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Engaged to Perform: Enhancing Employee Engagement of a Production Unit

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Preface

Work is a broader concept than just the physical part of it, since it involves various psychological characteristics where engagement plays a central role for well-being, improvements and success at work. Employee engagement can unlock the power of individual and organizational triumph where people are taken into consideration. It takes a lot of courage from leadership for a change where employee engagement operates as a core business strategy for the organization – those organizations will succeed since every organization needs people and engaged people will bring prosperity.

I am pleased to have this chance to explore the concept of employee engagement since people have always been my main interest. This study was very inspirational to find new perspectives how to promote and form engagement. Therefore, I am grateful for the inspiration from the teachings at my school to study employee engagement in my thesis. Marjatta Huhta receives my deepest praises for being an excellent principal lecturer and a patient instructor during this study. A special thank you goes also to Zinaida Grabovskaia who always aided me when help was needed during my studies.

Finally, I would like to thank my family and my girlfriend Isabella for all the encouragement during my studies.

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<p>This Master Thesis examines employee engagement of a case company production unit that operates in health technology. According to the recent employee survey results, 58% of the production unit employees are actively disengaged. This acts as a major business challenge that affects the production unit reaching the production goals. Thus, the objective of this thesis is to enhance employee engagement in the case company production unit.</p> <p>In this Thesis, the chosen research approach uses data collection from interviews, group discussion and observation as its main data sources, due to the qualitative nature of this study. The research design investigates the concept of employee engagement from existing academic literature and merges the data collection findings with best practice of employee engagement into a proposal validated by the case company representative.</p> <p>The outcome of this Thesis is a proposal to enhance employee engagement in the case company production unit. This proposal identifies valuable practices of employee engagement in the value profit chain and collects recommendations to improve employee engagement in the case company production unit. The outcome of this study highlights the importance of creating value with employees for organizational success through improved employee engagement.</p> <p>The results of this study will aid the case company to improve the production unit and to understand the importance of employee engagement for creating value in an organization. The case company plans to implement the proposal of this study and utilize a plan implementing employee engagement as part of its core business strategy. Based on the results of this study, the case company plans to take further steps for improving its productivity and growth.</p>	
Key words	Employee engagement, value profit chain

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1 Introduction

Employee engagement has taken a central role in today modern business world as an important topic for better employee and organizational success (Robinson et al. 2004: 8). Companies need to reinvent themselves and become more innovative to maintain the competitive advantage since change has become more constant. Knowledge itself has become the key for organizations to gain and maintain the competitive advantage (Argote and Ingram 2000: 154). Therefore companies tend to hold and nurture “the knowledge employees” that have become the most important predictor of organizational success (Kahumuza and Schlechter 2008: 12).

Presently, many companies report having challenges motivating their employees. As Gallup (2013) describes, only 13% of employees are engaged, 63% are not engaged, and 24% are actively disengaged at work. Leadership actions are considered as highly amplifying engagement in an organization since the employees would like to be treated goal-oriented and share a clear vision of the company future. Thus, leadership can significantly influence employee engagement by communicating clearly and transparently, and genuinely caring about their employees (Cook 2008: 3-4; Senge et al. 2004). Employee engagement studies show that there is a relationship between engaged employees and the productivity and growth of an organization, and therefore this relationship needs to be investigated continuously for improved outcomes (Towers Perrin-ISR, 2006).

To improve any organization, value must be created as engagement in employees. Therefore, this study concentrates on the concept of employee engagement involved in the value profit chain (Heskett et al. 2003) and constructs a proposal for the case company to improve the case company production unit by enhanced employee engagement.

1.1 Case Company Background

The case company of this study is a Finnish health technology company specializing in diabetes related products. The company produces their own blood glucose meter. The headquarters and production is located in Espoo, and has been in the business since

2006. The case company acts internationally and today covers markets in Europe and Asia.

The mission of the case company focuses on providing the most competent blood glucose meters for its customers. Operation is customer centric providing one-to-one conversations with collaborators and end users on customer service platforms for continuous improvement emphasis. Over the years, the company has gained status worldwide and has been in a positive growth. Nowadays, the company consists of production, sales and marketing, quality, finance, research and development, and Human Resources departments. The main emphasis of the company is the production unit that produces the blood glucose meters where the most significant part of the company income and results come from.

1.2 Key Concepts

The key concepts of this study are employee engagement and value profit chain. These are selected due to the disengagement results of the production unit found in the recent case company employee survey. The concept of *employee engagement* is considered with the following meanings in the context of this study:

A positive attitude that is held by the employee towards the organization and its values by being aware of the business context and to work with colleagues to improve within the job for the benefit of the organization. The organization must work to develop and nurture engagement, which requires a two-way relationship between the employee and employer (Robinson et al. 2004: 9) by creating the conditions in the organization in which employees offer more of their capability and potential (Macleod and Clarke 2009: 3).

The second concept of this study, *the value profit chain*, relates to the value created through employees to deliver successful organizational results. The value profit chain promotes engagement in employees by establishing a strong organizational culture through leadership practices that foster adaptive behaviour. This further promotes development in people to achieve continuous improvement for the organization (Heskett et al. 2003: 12). The significance of these key concepts of this study is to create value as employee engagement to improve the case company production unit.

1.3 Business Challenge

The business challenge of this study concerns the case company production unit unable to reach the production goals. Due to recent case company employee survey results, 58% of the production unit employees are actively disengaged that affects negatively to the case company production unit. Figure 1 below shows the case company employee survey 2015 results of the production unit.

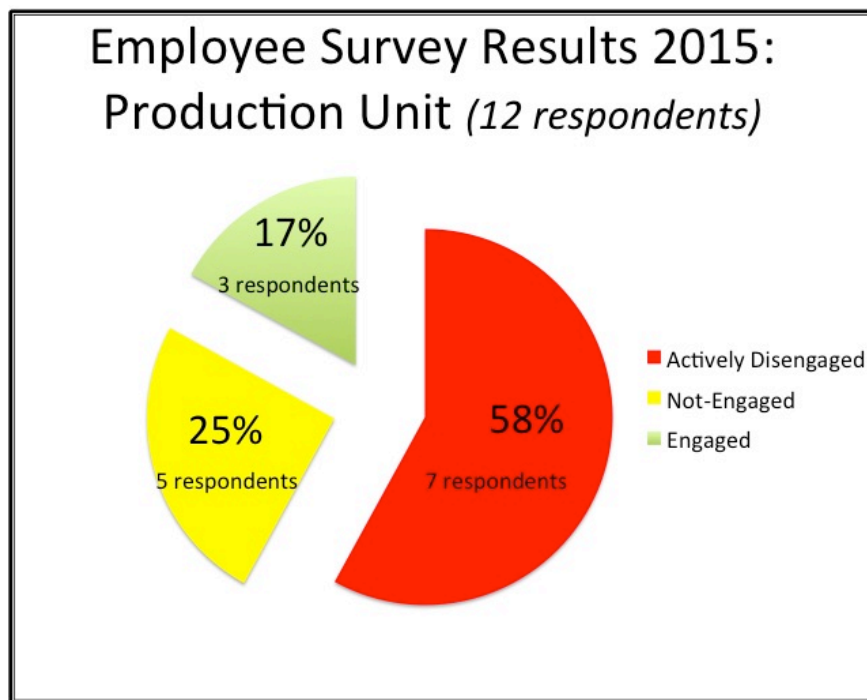


Figure 1. Case company production unit employee survey results 2015.

The survey results, in Figure 1 above, presented a clear indication of employee disengagement within the production unit. In the employee survey, all 12 production employees answered, besides the whole company employees, to 33 questions (see Appendix 1) how they feel towards their work, leadership and organization in the case company. From total of 12 production unit respondents, 7 were actively disengaged, 3 not engaged and only 2 engaged. The survey results were analysed by the Human Resources department representatives of the case company. The results were provided for the researcher without the individual answers since the survey was made anonymous and the case company wanted to possess this information for themselves. The results in Figure 1 above, served as the starting point for this study creating the business challenge how to improve the case company production unit.

1.4 Objective and Scope

The case company production unit is suffering from employee disengagement unable to reach the production goals due to the lack of employee engagement. Therefore, the objective of this study is to provide a proposal for the case company to improve the production unit by enhanced employee engagement.

The scope of this study is limited to the production unit of the case company. The outcome is a proposal for the case company to improve the production unit by enhanced employee engagement. The focus of this study is on the concept of employee engagement in the value profit chain. The scope of this study does not consider implementing the final proposal due to the time frame of the research.

This study is written in seven sections. Section 1 introduces the case company background and business challenge and Section 2 describes the methods and materials with the overview of research design and data collection used in this study. Then, Section 3 discusses the first round of literature review of the concept of employee engagement and attributes affecting it by constructing Conceptual Framework 1. Section 4 analyses the current state analysis (Data Collection 1) of the case company production unit by presenting the current practices and analyzing Data Collection 1 findings. Section 5 discusses the second round of literature review for best practice for enhancing employee engagement constructing Conceptual Framework 2 of this study. Then, Section 6 builds the proposal of this study combining Conceptual Framework 2 and the findings of Data Collections 1 and 2 for a preliminary proposal, and then is validated (Data Collection 3) by the case company representative to present the final proposal for the case company. At the end of this study, Section 7 overviews the discussion and conclusions of this study.

2 Method and Material

This section overviews the methods and materials used in this study by presenting the research design, describing the data collection sources and data analysis methods, and explains the validity and reliability plan for this study.

2.1 Research Design

This thesis is conducted by utilizing a case study approach and the corresponding research design due to the nature of this study. Methods utilized in this study come from different research design techniques, which are selected due to the collaborative approach with stakeholder involvement for solving practical issues. The personnel who have a direct stake for the problem should be engaged in the process of investigation under the study (Blaxter et al. 2006: 64-65). Therefore, the researcher utilized his position in the case company and the possibility to observe and analyse the production unit and the informants on site.

The case study research approach also includes a learning process from the data and analysis methods where participants critically overview and change the process if needed. It enables the researcher to repeat the processes until the best solution is found (Blaxter et al. 2006: 64-65). Therefore, this study uses interviews, observation and group discussion with several informants as data collecting techniques.

In this study, the research design is divided into several steps. First, diagnosing the business challenge based on theoretical literature findings. Second, analysing the current situation and then pointing to best practise from theoretical literature findings. This is combined into a proposal of improvements for the case company and validated by the case company representative. The data gathering process is constructed to detect and fill the missing information for optimal outcome that the data collection between essential literature, processed data and best practices is gathered comprehensively. This is then reflected against the results and revisited for possible improvements. The research design of this study is presented in Figure 1 below.

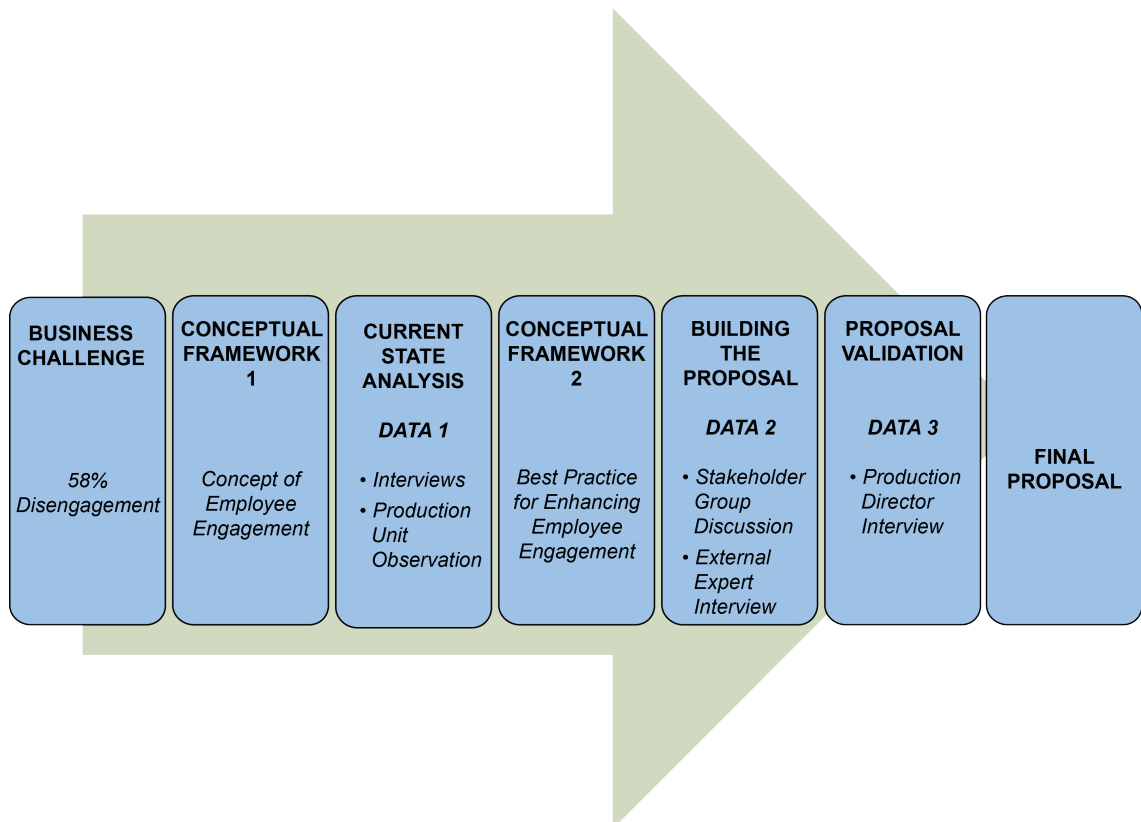


Figure 2. Research design.

As Figure 2 above shows, the first step of the study diagnoses the business challenge and crystallizes the research objective and the outcome. The second step explores the concept of employee engagement from available academic literature to construct Conceptual Framework 1. The third step, the current state analysis (Data Collection 1), investigates the business surrounding connected to the business challenge. The fourth step, Conceptual Framework 2, analyses the essential academic literature of best practice for enhancing employee engagement. Building the proposal is the fifth step of this study collecting further data (Data Collection 2) to improve the employee engagement and establishes the preliminary proposal. In the sixth step, the preliminary proposal is validated by the case company representative to meet the objective of the study for optimal outcome for the case company. In the seventh and last step, the final proposal is presented for the case company. The steps of this study are overviewed, in Table 1 below, to show how the research objective is achieved.

Table 1. Steps of the research process

STEPS OF THE RESEARCH PROCESS		
Step 1	Identifying Business Challenge, Objective and Outcome	
Step 2	Concept of Employee Engagement	Conceptual Framework 1
Step 3	Current State Analysis	Data Collection 1
Step 4	Best Practice for Enhancing Employee Engagement	Conceptual Framework 2
Step 5	Building the Proposal	Data Collection 2
Step 6	Validation of Preliminary Proposal	Data Collection 3
Step 7	Final proposal	

As Table 1 above shows, the research process starts from Step 1 where business challenge, objective and outcome are identified, referred to sections 1.3 and 1.4 in this study. In Step 2, the concept of employee engagement on existing literature is explored to construct Conceptual Framework 1 in Section 3. Then, Step 3 conducts the current state analysis in Section 4, to identify the strengths and weaknesses of current situation. Then in Step 4, Conceptual Framework 2 is constructed in Section 5, from essential academic literature of best practice for enhancing employee engagement. Step 5 focuses on building the proposal and Step 6 conducts the validation of the preliminary proposal by the case company representative. Last in Step 7, the final proposal of this study is presented for the case company.

2.2 Data Collection and Analysis

For a study to be reliable, different sources of data collection should be involved to form a reliable database (Blaxter et al. 2006: 64-65). This study utilizes qualitative data from survey question form interpretation, interviews, production unit observation, stakeholder group discussion and external expert interviews. The nature of the research question was formed from the starting point, before the actual data collection started. The study was triggered by the results of the case company production unit employee survey and pointed to the concept of employee engagement. The nature of this study determined the choice of research methods and the data collection analysis, and is utilized based on the researched concepts of employee engagement.

Qualitative data was collected by interviews, group discussion and observation. Data Collection 1 interpreted the case company employee survey form and included the interview with the case company HR representative. Then production unit employee interviews and production unit observation were held to recognize the attributes that affect the production unit in the current situation. In Data Collection 2, a stakeholder group discussion with the case company representatives was held in order to have opinions outside the case company production unit on the findings in Data Collection 1. Additionally, an external expert was invited for an interview to gain in-depth knowledge outside the case company how to improve the case company production unit in the current situation. In Data Collection 3, the case company representative interview was held for the validation of the preliminary proposal.

