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Effective employee engagement and organizational success: a case study

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Abstract

Employee engagement as an “engine” in talent management drive draws its resilience from the effectiveness of various environmental factors from within and outside an organization. Strategic employee engagement initiatives support organizational branding and reputation among employees. This paper explores the strengths and weaknesses of employee engagement strategies implemented by a telecommunications organization in Ghana. Quantitative research approach was adopted with 137 completed responses. The findings reveal that the engagement strategies deployed by the organization has achieved level of satisfactory. However there are areas of improvement that can be established to integrate the talent management with overall organizational corporate strategies.

Keywords: employee engagement, talent management, organizational success, corporate strategies, environmental factors

1. Introduction

The last two decades have witnessed the phase of transition from ‘satisfied’ employees to ‘committed’ employees (Avery et al, 2007; Buckingham and Coffman, 1999) who are not predisposed to attrition, rather immersed in the goal and success of their organization and often serve as the force behind organizational success.

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Though to most executives the concept of success is infused with brand equity, percentage of market share, and more critically increase in revenue. Yet, the true impetus behind all these attributes of business success comes from the employees. They are the success catalysts that make the competitive firms and their absence could create a vacuum through which history making organizations sink into obscurity. For instance, Tower Watson studied 50 firms over a period of one year and this was what they found: organizations with high employee engagement had 19 percent increase in operating income and about 28 percent earnings per share (EPS) growth. Inversely, those with low employee engagement levels experienced more than 32 percent drop in operating income and 11 percent decline in EPS (McConnell, 2011). Additionally, Wells Fargo Company found in a research study to ascertain internal drivers to business outcomes a correlation between high employee engagement scores and business productivity. This leads to chain of positive effects that gets customer satisfaction involved in the equation (Tett, and Meyer, 1993)). However, much more intriguing findings on the subject is the recent extensive study conducted by Harvard Business Review (HBR) which indicated that employee engagement is becoming the center of attraction among senior executive thereby describing 2014 as year of employees. Based on the data gathered all over the world from top firms, HRB realized that 71% of people are of the opinion that effective employee engagement is critical to the success of every organization. The HBR among other things discovered that a highly engaged workforce inevitably result in reduction in hiring and retention costs, corporate growth, increase innovation, positively affect the bottom line, and increase levels of productivity. Given the potential for such extremely positive outcomes, it is no surprise leaders across the globe are pumping the breaks for reevaluation of business trends.

Meanwhile, till now, while some of these notable evidences exist in relation to the role of effective employee engagement to organizational profitability most of these studies were carry out within the parameters of the western firms. The rigorous synthesizing of the facts found in the literature underpinned the robust selection of the variables for the study (Arthur, 1994; Bakker et al, 2008 and Beer et al, 1984). We are optimistic that our findings would be highly resourceful to both academic and human resource professionals. In sum, this paper presents the glare view of the literature that supports our study, then the methodology of the study, and then the findings. A complete delineation of the outcomes followed in relevant perspectives. The implications for the findings were carefully dissected which was preceded by the exudation of the research limitations.

2. Concept in dissection

The concept of employee engagement is still under its transitional stage and research is on-going in the field for its further exploration since not much rigorous research has been done on the subject. Aside, Kahn’s qualitative investigation of engagement, most of the subsequent researchers applied quantitative approach (Kahn, 1990). However, there is a paradigm shift in recent times towards development of casual models that help to better explain employee engagement in modern organizational setting. It is believed that this would assist to create appropriate linkage between theory and practice (Markos and Sridevi, 2010). The purpose of this literature review is to gain deeper understanding of employee engagement from the angle of academia and practitioners alike. Employee engagement is often associated with other organization related concepts such as job satisfaction, job involvement, organizational citizenship behavior and burnout because several researchers have indicated the former has an intricate relationship with the latter (Blau, 1964). According to Buckingham and Coffman (1999) the origin of the term ‘employee engagement’ still lingers elusively without definite answers though believed to be first used by Gallup organization in the 1990s. The term has been inter-changeably used with ‘worker engagement’ even though employee engagement is perceived to be more concerned with relationship relative to the organization whereas, worker engagement involves relationship with one’s work (Bordia et al, 2008).

