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THESIS

**GENERATING EMPLOYEE ENGAGEMENT IN INTERNAL AUDIT
DEPARTMENT**

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ABSTRACT/EXECUTIVE SUMMARY

Along the thesis, the definition of Employee Engagement is provided and its four approaches, followed by the theory of Social Exchange. Through the research is noted the significant role that played the business culture that each company maintains in its employees. Moreover, the assignment proceeds to the definition of the internal audit and the analysis of the change of the nature of the job of the internal auditor into more consultative role. The purpose of the research is to investigate if the position of the internal auditor requires an engagement with the company, the ways and the means used to achieve this, both for the internal auditors and for all the other employees. Through qualitative research with semi structured interviews and the sample of 5 people from companies with different job responsibilities it sought to highlight the subject above. Specifically, the importance of the existence of Employee engagement is determined. Additionally, the thesis reveals the necessity of employee engagement in the Internal Audit department and the risks involved when such involvement is missing. The results have shown that because of the nature of the profession of IA, given the objectivity of independence and confidentiality to be possessed, one must be inextricably linked to the concept of Employee Engagement.

Keywords: employee engagement, business culture, social exchange, internal audit

ΠΕΡΙΛΗΨΗ

Στην παρούσα εργασία, αρχικά διατυπώνεται ο ορισμός της εργασιακής δέσμευσης και η τέσσερις προσεγγίσεις της . Έπειτα κατά μήκος της έρευνας αναλύεται η θεωρία της κοινωνικής ανταλλαγής. Σημειώνεται επίσης ο καθοριστικός ρόλος που διαδραματίζει η επιχειρηματική νοοτροπία που διατηρεί η κάθε εταιρεία ως προς τους εργαζομένους της. Καθώς εκτυλίσσεται το θέμα ακολουθεί ο δεύτερος ορισμός, του εσωτερικού ελέγχου και η ανάλυση της αλλαγής της φύσης του επαγγέλματος, αποκτώντας πιο συμβουλευτικό ρόλο. Σκοπός της έρευνας είναι να διερευνηθεί εάν η θέση του εσωτερικού ελεγκτή συνεπάγεται μιας παραπάνω δέσμευσης απέναντι στην εταιρεία, ενώ διακρίνονται οι τρόποι και τα μέσα που χρησιμοποιούνται για την επίτευξη και την πραγματοποίηση της εργασιακής δέσμευσης , τόσο στους εσωτερικούς ελεγκτές όσο και για όλους τους εργαζομένους . Μέσω μιας ποιοτικής έρευνας με ημί - δομημένες συνεντεύξεις και με δείγμα 5 στελεχών από εταιρίες με διαφορετικό αντικείμενο μελετώνται οι παραπάνω ερευνητικοί στόχοι. Επίσης, στην έρευνα επισημαίνεται η αναγκαιότητα ύπαρξης της εργασιακής δέσμευσης που πρέπει να διακατέχει έναν εσωτερικό ελεγκτή ενώ τονίζονται οι κίνδυνοι σε περίπτωση έλλειψης. Τα αποτελέσματα έδειξαν ότι λόγω της φύσης του επαγγέλματος του Εσωτερικού Ελεγκτή, δεδομένης της αντικειμενικότητας της ανεξαρτησίας και της εμπιστευτικότητας που χαρακτηρίζει το συγκεκριμένο επάγγελμα, η δέσμευση των εργαζομένων στη στρατηγική, τις αξίες και τους επιμέρους στόχους της επιχείρησης κρίνεται επιτακτική.

Λέξεις Κλειδιά: Εργασιακή δέσμευση, θεωρία κοινωνικής ανταλλαγής, επιχειρηματική νοοτροπία, εσωτερικός έλεγχος

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1. Introduction

Both domestically and internationally, industry-wide competition is increasing. At all levels of managerial functioning, technology advancements are being used and applied more frequently. Organizations have been forced by this type of environment to increase production efficiency and effectiveness. Employee engagement is a challenging idea, yet it is essential for every organization to succeed in this cutthroat environment. Internal auditors are essential to preserving and enhancing corporate value and supporting organizations in achieving their goals. When their personal performance goals and objectives are in line with the mission and goals of the internal audit department, which are in line with the strategic direction of the firm, they are in a much better position to assist an organization in achieving its goals. The scope of this research is to investigate if internal auditors align their own ambitions with the department's and the organization's plans. In the first chapter of the theoretical part analyzed all the theories over the time about employee engagement. The Needs-Satisfying approach which stresses engagement with role performance. The Burnout - Antithesis approach which focuses on its positive nature in terms of employee well-being as opposed to burnout. The Satisfaction-Engagement approach which focuses on engagements relation on resourceful jobs. The Multidimensional approach which stresses employee engagement with its relation with the job as well as the organization (Truss et al., 2013). Afterwards is developed the subject about the business culture IQ, which focuses on enhancing work environments, has investigated how employee involvement would support a positive, functional, and productive corporate culture. The next chapter deals with the social exchange hypothesis which states that an employee's willingness to exchange with an organization is first affected by how they assess the benefits they will receive in exchange, whether they will work hard to earn the rewards they deserve from the business. In addition, the role and operations of internal audit are underpinned by a set of guiding principles. To accomplish the desired goals as outlined in the definition of internal audit, it is imperative that you follow these fundamental auditing principles. The last topic of the theoretical part is the new role of the internal auditor, internal auditors have already been tasked with not only addressing issues but also collaborating with management to provide recommendations (Rittenburg, 2000). Finally is described the link between employee engagement and the internal auditors and the means that coincide to this linkage (communications, leadership development, organizational culture team building awards). In the empirical part, the present research indicates that in order to succeed an engagement between an employee and the company it's needed to have a strong business

