

## EXPLORATORY STUDY OF EMPLOYEE ENGAGEMENT

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**Abstract.** Employee engagement is now recognized as an important topic in the company because it relates with turnover rate, productivity of employee and finally to the company growth. A study conducted to describe the finding of an effort to increase the effectiveness of engagement implementation by company in order to increase level of employee engagement. The study used qualitative research method through exploratory study in a multinational company in Jakarta. Data obtained through interviews with key leaders of the company to find out how the implementation of engagement conducted by the company, and a Focus Group Discussion of employee groups to determine the condition of employee engagement. The researchers analyzed the data from both of company and employees to see if there is a gap between engagement implementation by the company and the conditions of employee engagement. To obtain the validity of the data, researchers used triangulation techniques carried out by experts in the HR field. The study found that the company's efforts to implement employee engagement had not been carried out optimally and equally on all engagement indicators. Likewise, the condition of employee engagement has not yet reached optimal conditions. The conclusion described that there is a gap between company's engagement implementation program and the engagement conditions felt by employees. Thus, it is necessary to make efforts to improve the effectiveness of engagement implementation so that increasing the employee engagement bring contributes to the company's growth..

**Keywords:** employee engagement; company's engagement implementation program; the engagement gap

### I. INTRODUCTION

During the past decade, employee engagement has become the focus of the organization because it has a relationship to employee turnover and productivity and will ultimately influence organizational growth. The exceptional companies that have stood the test of time such as Disney, Wal-Mart, and Hewlett-Packard had endurance, consistently perform well, and have long-term value. Among many factors is that the managers, executives, and leaders stay with those exceptional companies for much longer than is typical. These leaders are homegrown and the company have essentially raised them for leadership and engagement. They are not only loyal, but also felt proud, productive, inspire other employees, has high performance, innovative, competitive and encouraging employees to stay on longer has its benefits [1].

This study focus on employee engagement phenomenon in a multinational company in Jakarta. High employee turnover rate in three recent years indicated a significant employee engagement problem in the company. In addition, the results of a preliminary research survey to the employees found several problem of employee engagement aspects such as career development, ownership, loyalty, absorption and vigor.

The objective of the study is to find efforts to improve the effectiveness of the company's engagement implementation program in order to reach a great level of employee engagement that bring employees contribution to the growth of the company's business.

To understand the employee engagement issues in the company, a research was divided into three sub-focus as below:

1. How does Company's engagement program implemented?
2. What is the condition of employee engagement?
3. Is there a gap between the engagement implementation conducted companies with employee engagement conditions?

The findings of the study are expected to be useful in contributing ideas to enrich insights and knowledge about human resource management especially implementation concept of employee engagement that contribute to the company's growth.

#### Engagement

There are several definitions of employee engagement described by several researchers. Employee engagement as the extent to which employees enjoy their work, are satisfied with their work conditions, are enthusiastic about contributing to the achievement of team and organizational goals, felt ownership and commitment to the organization [2]. Employee engagement is a desirable state in accordance with organizational purpose. It connotes in involvement, commitment, passion, dedication and enthusiasm at work [3]. Employee engagement which represent an employee's enthusiasm, passion and commitment to their work and to the organization, the willingness to invest themselves and expand their discretionary effort to help the employee succeed, which goes beyond merely being satisfied with the job or basic loyalty to the employer [4]. Employee engagement as being

positive present during the performance of work by willingly contributing intellectual effort, experiencing positive emotions and meaningful connections to others [5]. Employee engagement is a relationship, close involvement physically, emotionally and cognitively between a person and the organization, or company where he works, which leads a person to positive attitudes and behaviour towards the organization in order to achieve mutual goals and success. From the overall definitions and descriptions above, it can be synthesized that employee engagement is the extent to which employees are attached and involved (physically, cognitively and emotionally) to work and to organization, satisfy with their work conditions, feel confident in their work, enthusiastic to contribute to achieving organizational goals, and feel ownership and commitment to the organization. The dimensions of employee engagement are:

- a. Career Development: the existence of career development at work
- b. Concern for Productivity: attention to high productivity will encourage employee linked into their work,
- c. Ownership: a sense of belonging to the work and to the organization.
- d. Loyalty: loyal and commitment of employees to be members of the organization obediently.
- e. Vigor: the enthusiasm shown by a person to do his job which can be seen from the high stamina and energy when working, the willingness to make serious efforts in doing the job, as well as persistence in facing difficulties in work
- f. Dedication: a person is involved in work by experiencing a sense of meaning, enthusiasm, and pride.
- g. Absorption: concentration and seriousness at work, enjoying work and finding it difficult to get away from work.