2.1 The unseen niche

Though the concept has been around for a while now, not much rigorous work had been done in the field, thus work engagement is one of the critical tools of talent management, especially in the recent drive for talent retention. This is supported by Tett and Meyer in their postulation that for organizations to maintain momentum, become competitive and thrive in the area of profitability it is inadequate to focus solely on talent recruitment. Instead, creative
and innovative effort should be made to keep those talents on board in order to build a cogent pool of talents for which the posterity of the organization stands (1993).

Interestingly, in a study involving 17 multinational companies in China revealed that about 80% of engaged employees are not only productive but also less likely to leave the company in a short while (Hui et al, 2007). As a way of buttressing this finding, McConnell (2011) argue in a research paper entitled the “essence of work engagement” that since engaged employees are more productive and less likely to quit their organizations compared to disengaged employees, engagement inevitably poses a viable alternative strategy that demands a rigorous research.

Howard and Foster (2009) view employee engagement as a critical tool in talent management that does not only fortify the competitiveness of the firm but also, enhance the organizational image because it helps to reduce employee attrition rate in a business firm. The implications are that, engaged employees either directly or indirectly project a positive image of their organization because their commitment portrays an impression of a responsible company. For instance, in a study conducted indicates that 70% of job seeking candidates are willing to work for firms with lower employee attrition rate since those firms are not only perceived to be employee-centered but also economically viable (Stone et al, 2009). In a nutshell, engaged employees have much smoother relationship with their superiors compared to the disengaged ones (Van den Broeck et al, 2008) as they encourage unity and embrace team-spirit (Hallberg, 2007). All these insightful addendums and many more are the appetizers that set our research taste on urge to dig deep into the topic. Obviously, employee engagement is potentially inherent with the key to unlimited access of firm viability and profitability. And even deepen internal and external branding for competitive advantage. To this end, the main research question is: what is the relationship between effective employee engagement and organizational success?

3. Methodology

The research instrument was carefully designed containing 35 items specifically fashioned to examine the extent to which effective employee engagement is influenced and its impact on organizational success. The market giant in telecommunications industry in Ghana, Mobile Telecommunication Network (MNT) Ghana was our case study. The items were mainly based on salient gaps identified with regards to existing literature in a contemporary work setting which includes; the culture of the organization, human resource management practices as well as the satisfaction level of employees was the obvious targets that informed the questionnaire design. The fundamental scale measurement used in the development of the research instrument is 5-Point Likert scale. Likert scale is one of the most commonly used scaled-response in survey design in recent times. The overall mean for each of the variables (both independent and dependent) provides a summative disposition of respondents’ views towards that particular variable (Morgan, 1998) thereby, embracing both positive and negative views. In lieu of this, a mean below 2.5 in this study signals positivity in the overall tendency of respondents relative to that particular variable. On the contrary, a mean above 2.5 is an indication of negative perception of respondents towards that variable. The three main reasons why the researchers adopted the 5-point Scale as explained by Tait et al (1989) includes: the argument that respondents in a survey might genuinely feel neutral about a given statement, and the research instrument might be predisposed to respondent bias as a result of the absence of a neutral midpoint, also, neutrality is a legitimate opinion that cannot be overruled among respondents. It is inevitable except that a researcher is not interested in neutral opinion. Finally, a nice midpoint is usually offered by 5-Point Scale. The 3 rating is exactly in the middle and it is an indication of mixed satisfaction or neutrality. The two most emphasized ethical behaviors in research conduction which include: confidentiality and informed consent underpinned the data collection process (Campbell, 2003).

Our analysis drew substantially from quantitative approach (Crewell, 2009) where our concern was not only in ensuring full capturing of participants’ data but also protecting its accuracy in order to present tangible results that emanate from theoretical findings. To produce a reliable and valid work void of biases, the researchers of this study put the construction of the research instrument under a meticulous scrutiny based on the underpinning logic. Establishing validity through logic implies the justification of each question in relation to the objectives of the study.