culture, and also to have a relation in exchange not only the employee should give the best of his own, but also the upper management of the company have the obligation to recognise the value of the offer of their employees. Specifically, as it concerns the internal audit function according to its nature are prerequisite confidentiality, objectivity, and independence which leads to more engagement.

2.1 Employee Engagement

a. Definition

The term "engagement" originally appeared in academic literature in Kahn's social psychological study, which claimed that personal engagement happens when 'people bring in or leave out their personal selves during work-role performances' (Truss, Shantz, Soane Alfes & Delbridge, 2013). The degree to which individuals use their physical, cognitive, and emotional selves during work-role performances defines these behaviors. As a result, motivated workers demonstrate their authenticity through physical participation, mental awareness, and emotional relationships. Employees who are disengaged, on the other hand, 'uncouple' from their duties and repress personal involvement in the physical, mental, and emotional components of work. In his publications, Kahn utilized the phrase "personal engagement" and claimed that the genuine manifestation of self that takes place through experiential engagement is advantageous to the person psychologically.

Later, Shuck (2011) categorized Kahn's theory as a need-satisfying strategy within a larger typology of engagement theories and asserted that three different engagement strategies were clearly present in the literature. The second strategy is the burnout antithesis position on engagement put out by Maslach and Leiter, who contend that burnout and engagement are at opposite extremes of a continuum (Truss, Shantz, Soane Alfes & Delbridge, 2013). While burnout is characterized by drowsiness, cynicism, and a lack of accomplishment, engagement is linked to vitality, involvement, and effectiveness. On the other hand, according to Schaufeli, Salanova, Gonzalez-Roma, and Bakker (2002, p. 74), engagement is a different notion that is defined as 'a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication and absorption'. The Utrecht team proposes that engaged workers are likely to do better than their disengaged colleagues in their work and uses the term "work engagement" rather than "personal engagement" (Schaufeli 2013). The third strategy, which is known as the "individual's involvement and pleasure with, as well as passion for, work," was developed by the polling firm Gallup (Harter, Schmidt and Hayes 2002, p. 269). In my opinion, the term "staff engagement" better describes the main objective of the construct. Saks

(2006) has made a distinction between "work engagement" and "organizational engagement," suggesting that these terms may have different meanings, similar to commitment. Saks' work is related to Shuck's (2011) description of the "multidimensional" approach to engagement.

However, Shuck's typology also emphasizes the variety of ways that engagement has been defined and operationalized, which is made worse by what Guest (2013) refers to as the "consultancy approach" to engagement, which is connected to the satisfaction-engagement dimension of Shuck's typology. Since the term "engagement" is frequently used to refer to a variety of work-related attitudes, including job satisfaction, as well as perceptions of different organizational behaviors like leadership, voice, and involvement, Guest (2013) questions whether the term "engagement" has construct validity. In their report to the UK government, MacLeod and Clarke (2009, p. 9) define engagement as, for instance, "a workplace approach designed to ensure that employees are committed to their organization's goals and values, motivated to contribute to organizational success, and are able at the appropriate time to do so." For example, MacLeod and Clarke (2009, p. 9) engagement is described as "a workplace approach meant to guarantee that people are dedicated to their organization's goals and values, driven to contribute to organizational success, and are able at the same time to enhance their own sense of well-being" in their report to the UK government. According to this definition, engagement may refer to more than just a happy frame of mind. According to Keenoy (2013), numerous consulting firms now structure their offerings around the creation and improvement of "employee engagement," raising the possibility that others with competing interests may have appropriated the word. This quick overview of the development and use.