Thus, every round of data collection in this study generates different types of data to collect comprehensive information of the current situation of the case company production unit. Below, different data collection rounds have been illustrated and explained, starting from Data Collection 1 in Table 2 below.

Table 2. Overview of Data Collection 1.

DATA COLLECTION 1		
Type of Data Collection	Informants	Purpose
Document Interpretation	Employee Survey Question Form	Find out to which concept the questions in the form relate.
Interview	HR Department Representative	Find out how the case company promotes employee engagement.
Interview	12 Production Unit Employees	Collect individual opinions inside the production unit on the current situation.
Production Unit Observation	12 Production Unit Employees	Investigate team operation in practice in the current situation.

The first step of Data Collection 1 was to interpret the employee survey questions form (see Appendix 1) to find out to which concept the questions in the employee survey form relate to. The interpretation was investigated with the aid of available academic literature (Section 3) based on the asked questions in the question form. Then crystallizing that the questions in the form and the business challenge of this study

relate to the concept of employee engagement. This finding served as the first step of the primary data of Data Collection 1, and gave information to investigate and collect further data collection in this study based on the concept of employee engagement.

The second step of Data Collection 1 consisted of an interview with Human Resources (as HR further in the study) department representative (see Appendix 2) to find out how the case company promotes employee engagement. This interview was arranged since the business challenge of this study relate to the topic of employee engagement. The interview was held in English and data was audio-recorded. After the interview took place, field notes were written to ensure no data would be lost. Details of the HR department representative interview are shown in Table 3 below.

Table 3. HR department representative interview details.

	Informant	Job Description	Date	Duration	Data Collection Method
1.	HR Department Representative	Accountant & HR processes	14.4.2015	20min	audio recorder & field notes, see appendix 2

The HR department representative interview results served as the second part of the primary data, Data Collection 1, in this study and gave information on the promotion of employee engagement in the case company.

The third step in Data Collection 1 was production unit employee interviews (see Appendix 3). The production unit employees were asked for individual interviews with the researcher to gain knowledge and hear the production unit employee opinions of the current situation inside the production unit. Due to the extensive topic of employee engagement, informants were given the theme of the interviews in advance and were told the interview would be based on the earlier case company employee survey questions form. The interviews were held in English due to international personnel in the production unit. The data was collected with an audio recorder. After the interview took place, field notes were written to ensure no data would be lost. Details of the production employee interviews are shown in Table 4 below.

Table 4. Production employee interview details.

	Informant	Job Description	Date	Duration	Data Collection Method
1.	Production Employee	Assembly Worker	16.4.2015	25min	audio recorder & field notes, see appendix 3
2.	Production Employee	Assembly Worker	16.4.2015	30min	audio recorder & field notes, see appendix 3
3.	Production Employee	Assembly Worker	16.4.2015	25min	audio recorder & field notes, see appendix 3
4.	Production Employee	Assembly Worker	17.4.2015	25min	audio recorder & field notes, see appendix 3
5.	Production Employee	Machinist	17.4.2015	25min	audio recorder & field notes, see appendix 3
6.	Production Employee	Packing	20.4.2015	30min	audio recorder & field notes, see appendix 3
7.	Production Employee	Assembly Worker	20.4.2015	30min	audio recorder & field notes, see appendix 3
8.	Production Employee	Machinist	20.4.2015	25min	audio recorder & field notes, see appendix 3
9.	Production Employee	Assembly Worker	20.4.2015	30min	audio recorder & field notes, see appendix 3
10.	Production Employee	Packing	21.4.2015	25min	audio recorder & field notes, see appendix 3
11.	Production Employee	Packing	22.4.2015	25min	audio recorder & field notes, see appendix 3
12.	Production Employee	Assembly Worker	24.4.2015	25min	audio recorder & field notes, see appendix 3

The production unit employee interview results served as the third part of the primary data, Data Collection 1, in this study and gave information of employee attributes in the case company production unit.

Production unit observation (see Appendix 4) was the fourth step in Data Collection 1 by visiting the production unit on site by the researcher. In a series of observations, the researcher gained knowledge from a practical point of view on the current situation and found out how the employees in the production unit operate. The production unit was observed between 20.4-24.4.2015 for 2 hours per observation day. Data was collected on field notes (see Appendix 4) during observation on each observation day. Details of the production employee observation are shown in Table 5 below.

Table 5. Production unit observation.

Informant	Data Type	Date	Duration	Data collection method
Production Unit	Observation	20.4.2015	2 hours	field notes, see appendix 4
Production Unit	Observation	21.4.2015	2 hours	field notes, see appendix 4
Production Unit	Observation	22.4.2015	2 hours	field notes, see appendix 4
Production Unit	Observation	24.4.2015	2 hours	field notes, see appendix 4

The production unit observation served as the fourth part of the primary data, Data Collection 1, in this study and gave information of the production unit in practice. After Data Collection 1 in this study, Data Collection 2 was used to collect additional information on the current situation.

Table 6. Overview of Data Collection 2.

DATA COLLECTION 2		
Type of Data Collection	Informants	Purpose
Stakeholder Discussion	<ul style="list-style-type: none"> • Sales & Marketing Manager • Research & Development Manager • Quality Manager • Production Director 	Receive additional information from the case company representatives outside the production unit on the current situation.
Interview	External Expert	Receive professional opinion outside the case company on the current situation.

Data collection 2 was carried out, in Table 6 above, to extent the information on the research in this study, in order to gain more internal and external knowledge and opinions of the current situation. Stakeholder Group discussion (see Appendix 5) was

the first step of Data Collection 2 to gain additional opinions outside the production unit from the representatives from other case company departments. In this discussion, sales and marketing, research and development, and quality managers with production director were present to view the collected results of Data Collection 1 in this study and hear improvement ideas on the current situation. The interviews were held in English due to internationality of the representatives. The data was collected with an audio recorder and after the interview took place, field notes were written to ensure no data would be lost. Details of the stakeholder group discussion are shown in Table 7 below.

Table 7. Stakeholder group discussion.

	Informant	Data Type	Date	Duration	Data Collection Method
1.	Sales & Marketing Manager	Group Discussion	27.4.2015	40min	audio recorder & field notes, see appendix 5
2.	Research & Development Manager				
3.	Quality Manager				
4.	Production Director				

The stakeholder group discussion served as the first part of the secondary data, Data Collection 2, and gave additional improvement information to the current situation.

The external expert interview (see Appendix 6) was held with an employee engagement expert as the second step in Data Collection 2 to have external and in-depth knowledge outside the case company on the current situation. The expert was asked how he sees the current situation of the case company production unit and how he would improve it. The interview was held in English due to internationality of the informant. The data was collected with an audio recorder and after the interview took place, field notes were written to ensure no data would be lost. Details of the external expert interview are shown in Table 8 below.

Table 8. External expert interview.

	Informant	Job Description	Date	Duration	Data Collection Method
1.	External Expert	Employee Engagement Consultant	28.4.2015	40min	audio recorder & field notes, see appendix 6

The external expert interview served as the second part of the secondary data, Data Collection 2, and gave comprehensive information to the current situation. Finally, Data Collection 3 was used to validate the preliminary proposal of this study.

Table 9. Overview of Data Collection 3.

DATA COLLECTION 3		
Type of Data Collection	Informant	Purpose
Interview	Production Director	Validation of the preliminary proposal

The case company production director interview was held as Data Collection 3 to validate the preliminary proposal of this study. Production director gave his opinions and feedback already during the stakeholder group discussion in Data Collection 2. The informant validated the preliminary proposal during this interview. The interview was held in English and data was collected with an audio recorder. After the interview took place, the final proposal of this study was constructed. Details of the stakeholder interview are shown in Table 10 below.

Table 10. Case company production director interview.

	Informant	Data Type	Date	Duration	Data Collection Method
1.	Production Director	Interview	30.4.2015	30min	audio recorder & field notes

The case company production director interview served as the validation of the preliminary proposal, Data Collection 3, before presenting the final proposal for the case company. To analyse the data, qualitative data methods were used during Data Collection 1, 2 and 3 in this study.

2.3 Validity and Reliability Plan

This study has a validity and reliability plan using qualitative research methodology. While planning for this, the study was guided by the following approach to validity and reliability.

Validity of a study is conducted ensuring the correctness and credibility of the study. The aspects of validity include, internal validity, construct validity and external validity. Internal validity is to dismiss wrong interactions by establishing causal interaction. Construct validity is to use several sources of evidence to establish chain of evidence for correct operational measures. External validity is to define the domain where conclusions of domain are comprehensive (Yin 2003: 34-59). Additionally, validity consists of accurate and precise data collection, and the step to avoid the disruption of researcher bias (Smallbone and Quinton 2011: 3-11). Therefore, to ensure validity, this study gives detailed and explicit descriptions of data collection and analysis, and data is reported in detail with direct quotes. The findings in this study are matched from different sources and against the theory, and the grounding on the concept of employee engagement is conducted thoroughly in the study.

Reliability means that the same findings in a study would be obtained if research were repeated or if another researcher would conduct the study at a different point of time (Smallbone and Quinton 2011: 3-11). To ensure reliability, the study must be trustworthy and authentic. A trustworthy study is accomplished with data triangulation and the richness of data, avoiding the bias of the researcher, and testing and piloting of the data. An authentic study is accomplished when data consists of fairness and catalytic, educative and tactical authenticity (Lincoln and Cuba 1994). Therefore, to ensure reliability, different data sources are used and data is collected at different points of time in this study. Additionally, the carried out steps in this study are documented and explained, and data and literature are maintained in the data collection database.

3 Concept of Employee Engagement

This section discusses employee engagement based on utilizing existing literature sources and describing the definition and factors affecting it. At the end of this section, Conceptual Framework 1 is formed to clarify the concept of employee engagement in this study.

3.1 Defining Employee Engagement

The definition of employee engagement is defined in several different ways that makes it more difficult to measure precisely (Ferguson 2007). According to Saks (2006: 600), there are a number of researches and academics showing the same approach and results defining the definition of employee engagement and how to enhance it. Researchers studying employee engagement in the last decades including Shuck and Wollard (2010: 103) believe that employee engagement affects not only employee results, but also financial and organizational accomplishments. Organizations have noticed the importance of employee engagement since engaged employees perform more effectively than disengaged employees (SHRM Foundation 2006: 2).

The first formal study on employee engagement, presented by Kahn (1990: 694), described engagement as “spontaneous involvement in the role”. He stated personal engagement as “the harnessing of organization members’ selves to their work roles” and argued that “in engagement, people employ and express themselves physically, cognitively and emotionally during role performances”. In this context, engagement meant high activity at work and knowledge of work environment, and feelings and attitudes about the employer and the working conditions. Later, Schaufeli et al. (2002: 74) describe engagement as “a positive, fulfilling, work-related state of mind that is characterized by vigour, dedication and absorption” where vigour means high level of employee energy, dedication is the feeling of pride and enthusiasm, and absorption means the will to completely focus on the assignment. Therefore, employee engagement is explained by many researchers as an emotional and intellectual commitment of individuals (Croston 2008, Saks 2006, Schaufeli et al. 2002) and is manifested through the facts that the employee talks positively of the job, organization and employer, and shows loyalty and makes the additional effort for organization success (Aon Hewitt 2011: 1-7, Towers Perrin 2005) and is focused towards the

organizational results (Schuck and Wollard 2010: 99). Additionally, a logical conclusion can be made that, in order to gain successful business results, the organization should increase contribution and commitment of its employees for improved employee engagement that “is a positive attitude held by employee towards the organization and its values. This happens since engaged employee is aware of the business context and works with colleagues to improve within the job for the benefit of the organization. Therefore, to improve its business, organization should be interested to develop and nurture engagement, which requires a two-way relationship between employee and employer” (Macleod and Clark 2009: 5).

3.2 Attributes Affecting Employee Engagement

This study starts by exploring the existing literature on attributes affecting employee engagement since several definitions and theories exist for employee engagement. After researching the subject in the available literature, Conceptual Framework 1 is formed for this study. This conceptual framework also relates to the analysis of the groups used in the case company employee survey question form (see Appendix 1) that acted as the starting point for the research. These groups are work, leadership and organization that interact with each other affecting employee engagement as reviewed below in this section.

3.2.1 Work

Personality differs from one person to another and is manifested, for example, when people think in a certain way of a situation in which another individual might approach from a totally different perspective. Individual differences include a combination of characteristics of a unique nature of a person who reacts and interacts with others, and engagement is based on these characteristics and has been associated with personality dimensions (Macey and Schneider 2008: 3-30) described in Figure 3 below.

THE BIG FIVE PERSONALITY DIMENSIONS

- Extraversion – outgoing, sociable, assertive
- Agreeableness – good-natured, trusting, cooperative
- Conscientiousness – responsible, dependable, persistent
- Emotional stability – unworried, secure, relaxed
- Openness to experience – imaginative, curious, broad-minded

Figure 3. The big five personality dimensions (Schermerhorn et al. 2012: 29).

The big five personality dimensions, described in Figure 3 above, include extraversion, agreeableness, conscientiousness, emotional stability and openness to experience (Schermerhorn et al. 2012: 29). A study made by Langelaan et al. (2006: 521-532) measured extraversion and neuroticism, where they found engagement was positively related to extraversion but negatively to neuroticism. Kim et al. (2009: 96-104) included the big five personality dimensions in their research that showed conflicting information where conscientiousness was strongly related to engagement throughout the study but neuroticism and extraversion were not after altering work related attributes. Schaufeli (2012: 3-14) cites that “engagement is a psychological state rather than a dispositional trait” that support the research of Wildermuth and Pauken (2008: 208) on employee personality where engagement stayed positive with some of the employees although work conditions and management were imperfect. Thus, engagement can vary highly between different individuals due to personality.

Motivation is defined as factor of direction, level and persistence in an individual and the effort expended at work (Armstrong 2014: 182). Direction is the choice when multiple alternatives are presented for an individual. Level describes amount of effort an individual brings out and persistence is the time an individual stays in a certain task. Several sources of theories have been researching the subject of motivation. Reiss (2012: 152-156) categorizes motivation as intrinsic and extrinsic. Intrinsic is when an individual does something for their own sake and is enjoyable, while extrinsic is working for a certain goal or target. Intrinsic motivation is highly connected to engagement since it associates with long-term quality of work, while extrinsic motivation is to push oneself to reach a certain goal or target momentarily to be rewarded by it. Therefore, intrinsic motivation engages employees since they are

naturally engaged for their own sake and find the work interesting, and are likely to put all of their energy and effort to the work and forthcoming challenges (Zhang and Bartol 2010: 111).

Job Attributes of an individual are connected to employee engagement and have to be in line in order to gain motivation. Kahn (1990: 704-705) stated that psychological meaningfulness exists positively when work has meaningful tasks and includes a combination of routine and novelty with variety, creativity, challenges and clearness. These job attributes bring autonomy and ownership to their own work that shows as engagement. Additionally, according to Widermuth and Pauken (2008: 207), continuous learning and progress should also be included into work.

Another job attribute that is linked to engagement is organizational citizenship behaviour that shows the individual is willing to make extra effort on the job either interpersonally that helps the work of colleagues, or organizationally that advances the whole organization (Schermerhorn et al. 2012: 67). Robbins and Judge (2013: 71) claim that a motivator to engagement is job satisfaction. This is achieved when an individual feels positive about their work through job involvement that is dedication for the job and organizational commitment that is the loyalty for the organization. Carrig and Wright (2006: 31) explain that positive attitudes, satisfaction and commitment bring out the engagement of employees. Organizations with happy and committed employees outperform less motivated employees, when the potential of positive outcomes start to grow for the organization. As a conclusion, the combination of job involvement and organizational commitment through personality, motivation and job attributes forms a high sense of employee engagement (Gallup 2015).

3.2.2 Leadership

When talking about the elements of leadership, *communication and collaboration* are bound concepts as modern workplaces become more collaborative by new social technologies. Communication is the essence of keeping collaboration and organizations together (Schermerhorn et al. 2012: 242). It is a process of information between a sender and receiver where communicators are linked together with a potential of feedback through various communication channels (Kalla 2005: 302). Ayuso et al. (2006: 475-490) recommend a two-way communication process where

opinions and views are shared mutually that enriches the relationships between employees. Sinclair (2010) emphasizes the importance of communication, listening and transparency for information exchange to be open and honest. Good communication gains trust between employees and builds supportive collaboration including teamwork that drives employee engagement (May et al. 2004: 16). Two-way communication is part of an organizational environment of trust, accountability and responsibility (Towers Perrin 2003) that promotes good relationships, building teamwork and collaboration between employees in the organization. Thus, employee engagement is driven by good communication and collaboration between employees and employer achieving better outcomes and share ideas together (Wellins and Concelman 2005: 14).

