

FACTORS INFLUENCING EMPLOYEE ENGAGEMENT

^aALICE REISSOVÁ, ^bJANA ŠIMSOVÁ, ^cKATEŘINA HÁŠOVÁ

Jan Evangelista Purkyně University in Ústí nad Labem, Faculty of Social and Economic Studies, Moskevská 54, 400 96 Ústí nad Labem

email:^aalice.reissova@ujep.cz, ^bjana.simssova@ujep.cz
^ckaterina.hasova@gmail.com

Abstract: The objective of the article is to establish whether individual aspects of employee engagement (i.e., Atmosphere in the workplace, Satisfaction with the management style and Potential fluctuation) show statistically significant differences. It was established via Friedman's ANOVA test that employee ratings show a statistically significant difference between the specified variables. The Atmosphere in the workplace variable was rated the best, unlike the Management style, with the lowest level of rating. The comparison of the ratings according to age established that workforce aged over 40 show greater satisfaction in the Potential fluctuation variable, hence, they can be considered more stable and loyal employees.

Keywords: Employee engagement, automotive, fluctuation of employees, Friedman's ANOVA, management

1 Introduction

Great attention has been paid to employee engagement recently. Despite the lack of an exactly uniform designation of engagement or any uniform methodology for how to measure it, the issue has been a point of interest for both academics as well as HR managers. Currently, i.e., in the period of economic growth, companies are doing well. There is a growing demand for their products. Businesses wish to take the opportunity to expand production. A lack of workforce is a common problem. The unemployment rate is low. New employees are more difficult to recruit and keep in the company. It is expensive to recruit new employees in such circumstances. Not only do HR managers endeavour to recruit new staff members but they also pay more attention to current employees they want to keep. So, they care more about the loyalty of their employees since a greater number of employees leaving could be a threat to the company's further growth, competitiveness or, in some cases, its existence.

However, engagement is not only about loyalty to the employer. Kahn (1990) defined employee engagement as a process of getting involved where employees do their best to activate their physical, cognitive and emotional potential in their role at work. At the same time, i.e., as early as in the 1990s, Gallup Inc., a research-based, global performance-management consulting company, started to investigate the issue as well (Truss et al, 2013). According to Reilly and Brown (2008), engagement includes satisfaction with work, motivation and devotion. Other authors who also focused on the issue were Harter, Schmidt and Hayes (2002). They identify engagement as employee involvement in work, their satisfaction with work and enthusiasm for a job. Alfes et al (2010) divides engagement into three areas; intellectual engagement – employees think about the work and look for ways of how to improve it; emotional engagement – employees have a good feeling about the work completed and the results achieved; and the last one is social engagement, with employees actively participating in what is happening and in discussions on how to do things better.

According to Saks (2006), employee engagement comes from the social exchange theory. He anticipates that the interaction between the parties encourages a gradual building of mutual confidence, loyalty and devotion as long as the partners abide by the identified rules of exchange. These rules are typically based on reciprocity or equality, so the action of one party usually causes a reaction from the other party. Employee engagement is not a unilateral but a mutual relationship.

Employee engagement influences the subsequent effectiveness of work (Fatos, 2014; Muscalu, Hulpuş Ioana and Faloba, 2015; Alfes et al, 2013; Shantz, Alfes and Latham, 2016.), which is why it is necessary to pay increased attention to it.

2 Materials and Methods

The above-stated shows that engagement is a complex concept which is divided into individual components by different approaches. In our enquiry, employee engagement was segmented into the following areas: atmosphere in the workplace, satisfaction with the style of management and potential fluctuation. The objective of the research was to identify which of the specified areas will obtain the best or worst ratings by the employees. The next objective was to find out whether the results obtained in the specific areas differ depending on the age of employees.

Automotive bottom-line employees were included in the research group. 315 employees in total were inquired (of which 207 males and 108 females), who work in four different automotive companies in a position of bottom-line workforce. The method selected was a questionnaire. It was inspired by questions from the already mentioned research conducted by Gallup Inc. It comprised 16 items. The items related to specific groups (areas). *Potential fluctuation* includes, for example, the questions: Would you leave if you had an equal offer from another company? Have you considered leaving the company over the last 6 months? Have you been looking for another job? The group of questions designated as *Atmosphere in the workplace* includes, for example, the questions: Are you happy with the atmosphere among coworkers? Have you got a good friend at work? Are your coworkers ready to deliver high-quality work? The third group of questions marked as *Satisfaction with the management style* includes the following questions: Does your superior show interest in you as a human being / Are you treated as a human being by your superior? If you perform well at work, are you recognised for that? Does your superior encourage your development?