In today's competitive marketplace, employee engagement has been recognized as a significant driver of business success. Employee involvement can also play a role in the effectiveness of an organization. Engagement is not only crucial for consumer pleasure, brand reputation, and shareholder value; it also has the potential to significantly improve staff retention, output, and loyalty. Engaging employees has become a major challenge recently that employee engagement anticipates employee outcomes, financial performance, and organizational success must be argued strongly (Bates, 2004; Baumruk, 2004; Harter et al., 2002; Richman, 2006). Furthermore, employees who are engaged are more probably to stay with their current organization and commit to their organization (Ramsay & Finney, 2006). Evidently, inactive personnel will have a negative impact on organizational performance through increased absenteeism, increased attrition, and decreased productivity. Due to the current global economic downturn, management is focusing on organizational efficiency and lowering operating costs in order to remain competitive. Another fact that the high level of employee engagement helps the organization to focus on attracting new talent in labor market Vance (2006)

Both the scientific community and business have shown an increasing interest in developing employee engagement in recent years. Managers are starting to understand that not only the technologies involved, but also the staff members who may contribute suggestions for improving it or, opposite, silently carry out job specifications, can enable employees assume leadership roles.

b. Business culture and employee engagement

Employee engagement and company culture are intrinsically linked. Company culture can be measured with the aid of employee engagement, notably through performance measures. Effective employee engagement strategies help organizations create and maintain their corporate cultures. The organization Culture IQ, which focuses on enhancing work environments, has investigated how employee involvement would support a positive, functional, and productive corporate culture. They discover that clearly defined corporate core values should be documented and frequently discussed with employees in order to increase employee engagement. Additionally, they advise regularly allocating funds to company culture so that it can "evolve to keep pace with employees' expectations to really drive success" through "training opportunities, the latest in technological advancements, managerial support, and an open mind about what makes a great workplace environment." Considering the mentioned reason, organizations can create and maintain a positive workplace culture that keeps people interested and involved all the time.

Employee engagement is a tool that is actively help in many firms to increase operational efficiencies. Employee engagement is a management philosophy that creates a culture of involvement, aids in including employees in continuous development, and heightens their personal interest in the success of the company, according to a position that is shared by the authors. It is remarkable that the techniques in the tools vary greatly, despite the fact that creating a business culture that encourages employee engagement is a difficult and drawn-out process. Engagement among employees shouldn't be interpreted as passion or ideology. While it is simpler to generate enthusiasm than engagement, doing so only has a momentary impact. True involvement develops at the expense of values rather than agitation and gives the business a sustained competitive edge.

c. Social Exchange theory and employee engagement

According to social exchange theory, engaging in exchange activity is at the heart of social interaction. Individuals must think about the potential rewards and benefits before engaging in exchange. In other words, before engaging in an exchange, the person will weigh the benefits that can result from it. An exchange cannot take place if neither party receives adequate results or compensation. People's interactions are essentially a trade process. The transaction

contains justice, resources, incentive, and emotion (Yin 2019). Using an employee's job engagement as an example, when the employee pays for his work, he anticipates the company will provide commensurate benefits, and the employee may then continue to participate in work. As a result, when an organization and its employees develop a social exchange relationship, the business supports and reimburses the individuals through the labor that the employees do (Kahn, 1990). By exchanging their own special resources, each party must reach the goal of mutual benefit, which is the implied condition of exchange. Self-interest and interdependence are at the heart of the transaction (May et al., 2004), and the contributors are not taken into account in terms of the immediate rewards. It is anticipated that the recipient will repay in kind (Blau, 1964). As a result, the social exchange process must serve as the foundation for any understanding of the job engagement formation process. Particularly, the motivation and effort of the employees are focused on achieving some anticipated benefits from the task (Kim et al., 2015). The social exchange hypothesis states that an employee's willingness to exchange with an organization is first affected by how they assess the benefits they will receive in exchange, i.e., whether they will work hard to earn the rewards they deserve from the business. Also, the company aims to increase job performance through employees' job engagement and provide them with rewards in line, making employees and organizations into an interdependent community of interest. Through their own ideals, the employee evaluated this exchange fairly. Because employees' job engagement involves exchanging valuable goods with businesses, whether they will engage in their work is first influenced by whether the results of that exchange will be worthwhile. Personal values are used to evaluate the value of the other's transaction. In this study, workers use their values to determine whether their job engagement may be compensated by the company; if workers feel their job engagement can result in benefits, they are more inclined to engage in their work.

Employees may believe that their benefits from the company are fair or unjust, though, after they have started working there. Employees may therefore experience varied individual behavioral consequences during the evaluation of the exchange with the company depending on how the relationship between job engagement and organizational rewards is evaluated.

