

# **Employee Engagement**

## **Manager views about boosting employee engagement in a global specialist organization**

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Abstract  <p>The shift from industrial to information society has changed our global community, work life included. The old autocratic ways of managing employees have transferred to a distributed leadership, where diversity, continuous learning, team work and self-management are valued, and employees are seen more as partners than mere workforce.</p> <p>The research focused on finding out which of the company's people management tools managers feel can enable them to boost their subordinates' engagement. Information about possible development items was also gathered.</p> <p>A qualitative research method was applied. Initial data was collected through a questionnaire sent to all company managers. The main data source were semi-structured interviews with seven managers. The research was inductive in nature.</p> <p>The findings included information about the top three tools that managers found boosting engagement: feedback discussions, digital feedback and monetary lump-sum rewards. In addition, other people management tools and processes were also discussed. Development items and best practices were identified in the interview results.</p> <p>The conclusion reached was that there are people management tools provided by the company to the managers which are seen as helping them boost employee engagement. Distinguishing the tools and processes viewed as engagement creating can help the company promote these tools and processes to a wider manager community. The valuable information about tool and process development can be used in planning new versions of tools and with process redefinition and tweaking. The best practices related to employee engagement can be recommended to the whole organization.</p>		
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# 1 Introduction

Changes in recent decades have impacted all of us. Our lives both at home and at work have changed through the globalization and digitization of the world. We are a part of a society in constant change. The rapidly evolving global environment pushes companies as well as individuals to adapt to changes and develop continuously.

The transition to the current global, digital world has meant constitutional changes in our society. Uniformity has changed to diversity, work experience to continuous learning and rigid hierarchical structures to joint efforts, team work and self-management. Working hard has changed to working smart. (Schaufeli 2013, 15.) An autocratic way of operating in companies has had to make way for a distributed leadership. Old hierarchical organizations have flattened, seeking permission has changed to building initiatives, elitist and private ways have opened to be transparent and accessible to all. Employees are rather seen as partners than mere workforce. (Smythe 2013, 19.)

All this has led to a fundamental shift in how organizations operate when it comes to their employees. To acquire and sustain knowledgeable specialists more than a steady paycheck is required. What is it then that makes employees want to come to work every day and give it their best? What exactly is employee engagement and how can managers boost it by using the tools they are given by the company? In times of increasing competition, technological advances and globalization, many companies have come to realize that employees are more than a cost: employees are the face of the business as well as sources of innovation and knowledge. They personify the service philosophy of the company and live out its values and culture. While the company's services on offer can appear quite similar to others, exceptional service is a competitive advantage. Only if the organization treats its employees as a valuable resource, can competing through service be possible. (Kumar & Pansari 2015, 67-68.)

The research approach is based on the assumption that engagement does make a difference in reaching goals and targets, especially in a global specialist organization. Leaders affect their subordinates on daily bases through different people

management processes. They can boost engagement and promote activities that sustain employee engagement.

According to Smythe, there are three fundamental ways to create sustainable, successful businesses: outstanding customer service, innovating new products and services and finding new ways of doing things more efficiently. People are at the heart of all these three. Engaged people will perform these tasks well and tend to harness more of the capability and potential of their team members. In doing so, they improve the performance of their organizations. Unless employees are engaged, growth and success cannot be achieved. (Smythe 2013.)

Highly engaged workforce is more adaptable to today's challenges than their counterparts. In addition, motivated and committed employees are more likely to take part in continuous learning activities, especially if they see a long-term benefit to the company as well as their own careers. These are key behaviors for success for the workforce of the future. The new pressure brought by changing work environment coupled with criticism that engagement might not be as achievable than originally believed, creates an opportunity to rethink the way employee engagement is measured, influenced and analyzed at employee, team, and organizational levels. (Burnett & Lisk 2019.) As engagement has emerged as critical for organizations, leadership seems to be the driving force for engagement to occur (Popli & Rizvi 2016, 966).

Management and leadership is considered having a role in creating and sustaining engagement, which I will later discuss in the literature review. Therefore, studying the tools which managers are given to perform this important task of engaging their employees is both interesting and valuable. Without engaged employees the organization's performance can be mediocre. If higher level of profit is desired, engaged employees are the ones who can make it reality. Due to managers being positioned between the organization's needs and the employees' requirements, they have a viewpoint to develop engagement. Marlow & al. suggest leaders to focus on employees to enhance engagement: to find out where each team member is positioned in the team, meet them there and coach them to higher levels of engagement. (Marlow & al. 2012.)

As opposed to many engagement related studies directly sourcing information about what extent the employees are engaged in the company, this study is not about finding out the engagement levels or indexes but how employee engagement can be increased and more specifically, which people management processes leaders can use to enhance the feeling of engagement.

The goal of this thesis is to find out which of the company's people management tools supervisors think are useful for boosting their subordinates' engagement? And why is that? Answers to these questions are sought through open interviews.

## **2 Employee Engagement**

The concept of employee engagement initially emerged in business and although the origin of the term is not clear, it was first used in the 1990s by the Gallup organization. Later, international business consulting companies developed their own engagement concepts and survey tools. It was also these consultancy firms that first claimed that employee engagement drives business success. (Schaufeli 2012, 3.)

Even though the term employee engagement was not used by the early management schools, the characteristics of involvement, absorption, cooperation, energy and concentration are identifiable in their work. Frederick Taylor, Lillian Gilbreth, Mary Parker Follett and Elton Mayo all highlighted the origins of the concept of employee engagement. An underlying foundation of the different management schools is the idea of integration. Taylor promoted the integration of worker, efficiency and skill, Gilbreth the integration of human effect, Follett the integration of power, work and conflict resolution and Mayo of interpersonal relations and productivity. Integration can also be found in employee engagement. Employee engagement promotes an integration of the individual through a sense of satisfaction as well as by extension, a commitment to the organization through continuous improvement. (Chapa & al. 2015, 234, 247.)

Engagement is an increasingly interesting and researched subject. In his review about employee engagement related research Motyka found that 50 out of the 71 studies about the subject had been conducted in the previous 5 years (2013-2018). Seven



different studies significantly linked employee engagement and financial performance together statistically. (Motyka 2018, 238.)

## 2.1 What is employee engagement?

Engagement relates to commitment, involvement, dedication and enthusiasm but a clear definition cannot be made as in academia, there is still no unique framework for work engagement. In business, employee engagement is usually described as commitment to organization, job satisfaction and effort to go beyond job description. (Schaufeli 2013, 18).

Four different theoretical approaches to engagement can be found in literature. The first, a notable definition by Kahn (1990) is the **needs-satisfying approach**. In this approach, the individual employs and expresses themselves in their role performance, physically as well as cognitively and emotionally. Kahn states that all employees occupy various roles at work. People use different degrees of their selves in these roles, emotionally, physically and cognitively. The more people draw on their selves to perform their roles between who they are and the roles they occupy, the more effective their performance and the more content they are with their role. People are constantly immersing themselves in their roles on different levels of engagement, sometimes more deeply in than other times. (Kahn 1990, 692.)

Personal engagement is the expression of an employees preferred self in such task behaviors that include personal presence and promote connections to other people and work. People have different dimensions of themselves that they are willing to use in the role performance. To employ these dimensions is to drive personal energy to physical, cognitive and emotional labor. Expressing these dimensions is displaying real identity, thoughts and emotions. There is a dynamic relationship between self and role. Person drives their personal energy into role behaviors (self-employment) and displays their self within the role (self-expression). Engaging behaviors bring out self and obligatory role making people more involved in tasks, cognitively alert and emotionally connected to others. Employees truly display their thoughts, feelings and values. (Ibid, 700.) The needs-satisfying approach assumes that a meaningful and challenging job in a safe environment with available personal resources means that

the prerequisites (meaningfulness, safety and availability) are met and engagement can occur (Schaufeli 2013, 26).

Second approach is the **job demands-resources** model that views engagement as the opposite of burnout. The approach assumes that work engagement is created by the motivating nature of two types of resources: job resources and personal resources. The job resources are the aspects of the work that help achieve goals, reduce demands and create personal development. Personal resources include those aspects of the self which are associated with resiliency and ability to control emotions. Engagement entails efficiency, involvement and energy as opposed to burnout's lack of accomplishment, cynicism and exhaustion. (Ibid.)

Schaufeli cites Maslach and Leiter (1997), according to whom engagement and burnout are the opposite ends of a single continuum. Work boredom is also related to workplace well-being and engagement. It can be defined as a psychological state of dissatisfaction and low arousal due to unstimulating work environment. Boredom is negatively linked to engagement and positively to burn-out. According to the job demands-resources model, job resources encourage employee persistence and energize them making them focus more on their efforts. The model assumes that engagement in its turn produces positive results such as job performance. (Ibid.)

Third approach is the **affective shift model**, according to which engagement is affected by both negatives and positives. As engagement is dynamic, it is proposed that the shift from negative to positive affect is the underlying cause of engagement. Negative affect means there is something wrong and action needs to be taken. This sparks change efforts towards positive affective state and creates engagement, most likely when there occurs up-regulation of positive affect simultaneously with down-regulation of negative affect. (Ibid, 28.)

The fourth approach is called **the social exchange theory**. Here, Schaufeli turns to Saks' (2006) definition of employee engagement as a unique construct of cognitive, behavioral and emotional components that are linked with individual role performance. When employees receive resources such as salary or recognition from the company, they feel obliged to respond favorably by "repaying" the organization. According to Schaufeli, an association exists with Kahn's (1990) theory of role

performance: engagement happens through employees immersing themselves into their work roles in response to the resources received from the company. When these resources are not provided by the organization, the employees are more likely to withdraw from their roles. (Ibid, 29.)

Needs-satisfying approach	Job demands-resources approach	Affective shift approach	Social exchange approach
<ul style="list-style-type: none"> <li>• meaningful and challenging job in a safe environment with available personal resources</li> </ul>	<ul style="list-style-type: none"> <li>• job resources encourage and energize employee → focus on efforts</li> <li>• Burnout and engagement at opposite ends of spectrum</li> </ul>	<ul style="list-style-type: none"> <li>• Shift from negative to positive affect</li> </ul>	<ul style="list-style-type: none"> <li>• Employee's role performance is a response to resources received from the company</li> </ul>

Figure 1. Approaches to engagement according to Schaufeli (2013)

## 2.2 Prerequisites for employee engagement

Albornoz & al. link Kahn's (1990) work on engagement to Maslow's (1970) hierarchy of needs. The importance of Maslow's motivation theory in relation to employee engagement can be found in theory structure and in the definition of each need. According to Maslow's hierarchy, needs are first arranged in order of potency and secondly in order of criticalness to survival. Thirdly, needs are filled subsequentially from lowest to highest, establishing a hierarchy of needs that can be grouped into two categories, growth and survival. The drive to self-actualization can be seen as an equivalent for employee engagement. (Albornoz & al. 2010, 302-303.)