The analysis involved the usage of version 20 of IBM’s SPSS as well as Microsoft Windows Excel. This was preceded by data cleaning which is one of the most crucial and initial steps among the routines of processing a given data (Bordia et al, 2008). The process was void of any missing data from the source file therefore heightened the credibility and confidence in the data. The reliability analysis produced a Cronbach’s Alpha that transcended 0.7 (Haslam and McGarty, 2003) which puts the results in an esteemed package. To further ensure that no possible gaps
exist in the findings, skype interviews were also conducted with some of the employees to enrich the integration of the results. The interviews were carefully transcribed and analyzed where specific themes were identified in support of the quantitative data. In sum, triangulation was the approach adopted by the researchers.

4. Findings and Discussion

Given the steady rise in employee attrition levels coupled with the competition for talents at local and global horizons, there is no better time for this study. The outcome had supported most of the views highlighted in the existing literature (Greguras and Diefendorff, 2009; Howard and Foster, 1999) that turn to explain the reciprocal effect of effective employee engagement. The outcome of our investigation produced an explicit overview of employee engagement trend at MTN Ghana. The results captured the health of the work environment as sane and sound. With HRM practices in their most attractive package presented, the employee-supervisor relationship could not go haywire but to yield a cohesive bonding and compassionate ambience. Serving as an umbrella, the consistent culture of quality, safety and value for both employee and customer provides an irresistible shade under which most employees found their satisfaction. These were the evidences uncovered with respect to each engagement strategy purported for scrutiny. The work environment is metaphorically referred to as the ‘second home’ of employees due to the fact that it occupies a central space in the entire life of every worker. A research conducted by Lan and Lanthier (2003) found that about 70 percent cause of truancy among students is inherent in the overall outfit of the learning environment which could be physical, social or more importantly psychological. Table 1 depicts the summary of the findings, relative to values obtained for means, agreed percentages and Pearson Correlation.

<table>
<thead>
<tr>
<th>Effective employee engagement strategies</th>
<th>Mean</th>
<th>% Agreed</th>
<th>Pearson Correlation N</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Work Environment</td>
<td>1.590</td>
<td>86.9</td>
<td>.461**</td>
</tr>
<tr>
<td>2 HRM Practices</td>
<td>1.600</td>
<td>91.4</td>
<td>.528**</td>
</tr>
<tr>
<td>3 Employee-Supervisor Relationship</td>
<td>1.720</td>
<td>86.3</td>
<td>.530**</td>
</tr>
<tr>
<td>4 Job Satisfaction</td>
<td>1.710</td>
<td>87.9</td>
<td>.468**</td>
</tr>
<tr>
<td>5 Organizational Culture</td>
<td>1.810</td>
<td>84.4</td>
<td>.979**</td>
</tr>
<tr>
<td>6 Overall mean of engagement strategies</td>
<td>1.686</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 Employee engagement at MTN Ghana</td>
<td>1.710</td>
<td>88.0</td>
<td></td>
</tr>
</tbody>
</table>

A critical observance of the mean of mean (1.590) is an obvious indication of positive employee attitude toward this variable. The high agreement level (86.9%) is indicative of employees’ belief that the ‘work environment’ is conducive and highly supportive of employee engagement at MTN Ghana. The Pearson’s correlation coefficient for work environment, however, is the smallest among all the independent variables included in this study (r=0.461) though it has moderate descriptive value. Chong (1987) argue that HRM Practices act as a fulcrum upon which all the other four independent variables receive stability and functional momentum. Consequently, this paints an obvious picture that implies that all the factors that support engagement practices are determined by the policies and structure adopted by the organization. For instance, when the transformational leadership style was adopted by Lee Kun-hee during his era as CEO of Samsung Company, it became imperative that strong employee-supervisor relationship received a boost and was inevitably infused into the culture of the organization (Crockett, 2009).