2.2 Internal Audit

a. *Definition*

The purpose of internal auditing is to offer value and enhance an organization's operations. It is an impartial, unbiased assurance and consulting activity. By applying a structured, methodical approach to assessing and enhancing the efficacy of risk management, control, and governance procedures, it aids a company in achieving its goals. To ensure that a corporation complies with internal protocols, rules, and standards, an internal audit is carried out. Every organization must abide by a specific set of guidelines. In order to verify that all employees and top executives adhere by them for legal compliance and operational efficiency, the corporations hire auditors who have obtained internal audit certification. Internal audits aid management in determining whether there is a problem within a business. To determine whether businesses are impartial in using various strategies to accomplish their corporate objectives, the financial reports and data collection techniques are examined

b. *Functionality*

The following core principles should be followed and upheld by internal auditors:

Integrity: The foundation for relying on internal auditors' judgment is trust, which is established through their integrity, also their duties should carry out with care, and accountability. The profession of the internal auditor must be followed by law and provide the disclosures that the legal system imposes. Internal auditors cannot knowingly participate in any illegal conduct or take any actions that reflect poorly on the internal auditing profession or the company. They must support the organization's moral and legal goals and respect them.

Objectivity: The high degree of professional objectivity is displayed by internal auditors when they gather, assess, and communicate data concerning the activity or process under scrutiny. Internal auditors develop decisions based on a fair evaluation of all the pertinent facts without being excessively swayed by personal or outside interests. They are not allowed to engage in any actions or relationships that would compromise or be thought to compromise their objectivity. Activities or connections that might be at odds with the organization's interests are included in this participation.

Confidentiality: Internal auditors preserve the ownership and value of the information they receive, and they never share it without proper authorization unless they are required to by law or their line of work. They must exercise caution when using and protecting information they get while doing their tasks. They are not permitted to use the data for any reason other

than their own benefit, in a way that would violate the law, or that would be damaging to the ethical and legal goals of the organization.

Competency: Internal auditors use their expertise, knowledge, and experience to perform internal audit services, they must also limit their activities to those for which they have the required expertise, training, and experience. The International Standards for the Professional Practice of Internal Auditing should be followed when providing internal audit services. They must always work to increase their competence, as well as the efficiency and caliber of their offerings.

c. The new role of an internal auditor

Due to the profession's recent expansion into a far wider range of operations, the internal audit field has undergone significant transformation. Internal auditors are increasingly viewed as service providers, and as such, their ability to continue operating depends on their ability to bring value to the firm. The ongoing addition of value through problem avoidance and risk identification is receiving more attention (Auditwire, 2000). The internal audit role extends beyond accounting controls to include both comprehending and assessing the impact of controls in managing company risk, which has resulted in a relatively recent emphasis on risk management, control, and corporate governance. Additionally, internal auditors have already been tasked with not only addressing issues but also collaborating with management to provide recommendations (Rittenburg, 2000). The Institute of Internal Auditors' most current concept of internal auditing (IIA, 2000) demonstrates the scope and complexity of the work done by internal auditors:

Internal auditing is an unbiased, impartial activity that provides assurance and consulting services with the goal of enhancing an organization's operations. By providing a structured and systematic approach to review and enhance the efficacy of the business's managing risks, control, and governance procedures, it helps an organization achieve its goals (emphasis added). Internal auditing now falls within the assurance and consultation categories under this revised definition. The term "assurance" suggests that the sector can bring value by evaluating the accuracy of the data and processes in certain organizational settings. This idea encompasses both more modern kinds of assurance encompassing control and risk management issues as well as all of the conventional audit topics (for example, efficiency, financial, compliance, and operational) (Krogstad et al., 1999).

In terms of context and general goal, consulting and assurance differ somewhat from one another. The goal of consulting is to directly enhance an organization's conditions or circumstances. Recently, management has hired internal auditors to give advisory services for a variety of endeavors, including "acquisitions, mergers, and strategic alliances" (Fernandes, 2000). In addition, Bell Atlantic's internal auditing department has kept referring to themselves as "solution consultants" to better explain what they perform to clients (Auditwire, 2000).

2.3 The link between employee engagement and internal audit

Employee auditors' primary responsibilities include assessing whether top management's procedural policies have been followed, maintaining organizational wealth, assessing the effectiveness and efficiency of practices for managerial operations, and assessing the accountability of knowledge produced by various organizational parts. To determine whether internal auditors are performing as expected by employees, it is necessary to measure how employees view internal auditors. such that the internal audit function, human resources, and research indicators (HR). Through HR the point is that an internal auditor should be engaged but also should boost the other employees to be engaged. The linkage between employee engagement and internal audit could be achieved through the followings:

Communications

A few organizations use to enhance the communication, monthly internal auditor newsletter which actively seeking feedback from internal auditors by using most of the times interactive discussions. The continual professional development of internal auditors is the main topic of the fireside conversation approach. These 15-minute sessions start with a climate review and move on to topics including one's skills and abilities, room for progress, developmental requirements, and the opportunity for innovation and continual improvement. Other means of communication are regular team meetings, audit conferences, alumni programs, video conferencing conversations.

