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FAMILY INVOLVEMENT, EMPLOYEE ENGAGEMENT AND EMPLOYEE PERFORMANCE IN ENTERPRISING FAMILY FIRMS

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Abstract

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The study has been designed to analyze probable determinants of employee performance in family firms. A quantitative methodology was adopted. Data were collected from 113 employees from fifteen family businesses located in the Western Province in Sri Lanka. Correlation and ordinal logistic regression analysis were used to elaborate the relationships. Correlation analysis indicated that both family involvement and employee engagement correlate to employee performance. Family involvement in case of holding positions in functional and strategic levels by family members has shown no correlation to employee performance. Yet, having a family member as immediate boss/supervisor of an employee in the job has a strong correlation to employee performance. Regression analysis makes evident that almost all coefficients of the employee are negatively related to employee performance. Yet, all levels of employee engagement are significantly related to employee performance. It further shows that being the lower levels of employee engagement increases the likelihood of lower levels of employee performance.

Keywords: employee performance, employee engagement, family involvement, family firms, enterprising family firms, Sri Lanka.

INTRODUCTION

Present day business firms are obliged to face sudden business challenges and uncertainties due to the influence of micro and macroeconomic factors in the competitive global business environment. To cope with these uncertainties and challenges, most businesses rely on their human capital. Ultimately, being the one and only live resource in the firm, providing innovations and bringing new knowledge to obtain competitive advantages, employees of the firm become responsible for human capital. As a result, employees in a firm are treated as the main asset in present day organizations and individual employees' performance have become the main determinant of organizational performance management. Performance management is a process of aligning of individuals and teams of the firm to achieve expected performance outcomes for strategic goals of the firm (Aguinis 2009; Cascio and Aguinis 2011). It directs both groups to perform in a way to minimize the gap of acquired and required performances (Cascio 1996). In complying with these changes in business world, scholars in research field started to analyse employees' individual performance in line with goals of the firm. Most of the scholars believe that both firm performance and employees' performance can be enhanced by aligning human resource practices with the performance management techniques (Hartog *et al.*, 2004). Accordingly, employee performance has been defined as a group of activities or behaviours which promote or demote producing goods and services which satisfy organizational goals (Rotundo and Sackett, 2002).

According to previous research, mostly financial and non-financial rewards and intrinsic and extrinsic motives have been identified as drivers of employee performance in an organization (Cascio and Aguinis 2011). Furthermore, variables such as managerial styles, leadership, types of the product or services or nature of customers – significant to the particular firm or significant characteristics such as training, experience, education or position of individuals/group of employees in a firm – have been identified as variables which drive employee's performance (Aguinis 2009). As a result, previous studies have adequately conceptualized employee performance in different HR functions. At the same time, those researchers have been trying to analyse factors related to employee performance in general. But, conclusions on employee performance in case of internal and external factors of a business firm are mostly contextual and situational (Cascio 1996). Previous studies clearly indicate that conclusions of employee performance are subject to change based on the job position, the firm, the region and the country. Those studies which have reported insignificance and mixed conclusions on employee performance as human behavior can even vary on an individual basis. However, studies on employee performance of different types of firms are very limited. Even though the importance of different types of existing businesses in case of individual employees are identified in the literature clearly (Miller *et al.*, 2004), research studies in this field have mostly concluded by putting all the firms into one basket. Perhaps some of the factors which have been analysed in previous research studies in relation to employee performance are not equally valid for all types of businesses. Especially a business like a family firm, recognized as a different type of firm, may not be covered under the general conceptualization of employee performance matters. Therefore, analyzing employee performance and satisfying the knowledge gap of employee behavior in family business have become important requirements.

Family firms are identified as a different category of businesses and are the subject of much debate by scholars in the recent past (Villalonga and Amit 2006). Family firms, which average 80 percent of firms all over the world, have the problem of performing well in the long term (Miller *et al.*, 2004, Salvato and Leif, 2008) while they are financially outperforming over non-family firms in the short term (Anderson and Reeb, 2003; Le Breton-Miller, 2005; Dyer 2006; Villalonga and Amit 2006). However, several studies exist in literature describing how family businesses should operate for long term sustainability, survival and growth (Korsching and Allen 2004; Sharfman and Dean 1991). Many of these studies concentrated only on the prevailing business system as a determinant of business survival and very few have approached resources available in both the family and the business. Mainly, studies of Resource-Based View (Barney, 1991) on family businesses have focused on resource availability in the firm and the ability of human resources to bring performance advantages. On the other hand, very few studies have researched the human resource aspects of family business. Those studies also concluded with conflicting results and paved the path for many inconsistencies in performance measures of individual employees in businesses such as family vs. non family (Sciascia and Mazzola, 2008). Often, these inconsistencies are normally problematic in the comparison of firms; thus, it is difficult to apply the research findings in a real work scenario. Accordingly, the main goal of this study is analyzing probable determinants of employee performance in family firms. Identification of the effect of family involvement and employee engagement to the employee performance serve as partial goals. This research is expected to contribute to the literature by advancing the present knowledge of human resource management in family businesses specifically about employee performance. First, this study advances the knowledge of employee performance on the effect of family involvement in the firm. Second, this research offers a further analysis on the relationship of employee engagement and employee performance. This study becomes one of the initial studies to conceptualize employee performance in family firms.

