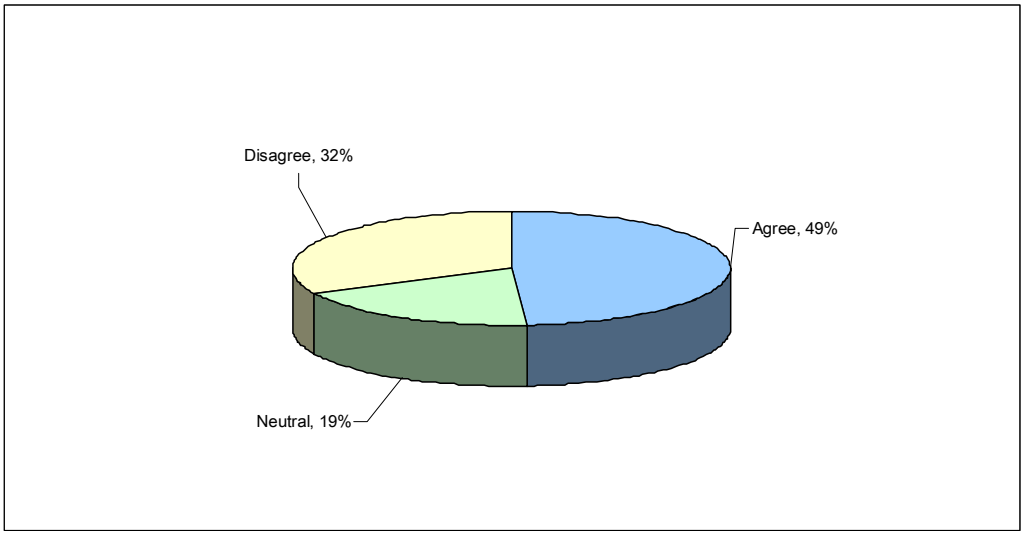
3. Leadership and Management

(Ques 2): Leadership and Management "walks the talk" in terms of their behaviour to ensure that all employees are engaged.

(Ques 3): Leadership and Management enjoy a high level of trust from employees

	Ques 2	Ques 3	
Strongly Agree	14%	0%	49%
Agree	40%	44%	
Neither Agree or Disagree	19%	20%	19%
Disagree	21%	29%	32%
Strongly Disagree	7%	7%	

Figure 5.4: Leadership and Management



➢ Leadership and Management "walks the talk" to ensure that all employees are engaged in only 54% of the respondents' organizations.

➢ Only 44% of the respondents' feel that leadership and management enjoys a high level of trust from employees.

4. Talent Mindset

(Ques 6): The organization has a defined talent acquisition strategy.

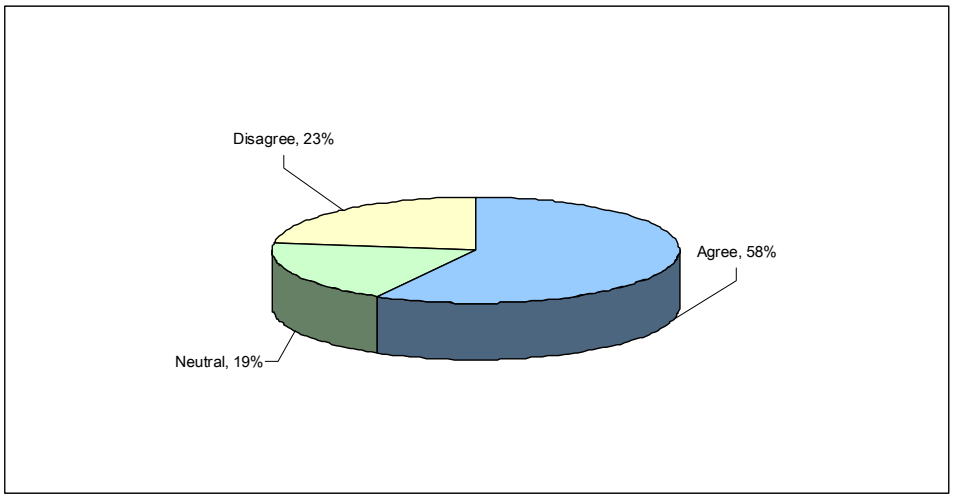
(Ques 7): The organization has a defined talent retention strategy.

(Ques 13): The organization provides career opportunities for employees to further development and growth.

(Ques 17): Management is measured on the performance of their people

	Ques 6	Ques 7	Ques 13	Ques 17	
Strongly Agree	9%	7%	21%	9%	58%
Agree	40%	44%	60%	42%	
Neither Agree or Disagree	21%	23%	12%	21%	19%
Disagree	23%	21%	7%	21%	23%
Strongly Disagree	7%	5%	0%	7%	

Figure 5.5: Talent Mindset



- In 49% of the respondents' organisations there is a defined talent acquisition strategy.
- In 51% of the respondents' organisations there is a defined talent retention strategy.

- 81% of the respondents feel that their organization provides career opportunities for employees to develop and grow.
- 51% of the respondents agree that management is measured on the performance of their people

5. Drivers of Engagement

   (Ques 8): The organization:

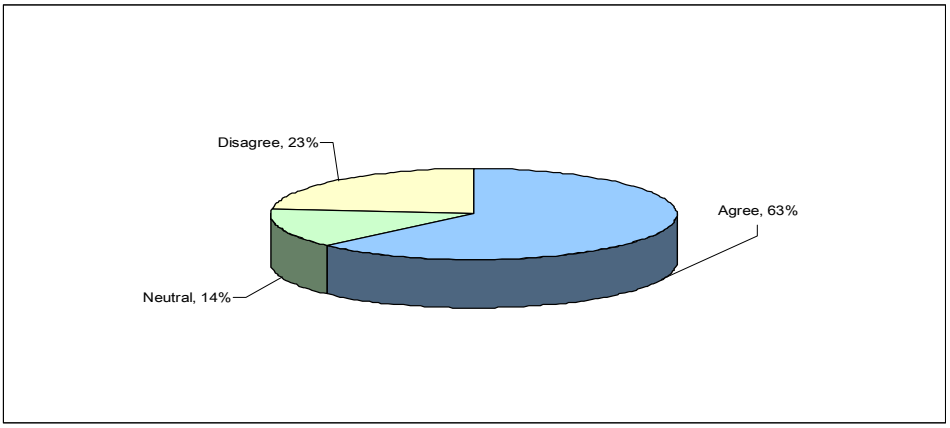
   a. incentivises superior performance

   b. deals effectively with poor performance

   (Ques 12): The organization celebrates its successes with employees

	Ques 8a	Ques 8b	Ques 12	
Strongly Agree	24%	5%	15%	63%
Agree	50%	42%	54%	
Neither Agree or Disagree	10%	19%	15%	14%
Disagree	12%	26%	15%	23%
Strongly Disagree	5%	9%	2%	

Figure 5.6: Drivers of Engagement



- 74% of respondents feel that their organization incentivises superior performance.
- However, only 46% of respondents feel that their organization deals effectively with poor performance.

- A total of 68% of the respondents' organizations celebrates its successes with its employees.

