

Investigating the factors influencing employee engagement



In today economic downturn situation, organization started to look into its people asset internal employee so that they can utilize the human asset to sustain the competitiveness in the industry. Employees who are engaged in their work and committed to their organizations give companies crucial competitive advantages including higher productivity and lower employee turnover (Robert, 2006). In addition, engaged employees may be more likely to commit to staying with their current organization (Ramsay & Finney, 2006).

Software giant Intuit, for example, found that highly engaged employees are 1. 3 times more likely to be high performers than less engaged employees. They are also five times less likely to voluntarily leave the company (Ramsay & Finney, 2006). Thus, it is not surprising that organizations of all sizes and types have invested substantially in policies and practices that foster engagement and commitment in their workforces (Robert, 2006). Indeed, in identifying the three best measures of a company's health, business consultant and former General Electric CEO Jack Welch recently cited employee engagement first, with customer satisfaction and free cash flow coming in second and third, respectively (Welch & Welch, 2006)

According to (Schaufeli et al. (2002)), work engagement is defined as a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption. Rather than a momentary and specific state, engagement refers to a more persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behavior. Vigor is characterized by high levels of energy and mental resilience while working, the willingness to invest effort in one's work, and

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persistence even in the face of difficulties. Dedication refers to being strongly involved in one's work and experiencing a sense of significance, enthusiasm, inspiration, pride, and challenge. Absorption is characterized by being fully concentrated and happily engrossed in one's work, whereby time passes quickly and one has difficulties with detaching oneself from work.

Employee engagement has been identified as a critical business driver that has the capability to impact an organization's overall success. Furthermore, engagement when understood and assessed gives organizations tremendous power to positively impact numerous areas of the company. Engagement has the potential to significantly affect employee retention, productivity and loyalty (Corporate Executive Board, 2004).

1. 2 Study Background

This study focuses on the factors affecting employees' engagement in the Saudi National Oil Company (Saudi Aramco). Saudi Aramco is the largest oil producing company in the Middle East and invests hundreds of millions of US dollars to maintain its assets in order to ensure the well being of a reliable energy source for the whole world. Saudi Aramco is a leading player in safety and reliability metrics within oil industry sector, which is firmly rooted as the major venue of wealth in Saudi Arabia and recognized as the sustainable support to the national economy. Saudi Aramco is currently pursuing recent and rapid expansions to meet international energy demands.

There are different factors that contribute to the employee engagement and can result in a better engagement and organizational commitment. What are the general factors (quote reference), then state that this study focuses on

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three factors i. e. PSS, POS & Reward. Explain why these three has been chosen.

The first factor is perceived organizational support (POS) which is defined as the degree to which employees' believe that their organization values their contributions and cares about their well-being (Eisenberger, 1986). POS is generally thought to be the organization's contribution to a positive reciprocity dynamic with employees, as employees tend to perform better to pay back POS. Reference

A sufficient consideration has been given as to why PSS and POS have both been found to be related to employee engagement. According to organizational support theory, PSS should increase employee engagement by increasing POS. The POS resulting from PSS would strengthen employees' felt obligation to help the organization reach its goals and increase affective organizational commitment, with a resultant reduction in turnover and increase in engagement. Reference

The second factor is perceived supervisor support (PSS). Just as employees form global perceptions concerning their valuation by the organization, they develop general views concerning the degree to which supervisors value their contributions and care about their well-being (Kottke & Sharafinski, 1988).

PSS should increase obligations to the supervisor and to the organization.

PSS increased extra-role performance beneficial to supervisors, and PSS increased POS, which, in turn, led to greater extra-role performance

beneficial to the organization. Concerning employee engagement, when PSS
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is low, employees would believe that they could deal with the unpleasant situation by switching to a new supervisor or minimizing engagement with the supervisor while continuing to carry out usual job responsibilities. POS would entirely mediate a negative PSS employee engagement relationship.

Reference

The third factor is rewards and recognition. Having a rewards and recognition program in place lets valued employees know that their contributions are important and their efforts are appreciated. Not only will the employees appreciate it, but customers may appreciate it as well.

When employees are happy and satisfied with their work, their attitude will be reflected in the service they provide. When employers go the extra mile to keep employees happy and treat team members well, staff members will often go the extra mile to ensure customers are happy. Treating people well is very often infectious. Reference

Kahn (1990) reported that people vary in their engagement as a function of their perceptions of the benefits they receive from a role. Therefore, one might expect that employees' will be more likely to engage themselves at work to the extent that they perceive a greater amount of rewards and recognition for their role performances. In another words, while a lack of rewards and recognition can lead to burnout, appropriate recognition and reward is important for engagement. In terms of Social Exchange Theory, when employees receive rewards and recognition from their organization, they will feel obliged to respond with higher levels of engagement (Chapter 2).

1.3 Problem Statement

Dramatic changes in the global economy over the past 25 years have had significant implications for commitment and reciprocity between employers and employees and thus for employee engagement. For example, increasing global competition, scarce and costly resources, high labor costs, consumer demands for ever-higher quality and investor pressures for greater returns on equity have prompted organizations to restructure themselves. At some companies, restructuring has meant reductions in staff and in layers of management.

A study by YouGovSiraj's (2007), the first Gulf People Index, a major employee engagement benchmarking study, designed to help companies improve productivity among staff showed that a fewer than half of Gulf employees think their organization manages to attract the best talent or engage them to perform once they are inside the corporation. Even fewer (just over one third of employees) think their companies are good at holding on to the best talent (YouGovSiraj, 2007).