Related topic to communication and collaboration is teamwork. Schermerhorn et al. (2012: 158) in Figure 4 below, illustrate the open systems model of teams method.

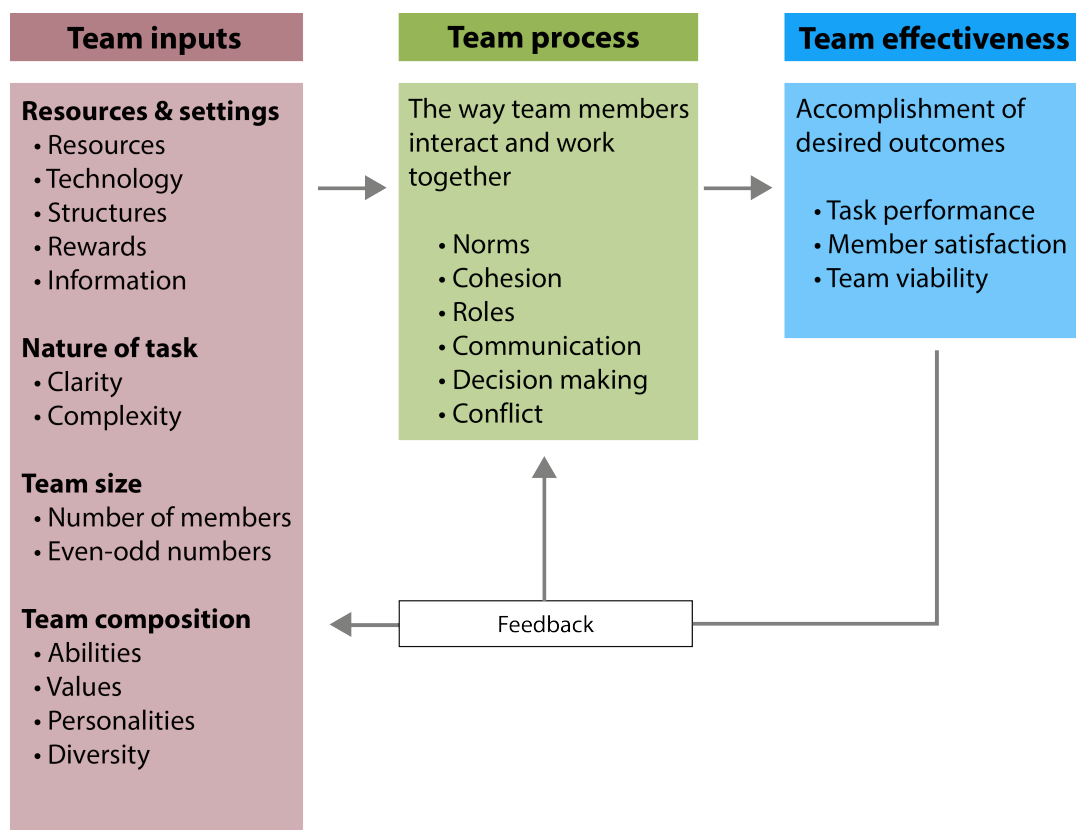


Figure 4. Open systems model of teams (Schermerhorn et al. 2012: 158).

Figure 4 above shows a method aiming for team effectiveness that is being affected by team inputs and team process. Team inputs include (1) resources and setting, (2) nature of task, (3) team size and (4) team composition with sub attributes describing

that 'right workers are in the right places'. Team process includes (1) norms, (2) cohesion, (3) roles, (4) communication, (5) decision making and (6) conflict, which are team dynamics that describes that the team members are 'on the same bus, heading in the same direction'. It is an on-going process to gain team effectiveness that is affected by the described attributes how the team operates internally and externally by depending on the quality and style of feedback the team is receiving from the organization. Team effectiveness is also depending on team development and performance level. Schermerhorn et al. (2012: 163) describe diversity-consensus dilemma (Schermerhorn et al. 2012: 163) in Figure 6 below that is a tendency in groups creating difficulties although it offers higher potential for problem solving.

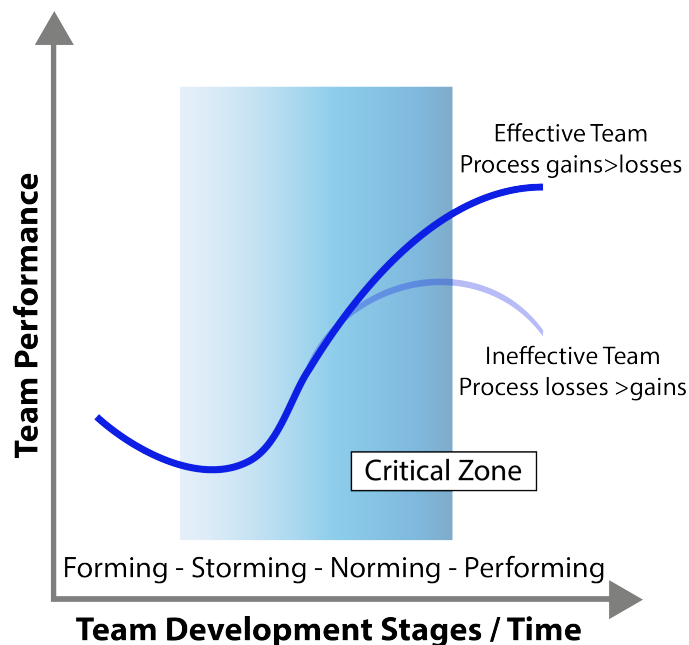


Figure 5. Diversity-consensus dilemma (Schermerhorn et al. 2012: 163).

Figure 5 above illustrates team effectiveness towards gains and losses. Team development stages affect team performance in time. Team development stages include (1) Forming stage that has uncertainty of team purpose and structure, (2) Storming stage when team identity exists but there is a conflict of who will control the team, (3) Norming stage when team is characterized by close relationships and cohesiveness and (4) Performing stage when team is fully functional. According to Schermerhorn et al. (2012: 156-163), different team development stages can differ from one team to another. This dilemma is most pronounced in the critical zone during storming and norming stages. Schermerhorn et al. (2012:156-163) explain that a team

can be advanced to further development stage but can be affected by outer stress due to poor leadership or affected by the attributes illustrated in Figure 5 above. Therefore, teamwork and team performance can be affected positively and negatively by various attributes on different stages determining the quality of communication and collaboration of teamwork.

Leadership itself is a major driver of employee engagement with communication and collaboration interacting with work and organization groups, described in this section, to an entity where leadership helps to ensure a positive organizational environment where employees are engaged achieving organizational objectives (Castellano 2015: 6). Leadership influences to the attitudes, beliefs, behaviours and feelings of employees (Spector 2003: 313) and plays a vital role defining and communicating the organization vision, purpose and goals (Castellano 2015: 6) Thus, the vital component in a successful organization is good leadership that is responsible for the collaboration between the employees and the organization, and has a significant influence on employee ability to commit to their work, collaboration and organization (MacLeod and Clarke 2009: 88).

The concept of leadership includes the term leadership described as people driven to inspire people to do their best achieving a desired result, and the term management that is more task driven deciding on what to do and then getting it done through the use of resources (Armstrong 2014: 329). There are several styles of leadership such as Autocratic, Bureaucratic, Democratic and Laissez-Faire, Transformational, Transactional (Burns 1978), Commanding, Visionary, Affiliate Democratic, Pacesetting, Coaching, Creative, Corrective, Change, Intelligence, Participative, Pedagogical, Servant, Bridging, Purposeful (Armstrong 2014: 641-646). Different styles are required for different working situations and environments where leadership needs to recognize what type of leadership style to use and when to merge a certain leadership approach. Different leadership styles differ and at the same time overlap with certain features (Armstrong 2014: 641-646). Thus, several researchers have found features that when leader is engaged and committed to the organization (Welbourne 2007: 45-50), shows trust and resilience (Kahn 1990) and provides opportunities for development and career advancement, will engage the employees (Harter et al. 2002: 268-279). Employee engagement is also promoted when leadership has a clear vision about the future success and articulates organizational goals (Towers Perrin 2003), provides

employee care and support (Kahn 1990), gives autonomy, relevant training and systematic feedback sessions for the employees and cares for employee wellbeing and recognition (Towers Perrin 2003). Therefore, communication and collaboration with open and transparent leadership acts as the core factor affecting employee engagement (Macleod and Clarke 2009).

3.2.3 Organization

'Organization is an entity that exists to achieve a purpose through the collective efforts of the people who work in or for it'. *Organizational Structure* is the foundation for organizational activities, a framework for getting things done which has formal and informal lines of command and communication channel elements (Armstrong 2014: 130). *Organizational Culture* is the system of actions, values and beliefs that develops within an organization and guides the behaviour of its members (Schermerhorn et al. 2012: 348). Employee engagement is the key driver for any organization to success since the organization is dependent on people and need a type of commitment from the employees who want to belong to the organization to perform well and not employees who need to belong (Castellano 2015: 3). According to MacLeod and Clarke (2009: 33), good leadership can ensure a strong, transparent and explicit organizational culture. This gives the employees a line of sight to be highly engaged where employees understand the strategic objectives of the organization, how to contribute to those objectives and being able to connect and belong to the organization (Boswell and Boudreaus 2001: 851-860). Employees contribute and engage when they are involved and see the intrinsic value of the work they do, are empowered to make decisions, are treated with dignity by those who lead them and have the opportunities for career development and advancement. Therefore employee engagement is depending on how the leaders form the culture of an organization (Castellano 2015: 3), and thus can develop *organizational climate* that is an aspect of organizational culture where shared perceptions of organizational members have about their organization and organization environment which is commonly known term as team spirit (Schermerhorn et al. 2012: 9).

3.3 Model of the Concept of Employee Engagement

The nature of this study required two conceptual frameworks to be constructed. This section reviews Conceptual Framework 1 where the concept of employee engagement is investigated to find the purpose for this study where the case company employee survey results served as the starting point for this research. Later in Section 5, Conceptual Framework 2 is constructed for best practice for enhancing employee engagement in this study.

Employee engagement is a complex topic but can be seen, in several studies and theories in the academic literature, to have cohesion with different studies and theories. Promoting employee engagement requires an organizational work to build a system that drives employee engagement. Engagement takes place when employees are committed to their work and for the organization with job engagement when they find their work interesting and when they identify the values and purpose of their organization (Armstrong 2014: 202). The attributes investigated in this section affect employee engagement and are divided into three different interrelating groups of work, leadership and organization with their detailed attributes.

An overview of the relevant attributes affecting employee engagement from different sources and context are listed in Table 11 below.

Table 11. Overview of academic literature sources affecting employee engagement.

WORK	
Personality	Armstrong 2014 Schermerhorn et al. 2012 Macey and Schneider 2008 Langelaan et al. 2006 Kim et al. 2009 Schaufeli 2002 and 2012 Wildermuth and Pauken 2008
Motivation	Armstrong 2014 Reiss 2012 Zhang and Bartol 2010
Job Attributes	Schermerhorn et al. 2012 Carrig and Wright 2006 Kahn 1990 Robbins and Judge 2013 Widermuth and Pauken 2008 Gallup 2015
LEADERSHIP	
Communication and Collaboration	Schermerhorn et al. 2012 Kalla 2005 Ayuso et al. 2006 Sinclair 2010 May et al. 2004 Towers Perrin 2003 Wellins and Concelman 2005
Leadership	Armstrong 2014 Macleod and Clarke 2009 Castellano 2015 Spector 2003 Welbourne 2007 Harter et al. 2002 Kahn 1990 Towers Perrin 2003

ORGANIZATION	
Organizational Structure	Armstrong 2014
Organizational Culture	Schermerhorn et. al 2012 MacLeod and Clarke 2009 Castellano 2015 Boswell and Boudreaus 2001
Organizational Climate	Schermerhorn et al. 2012

The overview in Table 11 above shows the findings in this section in groups with their elaborate attributes affecting employee engagement. Figure 6 below forms these essential findings for Conceptual Framework 1 as a holistic illustration.

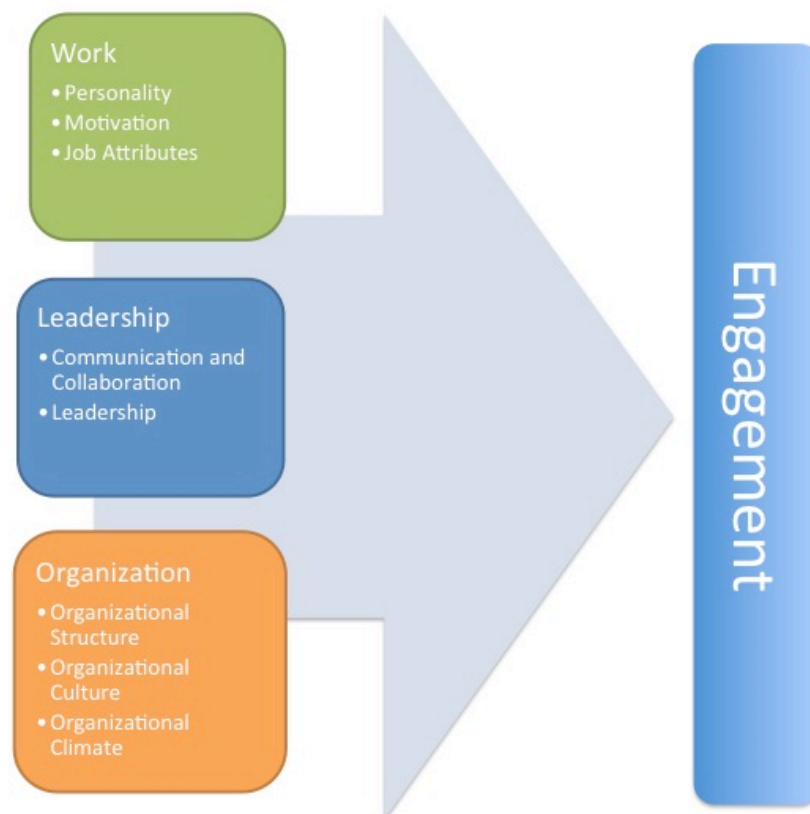


Figure 6. Conceptual Framework 1: Concept of employee engagement.

Conceptual Framework 1, in Figure 6 above, illustrates the interrelation of attributes affecting employee engagement between the work, leadership and organization groups. Work group includes (1) Personality, (2) Motivation and (3) Job Attributes. Leadership group includes (1) Communication and Collaboration, and (2) Leadership,

and Organization group includes (1) Organizational Structure, (2) Organizational Culture and (3) Organizational Climate. Conceptual Framework 1 is built on the findings in the existing academic literature based on the case company employee survey question form and results, and serves as the theoretical starting point for further research and analysis in this study.

The next section discusses the current state of the case company production unit and analyses the results of Data Collection 1.

4 Current State Analysis

This section describes the current state of employee engagement in the case company production unit and analyses the findings of Data Collection 1. At the end of this section, a summary is developed of the strengths and weaknesses of the current employee engagement in the case company production unit.

4.1 Production Unit of the Case Company

The production unit of the case company produces blood glucose meters used for diabetes patients that is the main business for the case company. The production unit consists of semi-automated robot device that builds part of the blood glucose meter, and the rest of the building process is done by manual work. The objective is to produce best quality blood glucose meters based on customer demands. Presently, there are in total 12 employees involved in 6 different work phases in the production unit. Figure 7 below illustrates the current production process in the unit.



Figure 7. Current production process of the production unit.

The current production process, in Figure 7 above, consists of raw material collection from the warehouse that is then build with semi-automation machinery. Then the manual assembly work of the product is done, followed by the product quality control. After passing the quality control, the product is forwarded into packing and becomes ready for customer delivery.

4.2 Findings of Data Collection 1

This section analyses the findings of Data Collection 1 regarding the current state of employee engagement in the production unit. The current state was investigated by using employee survey question form interpretation, interviews and observation. The results of Data Collection 1 are described below.