6. Measurements and Benchmarks

   (Ques 14) The company

   a. Measures the effectiveness of HR initiatives

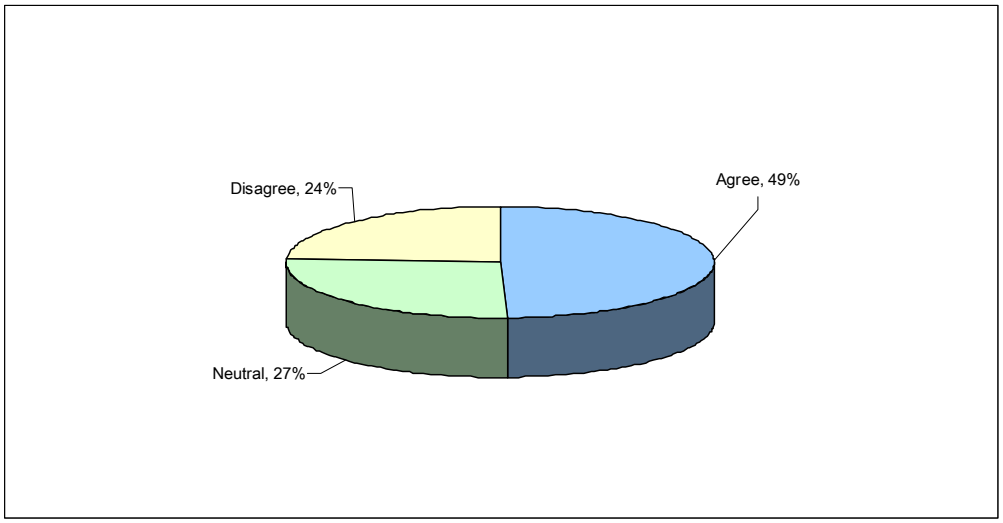
   b. Benchmarks the impact of HR initiatives

   (Ques 15): The organization benchmarks the products and / or services it provides to the market

   (Ques 16): HR benchmark reports are acted upon by management.

	Ques 14a	Ques 14b	Ques 15	Ques 16	
Strongly Agree	12%	5%	33%	9%	49%
Agree	30%	33%	44%	33%	
Neither Agree or Disagree	28%	21%	19%	40%	27%
Disagree	26%	37%	5%	16%	24%
Strongly Disagree	5%	5%	0%	2%	

Figure 5.7: Measurements and Benchmarks



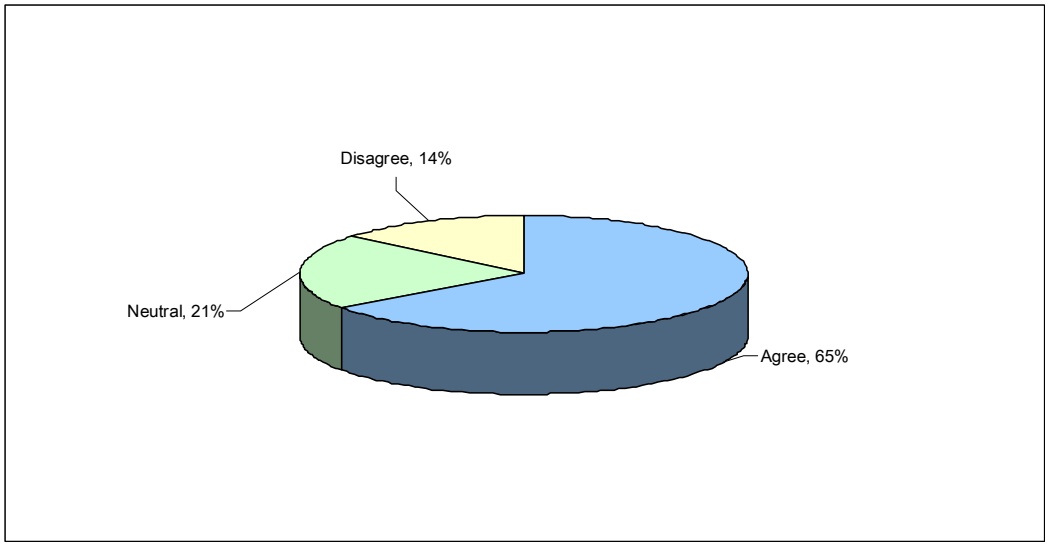
- Only 41% of the respondents agree that their organization measures the effectiveness of HR initiatives
- However, 41% of the respondents do not believe that their organization benchmarks the impact of HR initiatives
- A total of 77% of the respondents' organization benchmarks the products and/or services that it provides to the market.
- Only 42% of the respondents feel that HR benchmark reports are acted upon by management.

7. Stakeholders' involvement and relationships

(Ques 18) The organization is transparent when dealing with change

Strongly Agree	14%	65%
Agree	51%	
Neither Agree nor disagree	21%	
Disagree	14%	14%
Strongly Disagree	0%	

Figure 5.8: Stakeholders' Involvement and Relationships



- 65% of the respondents' organizations are transparent when dealing with change.

8. Communication and Knowledge Sharing

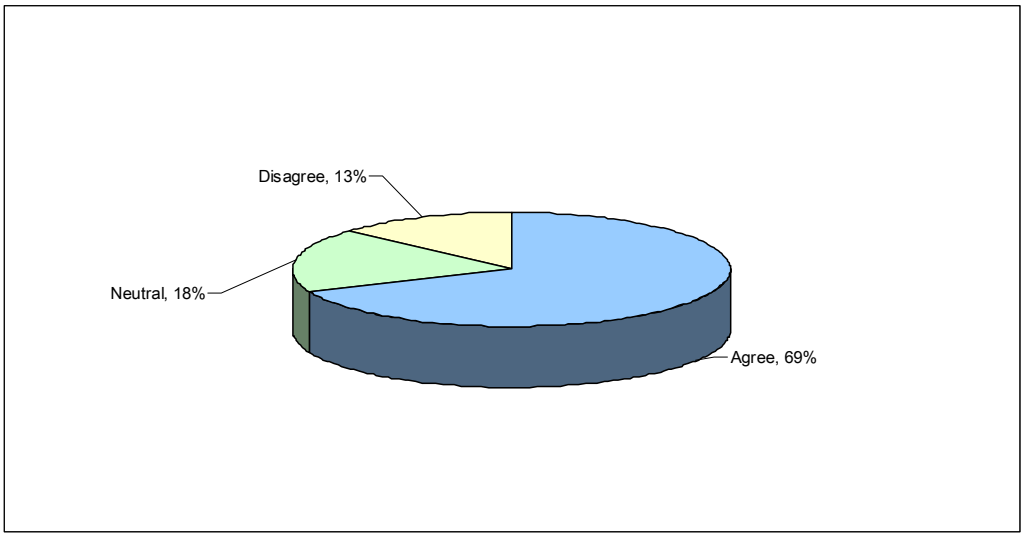
   (Ques 10): The organization encourages the sharing of information, knowledge and resources

   (Ques 11): There is continuous communication in the organization on

   a. the goals and progress achieved
   b. any new developments affecting employees

	Ques 10	Ques 11a	Ques 11b	
Strongly Agree	12%	12%	16%	69%
Agree	64%	40%	60%	
Neither Agree or Disagree	10%	26%	19%	18%
Disagree	10%	21%	5%	13%
Strongly Disagree	5%	0%	0%	

Figure 5.9: Communication and Knowledge Sharing



- A total of 75% of the respondents' agree that their organizations encourage the sharing of information, knowledge and resources.

- Only 52% of the respondents agree that there is continuous communication in their organization on the goals and progress achieved.
- While 76% of the respondents believe that there is continuous communication in their organization on any new developments that affect their employees.