Business and economic environment in Sri Lanka

Sri Lanka is a multicultural country with different religions, languages and races. According to Chandrakumara (2007), people of the country are characterized by more Eastern cultural orientation than Western. Yet, Nanayakkara (1999) argues that the culture of the country is highly influenced by Western culture in the recent past. In any event, Sri Lanka has a history spanning over 2,500 years, a period which includes different influences made by everything from early traditional Indian culture to Europeans under colonization. This has happened easily as Sri Lanka is located in the southeastern part of the Indian Ocean with only 65,610 square km. The population of the country is 20.3 million (Department of Census and Statistics, 2012) and is ethnically composed of Sinhalese 75%, Tamil 15%, Moors 9% and other ethnic groups 1%. Politically, Sri Lanka is a Democratic Socialist Republic and multi-party democracy has existed since 1977. A President who is elected by people of the country is considered the head of state. Presently, the economy has become politically stable after its thirty-year civil war.

Sri Lanka is categorized as a middle income developing nation whose GDP was US$ 79 billion in 2014. According to Central Bank report 2014, the service sector accounts for around 60 percent of that; the industrial and production sector 30 percent. Top exports earnings are remittances, textile and garments, tea, rubber and tourism. Sri Lankan macroeconomic indicators such as annual GDP per capita and GDP growth rate have reported continuous growth since the conclusion of civil war in 2009. The country could maintain average 8 percent economic growth rate, single digit inflation and employment. In the meantime, the economy of Sri Lanka has been classified as that of a successful nation which has shifted from import to export-based substitution (Athukorala and Rajapatirana, 2000). As a result, a considerable amount of foreign investors and new ventures have started appearing in Sri Lanka. Currently, the contribution of foreign investment in the export manufacturing sector is reported as 80 percent.

Sri Lanka's working age population is 15.4 million (73.1 percent of total population) and the labor force is 8.2 million – 65 percent male and 35 percent female (Department of Census and Statistics, 2014). Economic inactivity is higher for females (68 percent). Interestingly, sectoral composition has been rapidly changing from agricultural to service and industry over the last couple of years. Currently, the service sector has 43 percent of the employment in Sri Lanka. This percentage reaches up to 70 percent in urban areas of the country. Female to male gender disparity is reported as 0.7 in public and 0.4 in private sectors. This ratio shows a higher deviation (2.87) in unpaid house worker category. Ultimately, Sri Lanka has shown a positive trend in the education level of the labour force. Employees who have studied only up to primary education account for 19 percent; it is a significant ratio which indicates more and more employees are moving from a less to a moderately educated status over the last decade.

Literature and hypotheses development

Family businesses

Researchers in the family business field of the world have not been able to agree on one definition of a family firm. In general, "family firm" implies a business which is partly or fully managed by people appointed based on blood or relative relationship. Moving beyond the general definition, this study treats family firm as a business in which few or more family members on blood or relative relationship have management, governance and ownership responsibilities; further, at least more than one member from the founding family bear the strategic level decision-making power in positions like Chief Executive Officer, General Manager, Founder or Chief Executive (Kellemarnns et al, 2012). At this point, considering the most recent definitional approaches, scholars of family firms have agreed upon two significant key concepts about family business. Firstly, family firms are not consistent with one another and they are also significantly different from non-family firms (Sharma 2004; Chrisman, Chua, and Sharma, 2005). Secondly, all family firms have interaction of the business entity, the family unit, and its individual members (Habbershon and Williams, 1999). As a result, family firms fit into two descriptions: lifestyle and enterprising family firms. Business as the primary focus to achieve non-financial objectives through value creation is identified as lifestyle family firms: their main purposes are to provide jobs to family members and stabilizing family ties (Chrisman, Chua, and Litz, (2003). An enterprising family firm promotes wealth creation through entrepreneurial and management actions recognizing prospects of long-term vision with key stakeholder's objectives and is identified as the different family business to life style family business (Chrisman, Chua, and Litz, 2003).

