

# Employee engagement issues in multinational companies

[Family](#), [Marriage](#)



## INTRODUCTION

There is increasing need to get the very best out of employees. The need has probably been heightened by the need for businesses to survive and achieve competitive advantage in the face of the global financial meltdown. Survival is especially crucial because of the global economic recession which has brought about reduced all kinds of adverse situations leading to survival tactics and stiff competition amongst similar organisations around the globe. Management of organisations and human resource practitioners are plagued with how to go about getting employees to deliver beyond their scope of work or terms of contract in the name of discretionary task behaviour.

Effective multiplication of organisations around the world may be hindered if current employees are not seen to be giving their best. Hence the concept of effective globalisation and sustenance of competitive advantage amidst international pressures is perceived to be tied to the effectiveness of people working within that organisation. Different management concepts have cropped up over the years with the aim of directing the minds of superiors and subordinates to working together to achieve overall organisational objectives of which some of them are employee engagement, employee commitment, employee performance, productivity, job satisfaction etc.

The concept of employee engagement is permeating today's workplace like never before. The subject is now widely researched upon and found in numerous books, corporate websites of organisations, research papers, educational and workplace conferences and so on. As a result of this a lot has been said about the concept which has sort of brought about a lot of

confusion about this construct because the term has been used synonymously with other management constructs. For organisations to enjoy the benefits of an engaged workforce, it is pertinent that the concept and its conceptual underpinnings must be well understood. Also, they need to be aware of the drawbacks in order to be better prepared and make plans to tackle challenges that may arise.

This report will therefore focus on employee engagement, the criticisms around the subjects, reasons for low engagement in multinational companies (MNCs) and strategies MNCs can implement to achieve a better engaged workforce. The fast food multinational company McDonald have been selected for research as the organisation under study.

## **Reasons for undertaking this Study**

Although this study is a secondary research and perhaps contains a project scenario, the researcher is specially interested in this research and curious about the outcome because of the issues raised thus far in the previous section(s). Based on this and amidst other reasons, the aim and objectives of this research is therefore itemised below:

To closely examine the concept of employee engagement

To seek to differentiate employee engagement from other similar constructs

To examine the view point of critics and advocates of the concept

To investigate reasons for low engagement especially in fast food companies and how they have been coping with this challenge

To make strategic recommendations for the organisation under this present

study taking cues from similar organisations who have improved levels of engagement in their organisations

To make well informed contribution to the body of academia and practical relevance to practitioners as well

## **Research Questions**

This research shall seek to answer the following questions by examining key literatures in the area of human resource management and other related materials.

What does employee engagement really mean

Why is there confusion about the true meaning of employee

engagement How relevant are its synonyms to employee engagement itself

What the challenges to achieving an engaged workforce Why does this seem difficult

Why is it that employee engagement appears to be low in multinational fast food companies despite the loose labour market Is this normal If not, why is this so

## **Structure of this Study**

This study is a secondary research. Therefore it shall not involve empirical research or deep data analyses of any sort. Basically, the researcher is required to gather relevant information from literature, critique them, discuss and analyse them and then, relate them to the project scenario. On top of that, conclusions shall be drawn based on findings and informed

recommendations shall then be made for the case study organisation and also to similar organisations in the league.

### **Limitations of this study**

It is crucial to state that considering the structure of this report, there are bound to be limitations. The report will use information from other researchers and make deductions based on this. It is possible that the sources of this information may not be 100% reliable and may have allowances for marginal errors in data; surveys may not depict the real situations on ground etc. Thus, it is advised that the deductions and recommendations made in this report should not be taken out of context and any adoption should be done with expertise advice if deemed necessary.

### **The McDonald's Hamburger Chain**

Recently, the multinational fast food company McDonald's was listed by The Sunday Times as among the 25 best big companies to work 2011 (see [www.thesundaytimes.co.uk](http://www.thesundaytimes.co.uk); [www.mcdonalds.co.uk](http://www.mcdonalds.co.uk)). Another publication by the yahoo rival, msn, reported how people fall over themselves to be employees of the hamburger giant (Rexrode 2011) as the company planned on hiring 50, 000 new employees on the same day! The reason for this huge turn-out of people on the National Hiring Day is argued to be because McDonalds is specialist in hiring low-level skilled workers. People seem willing to take up any job available and offered them in the company. Whether this is simply because of the economic downturn, economic rebound or simply because McDonalds is a good employer is not very clear. This occurrence seems to suggest that McDonalds seems to have had some

recession shock absorbers in place to have been able to budget to spend \$518 million in 2012 on recruitment alone (Rexrode 2011). Also, the rate of increase in the number of chains and franchises of this fast food company around the world is alarming. They seem to have a strong hold on their customers as customers always seem to repeat visits.

The foregoing information waters down insinuations and criticisms by some people that McDonalds is a lousy place to work. This is perhaps because of the perception people have of the people management techniques used by the organisation. On top of that, employees of the company are generally not perceived by the society as classy because they are relatively low paid. They are also regarded as belonging to the lower class and thus are not accorded high respect in social circles. Fairhurst (2008) imagined that such public perception about a 'McJobber' could actually make employees lose self-confidence and self-esteem.

Nevertheless, with the reports gathered thus far, may be it is high time research is carried out to discover why people want to work for McDonalds, why their customers keep coming back, and how they have remained in profitable business through the global recession.