9. Organisation's Reputation and Branding (Questions 19; 21 and 22)

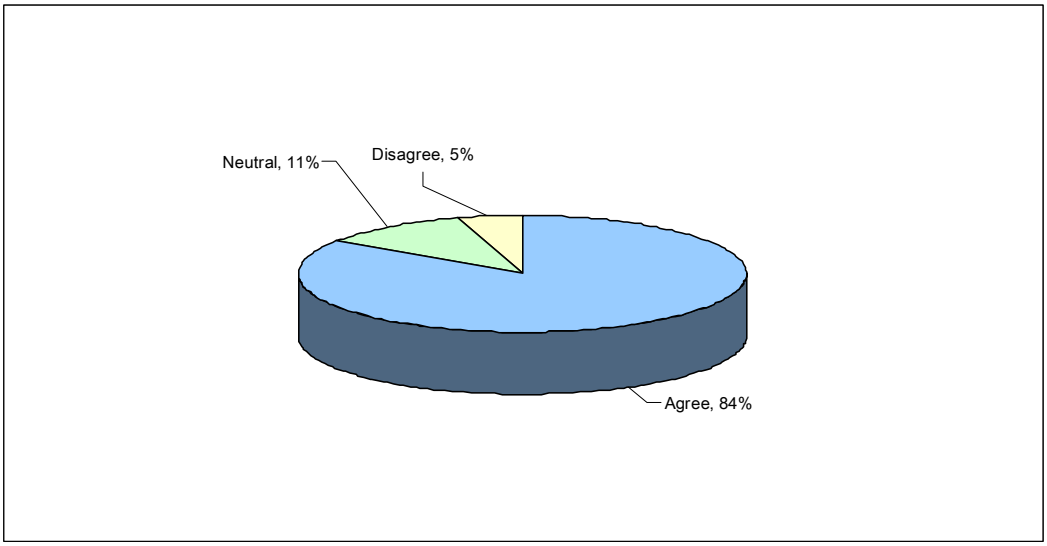
   (Ques 19): The organization's reputation is viewed as sound by stakeholders.

   (Ques 21): The organization generally retains its customers for long periods

   (Ques 22):The organization and its products and / or services are well respected in the market.

	Ques 19	Ques 21	Ques 22	
Strongly Agree	23%	24%	47%	84%
Agree	58%	62%	40%	
Neither Agree or Disagree	12%	10%	12%	11%
Disagree	2%	5%	2%	5%
Strongly Disagree	5%	0%	0%	

Figure 5.10: Organisation's Reputation and Branding



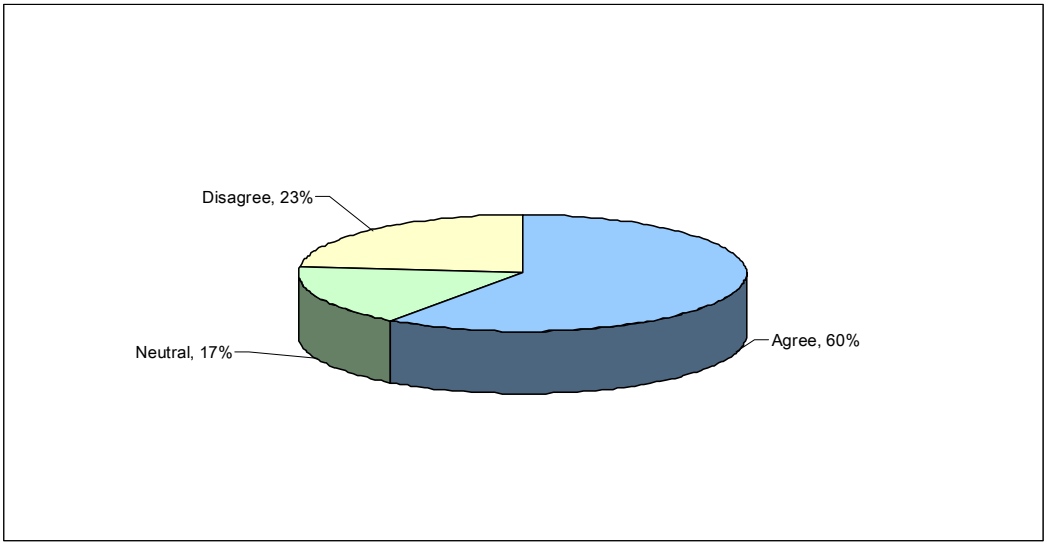
- A solid 81% of respondents' agree that their organization is viewed as sound by stakeholders
- A solid 86% of respondents feel that their organization retains its customers for long periods.
- A total of 87% of respondents agree that their organization, its products and/or services are well respected in the market.

10. Work/Home Life Balance

(Ques 20): The organization values work and home life balance.

Strongly Agree	10%	60%
Agree	50%	
Neither Agree nor disagree	17%	
Disagree	21%	23%
Strongly Disagree	2%	

Figure 5.11: Work/Home Life Balance



- Only 60% of organizations value a work-home life balance, according to the respondents

CHAPTER 6: INTERPRETATION OF RESULTS

The purpose of this chapter is to evaluate the research results presented in the previous chapter. The results of the research were critically scrutinized with a view of establishing to what extent they are consistent with the propositions as outlined in chapter 3 and how they differ across different industries and from the theories and research reviewed in Chapter 2. The results were analysed to establish whether different perspectives are obtained between companies that participated in Deloitte's Best Company to Work for Survey in 2005 and vice versa, those companies that did not participate or whether there is a commonality of views. As expressed in the previous chapter, initially open-ended questions were posed to find out how different organizations defined employee engagement, whether they had an employee engagement strategy in place, what presupposed and employee engagement culture as well as establish factors and promote and inhibit employee engagement in their own organizations.

4.8 Proposition 1

There are a set of factors that will emerge as important in the promotion of employee engagement:

- Employee Engagement Strategy
- Culture of engagement
- Leadership and management
- Talent Mindset
- Drivers of engagement
- Measurement and benchmarks
- Stakeholders' involvement and relationships
- Communication and knowledge sharing
- Organisation's reputation and branding

- Work/Home Life Balance

It has been gathered from research findings that 87.6% of the organizations who participated in the research defined employee engagement being about commitment, participation, involvement and ownership by employees of their jobs. The respondents' definition of employee engagement is to a large extent not different from the employee engagement dimension mentioned in the literature in this research. The central theme in Melcrum's (2005) definition is commitment; Hewitt (2005) also shares the same sentiment. This suggests that there is common understanding between theory and practice as regards to the definition of employee engagement. Shaw (2005) associated the inarticulation of employee engagement as resulting to the core problem in strategy implementation. However, 60% of the respondents to the questionnaire associated employee engagement with increased performance, productivity and business success.

As regards to the question whether there was an employee engagement strategy in place, 60% of the organizations who participated in the research said they had an employee engagement strategy in place, and mentioned a variety of human capital initiatives as elements that contribute to employee engagement strategy. These human capital initiatives differed from organization to organization, and included:

- Training Committees
- Formal methods that aid the company in getting the best possible solutions through involvement and communication.
- Asking employees for assistance in problems that impact the company and their performance.
- Regular information sharing sessions, newsletters, meetings that keep employees informed about happenings in the company.
- Holistic employee wellbeing
- Performance management

- Career development
- Incentive programmes that reward excellent service
- Internal brand building initiatives
- Employee participation
- Mentorship schemes
- Participation in the Best Company to work for Survey
- Project participation
- Meet the CEO breakfasts
- Social Clubs
- Change management solutions
- Gender forums
- Climate Surveys
- Schuitema “Care and Grow” principles
- Values campaign

The apparent differences in approaches could be attributed to the different business challenges, competitiveness and interpretation of current and future human capital realities. Thorten (2005) supports this approach since employee engagement initiatives need to be adapted to particular circumstances. Even the companies that participated in the 2005 Best Company to Work for survey that responded to this research, were not uniform in their perception of human capital initiatives that aim at employee engagement facilitation in their organizations.