Family involvement in business

Family involvement in business makes family firms different from non-family firms. This differentiation mainly occurs as members from the owner family are involved in strategic and operational decision-making process in the business (Astrachan, Klein, and Smyrnios, 2002; Le Breton-Miller and Miller, 2009). Family involvement describes the influence of owner family members on managerial decision-making and operational activities in functional areas of the business. In addition to identifying business operational involvement, researchers have pointed to family involvement in business governance and ownership (Chrisman *et al.*, 2003; Handler, 1989; Klein *et al.*, 2005; Zahra, 2003). Furthermore, few studies have emphasized family involvement as workers in non-managerial positions (Kuruppuge and Gregar, 2015). Yet, many empirical research evidences in family firms suggest that family involvement in operational activities is more important than other involvement activities, such as ownership and governance (Chrisman *et al.*, 2005; Zahra, 2003). Family involvement in operational or management activities explains how family members from the owning family carry out duties and task to achieve objectives of the business as top, middle and lower level managers of the business. Such contribution may be further viewed in long and short period of time and strategic, functional and operational level decision-making. In the meantime, Sciascia and Mazzola (2008) emphasized in their study that those employees of family firms have familial concept in negotiating with each other within the firm. When family members are working in the firm, all employees who are surrounded by them are encouraged and motivated to perform well. Further, field theory (Lewin et al, 1939) explains about individual behavior in a unique physiologically interrelated society. Moreover, the interaction by family members may diverse the direction of motivation for employees to perform differently in the firm. Ultimately, family involvement motivates employees to participate in their duties and tasks efficiently and effectively (Kuruppuge and Gregar 2015).

H 1: Family involvement is positively correlated to employee performance in enterprising family firms in Sri Lanka

Employee engagement in the job

Employee engagement is viewed as "a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication and absorption" (Bakker *et al.*, 2007, p. 274). Furthermore, Rich *et al.* (2010) defined employee engagement as a full deployment of individuals' hands, heads and hearts in their job performance. However, employee engagement is a result of an employee's commitment and involvement in the job towards his or her job, values and organization (Schaufeli and Salanova, 2011). Knowing his or her responsibilities towards business goals, making colleagues motivated to perform well and expecting organizational success are identified as the main features of an employee who is engaged in the job. It is treated as a positive emotional connection of employees to his or her organization. An employee's positive view about the firm always makes the employee engage in duties or tasks beyond their responsibility and even on a voluntary basis (Bakker *et al.*, 2007). Kahn (1990, p. 694), who first elaborated on employee engagement, viewed it as the "harnessing of organizational members' selves to their work roles" and mentioned further that in engagement, "people employ and express themselves physically, cognitively and emotionally during role performances." As a result of the availability of many personalized definitions, researchers in this field have not agreed upon on one definition or the name of the construct: many researchers review the construct as employee engagement, while others argue that it should be named as job engagement (Rich *et al.*, 2010) or work engagement (Schaufeli and Salanova, 2011).

Employee engagement in the job is a mirror of both the financial and non-financial performance of the firm and the firm's growth. As explained in the family involvement, field theory has provided enough justification regarding why employees engage in their jobs and their outcomes. Many studies have pointed out that employee engagement is a key determinant of employee and firm performance, task performance and organizational citizenship behavior as well (Christian *et al.*, 2011; Rich *et al.*, 2010). Further, they suggest that enhancing employee performance is mainly dependent on employee engagement in the job. Demerouti and Cropanzano (2010) concluded that employee engagement leads to both enhanced employee and firm performance. The same conclusion has been again confirmed by Mone and London (2010) who elaborate the positive relationship between employee engagement and individual performance.

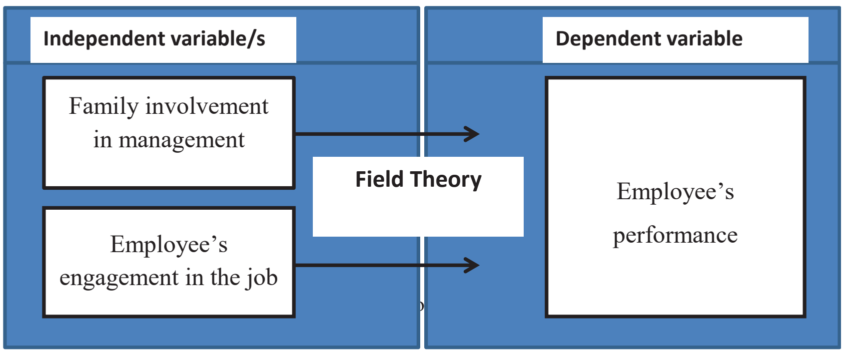
H2: Employee engagement in the job is positively correlated to employee performance in enterprising family firms in Sri Lanka.