4.2.1 Employee Survey Question Form Interpretation

The first step of Data Collection 1 was the interpretation of the case company employee survey question form. The survey form was given to the researcher by request but without the individual answers since the survey was made anonymous and the case company wanted to keep the data of the survey only for themselves. The researcher interpreted the question form (see Appendix 1) to gain knowledge how the survey was formed and what types of questions were asked in the first place. The form included three main theme groups: work, leadership and organization (see Appendix 1). The work theme consisted of 17 questions regarding personal work of the employees dealing with psychological and practical type of questions. The second theme, leadership, consisted of 7 questions regarding the leadership of the case company. The third theme, organization, consisted of 9 questions of how employees feel inside the organizational operation in the case company.

Conclusion from the survey question form interpretation, based on the investigation of the existing literature and the production unit disengagement results from the survey, was that the survey topics and questions could be connected to the concept of employee engagement. In this study, the researcher argues that engagement and disengagement show as feelings and attitudes about the employer, as well as work environment and the working conditions. Therefore, the main theme groups of (a) work, (b) leadership and (c) organization used in the case company employee survey were related to the employee engagement and used as research themes for further research in Sections 3, 4 and 5 in this study.

4.2.2 HR Department Representative Interview

The second step of Data Collection 1 was the interview with the HR department representative (see Appendix 2). The interview was based on the findings of employee engagement found in the case company employee survey results of disengagement in the production unit and the interpretation of the employee survey form. The objective of this interview was to find out how the case company promotes employee engagement. Additionally, to find out what kind of employee engagement processes the case company currently has and what guidelines these processes have from the point of view of employee engagement.

The evidence found was that the production processes in practice were measured and described in the internal documentation of the case company by work instructions and production process forms. The documentation on Human Resource management or employee engagement processes was non-existing. The only document related to employee engagement was the recent case company employee survey that served as the business challenge in this study. These findings are illustrated in the citation from the HR representative stated below.

“The company does not possess employee engagement or well-being processes since the company is a rather new startup company and the HR department resources suffice to employee registry, assisting finance department and wage payment programs”. (Data 1: informant 1)

“Employee survey was first process towards employee engagement in the company and was made internally by the HR Department together with the case company management giving the approval to conduct the survey. We decided to include 6 different answer rates, from 1 to 6, for each question not to receive neutral answers in the survey. We categorized the answers between 1 and 2 as actively disengaged, 3 to 4 as not engaged and 5 to 6 as actively engaged”. (Data 1: informant 1)

The case company HR department only had general level HR employee registry and wage payment documentation. Therefore, the finding here was that the case company did not hold any HR or employee engagement documentation. There also has not been any processes to promote it besides the recently conducted employee survey that was the first process made to explore the employees formally in the case company. For the researcher this was a critical discovery since employee engagement and HR process documentation should be common processes in every company.

4.2.3 Production Unit Employee Interviews

The third step in Data Collection 1 was to conduct and analyse the interviews of 12 production unit employees (see Appendix 3). The interviews were based on the theme groups used in the case company employee survey form: work, leadership and organization.

Work consisted of different answers from many informants due to their personality related matters on how to fit in at the work place. Informants showed that their feeling towards their work was on a negative basis as described below.

“I do not look forward going to work due to the high amount of work we need to perform everyday without knowing even on a general level what we should accomplish and what timeline”. (Data 1: informant 8)

It was evident that most of the informants are stressed at work and do not have guidelines what to follow. Therefore, informant focus on their work was minimalistic and suffered due to not knowing what is expected from the employees. Another informant commented on the monotonous work described below.

“My motivation to my work is lost due to not knowing what is expected from me. My work is monotonous with no changes to contribute although the production unit facility and tools are there but we as employees do not have the chance to contribute on our work.” (Data 1: informant 3)

The informants felt they cannot contribute on their work that leave them unmotivated towards their work without new challenges or a purpose. Due to the high amount of work, the informants commented that they do not have any flexibility in their working hours and have to perform overtime at work.

“I value my work colleagues but not my work since as a unit we are on the same situation without knowing what is expected from us without any flexibility in our work hours. I wish there would be a change for this, and to have guidelines and information from the rest of the organization”. (Data 1: informant 5)

It was evident that the personal satisfaction of the informants was highly negative due to no purpose, autonomy, challenges and flexibility although work settings in practice and cooperation with production unit colleagues were in place. Informants told that they want to work for the good of the company though their personalities are different but are not able to perform at their best due to the negative topics discussed above. They also expressed that their work should have safety no to be afraid to loose their job. All

informants expressed a positive attitude although the current situation was challenging in the production unit but told that safety would help the informants to concentrate on their work more stress free.

A topic brought up during the interviews was work-life balance. Production unit employees believed that a balance between work and personal life would result in trust and positive relationships, and thus meaningful work and belonging to the organization when everyone is taken into consideration personally and professionally. Informants also felt lack of personalized work, bad relationship with supervisors, independency and free time.

Leadership got negative feedback on its absence. Employees felt they do not have a connection to the supervisors in the case company, as described by one of the informants below.

“I do not know who is the management team in our company. Also my closest supervisors are never around for support or guidance when needed, only when something problematic occurs”. (Data 1: informant 7)

Company goals, vision and information flow were not clear, openness in two-way communication, recognition and feedback for the employees and treating employees as individuals were also lacking.

“I am now aware of the goal of our company or the goals of our production unit. I believe the communication within our organization is poor and we are not treated well as individuals ”. (Data 1: informant 11)

“We do not get any feedback on our work due to our bad communication outside the production unit besides my co-workers and there is no recognition of our work or other colleague work inside our company. I wish this would change in the future”. (Data 1: informant 9)

The informants linked these issues, described above, in a serious matter to have open and honest communication and more positive supervisor-employee relationships in the future. Therefore, based on the findings during the interviews, it was evident that the

role of the closest supervisor was vital for the production unit employees to support and guide the workers on a daily basis. The informants described below:

“My closest supervisor is a nice person though he is not around for support and do not care for our work, only the results we accomplish”.
(Data 1: informant 6)

“When requested, my closest supervisor is hard to reach and sometimes does not even show up when he is needed at the production unit”. (Data 1: informant 2)

“The little communication and information we receive from our closest supervisor differs from the senior manager announcements company wide.” (Data 1: informant 13)

Findings from the interviews gave clear answers that the leadership communication is struggling with the closest supervisor and the rest of the senior managers. Also listening abilities, comprehensive feedback and equal treatment of employees by supervisors was seen crucial. Evident was that the closest manager has a vital role to promote the production unit employee engagement. The case company goals should be detailed and have transparency from the very top of the case company. Then, form these goals into department goals and communicate to the production unit employees. Additionally, the closest supervisor should detail the department goals to personal goals to gain knowledge and improvement in the production unit employees.

During the interviews, informants agreed that the closest supervisor should act as the author for work opportunities for learning more, make the work more diverse and creating a better climate with communication and support for the production unit employees. Also communication and collaboration should be a two-way process between employees and supervisors.

Informants found the case company as an unpleasant working environment. They wished for better facilities and recognition from colleagues inside the organization, as described below.

“I would like to be my normal self while being at work. Other company employees hardly talk with each other or to me. Therefore, I feel that I have been left out from the rest of the company”. (Data 1: informant 3)

“Our organization atmosphere should be supportive that everyone can communicate openly and ask for help when needed. We do not also meet the other employees out the production unit so I wish there would be good facilities to talk with the rest of the employees in our company”. (Data 1: informant 4)

“There is no recognition in our company. I believe there should be company wide meetings where all department work is explained with feedback opportunities so that people are aware of all employee work inside our company”. (Data 1: informant 6)

Interview findings show that organizational environment was a topic to be considered in order to have a better climate where the employees can feel more pleasant. Another topic was career growth that was brought up to have the chance to contribute on new opportunities as work challenges, personal career growth and development. The informants addressed that their work would gain motivation towards their job in a positive and open organization culture where their careers would have growth. This would feel of belonging to the organization and therefore improve engagement within the production unit.

4.2.4 Production Unit Observation

The third and last step in Data Collection 1 was production unit observation (see Appendix 4) conducted by the researcher. The observation happened on four working days, two hours per day. On the first day observation was challenging since the employees felt uncomfortable when an outer researcher was on site observing them. From the second observation day onwards, employees got used to the presence of the researcher and proper observation was conducted.

The researcher observed the production unit for team inputs and team process attributes. Field notes were recorded during all observation days (see Appendix 4). The

findings showed the production unit operated in a good way at first as employees performed normally at their workstations with proper resources and settings as machinery, tools and work instructions at hand. The researcher found that the production unit closest supervisor was nowhere to be seen to support the employees when help was needed that occurred several times during all of the observation days. The production unit employees were also confused of the daily change in production goals. Therefore, the nature of the production unit task was unclear since the production unit goals, and how to perform at your work when obstacles happen, were not clearly described and supported. Team size did not result in deviations in work at practice. Team composition showed that the production employees possessed potential and abilities to perform the work and more for work improvement ideas. Employee values and personalities did not affect negatively to the production unit operation. The challenges surfaced, showed a great lack in motivation within the employees, and the communication was missing between the closest supervisor and the employees. A crucial finding was the lack in support of authority. Communication styles between the employees had a negative tone if confronted an obstacle or a problem in their work process, although the researcher witnessed good relationships between the employees and potential in problems solving skills. This might be occurred by the interpersonal stress of challenges found during the production employee interviews. These findings showed that the production unit is facing challenges in its operation, and employee satisfaction.

The researcher analysed these findings further and found that the production unit is suffering of challenges as illustrated in Figure 8 below.

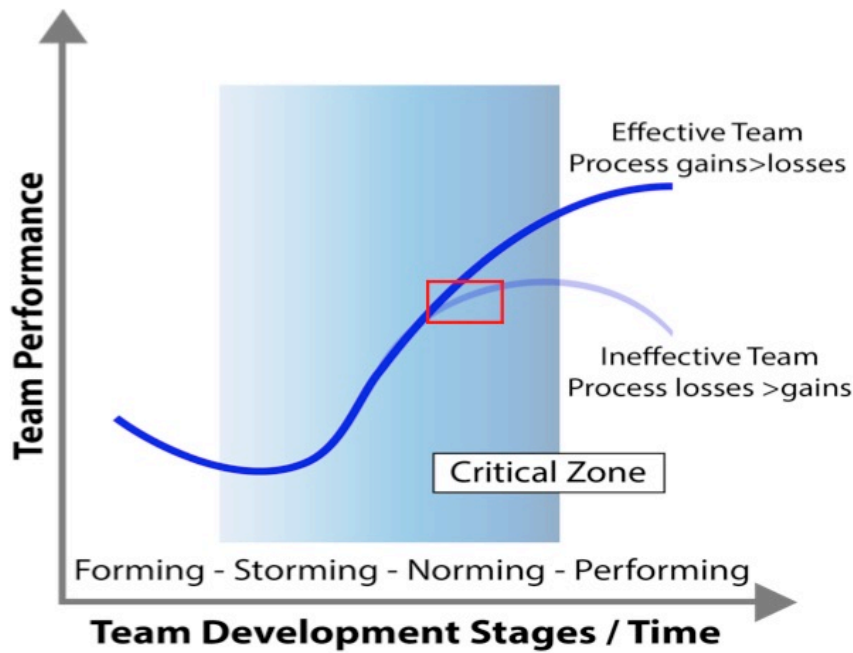


Figure 8. Current development of the production unit.

Figure 8 above illustrates the current stage of the production unit, indicated by the red frame, based on the observation findings. The researcher found that the production unit has created good relationships between the production unit employees and had advanced to further 'norming' development stage but was struggling due to poor leadership and uncertainty within employees of the purpose of the unit. This tendency created difficulties in the production unit although employees offered high potential for problem solving. These findings showed that the production unit is operating currently in the critical zone, in Figure 8 above, and suffers from losses compared to gains due to ineffective team process. This is caused by outer stress due to poor leadership, support and uncertainty of purpose in the production unit employees although good relationships occur within the team members inside the production unit. These observation findings added more challenges in the production unit. To overcome these challenges, the case company needs improvement on organization, leadership and employee areas.

4.3 Analysis of Strengths of the Current Production Unit

Based on the findings in Data Collection 1, the case company production unit strengths include (1) supporting tools, machinery and work instructions are equivalent for daily work, (2) good communication and collaboration between the production employees,

(3) employees possess great potential for work improvement and development, (4) strong sense of group identity and camaraderie and (5) employees have a positive mind-set although circumstances are highly challenging.

First, the current production unit has the supporting tools, machinery and work instructions to perform their daily work in practice. The production unit employees have the understanding and skills to use these practical aiding methods well. Second, good communication and collaboration occurs inside the production unit. The production unit has clear cooperation, support and problem sharing skills that the unit uses independently. Third, production unit employees possess a great potential for improvement and development in their work area. Current improvement and development ideas are shared within the team on a daily basis. Fourth, the production unit has gained a strong group identity and camaraderie where work colleagues are treated evenly and fairly. Fifth, production unit employees are positive minded although the findings in Data Collection 1 show that production unit work circumstances are highly challenging.

4.4 Analysis of Weaknesses of the Current Production Unit

Based on the findings in Data Collection 1, the case company production unit weaknesses are categorized to the same theme groups used in Conceptual Framework 1 in Section 3.3 to (a) work, (b) leadership and (c) organization weaknesses, as described below.

Work weaknesses include: (1) employee work is monotonous, not interesting and not personal, (2) employees are unaware what is expected of them, (3) employees feel exhausted of long work hours and overwork with minimal breaks, and therefore cannot focus on their work with their abilities, (4) motivation is lost and employees do not look forward going to work and (5) employees do not know for what company purpose they are working for.

Leadership weaknesses include (1) relationship to the closest supervisor and the rest of the company staff is weak, (2) case company and production unit goals not clearly defined, (3) information flow weak within the organization, (4) production unit employees do not know who the case company management is, (5) differences with

announcements and reports between closest and senior managers and (6) employees lack of trust and respect due to lack of support from closest and senior supervisors.

Organization weaknesses include (1) no recognition for the production unit work, (2) break facilities minimalistic, (3) stiff atmosphere outside the production unit area in the rest of the case company and (4) lack in training for profession advancement. There are a great number of weaknesses that affect the current production unit. To improve and solve these weaknesses, further research must be performed in this study.

4.5 Summary of the Current State Analysis

This section summarizes all the collected data in the current state analysis (Data Collection 1) discussed earlier in this section. Below, the strengths of the current production unit are summarized in Table 12.

Table 12. Strengths of employee engagement in the production unit.

- Tools, work instructions and equipment equivalent for work
- Good communication, support and collaboration between the production unit employees
- Employees possess potential for work improvement and development
- Strong sense of group identity and camaraderie
- Employees have a positive mindset that drives them although many challenges in the current situation

Table 12 above illustrates the strengths found in the current state of employee engagement. Below, the weaknesses of the current state of employee engagement in the production unit are illustrated in Table 13.

Table 13. Weaknesses of employee engagement in the production unit.

WORK	<ul style="list-style-type: none"> • The employees consider that the work is monotonous, not interesting and not personal • The employees are unaware what is expected of them. • Employees feel exhausted of working too long hours and overwork with minimal breaks, therefore cannot focus on their work properly with their abilities. • Motivation is lost and employees do not look forward going to work • The employees do not know for what purpose are they working for
LEADERSHIP	<ul style="list-style-type: none"> • The relationships to the closest supervisor and rest of the company staff is weak • Case company and production unit goals not clearly defined • Information flow within the organization is weak • Production unit employees not aware of the case company management • Differences with announcements and reports between closest and senior management • Production unit employees lack of trust and respect due to lack of support from closest and senior supervisors
ORGANIZATION	<ul style="list-style-type: none"> • No recognition for production unit work • Break facilities minimalistic. • Stiff atmosphere outside the production area in rest of the case company • Lack in training for profession advancement

As evident from Table 13 above, the production unit is struggling due to several weaknesses found in the current state. The strengths and weaknesses found relate to employee engagement, based on the literature review in Section 3. Therefore, it is crucial to first exploit the strengths and resolve the weaknesses by conducting further academic literature review in order to find best practice for enhancing employee engagement for the case company production unit. Based on these results, the next

step is to conduct further data collection and construct a proposal to improve the current employee engagement in the case company production unit.

The next section explores academic literature research and builds Conceptual Framework 2 of best practice for enhancing employee engagement.

5 Best Practice for Enhancing Employee Engagement

This section further explores the existing knowledge and academic literature by continuing from the findings of Conceptual Framework 1 in Section 3 of this study. At the end of this section, Conceptual Framework 2 is being established for best practice for enhancing employee engagement for the case company production unit.