The region also has a weak spot when it comes to companies' ability to retain and attract talent. This compounds and confirms the problems surrounding the lack of long-term employee engagement in the Gulf. Only 39% of respondent feel their company manages to keep the best staff. Less than half (47%) believe their organization manages to attract the best talent and manages to engage employees so they perform well (YouGovSiraj, 2007).

According to the manager of HR communication department in Saudi Aramco, Mr. Brokaw in 2009, employee engagement is built in Saudi Aramco by giving the employees an opportunity to participate in key decisions, make it easy for all employees to give feedback (good and bad), show how employees feedback is being used, build a feeling of community and involvement, provide up to date information and tools, communicate and reinforce Saudi Aramco's mission and goals, promote employee development programs, communicate and measure employee values and attitudes to promote high performance across Aramco and Recognize good performers. (Halogen software, 2010) reported that Saudi Aramco win employee engagement through a well structured and timed employee orientation and rollout schedule. The above statements requires reference.

In the Saudi Aramco, eventhough employee engagement has been recognized for its importance in fostering employee participation, till now there is no any study that examines the employee engagement and the antecedents factors influencing the employee engagement like perceived organizational and supervisor support in this organization. From this point of view, this study aims to examine a three of many factors influencing the employee engagement in one of the largest Saudi organizations which is Saudid Aramco.

1. 3 Research Objectives

This research will evaluate the current employee engagement and examine which among the variables contributes to employee engagement in Saudi Aramco. Specifically; the objectives of this study are:

1. To examine the extent of employee engagement in Saudi Aramco.
2. To examine the relationship between perceived organization support and employee engagement in Saudi Aramco.
3. To examine the relationship between perceived supervisor support and employee engagement in Saudi Aramco.
4. To examine the relationship between rewards and recognition and employee engagement in Saudi Aramco.
5. To identify which among the three independent variables (perceived organization support, perceived supervisor support, rewards and recognition) is the most important driver relates to employee engagement.

1. 4 Research Questions

This research will be conducted to find the relationship of the independent variables, which are perceived organization support, perceived supervisor support, rewards and recognition with the dependent variable, which is the employee engagement in Saudi Aramco. The Research questions that this research will try to answer are:

- 1) What is the level of employee engagement in Saudia Aramco?
- 2) Does perceived organization support influence the extent of employee engagement in Saudi Aramco?
- 3) Does perceived supervisor support influence the extent of employee engagement in Saudi Aramco?

4) Do rewards and recognition influence the extent of employee engagement in Saudi Aramco?

5) Which among the three independent variables is the most important driver relates to employee engagement and what are the relationship consequences?

Research Significance

Theoretical & practical significance.

The following are practical significance. What is your theoretical significance (contribution on the body of knowledge about EE)?

The significance of this study can contribute many advantages to many parties such as corporate strategy, business unit level in forming their business strategy and the analytical and empirical researches. This study can provide the management an understanding on which factors that could affect the employee engagement in the context of Saudi Aramco in which ultimately attempting to enhance organization performance and make organization a profitable entity.

This research can support different organizational units in correlating employee engagement and performance factors to prove the importance of employee engagement strategy. Researcher hopes that this study will give an idea to the top management of Saudi Aramco on the awareness of employee engagement and also can be useful for them to understand the approaches to be taken in order to enhance the level of its employee

engagement. This knowledge is hopefully would be useful as a source of information for the future research regarding this subject.

Assumptions

This research assumes that Saudi Aramco uses the industry unanimous definition of employee engagement as a standard definition.

1. 7 Limitations of the research write in paragraphs

This research is limited to one operational unit in Saudi Aramco and will not include any other units and thus results and findings cannot be generalized to the whole organization.

This study is limited to three factors which are perceived organization support, perceived supervisor support, rewards and recognition (independent variables) that influence the employee engagement (dependent variable).

1. 8 Terms & Definitions

Is this your operational or conceptual definition.

Operational definition (are these your operational definitions?)

Employee Engagement: employee engagement here is defined according to the International Survey Research (2003) as a process by which an organization increases commitment and contribution of its employees to achieve superior business results. The International Survey Research resolves that employee engagement is a combination of an employee's cognitive, affective and behavioral commitment in the organization.

Perceived organization support: is the degree to which employees' believe that their organization values their contributions and cares about their well-being (Eisenberger, 1986).

Perceived supervisor support:

The degree to which employees believe that their supervisors, values their contributions and cares about their well-being.

Rewards and Recognition: Employee recognition is a communication tool that reinforces and rewards the most important outcomes people create for your business. When you recognize people effectively, you reinforce, with your chosen means of recognition, the actions and behaviors you most want to see people repeat. Many types of rewards and recognition have direct costs associated with them, such as cash bonuses and stock awards. Other types of rewards and recognition may be non-monetary rewards like formal and informal acknowledgement, assignment of more enjoyable job duties, opportunities for training, and an increased role in decision-making. These are neither your operational or conceptual definition

1. 9 Research Organization

This is the first chapter out of the five chapters of the project paper which has presented the background of the study as an introduction, describes the problem statements, objectives and research questions in addition to the research significance limitations. Chapter 2 will review the employee engagement research findings done by other researchers and also the drivers of employee engagement. Chapter 3 will present the method for the study, which is the research design and procedure. The chapter mentions the

selection of the respondents, sample types and size, the development of the questionnaire for the research and data collection procedure. Chapter 4 discusses the interpretation of the research findings and the results presentation. Chapter 5 concludes the whole research with discussion and some suggestions for future research directions.