Though all the companies that responded to the research do not have a formal employee engagement strategy in place except for some elements of it, most of them are in agreement with its importance and positive impact to business success. Hewitt (2005) also concurs with the existence of a causal relationship between employee engagement and business success which was empirically proven through studies he conducted.

The respondents were asked to express their opinion on what evidence there is to show that an organization has an employee engagement culture. 70% of the respondents mentioned low turnover, increased productivity and living the brand of the organization as factors. Greenburg (2004) also endorses the idea of low turnover and productivity as symptomatic of an employee engagement culture. Productivity, staff retention and living the brand were also mentioned by Levin and Sloane (2005), who also asserted that, highly engaged employees become company ambassadors to the outside world.

The respondents were asked in an open-ended questionnaire, to express factors that in their opinion, promoted employee engagement. The most common views were leadership, reward and recognition, and communication. Kee (2005) suggests that leadership is the key promoter of employee engagement, also Melcrum (2005), supports the same, as does Robinson, Harley and Lee (2005). Shaffer (2005) endorses that line of sight and reward and recognition are important to promote employee engagement.

In the analysis, the factors commonly identified as promoting employee engagement by most respondents were not necessarily practically applied at coal face as proven by the findings (Table 6.1). This is attributed to the lack of a formal integrated approach to employee engagement. Whilst it is useful to have elements of employee engagement in organisations as defined before, the lack of a holistic approach affects impact and effectiveness. Using the Likert Scale, three categorized areas of factors that promote employee engagement were identified as being experienced by the respondents are shown in table 6.1.

Table 6.1: Most to Least Practiced Factors



As per table 6.1, employee engagement culture, role of leadership and management and the use of measurements and benchmarks are the least practiced in the respondents' companies, whilst in the research study, most respondents had identified these factors as crucial. Clearly, this demonstrates that there is a dissonance in most organisations between the expectations of the human resources professionals and the companies' leadership in this regard.

The most practiced factors, in most organisations, as perceived by the respondents, were identified as good organisation reputation and branding, communication and knowledge sharing, stakeholders' involvement and relationships and employee engagement strategy. It seems that a synergy exists between the perception of HR Professionals of these factors as to how they are

operationalised in the respective organisations. However, the perception that in most organisations, employee engagement strategy is being implemented is difficult to reconcile with the fact that the same respondents also perceive a lack of employee engagement culture from the same organisations. Further research in this area is worthwhile pursuing.

Table 6.1 also shows the factors that were classified by respondents as neither most practiced or least practiced. These factors, which were drivers of employee engagement included line of sight; reward and recognition; involvement in decision making; sharing of information and knowledge and work/home life balance. Whilst respondents also identified these factors as important in promoting employee engagement, the perception is they are somewhat practiced by the different organisations.

6.2 Proposition 2

The set of factors that will emerge as being important in promoting employee engagement will be common across all companies and industries

The analysis has proven that the factors that promote employee engagement are not necessarily different in different organizations and industries. As can be seen in table 5.9, most respondents identified recognition and reward; leadership and management and communication as important areas. There was a clear pattern that developed in this regard, which was not informed by industry and other characteristics mentioned in the survey questionnaire (appendix 1).

When further content analysis was performed on the structured section of the questionnaire to find out whether the respondents' experience of the factors that promote employee engagement as they related to being different based on industry. The reverse was in fact true; industry did not play a role in this instance.

In addition, content analysis was conducted to find out whether there would be different perceptions from the respondents on factors that promote employee engagement between those companies that participated in the Deloitte's Best Company to Work for Survey of 2005 and the other remaining group that participated in this research study. No differences in the views were found; respondents from those organisations seem to have more or less similar perspectives. The same was also the case when it came to measuring how employee engagement is practiced in those organisations.

CHAPTER 7: CONCLUSIONS AND RECOMMENDATIONS

7.1 Summary

The findings of the present study concur with the literature on the factors that promote employee engagement in South Africa. It is submitted that however, there is little written about employee engagement in South Africa and the present study has uncovered useful information in this regard. The literature research and study findings give constructive insight into different methodologies applicable in the design and implementation of the employee engagement philosophy in organizations. The research also clearly confirms that a “one size fits all” approach is not possible even if the same factors were identified.

From the research study and literature, a useful employee engagement model has been proposed as exemplified in Figure 7.1.

In explaining the proposed model, to start with, Business Strategy is important as it relates to the organisation’s vision, mission and values. This sets the tone for the company’s direction. Secondly, the engagement levers that deal with the success factors of employee engagement in particular the culture and the leadership of the organization are key in this process. Thirdly, strong human capital strategies and systems anchor the engagement process because without these nothing can be achieved. Fourthly, the working environment which entails a congruency of efforts to strategy and a people-centric and talent mindset culture are also key as the literature has confirmed.

All the above can only lead to engaged employees, customer loyalty, increased retention, productivity and profits.