Answers to individual questions were evaluated according to the type of answer by the scores 1 to 5, from complete dissatisfaction to absolute satisfaction, or according to the rate of agreement, from definitely not up to definitely yes. The scores of answers to individual questions in each of the three above-stated groups were totalled. Since the groups did not include the same number of items to allow comparability of individual groups, each group was represented by a score obtained as an arithmetic mean of the scores of the answers to individual items.

The following tests were used for statistical processing: normality tests (Lilliefors, Shapiro-Wilk), Friedman's ANOVA, Wilcoxon test, Kendall's coefficient of concordance, Mann-Whitney test. The tests were developed in the Statistica and SPSS software.

3 Results

First, a descriptive data evaluation was carried out and then Table 1 was created. It shows the results of the descriptive statistics of each of the three groups.

Table 1: Descriptive statistics (n = 315)

variable	arithmetic mean	median	minimum	maximum	standard deviation
Atmosphere in the workplace	3.609	3,750	1	5	0.765
Satisfaction with management	3.259	3.333	1	5	0.820
Potential fluctuation	3.389	3.500	1	5	0.857

Source: own processing

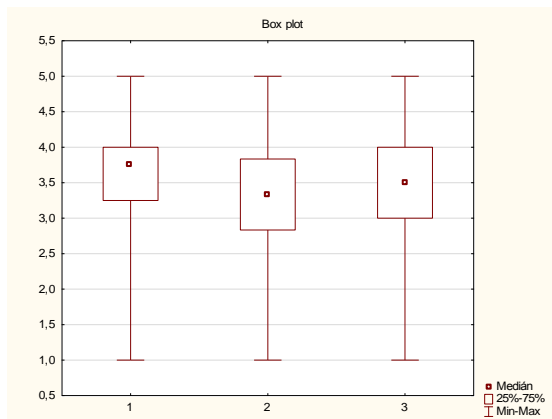
Table 1 shows that the highest average score, the highest median and, at the same time, the lowest variability are seen in the Atmosphere in the workplace group. This is also apparent in the boxplot chart in Figure 1.

To verify whether these differences are statistically significant, data characteristics were first established, which influenced the

choice of a suitable test. The authors tested whether the data come from the normal distribution.

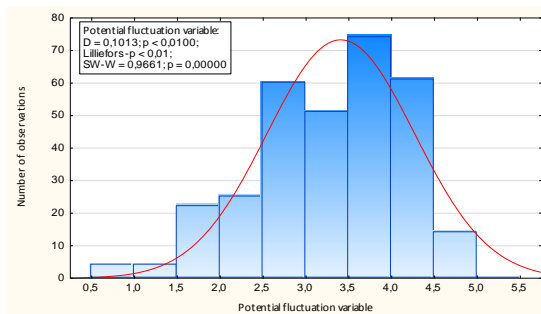
The following three histograms of the variables - Potential fluctuation, Atmosphere in the workplace and Satisfaction with the style of management - in Figures 2, 3 and 4, also show the results of the Lilliefors and Shapiro-Wilk normality test. In all three cases and in each of the tests, p-values are lower than the conventional levels of significance, which is why we reject the hypothesis that the data come from normal distribution in all three cases.

Figure 1: Boxplot – Median comparison of monitored variables



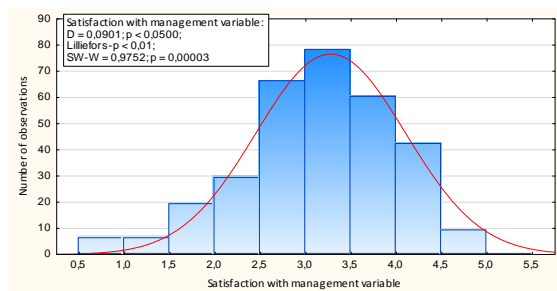
Legend:
 1 Potencial fluctuation variable
 2 Satisfaction with management variable
 3 Atmosphere in the workplace variable
 Source: own processing

Figure 2: Histogram of the Potential fluctuation variable



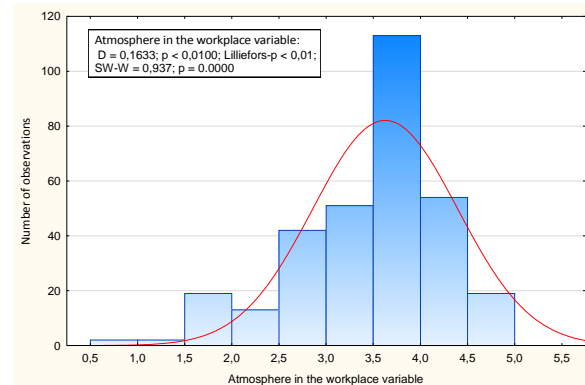
Source: own processing

Figure 3: Histogram of the Satisfaction with the style of management variable



Source: own processing

Figure 4: Histogram of the Atmosphere in the workplace variable



Source: own processing

The results in Figures 2, 3 and 4 show this is not a normal distribution. To estimate the agreement of medians it was necessary to use a nonparametric test. The test can examine whether what was true for the interviewed employees (differences in score medians of all three groups), can be related to the whole basic group (all employees of the examined companies). Friedman’s ANOVA test was selected since random samples were used. The rate of agreement was expressed by Kendall’s coefficient of concordance. The results of Friedman’s ANOVA test and Kendall’s coefficient of concordance are as follows: Friedman’s ANOVA N = 315, degree of freedom = 2, F= 57.97150 p = .00000. The value of the coefficient of concordance is 0.09202.