## **Employee Policies and Practices at McDonald's**

The employee policies and practices of the company reveal that in the area of recruitment the organisation focuses on hiring local people, training them based on their relevant skills and talents irrespective of where they come from or the colour of their skin. The organisation also claims to support

employees to build careers and develop their potential by creating opportunities for them to do so. Employees enjoy the benefit of flexible working, performance pay, and other education and scholarship programmes in a bid to encourage learning and achievement of a recognised course of study. The company has specified organised training for different category of workers in the three categories of recruited workers namely, crew members, junior management staff, and business management trainees. The trainings employees go through are continuous and depend on the employees' position and level. For example, the training for crew members usually includes on-the-job training and training towards Basic Certificate in Food Hygiene. Junior management employee are usually A level school leavers are trained on management skills and also programmes directed towards receiving a business qualification such as HND, BTECH or even a degree. Overall, McDonalds believes that their success is hinged on the quality of people it employs. After employing the best people, the main route observed as staff retention strategy is by offering on-going trainings relevant to their job role and also by promoting them (see [www. tt100. biz](http://www.tt100.biz); [www. mcdonalds. co. uk](http://www.mcdonalds.co.uk)). Recently in 2011, the company has been for recognised for its innovative employer practices by The Sunday Times 25 Best Companies to work for in the UK (see [http://www. mcdonalds. co. uk/about-us/latest-news/latest-news..shtml](http://www.mcdonalds.co.uk/about-us/latest-news/latest-news.shtml))

## **Criticisms of McDonald's**

In the USA, information has it that the company is the biggest buyer of poultry and beef (Robbins 2007). This has however raised strong criticisms

and many articles and movements have been borne out of this fact about war on animals and the health risk caused by McDonald's food (Simon 2006, p. 71). The company has devastating blows in the past because of allegations against them about child exploitation because of their advertisements, culpably responsible for obesity amongst addicted children, cruelty to animals because they are the biggest buyers of beef and poultry and also tagged as antipathetic because they do not support unionisation and their staff are ridiculously paid low wages ( see [http://www. mcspotlight. org/case/trial/verdict/index. html](http://www.mcspotlight.org/case/trial/verdict/index.html); BBC 2005). The organisation is careful not to engage in real labour commitments or issues perhaps this is why they avoid getting involved with unions. However, the company have set up a public relations arm which majors on responding to activists and criticisms arising from farmers or other stakeholders (Lydersen 2005).

The kicks the organisation has received over the years have made it come up with various campaigns to spread the message of healthy eating, promoting physical exercise among obese children in urban neighbourhood (Kiley 2005). In the area of human resource management, the company seems to be more interested in developing its workforce than paying them big money. The Sunday Times ranking of the company as the 22nd Best Biggest Company to Work for 2011 was based on industry-leading initiatives and progressive employer practices taken by the organisation to motivate workers in their jobs and careers. According to the company website, since 2006, they have introduced training and development programmes which empower employees with transferrable skills, nationally recognised



qualifications such as the National Vocational Qualification (NVQ), options to work flexibly and ample opportunities to climb up the organisational ladder relatively quickly (see [www. mcdonalds. co. uk](http://www.mcdonalds.co.uk)). From all these, it is somehow clear, that McDonalds is interested in building a confident, committed and an engaged workforce as confirmed by the McDonald's UK Vice President, Jez Langhorn.

## **Reason for choosing McDonald's**

McDonald has been selected for use in this research because of the popularity of the organisation around the world. Being an ex-employee of the fast food company in one of the London chains, the author is well acquainted with internal practices of the organisation which could have pre-empted the rave about the company in the media. Moreover, experiences gathered while as an employee could now be critically looked at in the light of literature to see why despite all these fame and popularity, employee retention seems to be very low at the chain where I was working. This raised a question within me: how come customer retention seems stable and yet employee retention is low? Could it be that my colleagues did not feel fulfilled or engaged enough with the job, or was it simply a hard pill to swallow working for McDonalds, or was this problem peculiar to my branch?

## LITERATURE REVIEW

### **Brief History of Employee Engagement**

A review of literature shows that the history of the concept of employee engagement dates back to the 1920s with the US Army in World War II. The

concept seems to have been derived from the studies of morale or the willingness of a group of persons to achieve organisational goals and objectives. After the war, the era of mass production and the scientific management principles of Taylorism necessitated the unity of efforts in carrying out job functions and this were measured in terms of quality, speed and militancy. This era later ushered in the era of the knowledge worker in which the employer places more emphasis on individual employee talent. Overtime, a term was needed to express an emotional phenomenon which could turn an individual into a talent (or a star) in the workplace and this is how the term employee engagement was birthed. According to Scarlett (2010), employee engagement is an important building block for group morale in the workplace responsible for cognitive and emotional attachments to the organisation and amongst co-workers (Sejit and Crim, 2006).

### **The Meaning of Employee Engagement**

Approaching the definition of employee engagement seems to be an uphill task. The recession has kind of muddy the water and made it even more difficult for HR leaders to spot exactly what it means. Therefore considering the circumstances organisations are facing, employee engagement tends to mean different thing to different organisation. In addition, there are several written materials on the concept with varying definitions and portraying different meanings. Perhaps, if one is able to screen out what employee engagement is not, then one might be able to clearly see what it is.

According to Chartered Institute of Personnel Development (2010), employee engagement is a combination of two other concepts which are organisational

commitment and organisational citizenship behaviour. This description is similar to the perception of Schmidt et al., (1993) who defined employee engagement as an employee's involvement with, commitment to, and satisfaction with work. This time, a third term has been integrated into the concept, and that is satisfaction. The definition by Schmidt and his colleagues seem to be very direct about what employee engagement means. CIPD (2010) however disproves that satisfaction with work does not mean engagement with work. CIPD argues that because an employee is satisfied with his work does not necessarily mean that such employee is actively engaged with work. CIPD further argued that the concept of an engaged employee goes beyond employee satisfaction and employee motivation as well. From these two definitions thus far, employee engagement has been integrated with employee commitment, organisational citizenship behaviour, job satisfaction, employee involvement, and motivation. But CIPD clearly says employee engagement is none of these even though there appears to be some association or integration with the concept.