The literature review clearly emphasized the link between family involvement and employee engagement with employee performance. Hypotheses were set based on existing knowledge available in the knowledge base of performance management. Fig. 1 provides the picture of the concept.

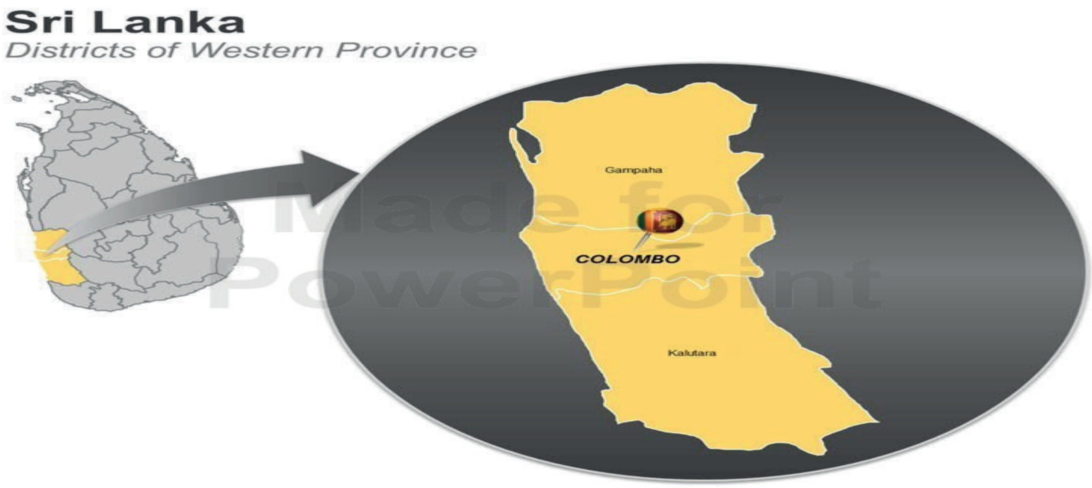
MATERIAL AND METHODS

This study was designed based on quantitative methodology. Cross sectional data were gathered by deploying a survey between the months of June and October, 2015. A survey questionnaire was designed as an interviewee-administered instrument to collect primary data from respondents. All respondents are employees in enterprising family businesses in Sri Lanka. Enumerators and the researcher collected data from 137 employees on site. Twenty four questionnaires were rejected at the final round of data tabulation as they do not contain enough information. A total of 113 questionnaires were considered as valid responses for data analysis. Stratified random sampling technique was implemented to select businesses and respondents. First, fifteen family oriented privately held enterprising family businesses were selected as the sample. Firms were randomly selected based on geographical location in the western province based on family business name list. The list of family businesses in the Western Province was provided by Chamber of Commerce, Sri Lanka.

The geographical boundary of this study is limited only to Western Province, which consists of three districts: Colombo (capital city), Gampaha and



1: *Conceptual framework of the study*
Source: developed by researchers based on literature