*Psychological Contract and Employee Engagement*

Employee engagement plays an important role in ensuring the success of a company; therefore, it is very important that companies develop strategies and activities to ensure employee engagement, which is the driver of organizational success. Based on the literature, there is a positive relationship between psychological contracts and employee engagement levels, which can be explained through the Social Exchange theory. Psychological contract is a set of individual expectations that determine what individuals and organizations expect and receive from each other in their working relationship [6]. The Social Exchange theory predicts that if expectations of employees have been met, they felt obliged to give something back through engagement towards the organization. Social exchange theory conforms to the norm of reciprocity. Based on the social exchange theory, a transaction between employees and company occurs [7]. It is shown on figure 1 as follow.

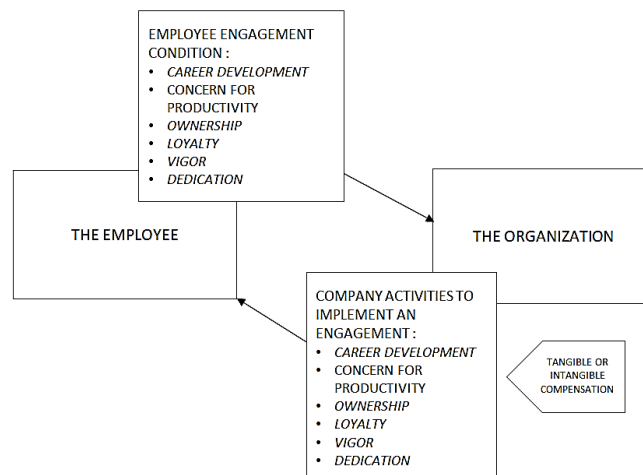


Figure. 1 Transactional Relationship of Employee and Company

**II. RESEARCH METHODS**

This research is a qualitative research through an exploratory study [8] conducted at a multinational company in Jakarta.

Researchers used data collection techniques through interview to the key leaders of company and Focus Group Discussion (FGD) to the three groups of employees, each consisting of 4 people. The research instruments were interview guidance, notebooks, recording devices and researcher. The focus of the interview and FGD are to explore Company’s Engagement Implementation Program and Employee Engagement condition, respectively.

To obtain the validity of the data, researcher used triangulation technique wherein a data validity checking technique by utilizing something other than the data itself [8]. In this study, it was used triangulation of investigator from expert in the field of Human Resources Management.

**III. RESULTS AND DISCUSSION**

*Company’s Engagement Implementation Program*

The findings of this study describes that company’s engagement implementation program on Career Development indicator is usually done through employee development program such as training and rotation prioritized for young and potential employees. Beside, company gives career advancement through providing broad career matrix for Marketing employees and pay financial and non-financial recognition to employees.

The implementation of employee engagement in the Concern for Productivity indicator is continuously carried out by increasing personal competency through formal training and On-the-Job Training. In addition, the company gives an opportunity to employee to introduce their idea and then give the recognition to implemented idea. The company strives to create a transparent and fair evaluation system, a

competitive remuneration system and create clear work standards and key performance indicators.

The implementation of engagement in the Ownership indicator is continuously carried out with implementing open and transparent communication. The Company promulgates company policies, individual responsibilities, and compensation program to employees. Work is seen as meaningful since the company instills the company's mission, vision and philosophy and transforms it into daily activities.

In the Loyalty indicator, the implementation of engagement is usually done wherein the company gives satisfaction for the majority of employees. To build positive company's image, company gives access to employee to tell about their sense of pride through company's official social media. The company encourages employee loyalty with obtaining competitive benefits, developing skill and knowledge of employees through training and providing adequate facilities. The company provides advancement careers, concerns to develop potential employees and creates a comfortable workplace.

In the Vigor indicator, the company's engagement implementation program is usually done through providing adequate facilities, fulfilling the right, providing full and proper benefit that employees must receive. Those encourage the employees to be persistent, never give up and have mental resilience. If necessary, the company changes the strategy to overcome the challenges faced by employees.

Company usually does implementation of employee engagement in the Dedication indicator through exposure the employee with challenges at work such as give the project to potential employee. To make the employee's work more meaningful, the company create a regular socialization program for employee to communicate with patients as consumers. This program outcome is to know the patient's needs and then employee will be able to transform the needs of the patients/consumers into their work. To encourage employee enthusiasm, the company strives for employee satisfaction with financial and non-financial rewards. The company encourages employees to work to inspire others with creating togetherness in achieving shared goals.

The implementation of employee engagement on the Absorption Indicator is usually done through equipping the employee with clear key indicators and intensive coaching by their superior in order to keep employee's fully concentrated on work. For employees who work beyond formal working time, the company provides appropriate facilities, rewards, and retention bonus.

#### *Conditions of Employee Engagement*

Based on the results of Focus Group Discussion conducted on three groups i.e. Production, Marketing and Administration, it was found that in Career Development indicator, the employee attended adequate training however the employee faced difficulty to apply the results of the training at work because of no slot of time to leave their routine work after training. The employees recognize an opportunity of career advancement in the company; otherwise the career map is unclear for each employee. In

addition, burdensome criteria (age and educational background) for promotion cause an old and senior employee who is performer and has experience will not get promotional opportunities.

Employees fulfil the work obligation as mention in the job description and the target in the Key Performance Indicator. Employees have a perception that reward system is closely related to individual performance. However, senior employees felt inequality of salary scheme; they get below percentage salary increase than the junior while both of them have the similar responsibilities and workloads. In addition, the study found unfair performance evaluation in certain department because of misunderstanding of target between superiors and subordinates.

In the Concern for Productivity indicator, the employees felt that the company emphasize training to enhance the skills of employees. Unfortunately, there are superiors who had not supportive to give a time for their subordinate to implement the results of the training and directly assigned the employee to do their routine work. Employees felt excited to achieve best result because the company payed them with worth bonuses or incentives, the better achievement the greater the bonuses or incentives obtained. However, it was found unrealistic target or too higher target felt by employee and then they became unconcerned to the target. To maintain the quality of work, employees follow standard procedures, codes of conduct and attending training to enhance their skill.

In Ownership indicators research showed that basically, 360 degrees communication is good and transparent. However, in some cases, there were find lack of communication such as invalid information, unclear direction and illogical information. Employees meet the demands of the company by implementing the job descriptions, fulfilling targets and following company policies as communicated by their superior and HR. Employees have a perception that the company's philosophy to fulfil the needs of patients or customers, build meaningful work.

Regarding Loyalty Indicators, employees are proud to work in multinational company, are equipped with good knowledge and rewarded for recreation abroad. Unfortunately, employees cannot share their sense of pride because limited information can be shared to outsider of company. Employees feel very responsible for work and achieving the target, and if necessary, they are willing to make sacrifices by using personal facilities or working overtime. Employees strive a good communication, maintain kinship, cope with challenges, and work with sincerity in order to build a loyalty to company. Otherwise, Marketing employees are overly anxious about losing their jobs, once they cannot achieve the target.

On the Vigor indicator the research found that top management and work environment is synergy to build the tough, agile and high endurance team. Unfortunately, as individual, the employee felt the company has not given an appropriate challenge and lack of trust. In addition,

employees become frustrate because some superiors are subjective on performance evaluation.

In the Dedication Indicator, employees stated that the company gives an opportunity to hear the voices of employees, but lack to encourage employees to participate in decision-making. Employees felt their work meaningful because of internal motivation (work is mandate) and external motivation (meet the needs of patients). Employees have a perception they can inspire others once they could hit the target under pressure and strict compliance condition. Employees showed enthusiasm for work because of interested in financial and non-financial rewards. Otherwise, employees become unenthusiastic because the company terminated the projects or the competitions, which in they involved, without clear reason.