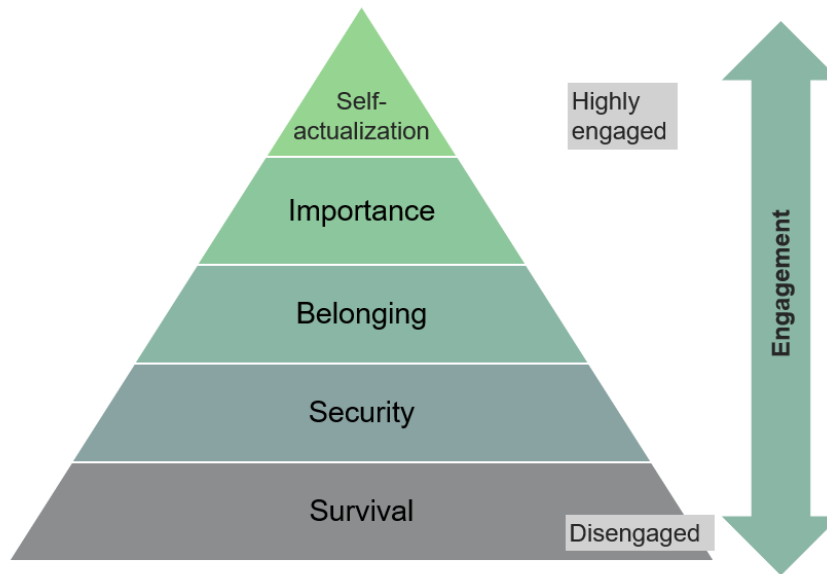


Figure 2. Engagement related to Maslow's hierarchy (adapted from Alborno)

According to Schaufeli's (2013, 25) interpretation of Kahn's (1990) theory, there are three psychological conditions that must be met in order to be engaged: meaningfulness, which is influenced by the nature of the work, psychological safety which is influenced by workplace environment and availability which depends on the resources which the employee is able to bring to their role performance. Employees seem to unconsciously ask themselves, according to the conditions, firstly if it is meaningful to bring themselves to the role, secondly if it is safe to do so and thirdly how available they are in doing so (Kahn 1990, 702).

According to Motyka's review on different employee engagement studies, the positive effects of employee engagement have been widely researched and next the focus should be turned to an equally intense research on engagement's antecedents. Further research should include an aspect of generational diversity. Motyka refers to Sarraf & al. (2017) who have proven there are significant differences in employee engagement levels between generations. Thus, employee engagement management can lead to its growth in different age groups and help reduce the lack of mutual understanding between generations in their approach to work. (Motyka 2018, 239.)

### 2.2.1 Primary psychological drivers for engagement

Crawford & al. present seven primary psychological antecedents for engagement: job challenges, autonomy, variety, feedback, fit, development opportunities and rewarding and recognition.



Figure 3. Psychological drivers according to Crawford & al. 2013.

Job challenges, such as high workload, broad job scope and wide job responsibility create potential for personal growth and accomplishment. The gained potential leads to a problem-focused, active style to deal with challenges at work. Researchers such as Bakker & Demerouti & Schaufeli (2003 and 2005) as well as Rothbard (2001) have found that engagement can be positively linked to cognitive work demands, high workload and work responsibility. Employees respond to increasing expectations with greater engagement. Autonomy is a basic human need. Fulfilling this need increases work meaningfulness by providing ownership and creating proactivity. Greater autonomy creates greater engagement. (Crawford & al. 2013, 59-62.)

Crawford & al. state that according to Kahn (1990) job variety increases meaningfulness allowing employees to feel more useful as they tap into wide range of their personal knowledge, skills and abilities to complete their tasks. Wide job

variety is a powerful way to gain engagement in organizations. Feedback is information about the effectiveness of employee's work performance. Feedback allows employees to evaluate their progress towards achieving goals as well as helping them feel valued and appreciated thus promoting employees' psychological meaningfulness. Feedback from supervisor, co-workers or job itself enhances engagement. (Ibid, 60.)

Fit is a compatibility between the employee and their work environment that occurs when their characteristics are matched well. Work role fit has been found to be positively related to engagement, offering individuals a greater meaning when allowing to behave in a consistent way with how they see themselves. Work role can offer status and influence, thus allowing employees to feel needed in their work. (Ibid, 60-61.)

Development opportunities refer to planned efforts to facilitate the employee's acquisition of skills and knowledge to best meet job requirements. These opportunities create meaningfulness at work because they provide employee growth and sense of fulfillment. Through these opportunities the employee can also find alternative work roles with potential better fit. (Ibid, 62.)

Rewarding and recognition are pay and benefits received as compensation for work. Informal praise and appreciation given by managers, customers or co-workers can also be perceived as rewards and recognition. They represent direct and indirect return on the investment of energy and time which is given by the employee in their work role. Based on this, rewarding and recognition should boost engagement. However, even though it appears in most cases this is true, Crawford & al. refer to Bakker & al. (2006), whose study indicated that financial rewards were in fact negatively related to perceptions of engagement. Hence, more research considering the preconditions of rewarding related to engagement would be needed. (Ibid, 62.)

### 2.2.2 Psychological safety drivers for engagement

Employees feel safe when work situations are predictable and secure and when behavioral consequences are clear. Crawford & al. refer to Kahn's (1990) psychological conceptualization of psychological safety, referring to social support,

transformation leadership, leader-member exchange, workplace climate, organizational justice and job security as key safety drivers for employee engagement.



Figure 4. Safety drivers according to Crawford & al. 2013

Social support entails the employee's perception of the degree to which their organization values their contribution towards work. The perception is formed through interaction with co-workers, supervisors and other organization members. Social support perceptions give the employees the flexibility to take risks and fail or succeed safely, thus fostering safety. After autonomy, social support has been the next most frequently studied engagement antecedent and numerous studies show that social support can be positively linked to engagement. (Crawford & al. 2013, 63.)

Transformational leadership refers to leaders, who motivate employees to move from immediate self-interest to goals that benefit the organization – to get followers to achieve more than originally expected. Using individualized consideration, transformational leaders find the unique potential in their followers, encouraging

them to reach that potential. As in social support, the psychological safety is also heightened due to possibility to safely succeed or fail in risk taking. (Ibid, 63.)

Leader-member exchange, also known as LMX, refers to the quality of relationships between leaders and their followers based on the effort and support being exchanged between the two parties, in best cases characterized by interaction, support and trust. Crawford & al. again refer to Kahn (1990) in stating that high quality LMX promotes psychological safety because it embodies the kind of relationships, filled with support and trust, that employees need in order to bring their full selves into their role performances. As the employee and their leader establish a relationship of mutual support and trust, followers are more inclined to feel increased engagement. (Ibid, 63.)

Workplace climate is a broad concept that entails employee's perception of their work environment than comprises of different organizational and social elements, such as safety, achievement, quality and innovation. Workplace climate creates engagement through making organizational expectations and norms clearer, helping employee feel consistency and predictability in their work. (Ibid, 63.)

Organizational justice refers to the fairness of work allocations, work procedures and employee treatment. Organizational justice minimizes the concerns employees may have about the distribution of authority, resources or power. This creates engagement through psychological safety. (Ibid, 63.)

Job security entails the relative certainty employees have regarding their ability to remain in their position within their organization. The feeling of security at work through perception that work situations are predictable and safe fosters psychological safety and through that, engagement. (Ibid, 63.)

### 2.3 Leader boosting employee engagement

Developing effective leadership requires attention to how organizations can build on individual attributes to develop successful leadership. Attaining, sustaining and developing effective leadership is a key organizational goal. Through inspiring and motivating employees, leaders can influence the experience of engagement as well as performance. (Soane 2013, 150.)



Engagement is an individual opinion. What works for one employee might make another one disengaged. According to Marlow & al., to be truly engaged, employees must be satisfied with their work and career opportunities. Work is an opportunity to learn and develop and to satisfy values and fulfill personal goals. However, the purpose of an organization is not just to satisfy its employees but to also make them contribute. These goal are intertwined: as employees accomplish results and feel their work is valued, they become satisfied. This is how engagement can be defined: a combination of maximum satisfaction and maximum contribution. (Marlow & al. 2012, XII.)

### 2.3.1 Facets of engagement

According to Soane, there are three facets to engagement: intellectual, social and affective engagement. **Intellectual engagement** entails idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. Idealized influence is the extent to which leaders go beyond self-interest, display confidence, share values, beliefs and ethics and emphasize a collective mission thus inspiring followership. Inspirational motivation entails optimistic and enthusiastic talk about the future and the trust that goals can be achieved, helping employees to believe in possibilities. Intellectual stimulation involves leaders encouraging employees to seek different perspectives, examine critical assumptions and find new ways of looking at how to perform tasks. This promotes decision making and innovation. Individualized consideration requires coaching, attention to individual needs, abilities and aspirations and focuses on helping others to develop thus contributing to personal and team growth. (Soane 2013, 150-153.)

**Social engagement** can be described as the extent to which an employee is socially connected with the working environment and shares values with colleagues. An essential component of engaging leadership is generating and sustaining social engagement where the employee can feel socially embedded and have a forum for discussion of ideas. An open social environment fosters shared values and nurtures innovation which is likely to lead to valued organizational goals. (Ibid, 150-155.)

**Affective engagement** is the experience of positive emotion to the work role. Not only is positive affect fundamental to the experience of engagement, also other

outcomes, such as motivation and self-development. Leaders have an integral role in increasing both the frequency and the intensity of positive affective experiences. One way of doing so is through individual-level interactions focusing on shaping emotional responses to situations. Leaders should guide employees to make appropriate emotional responses to situations, helping individuals to manage their own emotions and improve their perceptions to other employees' feelings. Although negative experiences can provide useful information for learning, leaders should promote and encourage positive affect. Enthusiasm fosters engagement as well as satisfaction, commitment, invention and overall performance. (Ibid, 150-160.)

### 2.3.2 Needs and drivers of engagement

An engaging leader can increase and sustain employee work engagement by meeting their basic psychological needs. This can be done through three dimensions: inspiration, strength and connection. Nurturing employee inspiration involves increasing the subordinates' enthusiasm for the company's vision and plans and making them feel that they are contributing to the organization's mission. Building up employee strength can be done by allocating responsibility, granting freedom and delegating tasks. Finally, a sense of connectedness can be achieved by encouraging team collaboration and promoting positive affect. These behaviors directly contribute to the fulfilment of employees' basic needs for autonomy, competency and relatedness. When these basic needs are fulfilled, employees are likely to achieve higher levels of work engagement. (Nikolova & al. 2019, 774.)

Leaders are responsible for ensuring that engagement enabling actions such as management practices, career opportunities, recognition and appreciation of employee contribution, teamwork, constructive feedback and availability of necessary work resources are in place. (Popli & Rizvi 2016, 969). When both the needs for engagement as well as the appropriate drivers are established, engagement can be attained and sustained.

### 2.3.3 Engaging leadership style

Several studies link transformational leadership style to engagement.

Transformational leadership raises the level of awareness of followers about the

importance of achieving valued outcomes. This increases the likelihood and frequency of high performance. Transformational leader encourages their followers to exceed self-interest for the sake of a larger collective: team or organization. (Soane 2013, 150-153.) This leadership style inspires and motivates employees to work towards the organizational goals and by expressing confidence in their subordinates' abilities, leaders are able to draw out the best in them. (Popli & Rizvi 2016, 975). Leaders have a special role in fostering engagement due to the "contagious" role of engagement. Particularly transformational leadership that is inspiring, motivating, challenging and employee needs focused is successful in accomplishing this. (Schaufeli 2012, 6.)