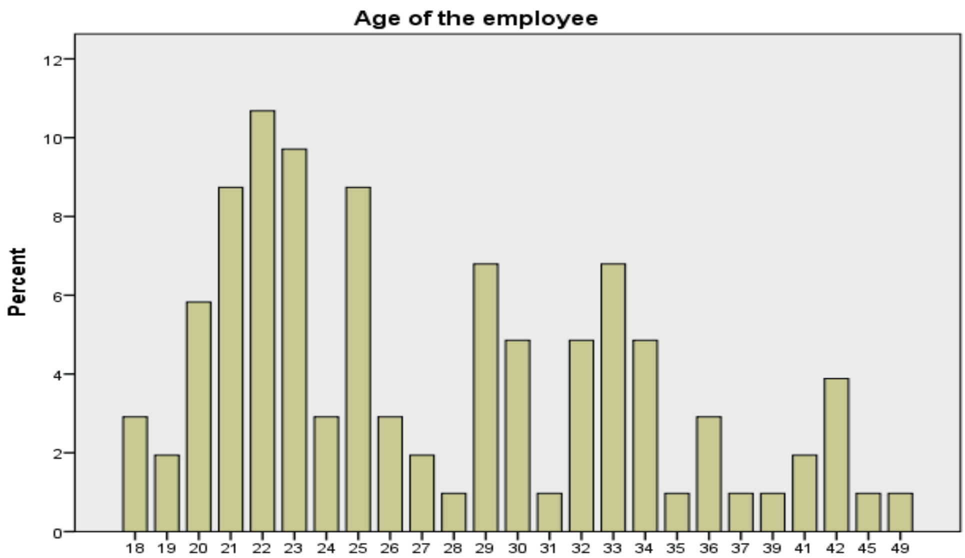


2: *Study area*
Source: satellitecitymaps.com

Kalutara (Fig. 2). All fifteen businesses selected as the sample of this study are located in one of these three districts. The location of firms consists of nine from Colombo and three each from Gamapha and Kalutara. Second, nine employees on average from each business were considered as the sample of respondents. Respondents were selected based on their department, division or unit. Data analysis was initiated using descriptive statistics. Then, correlation and regression techniques were used to test the hypotheses. Correlation analysis helped to identify relationships among the variables. Regression was also used to identify the level of impact made by family involvement and employee engagement on employee performance in family firms. Ordinal regression was used in the analysis. The results of the analysis were interpreted in line with hypotheses.

Measurements in variables

Conceptualization of this study consists of two independent variables and one dependent variable. Each variable of this study is assessed by validated measurements which were developed and used by some other study. A five-item, seven-point Likert-type scale (from 1 – strongly disagree to 7 – strongly agree) was used to measure employee engagement (Saks, 2006). The other independent variable, family involvement in management, was measured by a nominal scale, six yes-no questions (Kim and Gao, 2013). The dependent variable employee performance was measured using a six-item, seven-point Likert-type scale from 1 – strongly disagree to 7 – strongly agree (Salanova *et al.*, 2005). *See the Appendix 1 for measurements*.



3: *Distribution of employee's age in the sample*
Source: Calculations are based on sample survey, 2015

I: *Employee's experience in the job.*

Years of experience in the job					
		Frequency	**Percent**	**Valid percent**	**Cumulative percent**
Valid	less than 6 years	68	55.8	56.3	56.3
	between 6 to 12 years	28	26.9	27.2	83.5
	between 12 to 18 years	15	14.4	14.6	98.1
	more than 18 years	2	1.9	1.9	100.0
	Total	113	100.0	100.0	
Total		113	100.0		

Source: Calculations are based on sample survey, 2015

II: *Employee's position in the firm.*

Position in the firm					
		Frequency	**Percent**	**Valid percent**	**Cumulative percent**
Valid	represent in top management	1	1.0	1.0	1.0
	represent in middle management	7	6.7	6.8	7.8
	represent in low management	21	20.2	20.4	28.2
	do not represent in managepostmen	84	71.2	71.8	100.0
	Total	113	99.0	100.0	
Total		113	100.0		

Source: Calculations are based on sample survey, 2015

RESULTS AND DISCUSSION

Data analysis of this study is carried out in two stages. First, a descriptive overview about respondents and responses is given at the beginning of the analysis. The respondent's demographic characteristics reviewed against the main variable of the study are presented in this section. Second, the relationship of employee engagement and family involvement to employee performance is tested.

Descriptive overview of the sample

A description of demographic characteristics of respondents and responses helps identify the sample and sample characteristics in general (Schaufeli and Salanova, 2011). It will further strengthen the clarity of hypotheses testing. The sample was 60 percent male and 40 percent female. At the same time, the respondent's age deviated between 18 and 49 years. Most respondents are represented by the age ranges of 20 to 25 and 29 to 34 years. Fig. 3 provides a brief overview of respondents' ages.

At the same time, respondents' experience in the job varies over four ranges in years. Almost 56 percent of respondents have less than six years of experience. Tab. I shows the summary of experience of respondents in their jobs.

As the sample is selected from enterprising family firms, respondents' relationships to the family of ownership is an important determinant to being able to draw a conclusion of this study. Accordingly, only 13 percent of respondents have reported to be 'close' or 'very close relatives' to the owning family. Similarly, respondents' position in the job is also important in case of making a conclusion. Tab. I shows the nature of positions of respondents in businesses.

One of the other characteristics is respondents' experience in his or her existing position. Around 60 percent of respondents are represented by experience category from 1 to 5 years. Around 35 percent have more than five years of experience in the existing position. Meanwhile, the job orientation of respondents is reported: 62 percent of the sample in both labour and machines while 30 percent of the sample represents employees who mostly work with machines rather than manual work.