7.2 Perceptions vs. Reality

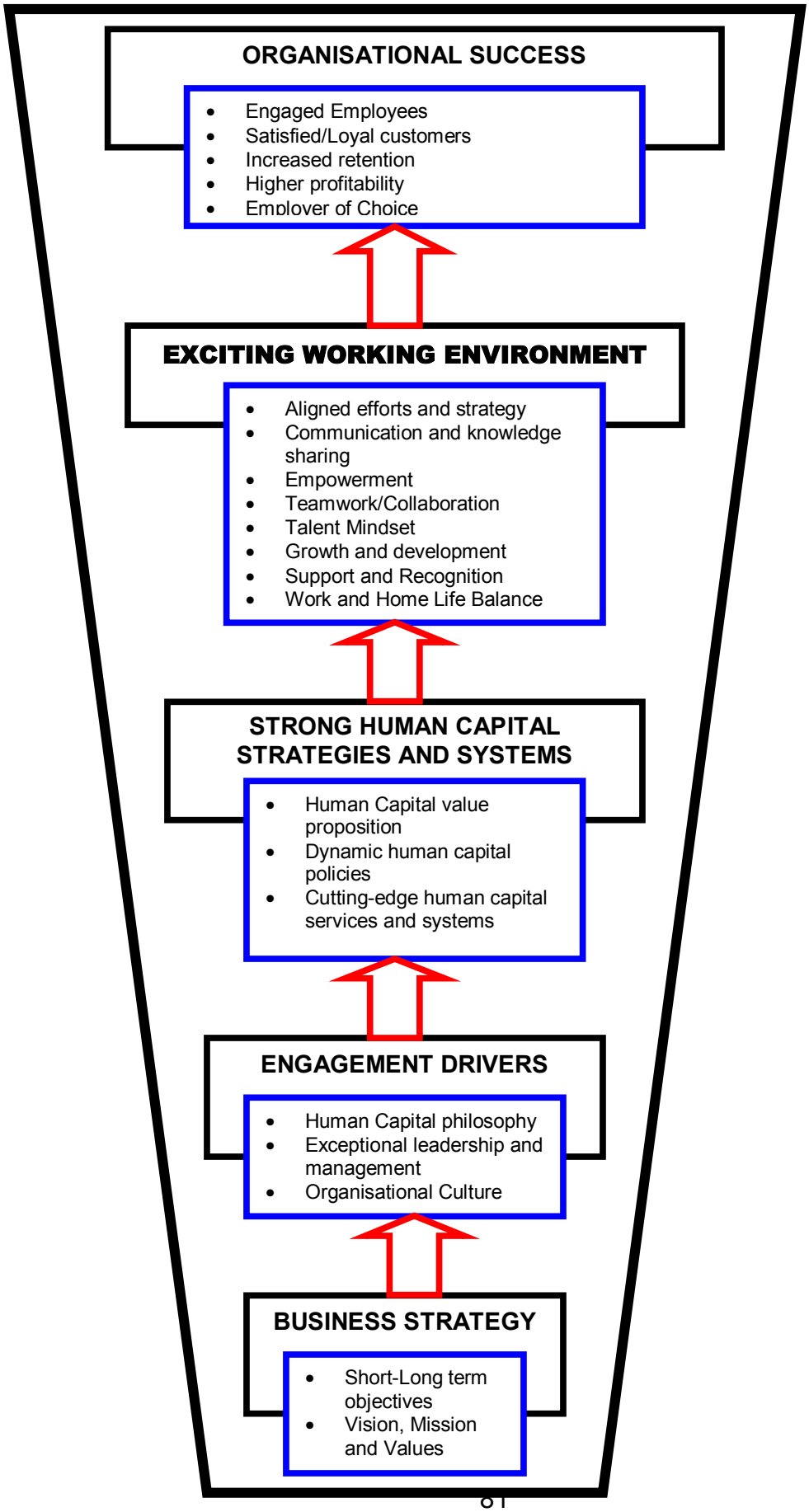
The research was based on the cooperation and understanding of the respondents who completed the questionnaire. The research questionnaire focused on those factors that promote employee engagement, based on the literature reviewed. However, it must be noted that this survey was limited to how the respondents understood the definition of employee engagement and what they perceived to be the factors that promote it in their organizations. It is possible that in some instances there could be a discourse between perception and reality.

Also the fact that the target population for this research plays the part of being catalysts of employee engagement within their own organizations could have had an impact in influencing their perception versus the reality. If other stakeholders within these organizations had participated in this research, the results could have varied significantly. There is a scope for further research as regards employers' perceptions of employee engagement within their organizations.

7.3 Recommendations for Leadership and Management

- Embrace the mindset of getting every employee's cognitive, affective and behavioural commitment at the workplace through inspired leadership that also "walks the talk", in order to create an exciting culture.
- Recognise the importance and getting employees to buy into the company's vision, mission and values so that their efforts can align towards the vision, mission and values.
- Harness talent mindset, development, reward and recognition based on line of sight as well as work/home life balance is critical.
- Ensure an understanding of the need to implement appropriate measurement tools and benchmarks.

Figure 7.1 Proposed Employee Engagement Model



7.4 Suggestions for further research

- The research study was limited in the sense that it was mainly HR Practitioners who responded to the survey questionnaire; a further detailed research on the perceptions of employees in organisations could bring different insights.
- Further research that compares the extent to which the factors that promote employee engagement are different or common from those identified in the top 10 rated Best Companies to Work for Survey of 2006, can also bring interesting dimensions.
- Further research study measuring the extent of the engagement of employees in different organizational layers as well as investigating whether different engagement dimensions can be applied in each layer or not.

REFERENCES

Alderfer, C. (1969) An Empirical Test of New Theory of Human Needs, *Organizational Behavior and Human Performance*, Vol. 4, pp.143-175

Bashinksy, A (2004) Leadership, culture and employee engagement: Do CEO's actually get it? *Human Resources: Australia's leading HR publication*, June, pp. 13.

Bateman, T. and Crant, M. (2003) *Revisiting Intrinsic and Extrinsic Motivation*. Unpublished Manuscript, US pp. 10-15

Bates, S. (2004) Getting Engaged. *HR Magazine,* Vol 49, Iss 2, February, pp.44.

Becker, B., Huselid, M. and Ulrich, D. (2001) *The HR Scorecard*. Harvard Business School Press.

Bendell, N. (2004) *Business Forum*, February, Gibs, Jhb

Bernathal, P.R. (2003) *Leadership Forecast: A benchmarking study,* Pittsburgh, PA: Development Dimensions International, pp. 3-30.

Bower, D.J. (2005) *Engaging Employees – a critical element of high productivity.* Wilshire Bvld, Los Angeles, US. Available from: http://www.ttgconsultants.com/articles/engagingemployees.html [Accessed on October 31st, 2005]

Brown, S.P (1996) A Meta-analysis and review of organizational research on job involvement. *Psychological Bulletin,* 120: 234-255.

Buckingham, M. and Coffman, C. (1999) *First, Break all the rules,* Simon and Schuster, New York.

Burgess, L. and Sloan, N. Creating Commitment using tried and true retention strategies research publication pp. 48-50. Human Resources Inc. USA.

Cameron, D. and Quinn, (2005) *Positive Organizational Scholarship,* Berrett Koehler, San Francisco:

Cameron, D. (2005) *Developing Management Skills*, Prentice-Hall, Upper Saddle River

Cameron, K., Dutton, J. and Quinn, R. (2005) In *Leading the Positive Organization*. 14-18 November, Ann Arbor, University of Michigan.

Carmichael, T. (2003) *Perceived Return on Investment on MBA,* unpublished, MM (HR) Thesis, Wits Business School, Johannesburg.

Cooper, D.R. (1998) *Business Research Methods*, McGraw-Hill, New York.

Corporate Research Forum (2005) *The Employer Brand and Employee Engagement*, Available from http://www.crforum.co.uk/pdfs/Summaries/2005/08-05%20PMN.pdf#search=%22the%20employer%20brand%20and%20employee%20engagement%22 [Accessed on 2 November 2005].

Crabtree, S (2003) *Bringing work problems home.* Research paper, Life and Work Connections Inc. USA

Crabtree, S (2003) Engagement keeps the doctor away – a happy employee is a healthy employee. *Gallup Management Journal,* January 2005 pp. 1-20.

Creswell, J.W. (1994) *Research Design: Qualitative and quantitative approaches.* SAGE Publications, London.

Cropley, A. (2005: Employee Communications Surveys: an event or a culture? *IABC International Conference*, Washington, DC.

Deming, W. (1993) *The New Economics for Industry, Government and Education. Cambridge*: Massachusetts Institute of Technology Centre for Advanced Engineering Study.

Dutton, J. (2003) *Energize your workplace: How to build and sustain high quality connections at work,* Berrett-Koehler, San Francisco.

Earle, R. (2005) *In today's workplace – it's not the stress, it the toxicity*. Paper. Workplace Toxicity and Stress Consulting Inc. USA.

Effron, M., Gandorsey, R and Goldsmith, M. (2003) *Human Resources in the 21st Century,* John Wiley and Sons Inc., New Jersey.

Furlonger, D (2005) Best of the Best, *Financial Mail,* 30 September 2005, pp.20.

Garvey, C (2004) Connecting Organisational Pulse to the Bottom Line. *HR Magazine,* June, pp. 70-75, Washington, DC.