Perhaps another view might throw in more light to give better understanding of the concept. In view of this, another writer Kahn (1990) defined the concept as follows:

“ the simultaneous employment and expression of a person's preferred self in task behaviours that promote connections to work and to others, personal presence (physical, cognitive, and emotional) and active, full performances”  
(p. 700)

This definition by Kahn is rather rich compared to Schmidt et al., (1993)'s even though it is older. The definition exposes that engagement is a total, complete, unrestrained investment of one's good personality into one's work such that the organisation and immediate colleagues feel the impact. For someone to be said to be engaged therefore means that such an employee is actively involved physically, mentally, and affectively in carrying out his role unto performance. If this definition holds true, then, it cannot be denied that if an employee is engaged every time they come to work, and performance ensues, then that employee is truly a star. Not only because of the end result (that is, performance) but also because of the positive air created in connecting to others task-wise and possibly influencing colleagues to do likewise. This definitely sounds like Scarlett (2010)'s notion of building blocks to achieve group morale within an organisation.

One of the simplest definitions found in research about the concept is that by Hewitt et al., (2004) which goes thus:

'employee engagement is the measure of an employee's emotional and intellectual commitment to their organisation and its success'

This perspective tends to suggest that the concept basically borders on two parts of the employee self, that is, the cognitive and affective aspects. Also, the impact is directed towards the organisation and not on colleagues or group effort as suggested by earlier perspectives discussed above.

Two major implications could be drawn from the definitions thus far:

Engagement could occur or be heightened when individuals are emotionally connected together at work.

Engagement could occur or be heightened when people are mentally alert and rub minds regularly on issues on their job.

However, one key point raised by the Hewitt Associates is that of measurement of employee engagement. Measuring people's mental commitment is like going into people's head as Purcell et al., (2003) suggested. Suffice to say that this might likely be a difficult challenge although employee opinion and attitude surveys have proved helpful (in the understanding of how employees think or feel) to human resource practitioners, researchers and organisations in general over the years.

## **THE EMPLOYEE ENGAGEMENT MODEL**

Finding a simple employee engagement model in theory seems difficult. In addition, it is sort of a challenge to precisely tell exactly what the employee engagement model is. The author found same key terminologies and phenomenon in the proposed models of engagement appearing under rules of engagement in some materials, characteristics of an engaged workforce and others key drivers of engagement in other materials. The rules, the model and the drivers, are they all referring to one and the same thing For example, ColeySmith Consulting affirm that the Hewitt et al., (2004) model of employee engagement was used by the Royal bank of Scotland (RBS) and quoted in the Institute of Employee Studies (IES) as the drivers of employee engagement.

A general review of most of the literatures on the subject shows that the concept of employee engagement very much is a combination of many constructs. And this is probably why an organisation may have an approach to engaging its workforce which is different from the approach of another organisation within the same industry. For example, Unilever perceives it as employee involvement letting employees have a say, The Big Lottery Fund approaches it as employee participation empowering employees to take part in decision making process, NHS sees it as employees demonstrating a sense of urgency, focus, adaptability, use of personal initiatives and employers tapping into employees' innate potentials; while Beaver Brooks strongly believes it is about involving employees, caring for them and also communicating with them (CIPD podcast on Employee Engagement). Another way to look at is that all these paths can also be seen as strategies of maintaining, building or improving engagement in the workplace.

### **The IES Model of Employee Engagement**

Figure 1: The IES Model of Employee Engagement

The figure 1 above clearly indicates that organisational citizenship behaviour, commitment and employee motivation are what make up an engaged workforce. It may also be seen as those factors are important or key contributors or drivers to engagement (Robinson et al., 2004). Thus it could be assumed that a committed, motivated employee is likely to be more engaged than one who is neither committed nor motivated. But to say that commitment, motivation or going the extra mile in itself is engagement

is wrong as literature depicts (Konrad 2006; Holmes 2010; Hewitt 2005 to mention a few).

## **The Zinger Model of Engagement**

Figure 2: The Zinger Model of Employee Engagement

The Zinger model is arguably complicated and some organisation might find it difficult to put it into practice. The diagram above is a revised version for 2011 and according to the Zinger Associates this model is more comprehensive, practicable and simpler to implement. One of the most important elements highlighted by this model is the fact that strategy and performance were included and brought into focus.

The model contains fourteen elements each with its own symbol. This model will be used in diagnosing the level of engagement in McDonald's fast food company.

The diagram is divided into two major halves of which the upper part is directed towards others while the lower part is geared towards self. The dividing line moving from left to right depicts the importance of strategizing, encouraging a creative atmosphere, maximising performance and planning in order to achieve results.

Esteem Organisation- this probes the mind of employers and HR practitioners about whether employees feel proud or feel like ambassadors of the organisation's brand. If employees esteem the organisation they work for, they are most likely going to recommend the organisation as a place to

work, and pursue other organisational goals more passionately. The McDonald's company website claims that most of its employees will refer a prospective employee. For employees to feel this way, Zinger suggests there has to be a mesh between organisational and individual goals.

Foster Community- an organisation that is seen to be involved in community development and other corporate socialresponsibility(CSR) will likely endear active engagement amongst its workforce. Zinger opined that this is because such activities create platforms for employees to be better connected with the organisation and the public and are thus able to build relationships that could enhance achievement of organisational results. It is also a good platform for organisations to reinvent themselves and not become obsolete. The banking industry is a classic example of an industry whose success is hinged on good customer relations. McDonald's as a global company fosters community by giving back into the communities where they are established.

Serve Customers- according to the model, customer is first and customer is king. The model depicts that there is a positive relationship between employee engagement and customer engagement. Zinger assert that employees are likely to pour in their best in serving customers if they feel the organisation and management is doing same for them. To the Unilever Company, the customer is at the heart of the business and they ensure employees imbibe sameculture. The NHS believes that engagement is a productivity agenda and could potentially lead to reduced mortality rate. McDonald's around the world often embark on Customer Satisfaction Surveys in a bid to interpret whether there are internal problems around



engagement. In reality, it appears customers are generally happy and want to repeat visits.

These first three elements of the model concentrate on seeing the employee as a bridge between the organisation and the business environment.

**Develop Career**- the model proposes that employers should give opportunities for self- development because most of our adult life is spent at work. When an employee is sent on a course, he or she becomes more acquainted and more identified with not only his or her role but also objectives of the organisation. Thus this is a good way of breeding an engaged workforce. The organisation under study seems to be very committed to this by offering opportunities for learning and career development through courses and scholarships leading to acquisition of nationally recognised certifications.