Hypotheses testing

Correlation analysis of Tab. I indicates that employee performance is correlated with both family involvement and employee's engagement. Both variables are significant ($p < 0.05$) at 90 percent confidence level. Very strong positive correlation (0.702) is reported between employee performance and family involvement. Even though the family involvement is calculated based on seven indicators which comprised the family's key positions in the firm (Chief Executive Officer [CFO], Vice Chief Executive Officer [VCEO], Chief Financial Officer [CFO], Head/Production [HP], Head/Marketing [HM], Head/Human Resource Management [HHRM] and Immediate Boss [IB]), the correlation analysis tested only the employee's IM's involvement

III: *Correlation analysis. Source: Calculations based on sample survey, 2015*

Description			Employee performance	Family involvement (IM)	Employee engagement
Spearman's rho	Employee performance	Correlation Coefficient	1.000	.702**	.387**
	Family involvement (immediate boss)	Correlation Coefficient	.702**	1.000	.004
	Employee engagement	Correlation Coefficient	.387**	.004	1.000

**. $p \leq 0.01$(two-tailed)

with employee's engagement and performance. This variable only is selected for two reasons. First, the individual employee is treated as the unit of analysis of this study; second, the most influential determinant of an employee's performance is his or her immediate boss (Cascio and Aguinis. 2011). At the same time, employee performance is reported to have less strong correlation (0.387) with employee engagement. Yet, the analysis indicates that the correlation between family involvement and employee engagement is not significant ($p> 0.05$). Accordingly, it is clear that both variables are not dependent on one another. Based on the correlation analysis, it is justifiable to conclude that both hypotheses of this study are supported by the results of correlation analysis.

Further, correlation among employee performance, employee demographic and general characteristics and all family involvement variables were tested. The test results ended up with some interesting findings. Job orientation & the immediate boss of employees have statistically significant results on employee performance. Another interesting finding is that no indicator in family involvement other than "immediate boss" is statistically significant. This implies that family member position as an immediate supervisor of an employee of the firm has greater impact than employee performance. At the same time, other key positions occupied by family members show no correlation to individual employee performance (*See Appendix 3 for more information).*

The ordinal logistic regression contained eight independent variables: employee engagement (ordinal- seven point likert scale), CFO (dichotomous variables), VCEO (dichotomous variables), CFO (dichotomous variables), HP (dichotomous variables), HM (dichotomous variables), HHRM (dichotomous variables), and IB (dichotomous variables). These were tested against employee's performance (ordinal- seven point likert scale), the dependent variable. The results of the model indicated case processing summary as shown in *Appendix 2*. Furthermore, model fitting information confirmed that the model is good to predict the outcome variable and the results. Chi-Square test results further confirmed that at least one of the predictor's regression coefficients is not equal to zero in the model. Result of goodness-of-fit showed that Pearson Chi-square is not significant. That implied that all data in the model are consistent. As shown Pseudo R-Square, around 75 percent (which is really a higher percent) of variance of outcome variable is explained by independent variables. *(See test results in Appendix 2.)*

One of the important analyses in the case of ordinal logistic regression is parameter estimation (*See Appendix 4*). Almost all logged odds represent that employee's engagement is statistically significant and represented by negative coefficients. That indicates more likely lower cumulative scores. However, this evidence supports the second hypotheses of this study, as odds of employee's performance are related by lower values of employee's engagement (Kim and Gao, 2013). At the same time, no variable of family involvement other than immediate boss is significant. It leads us to the conclusion that employee engagement is more influenced by employee's performance than family involvement. But, the role of a family member as an immediate boss of an employee has shown greater correlation with that employee' performance.

CONCLUSION

The main objective of this study is to identify determinants of employee performance of family business enterprises in Sri Lanka. Two sub-objectives, analyzing employee performance over family involvement and analyzing employee's performance over employee engagement, have been achieved in the study. Two hypotheses were tested in the study and both of them were supported by test results. Accordingly, this study could conclude that family involvement as an immediate boss of an employee and employee engagement are highly influential factors of employee performance in Sri Lankan family firms geared toward enterprise. Overall, a family member as an immediate boss of an employee shows very strong relationship to that particular employee's performance. All other positions held by family members in functional and strategic levels (CEO, VCEO, CFO, HHRM, HM and HO) demonstrate no confirmed influence on employee performance. Employee engagement in the job is also a highly influential determinant of employee performance. This clearly shows that when top