Leadership Development

Leadership development in internal audit department can be achieved by offering a fair and effective performance assessment process, by offering coaching and mentoring programs, maintaining an open and transparent culture to empower auditors, by delegating authority and encouraging external speaking engagements, are all ways to empower auditors.

Organizational Culture

Organizational culture plays significant role in the relationship among employees and top management, the following examples coincide in order to enhance the business culture. Apply equal opportunity policies, reinforce and model corporate values, promote and support the organization's objectives and goals, understand business drivers, maintain a safe and exciting workplace, show continual commitment to employee well-being.

Team Building

A designated day each month when employees can dress casually rather than in business attire occasional recreational employee events. Social gatherings with family members, community outreach activities, like volunteering or charity fund-raising celebrate community events.

Awards

Major employee achievements are acknowledged in the organization's newsletter and occasionally on social media. Employee achievements are also acknowledged in the CAE newsletter. An internal auditor receives personal recognition from the CAE each year in the form of a "medal" to recognize innovation, teamwork, and continued professional development. Innovative ideas that increase productivity are connected to a rewards program.

EMPIRICAL PART

3.1 Research purpose and goals

The purpose of the research is to investigate if the position of the internal auditor requires an engagement with the company, the ways and the means used to achieve this, both for the internal auditors and for all the other employees.

Through the interviews there are five basic pillars, which are catalytic for the investigation. The first pillar relates to the importance of the existence of the concept of Employee Engagement in a company. And the second key pillar that plays an important role is, the incentives and the means that make an internal auditor closely connected to the company. The third objective raises the question of whether Employee Engagement depends or not on the strategy of the company or more related to the personal characteristics of each internal auditor. The fourth target is the risks that must do in the case that an internal controller is not engaged. Finally, follows the fifth pillar that has to do with the feeling of ownership, if the internal auditor considers having contributed to the result that a company exports to its audience.

3.2 Methodology

In this research, the qualitative method was used, as the aim is to capture the concept of employee engagement and its connection with the profession of internal auditor. Qualitative research aims at in-depth investigation and better understanding of social phenomena. Thus, we can delve deeper into issues of interest, to interpret the importance of having internal auditors in companies and to understand the meanings of the subjects investigated. The aim is to learn how and why and not to generalize. In the qualitative method, literature and research interact to produce conclusions, refute or confirm sources.

For this paper, semi-structured face-to-face interviews were conducted, whose topics were the same, but the questions asked were tailored to each subject so that we could delve deeper and better understand each auditor's way of thinking. Interviews are the most effective way of collecting data as an interpersonal relationship is developed between the interviewer and the interviewee. In the present interviews, open-ended questions were used, and an attempt was made to record experiences, opinions, feelings, knowledge and demographics. Although the questions were not predetermined, the discussion was structured around the following axes: employee engagement, business culture, internal audit.

The interviews, with the consent of the interviewees, as required by the code of ethics, were recorded via a mobile phone device to ensure the validity of what they said and to give the

researcher the opportunity to further insight and interpretation of the discussions. The audio files were initially transferred to handwritten notes and then to an electronic format. In the data analysis, some phrases that best capture the interviewees' views are quoted in full in quotation marks.

3.3 Sampling and demographics

For sampling, the snowball sampling method was used, based on the principle that the subjects under investigation indicate individuals with whom they share some common or even similar characteristics and therefore, the sample bears a relative homogeneity. Essentially, we use these individuals as informants to indicate the rest. This method can provide useful information on 'special' population groups which are either difficult to access or where statistics are incomplete.

Two key persons, therefore, led the researcher to parts of the sample and these in turn led her to the rest of the sample, which is a total of five people, of which two are women and the remaining three are men, all working in companies in Athens. Not all the interviewees are employed in the internal auditor sector, due to the fact that employee engagement belongs to the HR part. The fact that two of the three interviews were given the opportunity to be with HR people helped as these people have an in-depth knowledge of the concept of employee engagement. The remaining three interviews are with internal auditors.

The reason why this technique was chosen is because these specialties are not so widespread in Greece. In this case, the link was a key person working in a large pharmaceutical company. The interviews were to a certain extent difficult to implement, as the position of internal auditor, who holds an important hierarchical position in a company, requires a high degree of confidentiality and thus the researcher was initially treated with suspicion. The fact that the first member of the sample came from a professional relationship of the researcher and initiated the process of getting to know the other interviewees also accounts for the limited sample size.

All the interviews were conducted using electronic means, through an online platform or by telephone, as it is common in business nowadays that technological means prevail in communications.