The results show that the medians of all three groups are not congruent and the evaluations given by employees differ in these three groups. However, the coefficient of concordance is low, so the rate of agreement is weak. To establish the relationship between individual pairs of variables, every three values were tested in pairs by the Wilcoxon test.

Table 2: Testing of the variables of Potential fluctuation, Satisfaction with the style of management and Atmosphere in the workplace

Variable		n	Mean Rank	Sum of Ranks
Satisfaction with management and Potential fluctuation	Negative Ranks	153 ^a	142.99	21878
	Positive Ranks	116 ^b	124.46	14437
	Ties	46 ^c		
	Total	315		
Satisfaction with management and Atmosphere at the workplace	Negative Ranks	72 ^a	111.77	8047.5
	Positive Ranks	204 ^b	147.93	30178.5
	Ties	39 ^c		
	Total	315		
Atmosphere at the workplace and Potential fluctuation	Negative Ranks	112 ^a	128.83	13756.5
	Positive Ranks	170 ^b	153.8	26146.5
	Ties	33 ^c		
	Total	315		

Legend:
 a satisfaction with management < potential fluctuation
 b satisfaction with management > potential fluctuation
 c satisfaction with management = potential fluctuation
 d atmosphere in the workplace < satisfaction with management
 e atmosphere in the workplace > satisfaction with management
 f atmosphere in the workplace = satisfaction with management
 g atmosphere in the workplace < potential fluctuation
 h atmosphere in the workplace > potential fluctuation
 i atmosphere in the workplace = potential fluctuation
 Source: own processing

Table 3: Wilcoxon Signed Ranks Test

	Satisfaction with the style of management - Potential fluctuation	Atmosphere in the workplace - Satisfaction with the style of management	Atmosphere in the workplace - Potential fluctuation
Z	-2.916 ^b	-8.343 ^c	-4.524 ^c
Asymp.Sig.	0.004	0.000	0.000

b Based on positive ranks

c Based on negative ranks

Source: own processing

The results of the indicated p-values in Table 3 show that all medians are statistically significantly different. The highest satisfaction is indicated by employees in the Atmosphere in the workplace variable. The worst result of the evaluation is Satisfaction with the style of management.

It was established in the research that 61 questioned persons would leave the company if they had a comparable offer elsewhere. It is a group where the wage is not the reason why employees would leave their current career. The reason for this potential fluctuation can be dissatisfaction with the management style.

It was further surveyed whether age influences the Potential fluctuation variable. The set was divided into two groups according to age (below and over 40). The basic characteristics of both groups are shown in Table 4.

Table 4: Basic characteristics of age-classified groups – Potential fluctuation variable

Potential fluctuation	Employees aged below 39	Employees aged above 40
Arithmetic average	19.66814	22.04494
Median	20	24
Modus	18	25
Standard deviation	5.138141	4.776624
variance	26.40049	22.81614
Kurtosis	-0.18262	0.06407
Skewness	-0.50844	-0.67292
Minimum	6	8
Maximum	30	30
Sum	4445	1962
Number	226	89

Source: own processing

The proved average values as well as the medians and modes show that the group of older respondents provided a higher-value rating on the scale. This was also confirmed by the Mann-Whitney test ($U=7290$, $Z=-3.813$, $p=0,000$). Employees in the group over 40 years of age show greater satisfaction in the Potential fluctuation variable.

The next thing the authors wanted to establish was whether there are significant differences between the age categories in the Satisfaction with the style of management variable, too.

The two groups do not show such a big difference in ratings for Satisfaction with the style of management. The Mann-Whitney test on the agreement of medians also showed limit values ($U=8490.5$, $Z=-2.158$, $p=0.031$). The agreement of medians is not rejected until at 5% of the level of significance. Also in this case, i.e., the questions related to Satisfaction with management, the group of older employees provides more positive ratings.

Table 5: Basic characteristics of age-classified groups – Satisfaction with the style of management variable

Satisfaction with the style of management	Employees aged below 39	Employees aged above 40
Arithmetic average	19.21681	20.42697
Median	19.5	21
Modus	18	21
Standard deviation	4.693436	5.399679
variance	22.02834	29.15654
Kurtosis	0.207443	-0.09739
Skewness	-0.56431	-0.53854
Minimum	6	6
Maximum	28	30
Sum	4343	1818
Number	226	89

Source: own processing

The third variable is Atmosphere in the workplace. Accordingly, the basic characteristics of the groups were developed according to this variable. The results are shown in Table 6.