Nikolova & al. present a framework for an engaging leadership style. Comparing the engaging leadership to transformational leadership, both overlapping and differences can be found. Both styles focus on the leader's ability to activate employees and optimize their way of operating. The concept of engaging leadership is based on the notion of the leader as a source of motivation for employees. Transformational leadership is not rooted in a motivational theory but taps into leadership facets that positively activate employees, such as coaching and role modelling. Engaging leadership focuses exclusively on engaging followers by satisfying their basic psychological needs. Unlike transformational leadership that emphasizes coaching, mentoring, role modelling and creativity, engaging leadership focuses on fostering employee autonomy and social connections. (Nikolova & al. 2019, 774.)

In Rahmadani & al.'s study, the concept of engaging leadership is presented as a type of leadership where work engagement is fostered. Engaging leader inspires, connects, empowers and strengthens the employee. Inspiring employees creates a personal feeling of meaningfulness through the idea of individual contribution. Connecting employees with others sparks a sense of belongingness and bonding. Empowering fosters the feeling of autonomy by creating ownership. Strengthening employees by delegating responsibility makes employees feel a level of competency and inspires to reach for more challenging goals. Through inspiring, connecting, empowering and strengthening the employee the manager can ensure the

satisfaction of employees' basic needs of being competent, related and autonomous. (Rahmadani & al. 2020.)

Those leaders who display an engaging leadership style by individually and collectively regarding their team members foster both team work engagement and individual work engagement thus promoting positive outcomes at collective and individual level. The engaging leader builds an atmosphere of trust, making it easy to share ideas and innovate. This stimulates positive experiences to engage employees. (Rahmadani & al. 2020.) In order to promote and develop engaging leadership in organizations, it should be promoted in daily interactions with employees and managers should be trained to master the particular skill-set required to support employee work engagement (Nikolova & al. 2019, 781).

#### 2.3.4 Concrete actions towards engagement

Markos & Sridevi propose engagement to be a planned part of the organizational culture, supported by upper level management. The employee should get opportunities for self-development through training and career opportunities, favoring productive employees. Communication between manager and subordinate should be developed and a system for feedback management created. Rewarding and compensation should not be forgotten but consideration to which method of reward would best support the individual is recommended. (Markos & Sridevi 2010, 93-94.) Employee engagement can be improved through job design, using the motivating potential of job resources. Job rotation might lead to higher engagement levels because it challenges employees increasing their motivation and stimulating learning and development. (Schaufeli 2012, 5.)

Rao (2017) describes an exhaustive list of ways that leaders can create engagement. He recommends finding out employee aspirations and expectations and assigning tasks accordingly as well as allocating roles and responsibilities based on strengths. Emphasizing stretch goals can help unlock employees' hidden potential and if employees are empowered by giving freedom to make decisions, they will either succeed or fail and learn from experiences. Job rotation should be favored to boost competency. Creativity can be encouraged by supporting innovations. By listening to different sources on all employee levels, new ideas and insights might arise. Trust is

built by organizational transparency and leading by example. Wellness programs and community service should be endorsed. Healthy organizational culture is something to strive for. A leader should ensure employees feel valued and appreciated for their achievements and there is enough time to learn within the team. Employees should feel valued as people and not only as workers, and met on a unique, individual level. Feedback is important for employees to be able to assess their strengths and weaknesses (Rao 2017, 129-130.)

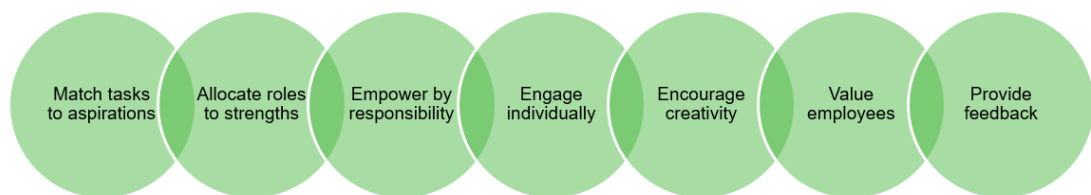


Figure 5. Manager creating engagement according to Rao 2017

The manager's role in creating engagement or enabling the feelings of engagement is very active. By actively listening, encouraging, developing, enabling and providing opportunities the leader can make sure the stage is set for engagement to be able to happen.

Although a consultant and not a researcher, Psychogios has comprehensively gathered the main ideas of employee engagement enhancement and presents 10 different ways to improve engagement: growth, happiness, ambassadorship, peer and manager relationships, recognition, feedback, wellness, alignment and job fit. **Growth** relates to the fundamental need of every employee to feel that they have an opportunity to learn and grow in their organization. Investing in growth through learning and development, engagement and loyalty will succeed. **Happiness** at work involves the feelings of autonomy over the employees' work, support, satisfaction with workload and overall work-like balance. **Ambassadorship** is a measure of employee's loyalty and investment towards the company. It's important for employees to be engaged through ambassadorship because the stories being told on the inside will be heard on the outside by customers. (Psychogios, 2017.)

Both **relationships with peers and with leader** are crucial. Focusing on peer to peer relationships will keep internal service cooperation in peak performance. Fostering

peer to peer recognition can create a community of acknowledgement and engagement. Leadership is paramount in any organization. Many employees stay (and thrive) not for the organization but for their manager. Open communication leads to great relationships. (Ibid.)

**Recognition** in the workplace can take on many forms from a “Thank You” to monetary recognition. Giving employees individual, personalized rewards that are unique to what they want is important. **Feedback** is an important element to employees’ growth. Feedback and coaching are important elements for engagement, making employees will feel like they are valued in the organization. When employees are aware of their areas to improve, they will feel that the organization is dedicated to their growth. (Ibid.)

**Wellness** can be measured with many indicators such as overall absenteeism, employee health and productivity. In addition to employee engagement, a culture of wellness will bring many benefits such as lower turnover, decreased absenteeism, greater productivity, and a decrease in health problems. **Alignment** involves an employee’s cultural fit to the organization. Whether or not a person is aligned with the company starts from the very minute they are hired. For example, personal traits such as friendliness cannot be trained, so it’s crucial to make sure new hires are a good fit in the work environment, or it’s unlikely they will thrive. **Job fit** can be seen as an overall indicator of employee engagement. This can include elements such as compensation, work environment, and fit of role for the employee. Creating engagement through job fit can be done for example by flexible hours or remote work and providing autonomy and authority in their role. (Ibid.)



Figure 6. Opportunities to create engagement according to Psychogios (2017)

Organization's human resources management may perform feedback surveys about engagement to promote engaging work climate, job resources, and overall work engagement. Leaders can be trained as engaging leaders: strengthening, empowering and inspiring their employees. Human resource departments can organize trainings to teams to improve their work engagement. Individual training can be given to the team members about their interaction in the team and their perception toward their leaders. Engaged employees should be encouraged to display their positivity towards their team to induce group engagement. Determining outcomes for both individuals and groups is important in terms of revealing which mechanism is most prominent to boost engagement. (Rahmadani & al. 2020.) Through training of leaders, drivers of engagement such as supportive organizational culture, feedback, trust and career opportunities can be focused on (Popli & Rizvi 2016, 976).

## 2.4 Outcomes of engagement

Rahmadani & al. suggest that employees with high level of work engagement are displaying innovative behavior and are more creative at workplace. Thus, work engagement benefits the organization at all levels. (Rahmadani & al. 2020.) An increasing number of studies confirm that engagement can be associated with fewer health problems (referring to Bakker & al. 2011, who use Hakanen, Bakker & Schaufeli's 2006 study of burnout and work engagement among teachers as one example), less absenteeism (referring to Darr & Johns 2008 theory focused meta-analysis of 275 effects from 153 studies), lower turnover (referring to Wright & Bonett's 2007 study of 112 managers in a large company), and higher performance (referring to Christian & al. 2011 theory focused meta-analysis). Peeters & al. refer to Bakker & Bal's 2010 5-week study among 54 teachers to state that employees not only performed better in their tasks but also helped others, took more initiative and were more creative. Considering these findings, it can be understood that engaged employees present both in-role behavior as well as extra-role behavior. (Peeters & al. 2017, 117-118.)

Schaufeli differentiates three approaches to organizational outcomes of engagement: individual or team outcomes such as engagement or absenteeism, business level results such as productivity and profitability and particular organizational outcomes. (Schaufeli 2013, 29.) Amongst engaged employees, retention is lower, and the employees are more willing to give their best to cater to the client's needs (Markos & Sridevi 2010, 94).

Employee engagement relates to key organizational outcomes in any economic climate, and it is an important competitive differentiator for organizations. Popli & Rizvi refer to Gallup's (2013) extensive research including almost 1,5 million employees across 30 different countries. The study implies that engagement is linked to lower absenteeism, lower turnover, fewer safety incidents, fewer quality incidents and higher customer metrics, higher productivity and higher profitability. (Popli & Rizvi 2016, 966.)

Compared to individuals who do not feel engaged, engaged employees feel more committed to the organization and do not intend to leave the company. Engaged



employees also experience positive emotions and have good mental and psychosomatic health, particularly if compared to workaholics. They exhibit individual initiative and a strong will to learn. These together suggest that engaged employees are able and willing to go the extra mile. (Schaufeli 2012, 5.)

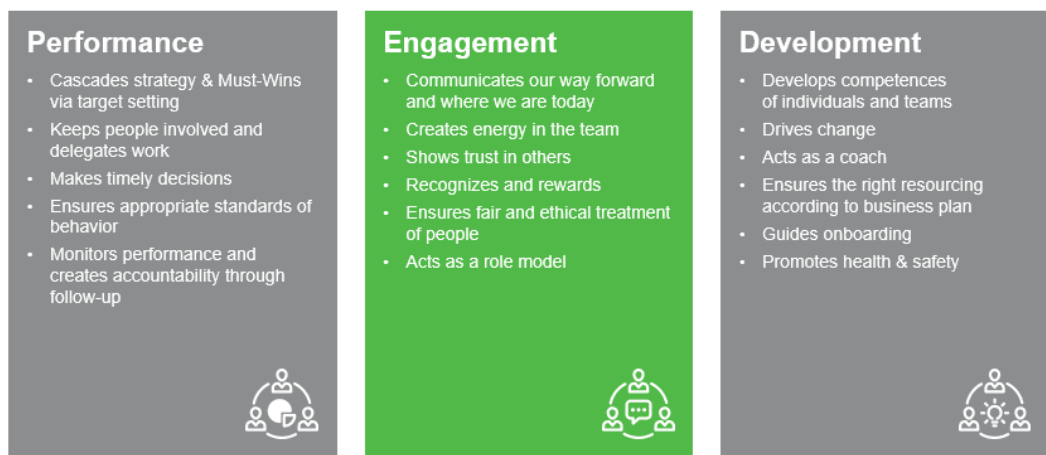
### 3 Methodology

The thesis is conducted for Valmet corporation. Valmet is the leading global developer and supplier of technologies, automation and services for the pulp, paper and energy industries. Valmet is a stock-listed company with more than 13 000 employees and over 1500 managers (Valmet Web pages 2020). The company is determined to develop manager skills through different trainings and tools.

Valmet defines the manager role through three different responsibility areas: performance, engagement and development. In this thesis I will focus on engagement. The manager responsibilities related to engagement have been defined as: communication, team energizing, building trust, ensuring equal treatment and acting as a role model.

## A Valmet manager drives high performance

### Responsibilities of a Valmet manager



A Valmet manager is an important connector between his/her team and the rest of the organization. He/she behaves according to our values and represents the employer, ensuring compliance with laws, regulations and agreements.