Gratton, L. (2000) *Living Strategy: Putting People at the Heart of Corporate Purpose*, Prentice-Hall, Great Britain.

Greenberg, J (2004) Increasing employee retention through employee engagement, *Alphameasure Incorporated Publication,* October, pp. 3.

Gubman, E (1998) *The Talent Solution,* McGraw-Hill, New York.

Gubman, E. (2003) *The Engaging Leader,* Dearborne, Chicago.

Gubman, E. (2004) From Engagement to passion for work: the search for the missing person. *HR Planning,* 42: pp. 3-27.

Hertzberg, F. (1966) *Work and the Nature of Man.* World Publishing, Cleveland.

Hewitt, E. (2005) Refreshing Engagement. Hewitt's online Magazine – October. Available from: http://www.hewitt/resources/rptpubs/hewittmagazine/vol17iss2/features-hewitt03.html [Accessed on: 31 October 2005]

Hochschild, A.R. (1983) *The Managed Heart: Commercialisation of Human Feeling.* University of California Press: Berkeley, CA.

Human Resource Institute (2004) Reengaging the workforce. *Trendwatcher,* Issue 211, May 7.

ISR (2003) *Engaged Employees Drive the Bottom Line*, Research Summary, Chicago, Illinois pp. 10-35.

Johnson, G. (2004) Otherwise Engaged. *Training,* Vol 41, Iss 10, October, *Journal of Applied Studies*, 3, pp. 71-92.

Kahn, W.A. (1990) Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal,* Vol. 33, pp. 692-724.

Kahn, W.A. (1992) To be fully there: psychological presence at work. *Human Relations,* Vol. 45, pp. 321-50.

Kee, M.R. (2003) Corporate Culture makes a fiscal difference. *Industrial Management,* Vol 45, Iss 6, November/December, pp. 19.

Kickul, J. and Posig, M. (2001) Supervisory emotional support and burnout: An explanation of reverse buffering effects. *Journal of Managerial Issues,* 13, pp. 328-345.

Kozlowski, S.W.J., Chao, G.T., Smith, E.M. and Hedlund, J. (1993) *Organizational downsizing: strategies, interventions, and research implications.* In C.L. Cooper and I.T. Robertson (Eds.).

Krosnick, J.A. (1999) Survey Research, *Annual Review of Psychology*, 50, pp. 537-567.

Leedy, P.D. and Ormrod, J.E. (2001) *Practical research: Planning and Design.* Seventh Edition, , Merrill Prentice Hall, Upper Saddle River.

Levin, B. and Sloan, N. (2005) Using tried and true retention strategies, *Workspan Magazine,* July, 2005.

Levitt, T., Lucas, M., and Ortlepp, K. (2000) Burnout in psychiatric nurses: contributions of the work environment and a sense of coherence. *SA Journal of Psychiatry,* 30: pp. 36-43.

Lodahl, T.M and Kejner, M. (1965) The definition of measurement and job involvement. *Journal of Applied Psychology,* Vol. 49, pp. 24-33.

Masarech, M.A. (2004) Enthused and In Gear: Ingredients for Employee Engagement. *The Canadian Manager*, Vol 29 Iss 4, Winter, pp. 18.

Maslow, A. (1943) A theory of Human Motivation. *Psychological Review*, 50: pp. 370-396.

McGregor, D. (1960) *The Human Side of Enterprise.* McGraw-Hill.

Melcrum Publishing (2005) *An Independent Research Report – Employee Engagement,* Melcrum, UK.

Miles, M.B and Huberman, A.M (1994) *Quantitative Data Analysis: An Expanded Sourcebook,* second edition, Sage Publications, Thousand Oaks.

Morgan, L., Sprietzer, G., Dutton, J., Quinn, R. Heaphy, E. and Barker, B. (2005) How to play to your Strengths*. Harvard Business Review*, pp. 1 – 7.

Osgood, P (2005) Refreshing Engagement, *Hewitt's online magazine*, pp. 12.

Oxford Dictionary (1992) Oxford Dictionary Press, Walton Street, Oxford.

Pearson, G. (2005) Employee Engagement. *Canadian HR Reporter* Vol 18 Iss 18, 12 September, pp. 7.

Pentilla, C. (2004) *Entrepreneur Magazine*, March Issue. North Carolina, USA pp. 10.

Pieters, J. and Van Leeuwen, B. (2005) Employee Brand: *Strategic HR Review,* Vol 4, Iss 4, May/June, pp. 18.

Resource Development System, 2004 *Who's working in our organization?* Publication article, City Lake Florida, US.

Roberts, L.M., Spreitzer, G., Dutton, J., Quinn, R., Heaphy, E. and Barker, B (2005) *How to play your strengths.* Harvard Business Review, pp. 1-6.

Robinson, D., Harley, A., and Lee, D. (2005) How to integrate culture and employee engagement. *Strategic HR Review,* Sept/Oct, Vol 4, issue 6. Melcrum Publishing, UK.

Robinson, D., Perryman, S. and Hayden, S (2004) *The Drivers of Employee Engagement Report 408*. A study supported by the IES Research Networks USA. Available from: http://www.employment_studies.co.uk/summary/summary.php?id=408 [Accessed on October 31st, 2005]

Robson, C. (2002) *Real World Research,* (2nd Ed), Blackwell Publishing, Oxford.

Salkey, K. (2005) Employee Engagement: Global Survey. An Independent Melcrum Research Report, Executive Summary, UK.

Schaufeli, W.B. and Bakker, A.B. (2004) Job demands, job resources and their relationship with burnout and engagement: A multi-sample study*. Journal of Organisational Behaviour*, 25, pp. 1-23.

Schaufeli, W.B. and Enzmann, D. (1998) *The burnout companion to study and practice: A critical analysis.* Taylor and Francis, London.

Schaufeli, W.B., Salanova, M., González-Roma, V. and Bakker, A.B. (2002) The measurement of engagement and burnout: A confirmative analytic approach, *Journal of Happiness Studies*, Vol 3 (1), pp, 71-92.

Schutte, N., Toppinen, S., Kalimo, R. and Schaufeli, W.B. (2000) The factorial validity of the Maslack Burnout Inventory – General Survey (MBI-GS) across occupational groups and nations*. Journal of occupational and Organizational Psychology,* 73, pp. 53-66.

Shaw, K. (2005) An Engagement Strategy process form Communicators. *Strategic Communication Management*, April/May 9, 3; ABI/INFORM Global, pp. 26.

Strauss, A (2001) *Qualitative Analysis for Social Scientists,* Cambridge University Press, Cambridge.

Suver, S.M. (2005) IABC International Conference 2005. Arrow Electronics Incorporated, *Employee Engagement: Business Buzz or Serious Business?* USA.

The Gallup Organisation (1992-1999) *Gallup Workplace Audit,* Washington, DC: US. Copyright Office.

Thomas, A. and MacDiarmid, A. (2004) Encouraging Employee Engagement. *CMA Management,* Vol 78 Iss 4, June/July, pp.14.

Towers Perrin (2003) The Towers Perrin Talent Report. Working Today: Understands what drives Employee Engagement pp. 11-201.

Towers Perrin (2003) Tougher Times… Tougher HR. September pp. 17-37.

Towers Perrin (2004) European Talent Survey. Available from: http://towersperrin.com/hrservices/webcache/towers/united_kingdom/publications/reports/talent_exec_survey/talent_survey04.pdf [Accessed on October, 31st, 2005].