The first interviewee is an HR Director in a large pharmaceutical company. The second interviewee is a senior HR Leader in a software company. The third interviewee is an internal auditor in a multinational and widespread service provider company selling goods. The fourth interviewee is an internal auditor in a Greek bank. The fifth is an internal auditor in a long-

term car leasing company. From this part of the assignment and on I will refer the first respondent (HR, director pharmaceutical company) A the 2nd (HR leader from software company) B the 3rd (IA in service provider company) C the 4th (IA in bank) D the 5th (IA in car leasing) E.

3.4 Empirical Analysis

According to the **first pillar on the utility of the existence of the Employee Engagement to a company** the first of the respondents, (A) had immediate engagement with the Internal Audit sector and considered the existence of engagement to an employee and more specifically in an internal auditor necessary because of the nature of the profession. Because internal control requires some basic features such as confidentiality, objectivity and independence even without the appropriate infrastructure of the Employee Engagement promotion within a company. An internal auditor through the processes of the work neither is selectable or not will be engaged at the end. He added by saying that it is a position in a company like the one of the General Manager, who primarily are not changed with frequency as can happen to other jobs and secondly the criteria for selecting an internal controller must be strictly. At this point, the next respondent (D) who was involved with the internal audit profession exclusively considered the existence of the Employee Engagement, but as it should be in every profession. It seemed not to distinguish it as a process while recognizing its importance, he believed that it is part that HR deals with it and has a theoretical image of the subject and not practical. Passing on to **the next target which refers on the means and motivations which an employee - internal auditor should have in order to be engaged with the company**, some of the respondents had immediate means of applying the Employee Engagement while others indirectly. The (E) characteristically mentioned that:

Setting goals: The organization's strategic objectives and internal audit goals won't coincide by chance. Develop your stakeholder ties on your own so that you may understand the direction in which your business is going. Utilize this information to create departmental strategy, followed by personal audit goals.

The (E) focused also on the meaning of retaining Talent: He said that your talent management approach cannot overlook generational disparities. Learn how to modify your strategy to meet the varying needs of Generations X, Millennials, Baby Boomers, and the incoming Generation Z. Keep in mind that more women are entering the workforce, therefore you should consider their priorities.

A highlight on equipping workers must embrace continuous improvement and train observant, proactive, and future-oriented internal auditors if they are to be successful. This begins with

developing a thorough workforce plan, which then results in a professional development plan for each employee performing internal audits. If you aren't developing new skills inside your staff, it appears like you are lagging. Fill skill shortages as you come across them using the "buy, build, or retain" strategy. Professional advancement benefits not just the overall internal audit function, but it also results in better individual motivation and job satisfaction auditors.

The (C) also highlighted that the following should be included in a thorough workforce plan for the internal audit division:

An internal audit strategic competence plan and related competency process.

A three-pronged strategy using buy, build, and retain to close capability gaps.

A model of internal audit capabilities that is customized for your company.

Furthermore the (D) referred on the evaluation of performance. Younger generations want feedback on their performance that is given more quickly, hence many IA have adopted a continuous feedback and learning loop. Instead of counting the number of hours employees spend at their desks, some organizations may start gauging performance based on outcomes. Absolute clarity on the goals your firm is working toward, along with the measures internal auditors develop to perform in accordance with those goals, are what drive a performance culture. When internal auditors' personal goals are in line with the objectives of the internal audit department and the business's strategies, there is a strong foundation created. As the field of internal auditing develops, the use of performance evaluation techniques measurements that are more externally focused and demonstrate the audit effort has been beneficial and has enhanced the organization's operations. (D) completed by giving some examples of his personal experience The chief audit executive conducts annual skip-level interviews with all indirect reports to get a feel for the internal audit division. These aid the IA in locating future leaders within the department and understanding their motivations. establishing a five to ten-day annual professional training goal for which continuing education credits will be granted. For instance, external or internal guest facilitators can be used to conduct a one-hour lunchtime seminar on pertinent business topics at little to no additional cost (e.g., business strategy, emerging industry and audit hotspots, technical training, communications skills, new computer systems, and data analytics).

Success Treatment is also another motivation to succeed employee engagement referred (B). Extrinsic rewards (like bonuses) and intrinsic rewards are both included in a good rewards system (such as recognition, more challenging work, and mentoring). You can also use a variety of imaginative (and enjoyable!) activities to raise employee engagement through team

building, rewards, communication, leadership development, and organizational culture. Make use of a range of strategies to connect with various generations. At this point we have to refer that also (B) mentioned the all the means to succeed treatment and are the followings

individual acclaim in front of other people, positive criticism Appreciation for the team from peers, continual, direct communication, involvement in decision-making, support for certification and training, additional job discretion Coaching and mentoring relationships, work that's challenging and engaging, stability at work and job security, exposure and visibility at significant gatherings. Workplace settings that promote work-life balance (such as flexible scheduling).