**Leverage Energies**- the Zinger model emphasises that real engagement involves the whole of self, i. e. spiritual, physical, mental, emotional and organisational energy. It also believes that energy is of more essence than time. This element of the model may be misinterpreted by employers to mean pushing workers to meet work targets by all means involving spirit soul and physical energies. This also tends to explain why so many companies will only employ people of certain age brackets. McDonald's for example employs young school leavers who are able to stand practically all time at work taking orders from customers (see Table 2 for statistics).

Experience Well-Being- following from the above, health and well-being is crucial to positive exertion of energy into work. The model assumes that the achievement of results is dependent upon the health and productivity of every one single employee. In the same vein, the Gallup management journal (2005) reiterates unhappy employees are psychological unwell and may tend to be less engaged. McDonald's seem to improve employee wellness by flexible work practices, holidays and holiday allowances, healthcare cover and life assurance cover.

These last three elements turn the light on looking into the employee side of things.

The core of the model talks about the acronym C-A-R-E which stands for Connect, Authentic, Recognition and Engage.

Connect- according to Zinger, this is the central key to/of engagement and that employee must feel connected/engaged to all the elements described above. Is it therefore like a man married to six wives? If this is so, what then is the role of the employer in this? Also, will the man (employee) be practically able to satisfy all of the wives (these elements) equally? Perhaps this is a question for another project research. Zinger says employers are to help effect the connection, maintain the connection so that it leads to productivity.

Authentic- customers are very sensitive people. The Zinger engagement model sees employees as customers with whom lasting relationships will

only ensue if the organisation is perceived to be truly authentic, not phony or just peripheral.

Recognition- ordinarily one would have expected the R in the C-A-R-E to stand for Reward. This model of engagement proposes that recognition is a powerful tool for building and maintaining engagement. Perkins and White (2008) tend to suggest that non-financial rewards given to employees as a way of recognition for their efforts improves motivation to want to repeat such behaviours that earned the recognition. More like the carrot and stick kind of approach, but Zinger says it could be an effective engagement tool.

Engage- wrapping it all up with E says that to be engaged is to actively contribute mentally, physically, emotionally and spiritually and to fully experience all of the elements discussed thus far in the Zinger Model.

C-A-R-E may be seen as a core principle and crucial to the workability of all the elements. It is the life-breath without which all others are lifeless and ineffective. Principles do not change, but rules and laws might change over time. The fundamental principles of employee engagement tell us how the employee feels about themselves in the light of their relationship with their employer, their work/job, and their work atmosphere. The basic underpinning theory behind employee engagement is that happy and loyal employees bring about higher profits for the organisation (Wustemann 2003). The rules of engagement as outlined on The Training Foundation website must have been built from the core principles of engagement. There are three rules of engagement and they are;

Engagement is founded on trust

Engagement is driven by emotions

Engagement is 20% culture, 80% climate

Going forward, the engagement model could be viewed as a strategy to achieve business goal. Therefore, the engagement model or strategy should be patterned after business strategy. Because, different organisations have different goals, objectives and strategies, it is possible to see that the model designed by one company may be different from that of another. This could be the reason why different organisations approach the concept in various ways. It means different things to different people as said earlier on.

Overall however, it seems as if the employee engagement model must have been derived from the perspective authors have of the meaning of the concept, that is, it being a combination of many constructs. Hence, this could be the reason for so many models possibly leading to confusion for practitioners as to which of them to pursue or where to start from.

## **THE DIFFERENT ASPECTS OF ENGAGEMENT**

So far in this report, the author has reiterated the fact that engagement is a combination of many constructs or aspects. From literature review, these constructs seems to be so many that if one was to take them one after the other, and analyse them, it is definitely going to be beyond the scope of words and works of this present study. However, in this section, some of the most important terminologies associated with engagement will be discussed. These constructs are important because HR practitioners and other research

associates such as IES, Hewitt and Zinger have used these terms in their descriptions and models of the concept.

### **Employee Satisfaction, Commitment and OCB**

The concept of engagement has been shown to clearly overlap between other researched concept in literatures especially commitment and organisational citizenship behaviour. Although Robinson et al., (2004) agree that these concepts have something in common, yet they assert there are clear differences. They opine that engagement is a two-way concept in that the organisation on their part works to increase and maintain engagement levels of employees while the employee has a choice about own engagement level to offer his/her employer. This further strengthens the argument that employee engagement is a choice and not to be forcefully demanded by the employer.

In order to distinguish employee engagement from its overlapping synonyms or constructs, IES defines employee engagement as follows:

“.. a positive attitude held by the employee towards the organisation and its values. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organisation. The organisation must work to develop and nurture engagement, which requires a two-way relationship between the employer and the employee.”

Engagement as a psychological State

Engagement as Satisfaction-the perspective of some writers such as Harter

et al., (2002) on employee engagement suggests that the concept refers to involvement, satisfaction and enthusiasm for work (p. 269). Their measure of the Gallup survey expressly called it satisfaction-engagement. They argue that if engagement lacked this construct then the business outcomes such as customer satisfaction, customer loyalty, improved financial outcomes might not be feasible. Some studies show that engagement as a concept affiliated with employee satisfaction has brought about fall in employee turnover for organisations (Burke 2005) e. g. NHS. Perhaps the reason why some writers have tied engagement with satisfaction is because of the emotional and affective components of employee engagement which are also common with the definitions of satisfaction (Locke 1976). This is not far from the opinion of Tower-Perrin (2003) that the personal emotional tie people have with their organisation and/or work could mean satisfaction or dissatisfaction which then leads to engagement or disengagement. Finally, Erickson (2005) and CIPD (2010) clearly articulates this to say that employee engagement is above and beyond employee satisfaction with work arrangements but rather it is about passion and uttermost willingness to give oneself and make efforts to help the company succeed without being asked to do so.