Towers Perrin Talent Report (2003) USA. Available from: http://www.towersperrin.com/hrservices/webcache/towers/united_states/publication/reports/talent_report_2003.pdf [Accessed on October 31st, 2005]

Watson Wyatt Worldwide (2003) *Integrated Measurement: What is it and how it helps your company.* Research publication, April 2003, UK

Wellins, R., Bernathal, P. and Phelps, M. (2005) Development Dimensions International, 1-30, Pittsburgh, PA.

Wellins, R.S., Bernthal, P. and Phelps, M. (2005) *Employee Engagement: The key to realizing competitive advantage* [Internet]. Available from: http://www.ddiworld.com/pdf/ddi_employeeengagement_mg.pdf [Accessed October 31st, 2005].

West, G.B. (2000) *The Effects of Downsizing on Survivors.* Ph.D. thesis, Virginia Polytechnic Institute and State University.

White, R. (1959) Motivation Reconsidered: The Concept of Competence. *Psychological Review,* 66: pp. 297-333.

Zikmund, W.G. (1997) *Business Research Methods*. Fort Worth, The Dryden Press.

APPENDIX 1

MASTERS' RESEARCH

FACTORS CONTRIBUTING TO EMPLOYEE ENGAGEMENT IN SOUTH AFRICA

Dear Colleague

I am conducting research on the above topic for the purposes of contributing to best practices in this particular area of study. This is being done as part of the course requirements for the degree of Masters in Management for which I am registered at the Wits Business School.

Employee Engagement is one of the crucial business issues facing South Africa as well as the rest of the world. Simply put, it comprises getting every employee's full presence and commitment to the company they work for. The challenge is how to go beyond the required expectations and produce outstanding performance.

All things being equal, the study will unfold whether there are a number of variables at play that influence commitment or engagement, or lack of it. For example, what type of impact is caused by the company's vision and mission, culture, its leadership, cutting edge human resources practices, or external forces to name a few.

Could you please return the completed questionnaire by no later than the 15 August 2006.

I wish to thank you for being willing to complete this research.
How would you like to receive the results, (please tick):

Post ☐ Email: ☐

Should you have any queries of concerns regarding the completion of this survey, please do not hesitate to contact me.

Kind Regards

Mawethu Cawe
Student No: 9111753K
Cell Number: 083 269 1985
Email: cawem@johncom.co.za
Research Supervisor: Terri Carmichael

RESEARCH QUESTIONNAIRE

FACTORS CONTRIBUTING TO EMPLOYEE ENGAGEMENT IN SOUTH AFRICA

Please read the instructions provided for each section before answering the questions that follow. The questionnaire consists of 3 sections:

Section 1 - Background Information
Section 2 - Employee Engagement definition and strategy
Section 3 - Reflecting on personal experience and perception of Employee Engagement in YOUR OWN organisation

---

Section 1 – Background information regarding your organization

(Please mark the most appropriate box)

1. Type of Company

   Private sector ☐ Public Sector ☐ Parastatal ☐
   Other (please specify): _____

2. Listing of Company

   Not Listed ☐ JSE Listed ☐ International Listing ☐
   Other (please specify): _____

3. Organisation Structure

   Holding company ☐ Subsidiary of local company ☐

   Subsidiary of international company ☐ Single unit company ☐

   Not applicable ☐

   Other (please specify): _____

4. Organisation Revenue/Turnover/Budget (per annum)

Up to R30m	R31m – R100m	R101m – R300m	R301m – R750m	R751m – R1.5bn	R1.5bn – R5bn	Over R5bn
☐	☐	☐	☐	☐	☐	☐

5. Current number of employees in your organisation

Up to 100	101 – 500	501 – 1000	101 – 5000	5001 – 10000	10001 – 25000	Over 25000
☐	☐	☐	☐	☐	☐	☐

6. Is your company represented?

Internationally ☐ Nationally ☐ Regionally ☐
Other (please specify): _____

7. Did you participate in the Best Company to Work for Survey last year?

Yes ☐ No ☐
If yes, in what position were you rated? _____

8. Industry Sector type (please mark ONE option only)

8.1	Resources (e.g. mining, gas and oil)	☐
8.2	Basic Industries (e.g. Chemicals, forestry and paper, steel and metals, construction and building)	☐
8.3	Financials (e.g. Investment companies, banks, specialty and other finance, life assurance, insurance, real estate)	☐
8.4	Non-Cyclical consumer goods (e.g. Beverages, food producers and processors, health, pharmaceuticals and biotechnology)	☐
8.5	Cyclical consumer goods (e.g. Household goods and textiles, automobile and parts)	☐
8.6	Cyclical Services (e.g. General retailers, support services, leisure and hotels, media and entertainment, transport)	☐
8.7	General Industries (e.g. Diversified industries, electronic and electrical equipment, engineering and machinery)	☐
8.8	Information Technology (e.g. Hardware, software and computer services)	☐
8.9	Non-cyclical services (e.g. food and drug retailers, telecommunications, development capital, venture capital	☐
8.10	Professional services (e.g. legal, audit, consulting)	☐

8.11. Other (please specify): _____

9. What is your position title? Mark ONE option only

9.1	HR Manager/Director	☐
9.2	Remuneration/Compensation manager	☐
9.3	Finance Manager/Director	☐
9.4	Managing Director/CEO	☐
9.5	Operations manager/director	☐
9.6	Remuneration/compensation analyst	☐

9.7. Other (please specify): _____

Section 2: Understanding of Employee Engagement and factors that promote and inhibit it.

1. What is your understanding of the term “employee engagement” and the benefits of having an employee engagement strategy in your organisation?

2. Do you have employee engagement strategies or practices in your organization?

YES	NO

If yes, please list the employee engagement initiatives that you are implementing in your organisation

3. In your opinion, what evidence would indicate that an organization has a culture of employee engagement?

4. In your opinion, what factors would drive or promote employee engagement within an organization?

5. In your opinion, what factors would inhibit employee engagement within an organization?

Section 3: Reflecting personal experience and perception of Employee Engagement in YOUR OWN organization

Please state the extent to which you agree or disagree with the following statements by placing an "X" in the appropriate box:

	Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
1. Our employee engagement strategy is supportive of the business strategy					
2. Leadership and management "walks the talk" in terms of their behaviour to ensure that all employees are engaged.					
3. Leadership and management enjoys a high level of trust from employees.					
4. Strategic HR policies and initiatives promote employee engagement at all levels of the organization.					
5. Organisational performance is impacted positively due to the employee engagement culture					
6. The organization has a defined talent acquisition strategy					
7. The organization has a defined talent retention strategy					
8. The organization: • incentivises superior performance (a)					

- deals effectively with poor performance. (b)

Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

9. The organization has a culture of Employee engagement.

Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

10. The organization encourages the sharing of information, knowledge and resources

Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

11. There is continuous communication in the organization on
    - the goals and progress achieved (a)

Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

    - any new developments affecting employees (b)

Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

12. The organization celebrates its successes with employees.

Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

13. The organization provides career opportunities for employees to further development and growth

Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

14. The company
    - Measures the effectiveness of HR initiatives (a)

Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

    - Benchmarks the impact of HR initiatives (b)

Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

15. The organization benchmarks the products and / or services it provides to the market.

Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

16. HR benchmark reports are acted upon by management.

Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

17. Management is measured on the performance of their people

Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

18. The organization is transparent when dealing with change

Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

19. The organisation's reputation is viewed as sound by stakeholders.

Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

20. The organization values work and home life balance

Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

21. The organization generally retains its customers for long periods.

Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

22. The organisation and its products and / or services are well respected in the market.

Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

Many thanks for your time

Name: _____

Company: _____

Telephone: _____

Postal Address: _____

_____

_____

Please email completed questionnaire to cawem@johncom.co.za

SECTION 3

RES	INDUSTRY	1	2	3	4	5	6	7	8a	8b	9	10	11a	11b	12	13	14a	14b	15	16	17	18	19	20	21	22
1	PROFESSIONAL SERVICES	4	2	3	2	4	2	3	5	4	3	2	3	3	4	4	2	1	3	3	3	4	4	3		4
2	CYCLICAL SERVICES	3	4	4	4	3	1	1	1	3	3	4	3	3	4	4	2	2	5	2	3	4	5	4	3	5
3	BASIC INDUSTRIES	4	3		3	3	4	2	4	2	3	3	2	4	3	4	2	2	4	2	4	3	4	4	4	5
4	NON-CYCLICAL SERVICES	5	3	2	4	3	4	4	4	1	2	3	3	4	4	3	3	4	5	3	4	5	4	3	4	5
5	NON-CYCLICAL CONSUMER GOODS	3	4	3	4	3	2	4	5	4	3	4	5	5	4	4	3	3	5	3	4	5	3	4	4	4
6	CYCLICAL SERVICES	5	4	2	2	3	3	2	2	2	2	4	3	3	4	4	4	2	4	2	3	3	4	4	4	3
7	CYCLICAL SERVICES	2	5	4	4	4	4	4	4	4	4	4	4	4	4	4	5	5	5	4	4	4	5	4	4	5
8	CYCLICAL SERVICES	3	4	4	4	4	2	4		4	4	4	4	4	2	4	4	2	4	2	2	4	4	4	4	4
9	BASIC INDUSTRIES	5	2	2	2	3	4	3	4	2	2		2	4	4	4	2	2	4	3	3	2	4	2	4	5
10	PROFESSIONAL SERVICES	2	5	3	4	5	5	5	5	4	5	5	5	5		5	4	4	5	4	5	5	4	5	5	5
11	GENERAL INDUSTIRES	5	2	2	4	4	4	3	2	1	2	2	3	2	3	4	1	1	4	1	1	2	4	2	4	3
12	BASIC INDUSTRIES	4	5	4	5	5	5	5	4	4	5	5	5	5	5	5	5	4	5	5	5	5	4	5	5	5
13	CYCLICAL SERVICES	4	2	2	3	3	2	3	4	3	4	4	4	4	3	4	2	2	4	3	4	4	4	4	4	4
14	FINANCIALS	4	5	4	4	5	3	3	5	5	4	4		5	4	3	3	3	4	4	4	4	4	3	5	5
15	RESOURCES	4	4	3	3	4	2	2	4	3	3	4	3	4	4	4	2	2	3	3	4	4	3	3	3	4
16	CYCLICAL SERVICES	4	4	3	4	4	4	3	4	4	4	3	3	3	4	4	3	4	3	3	2	3	4	3	4	5
17	FINANCIALS	5	3	3	3	3	4	4	4	3	3	4	4	4		4	4	3	4	3	4	3	4	4	4	4
18	BASIC INDUSTRIES	4	5	4	5	4	4	4	5	4	5	5	4	4	4	5	4	4	5	5	4	5	4	4	4	5
19	RESOURCES	4	3	3	4	3	4	4	4	2	3	4	4	4	2	4	4	4	5	3	3	4	5		5	4
20	CYLICAL CONSUMER GOODS	5	4	4	4	5	4	4	5	4	4	4	5	5	4	4	4	2	5	4	4	4	5	3	5	5
21	FINANCIALS	5	2	2	4	4	3	4	4	4	4	4	4	3	4	4	4	2	4	4	2	4	4	5	5	5
22	PROFESSIONAL SERVICES	5	4	4	4	5	5	4	4	3	4	4	4	3	5	5	4	4	5	4	4	4	5	4	4	4
23	FINANCIALS	4	3	4	4	4	2	4	5	4	3	4	4	4	5	4	2	2	4	3	4	4	4	4	4	4
24	PROFESSIONAL SERVICES	4	4	3	4	4	3	3	3	3	4	4	3	4	3	4	4	4	4	4	3	3	4	4	4	4
25	CYCLICAL SERVICES	2	3	2	3	3	2	2	2	2	2	2	2	3	2	2	3	2	4	2	2	2	2	2	2	3
26	FINANCIALS	4	2	2	4	3	5	4	4	4	3	3	4	4	4	4	5	4	4	5	3	4	4	4	4	4
27	RESOURCES	2	4	4	2	3	4	4	4	2	4	4	2	4	2	4	3	4	4	4	4	4	5	2	4	5
28	INFORMATION TECHNOLOGY	5	2	2	4	2	4	4	4	4	2	4	2	4	1	3	2	4	2	4	2	2	1	2	3	2
29	BASIC INDUSTRIES	1	4	3	4	4	4	3	4	4	4	4	4	4	4	4	3	3	3	4	4	4	4	4	4	4
30	FINANCIALS	2	1	1	2	2	2	2	3	1	1	1	2	2	2	2	2	2	3	3	2	2	3	2	4	3
31	PROFESSIONAL SERVICES	1	4	2	2	2	2	2	2	2	2	4	2	4	2	2	2	2	4	2	2	4	4	2	4	4
32	CYCLICAL CONSUMER GOODS	4	4	4	4	4	3	4	4	5	3	4	4	4	5	5	3	3	5	4	4	4	5	4	5	5
33	PROFESSIONAL SERVICES	1	3	4	3	4	3	3	3	4	3	4	4	4	4	4	4	4	5	3	3	3	5	4	5	5
34	CYCLICAL SERVICES	5	1	1	1	1	1	1	1	1	1	1	2	3	3	3	1	2	3	3	1	3	1	1	3	3
35	INFORMATION TECHNOLOGY	1	2	2	4	5	4	4	5	2	2	5	3	4	4	5	2	3	3	3	4	2	4	4	4	4
36	FINANCIALS	4	1	1	3	2	1	2	4	2	1	2	3	4	4	4	3	2	2	2	1	3	3	5	2	4
37	NON CYCLICAL CONSUMER GOODS	4	3	4	3	4	3	4	3	2	2	4	2	4	4	4	3	2	4	3	3	4	4	2	4	5
38	FINANCIALS	5	4	4	4	4	2	2	4	4	4	4	4	4	4	4	4	4	4	4	2	4	4	4	4	5
39	NON CYCLICAL SERVICES	4	5	4	5	5	4	2	5	3	5	5	5	5	5	4	5	3	5	4	5	4	5	4	5	5
40	PROFESSIONAL SERVICES	4	4	4	4	5	3	3	4	4	4	4	4	4	4	5	3	3	4	3	4	4	4	3	4	4
41	NON CYCLICAL CONSUMER GOODS	4	2	2	4	4	4	4	2	2	4	4	4	4	4	5	5	5	5	5	2	5	5	4	5	5
42	PROFESSIONAL SERVICES	5	4	4	4	4	3	4	4	3	3	4	3	4	3	3	3	3	3	3	4	3	4	4	4	4
43	NON CYCLICAL CONSUMER GOODS		4	4	5	4	4	5	5	4	4	4	4	5	5	5	4	4	4	4	5	4	3	2	4	5