5.1 Defining Best Practice for Employee Engagement

The relationship between the organization and its employees is a changing process that needs constant upkeep to gain success within an organization. Current research results connect employee engagement to positive business outcomes, increased customer satisfaction, growth and profitability, productivity and lesser accidents (Harter et al. 2002; Schaufeli et al. 2002; Saks 2006). Yet, Gallup (2013) research describe that 13 percent of all employees are “highly engaged and 26 percent are “actively disengaged”. Hodson et al. (2014) explain that 80 percent of organizations assume employees are overwhelmed at their work by information and activities since only 8 percent of them have programs and tools to deal with work challenges. Dice Tech salary survey (2014) results that 70 percent of employees think they can find a better and more challenging job in less than two months if they would actively search for it. Thus, employees are operating like free agents compared to the past that makes the business leaders to work on how to build a respectful, creative and passionate organization (Gallup 2013).

MacLeod and Clarke (2009: 33) show that good leadership can ensure a strong, transparent and explicit organizational culture that leads to a positive organizational climate where engagement occurs. According to a study by Salanova et al. (2005), employee engagement is related to a positive organizational climate and it is a value-creating factor that affects positively to business outcomes of the organization. The Conference Board (2014) conducted a survey with several organizations that believe half of their leaders know how to build organizational culture of engagement. This causes deviations within leader capabilities since employee engagement should be a core business strategy (SHRM Foundation 2013) and to be part of the organization strategy development to gain value for the organization (Freedman 2004).

The next section introduces the value profit chain continuing the literature review further.

5.2 Exploring the Value Profit Chain

Value profit chain refers to a framework introduced by Heskett et al. (2003) to create value for the organization. The value profit chain aims for organizational success with the main success factor for any organization: customers. One of the core factors of the value profit chain framework is to treat employees like customers in order to gain high engagement from the people inside the organization for growth and profitability for the organization (Heskett et al. 2003: 40). Employee engagement is noticed to affect productivity and service to ensure business success in the value profit chain. Carrig and Wright (2006: 15-16) conducted a study on building profit by building people based on the value profit chain by Heskett et al. (2003) and extended it to engagement in Figure 9 below.

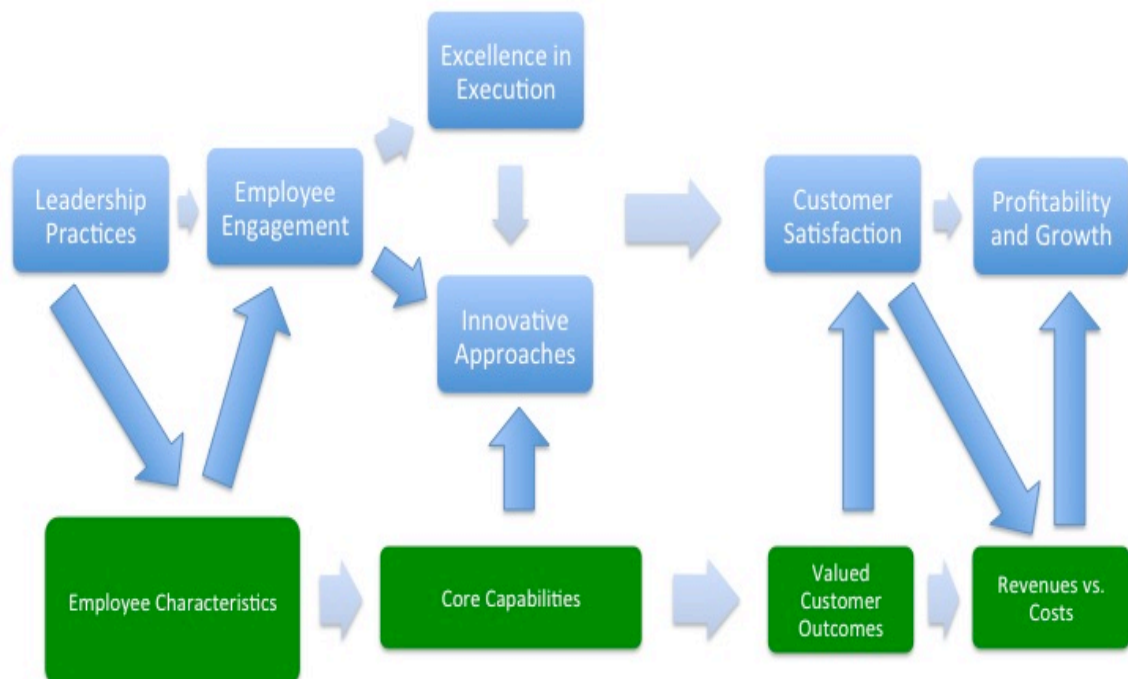


Figure 9. The value profit chain extended to engagement (Carrig and Wright 2006: 19).

The value profit chain, in Figure 9 above, is extended to the concept of employee engagement where leadership practices create organizational environment where engaged employees drive customer satisfaction by operational excellence and innovative business opportunities resulting in profitability and growth. Additional factors that affect the process are employee characteristics, core capabilities, valued customer outcomes, and revenues and costs that interact with the rest of the value profit chain factors. This is driven by leadership and human resources practices that create engagement within the employees. Thus, engaged employees deliver high quality service that will meet customer expectations, creating satisfied customers who in return become loyal to the organization resulting in improved business outcomes of the organization (Heskett et al. 2003: 40-45).

The value profit chain consists of interrelated following elements: (1) customer loyalty and commitment are the main drivers of growth and profitability, (2) customer loyalty and commitment come from customer satisfaction compared to competition, (3) customer satisfaction comes from the realization of high levels of value compared to competitors, (4) value is created by satisfied, committed, loyal and productive employees, (5) employee satisfaction comes from the fairness of leadership, quality of workplace, career growth and latitude within limits at work. The relationships between these elements, can function for or against the organization. The results of the value profit chain are highly successful for organizations that get these elements correct. The connection between employee engagement, positive customer and organization outcomes are established by organizations as IBM, Microsoft, FedEx, SAS and Cisco Systems (Heskett et al. 2003: 26-40).

The next section focuses on employee engagement involved in the value profit chain.

5.3 Exploring Employee Engagement in the Value Profit Chain

This section focuses on employee engagement involved in the value profit chain, in Figure 10 below, and examines the leadership practices and employee characteristics that enhance employee engagement in the organization.

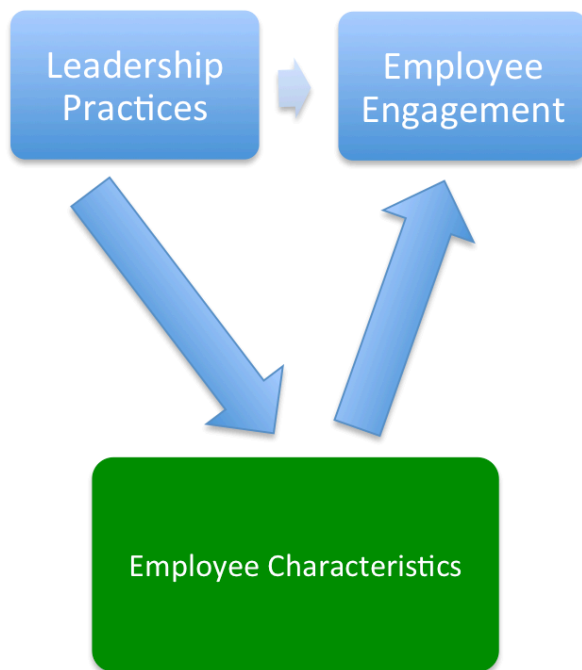


Figure 10. Employee engagement in the value profit chain (Carrig and Wright 2006: 19).

In the value profit chain, in Figure 10 above, leadership practices act as the core driving engagement by creating organizational environment where employees become engaged and therefore promote positive outcomes in the organization. Figure 13 below, illustrates a performance trinity where value profit chain concepts of building employee engagement are central.




 = Degree of alignment in the components of the performance trinity.

Figure 11. Performance trinity (Heskett et al. 2003: 133).

The performance trinity, in Figure 11 above, aims for strong organizational success, that consists of leadership, values and culture, and vision and strategy. Leadership practices interact as the core of this trinity and in general since no culture, values, vision and strategy would exist without them. The crucial role of leadership needs to foster value building cultures, values, visions and strategies while aligning the three components of the performance trinity (Heskett et al. 2003: 132-135) in Figure 11 above.

Carrig and Wright (2006: 24) explain that to produce good quality of service and products, leadership has to be able to implement strong organizational culture and climate with human resource based strategies to empower employees. Several other researchers support these findings where leadership measures the brand, communication with employees, processes, innovation and building the positive culture and climate (AON Hewitt 2013). Hitt et al. (2005: 67) describe the characteristics of effective leadership practices as clear organizational vision, ethical, developing effective organizational culture and climate, and motivating and challenging for innovation towards employees. Mann et al. (2008: 1106) consider three areas linked towards effective organizational success when leadership constructs the culture, structure and systems well in the organization. Building organizational culture requires a shared vision and clear goals and good communication with the employees to improve matters when necessary. Training and development to improve employees, psychological safety to feel secure and trust to align and feel respected with other employees for shared thinking to achieve more together in the organization. Thus, employees must feel involved in the organizational culture to be committed and engaged understanding the organizational processes (Armstrong 2014: 120-121).

The way leadership is treating employees has been linked to have an effect on how employees treat customers (Macleaod and Clarke 2009). Heskett et al. (2003: 132-135) highlight in the value profit chain that employees should be treated like customers by the leadership in order to build value as engagement within the employees. Employees come alive when an organization defines its success from the customer or stakeholder point of view by giving the employees a sense of purpose (Deloitte 2014).

All stages of leadership act an important part of employee engagement but the middle managers and team leaders are the key when it comes to developing internal

processes, serving clients and building products (Ray et al. 2014). There are several leadership styles, as described in Section 3, but coaching is highly cited with employee engagement and positive business outcomes (Heskett et al. 2003: 147, 171). Coaching is based on leadership knowledge of understanding employee strengths and to move them into positions where organization gets the best out of employees. Additionally, leadership needs to coach employees building these strengths. This is highly important from the middle managers to put the right employees on the right places. Therefore, this creates employee engagement by making employees feel better to be highly successful (Breevaart 2013: 4-7). There are various crucial aspects that leadership has to knowledge in order to succeed implementing success for the organization. Based on the findings in this section and Section 3, best practices of leadership are summarized and illustrated in Figure 12 below.



Figure 12. Best practices of leadership.

Best practices of leadership, in Figure 12 above, are utilized from academic literature sources in this section and from Section 3, that can be achieved by (1) Building a positive organizational culture and climate, (2) Build human resources strategies to

empower employees, (3) Involve employee development and opportunities, (4) Perform transparent communication, (5) Promote Innovation, (6) Drive company processes and procedures, (7) Show recognition and (8) Be inspirational and motivational.

The other crucial factor succeeding to engage employees besides leadership practices are employee characteristics. Carrig and Wright (2006: 21-25) discuss, in the extended value profit chain by Heskett et al. (2003) as in Figure 12 above, the elements of composition, competence, commitment, behaviour and climate. Composition is the mix of skills and characteristics that the organization needs. Competence is the knowledge and abilities of the employees in key positions, whereas commitment is the emotional engagement that the employees feel towards the organization. Behaviour is the thing that employees must do, and it is mostly up for the employee behaviour, actions and attitudes that create the organizational climate where the employees operate inside the organizational culture created by leadership. Other researchers support these findings like MacLeod and Clarke (2009) who examined that a climate of trust has a significant affect on employee engagement when employees rely to organization leadership through trust, and therefore perform on improved level.

The essence of engagement is to happen when an employee feels valued and involved, in Figure 13 below. Robinson et al. (2004) discovered the findings that give the organizations the tool to keep employees engaged by making them feeling valued and involved at work that shows in the way that employees want to stay within the organization. Also Chartered Institute of Personnel and Development (CIPD 2006) conducted a research where employees were engaged when they felt well informed about the on-going organization processes and had the opportunity to feed their views to the supervisors. One research fulfils these findings, that enriching jobs, giving employees more autonomy, time, decision-making and support to their work, the organization will gain improvement (SHRM Foundation 2006: 10-11).

Factors according to Heskett et al. (2003: 171-172) that lead to engagement, results from fairness of leadership, working with great colleagues, the opportunity for personal development and solving problems for customers, recognition at work and appropriate compensation. The work itself should also fit to the employee lives since flexibility and a supportive work environment has positive impact on employee engagement. Leisure time vicinities, benefits and employee wellness programs give additional depth to the

work environment. Flexible workspaces enable employees to meet more easily and give flexible places to work together or alone depending on the on-going work tasks, besides an open workspace where executives and employees work in the same facility (Ray et al. 2014).

Recognition plays an important role in employee work as saying thank you means a lot for people for the work done. Organization that create social environment where recognition reaches all employees appreciating everyone in the organization has a positive impact on employee engagement (Bersin 2012). Quantum Workplace (2014) research on the other hand, describe that one of the most important factors driving employee engagement is learning opportunities on the job, career progression taking developmental assignments and professional development receiving support when needed. Additionally, developing a culture of support and learning for both employees and the organization will gain advancement and growth. Several studies also conduct that compensation is an attribute creating employee satisfaction. Aon Hewitt (2013) research discusses that if compensation is not high enough, unsatisfied employees will leave the organization. This research considers compensation as a hygiene factor and not directly an engagement factor (Heskett et al. 2003: 173). Thus, compensation is left out in this study in connection with conflicting research results in the academic literature.

There are several ways and different values in different organizations on how to process employee characteristics. Organizations are constantly measuring to find ways to improve employee engagement. Therefore, based on the findings in this section and Section 3, best practices of employee characteristics are summarized in Figure 13 below.

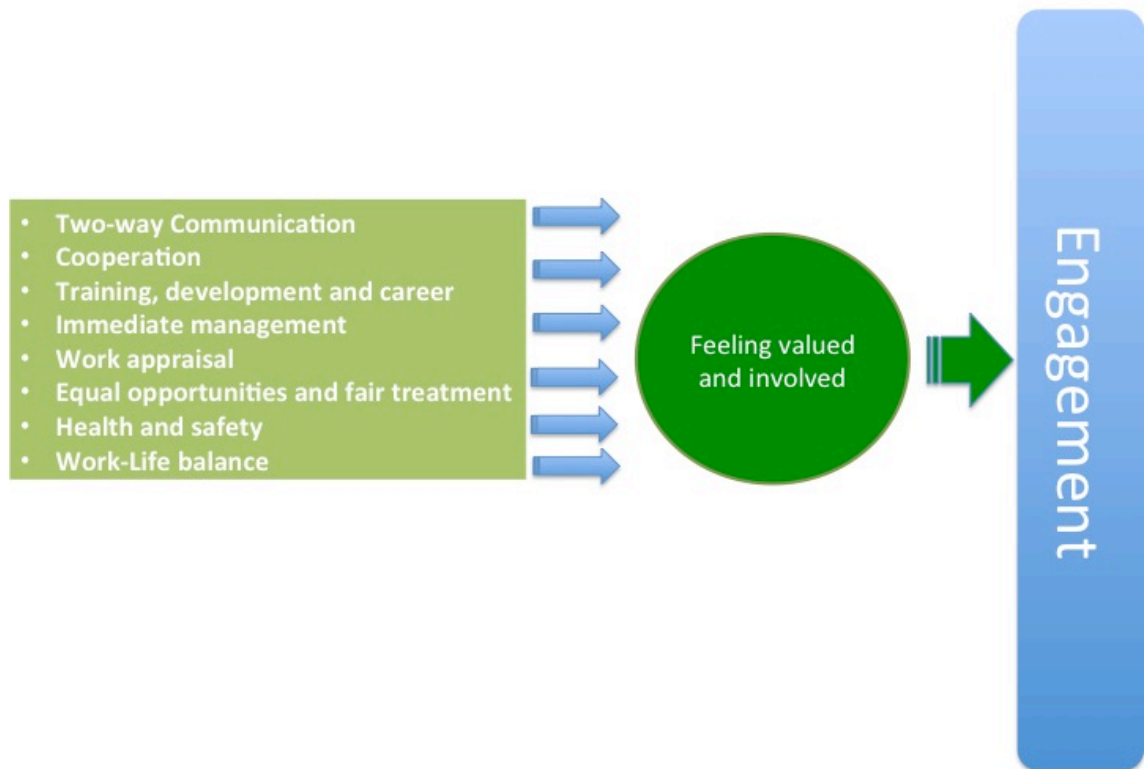


Figure 13. Best practices of employee characteristics

According to Robinson et al. (2004: 22-25), engaged employee can be met through clear and accessible human resources policies. Employee engagement can be achieved, in Figure 13 above, through leadership practices driving employee characteristics including (1) Two-way communication and (2) Cooperation with the employees, (3) Career training and development, (4) Immediate Management, (5) Work appraisal, (6) Equal opportunities and fair treatment, (7) Health and safety and (8) Work-life balance.