Going to the **third pillar of our research on whether the engagement of an internal auditor lies in the culture of the company or in personal characteristics.**

Researchers and more specifically A and B agreed that this was a combination of two things so that an internal auditor was considered engaged. The greatest weight of course is based on the culture of the company because, regardless of the personal characteristics of each employee the company must have provided so that its processes and its way of operating it will cause employees and specifically internal auditors the feeling of Employee engagement. Second, as (A) stated, contextual elements concerning the employees' work, concerns, or experiences that are shared by all employees within a company still account for at least 50% of engagement. Therefore, while one employee's viewpoint could be significantly skewed by that person's personality, a group of opinions (such as those frequently recorded in organizational surveys) are more indicative of the common problems and difficulties that people confront at work. This is significant because organizations are organized groups with a shared identity, norms, and purpose rather than just a collection of people. Therefore, engagement is the "cultural value-add" that a business offers to its employees at work, influencing their vitality, behaviors, and attitudes in addition to their individual preferences and working styles.

(A) added that everything worthwhile is often the outcome of teamwork rather

than solo accomplishment, and excellent teams are made up of people who complement one another rather than are mirror images of one another. You need individuals with a variety of personalities if you want cognitive diversity, or variability in thinking, feeling, and acting. Combining personalities to match a range of team responsibilities entails having people who are inherently proactive, extroverted, and upbeat work with people who may be completely the opposite. It follows that you will have minimal cognitive diversity if your method for "engaging" your employees is to hire people who are all the

same because they are more engageable. which, although we believe both kinds of diversification should be pursued, is even more detrimental to productivity and performance than having the lowest demographic diversity. Therefore, (A) mentioned that if you want to fully know engagement in your organization, you must look at both who your individuals are and what they believe about their work. In other words, there needs to be more adaptation to employee personality and business culture.

The fourth goal has to do with the risks of disengagement. (D) states that employee disengagement leads to low productive output (including more errors and wasted time), negativity and stress brought on by high employee turnover rate (not to mention the cost of 6–9 months of an employee's salary to hire a replacement), high levels of sick leave and absences, and a breakup in collaboration and communication. This all equates to a quantifiable effect on your revenue, sales, and customer support. Notwithstanding this, a lot of these "at-risk" companies still rely more on the ERP and other enterprise software than on their systems that are people- focused. It's not that these practical methods aren't necessary for a company, but they just don't prioritize people. Companies focus on giving processes, which are managing how people work rather than empowering them, as opposed to providing trust and empowerment.

The fifth pillar relates with the sense of the ownership that an internal auditor develops through employee engagement. The respondent (E) claimed that initiative is a key component of taking responsibility. He said that when we think that taking action is our obligation and not someone else's, we take ownership. Even while working with others, you, as an individual, are responsible for the accuracy and timeliness of a result. In the same manner as an organization's owner would care, you are concerned with the outcome. (E) mentioned that it does not imply that you must take ownership of the project. It does not imply that you should exclude others. It does imply that you have a responsibility to the organization's results and that you have a responsibility to act on matters that have an impact on those results. It's possible that you have a fantastic idea for how to cut costs for the company, but it falls beyond the purview of your job. Or maybe it would require more time than you have available. Or perhaps you lack the tools necessary to finish the job, or the solution is located elsewhere in the company. In these circumstances, taking ownership entails presenting your concept to someone who has the time or means to carry it out.

(C) claimed that employees that take responsibility for their duties treat the company they work for, as well as its funds, as though it were their own. They will decide more carefully, responsibly, and wisely. Additionally, they will be more focused, motivated, and initiative-driven, looking for original and creative methods to enhance and better what they are doing

rather than just going through the motions and accomplishing the bare minimum, or worse, stagnating.

In other words, a business that moves forward has personnel that take responsibility. Additionally, it makes the workplace considerably happier and more gratifying for everyone, even supervisors.

3.5 Conclusions

Based on the research of generating employee engagement in internal audit department. It turns out that the importance of Employee Engagement is very important in a company for all kinds of profession but especially for the Internal Auditor because of the confidentiality of objectivity and independence. The means and the motivations for an internal auditor in order to be engaged are: to set goals, retain talent, equip employees, evaluate performance and succeed treatment. Furthermore, understanding engagement in your organization requires taking a close look at your staff members and what they have to say about their jobs. A more efficient strategy would be to train staff in emotional intelligence business culture abilities, specifically self-awareness, rather than hiring based on personality. Employees will be better able to take ownership of their own engagement if they have a deeper understanding of their personalities, as well as their thoughts, feelings, and behavioral patterns. We end that the lack of employee engagement can cause serious risks such as low productivity, high turnover rate, bad effect to revenues sales and to customer support can also drive into high rates of sick leave and absenteeism. Finally, the ownership relationship is mutual. Not all communication can be one-way. You must foster an atmosphere where workers are able to express themselves honestly and openly and to share their ideas with the company if you want them to take ownership of their job. As we previously mentioned, ownership does not imply that they would control the initiative or exclude others from participation. However, it does entail being proactive in bringing forward issues or possibilities. Based on the research and the results described above, there is a need to implement some specific tactics and strategies for employees to obtain or maintain the sense of Employee Engagement.