positions of the business are held by family members, there is no demonstrable effect on employee performance in Sri Lankan enterprising family firms. Employees are thus not much concerned about the top positions of their firms as they tend to coordinate with their immediate bosses. Where hierarchical structures of most of enterprising family firms in Sri Lanka are concerned, most lower level positions have no proper access to higher level positions. As a result, employees mostly consider their immediate boss as their representative to other administrative levels in family firms. That may have forced employees to perform well when their supervisor is represented by the family which owns the business. Results of the study further supported the argument that designating family members to positions like manager and supervisor in functional areas of the business enable better employee performance in the larger scale than appointing family members to top positions in the family firms.
This study suggests that employee engagement is a matter of great concern in employee performance. Once an employee of a family firm in Sri Lanka engages in his or her job, it is a clear indication of his or her contribution to the firm.
Results of the analysis indicate that family involvement and employee engagement is not statistically significant. In order to keep the employees engaged in the job in family firms in Sri Lanka, managers have to look to other human resources strategies more in line with family involvement. Therefore, if managers of family firms are keen on improving employee engagement, they would not consider increasing family involvement as an effective strategy.
The findings of this study are valued practically. Irrespective of the type of the firm, almost every business tries to maximize the use of their human resources. If a firm's managers are aware of the determinants of employee performance, their human resources can be used effectively and efficiently. At the same time, policy decisions related to employees could also be made based on the study findings; this is particularly true of employee performance at family firms in both the short and long run, as they are suffering from long term survival problem.
This study contains some limitations as well. First, this analysis is consisted of responses only from enterprising family firms. The lifetime family firms are not included in the sample. Therefore, generalization of this study's findings is difficult. Second, where the employee's performance is considered, only two probable factors (family involvement and employee engagement) are concerned as a determinant of the employee's performance. Yet, there are many other factors which may influence employee performance. Third, cross sectional data which are used in this study elaborate only situational information relevant to a particular time period. Still, explaining an employee's performance behavior should be more appropriate for analysis based on, for example, longitudinal data. However, a direction for future research in the same content and context of this research can be found easily by removing one of the above limitations of this study.

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Appendix 1

Variables measures – Employee performance

1. I really understand specific needs of customers (empathy).
2. I am able to "put ourselves in the customers' place" (empathy).
3. I am able to "tune in" to each specific customer (empathy).
4. Customer "surprise" with our excellent product and service (excellent performance).
5. We do more than usual for customers (excellent performance).
6. We deliver an excellent product and service quality that is difficult to find in other organizations (excellent performance).

Family involvement in management (FIM)

1. CEO (yes or no)
2. Vice CEO (yes or no)
3. Chief Financial Officer (yes or no)
4. Head of Production (yes or no)
5. Head of Marketing (yes or no)
6. Head of Human Resource Management (yes or no)
7. Your immediate supervisor (yes or no)

Employee engagement

1. I really "throw" myself into my job
2. Sometimes I am so into my job that I lose track of time
3. This job is all consuming; I am totally into it
4. My mind often wanders and I think of other things when doing my job (R)
5. I am highly engaged in this job

Appendix 2

Case Processing Summary

		N	Marginal percentage
Employee's performance	Neutral	5	4.4%
	Slightly Agree	21	18.6%
	Agree	59	52.2%
	Strongly Agree	28	24.8%
Employee's engagement	Slightly Disagree	2	1.8%
	Neutral	18	15.9%
	Slightly Agree	26	23.0%
	Agree	43	38.1%
	Strongly Agree	24	21.2%
CEO	yes	113	100.0%
VICE CEO	no	9	8.0%
	yes	104	92.0%
CFO	no	88	77.9%
	yes	25	22.1%
HP	no	59	52.2%
	yes	54	47.8%
HM	no	71	62.8%
	yes	42	37.2%
HHRM	no	41	36.3%
	yes	72	63.7%
IB	no	43	38.1%
	yes	70	61.9%
Valid		113	100.0%
Missing		1	
Total		114	

Model Fitting Information

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	196.963			
Final	69.748	127.215	10	.000

Link function: Logit.

Goodness-of-Fit

	Chi-Square	df	Sig.
Pearson	44.088	113	1.000
Deviance	41.764	113	1.000

Link function: Logit

Test of Parallel Linesa

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Null Hypothesis	69.748			
General	39.074[b]	30.674[c]	20	.060

The null hypothesis states that the location parameters (slope coefficients) are the same across response categories.
a. Link function: Logit.
b. The log-likelihood value cannot be further increased after maximum number of step-halving.
c. The Chi-Square statistic is computed based on the log-likelihood value of the last iteration of the general model. Validity of the test is uncertain.