Engagement as Commitment- employee engagement has been sometimes defined in terms of organisational commitment by some authors and practitioners. This is perhaps because of the affective attachment or binding force associated with the concept (Meyer et al., 2004). The Corporate Executive Board (2004, p. 1) seem to suggest that engagement is the extent an employee commits to someone, a cause or a project within an organisation. They referred to how hard someone works and how long they

stay as critical results of how committed they are. This perspective is similar to the suggestion by Wellins and Concelman (2005) that to be engaged is to be actively committed to a cause (p. 1). In this sense, it seems as if engagement and commitment are linked together because both of them are operationalized as psychological states (Meyer and Allen 1997) resulting in willingness to discretionary put in more effort and energy to moving the organisation forward, deeper desire to be continually identified with the organisation, increased feeling of self-worth as a staff of the organisation (Bass 1999). Erickson (2005) has also likened task engagement to job commitment making work as the central point of focus; perhaps this is of most interest to employers.

In the psychological state, employee engagement has been regarded as other dimensions such as psychological empowerment that is giving employees an experience of responsibility and authority (Mathieu et al., 2006). The feeling of control and competence are some of the implications of this on the worker. The practice of self-managed teams and focus groups may have been borne out of this. It is believed that sense of control makes employees feel more engaged with work and also gives the impression their work is meaningful (Marchington and Wilkinson 2008). Other concepts in this category includes activated pleasant affect (Larsen and Diener 1992, p. 31) which describes that the employee's dispositional traits and emotional states or tendencies are positive and favours the organisation. This is similar to the emotional engagement (Fleming et al., 2005) or the description of

engagement as being passionate and excited about one's work or organisation.

The challenge however, with man's psychological and emotional state is that it could be unstable sometimes without any warning signs. This minute we feel wonderful about ourselves or something we'd done, then next minute one may feel like the biggest fool for making such decision. Therefore, limiting employee engagement to simply having a pleasant mood, or feeling excited is sort of too narrow or myopic. Suffice to say that it waters down the potency of the weapon of engagement. This criticism, however, does not negate the fact that job satisfaction and job/organisational commitment are crucial facets of employee engagement, but they are not employee engagement in themselves.

#### Engagement as Behaviour

Engagement as Organisational Citizenship Behaviour (OCB)- the concept of OCB seem to reveal different facets of engagement. According to literature review, OCB is the way an employee actually physically expresses what/how they think of the company and what/how they feel about their organisation/work/colleagues. It is therefore a very important facet of the engagement model; howbeit, the concept of OCB is made up of a more complex network which is beyond the scope of this study. The OCB have been referred to as going the extra mile, or above and beyond one's own task (CIPD 2010; Erickson 2004). There are conceptual disagreement about whether OCB is limited to discretionary behaviours pertaining to in-role behaviours or extra-role behaviours and also whether employees should



expect a reward for exhibiting such behaviours especially regarding extra-role behaviours leading to task performance (Saks 2006; Lepine et al., 2002). Meyer et al., (2004) cleared the air by saying that organisations should be clear under what conditions employees are rewarded because someone might get the wrong impression that they ought to be paid for in-role behaviours confused for extra-role. Outside of this seemingly complexity, the concept of OCB is an attractive one because it involves actions that go beyond the usual and that would be ordinarily expected; hence it gives a good platform or frame for engagement behaviour. In conclusion, suffice to say that engagement as a behaviour may be normally characterised as OCB.

Looking at engagement as organisational citizenship behaviour needs to take into cognisance the personality of individual employee. Individuals that are shy and introverts may find it difficult to express extra-role behaviours. This therefore implies that the OCB that leads to task performance may depend on other dispositional and situational factors. For example, Crant (2000) is of the opinion that being proactive which is a very important personality for salespersons and might be bridge between stagnation and career progression in such an industry (Siebert et al., 2001). However, the Zinger Associates emphasised in their model that employers must guard against role overload in the name of discretionary behaviours or role expansion. Furthermore, in trying to promote engagement in the workplace, it is might be an impossible task to try to change the personality of someone than the behaviour of someone. But we have seen that OCB may be a product of an individual's personality, therefore if the personality of an employee does not

support the engagement culture an organisation is trying to create, then the desired engagement levels may not be attained. It is sort of clearer now why some organisations carry out personality test at recruitment and selection stage in a bid to ensure they are making the choice of personality to fit the job, it is all in a bid to maximise job engagement. It arguable however, that personality tests are not sufficient tests to know the true person inside (Taylor 2008). Psychology even agrees that an individual might not know what he or she is capable of doing until he or she is faced with a particular situation that inevitably and reflexibly just brings out the true you. This is why role plays are perhaps the best test of a prospective employee.

## **The Six Drivers of Employee Engagement**

Research studies from occupational psychology and other surveys such as the Gallup survey and the Institute of Employee Studies (IES) shows that how employees think and feel about their employer, the work culture/atmosphere and how this impacts their lives can generally influence their levels of engagement with work. There appears to be different lists by different writers about the key drivers of employee engagement; meaning that there are different perspectives in this area. The closest in agreement is the IES Research Network and The Training Foundation (2010) and they have been list here.

The IES survey by Robinson et al., (2004) itemised six key components as drivers of employee engagement are involvement in decision making, the extent to which one is able to air their views and ideas, feel listened to by superiors, employees feel their contribution is valued, opportunities exist to

develop own job, feeling that the employer is concerned about one's health and wellbeing. It is also believed that the drivers of employee engagement also drive staff retention in the workplace (see [www. xperthr. co. uk](http://www.xperthr.co.uk))

Succinctly combining inferences from these studies, it may be possible to say that the key six drivers and correlates of employee engagement are as feeling valued, feeling fairly treated, feeling of being known and listened to, sense of involvement, sense of personal growth and development, belief in the employer's honesty and purpose. A classic example of one UK organisation that seems to have exhibited this is Beaver Brooks, no wonder they keep bagging the awards.