The present research indicates that there is a strong connection between culture and participation. An organization's culture can be utilized as a tool to engage, keep, and have a positive effect on people every day at work. The motivation behind employee engagement is culture. Employees may lack connection to their work and motivation to generate the greatest results if your culture isn't increasing engagement. Culture can be used as a technique to increase employee engagement.

3.6 Limitations and future research directions

The major obstacle that has encountered in this study research was the lack of sample size. Due to the fact that the interviewers were to the most extent internal auditors which means that there are by the side of the managers was difficult to approach them because of the status of their position. From the entire search range of the sample only few accept to give me an interview. At this point came also the other limitation which was the limited access to data collection because many of the potential respondents denied giving an interview because they couldn't share information because they had restriction from the protocol of their company. Another limitation was that according to the reason that the profession of the internal auditor, until now at least had a more technocratic nature, many of the respondents had difficulty in understanding the theoretical concept of employee engagement. Finally, the last limitation at this research was the self-reported data. Interviews through open ended questions is limited by the fact that it rarely can be independently verified. However, self-reported data can contain some difficulties. An example was the selective memory, because the interviews were narrative and many of the interviewees did not give the right to be recorded the data collection may have been difficult in some places.

Research directions

Firstly, Covid-19 has altered the way we work today, and the office is increasingly becoming a digital environment. Organizations had to adjust their organizational models to account for hybrid working in order to adapt to this development. We think it is essential to conduct study into how hybrid working affects people's levels of engagement, for instance, by looking at how digital technologies affect people's interactions with their coworkers and supervisors and how these technologies may affect EE. Within this framework, we recommend that businesses devote time and money to developing fresh ways for people to interact, exchange, and recognize one another on a social level. To do this, they should adopt suitable digital tools for communication and collaboration and devise fresh times and places for people to experience these social dimensions.

Secondly, regarding organizational factors, it could be worthwhile to investigate how organizational policies might have a favorable impact on EE, looking at things like how flexible work arrangements within a hybrid work environment can affect the level of engagement, for example. In addition, it could be worthwhile to examine the ways in which businesses might support EE in order to find solutions to issues that may arise when working remotely, such as hyper-connection, isolation, and procrastination. If asked whether businesses will be able to handle all these new issues and care for their people with appropriate rules and practices, they will likely respond with high levels of EE.

Finally, I recommend further research adopt a more qualitative and interpretive approach to better investigate this phenomenon within hybrid working context (or decide to integrate it with a more quantitative/positivist approach). This will help to understand which implications and factors of the new ways of working may influence EE. By using a phenomenological method, researchers may be better able to pinpoint potential aspects that could have an impact on EE and how engagement changes in relation to a mixed working environment.

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5. Appendices

Questionnaire

- Are you familiar with the meaning of employee engagement?
- How do you define an engaged internal auditor? What would you mention as its critical characteristics?
- Which methods are being used in your organization in order for the employees to be more engaged with the company?
- Do you consider necessary for any internal auditor to be engaged with the company he /she works for? Why?
- Is the term of employee engagement directly related to the internal auditor's confidentiality towards the company?
- How many people have worked in the department of internal audit so far in your organization?
- Is it a department that has a high turnover? If yes why do you think that happens? If not and the turnover in IA department is low, what factors do you think contribute to this success?
- Do you believe that being engaged with your organization depends on your personal characteristics or with the strategy that the company has?
- Do internal auditors in this organization have a reason or the motivation to engage? explain possible reasons and motivations.
- Do you think that when employees are given freedom to take initiatives and be proactive this acts as a booster factor to actually take real action?
- Do you believe that you need to understand and embrace the company strategy in order to succeed in the goals of your department and company?
- Do you feel that everything must be in time and for any reason you won't stop your work?
- What factors do you think affect the most the extent to which an internal auditor is more or less engaged with the company (e.g., the work environment, the earnings, the coworkers, the goal determination)?
- Do you feel that your individual goals within the company are aligned with the organizational goals?

- Do you have the sense of ownership in the outcomes?
- Do you believe that when an internal auditor is engaged with the company his personal return and satisfaction is equivalent to what he offers to the company?
- What problems are created when internal auditors are not engaged with the company?
- How do you think that your company could build a real engagement culture for internal auditors?
- Are people valued in your organization as employees? How?
- What general mechanisms and initiatives do you believe that will help towards increasing employee engagement throughout the company?
- Does employee engagement impact organizational success? And vice versa does organizational success impact employee engagement?