The HRM Practices obtained a mean of mean equivalent to 1.600. This implies that the participants’ general attitude concerning the HRM Practices at MTN Ghana is positive and in high level of acceptance. Similar pattern is observed in the comparison of agreement responses in percentages. In critical comparison of the ‘HRM Practices’ to ‘Overall employee engagement’ on agreement percentage portrayed a homogeneous signal (91.4% and 88.0). The Pearson’s Correlation Coefficient for this variable also proves a moderate relationship between ‘HRM Practices’ and ‘effective employee engagement’. This positive relationship (r=0.528), though moderate, it is the third highest among the five independent variables. According to Hackman and Oldham (1980) the degree of confidence and trust that
employees have in their superiors is contingent on the kind of relationship that exists between the two parties. When the organizational structure favors a flat pattern, it encourages cordiality and unity which promotes atmosphere of insightful learning. A research finding by Armstrong (2000) attributes poor employee-supervisor relationship as 57 percent responsible for employee attrition and under-performance in most business firms.

To support his stance, he cites results of interviews with participants of his study where some participants stated that their enthusiasm and zeal for work were lost simply because they had a sour relationship with their supervisors. The survey produced a mean of mean of 1.720 in relation to employee-supervisor relationship which signifies a positive attitude and cordial existence between employees and their superiors in the company. Putting the values of ‘employee-supervisor relationship’ side by side with ‘Overall employee engagement’ in terms of percentage agreement shows 86.3% and 88.0% respectively. This also depicts a significant homogeneity of the results.

To buttress this assertion, the Pearson correlation coefficient shows a positive and moderate value (r=0.530). Though the correlation value for this variable is moderate, it is the second highest among all the five independent variables correlated. The survey has a mean of mean of 1.710 obtained in favor of employees’ satisfaction to their job. Putting the values of ‘Job satisfaction’ side by side with ‘Overall employee engagement’ in terms of percentage agreement shows 87.9% and 88.0% respectively. Though, the Pearson correlation coefficient shows a positive and moderate value (r=0.468) it lies among the fourth highest of all the five independent variables correlated. Organizational Culture has been one of the major sources of competitive advantage for business firms in these recent times. For instance, Egypt Airline has been competitive in the airline industry over the years, especially in most destinations in Africa for its culture of affordability.

This culture singles out the company among its cohort with its target customers as middle and lower class customers (Barney and Hesterly, 2008). Several studies have indicated that the prevailing culture in a particular organization determines the breed of employees attracted to that company and how long they stay (Markos, and Sridevi, 2010). The survey has a mean of mean of 1.810 produced by organizational culture. This signifies a positive attitude of most employees towards ‘Organizational culture’ in the company. Putting the yielded values of ‘Organizational culture’ and ‘Overall employee engagement’ side by side in terms of percentage agreement shows 84.4% and 88.0% respectively. To buttress this assertion, the Pearson correlation coefficient shows a positive and very strong value (r=0.979). This is the highest correlated variable among the five independent variables included in this research. It turns to announce that as much as employees cite positive views towards the culture of the organization, they also believe it has a very strong relationship with the dependent variable.

Though some researchers (Britt and Bliese, 2003) believed demographic information has some impact on employee engagement pattern, others (Hallberg et al, 2007) are of contrary views. On this premise, the impact of certain key demographic information such as gender, marital status, age, years of working experience, and educational background were examined on effective employee engagement. Table 2 shows the T-test analysis carried on the gender of employees relative to effective engagement.

Table 2: The T-test results

<table>
<thead>
<tr>
<th>Gender</th>
<th>Mean</th>
<th>T</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>2.32</td>
<td>.451</td>
<td>.633</td>
</tr>
<tr>
<td>Female</td>
<td>2.35</td>
<td>.451</td>
<td>.633</td>
</tr>
</tbody>
</table>

A critical look at Table 2 suggests that participants responses were almost the same irrespective of their gender, with means=2.35 and 2.32 respectively. The t-value (.451) has a significance (p) value (.633) which is greater than the alpha (0.05) confirming that the variation between the means is not significant. Therefore there is no significant difference in effective employee engagement with regards to the employee’s gender at 5% level of significance. Table 3 on the other hand contains the outcome of the ANOVA results. This is to examine possible
variation in engagement levels with reference to age, marital status, years of experience and educational background of employees.