The next section builds Conceptual Framework 2 of best practice for enhancing employee engagement for the case company.

5.4 Model of Best Practice for Enhancing Employee Engagement

This section constructs Conceptual Framework 2 after examining the literature review of employee engagement in this section and Section 3. This study utilizes these academic literature findings for Conceptual Framework 2 and presents the theoretical

premise model of best practice for enhancing employee engagement, listed in Table 14 and illustrated in Figure 15 below, and serves as the theoretical starting point to build the preliminary proposal of this study for the case company.

Table 14. Overview of academic literature sources of best practice for enhancing employee engagement.

Best Practices of Leadership	<p>Heskett et al. 2003 Carrig and Wright 2006 Macleod and Clarke 2009 Aon Hewitt 2013 Armstrong 2014 Hitt et al. 2005 Mann et al. 2008 Deloitte 2014 Ray et al. 2014 Breevaart 2013</p>
Best Practices of Employee Characteristics	<p>Heskett et al. 2003 Carrig and Wright 2006 MacLeod and Clarke 2009 Aon Hewitt 2013 Robinson et al. 2004 CIPD 2006 SHRM Foundation 2006 Ray et al. 2014 Bersin 2012 Quantum Workplace 2014</p>

The overview in Table 14 above shows the findings from this section in groups forming best practice for enhancing employee engagement suggested in this study. Figure 15 below illustrates Conceptual Framework 2 categorizing the main findings and approach to employee engagement improvement suggested in this study.

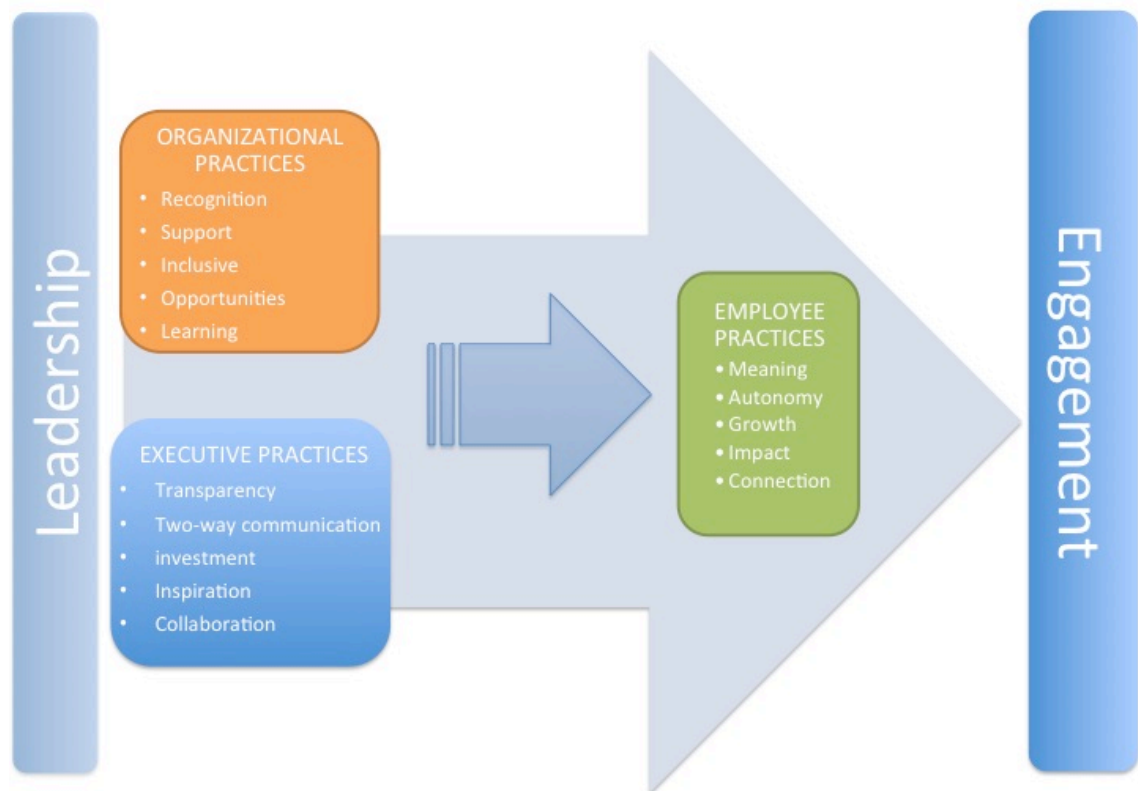


Figure 14. Conceptual Framework 2: Best practice for enhancing employee Engagement.

Conceptual Framework 2, in Figure 14 above, is constructed from best practice for enhancing employee engagement as found from the existing literature and related to the challenges in this study. Leadership drives employee engagement affecting to three main theme groups: organizational practices, executive practices and employee practices.

First, Leadership acts as the core of Conceptual Framework 2, in Figure 14 above, since no organization could exist without leadership. (Heskett et al. 2003: 132-135). Leadership builds *the organizational practices* that include (1) Recognition where work is appreciated and comprehensive feedback is given in a culture of recognition, (2) Supportive work environment where employees are supported for personal life-work balance, (3) Inclusive where employees feel at home in inclusive work environment in (4) Opportunities for work variety, career growth and challenges offered by the organization and (5) Learning culture where organization invests in employees for advanced education and profession specialization.

Second, leadership builds *the executive practices* to operate along organizational processes that include (1) Transparency and openness from leadership for honesty, (2) Two-way communication between leadership and employees, (3) Investment continuously in people to have support and coaching from leadership, (4) Inspiration from leadership to guide and act as an example for employees and (5) Collaboration with employees for developing new work ideas in cooperation.

Third, driven by leadership, the organizational practices and executive practices contribute to *the employee practices* that include (1) Meaning, the work has purpose beyond the job itself, (2) Autonomy, independence and chance to influence on own work and environment to perform at the best level, (3) Growth, work challenges which contribute as personal and professional progress, (4) Impact, experience positive results and outcomes from work (5) Connection, feeling of belonging to the organization.

This section collected the concepts from existing literature to identify best practice for enhancing employee engagement related to the challenges in the case company production unit, and constructed Conceptual Framework 2. The next section will utilize Conceptual Framework 2 to build the proposal for the case company.

6 Building the Proposal

This section overviews building of the proposal of this study and analyses the findings of Data Collection 2. Then, validation of the preliminary proposal (Data Collection 3) is conducted, followed by presenting the final proposal for the case company to improve the production unit by enhanced employee engagement.

6.1 Research Logic of Building the Proposal

To clarify the building of the proposal of this study, the research logic towards the final proposal construction is overviewed in Figure 15 below.

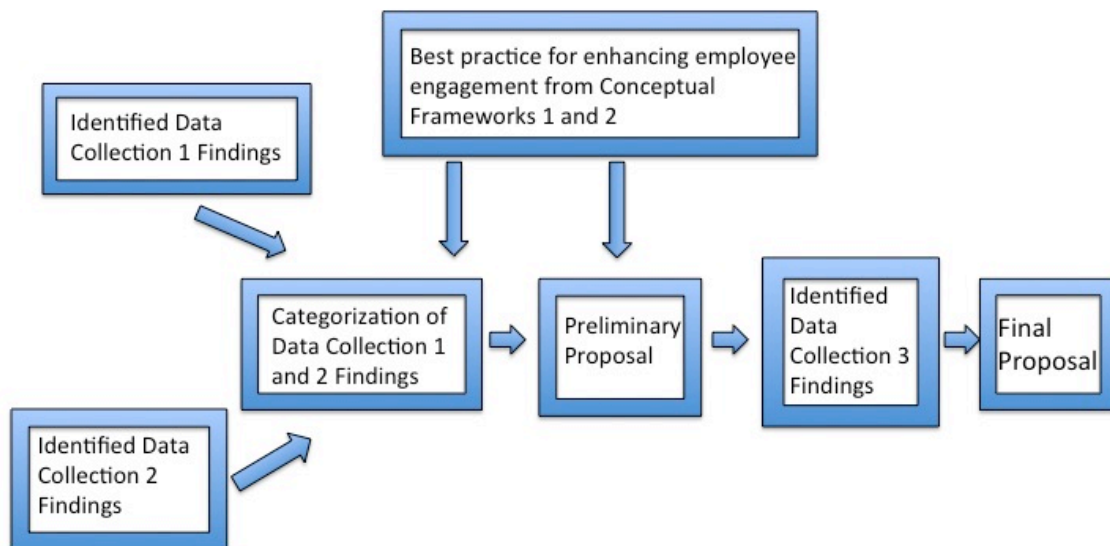


Figure 15. Research logic towards the final proposal.

As Figure 15 above shows, the research logic towards the final proposal of this study is formed by identifying and categorizing Data Collection 1 and 2 findings with the aid from literature reviews of Conceptual Framework 1 and 2. Then, Conceptual Framework 2 is utilized as the theoretical starting point with Data Collection 1 and 2 findings to build the preliminary proposal of this study. The validation of the preliminary proposal serves as Data Collection 3 before the final proposal is presented for the case company to improve the case company production unit by enhanced employee engagement.

6.2 Findings of Data Collection 2

The identified employee engagement challenge was analysed earlier in the current state analysis as the primary data of this study in Section 4. Data Collection 2 was implemented to gain more knowledge and support from external participants outside the production unit and the case company. Data Collection 2 consisted of case company stakeholder group discussion and external expert interview.

6.2.1 Stakeholder Group Discussion

The first step of Data Collection 2 was conducted in the case company as stakeholder group discussion with managers from sales and marketing, research and development, and quality departments with the director of production department. The objective of this group discussion was to collect information outside the case company production unit on the current situation (see Appendix 4). The representatives were presented the findings of Data Collection 1 that were categorized into the theme groups according by Conceptual Framework 2, including (a) organizational practices, (b) executive practices and (c) employee practices.

During the group discussion, the representatives of the case company felt that the production unit should operate more efficiently since not reaching the production goals.

“There has been deviations in the marketing department since we have been unable to sell products to the customers or long shipping time due to not ready products”. (Data 2: informant 15)

Therefore, the employee engagement in the production unit has been affecting the work of other departments to sell and deliver the products to the customers on time. The representatives told that the work of the production unit is valued and recognised by other stakeholders in the case company but said that the production unit employees have been lacking motivation during personal conversations at work. The representatives were surprised from most of the presented challenges in the group discussion that the production unit is facing inside the production unit.

“These findings in your study show relevant information which affects the production unit and therefore affect the operation of the entire company”.
(Data 2: informant 16)

“We must improve the current situation and highlight how important work everyone is doing in the company. There should be support especially now for the production unit to make their work environment better”. (Data 2: informant 14)

“I am concerned about the findings your study is revealing. This is valuable information and we have to plan short-term and long-term strategies, and to communicate properly within the whole company, starting from the production unit immediately”. (Data 2: informant 17)

Therefore, the informants considered the current situation very serious of harming the entire case company future if it continued with current procedures. The informants indicated the need to improve the current situation and gave feedback and improvement ideas during the group discussion that are categorized in Table 15 below.

Table 15. Stakeholder group discussion findings.

Improvement Area	Improvement Opinion
Employee Practices	<ul style="list-style-type: none"> • Flexible time management for the production unit employees and better planned working hours.
Executive Practices	<ul style="list-style-type: none"> • Short-term, long-term company strategy organization and department wise • Make employees aware of all company processes and customer feedbacks
Organization Practices	<ul style="list-style-type: none"> • Appreciate colleague work in the company • Humanistic and common facilities • Open work positions in other departments available for all to apply

The findings in the group discussion, in Table 15 above, gave relevant feedback on the challenges the production unit is facing with improvement ideas from the informants for employee practices including (1) flexible time management for the production unit employees with improving working hour planning; for executive practices including (2) continuous short- and long-term strategy information organization and department wise, (3) make employees aware of all processes and customer feedbacks in the case company; and for organizational practices including (4) appreciation for colleagues work in the case company, (5) common good quality facilities for employees to meet and (6) all open work positions in the case company for all to apply.

6.2.2 External Expert Interview

The second step of Data Collection 2 was the external expert interview. The objective of the interview was to collect external data outside the case company from an expert who specializes in employee engagement. In the interview (see Appendix 5), the findings of Data Collection 1 together with stakeholder group discussion findings of Data Collection 2 were presented for the external expert.

During the interview, the feedback from the external expert indicated that the employees are frustrated and confused by not being treated fairly and supported, and that the transparency of communication is weak that leads to disengagement within the production unit employees.

“One of the factors affecting employee engagement within the production unit current situation is confusion and feeling of not belonging to the company. This causes the workers being not motivated and loose interested to do their work. Supervisor support is missing that makes the employees feel that they are left alone, and the worst is that communication is not transparent and does not function in any level of hierarchy in the case company according to the findings in your study”.
(Data 2: informant 18)

External expert expressed the concern of deviations occurring in the case company hierarchy levels and stated the following improvement idea below.

“Employee engagement has a starting point for improvement in an organization where people put effort in their work, when communication, information flow is transparent, and the support and guidance from supervisors happens in all levels of the company”. (Data 2: informant 18)

Therefore, the external expert investigated the presented data in this study and formed a holistic view of the current situation by giving improvement ideas to the current situation in Table 16 below.

Table 16. External expert interview findings.

Improvement Area	Improvement Opinion
Employee Practices	<ul style="list-style-type: none"> • Personal errands chance, employees focus more on work then as well • Challenges at work
Leadership Practices	<ul style="list-style-type: none"> • Being available gains trust then employees are loyal • Top to bottom communication • Transparency in communication
Organization Practices	<ul style="list-style-type: none"> • Transparency of work results • Recognition for important work • Supportive facilities, people meet outside work, then meet naturally • Training from employees and 3rd party courses

As Table 16 above shows, the external expert gave solutions and improvements for the case company in the current situation to employee practices including (1) change for personal life errands, then employees focus on their work more, (2) challenges at work for diversity and excitement; to leadership practices (1) leadership must be available for support to gain trust, (2) clear communication in leadership in the whole case company, (3) transparency in communication for gain honesty; and to organizational practices (1) make work results visible to feel achievement, (2) recognition for important work, (3) relaxed meeting places for employees within and outside the company and (4) internal and external training programs for employees.

6.3 Validation of the Preliminary Proposal (Data Collection 3)

The validation of the preliminary proposal, which represents Data Collection 3 in this study, took place as a review session with the case company production director.

The production director was presented the listed and categorized findings of Data Collection 1 and 2 with Conceptual Framework 2. The production director was present during the stakeholder group discussion during Data Collection 2 and was highly aware of the earlier stages of this study before the validation interview of the preliminary proposal took place. The feedback was positive during the interview and the found results of this study were highly valued by the production director. Concern was that there was no time to concentrate on the employee engagement perspective earlier in the case company, but at the same time the informant was pleased that these issues were discovered and brought up now in this study for future improvement. The production director processed all improvement points, Conceptual Framework 2 and recommendations throughout completely to validate the study for the case company needs. The production director approved the preliminary proposal without any corrections. The representative mentioned that this comprehensive study should be presented for the case company further on for action planning and implementation to improve the production unit.

The next section presents and illustrates the final proposal of this study to improve the case company production unit by enhanced employee engagement.

6.4 Final Proposal

This section presents the final proposal of this study. The final proposal is first described from an overview level, in Figure 16 below, and then discusses further in detail to improve the case company production unit by enhanced employee engagement.



Figure 16. Overview of the final proposal.

Based on Conceptual Framework 2 and the findings from Data Collections 1, 2 and 3, this study presents the final proposal, in Figure 16 above. Leadership acts as the core starting point to ignite this continuous process by building a company environment, organizational practices, where executive practices drive engagement of the employee practices that results in creating value as employee engagement for the organization. This is a comprehensive process of improvement where the organizational, executive and employee practice groups align and interact as trinity with each other in order to operate accordingly, promoting continuously employee engagement. Therefore, the

improvement of the case company production unit will be achieved through the final proposal of this study by enhancing employee engagement in Figure 16 above.