In the Absorption Indicator, research showed that employees concentrated to work because of clear standard procedures, clear targets and good work environment. Employees could feel as if time stands still and work beyond after working hours because they satisfy with its compensation such as bonuses and the role of leader. Nevertheless, Marketing employees become unfocused since they felt overpressure from company to achieve the target.

#### *Triangulation Result*

Based-on the data from both of informants from the company and employees, The Human Resource Management expert who conducted triangulation concluded that there was a gap between the company's engagement implementation and employee engagement conditions in all of engagement indicators i.e. Career Development, Concern for Productivity, Ownership, Loyalty, Vigor, Dedication and Absorption.

#### *Career Development*

Career development is essential for making people engaged [9]. The company has established Career Development programs, but there was found the gaps such as no career development plan for each employee, unequal salary schemes for senior employees and unfair performance evaluation because of superior and subordinate misunderstanding to the target. In addition, the age and educational background criteria burdensome of the performer employee to be promoted even though he/she is potential and experienced.

#### *Concern for Productivity*

The Company put emphasis on training and upgrading skills in order to encourage the employees to perform their jobs in a more effective manner, which probably causes them to become engaged [10]. Unfortunately, in the reality the trained employees could not improve their productivity because their superior required them to do routine work without opportunity to implement the result of training. Other gap is the superior determined unrealistic target to the employee. It caused the employee was contra productive.

#### *Ownership*

Engagement will only be possible when employees feel a sense of ownership over their job-related task. Employee engagement is considered to be a reciprocal relationship between the company, leader and employees [11].

The employees felt they have a good atmosphere to work in the company. However, the study found the gaps such as availability horizontal communication barriers (inter-divisions or inter-departments). Beside the employees has received invalid, unclear, illogical information. In addition, the employees felt the superior did not remind them transparently which do or do not, in order to close the deviation of target.

#### *Loyalty*

The Company provides competitive benefits program, development program and competitive remuneration system to enhance loyalty. This loyalty provides a foundation towards an employee's level of engagement at work [12]. However, in the practice, the employees felt the gaps such as unequal salary scheme for senior employee who contributed to the company in long period, unclear individual development program and unclear guidance how to share a sense of workplace pride to outside.

#### *Vigor*

An engaged person is vigorous at work and characterised by high level of energy and mental resilience while working, having the willingness to invest effort in the work and persistence even in the face of difficulties [13].

In this study, the employee felt having high energy and motivation because of appropriate rewards and benefits from company. Unfortunately, the company has not offered an attainable job challenge to push an employee to move from their comfort zone and become resilient.

#### *Dedication*

The element of employee engagement is dedication. This refers to being strongly involved in one's work and experiencing a sense of significance, enthusiasm, inspiration, pride and challenge [13].

The Company has made efforts to improve employee's dedication such as hear the voice of employee, patient/consumer socialization program and hold some award competitions. Nevertheless, there were found the gaps wherein the employee has not an opportunity to be involved in decision-making. The patient/consumer socialization program has not fully encouraged employee to reach self-actualization. As in the sociological perspective, work is seen as meaningful, which is a critical feature of being religious [14]. The employees were enthusiasm to be involved into a company project and submitted the ideas to the award competition; unfortunately, the company stopped some projects and the competitions without a clear explanation.

### Absorption

The company encouraged the employees of being fully concentrated on and happily engrossed in work with providing a clear Key Performance Indicators, an appropriate facility and a competitive compensation. Otherwise, the high pressure from company distracted concentration of Marketing employees as same as unhappy to work. The Marketing employee felt insecure at time they could not hit a target even though they have devoted all of energy and concentration.

## IV. CONCLUSION

The study concluded that high employee turnover rate and lower business growth had a relationship with the employee engagement problem at the company.

The conclusion describes that there is a gap between company's engagement implementation program and the engagement conditions felt by employees on all of engagement indicators such as Career Development, Concern for Productivity, Ownership, Loyalty, Vigor, Dedication and Absorption. Thus, it is necessary to make efforts to improve the effectiveness of engagement implementation program so that increasing the employee engagement bring contribution to the company's growth.

The company can increase the level of employee engagement by implementing high-performance work practices through improved reward system, individual development program and employee participation program.

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