Table 6: Basic characteristics of age-classified groups – Atmosphere in the workplace variable

Atmosphere in the workplace	Employees aged below 39	Employees aged above 40
Arithmetic average	14.31858	14.74157
Median	15	15
Modus	16	17
Standard deviation	3.1064537	3.050812
variance	9.391386	9.307457
Kurtosis	0.1887478	-0.18406
Skewness	-0.91129	-0.60855
Minimum	4	7
Maximum	20	20
Sum	3236	1312
Number	226	89

Source: own processing

In this case, the ratings of both groups show very little differences in terms of the medium values as well as variability in both groups. The Mann-Whitney test confirmed ($U=9132.5$, $Z=-1.283$, $p=0.20$) that the agreement of medians is not rejected. Hence, the difference in the assessment of satisfaction in the field of the Atmosphere in the workplace variable is not confirmed between the group of younger and older employees.

4 Discussion

The results of the research apparently show that it is very important how happy staff members are with their management. This factor significantly influences the total rate of employee engagement.

The approach of management was looked into by Jenkins and Delbridge (2013) as well. However, their view of management slightly differs from ours. They examined the influence of different styles of management on employee engagement. They selected two businesses for their research. One company had a "soft" management style introduced, the second one had a "hard" management style in place. The "soft" management style company placed emphasis on good relationships between managers and good working conditions, whereas productivity was not a priority. The "hard" management organisation looked primarily for better work performance of the personnel and the objective was to increase the quantity of outputs. The result was

that the "softly" managed company showed much higher engagement than the "hard" managed organisation.

There are other risks in pursuing the "hard" management style. They concern especially employees who show a very high rate of engagement. As the authors Maslach and Jackson (1981) note, such employees are a more endangered group which can develop burnout syndrome. This can result from, for example, long-term work pressure the employees face.

According to Macey and Schneider (2008), company management can increase employee engagement positively if they clearly specify their requirements for work and then fairly evaluate their employees in the fulfilment of their requirements. Such behaviour encourages affection for work in personnel.

Little and Little (2006) come to the conclusion in their study that civil behaviour is manifested in employees in connection with satisfaction with employment and loyalty to the employer. Such behaviour can include willingness to help coworkers, good-will to do more than required at the cost of their own free time or to do one's best in completing assignments. Little and Little assume that such type of behaviour depends more on the situation in the working environment rather than the abilities of individual personnel.

According to Rees, Alfes and Gatenby (2013) as well, the management style has a great influence on employee engagement. They came to the conclusion that employees show a positive approach if they feel sufficiently respected and valued. Employee performance increases if they have the possibility to discuss problems, share ideas and opinions and if the management listens to them.

Many employers currently face the problem of large fluctuations in employees, particularly in bottom-line positions. Yalabik et al (2013) confirm that staff members who leave are those unhappy at work with prevailing negative emotions. Satisfaction at work and emotional attachment to the employer is for them an essential condition for engagement at work. Many employers currently conduct surveys of employee satisfaction. However, this is not enough. Satisfaction cannot be interchanged with engagement. These are two different variables which closely correlate with each other, though (Ariani, 2015; Gadenne, Sands & Mia, 2012). Further studies have also confirmed that employee engagement positively influences empathy and attention from management and appreciation of good quality work (Mekiš, Maletić and Maletić, 2016).

5 Conclusion

The objective of the investigation was to identify whether individual components of employee engagement (i.e., atmosphere in the workplace, satisfaction with management and potential fluctuation) show statistically significant differences. Friedman's ANOVA test confirmed that there is a statistically significant difference between the medians of all three groups and the assessment by the employees differs in these three groups. It was also established via the Wilcoxon test that all medians are statistically significantly different. The best ratings (i.e., the greatest satisfaction) was established in the field of Atmosphere in the workplace, the worst ratings (the greatest dissatisfaction) being in Satisfaction with the management style.

Comparing the ratings according to age, workers over 40 show greater satisfaction in the Potential fluctuation questions. Hence, they can be considered more stable and loyal employees than younger staff members (the group aged below 30).

No apparent difference was established in the assessment of the Satisfaction with management variable between the groups. In any case, the over-40 group of employees shows greater satisfaction here as well.

The questions related to Atmosphere in the workplace show no differences between the groups.

Obviously, if employers want to keep their employees, eliminate fluctuation and increase their engagement, they should pay more attention to how the management treats them. The management style was identified and confirmed as the weakest point in current employers. Currently, there is no uniform methodology, however, to measure employee engagement, which makes it rather difficult to compare the findings of individual academic teams. We would like to focus on this issue in our future research.

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