This study discusses further and proposes recommendations for the case company production unit for three theme groups of (1) Organizational Practices, (2) Executive Practices and (3) Employee Practices. These groups are discussed in detail based on the overview of the final proposal, in Figure 16 above, to improve the case company production unit by enhancing employee engagement in Figures 17, 18 and 19 below.

This study proposes enhancing organizational practices with five key elements of (1) Recognition as culture of recognition, (2) Support for supportive work-life balanced environment, (3) Inclusive for a pleasant and unique work environment, (4) Opportunities for work and career growth and (5) Learning where organization invests in employee knowledge. The case company needs to build these key elements to unlock the power of employee engagement on the organizational level with the proposed recommendations in Figure 17 below.

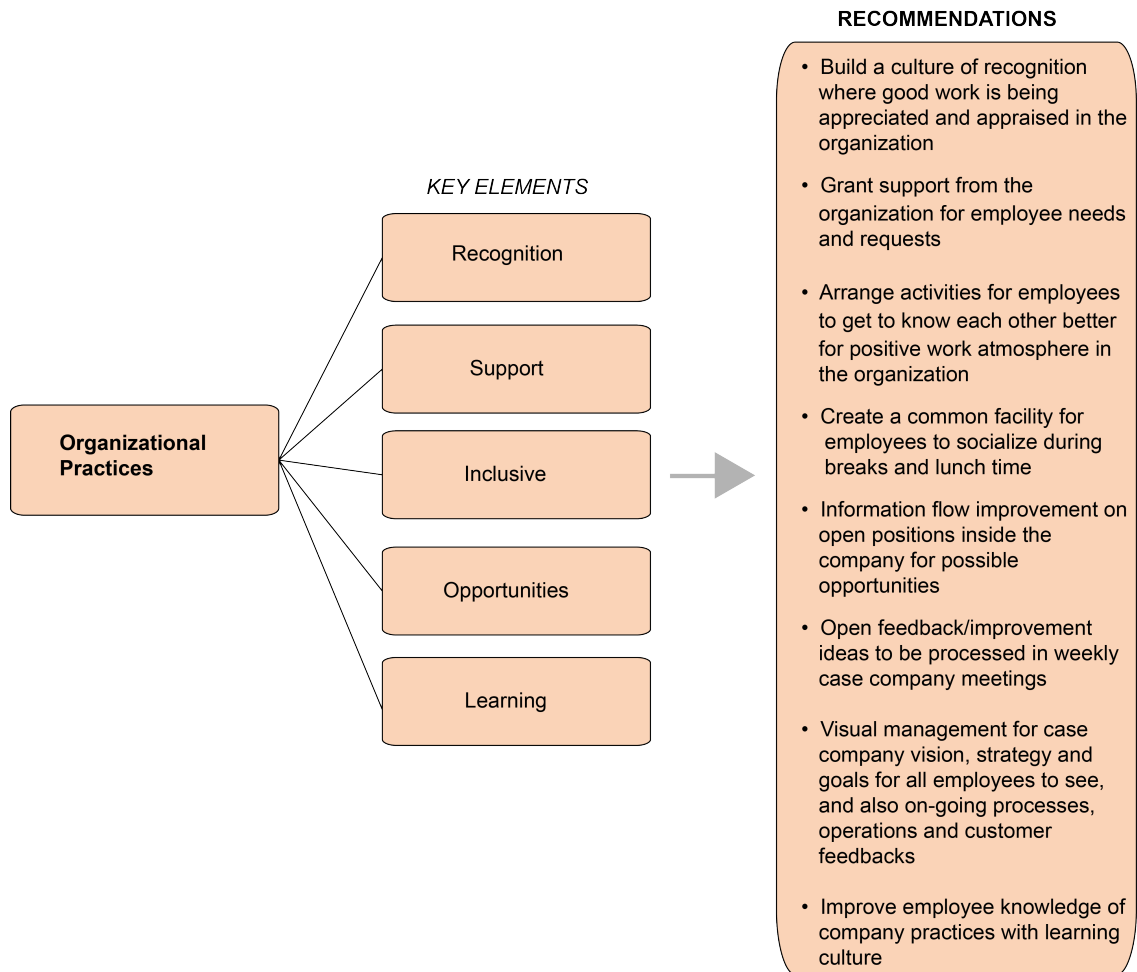


Figure 17. Enhancing organizational practices.

Organizational practices could be improved in the case company production unit with recommendations, in Figure 17 above, to build a culture of recognition where good work is being appreciated and appraised to gain respect from people to people in the organization. The organization needs to support the employee needs and requests when necessary to gain satisfaction and safety in the employees. The social aspect needs improvement to create a common facility for employees and executives to meet during breaks, and to arrange get-together activities for the employees to know one another creating a good atmosphere in the organization. There also should be announcements of open career positions for possible career opportunities in the organization. The voice of the employees must be heard to arrange open feedback and improvement idea weekly meetings to discuss and develop the opinions of the employees. In order to improve the organizational practices, visual management is to be created to inform the case company vision, strategy and goals for employees to see

with detailed information of on-going processes, operations and customer feedbacks to gain employee knowledge and belonging for the organization, and to nurture learning culture by developing employee knowledge of company processes.

This study proposes enhancing executive practices as five key elements of (1) Transparency for honesty and clear communication, (2) Two-way communication between executives and employees, (3) Investment for continuously caring and supporting employees, (4) Inspiration for being an inspirational example and (5) Collaboration with employees for mutual cooperation. The case company needs to perform these key elements to unlock the power of employee engagement on the executive level with the proposed recommendations in Figure 18 below.

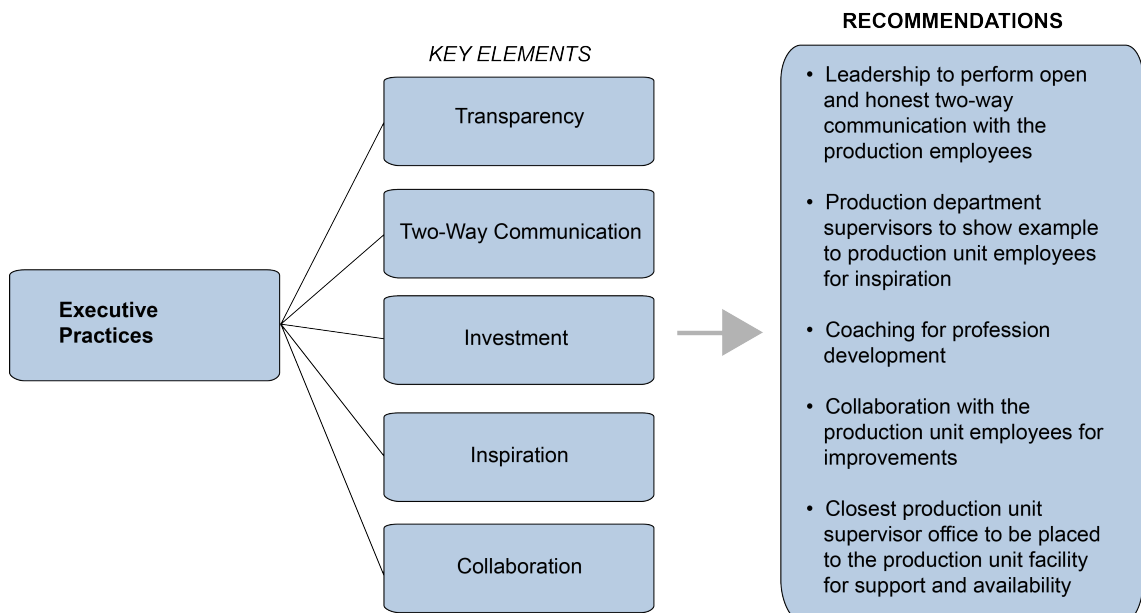


Figure 18. Enhancing executive practices.

Executive practices should be improved in the case company production unit with recommendations, in Figure 18 above, to perform transparency and honesty in all communication inside the case company to gain trust and respect from the employees. Two-way communication is vital where the executive and employee side is being heard and considered. Executives should invest continuously in the employees to gain improvement, knowledge and development of the work force. The executives should behave as an example for the employees for inspiration and coaching should be included to train production employees for profession development. Also, work should

be performed as collaboration with employees for unity, cohesion and good relationships between co-workers and executives. Also important is support of the executives, and closest supervisor office should be placed to the production unit facility for immediate support, availability and guidance when needed by the production unit employees.

This study proposes enhancing employee practices as five key elements of (1) Meaning that employee work has a purpose, (2) Autonomy for independence and influence to own work, (3) Growth for work challenges for personal and professional progress, (4) Impact to receive results and feedback from own work and (5) Connection for belonging to the organization and involving employees work decisions. The case company needs to create these key elements to unlock the power of employee engagement on employee level with the proposed recommendations in Figure 19 below.

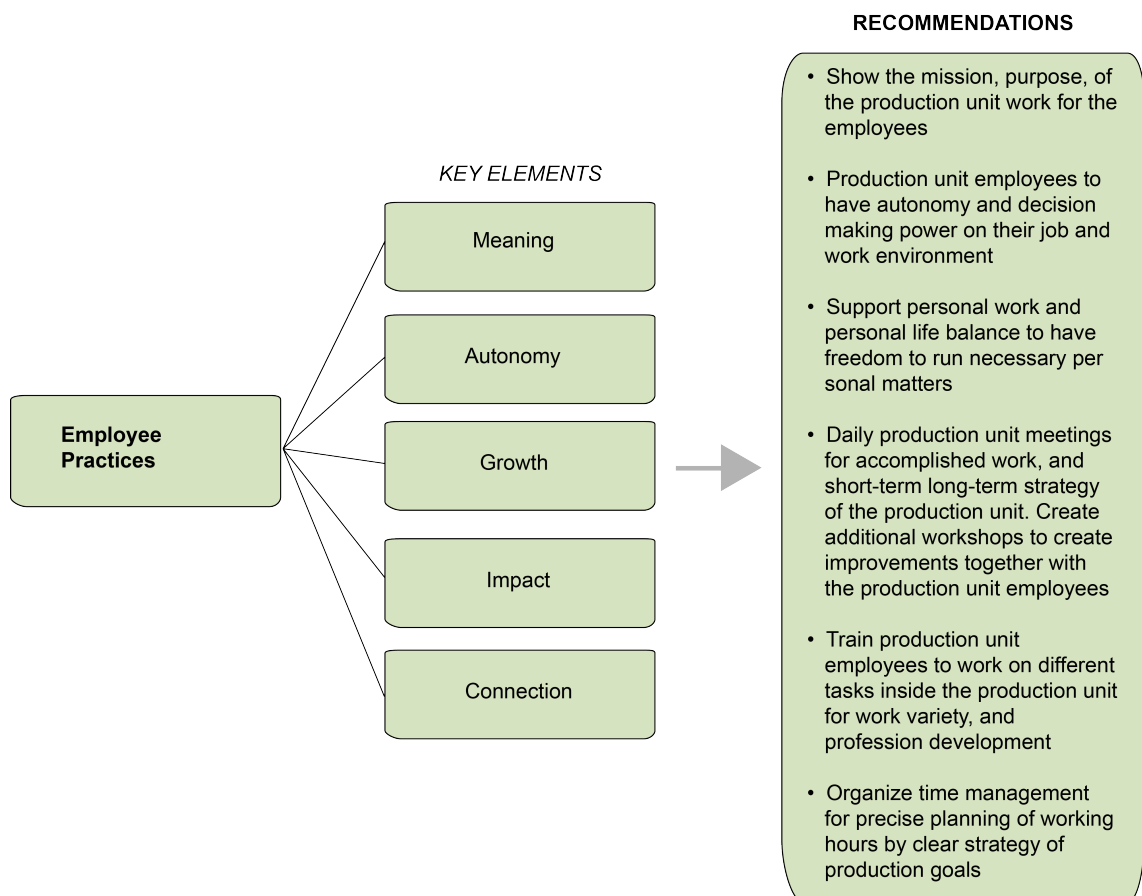


Figure 19. Enhancing employee practices.

Employee practices should be improved through organizational and executive processes, discussed in Figures 17 and 18 above, in the case company production unit with recommendations by showing the mission, the purpose, of the production unit work to the employees of what and why accomplish the job that the unit does to gain meaning. Production unit employees should be given autonomy and decision making power to influence on their own work and job environment to leave a handprint to the work they perform. Besides, daily production unit meeting should be organized by the production leadership to highlight the importance of the work the employees do, and to see visually positive outcomes and accomplishment of the work done and to present clear goals of work to come on short-term and long-term planning. The production unit employees should be trained to different tasks inside the unit for work variety and profession development. Employee focus will be more efficient in the work when work life and personal life balance is considered to grant employee to run personal errands and to organize time management precisely to plan working hours by clear strategy of production goals.

Based on the above recommendations, this study proposes that the case company should take actions based on the final proposal of this study, based on Figures 16, 17, 18 and 19, to enhance employee engagement in the production unit. The three improvement areas described above, in Figures 17, 18 and 19, are equally important to take notice in order to create value for the case company by enhanced employee engagement as studied and proposed in this study. Proper action planning and implementation of this final proposal would improve the employee engagement in the case company production unit. This study serves as the theoretical first step building value as employee engagement in the value profit chain for the entire case company for future success.

7 Discussion and Conclusions

This section summarizes the content and suggests managerial implications for future development, and also evaluates the outcome reaching the objective, reliability and validity in this study.

7.1 Executive Summary

This study focused on the objective to improve the case company by enhancing employee engagement. The importance for this study arose since the production unit was not able to reach production goals due to the results of disengagement in the recent case company employee survey.

This study was performed in several steps. The first step formed the business challenge of this study based on the results discovered in the case company employee survey that showed severe disengagement within the production unit. Second, the concept of employee engagement was investigated to understand and gain knowledge on the attributes affecting employee engagement. Based on this discussion, Conceptual Framework 1 was built. Next, by the aid from existing knowledge and academic literature, the third step was conducted which was the current state analysis to identify the strengths and weaknesses of employee engagement in the current production unit. This analysis found employee engagement challenges affecting the production unit. Interviews with case company informants and observations on the production unit practices, provided in Data Collection 1, identified the areas of improvement for the employee engagement in the case company production unit. Fourth, Conceptual Framework 2 was established based on the findings from the existing knowledge and academic literature for best practice for enhancing employee engagement. This step combined the themes from literature focusing on employee engagement in the value profit chain and relevant to the production unit challenges.

The fifth step in this study was to build a proposal to enhance employee engagement in the case company production unit. The collected data in the current state analysis was analysed against the literature reviews to categorize the key challenges and ways to improve them. After that, Data Collection 2 was conducted in this step with the case company stakeholder group discussion and external expert interview to have feedback and seek suggestions how to improve the current situation of the production unit.

Based on these findings, from both the case company and existing knowledge, a preliminary proposal was conducted at the end of this step.

The validation of the preliminary proposal was held, in the sixth step, with the case company production director who reviewed the preliminary proposal. After, the final proposal to improve the case company production unit by enhanced employee engagement was presented for the case company. The case company highly valued the final proposal of this study of the major improvements in the area of employee engagement and considered the implementation of the final proposal in the near future.

This study proposed that the production unit can be improved with employee engagement from three areas of (a) Organizational Practices, (b) Executive Practices, and (c) Employee Practices. Organizational practices mean supportive and encouraging company environment where employees are satisfied and receive recognition of their important work. Executive practices mean honest and transparent operation where two-way communication and cooperation happen between supervisors and employees. Employee practices mean of creating meaning and purpose for the employee work where autonomy, decision-making and career growth takes place, conducted through organizational practices and executive practices. It was discovered in this study, that all three areas need improvement where leadership acts as the core starting point to ignite this continuous process by building a company environment of organizational practices, where executive practices drive engagement of the employee practices that results in creating value as employee engagement for the organization. The proposal suggests that the case company leadership has to take the initiative to build these three areas of improvement to start this comprehensive process where organizational, executive and employee practices groups align and interact as trinity with each other in order to operate accordingly, promoting continuously employee engagement.

7.2 Practical Implications

This study was planned to investigate the challenges that the case company production unit was facing in the starting point of this study. The outcome of this study was a proposal of enhancing employee engagement suggested in order to improve the production unit. This study measured valuable data and research of employee engagement for the case company and was scoped to investigate the production unit of the case company. It is crucial to address practical implications for the case company to include this study as an example how to enhance employee engagement in the entire company. The case company production director was let to know that the case company should align employee engagement as part of core business and human resources strategy to be the core organizational strategy in the case company as identified in this study. Also, the focus in value profit chain in this study was indicated for the case company to create value in the whole organization in Figure 20 below.