### **Are UK Employees Actively Engaged?**

From the global front, the Employee Engagement Report EER (2011) reveals that 31% of employees are engaged while 17% are disengaged. According to the report, one of the main attitude that characterised these two classes of employees are that the former plans to stay because of what they give (not what they can give) while the latter stay because of what they can benefit from the organisation. This result tend to further emphasise that to be engaged is an action word, not passively just wishing upon a star and hoping one can do better for one's organisation. Having said that, the statistics presented by EER (2011) was gathered from an online survey involving only six countries excluding the UK and USA. For this reason, the results cannot be generalised as applicable to other nations.

Measurements of engagement in the UK by the Gallup Management Journal aimed at improving senior management and workers understanding of the concept of employee engagement. Their study discovered that only 29% of UK employees are actively engaged with work while 54% of employees are not engaged (Konrad 2006). What happened to the remaining 17% of employees? When measured against company performance, the survey showed that a higher fraction of companies with higher percentage of engaged staff performed better as against companies with fewer engaged staff struggling with performance. The evidence gathered from the Gallup survey tend to suggest that there might be strong correlations between employee engagement and employee performance; which implies that a better engaged workforce will lead to higher organisational performance.

A comparison of these two surveys, the former on a global scale while the latter on the local scale, two things stand out which are:

The level of employee disengagement in the UK alone is more than that of six nations put together.

The former associated employee engagement with retention while the latter associated the concept with improved performance.

Furthermore, the CIPD also connected with the Kingston Employee Engagement Consortium Project (KEECP) to carry out a survey of the employee attitudes of British employees. In agreement with the Gallup Survey, the KEECP survey reported that just a third of British employees are actively engaged with organisational work. As if that is not enough, some

report that even UK managers are the least engaged in the world! (www.hrmagazine.co.uk)

Looking at the whole picture considering these surveys, the results of these surveys are rather staggering. Staggering and surprising because despite the efforts of the government and its agencies in terms of legislative rights put in place to support the British, learning partnership efforts to empower more people gain national or vocational qualifications to gain desired employment, raising awareness campaigns about employee engagement in organisations amidst other efforts. The MacLeod Review also suggest that the private and public sector organisations are also making effort to in putting together initiatives fostering good leadership, effective line management, encouraging employee voice in the workplace all geared towards enabling and building better engagement within the workplace (MacLeod and Clarke 2009). In conclusion, suffice to say that both the government and the employers in the UK are bothered about engagement levels of employees perhaps because employee work output is not contributing as expected to the bottom line and thus they continue to seek for solutions to improving employee engagement. Furthermore, the concern remains imminent that something seems to be wrong somewhere for workplace engagement to be so critically low despite all these efforts. It appears as if the government and employers getting it wrong (Holmes 2010) Are these initiatives and practices not suitable in themselves or is it about the way the message is conveyed Are employees as interested in engagement the way employers are What do they really think about the

concept. In the next couple of sections that follow, these questions and more will be investigated upon to uncover why employers are interested in employee engagement, and what they are doing about it.

### Why Employee Engagement Now?

The latest result of the Gallup survey is depicted clearly in the Table 1 below clearly shows how engagement is declining in the UK.

Table 1: Results of UK Gallup poll of employee engagement

#### CLASSIFICATION 2005 RESULTS 2010 RESULTS

Engaged 28% 24%

Neutral (Not Engaged) 54% 51%

Disengaged 17% 25%

Source: UK Gallup results quoted in The Training Foundation, UK (2010)

Relapse from the Global Financial Meltdown– the engagement of the workforce is becoming more and more crucial in this day and age. Both the government and management of companies agree that it is high time the issue is addressed. Perhaps this has been necessitated because of the hard decisions organisations have had to make due to the recession. These decisions have negatively impacted upon the morale of employees and seem to have caused engagement levels to fall drastically. No surprise why Holmes (2011) of the Personnel Today Online management magazine opined that the concept of employee engagement is the number one issue for today's employer. According to the Training Foundation white paper (2010), a survey

of HR Directors Key Challenges showed employee engagement topping the list of concerns with 159 votes as the key HR challenge followed by organisational effectiveness with 130 votes. Recall that the recession hit since 2007 and expectations of global economic rebound began to pick up in 2009/2010. However, the economy seems not to have picked up at the rate most people expect because obviously so many organisations are still struggling with recruiting more hands, employees are still doubling and juggling several tasks in the name of multi-tasking, and many people are still out of jobs and have fallen prey to internet scams of working and making money from home! Therefore, because of the expectations of rebound the government and UK employers have, and regrettably the slow rate of economic growth, the parties are sort of pricked to begin to take measures to work things out. At least if they cannot afford more hands, they can make do with the hands they have; but then they have to get the very best out of them so that their organisations might do well financially and begin to prosper again. So, employee engagement is about looking inward, not forcefully demanding, but actively encouraging, developing employees to be the best they can be. And in the process, the organisation also stands to benefit from critical business outcomes such as increased financial performance (see [www.gallup.com](http://www.gallup.com))

Therefore, the subject cannot be more important than in a time like this. Little wonder the MacLeod Review is pursuing this cause tooth and nail. The Training Foundation White paper quoted the author of the 2009 MacLeod

Report to the government on employee engagement, David MacLeod as saying:

“ Employee engagement continues to be at the top of the strategic agenda for the UK employers across all sectors. Initiatives that increase the focus on this vital subject are to be welcome” (p. 1)

This calls for initiatives to unlock employees’ potentials and all hands need to be on deck to make this happen.

Financial Penalties- imagine having someone in your company and all they do is come to work, sit on the chair, face-book and twitters on your computer all day, and mop at every client and then closes late. This person at the end of the week or month is paid wages for occupying space, burning gas and electricity, crippling your customer service and for pretending to be a hard worker (presenteeism) termed pseudo-engagement by CIPD. It could be argued that presenteeism incurs more financial cost on an organisation than sickness absence. A recent report from the Employee Benefit Summit by Sullivan (2010) reported that UK employers could be spending up to ? 44 billion on disengaged workers alone! The HR Director Survey therefore, highlights financial penalties as the foremost reason why an engaged workforce is critical for UK employers. Literature suggests that employing and/or having disengaged employees could lead to reduction of output, lower quality of products and services, increase in the cost of sickness absence and attrition rates (Gopal 2006; Purcell et al., 2003; Johnson 2004; Clark 2008). The dilemma still set in organisation is that driving employee



engagement has financial implications and some big organisations such as The Big Lottery fund have had financial hardship in trying to pursue engagement.

Continuous Change- someone rightly said in an advert that change is the only constant thing in life; and a change for the better is always appealing. As the global business scene is changing, so also must local organisations make progressive change in order to adapt to change. Change necessitates change. Strides in the right direction of progress are cumbersome, weary, and slow with disengaged people. It is crucial for management of organisations to move their companies forward at this time if they must survive, remain relevant and beat the competition with a strong brand and with high quality service (CIPD 2010). To do this, they need their people to be committed, self-driven and fully engaged. According to the Training Foundation (2010), this is one of the crucial reasons why organisations are so interested in employee engagement now.

Customer Advocacy- current trends show that customer advocacy is a crucial ground for competition amongst peer firms that wants to survive, pick themselves up from the credit crunch to gain an authentic competitive edge. Customer advocacy or engagement has become a potent differentiator (see [www.gallup.com](http://www.gallup.com); The Training Foundation 2010). This is because; when customers make referrals to the brand without ulterior motives or inherent gain but rather because they have tried and tested the quality of the product, there is no other better publicity. Literature shows that by leveraging on the talents of employees and managers, customer

engagement to the brand of the organisation can be optimised. The Gallup Company shows that many organisations that have been keen on measuring their customer engagement ratio and have been disappointed have been redirected to improving their employee engagement ratio if they want to see positive results. Thus, suffice to say that engaged employees bring about engaged customers.

The possible reasons of wanting to create a culture of engagement cannot be exhausted in this report. But it could be summarised by saying an engaged workforce is crucial for achieving performance, productivity, and profitability (Saks 2006; Truss et al., 2006; Ferguson 2007)

## **Factors Affecting Employee Engagement Levels**

This section shall address the possible factors which are likely to increase or decrease employee engagement levels in the workplace. Some literatures have referred to this as challenges to employee engagement (Robinson et al., 2004). Drawing inferences from these factors, it may be possible to see reason(s) why the engagement levels in the UK is the way it is at the time of this report.

The 2011 Employee Engagement Report (EER 2011) showed that both practitioners and academia agree that the ways and behaviour of senior management and leaders affect levels of employee engagement at work. This implies that engagement levels at work may like go up where trust exists and where management behaviour is constructive instead of damaging.

The 2011 Employee Engagement Report (EER 2011) also reveals that specific roles or job level tend to be more involved in or associated with building engagement levels in the workplace. The finding shows that the level of engagement pulled by an individual employee differs from that which a manager or a management executive is able to arouse. The report seems to suggest that the higher one is up the management ladder the more impact one is able to make in influencing or bringing about a more engaged organisation.

Results from the KEECP as reported by CIPD (2010) shows that gender, age, job level, contract type and type of organisation all affect levels of engagement. The survey shows that women are more engaged than men, older workers are more engaged than younger workers, managers are more engaged than non-managers, and finally private sector workers recorded higher levels of engagement affectively while public sector workers are more engaged in terms of social and intellectual engagement.

IES Survey added that minority workers are more engaged than their Caucasian counterparts. Also engagement levels decreases with length of service. Thirdly, injury or accident can have negative effect on engagement levels, and lastly employees with reviewed personal development plans (PDPs) have significantly higher levels of engagement than their colleagues who do not have a PDP.

The EER (2011) and the CIPD (2010) reports have shown a striking agreement in the area of the influence managers can have on employee engagement. It appears as if, management leadership is one of the key

factors which predict employee engagement. Johnson (2004) is of the opinion that there seem to be a severe shortage of people managers in the UK and this could be responsible for the low workforce engagement evidenced by these surveys. Managers who do not practice what they preach cannot be trusted, and positive emotional attachment will be lacking between manager and subordinate. It seems as if managers are only interested in breaking even and hitting targets while neglecting the most vital resource, the intellectual capital. Infact, Johnson (2004, p. 20) attributed this to lack of adequate knowledge and training for managers right from the classrooms.

Trying to demystify the reason for low employee engagement in the UK could be possible from the surveys. There are several surveys out there in academia which the scope of this report will not be able to cover because of time and space. Nonetheless, a critical analysis of the surveys and reports above raises important issues which may border onequalityissues, discriminationetc. For example, that more women are more engaged in the workplace compare to their male counterpart is difficult to explain. Is it that women are better paid, or the fact that they are women simply makes them want to commitLet us assume that women are currently being given special treatment, if the tables are turned, will engagement levels of men go upAside from this, is it possible to imply from the results of these surveys that the UK working population has more men, more younger adults and less people in managerial positionsSuffice to say that based on the evidence from the surveys, if the reverse of this was the case, perhaps, the engagement

levels measured for the UK would have been higher. Perhaps, this is why the government is encouraging more women to return to work, enabling flexible working and deferring the retirement age so that older workers could stay in employment for much longer (MacLeod and Clark 2009). However, others may argue the government is more interested in the tax payer's money, but critically looking and analysing this tend to suggest it might not be all about the money afterall.

In view of this section on surveys, perhaps a quick look at the statistics of employees at McDonald's may reveal a thing or two about their possible level of engagement.

Table 2: Employee Statistics of McDonald's as at 1994 (excluding franchised restaurants)

| Category of Employees           | Percentage |
|---------------------------------|------------|
| Male                            | 51.70      |
| Female                          | 48.30      |
| Age under 20                    | 64.55*     |
| Age between 21 and 39 inclusive | 32.03      |
| Age over 30                     | 8.93       |
| Work 35 hours per week or less  | 90.23      |

Source: McDonald's corporate website

Deductions: From Table 2 above\* we see that majority of employees are young people. Young people though with high levels of energy which

McDonald's could leverage on are easily distracted. Therefore, they might be more prone to turnover compared to other age brackets. This could partially explain why engagement is low in this fast food company. On the other hand, research has shown that employees within the age bracket of 40s and 50s may be less engaged because of the difficulty in trying to balance work and family responsibilities (Robinson et al., 2004). This sort of mean that McDonald's productive and dependable age group will be those of 21 and 39 inclusive and their percentage is half of employees under 20s. It could be assume that the frontline staffs, low skilled and low paid are these under 20s. Research has shown that people working in lower skilled jobs are likely to be less engaged than managers and other professional groups (Truss et al., 2004).

The table also shows that there are more men than women. Research reports show that women tend to stay, strive and speak well in support of their organisation more than their male counterpart (Truss et al., 2004 p. 10&33). The fact that McDonald's has more men than women could partially explain the reason for low engagement in the company in this respect. It could also be argued that because women because of child bearing, nursing and other family care may find it more difficult to get work-life balance right and thus may be less engaged with their work as a result.

Other factors or indicators shown from literature apart from individual biological factors are working hours, distance from work, job characteristics such as job levels etc. (See Truss et al., 2004 for more). Overall, it is hoped

that this piece of information does explain to some extent other important reasons why there is low engagement in this company.

## DISCUSSION OF FINDINGS AND ANALYSES

### **INTRODUCTION**

A recap of the purpose of this report is to find out what employee engagement really means and what the organisation under study may do to improve the engagement levels of its employees taking cues also from similar organisations.

From the review of literature in the previous chapter it is clear that employee engagement despite all the criticisms highlighted is very important for organisations that want positive business and employee outcomes. Such outcomes such as increase employee retention, reduced sickness absence, exhibition of extra-role behaviours, improved performance and profitability are especially crucial for McDonalds. This is so because the company seem to experience high employee turnover and sickness absences more than most of its competitors in the industry (Fairhusrt 2008). Perhaps this is because majority of McJobs are low paid and require fairly low skilled people to fill positions. But critically looking at it in the light of literature thus far, that someone is not a knowledge worker, and is not highly paid is not enough for such person not to have low engagement levels. Armstrong and Stephens (2005) opined that reward is not a sole motivator for employee discretionary behaviour or good performance. To support this opinion, there was 18 months of pay freeze in Unilever and the HR Director opined that the

engagement level was still at a satisfactory level (CIPD podcast on EE 2009). This means that reward is a short term blunt tool which causes temporary happiness but may not lead to real engagement. Therefore, there's got to be some other reason for this challenge MNC fast food company McDonald is facing. Suffice to say, the challenge might likely not be as a result of low pay.

## **CRITICISMS AROUND THE SUBJECT**

The subject of employee engagement appears to be a sensitive phenomenon because of the emotional and cognitive aspects that underpins it. It is therefore likely that measurement of the concept might be difficult in practice, and the results thereof might not be completely reliable. Although contemporary measurement of engagement tries to be descriptive of the working conditions of people (Brief and Weiss 2002; Buckingham and Coffman 1999; Harter et al., 2002) as against traditional measures of earlier versions of the 70's e. g. Locke (1976).

Most of the information on the subject seems to always be linked to survey data especially from the Gallup Q12 survey. There are critics that the concept of employee engagement is not a new concept but have been repackaged and championed by the market place monster (that is, Gallup) in a bid to make money. Others are of the opinion that engagement is as old as total quality management, employee empowerment and other concepts of many decades ago, but the Q12 survey of the 2000's tend to make it look new, better, or like a saving grace from organisational concerns and thereby creating a rave around organisations so that they can sell (Crush 2009).



The materials on the subject seem to be more tilted towards surveys than towards real academic research.

## **THE IMPLICATION OF LITERATURE FINDINGS ON MCDONALD'S**

Drawing from findings from literature and relating such findings to the employee policies and practices of McDonald's it is sort of clear why people keep leaving the company. Funny as it may sound, as people go, many more still want to come in as employees. We see that McDonald's does not pay much, but they invest a lot into developing the skills of their employees thereby boosting self-worth in the process. It may be assumed therefore that the company seems to attract people who are more interested in self-development than in the money. However, the main pivot upon which engagement seem to be resting on is employee relations, of which there seem to be no strong evidence in this organisation from research review.

### **McDonalds and Peer Firms: A comparison**

This year 2011, the sandwich chain Subway surpassed the Hamburger giant in terms of number of outlets around the world. The main strategy of the Subway is that it opens small outlets in unusual and non-traditional locations such as zoos, automobile showrooms, ferry terminals and is constantly expanding because it costs less to open and operate such small stores. This is the competitive advantage subway is enjoying over McDonalds and has made it become the number one fast food retailer in the world.

The table 3 below gives more information about these two similar firms as at March 2011.

Source from (BBC 2011)

Taking a cue from Subway, McDonalds may be advised to embark on the kind of international expansion strategy used by Subway to build a successful franchised business model. But would it work for them? McDonalds do not seem moved by this outcome as they insist on being better than bigger (BBC 2011). Looking at the number of employees worldwide, the number of countries, and the number of restaurants worldwide we see that Subway employs less people to cover more restaurants compared to McDonalds. The tendency for a Subway employee to be overloaded with work might be higher than for a McDonald's employee. McDonald's restaurants are bigger, spacious, with more attractive ambience and more employees working in a single restaurant than its peer company, Subway. Little wonder why in terms of customer satisfaction, sales and revenue, McDonalds has got no rival. The company goal is to ensure customer food is hot, and customer service is fast and friendly. The author believes these are the key principles guiding the company and they ensure employees are well trained to deliver on these promises to their growing customer base worldwide.

Another similar organisation is the Burger King, popularly called BK. But generally speaking, suffice to say that customer attendants in fast food companies are often overloaded with work, with so many people often on the queue, and standing for hours attending to such line of people is often tiring. There are health challenges because of the ergonomics involved in these jobs. However, the employee policy of McDonalds seems to encourage flexible working practices t