Table 3: The ANOVA results

<table>
<thead>
<tr>
<th>Age</th>
<th>Marital Status</th>
<th>Years of Experience</th>
<th>Educational Background</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
</tr>
<tr>
<td>20-25</td>
<td>2.3</td>
<td>2.3</td>
<td>2.3</td>
</tr>
<tr>
<td>26-30</td>
<td>2.5</td>
<td>Married</td>
<td>2.3</td>
</tr>
<tr>
<td>Above 30</td>
<td>2.4</td>
<td>Divorced</td>
<td>2.4</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>2.4</td>
<td>Total</td>
</tr>
<tr>
<td>F</td>
<td>2.535</td>
<td>1.404</td>
<td>6.323</td>
</tr>
<tr>
<td>Sig</td>
<td>.43</td>
<td>.373</td>
<td>.000</td>
</tr>
</tbody>
</table>

A critical look at Table 3 suggests that the level of effective employee engagement does not differ with respect to age. However, the participants in the age group of 26-30 obtained the highest mean (2.5), with those in the age group of 20-25 obtaining the lowest mean (2.3). The obtained F-value (2.535) has a significant p-value of 0.43 which is greater than the alpha (0.05). This affirms that effective employee engagement does not vary with regards to employee’s age at 5% level of significance.

Also, the mean of 2.3 as indicated in Table 3 suggests that there is no significant difference in the level of effective employee engagement with respect to the marital status of employees at MTN Ghana. The obtained F-value (1.405) has a significant p-value of 0.373 which is greater than the alpha (0.05). This affirms that effective employee engagement does not vary with regards to employee’s marital status at 5% level of significance. The means of years of working experiences have not differed significantly from one another. However, having F-value of 6.323 with p-value of .000 which is less than the alpha (0.05), confirm the conclusion that effective employee engagement varies with years of working experience at 5% significant level. The educational background with F-value (5.551) has a significant p-value of 0.05 which is equal to the alpha (0.05). This affirms that effective employee engagement does not vary with regards to employee’s educational background at 5% level of significance. It could therefore be concluded that among all the key demographic data examined by the researchers, it is insightful to find that employees get more engaged, build emotional ties and make obvious sacrifices as they gain sufficient experience. It is fascinating to know the analysis revealed the top most exhibited engagement characteristics among employees in the company as ‘Achiever Tendencies’ and ‘Energetic Disposition’, whilst ‘Employee Proactivity’ and ‘Active Involvement’ followed up as top second most exhibited characteristics. Organizational pride on the other hand was mildly exhibited among employees.

5. Recommendation and Conclusion

This study carefully examined and evaluated in detail the core employee engagement strategies in relation to organizational success. The researchers adopted a quantitative analysis in assembling the views of employees and drawing meaningful conclusions via descriptive and inferential statistics. In order to authenticate and enrich the findings of the survey, interviews were conducted where relevant themes were identified. The researchers through rigorous literature review dug out the core engagement strategies as: work environment, HRM Practices, employee-supervisor relationship, job satisfaction, and organizational culture.

The mission statement of MTN Ghana is to improve the quality of lives through most appropriate interventions to the communities of operations. However, it is the vision of the company to emerge as the benchmark for corporate social responsibility among her cohort. Above all, to demonstrate the concept of value proposition and
provide superb customer service as it maintains its adept position as market leader in the telecommunication industry in Africa and beyond. The analysis of the data gathered indicated that all the engagement strategies of the company are in good shape and more vibrant. This turns to explain the unparalleled performance of the company in its industry of operation. Since the data analysis revealed the ‘work environment’ as the least effective engagement strategy, the company can also take pragmatic steps to address the challenge of electricity power inconsistency which most often impedes the maximum usage of the air conditioners, rendering the offices less comfortable. MTN Ghana might not struggle to maintain its enviable position in the telecommunication industry especially, in Ghana provided they maintain the current posture of competitiveness and possibly hold fast to innovation and creativity.

References:


