

FACTORS AFFECTING EMPLOYEE ENGAGEMENT*

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Abstract

Every successful organization is led by engaged employees and there has many factors affecting employee engagement. Studying the subject of employee engagement becomes the key focus for both business entrepreneurs and academic researchers as employee engagement is one of the best organizational tools for competitive advantages. The more the organization care the engagement factors, the more the employees become productive and the longer they stay in their jobs. Employee engagement is one of the management concepts of organizational behavior that describes employees' emotional attachment to their organization, which meaning is interchangeable with organizational commitment. This paper focus on studying factors affecting employee engagement by measuring organizational factors and engagement levels. The results of this study highlight the importance of organizational factors towards engagement level, help achieving organizational goals, reducing employee turnover rate, decreasing the levels of burn out, and increasing productivity.

Accordingly, it gathered primary data using questionnaire survey and aimed to examine respondents' demographic information and the level of satisfaction towards organizational factors, and emotional attachment to their organization. Along with that, particular research hypothesis is formulated to measure relationship between compensation factors and employee engagement.

Survey results suggest that organizations should heed more attention to improve the issues of compensation factors, communication factors, leadership and management factors, and opportunities for personal growth factors as employee dissatisfaction level is the highest in those concerns. However, the issues of worker relationship and working role are relatively satisfied while most of them are less likely to concern about environmental safety.

Keywords: employee engagement, organizational behavior, emotional attachment, employee turnover, burnout,

Problem Statement

According to Thailand's Social Development report 2014 by NESDB, higher employee turnover rate and declining labor productivity is becoming a critical challenge for Thailand business industries and organizations. Empirical researches showed that there has a strong relationship between employee satisfactions and productivity, and turnover rate. Though employees' day-to-day performance has a significant influence on the quality of the entire organizational growth and its profits, there has no practically

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empirical research regarding employee engagement issues in the organizational behavior literature and no practical discussion as the organizational and national level in Thailand. Not only the compensation factor, but also workplace environment, job roles, communication, leadership management, personal growth and the like factors are affecting employee engagement. Similarly, the quality of knowledge, sharing and learning systems, the quality of building a strategy in the company are playing an important role to identify the culture of the organization that support the workplace where the engagement can grow. Accordingly, it's crucially important to investigate factor affecting employee engagement and the result of this study could be recognized the current level of workers' engagement and which work related aspects need to be improved for the purpose of deeper engagement. At the same time, it will help leaders to highlight the areas for improvement and to pay more attention in order to improve workers engagement, and to be a better work place. By doing so, business industries and organizations could maintain not only employee retention but also to reduce employee turnover rate, enhance productivity as well as to organizational growth and profits.

Significance of the Study

The global HR consultancy firm, Towers Watson found that companies with engaged employees can boost organization's income and increases employee productivity, and lower turnover rate. Previous studies also highlighted that if organization fails to track employee engagement then it will lose control over their business success both long term and short term. Accordingly, it's very essential to know employee satisfaction towards organizational factors and their emotional attachment towards organization so that it would allow the leaders to assess employees' organizational commitment. Once the leaders know employees' satisfaction towards organizational factors, it will allow them to highlight potential problem area in the organization in order to maintain or boost engagement level. It will also enable the leaders to differentiate problems and symptoms so that they can prevent potential problem or can take action properly to the real problem. On that account, the results of this study will provide insight and meaningful information to business organizations and its leaders, and to the academic researchers regarding employee engagement so that it would allow to develop and implement change strategies that would actually improve employee engagement in their organization, thereby potentially increasing the overall effectiveness of the organization, and possibly decreasing the levels of burn out.

Objectives

- To find how demographic factor influence employee engagement.
- To identify how organizational factors influence employee satisfaction.
- To find correlation between compensation factors and employee engagement.

Hypothesis

Ho: Salary/wage has no influence if willingness of working extra mile is a part of employee engagement.

Ha: Salary/wage has an influence if willingness of working extra mile is a part of employee engagement.

Conceptual Framework

Independent Variables

Demographic Factor
Compensation Factors
Work Environment and Safety Factors
Work and Job Role Factors

Worker Relationship Factors
Communication Factors
Leadership and Management Factors
Opportunity and Personal Growth Factors

Dependent Variables

<u>Work Engagement</u>
- Willingness to Change job for better payment
- Company's inspiration
- Willingness of growing together with the company
- Satisfaction with the benefit get from the company

Theory and Related Researches

According to Scarlett Surveys, Employee Engagement is a measurable degree of an employee's positive or negative emotional attachment to their job, colleagues and organization that profoundly influences their willingness to learn and perform is at work.

Most common theme of engagement driven factors that we generally know and at the same time, previous researchers revealed major driven factors for engagement are economic factors, compensation factors, work environment and safety, work / job role, worker relationship, communication, leadership and management, decision making / coordination, and opportunities for personal growth, as well as emotional attachment towards works or organization. According to SHRM 2011 report, employee engagement is about employees' commitment and connection at work—what is motivating employees to work harder, who is motivating them to work harder and what conditions are motivating them to work harder. (Frank et al, 2004) remarked (as cited in Hafiz Abdur Rashid, 2011) that Employee engagement is the combination of unique attributes contained by the employees in shape of developing emotional relations with the cerebral commitment to the organization. It is the amounts of optional endeavor demonstrated by employees in a particular profession. Gallup pointed out employee engagement to a positive employees' emotional attachment and employees' commitment. Furthermore, Robinson et al. (2004) (as cited by Solomon Markos, 2010) then stated employee engagement as a positive attitude held by the employee towards the organization and its value.

Engagement is about passion and commitment-the willingness to invest oneself and expand one's discretionary effort to help the employer succeed, which is beyond simple satisfaction with the employment arrangement or basic loyalty to the employer (BlessingWhite, 2008; Erickson,2005; Macey and Schnieder ,2008) as cited by Solomon Markos, 2010. Nelson & Simmons 2003, (as cited byVijaya Mani, 2011) highlight that

engagement has been defined more completely as when employees feel positive emotions toward their work, find their work to be personally meaningful, consider their workload to be manageable, and have hope about the future of their work.

Methodology

Data were gathered by the survey questionnaire as the primary data and it was distributed to related respondents. Respondents are requested to complete the questionnaires his or her own according to self-administered survey basic. The respondents are Thai employees from greater Bangkok area who currently working for their company. The experiment were measured by several specific questions with systematic questionnaire design in order to find how demographic factor influence employee engagement as well as to identify how organizational factors influence employee satisfaction, and to find correlation between compensation factors and employee engagement. Moreover, questionnaire would allow to answer hypothesis testing that relationship between salary/wage and willingness of working extra mile.

Population and Sample

Population of this survey is Thai employees from greater Bangkok area who currently working for their company. Three difference zones such as Sathorn, Silom and Sukhumvit from greater Bangkok area will be selected as a sample representative of Bangkok population based on quota sampling method. Quota sampling method which is one of non-probability samples is used in selecting survey participants for this study. The population of greater Bangkok area is divided into 3 zones; Sathorn, Silom and Sukhumvit area, which were drawn up based on convenience of the researcher. Sample size is three hundred participants and subset into one hundred per each zone. Respondents are requested to complete the questionnaires his or her own according to self-administered survey basic.

Data Analysis Method

To assess the validity of the hypothesis, organizational factors (independent indicators) were represented by thirty one different questions and employee engagement (dependent indicators) were signified by nine different questions. Characteristics of the samples, in other word, employees' demographic data will be recorded and its characteristics will descriptively describe by frequency analysis. As the questionnaire is designed in quantitative data collection method, the answers is formulated as tolikert scale basic. Organizational factors included 7 independent variables of organizational factors with 31 indicators. Independent indicators (organizational factors) will be measured by five level of satisfaction such as very dissatisfied, dissatisfied, neutral, satisfied, and very satisfied. Data are designed to analyze descriptively by frequency analysis.

Dependent variables (Emotional attachment) involved 9 different dependent indicators. Dependent indicators (emotional attachment) will be measured by five level of agreement such as strongly disagree, disagree, neutral, agree, and strongly agree. Those quantitative data will be analyzed in multiple regression method using SPSS.

Hypothesis testing is measured by the relationship between independent indicators with one of dependent indicators through multiple regression analysis. One of independent indicators (Salary) will be measured by manipulating one of dependent indicators (willingness of working extra mile) in order to experiment a proposed statistical hypothesis.

Results

Regarding demographic background, majority of respondents are age around 18-25 years with holding bachelor degree in single status, working experience 0-2 years, average monthly salary is around 15 to 20 thousand Baht. Regarding compensation factors, survey statistic reveals that employees are not really satisfying with compensation that they received from their company/organization. Relating to work environment and safety, analyzed results is highlighting that government and private sectors should heed attention to provide awareness training regarding this issues. Referring to work/job role issues, survey fact is pinpointing that the leaders should pay more attention on conveying organizational vision and work instructions clearly to the employees. At the same time, they want to have the job roles that can reflect their knowledge and experience so that it would allow them to have interesting and lively workplace.

Concerning worker relationship, on the issue of helping co-workers by each other, majority are not likely to say anything while some of them are slightly satisfied. Similarly, regarding the question of enjoy working with co-workers, satisfied people are slightly more than dissatisfied ones, while majority of them are not likely stand with clear response.

As per communication factors which reveals for communication issues, it can be summarized that employees are slightly satisfying with communication routes and transparency among subordinates, supervisors and managers to the boss.

Regarding leadership and management, it shows that most of the employees feel neutral with the working leadership and management in their organization. Majority of employees exposed that they are not satisfying with leadership and management system of the organizations, and personal growth opportunities they received for their works and organizations

On the issues of opportunities for personal growth, it's pointing out that employees are not satisfied with personal growth opportunities they received from their works and organizations.

Overall evaluation for all independent variables of organizational factors, employees are not very satisfying with compensation factors, opportunities for personal growth, leadership and management, and communication factors respectively. Accordingly, it would imply that those factors are such a potential problem areas that needed to take a closer look by the organizations in order to enhance employee engagement.

As per the statistics of emotional attachment, it reveals that employees are willing to grow together with their company if they are satisfied with compensation factors because better payment is one of employee engagement concerns. On the other hand, they will stay with their company for two more years as they see promotion opportunity in their works. If their company needs to move another location, some portion of them would agree to accompany with moving new working place. Surprisingly, it would have some reasons that some employees don't like to recommend their friends to working at their company. Obviously, we can clearly see that compensation factors are strongly influence on employee engagement as they more care about better payment and benefits and they would even change if they have a chance to work in other company with better payment. Last but not least, we can infer that employees who are not satisfying with compensation factors are not willingly to go extra mile for their works. In conclusion, 23 percent of respondents in average have positive emotional attachment towards their works and organizations while around 14 percent have negative feeling about it. It would imply that the level of employee engagement is still higher even though they are not fully satisfied with compensation factors. It's because they see promoting opportunities in their workplace. At the same time, they want to grow together with their company as they are satisfied with the benefits they are getting from.

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
1 (Constant)	3.494	.296		11.793	.000
Salary_X1	.021	.060	.022	.352	.725
Overtime_X2	.009	.057	.009	.150	.881
Welfare_X3	-.051	.057	-.054	-.902	.368
Annual_Leave_X4	-.108	.060	-.112	-1.814	.071
Vacation_Leave_X5	.035	.060	.036	.582	.561
Bonus_X6	-.014	.057	-.016	-.249	.804

a. Dependent Variable: Going_Extra_Mile_and_Proud

Descriptively, the table shows the correlations between dependent indicator (Going_Extra_Mile_and_Proud) and five independent indicators in term of employee engagement. The results show relationship between independent indicators and dependent indicator and provide the answer to the hypothesis question as follow:

Ho: Salary has no influence if willingness of working extra mile is a part of employee engagement. REJECT

Ha: Salary has an influence if willingness of working extra mile is a part of employee engagement. ACCEPT

Y (Going_Extra_Mile_and_Proud) = 3.494 + .021Salary_X1 + .035Vacation_Leave_X5 + .021Overtime_X2

1 unit changes in Salary_X1 has an impact of employee engagement by .021.

Accordingly, hypothesis is accepted as it supports the assumption that salary is more likely to affect employees' willingness to go extra mile and proud of working for their organizations. Consequently, it can conclude that employee engagement can be boosted by enhancing compensation factors by the organizations. However, other organizational factors are also relatively important as different individuals have different motivation factors.

Conclusions and Discussion

The results of this study suggest that most of the employees are dissatisfied with their salaries and wages while most of them have bachelor degree education level. Majority of the employees are expected to get paid whether they call for annual leave, sick leave and vacation leave as long as they are expecting more bonus payment from the organization, these where the dissatisfaction levels have the highest percentage.

Regarding compensation issues, research reveals that employees who dissatisfied with their salaries are slightly more than those who satisfied. More than 22 percent of employees are not really satisfied with OT for topping up their basic salaries. Around 20 to 28 percent are not satisfying with annual leave. At the same time, 20 to 28 percent of employee are not satisfying with the bonus that they received. To be sum up, it can concluded that employees are not really satisfying with compensation that they received form their company/organization.

Furthermore, percentage analysis reveals that majority of employees are not really aware of environmental issues and safety conditions, which is highlighting the need that government and private sectors should heed more attention in providing awareness training to the workers regarding this issues. The result then pointing out that the work they are doing is not challenging their working performance. Additionally, the leaders should pay more attention on conveying organizational vision and work instructions clearly to the employees so that it can enhance employee engagement as well as enable to achieve organizational goals.

Consequently, majority of employees are saying that the work they are doing is not really challenging so they want to have the job roles that can reflect their knowledge and experience in order them to have interesting and lively workplace. In the matter of worker relationship, majority of employees are not likely to provide any standpoint so it makes not possible to generalize that issues. Simultaneously, majority of employees exposed that they are not satisfying with leadership and management system of the organizations, and personal growth opportunities they received for their works and organizations. In the light of this finding, it's so much important for the organizations to improve communication factors, leadership and management factors, and opportunities for personal growth factors not only for employee engagement but also to maintain employee retention. Previous literatures suggest that there's strong relationship between employees' emotional attachment towards organization and employee engagement. According to survey results, about 62% of employees have strong emotional attachment while 38% are not really attached so it implies that 62% of employees are truly engaged and another 38% of them are disengaged.

According to the hypothesis "Salary has an influence if willingness of working extra mile is a part of employee engagement." The significance level for the relationship between salary and compensation factors is all above 0.05 means the following indicators; salary, overtime, welfare, annual leave, vacation leave and bonus have no influenced with the salary level if willingness of working extra mile is a part of employee engagement.

According to this research, the organizations should focus more on employee's benefits; compensation for the employee, the hard working and good affording employees deserve to have more bonuses, more paid or even opportunity to get more vacations. For the work and job role and opportunity for personal growth, the organization needs to consider individually putting the right man on the right job with the right tool in the right time and all comments and feedbacks from co-worker should be listened and considered. For the work relationship, communication and leadership and management factors should be developed by providing more activities within the organization such as organize a trip, sport day and etc.

Limitation of the study and recommendation for future research

As quota sampling is based on non-probability sample, it would have impact on the reliability of data collection as the samples might be chosen upon convenience basic rather than random sampling which give everyone a chance of selection. Since the selection of samples is non-random, non-probability sampling won't allow the estimation of sampling errors. Choosing quota sampling method is the best approach for researcher in dealing with time constraint, limitation of resources, budget and convenience sake. However, in contrast to sample selection, researcher pay much attention on reliability of questionnaire design as the question items are translated it into Thai language so that respondents understand questionnaire items clearly and encourage them to participate with the survey. Basically, as we know that employee engagement factors are varied and highly independent in the real world, standardized conceptual framework is not seem to be highly reliable, and the result is only generalization based on the framework.

As for future research, sample selection should be accordance to reflect the population in order to get highly reliable data. At the same time, reliability of questionnaire design should also take account carefully to avoid any bias. However, the researcher strongly hope that this paper can provide informative data for other students, business owners, and organizations in term of the knowledge of employee engagement as well as business research process. After reading this study, readers should come to realize the importance of employee engagement and how organizational factors affect employee engagement. As we know that Thailand economy is hugely depended on industrial sector, it's very important for the organizations, institutions, students, and academics to conduct this kind of study periodically. Future study should try to gain more accurate information about employee engagement through a quantitative survey supported by qualitative interviews and focus groups with reliable and validate sample representative.

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