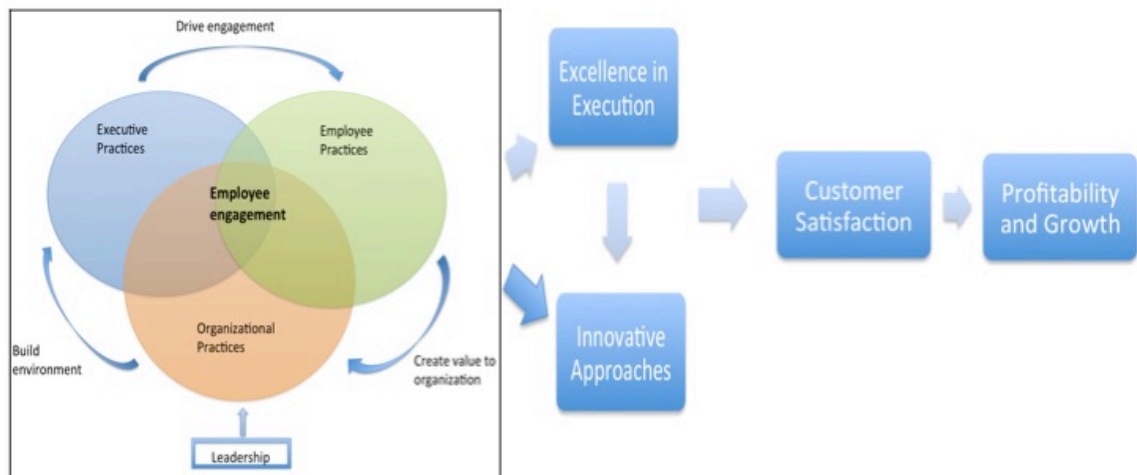


Figure 20. Towards successful value profit chain.

As discussed in this study and in Figure 20 above, *leadership* makes the core that ignites building the *organizational practices* where *executive practices* allow creating *employee practices* that create value as employee engagement for the case company. This continuous process of enhancing employee engagement results in excellence in execution and stimulating innovative approaches bringing in better productivity and more customer satisfaction, and therefore could eventually contribute to profitability

and growth in the value profit chain for the case company if further actions after the implementation of this study are taken. This study presented a proposal of best practise for enhancing employee engagement to improve the case company production unit, framed in Figure 20 above. This study acts as the first step for creating better environment that can contribute to productivity and growth for the case company.

Discussions with the management team were not possible to arrange due to the time frame in this study. Therefore, the case company management team has to handle the implementation of the final proposal of this study for further research but take into notice that the improvement should be a continuous process like highlighted in this study and not a one-time solution.

7.3 Evaluation of the Thesis

This section discusses the credibility of the outcome reaching the objective and measuring the reliability and validity of this study.

7.3.1 Outcome vs. Objective

The objective of this study was to build a proposal to improve the case company production unit by enhanced employee engagement. The outcome was to present recommendations for the case company to enhance the employee engagement of the case company production unit. Conceptual Framework 1 was established on a theoretical level summarizing the concept of the employee engagement from available literature. Then, current state analysis was conducted to identify the strengths and weaknesses of the current state of the case company production unit. After, Conceptual Framework 2 was established to find correct improvement points from the available to build best practice for enhancing employee engagement from existing academic literature. Conceptual Framework 2 was utilized with the findings in the current state analysis (Data Collection 1) and additional data collection (Data Collection 2 and 3) for a preliminary proposal. The validation of the proposal was reviewed with the production director of the case company. The final proposal of this study was presented with recommendations to enhance employee engagement of the case company production unit. Thus, the objective of this study was achieved to propose recommendations for the case company. Due to the limitations in timeframe and

scheduling of this study, the implementation of the recommendations in the final proposal was not taken place. This should include further study on this matter.

7.3.2 Validity and Reliability

Section 2.4 discussed earlier how to measure and achieve validity and reliability in this study. Validity and reliability was achieved by generating a credible study outcome using different procedures, and thus ensuring the quality of the research considering the following:

Validity was ensured with internal validity, construct validity and external validity. Internal validity was ensured analysing the study findings and suggestions by the explanation of the case and context, and uniting them to relevant theories. The outcome of this study was also evaluated against the research objective that was met with the recommendations suggested in this study to enhance employee engagement. Construct validity was achieved by using different data sources, and interviews, group discussion and observation data was collected with field notes and audio-recorded that were made available in the appendices of this study. Findings from the data collections and literature was also analysed and interpreted in coherent way. Additionally, the key informant validated the proposal of this study. External validity was confirmed by grounding the concepts of employee engagement from existing literature.

Reliability was ensured by using best practice of employee engagement from existing literature to build the proposal of enhancing employee engagement in the case company production unit. Different data collection methods were also used. First, the case company survey question form was utilized to conduct interviews of the current employee engagement situation. Second, the group discussion with stakeholders and the interview with external expert were conducted to determine more knowledge in detail to the situation of the employee engagement. Additionally, the steps conducted during this study were documented and explained.

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APPENDIX 1: Case Company Employee Survey Form.

Rate the statements below on the scale from 1 (strongly disagree /lowest) to 6 (strongly agree (highest)).

Work:

	Question	1	2	3	4	5	6
1.	I look forward going to work.						
2.	How have you been feeling at work in the last few months?						
3.	I am motivated at my work.						
4.	My work is meaningful.						
5.	My work has value to me.						
6.	My work has value to the company.						
7.	My work is diverse and challenging.						
8.	How stressful is your work?						
9.	I focus highly on my work.						
10.	My colleagues focus highly on their work.						
11.	My colleagues help others when needed						
12.	How do you feel towards your co-workers?						
13.	I have the opportunity to contribute to decisions that affect my work.						
14.	How satisfied are you with your work?						
15.	I perform on the best of my abilities.						
16.	How satisfied are you on work facilities and tools to perform your job.						
17.	My work community atmosphere is pleasant and encouraging.						

Leadership:

	Question	1	2	3	4	5	6
1.	How do you feel towards your manager/supervisor?						
2.	Manager/supervisors are good leaders						
3.	My closest supervisor supports and cares for me						
4.	Comprehensive feedback and recognition is given from my supervisor						
5.	Employees are treated evenly and fairly by the supervisor						
6.	My closest supervisor is open and honest						
7.	Communication is good with my supervisor						

Organization:

	Question	1	2	3	4	5	6
1.	Are you proud to tell people where you work?						
2.	I am aware and up-to-date of what is happening within the company.						
3.	I am aware of the company business goals.						
4.	My opinion does matter and is being heard at the organization.						
5.	How do you feel towards the company?						
6.	I have an opportunity for career development.						
7.	My salary and benefits are pleasant.						
8.	Communication is good within the company.						
9.	Communication is good within the department.						

APPENDIX 2: HR Department Representative Interview

Details		
Name of the informant		Informant 1
Position of the informant		HR Department Representative
Date of the session		14.4.2015
	Questions of the interview	Field Notes
1	What is your experience in employee engagement?	<p>"I have Human Resources Management education from university level but I have only been working in the company for half a year and this is my first job since my graduation".</p> <p>Noted that the informant was very nervous from the start of the interview and looked that there was something missing when it comes to this topic.</p>
2	Concerns for improving employee engagement in an organization?	<p>"My experience of running employee engagement projects is new so I am aware that our company has not yet done any planning or implementations to promote employee engagement".</p> <p>"First thing towards employee engagement was this internal survey made by our department with the case company management giving the approval. We decided to include 6 different answer rates, from 1 to 6, for each question not to receive neutral answers in the survey. We categorized the answers between 1 and 2 as actively disengaged, 3 to 4 as not engaged and 5</p>

		to 6 as engaged. And this survey is just touching the surface of the employee engagement ice berg we should improve here in the company”.
3	What are your key concerns about the current situation of the case company production unit?	<p>”My work goes fully to run the wages paying protocol and to help the finance department with different task”.</p> <p>Noted that there is no employee engagement processes going on or there are no resources in the HR department to do them at the current situation.</p>
4	Which areas should be improved in the current situation of the case company production unit?	<p>” I have heard of the deviations the production unit of not getting work done, and customer dissatisfaction has been growing since there are not enough products to deliver them”.</p> <p>”I cannot say which areas of improvement there should be done in the production unit since I am not aware precisely of the situation”.</p>
5	Do you have guidelines how to improve the current situation?	”Unfortunately we haven’t done any theoretical or practical processes for this issue. I am glad though that you are investigating this matter and possibly improving it from an outer perspective”
6	Development needs for the case company?	”There should be more resources in the HR department to let the HR department to do the work more comprehensively in our field of work rather than just help on the financial matters in the case company”.
7	Other comments	-

APPENDIX 3: Production Employee Interviews (SAMPLE)

Details		
Name of the informant		Informant 3
Position of the informant		Assembly Worker
Date of the session		16.4.2015
	Questions of the interview	Field Notes
1	Opinions to Work theme shown in the employee survey form	<p>"I have lost my motivation to look forward coming to work since the work is stressful and long hours. I feel that I am just another monotonous robot and all my energy goes to work at the moment. I want to focus on my work without stress and to know what is expected of me".</p> <p>"Roughly said the only thing keeping my here is the payment and my colleagues in the production unit. We work as a team and understand each other since this situation affects us all. Our supervisor does not care for the situation and probably does not even see it since he is never around and hard to get hold on".</p>
2	Opinions to Leadership theme shown in the employee survey form	<p>"I already mentioned that our closest but also other production department supervisors are not around and hard to get hold on. I would like that the leadership would let us talk about work things together to improve work".</p> <p>"Communication with closest supervisor is bad since we are just told what to do</p>

		but we do not know what and when since our schedules are changing constantly”. Noted, that there seems to be a loss in communication in general and what is expected of the production unit workers.
3	Opinions to Organization theme shown in the employee survey form	<p>“I would like to be normal self while being at work. Other company employees hardly talk with each other or to me. I feel like an outcast from the rest of the company”.</p> <p>”The company is new so I believe there is not good leaders or they do not have the time to concentrate on general things”.</p> <p>”The company should hear us as well what we have to say”.</p>
4	Other comments	Noted that the informant has severe dissatisfaction on the current situation and was emotionally very depressed how the organization was treating him.

APPENDIX 4: Production Unit Observation (SAMPLE)

Details		
Name of the informant		Production Unit (team)
Position of the informants		8 Assembly Workers 2 Machinists 2 Packing Employees
Date of observation		21.4.2015
	Themes of observation	Field Notes
1	<p>Team Inputs</p> <p>Resources & Settings</p> <ul style="list-style-type: none"> • <i>Resources</i> • <i>Technology</i> • <i>Structures</i> • <i>Rewards</i> • <i>Information</i> <p>Nature of task</p> <ul style="list-style-type: none"> • <i>Clarity</i> • <i>Complexity</i> <p>Team Size</p> <ul style="list-style-type: none"> • <i>Number of members</i> • <i>Even-odd numbers</i> <p>Team Composition</p> <ul style="list-style-type: none"> • <i>Abilities</i> • <i>Values</i> • <i>Personalities</i> • <i>Diversity</i> 	<p>Machinery, work instructions and tools to handle daily work in practice are good. No deviations sighted here.</p> <p>The structure of the production unit is clear, with the processes how to make the final product. Information flow, guidance from supervisor and production goals vary greatly several times per day. Therefore, the nature of the production unit tasks is unclear and raise confusion within the employees. What/how/when to do work?</p> <p>No information from the case company on employee rewards, still unclear.</p> <p>Team, production unit, size seems to be good since all work stations are occupied and work is going onwards evenly per station.</p> <p>Production unit employee backgrounds vary and personalities differ but everyone seems to be in good terms and good relationships have been formed.</p>

		<p>Cooperation is good, people share opinions within the unit.</p> <p>Employees have greatly of improvement and development ideas but closest supervisor is not around to listen or for support when needed. Employees possess potential for improvements and development.</p> <p>Three obstacle situations in the production process and closest supervisor cannot be reach or not present. Frustration within employees.</p>
2	<p>Team Process</p> <p><i>How team members interact and work together?</i></p> <ul style="list-style-type: none"> • <i>Norms</i> • <i>Cohesion</i> • <i>Rules</i> • <i>Communication</i> • <i>Decision making</i> • <i>Conflict</i> 	<p>During the first day the informants were disturbed that an outer researcher was observing them. Now, second day onwards their work routine is normal.</p> <p>Cooperation is good within employees, team works and workers communicate to each other.</p> <p>Decision-making is hard since there is no supervisor around to approve new proceedings if obstacles occur within production process. Conflict due to this within employees since confusion whose is responsible for certain work tasks.</p>

3	<p>Team Effectiveness</p> <p><i>Accomplishment of outcomes.</i></p> <ul style="list-style-type: none"> • <i>Task performance</i> • <i>Member satisfaction</i> • <i>Team viability</i> 	<p>The operation of the production unit is not the best due to obstacles without authorization. Process stops due to this.</p> <p>Major dissatisfaction since no support, clear roles and confusion of what/how/when to accomplish what kind of work.</p>
4	<p>Other comments</p>	<p>Current situation must be improved greatly and needs more investigation in practice and theory.</p>

APPENDIX 5: Stakeholder Group Discussion

Details		
Name of the informant		Informants 14,15,16 and 17
Position of the informant		Sales & Marketing manager Research & Development team leader Head of Quality department Production Director
Date of the session		27.4.2015
	Themes of the discussion	Field Notes
1	Employee Processes improvement	"There should be flexible time management, that is better planned working hours for the production unit employees that also means better planning from the executives in the production department".
2	Leadership Processes improvement	"Short and long-term company strategy in the perspective of the whole organization and department wise. Especially in this situation the production department needs precise strategy planning and execution". "The production unit employees and all employees in the company should be aware of company processes and customers with their feedback as well".
3	Organizational Processes improvement	"Our company should make a culture where different department work appreciated by colleagues inside and outside different departments. Company top management should really focus on this".

		<p>"Improve common facilities for employees and supervisors to meet on breaks and get to know each other better".</p> <p>"Everyone should have the possibility inside the company to apply to new positions. We need more openness in here, I mean the company".</p>
4	Other comments	

APPENDIX 6: External Expert Interview

Details		
Name of the informant		Informant 18
Position of the informant		Employee engagement consultant
Date of the session		28.4.2015
	Questions of the interview	Field Notes
1	What is your experience in employee engagement?	<p>"I have been working the field of employee engagement for the last seven years, and been involved now in different improvement projects as consultant for the last two years".</p> <p>"I have accomplished to improve engagement within companies in different levels, whether it is production or office workers etc."</p>
2	Concerns for improving employee engagement in an organization?	<p>"It is a lot about the people to get ignited and really focused on what there is to improve. Sometimes you need an outer opinion on what to improve since people might be so used to a certain situation that they do not see possible improvements clearly or are not motivated to do so".</p> <p>"My technique is to find practical improvements to show the people concrete improvements when people actually see a chance for something better and are willing to work for it".</p>
3	What are your key concerns about the current situation of the case	"The planning of the schedules and how to run things from the supervisor point of

	company production unit?	view. I see that the production unit orders are changing daily and there is no clear strategy how to keep up with the changing environment with too long working hours”.
4	Which areas should be improved in the current situation of the case company production unit?	”Leadership practices should be aimed to build positive organization structure, better communication and let the people affect their work and their voice to be heard”.
5	Do you have guidelines how to improve the current situation?	<p>”As this situation is explained to me, I would let the people run their own errands and have flexibility for time of for personal life, Therefore they focus more on their job and work more efficiently”.</p> <p>”Work variety should be increased like cycling people at different working stations”.</p> <p>”Leadership needs to be present at all times to provide support and clarity in work. This will gain employee trust.”</p> <p>”Transparency and clarity to company vision and strategy. This also department wise including the production unit.</p> <p>”I would also include recognition and support from the company to appraise the good work people are doing and let the employees feel good inside the company with supporting their needs and requests”</p>

		<p>"People also meet naturally when outside activities away from the company is made This gives people the chance to meet naturally in a stress free environment".</p> <p>"Training should be included for the knowledge and profession development for the production unit employees".</p>
6	Development needs for the case company?	"You (the researcher) mentioned that you focus on value profit chain. Then you should offer it for the case company executives to see that this case of employee engagement improvement is the first step for success and to possibly build value profit chain for entire company".
7	Other comments	-