Appendix 3

Correlations

			Gender	Experience	Link to business	Position	Experience in the position	Job orientation	CEO	VICE CEO	CFO	HP	HM	HHRM	IB	Employee's performance
Spearman's rho	Gender	Correlation Coefficient	1.000	–.330**	.092	.070	–.298**	–.074	.	.044	–.008	–.035	–.153	.063	.056	.091
	Experience	Correlation Coefficient	–.330**	1.000	–.297**	–.376**	.690**	.080	.	–.027	.230*	.305**	–.087	–.167	–.052	.131
	Link to business	Correlation Coefficient	.092	–.297**	1.000	.497**	–.420**	–.090	.	.051	.224*	–.140	.014	.091	.083	–.044
	Position	Correlation Coefficient	.070	–.376**	.497**	1.000	–.333**	–.242**	.	.223*	.303**	.243**	–.024	.257**	.088	–.074
	Experience in the position	Correlation Coefficient	–.298**	.690**	–.420**	–.333**	1.000	.161	.	.096	–.077	.330**	–.032	–.050	–.074	.054
	Job orientation	Correlation Coefficient	–.074	.080	–.090	–.242**	.161	1.000	.	.030	.116	.007	.251**	.224*	.124	.222*
	CEO	Correlation Coefficient	.	.	.	.	.	.	.	.	.	.	.	.	.	.
	VICE CEO	Correlation Coefficient	.044	–.027	.051	.223*	.096	.030	.	1.000	.157	.281**	.382**	.390**	.039	.013
	CFO	Correlation Coefficient	–.008	–.230*	.224*	.303**	–.077	.116	.	.157	1.000	–.168	.340**	.047	.242**	–.070
	HP	Correlation Coefficient	–.035	.305**	–.140	–.243**	.330**	.007	.	.281**	–.168	1.000	.479**	–.126	.020	.097
	HM	Correlation Coefficient	–.153	–.087	.014	–.024	–.032	.251**	.	.382**	.340**	.479**	1.000	–.372**	.075	.029
	HHRM	Correlation Coefficient	.063	–.167	.091	.257**	–.050	.224*	.	.390**	.047	–.126	.372**	1.000	–.023	–.133
	IB	Correlation Coefficient	.056	–.052	.083	.088	–.074	.124	.	.039	.242**	.020	.075	–.023	1.000	.702**
	Employee's performance	Correlation Coefficient	.091	.131	–.044	–.074	.054	.222*	.	.013	–.070	.097	.029	–.133	.702**	1.000

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Appendix 4

Parameter Estimates.

		Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
Threshold	[Employeesperformance = 4]	–28.230	1.500	354.202	1	.000	–31.169	–25.290
	[Employeesperformance = 5]	–24.817	1.316	355.601	1	.000	–27.396	–22.237
	[Employeesperformance = 6]	–1.709	1.152	2.203	1	.138	–3.966	.548
Location	[Employeesengagement=3]	–5.149	2.255	5.214	1	.022	–9.569	–.729
	[Employeesengagement=4]	–4.346	1.060	16.818	1	.000	–6.424	–2.269
	[Employeesengagement=5]	–3.583	.901	15.801	1	.000	–5.350	–1.816
	[Employeesengagement=6]	–1.263	.630	4.019	1	.045	–2.497	–.028
	[Employeesengagement=7]	0[a]	.	.	0	.	.	.
	[CEO=1.0]	0[a]	.	.	0	.	.	.
	[VICECEO=.0]	–1.640	1.034	2.516	1	.113	–3.667	.386
	[VICECEO=1.0]	0[a]	.	.	0	.	.	.
	[CFO=.0]	.197	.839	.055	1	.815	–1.447	1.840
	[CFO=1.0]	0[a]	.	.	0	.	.	.
	[HP=.0]	–.190	.549	.120	1	.729	–1.266	.886
	[HP=1.0]	0[a]	.	.	0	.	.	.
	[HM=.0]	–1.063	.781	1.855	1	.173	–2.593	.467
	[HM=1.0]	0[a]	.	.	0	.	.	.
	[HHRM=.0]	1.211	.676	3.210	1	.073	–.114	2.537
	[HHRM=1.0]	0[a]	.	.	0	.	.	.
	[IB=.0]	–22.920	.000	.	1	.	–22.920	–22.920
	[IB=1.0]	0[a]	.	.	0	.	.	.

Source: Calculations based on sample survey, 2015
Link function: Logit.
a. This parameter is set to zero because it is redundant.

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