A Valmet manager clarifies objectives to his/her team and effectively divides responsibilities among the team members for the successful completion of the objectives.

Figure 7. Valmet manager responsibilities

Valmet offers people management tools for managers to succeed in their role. The tools are related to feedback, rewarding, employment life-cycle management, onboarding and development. The tools mentioned can be separate programs or systems, online environments, databases or material libraries. (Tools for managers 2019). The goal of this thesis is to research how the people management tools and processes provided by the organization help the manager in engaging their subordinates.

As the company offers many tools for leaders to use, the organization has not expressed in detail which of these tools can be used in enhancing employee engagement experience. As can be seen in the employee engagement theory, there are multiple factors that create the feeling of engagement, thus there cannot exist one-size-fits-all solution for engaging employees. In fact, many of the tools already in use can be considered to boost engagement. It is interesting how the managers perceive the tools and what – if any – correlation they find between the tools and engagement. In gaining insight to how supervisors see the ways in which the provided tools help instigate engagement, two things can be derived from the results: sharing information about the tools and further development of the tools.

With a general view of which tools the managers find to be linked to engagement, knowledge can be shared inside the organization to human resources on how to boost the usage of the tools found to be useful for creating engagement. It is equally important to find what tools are considered by supervisors as not creating engagement. Many times, the individual view might be different from the original purpose and this is a great opportunity for the organization to share information about the tools and processes not identified as engagement creating and the ways in which they might help nurture employee engagement. The research data is also important for further tool and process development. Manager tools in the company have been developed by different instances for different purposes throughout many years. This study will give insight to how the actual end user perceives the tools and processes and how they can be developed to further support the user in their tasks.

### 3.1 Research approach

The research question of this thesis is to find out which of the company's people management tools do managers view as enabling them to boost their subordinates' engagement and to gather information about possible development items.

An inductive, qualitative research approach was selected for this thesis. The goal is to gather information from people in managerial role about already existing tools in relation to engagement and formulate conclusions based on the data. Gathering the data will be done in two parts: first, through a questionnaire sent to a large number of recipients. In the second part individual interviews will be conducted and analyzed to further deepen the understanding and create conclusions.

Inductive research is based on observations through which explanations are developed. No theories or hypotheses apply in inductive research at the beginning of the research, yet theories are not disregarded in the research objectives formulation. Inductive research studies resemblances, patterns and regularities in experiences to reach conclusions. (Dudovskiy 2019.) Qualitative research is inductive in its nature. Qualitative researcher develops concepts and makes insights from patterns in the data rather than collecting data to assess pre-existing hypotheses or theories. There are guidelines to be followed, but no rules, as qualitative research is a craft of type. The methods serve the researcher and they are not a slave to procedure and technique. (Taylor & al. 2015, 18, 21.)

For the interviews, a semi-structured method has been chosen as structured method would be too rigid for the purpose of the study and would limit the discovery of "accidental" information. On the other hand, unstructured interview would lack consistency and would not be ideal for this type of research where there exists a clear topic (tools for engagement) more information is needed of. The analyzing of data would also become a huge task in unstructured research method. Semi-structured interview method has the same set of interview questions for all participants but allows clarifying or expanding with questions and comments. The advantage of an interview as a research method is that the researcher has direct control over the process flow and can clarify issues during the process if need be (Dudovskiy 2019). Taylor & al. describe qualitative interviewing as dynamic, flexible,

unstructured, nonstandardized, nondirective and open-ended interviewing. Rather than a formal question-answer exchange, the interview can be seen as a conversation between equals. The interviewer is not an impersonal data collector but the research tool itself. (Taylor & al. 2015, 102.)

According to Mason, qualitative interviews might vary in style but share four core features. First, in interviews there is always an interaction between the parties and dialogue is exchanged, no matter the medium (telephone, internet, face-to-face) used for gathering data. Second, the interviews have a relatively informal style to them as opposed to formal question-answer format. Third, the interview structure is fluid. No matter the approach being thematic, topical or narrative, the interview has a flexible structure allowing the researcher and interviewee to develop unexpected themes. Fourth, the interview assumption is that knowledge is contextual and situated. It is the duty of the interviewer to ensure that the relevant contexts are brought into focus so that situated knowledge can be produced. In the interview, knowledge is not simply facts being stated but information reconstructed. Understanding is created in interaction with the interviewer and the interviewee. Therefore qualitative interviews should not be seen as merely excavating information, rather constructing and reconstructing it. (Mason 2002, 62-63.)

## 3.2 Data collection

The research consists of two parts. In the first part of the research a survey to employees in managerial position is conducted about the company's people management tools and how they help engage employees. After the survey, willing managers are further interviewed.

### 3.2.1 Questionnaire

Many organizations have developed their survey programs around measuring employee engagement. According to Wiley, employee engagement can be defined as the extent to which employees are motivated to contribute to organizational success and willing to apply effort to accomplish tasks important to achieving important organizational goals. Engagement is a state or rather a precondition that leads to greater performance. (Wiley 2010, 56.)

Rather than conducting a survey about direct engagement, this survey was based on indirect engagement creation – how are managers able to affect employee engagement through people management processes and tools. The questionnaire, conducted with Questback system was sent globally to all Valmet managers, 1548 in total. There were three survey questions related to engagement:

1. Select three Valmet people management processes that help you boost engagement and why? (Drop-down list of Valmet people management tools and free text field)
2. How can we develop our existing tools to support engagement? (Free text field)
3. Select yes and give your email address so we can contact you to brainstorm with us! (For contacting willing candidates for interviews)

The survey was conducted in cooperation with the human resources department to provide data not only for this research but to collect open comments about engagement for the organization to process. The survey questions were drafted by myself and survey was sent from my email address. The survey yielded 974 open comments. The open comments were not used as a part of this research as the goal of this study was to identify the top people management tools based on the questionnaire and gain understanding about the tools through the manager interviews. The survey was available for answers for 10 days and received 337 answers of which 74 had indicated their willingness to be contacted for further discussion.

### 3.2.2 Interviews

The focus of qualitative interviewing is to learn how people construct their realities, how they view, experience and define the world (Taylor & al. 2015, 116).

The core of the study will be the interviews held with a small group of managers. The candidates contacted for interviews had all indicated their willingness to be contacted in the survey. All 74 recipients who had specified that they be available for interviews were not contacted but ten managers were selected and contacted of which seven agreed to be interviewed. The interviewees were chosen to represent both genders and various countries, 5 in total. I chose not to include anyone working in human resources department due to possibly biased opinions about people management tools and processes, which are owned by the human resource function.

Interviewee	Continent	Years in company	Years as manager	Subordinates
Interviewee 1	Europe	30	20	60
Interviewee 2	Europe	16	12	16
Interviewee 3	South-America	15	5	30
Interviewee 4	Europe	22	1	4
Interviewee 5	Europe	30	25	22
Interviewee 6	North-America	1	1	75
Interviewee 7	Europe	8	8	100

Table 1. Interviewees

The managers were interviewed through Teams meetings, each call lasting 30-60 minutes either with or without video, based on the preference of the interviewee. The survey answers were not brought up in the interview by the interviewer and no cross-check was made between the interviewees' answers to the survey and the interview. This way the interview was not based on any previous data or assumptions but rather collecting thoughts and ideas about the tools and processes separate from the survey.

The interview question was "how can you as a manager boost your subordinates' engagement using the people management processes and tools". The interviews were unstructured and based on the interviewees' answers to the interview question and conversation around the theme. The goal was to have the discussion flowing and not to ask too much but to let the interviewed individuals talk about the tools and processes they felt were important to bring up.

### 3.3 Data Analysis

In qualitative research, data collection and data analysis go hand in hand.

Throughout qualitative research such as in-depth interviewing, the researcher is constantly theorizing the data trying to make sense of it. Emerging themes and ideas are written down and concepts developed for data interpretation. Qualitative data analysis is an intuitive and inductive process requiring dynamics and creativity.

Throughout the analysis, the researcher attempts to gain a deeper understanding of what they have studied, continuously refining their interpretations. The researcher also draws on their experience with settings, informants, or documents interpreting

their data. Data analysis is first and foremost an ongoing discovery of identifying themes and developing concepts and propositions. (Taylor & al. 2015, 160.) Data analysis becomes more intensive when the study progresses (Merriam & Tisdell 2016, 195).

In the beginning of a qualitative research, the research problem is known and a purposeful data collection sample has been selected to solve this problem. However, the nature of qualitative research is that the researcher does not know what exactly will be discovered and what the final analysis will be like. The end result is shaped by the data collected and the analysis of the entire process. Without an ongoing analysis, there is a chance the data is unfocused, repetitive and overwhelming. (Ibid, 197.)

Data analysis is a complex process which involves moving between concrete data and abstract concepts as well as inductive and deductive reasoning (Merriam & Tisdell 2016, 202). The ability of moving in the analytical hierarchy, linking concepts in terms of their generality and thinking conceptually is the key to good qualitative analysis (Ritchie & al. 2013, 214).

According to Ritchie & al., qualitative explanations are attempts in explaining why patterns and results in the data have occurred. These explanations rarely cite a single cause but focus more on clarifying the nature and relationship of different factors. Sometimes the research evidence offers some certainty to the explanations and other times they will be suggested as hypotheses that need further research and testing. The qualitative explanation must be made clear so that others may view the sources and logic of the research thus judging the credibility of the findings. (Ritchie & al. 2013, 217).

The research yielded much data for analysis from the survey and manager interviews and met the expectations for amount of research data. The research data was analyzed in two parts. The questionnaire answers were handled first. This did not take up as much time as the interview analysis, as most of the questionnaire consisted of ready-made questions and the focus of the research is on the interviews. After the questionnaire was analyzed, the interviews were conducted and the interview data analyzed to find patterns and consistencies. Is there a tool that

some managers view to be boosting engagement and other have not thought of as engaging? Can we find development ideas to existing tools? Is there a tool missing that several leaders are feeling the need for? Is there maybe a tool that the individuals have used elsewhere that might help with engagement issues? Empirical data should answer some of these questions to draw up conclusions and make a recommendation to the organization about the the possible next steps: which tools to further develop, which tools to promote and which new tools to start using.

An inductive, comparative data analysis results to findings, called categories or themes. These findings are essentially answers to research questions. Using categorized data as conceptual elements, the data analysis extends to theory building. (Merriam & Tisdell 2016, 236.) The interview results of this research were categorized so that the tools and processes mentioned by the interviewees formed the subcategories. Those were then combined to five different generic categories: feedback and targets, compensation, personal development, learning and training and manager work. The main category was “tools and processes boosting engagement”.

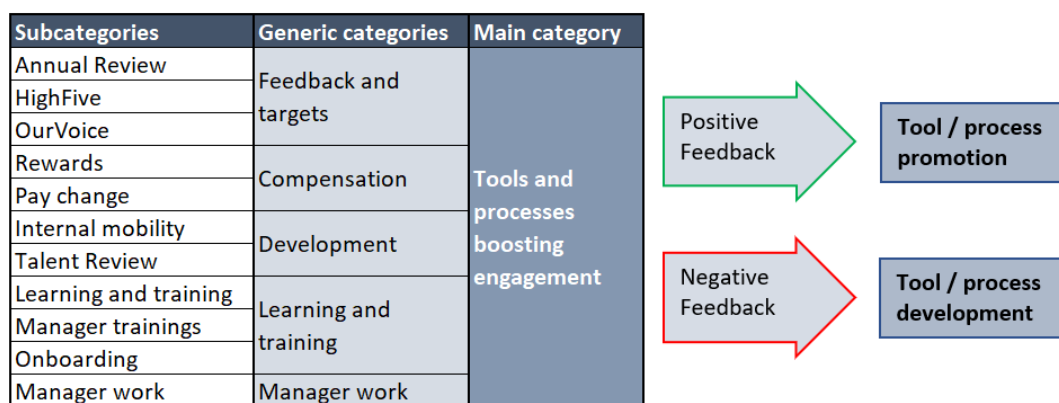


Figure 8. Interview result categorization

The focus of the research was to gather feedback about which tools and processes are seen as positive and helping with employee engagement creation and which tools and processes are not viewed as helping with engagement boosting or need development. For this reason, in addition to the categorization above I have divided the comments to positive and negative feedback. The positive feedback can be used



for promoting and endorsing the favourable tools and processes to the whole manager community. The negative feedback can be used to develop those tools and processes where the interviewees saw flaws.

## 4 Research results

The results of the empirical study are presented in this chapter. The survey results are presented first and as the focus of this study was on the interviews, the interview data is more thoroughly presented and divided to subchapters.

### 4.1 Questionnaire results

The questionnaire about people management tools and processes focused on finding out which are the top tools the managers feel are supporting them in creating and sustaining employee engagement. All tools received votes but the top tools were easily identifiable from the rest as they gathered significantly more votes.

#### Survey questions and results

Tools that boost engagement

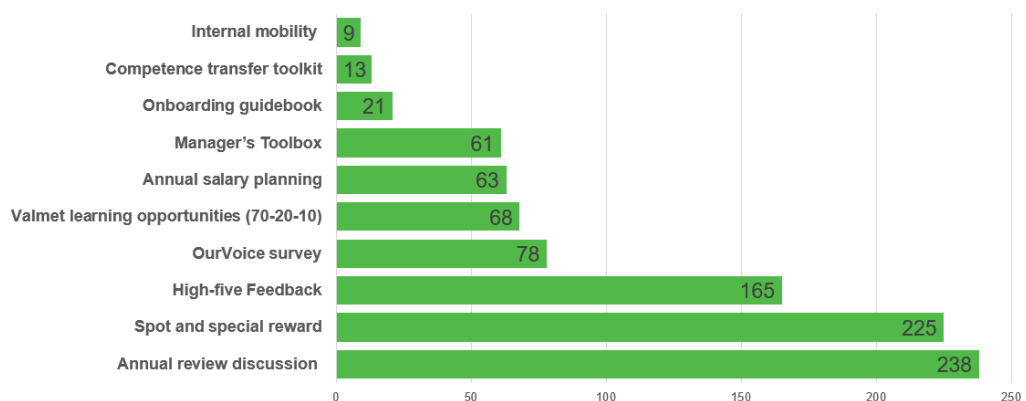


Figure 9. Survey answers, all tools

## Survey questions and results

Top 3 tools that boost engagement & top reasons

Tool	Responses
<b>Annual review discussion</b>	Setting clear goals & targets, open feedback both ways, individual & personal discussions
<b>Spot and special rewards</b>	Generates feelings of recognition & appreciation, fairness through paying for performance, motivating
<b>Highfive Feedback</b>	Direct & timely feedback, acknowledgement creates motivation, encourages to continue good work

Table 2. Survey answers, top 3 tools

The top three tools were easily identifiable from the rest due to high number of votes. The tool that received the most votes was the Valmet Annual Review discussion. 71 % of recipients felt it was one of the most important tools for a manager to boost engagement. The reasoning was focused around feedback, individual discussions and target setting.

The Spot and Special Rewards process got the second most votes, 67 % of respondents highlighted it as one of the top tools for boosting employee engagement. The comments about the engagement creating factors were that the process is motivating and positive, makes employees feel appreciated and focused on paying for performance.

The third tool that got the most votes, 49 %, was the HighFive feedback tool. It was seen by the managers as a good tool for direct and timely feedback, motivating and encouraging through acknowledgement.

## 4.2 Interview results

The interviews were loosely based on the survey conducted. The interviewees mentioned the tools they wanted so all the tools and processes mentioned in the survey did not come up in all of the answers. The individual processes and tools receiving most positive comments were Annual Review, HighFive and Rewards. In the next subchapters the interview results are presented in detail.

### 4.2.1 Feedback and targets

The Valmet tools and processes mentioned in this category are the Annual Review process, the HighFive feedback tool and the Ourvoice survey. The positive comments from the interviews focused on the manager's ability to use the process or tool as a way to give and get feedback, to set and follow targets and to engage through individual discussions.

Tool / process	Positive reduced comments
Annual Review	Connection between real life and targets, promoting values
	To know employee feelings, talk about future
	Engaging and good for feedback
	Following goals and targets
	Individual discussions
High-Five	Works well in whole organization
	Engaging way of giving feedback
	Creates good feelings, positive
	Positive tool
	Team targets
OurVoice	Feel the pulse of the organization
	Important to get feedback

Table 3. Reduced interview answers related to feedback and targets (positive)

The interviewees' development ideas and critique about the tools included the aspect of time for individual discussions and need for more frequent follow-up, the suitability of the tool for use, target setting and survey content development.

Tool / process	Negative reduced comments
Annual Review	Takes time
	Targets set too late
	More frequent sessions needed
High-Five	Not suitable for me
	Not suitable in my organization
	Impersonal
OurVoice	Should be more localized
	Should be more personal
	Scale should be changed
	Feedback needs to be answered

Table 4. Reduced interview answers related to feedback and targets (negative)

#### 4.2.1.1 Annual Review

The Valmet Annual Review process is described as a discussion where the focus is on the performance and continued development of employees. The Valmet strategy and Must-Wins are broken into concrete individual targets to set the right direction for the next year. It is the time to engage employees by setting goals and recognizing their contribution (Valmet Annual Review discussion 2020.) The Annual Review discussion is held every year between January and March, after the company has communicated its targets for the year. In addition to the Annual Review discussion there is a Mid-Year Review discussion, where the targets are revisited and progress evaluated (Valmet Mid-Year review discussion 2017.)

All the interviewed respondents mentioned Annual Review as a process for individual feedback and found it important for creating and boosting engagement. The individual discussions between the leader and employee were seen as valuable and it was considered a helpful process to have a discussion not only about the targets and values, which were stressed, but also about the employee's thoughts, feelings and future plans. The managers found it a good process to get to know their team members as individuals to gain a better understanding about the team as a whole.

*"It is important we have processes where each employee gets a chance to be seen and heard, feel that they are a part of a bigger entity and their input is important and valued. For this the Annual Review process is important, to know their goals and to get and give feedback."* Interviewee 1.

Many interviewees pointed out the importance of targets and their connection to reality.

*"I really like it for engagement. In Valmet times this has been developed and it really means something. People didn't used to feel like there was a real connection between the targets and real life. That has changed and it's the manager's duty to develop this kind of trust towards employees that it really does matter. The targets need to be very clear, realistic and well defined. They need to correlate with real life."*

Interviewee 3.

An interviewee pointed out that it is important that the company has a process where there is a set time frame for individual discussions.

*“If you don’t take the time, you’ll find at the end of year that a year has flown by and you have not had a one-on-one with this or that person.”* Interviewee 6.

Five of the seven interviewees found something to develop in the process: three out of five felt that the process is heavy and takes a lot of time. Two suggested that even six months is too long a period for target follow-up. Especially for those who are not meeting targets, more frequent reviews were recommended.

*“With some employees, especially who are not showing progress in Mid-Year Review, as an option we could have more frequent review sessions.”* Interviewee 2.

One individual felt that the target setting should be done earlier, already late in the year so the targets would be ready for the next year on all organizational levels and the process could be started right in the beginning of the year.

*“The targets should be set in the end of the year so we can communicate them in the very beginning of the year. Doing the Annual Review in March means we have already lost a quartal! This is too slow.”* Interviewee 1.

#### 4.2.1.2 HighFive feedback tool

The Valmet HighFive feedback tool is a virtual postcard for sending positive feedback across the organization. Valmet describes the tool as a way to reinforce desired behavior and increase engagement and motivation. When sending the card, the sender chooses one of Valmet’s for values (customers, renewal, excellence and people) which is the basis for the positive feedback (Valmet HighFive feedback 2020.)

Most of the interviewees felt that the tool is positive and creates engagement. It was found to create positive feelings and described as a good way to give feedback. The managers saw the tool as a good way of acknowledging good performance or behavior. The tool was also liked because of the ability to give feedback to all employees in the company regardless of the organizational unit.

*“This is an engaging way of giving feedback. It is an interesting tool. It is a good, efficient tool to give feedback and engage.”* Interviewee 2.

Even though all the respondents felt that the tool itself is positive, four out of seven felt that it might not be the best way to give feedback everywhere in the organization or they felt it is not the tool for them. Some viewed the tool as too impersonal and preferred hand-written post cards or thank you notes.

*“A really good tool but is not usable for everyone. Some people feel that it is stupid and unnecessary. I have promoted it some years and now we have a target for all to send them. I’m hoping that attitudes are changing.”* Interviewee 5.

*“It’s not much used here. I don’t use it. I think it’s more important to communicate with people directly. This is a traditional production organization and we in the organization are just not used to this kind of tool.”* Interviewee 7.

#### 4.2.1.3 OurVoice employee engagement survey

The Valmet OurVoice engagement survey is a global employee survey, used for measuring engagement and performance excellence levels. There have been four surveys conducted since 2014, the most recent in early 2019. The results of the survey are used to discuss and develop as a company as well as to serve as a comparison point for the future (Valmet Engagement and OurVoice 2020.)

Two managers of the seven interviewed mentioned the OurVoice as a tool for creating employee engagement by gaining a better understanding of how the employees feel about the company and whether they feel engaged or not.

*“An important tool to feel the pulse of the organization.”* Interviewee 7.

There were development ideas from both respondents regarding the content of the survey: one mentioned the scaling, and both mentioned more localized and individual approach.

*“The grading should be changed from 5 grade scale to 4 grade. Otherwise we don’t know if people feel positive or negative when they answer 3. Would be good to have it once a year, a bit smaller scale and with more local questions. People become more involved and understand more if the questions are localized.”* Interviewee 7.

*“The survey is somehow a bit superficial, it doesn’t give us the real picture of people’s behaviors and feelings. We have to be more individual, to get more individual feedback from them.”* Interviewee 3.

Both individuals felt it is important to answer the development issues which are identified in the survey.

*“It is important that we answer the feedback given. If people give constructive feedback on something they want to see developed, we should also come back to that, so they feel their feedback is valued and put to use.”* Interviewee 3.

#### 4.2.2 Compensation

The Valmet tools and processes mentioned by interviewees in this category are the Spot and Special Rewards and salary changes. The positive responses included money as motivator, the relationship between targets and results, value promoting aspect and the reasoning behind the rewards.

Tool / process	Positive reduced comments
Spot and special rewards	Element of thanks, reason for reward important
	Volume sharing
	More motivating than pay raise
	Engaging, positive
	Promotes values
Salary increases	Motivating tool
	Correlation between targets and results
	Newcomers are not in pay gap anymore

Table 5. Reduced interview answers related to compensation (positive)

There were only a few negative comments, concentrating on the tool fit for purpose, low budget and the motivational factor of pay changes.

Tool / process	Negative reduced comments
Spot and special rewards	Spot is based on face value
Salary increases	Low budget
	Not motivating, just to correct salary gaps

Table 6. Reduced interview answers related to compensation (negative)

#### 4.2.2.1 Spot and Special rewards

The Spot and Special Reward is a tool for managers to reward high performance, to recognize actions that help create a better future for the company and take the business forward. The rewards are performance-based and can be given to individuals or teams who demonstrate high performance. The proposed reward must be linked to one of the four Valmet Must-Wins (customer excellence, leader in technology and innovation, excellence in processes or winning team). The Spot Reward is meant for employees not belonging to any other Valmet bonus plan (such as Global Bonus Plan or a local bonus plan) whereas the Special Reward is applicable for employees belonging to a Valmet bonus plans. (Valmet Spot and Special Reward 2020.)

When asked about tools to promote engagement, all seven interviewed leaders mentioned the spot and special reward process. The rewards were found motivating, especially the fact that the reward is received for a clear reason – outstanding performance. The process was mentioned to be fair in the sense that it is based on paying for performance.

*“Compared to a system where everyone gets a small bonus, this is more engaging as it has the element of thanks. The employee knows exactly why they got the reward, there is a reason for it. It is also a quite fast system.”* Interviewee 1.

*“It’s a good tool and works well. It seems to have a more positive affect than our previous global bonus plan which was kind of mystical, nobody ever knew why they were getting money or not.”* Interviewee 5.

One manager stated that the reward is even more engaging than a normal pay raise.

*“Rewards are very different from salary increase as they are proof of something specific that the employee has achieved. It is much more motivating than salary increase.”* Interviewee 3.

Another interviewee only valued the special reward and felt that the spot reward was not a good tool.



*“I don’t think it’s a good tool. It’s based on face value. Like if you get it this year, someone else will get it next year. Special reward is better because it is also linked to global bonus plan.”* Interviewee 4.

#### 4.2.2.2 Salary changes

Valmet salary changes are divided into three categories: Annual salary planning, where most salary changes should happen, off-cycle salary changes which should only be used in exceptional cases related to significant changes in job (promotion) and statutory changes where local statutory requirements may be the cause of the salary change (Valmet Salary Review 2018.) Four respondents brought up salary increases as a tool for better engagement. Monetary compensation was mostly viewed as motivating. The pay-for-performance objective was also brought up. The interviewees saw it fair to compensate those, who perform well rather than giving a small raise to all.

*“Some say money is a poor motivator, I say it’s a good one”* Interviewee 4.

*“Money motivates and engages people. We need to have flexible people and so that they will see it [their flexibility] in the salary as well.”* Interviewee 7.

Two of the interviewed managers found the salary budget too low.

*“The problem is that salary gaps are very difficult and slow to correct. In some places the pay rate is not enough to get great employees and keep them.”* Interviewee 1.

*“We have a lot to do still. There is not enough money and there are clear salary gaps, I feel ashamed sometimes when I look at how much profit we make, and I might have ten employees who have had their last merit increase over 10 years ago.”*

Interviewee 5.

Two interviewees felt that salary changes are not for motivating purposes.

*“Salary changes are not used for motivating, they are just to adjust the salary gaps.”* Interviewee 3.

#### 4.2.3 Personal development

The Valmet tools and processes mentioned by interviewees in this category are the internal mobility process and the Talent Review process.

The positives that were brought up in the interviews related to employee engagement through getting new perspective on issues and personal growth in job rotation situations as well as the fact that the talent review enables engagement through focusing more on promising, talented employees and considering succession planning.

Tool / process	Positive reduced comments
Internal mobility	Wide picture of organization, new perspective, growth
	Talent leakage to competitor prevented
	Engaging if opportunities are there
Talent Review	More focus on talents
	Important to consider succession planning

Table 7. Reduced interview answers related to personal development (positive)

There were only a few negative comments in this category. Internal mobility was seen as time consuming and that the work done by leader or team might not benefit their own organization in the long run. It was also mentioned that there should be more opportunities for internal mobility inside the company.

Tool / process	Negative reduced comments
Internal mobility	Not enough opportunities
	Time consuming
	Benefits might not show in own organization
Talent Review	-

Table 8. Reduced interview answers related to personal development (negative)

#### 4.2.3.1 Internal mobility

Valmet's internal mobility is described as creating new challenges and career opportunities through job rotation. It widens employees' capabilities, creates learning opportunities and allows a wider understanding of the organization. Cross-organizational and international experience is also an important requirement for advancing to senior level positions. All open jobs at Valmet are advertised internally. (Valmet Recruiting and internal mobility 2020.)

Six out of the seven managers mentioned job rotation as a way to engage employees. Internal mobility was considered to be engaging due to self-development opportunities and gaining a wider picture of the company.

*“Internal mobility is good, it’s great that all positions are internally opened. Especially good is that the employee who does not get selected will get a chance for a one-on-one with HR. We should even more actively promote these career stories.”*

Interviewee 1.

*“If opportunities are there, internal mobility is engaging. Unfortunately, people are too function oriented. We need to be customer oriented and tune our functions inside for customer success. This is where job rotation and internal mobility help, giving an overall picture.”* Interviewee 2.

A respondent had a concrete example of the engaging nature of job rotation.

*“Good for engagement. We had a few people we were about to lose to competitors but due to internal mobility opportunities we were able to keep them motivated and stay in the company.”* Interviewee 3.

Internal mobility was also seen as an advantage in recruiting new talent.

*“Already when recruiting I think it’s great to say we support internal mobility. That really creates engagement.”* Interviewee 5.

An interviewee pointed out the opportunities would be great, but at the moment in their organization, for their subordinates, there are no possibilities for internal mobility.

*“It would be good to have more opportunities for internal mobility.”* Interviewee 4.

Another interviewee found that the manager input to internal mobility does not always mean that there is also output to that specific team.

*“It is good but also takes a lot of time and effort. Sometimes you do a lot of work and it’s frustrating when someone [from another organization] then grabs that good, young engineer from your team. Even though it benefits the company, it’s difficult.”*

Interviewee 5.

#### 4.2.3.2 Talent Review

Valmet Talent Review process is a strategic process ensuring the company has the right capabilities and needed management bench strength currently and in the future. This is done by assessing managerial capability and potential, understanding successor pipeline and growing the successor pool for critical roles, identifying high potentials early in their career to ensure development and developing individuals with broad skills in a planned and effective way. (Valmet Talent review process 2020.)

Two individuals identified the Talent Review process as something that creates engagement. The main focus was on developing the high-performers and taking into account the succession planning.

*“It’s important we notice on time who needs more challenges. This does of course not touch the employee directly, but the implementations will affect engagement. Being on time in knowing who has potential and work to give them more challenges.”*

Interviewee 1.

#### 4.2.4 Learning and training

The Valmet tools and processes mentioned by interviewees in this category are the learning and training, manager trainings and onboarding.

The respondents indicated that learning and training boost engagement through easy use and good training content. Onboarding was seen as a positive tool to get a newcomer accustomed to Valmet way of working and the company’s targets and values.

Tool / process	Positive reduced comments
Learning & training	Open to all, all in one place
	Easy to follow subordinate course completion
	Good course content
Onboarding	Employee onboarding: positive, important, engaging
	Manager onboarding: good for promoting targets and values
Manager training	Networking, peer discussions, sharing
	Promoting company strategy
	Personal development
	Broader perspective to company

Table 9. Reduced interview answers related to learning & training (positive)

The critique in this category was related to time management, leader visibility in employee onboarding as well as human resources support in both employee and manager onboarding. It was also suggested that the mentoring process should be improved and promoted more.

Tool / process	Negative reduced comments
Learning & training	Time consuming
	Mentoring process to be improved and promoted
Onboarding	Employee onboarding: manager visibility is poor
	Employee onboarding: more HR support needed
	Manager onboarding: more HR support needed
Manager training	-

Table 10. Reduced interview answers related to learning & training (negative)

#### 4.2.4.1 Trainings and learning

Valmet's learning concentrates around 70-20-10 learning philosophy. It describes how and where learning should happen. The philosophy emphasizes that about 70 % of learning comes from on-the-job experiences, tasks, and problem solving, about 20 % of learning comes from feedback, networking and coaching and about 10 % of learning comes from courses and reading and other formal learning events. Valmet's learning opportunities are global programs supporting to achieve the company's

must-win initiatives, mentoring, e-learning and formal training offering (Valmet Learning and development solutions 2020.)

Three individuals mentioned learning and training as a part of employee engagement. The interviewees felt it is good that the e-learning are in the same place and they are equally available for all. Leaders felt the system was easy to use and that it's nice to be able to see which courses their subordinates are taking and assign trainings to them.

*"I just had a coaching session with some of my subordinates and they told me they had used the e-learning and promoted them to their subordinates. These courses promote professional development."* Interviewee 1.

One of the leaders stressed the importance of training content being relevant and practical.

*"I prefer trainings based on real practical needs. That improves employee engagement, not just that it's training for training's sake but that a training for practical future implementation."* Interviewee 2.

An interviewee felt there is room for development in mentoring through human resources support and promotion.

*"I would like to see mentoring boosted and further improved. It needs guidance from HR and more support. These guided mentoring processes should be promoted more. I've been a mentor and the process is getting better. The mentoring needs to be two-sided and have clear goals. This creates engagement. I think this would help us now that people are retiring, and we need more talent acquired."* Interviewee 5.

Another respondent mentioned that it is difficult to find time to do the e-learning.

*"Courses are too long and take too much time, there just isn't time at work to do them."* Interviewee 7.

#### 4.2.4.2 Manager trainings

Forward for managers is a training aimed at deepening managers' understanding of Valmet's way forward and their role in bringing it to life within Valmet. The training

utilizes a dialogue platform designed to encourage active discussion with colleagues on a variety of topics (Valmet Forward for managers 1. 2020.) Forward for Managers 2 is an interactive training designed to deepen managerial skills through role play, peer learning and practical examples (Valmet Forward for managers 2. 2020.)

All interviewees mentioned Valmet manager trainings as a way to create employee engagement. The contact and discussion between peers was mentioned most frequently in the interviews. The trainings were seen as well organized, having good content and engaging in nature. Many voiced they got new ideas and perspective from the trainings.

*“I like that the trainings give a broader perspective globally, not just locally. Managers have same problems around the world.”* Interviewee 2.

*“Best part of the training was discussions with other managers. You always get some new tools if you are willing to develop yourself.”* Interviewee 4.

#### 4.2.4.3 Onboarding and manager onboarding

Valmet describes the onboarding as a process of transitioning a new employee into their new position. The intent of onboarding is to make the new employee feel welcome and to provide them with the tools, information, training and support they need for contributing to their organization. Manager’s role is crucial. The goal is to shorten the time it takes for a new employee to be able to perform effectively in the new position. Good onboarding fosters a strong sense of interaction and networking for new employees. It builds a sense of belonging and commitment to Valmet (Valmet Onboarding materials for manager 2019.)

Subordinate onboarding was mentioned by three of the respondents. The process was seen as a positive and engaging way to get the newcomer in to the company and to teach them about the company’s way of working, targets, values and structure.

*“I see it as important and positive for engagement. Newcomers need guidance on how the company operates and what are the targets.”* Interviewee 3.

Two answers were development ideas, mainly focusing on human resources and manager roles in the process.

*“Onboarding needs improving. There’s not enough HR support. We only have mandatory task lists in the system, we need more active involvement, especially for managers. We need to provide more information about the whole company, about what kind of a company they are joining.”* Interviewee 2.

*“Manager has no visibility on this. I wish the tasks would be divided between the employee and manager. There’s too much responsibility on the new employee.”* Interviewee 5.

#### 4.2.5 Manager work

Valmet describes the manager’s role as an important connector between the team and the rest of the organization. The role entails behaving according to the company values, representing the employer and ensuring compliance with laws, regulations and agreements. The manager is responsible for clarifying objectives to the team and effectively dividing responsibilities among the team members for their successful completion. Valmet’s manager responsibilities are divided to three categories, performance, engagement and development (Valmet Manager's role and responsibilities 2019.)

Valmet expects leaders to work towards team and individual performance by cascading Valmet strategy and Must-Wins via target setting. Manager monitors performance and creates accountability through follow-up. Engagement is reached through communicating the Valmet way forward, creating energy in the team and you showing trust in others. To promote development, the leader takes care of and fosters the capabilities of team members, motivating and inspiring. Manager ensures proper onboarding for newcomers, sets learning objectives that are aligned with the needs of business, offers learning and development opportunities, and makes giving feedback and coaching a way of everyday working (Valmet Manager's role and responsibilities 2019.)

Even though manager work was not identified as a people management tool or process in the survey, all the interviewed leaders brought up the subject in the interviews and stressed the importance of manager work. The impact of manager work to employee engagement was viewed as essential. The positive factors



mentioned were individual contact, active involvement and genuine interest towards the employee. Negative aspects were stated to relate to poor management and HR involvement.

Tool / process	Reduced comments	
Manager work	Positive	Genuine interest, individual contact
		Listening, active involvement
		Connecting targets and customer needs
		Getting to know own team
	Negative	Poor managing should be addressed
		More HR involvement needed

Table 11. Reduced interview answers related to manager work

The interviewees seemed to have a clear picture of their role as connecting the company targets to subordinate work.

*“I’m trying to synchronize employee with targets, their dreams with company values.”* Interviewee 2.

*“For a manager to create engagement: you need to make sure employees know what, how and why they are doing what they are expected to do. My main target as a manager is to answer the why. It is really important to touch their heart with the reason they are here.”* Interviewee 3.

*“Manager explains the connection from the from the company strategy and customer needs to the employee. This is important. This connection is made by engagement.”* Interviewee 3.

All interviewed individuals emphasized the importance of manager work in creating and sustaining employee engagement. Authentic interest towards employees was viewed as imperative.

*“For a manager to create engagement: first thing is to listen to them.”* Interviewee 3.

*“Engagement is created via personal contact. People need to feel valued and respected in what they do”.* Interviewee 4.

*“Biggest thing you need to remember, you need to take time to get to know the people.” Interviewee 6.*

People management processes were viewed as time consuming. Reserving time for managing employees was stressed.

*“There is a lot of work for managers and not enough time. People management sometimes is forgotten in this line of work, technology. We don’t remember to reserve enough time for managing people processes.” Interviewee 5.*

*“Manager work is important when it comes to engagement, the kind of manager work where the manager is actually involved and interested in subordinates and takes their time to do the manager work.” Interviewee 1.*

One of the interviewed individuals stressed the importance of a manager’s responsibility in accountability and problem-solving, taking care of some responsibilities of the subordinate.

*“Engaging is to lift certain burdens from the employees’ shoulders and say, don’t you worry about this, I’ll handle this, to take ownership and to problem-solve.” Interviewee 4.*

The human resource department’s support for manager work sparked mixed comments. Some interviewees saw the support towards supervisors as sufficient, even good and others felt they needed a lot more support from the human resources.

*“The manager support is so much better than before. We have great set of processes and systems for manager work. We have the support from HR and good systems. This is significant for engagement – the feeling that you are not left alone”. Interviewee 1.*

*“I’m irritated that HR pushes a lot of material towards managers but there’s no time to do it. I’d rather someone taught me or trained me and not just sending me email “learn this”. This doesn’t work. The training responsibility of HR towards managers should be bigger. For example, Talent review, I just got the instructions and links by email, no contact.” Interviewee 4.*

*“HR help is needed to see what is going on, mere processes and tools don’t give that visibility. We managers are engineers, most of us, we need the humanists from HR to support us.” Interviewee 4.*

#### 4.2.6 Development items and best practices

The interviews produced additional comments and ideas which were not directly connected to the Valmet people management tools and processes. All the interviewees were keen on sharing their thoughts and ideas about development and best practices.

Reduced comments	Subcategories	Generic categories	Main category
Burnouts, returning to work, sick leave	Well-being	Work-life balance	Development ideas and best practices to boost engagement
Well-being, recreation			
Part-time work, flexible working, family reasons	Flexibility	Working together	
Group activity, group support, sharing with group	Group		
Virtual community, connecting with others	Community	Work environment	
Old facilities, cramped spaces	Surroundings		
Needed tools to achieve results, convenience in work	Tools		
Positive environment, good atmosphere, security	Atmosphere	Feedback	
Gift cards, Valmet merchandise	Rewarding		
Best engineer of the year award			
Coffee without agenda, lunch together	Team activities		
Team activities after work			
Meeting slots without agenda	Individual actions		
Take time to say hello, individual discussions			
Visualizations, monthly newsletter	Information sharing		
Endorsing global and communal projects			

Table 12. Development idea and best practice categorization

The reduced comments were divided into subcategories which were then combined to generic categories. The subcategories of well-being and flexibility construct the generic category of work-life balance. The subcategories of group and community make up the generic category of working together. Surroundings, tools and atmosphere subcategories are combined to a generic category of work environment. Finally rewarding, team activities, individual actions and information sharing subcategories are combined to make a generic group of feedback. The results are explained in detail in the following subchapters.

#### 4.2.6.1 Work-life balance

The interviewees had two distinctive development topics under the work-life balance, well-being and flexibility. Well-being was an area that was seen as needing more focus and opportunities. The interviewees mentioned that the recreational budgets should be increased and working time allocated for well-being initiatives.

*“I wish we would have more money for recreation and well-being. People should be able to partake in sports events. I think this would be engaging. This is important to people that they feel the company supports their wellbeing and allocates time and money for this.”* Interviewee 5.

Flexible working opportunities were tied to absences, both sickness leaves and family leaves. Interviewees indicated that there are already flexible working opportunities existing, especially with flexible working time but that this topic should be taken seriously and best possible measures to be taken into account to gain trust from employees and make them feel engaged. It was also stated that for the young workforce, flexible work opportunities are increasingly important making this an important attraction for recruiting talent.

*“It is important for engagement how someone is dealt with when they are coming back to work: opportunities for part time work etc. The same goes for family reasons: making part time arrangements and other flexible arrangements.”* Interviewee 1.

#### 4.2.6.2 Working together

The interviewees' development ideas about working together were mainly focused on the topics of group and community. It was viewed that more group collaboration would bring engagement benefits through sharing ideas, supporting and networking.

*“Regarding engagement we should have more group activity across organizations. The only opportunity for this has been in training programs. Something dear to my heart have been women in Valmet. It would be great to establish a sort of “women in technology” group inside Valmet. To gather career stories and share support, that would create engagement.”* Interviewee 1.

A virtual, online community was mentioned to be lacking from the company. It was thought to engage especially young people through efficient and easy communication, sharing and feeling of belonging.

*"I'm wondering if especially younger generation would consider it engaging to have an online, virtual community for connecting with others."* Interviewee 1.

#### 4.2.6.3 Work environment

The thoughts about work environment consisted of three topics: surroundings, tools and atmosphere. The presence of needed tools and a stable, secure work environment were stressed by the respondents. A positive atmosphere at the work place was mentioned to be very important to engagement, creating a sense of togetherness, stability and positivity.

*"We have a good and positive work environment and atmosphere. This is one very important thing to keep people engaged."* Interviewee 3.

The outdated and tight work surroundings received critique by a respondent.

*"Our facilities are old, we need better offices. People don't feel like they are in a high-tech company if they are crammed in small spaces or have old offices. This also affects engagement."* Interviewee 5.

#### 4.2.6.4 Feedback

The interviewees' thoughts regarding feedback derived from the topics of rewarding, team activities, individual actions and information sharing.

For employee rewarding, it was felt that between a High-Five and a Spot or special reward there was a gap that would need to be filled – that it would be good to reward employees with something more than just words but something less than a big monetary amount. For this, an interviewee suggested the company take into use gift cards and give out merchandise with their own logo.

*“Giving Valmet stuff would be engaging and at the same time promoting the company. We gave Valmet-caps at the Christmas party and everyone was really excited. You know, they take pride in their work.”* Interviewee 6.

Another individual shared their country’s best practice of a yearly award ceremony.

*“We award the ‘best engineer’, ‘best project manager’ by giving out a plaque to commemorate their achievements. This is good way for long term engagement, it supports good team spirit.”* Interviewee 2.

Team activities were discussed by the interviewees both inside and outside office hours. Interviewees felt it was a good practice to reserve time for both individual and team meetings. It was especially important not to pre-plan the time slot with an agenda but to have an opportunity for the team members to share their ideas and concerns.

*“I have weekly meeting slots for all my subordinates without an agenda. First, I thought it will be so time consuming but now I can see it has freed up time from my calendar because there is less emails and phone calls. This has been very good for engaging as my subordinates feel I’m there for them.”* Interviewee 5.

A personal, individual touch was viewed as important for engagement. A respondent shared their routine to meet and greet the team members in their place of work.

*“I try to go to the shop every morning to say hello. It's amazing how much you get from those little things like that, and they only take so much time.”* Interviewee 6.

Outside the office, a leader wanted to share their best practices of team activities such as going out for lunch or spending time with team on weekend.

*“I like to promote some different activities to the team, like invite everyone to go to lunch outside and different activities in the weekend.”* Interviewee 3.

Sharing information between team members and inside the company was valued.

The interviewees saw development opportunities in promoting global and communal projects to gain engagement through better understanding of the company’s accomplishments, fueling a sense of pride.

*“We could promote global and communal projects further; what kind of things we actually do for people to see what great things we accomplish.” Interviewee 1.*

A respondent had ideas for information sharing to blue collar workers and suggested that even though the company’s intranet is good, it is not accessible to blue collars and instead the company should consider sending a monthly info letter to employees. Also, the power of visualizing processes, tools or goals was seen as valuable, creating a better all-around picture and a clear message about what is expected.

*“Visualizations are engaging, not just to have rules or a policy, but a poster or a roll-up. Even targets can be visualized.” Interviewee 7.*

### 4.3 Result verification

As the questions of the questionnaire and the interview are not of private nature, there should be no ethical issues to consider with the research in regards to the interviewees and research data. On the other hand, company policy will be taken into account and before the publication of the thesis it must be seen to that no restricted information is disclosed or made public. This might include some of the existing tools and their construction.

According to Dudovskiy the interviewee must refrain from displaying agreement or disagreements in the interview. There is a risk of being bias during the primary data collection process by overreacting to the interviewee’s answers. This could compromise the validity of the research conclusions. (Dudovskiy 2019.) Mason warns about data misinterpretation in interviews. The interview analysis should be thorough and consider the facts. One must also not assume that an interview transcription provides an objective record. A transcription is always partial because the non-verbal aspects of the interaction are not recorded. It must also be taken into consideration that the interviewer’s own interpretations and observations do not affect the results. (Mason 2002, 76-77.)

The dual approach to the research consisting of both questionnaire and interview will help verify the data. The goal is to find consistencies in analyzing the data, so all non-relevant data should be naturally excluded from the results.

As all studies, also this one has its limitations. The group of interviewed managers could have been larger, although the survey results of over three hundred respondents supported the interview results. Drawing conclusions and generalizations from the interviews of a relatively small group of interviewees is always based on the individuals' opinions. Due to selected interview method, the discussion was instigated almost solely from the manager side. With more specific interview questions, it might have been possible to get more intricate research data. However, a more structured interview method might have resulted to the loss of open comments about development and best practices and the discursive nature of the interviews.

The decision not to discuss the survey results (even the interviewed individuals' own answers) with the interviewees might have impacted the research result. Several respondents mentioned they did not remember what they answered to the survey, but as previously mentioned, this decision was based on the aim of keeping the interviews separated from the surveys and getting a fresh picture without constraints. Also based on this decision, the interview results do not cover all the people management tools and processes in use in the company but allowed the interviewees to freely mention the tools and processes they saw influenced employee engagement.

## **5 Conclusions and discussion**

The aim of this research was to explore the managers perceptions related to Valmet people management tools and processes and to find out which, if any of the tools and processes used are perceived as boosting engagement and which not.

According to the employee engagement theory (Nikolova & al. 2019, Schaufeli 2013 and Soane 2013) creating and sustaining employee engagement depends on many factors. This means there cannot exist one tool to absolutely promote employee engagement under all circumstances. Employee engagement is personal and affected by not only the manager but also the work environment, team members, company policies and so on (Nikolova & al. 2019, Rahmadani & al. 2020, Soane 2013).

However, in the light of theory, managers can have a substantial role in boosting



engagement and their answers to both the questionnaire and the interviews produced valuable research results.

## 5.1 Research conclusions

The research question of this thesis was to find out which of the company's people management tools managers feel can enable them to boost their subordinates' engagement and to gather information about possible development items. The research results answer the question. Based on the survey and interviews, top three tools and processes for creating engagement can be identified as the Valmet Annual Review process, the Spot and Special Reward tool and the HighFive feedback tool. Valuable feedback was gathered about process and tool development.

**The Annual Review process** was identified both in the interviews and in the survey as the number one tool in boosting employee engagement. The comments received from the questionnaire and the interviews were very similar and named the key aspects of employee engagement creation with the process as target setting, reciprocal feedback and individual discussions. The feedback about process development related to the frequency of the process as the managers felt the cycle could be even more frequent and the target setting which was hoped to be moved to an earlier time.

**The Spot and Special Reward tool** is the second most valued employee engagement boosting tool according to the research results. The mentioned benefits for engagement creation were paying for performance, value promoting and generating feelings of acknowledgement. No development items regarding the tool came up in the research results.

The third top tool according to the research results is the **HighFive feedback tool**. The reasons for employee engagement generation were the positive and encouraging feelings created. No development ideas were introduced in the research for this tool. Some managers felt it was not a suitable tool for them as they viewed the digital feedback tool too impersonal but rather than develop the tool, the decision of those managers was not to use the tool.

In addition to the top three tools and processes, the interviewed managers mentioned other Valmet people management tools and processes to help boost engagement. **The OurVoice survey** was regarded as creating employee engagement through receiving feedback for organization development and getting an overall picture of the employee's performance and engagement levels. The interviewees' development ideas for the survey were to redefine the scaling and to localize and personalize the survey even more. It was also suggested the survey could be more frequent.

**Salary increases** were seen as motivating through monetary compensation. The relationship of performance related to targets was stressed. The only thing mentioned by managers about development was budget, which was hoped to be increased. **Internal mobility's** benefits for employee engagement were described as getting a wider picture of the organization and personal growth through new challenges. The development issues identified were creating more opportunities for internal mobility through job rotation and focusing on the fairness of the process so that the receiving organization does not make too big sacrifices on their own cost. **The Talent Review** process was viewed as a way to boost engagement indirectly through gaining understanding of which employees to focus development efforts on as well as through succession planning. No development ideas rose from the interviews regarding this process.

**Learning and training** opportunities were valued as creating equal learning opportunities for all and training content was viewed beneficial to employee engagement. The mentoring process was seen as something worth developing relating to this subject. The employee engaging factors of **onboarding** were identified as a positive, structured and comprehensive way of getting a new employee accustomed to the company way of working. Manager visibility was regarded as poor and was on the list of things to develop for several managers. On **manager onboarding**, the process was seen as engagement boosting through promoting the organization's targets and values. To develop the process, more human resources involvement was seen as needed. **Manager trainings** received comments about engagement creation through networking and sharing, personal development and gaining a broader perspective. There were no development ideas

shared for manager trainings. **Manager work** was regarded as employee engagement boosting through individual contact, genuine interest towards employee, active manager involvement and connecting company targets with everyday work. The development actions that came up in the interviews were that poor management should be addressed more firmly and that human resources involvement should be bigger.

The research results of were very much in line. There were no tools and processes which one interviewee would have found as engaging and another as non-engaging. The two subjects that sparked mixed views were **monetary compensation** and the **role of human resources**. Money was seen by some managers by explicitly motivating and engaging. Others felt that money is not a good engaging factor in the long term. The role of human resources was both praised and criticized. Some interviewees felt that the current amount of support is adequate, even good. Others felt they needed much more involvement from the human resources relating to their work.

The research results produced a lot of development ideas for current tools and processes. In addition, the interviewees shared their ideas for development of other tools and processes and their best practices for creating engagement through manager work. **Work-life balance** was a topic mentioned by managers. The interviewees saw opportunities in boosting employee engagement through more focus on well-being and recreational activities and flexible working solutions. For **working together**, the managers felt engagement could be created through more group activities, connecting and networking and (virtual) community creation. Ideas for **work environment** development to gain employee engagement were related to ensuring the availability of proper facilities and tools and creating a secure, positive work atmosphere. The topic of **feedback** generated many ideas for development to boost engagement. Rewarding as a feedback tool was viewed as something to develop by use of gift cards, Valmet merchandise or awards. Team activities, such as afterwork activities or shared lunch and individual activities such as individual discussions and personal attention were among the development ideas. Feedback through information sharing was hoped to be developed through more effective communication and visualizations.

There were no tools or processes that came up in the interviews as something the company does not have. Comparing the tools from the interviewees' previous companies, there were no suggestions for tools which the company should start using.

## 5.2 Comparing results with literature

The employee engagement theories support the findings from the research. Most of the psychological antecedents by Crawford & al. (2013) job challenges, autonomy, variety, feedback, fit, development opportunities and rewarding and recognition came up in the research results. The job challenges were mentioned regarding the Talent Review process, fit was mentioned regarding manager onboarding, development opportunities were linked to the Talent Review process and Internal Mobility, rewarding and recognition came up with the Rewards tool, Salary Changes and HighFive tool and feedback was tied to almost all of the tools and processes mentioned.

The key safety drivers by Crawford & al. (2013) were identifiable in the research results, especially regarding the development items and best practices. Social support, workplace climate and job security came up in discussions about working together, transformation leadership and leader-member exchange were mentioned regarding manager work and feedback. Organizational justice was brought up when talking about equal opportunities for rewards and learning.

Schaufeli (2012) suggests that job rotation might lead to increased employee engagement through increasing motivation and stimulating learning and development. This was something that the interviewees agreed on when discussing internal mobility. According to Markos & Sridevi (2010), engagement can be increased by allowing opportunities for self-development through training and career opportunities, favoring productive employees. This was also prominent in the interview results considering the Talent Review process as well as internal mobility. Markos & Sridevi also suggest the communication between manager and subordinate should be developed and a system for feedback management should be created. This was widely commented by managers regarding the Annual Review tool,

which was seen as an important tool for scheduled individual feedback discussions and also the HighFive tool, which was seen as a quick and easy solution to giving feedback. Last, Markos & Sridevi propose in regard to rewarding and compensation, a proper method of reward should be considered to best support the individual. This was discussed in the interviews regarding salary changes and rewards and the motivational factor of monetary compensation.

Psichogios (2017) proposes different ways of improving employee engagement: growth, happiness, ambassadorship, relationships with peers and with leader, recognition, feedback, wellness, alignment and job fit. All these dimensions of engagement creation can be identified in the research results. **Growth** was mentioned related to the internal mobility and Talent Review tool as well as learning and onboarding. **Happiness** came up in discussions about work environment. **Ambassadorship** was mentioned related to development ideas for rewarding with company merchandise. **Relationships with peers** came up with discussions about Annual Review process, OurVoice survey and working together. **Relationship with leader** was mentioned by interviewees regarding the Annual Review process, Talent Review process, feedback and manager work. **Recognition** was discussed from the process viewpoint regarding Rewards, HighFive tool and salary changes. Additional ideas for recognition came up in best practices for feedback. **Feedback** was linked to all processes at some level, especially relating to Annual Review, HighFive, OurVoice, Rewards, Talent Review and manager work. **Wellness** was brought up regarding work-life balance development ideas. **Alignment** and **job fit** were mentioned relating to Internal Mobility and Talent Review.

### 5.3 Practical implications

The research results verify there are people management tools which are viewed by managers as beneficial in boosting their subordinates' engagement. The results suggest tools and processes to promote to the entire manager community in the company. By promoting the tools which the interviewees saw as engagement boosting, the company can gain more acceptance to tool and process usage and get more managers to think about the issue of engagement creation. This knowledge is

especially important to the human resources function, who own the people management tools and processes.

The development ideas that came up in the interviews are important for planning and executing future process and tool development. In the light of the research results, the tool and process owners can review the tools and processes and decide an action plan for needed development. The best practices shared by managers can be reviewed by the company and promoted to the whole manager community.

It is also important to review the tools and processes which the managers did not find as boosting engagement or were not mentioned in the interviews and think about the reasoning – has the company promoted the tools enough or is there something the managers feel needs developing in order to get engagement results? This gives an opportunity for the organization to share information about the tools not identified as engagement creating and the ways in which the company sees the tools might help nurture employee engagement.

The research might also be useful to other companies who want to benchmark processes and tools which the managers view as creating employee engagement.

#### 5.4 Recommendations for future research

As this research focused solely on the managers' opinions on tools and processes boosting employee engagement, it would be interesting to research if and how the employees of the company find the people management tools as improving engagement and compare the answers between employees and managers.

As mentioned in the limitations of this research, the managers were not questioned about all the people management tools and processes and their impact on employee engagement creation. A suggestion for further research could be to look into each process and tool individually to research which aspects of the tool are seen as employee engagement creating or not and how each individual tool and process could be developed.

For further research I suggest a comprehensive study to the open comments gathered in the Valmet manager survey. These over 700 comments about people

management tools and processes are valuable material for the company to find out what opinions the managers have, especially on how to develop the processes and tools. As the volume of the open comments was so extensive, a separate research would best suit handling this vast amount of data.

An interesting subject for future research would also be the role of manager as boosting engagement. This research is focused on manager using tools and processes, but it would be beneficial to further research the manager role, which was only touched superficially in this thesis. I'm sure studying the managerial role as a tool for creating engagement would produce interesting and useful data to be used in manager trainings and defining and promoting the manager role.

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