

**IMPROVING EMPLOYEE ENGAGEMENT**  
Case Millennials of Kemi Energy and Water Ltd

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Tässä opinnäytetyössä tarkastellaan käsitteitä työn imu ja työhön sitoutuminen. Tutkimus toteutettiin tapaustutkimuksena, ja sen tilaaja on Kemin Energia ja Vesi Oy. Tilaaja on Kemin kaupungin omistama monialayritys, jonka palveluja ovat sähkön siirto, kaukolämmön tuotanto ja myynti sekä vesihuolto. Tutkimuksen tavoitteena oli selvittää, mitä hyötyä yritykselle on työn imusta ja mistä tekijöistä työn imu muodostuu. Lisäksi pyrittiin saamaan käsitys työntekijöiden sitoutuneisuuden tasosta ja siihen vaikuttavista tekijöistä. Empiirinen tutkimus on rajattu koskemaan millenniaaleja.

Työn teoreettinen viitekehys perustuu aikaisempiin tutkimuksiin ja teorioihin työn imun hyödyistä, voimavaratekijöistä, mahdollistajista ja esteistä sekä siitä, miten millenniaalien sukupolveen kuulumisen vaikuttaa työn tekemiseen ja työetiikkaan. Koska millenniaalien sukupolvi muodostaa tutkimuksen tekoheikellä jo yli 50 prosenttia suomen työvoimasta ja luku vain kasvaa, on organisaatioissa ymmärrettävä, miten heitä johdetaan. Työn imu valikoitui tutkimusaiheeksi, koska sen avulla on tutkitusti pystytty parantamaan yritysten tuottavuutta.

Tutkimuksen empiirinen osuus toteutettiin tapaustutkimuksena, jonka tutkimusmenetelmänä oli kvalitatiivinen haastattelututkimus. Haastattelujen vastaukset analysoitiin käyttäen teemoittelua, minkä jälkeen eri teemojen esiintyvyyttä vastauksissa vertailtiin. Tutkimushaastattelun tuloksia peilattiin tutkimuksen pohjana olleeseen teoriaan, ja prosessin perusteella pystyttiin muodostamaan johtopäätökset ja antamaan suositukset tilaajalle.

Tämän tutkimuksen pohjalta on mahdollista todeta, että lisäämällä työn imua, tilaajayrityksellä on mahdollista parantaa tulostaan tuottavuuden lisääntyessä ja kustannusten pienentyessä. Kirjoittaja suosittelee, että yhtiössä kehitettäisiin strategia työn imun lisäämiseksi. Strategian tulisi pitää sisällään vuotuiset työn imua mittaavat tutkimukset, työntekijöiden yksilöllisten työn imua lisäävien tekijöiden kartoittamisen sekä johtajien ja esimiesten koulutusta, jonka lisääminen tukisi työn imun syntymistä.

**Avainsanat**            työhön sitoutuminen, työn imu, millenniaalit, henkilöstöresurssien kehittäminen

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This thesis studies the concept of employee engagement. The study was conducted as a single case study commissioned by Kemi Energy and Water Ltd. The commissioner is a diversified company owned by the city of Kemi, which provides services of transmission of electricity, district heating and water supply and sewerage for the city residents. The purpose of the study was to clarify what benefits employee engagement offers to the company and what factors creates work engagement. The study further aimed to solve the current level of employee engagement and the factors effecting it. The empirical part of the study is limited to studying millennials.

The theoretical frame of the thesis is based on earlier studies and theories of employee engagements benefits, resources, enablers and barriers, and the millennial's effect on work ethics and behavior. Since the millennials present over 50 percent of all work force at the time of this research in Finland and the number continues to grow organizations must understand how to manage them. Employee engagement was selected as a thesis subject since it has stated to have significant impact on the productivity of companies.

The empirical part of the study was conducted as a single case study and the research method was qualitative interview study. The research data was analyzed by categorizing the answers into themes and by comparing the recurrence of them. The results of the interview conducted were analyzed with the theory studied for this thesis. By reflecting and analyzing the results conclusions were made and recommendations for the commissioner compiled.

According to the results of this study the commissioner could improve their profit along with increasing productivity, and costs reduces with higher level of employee engagement. The author recommends that the commissioner would create a strategy to increase the employee engagement. The strategy should include yearly engagement studies, individual studies of the factors that create engagement and training for forepersons and managers to support the creation of employee engagement.

**Key words**                      employee engagement, millennials, human resource development

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## 1 INTRODUCTION

Productivity and effectiveness are the order of the day in business life. Organizations all over the globe are being set in a situation where they must find new kinds of solutions and operation models to maintain their place in the competition and to survive. Human work force is competing with constantly increasing digitalization and a large number of organizations are investing lots of money to this new trend. But no highly developed software can alone make profit. The data that digitalization provides must be analysed by a human that sets and takes actions based on this information. To my opinion businesses should concentrate to develop and retain not only their technical but also human resources and develop strategies to exploit all the capital employees possess.

Finnish labour markets begun to face major difficulties in recruiting competent work force since the biggest labour age group of baby boomers started to retire. Labour shortage is a big issue and a serious barrier for growth to many companies. According to the survey of Finland Chamber of Commerce as much as two out of three companies report that labour shortage has caused problems in their business activities. (Finland Chamber of Commerce 2019; Elinkeinoelämän keskusliitto 2022.)

It is quite common regardless recession that young, well-educated talents change jobs. At the existing situation these talents can organize a competition between employers. (Lampikoski 2005, 11). The recruiting and retention of key persons are matters that companies must pay greater attention than ever before. It is evident that employees are the greatest asset of companies and after investing resources in recruiting, training and in the well-being of employees the firm obviously wants to keep its employees. This requires an understanding of the forces that drive the employees to leave but more importantly what makes them stay. (Dessler 2015, 326.)

### 1.1 Motivation and Background

A worrying trend is that the workforce organizations depend on is changing rapidly. People change employers to get new opportunities frequently than ever

before. Due to this phenomena organizations face a problem of having to train new employees just to notice that the employee departs before getting to make a meaningful impact. This of course impact the whole staff's energy and commitment. (Mulligan & Taylor 2019, 3.)

Maintaining organizational commitment and employee engagement is a relevant way to gain better productivity and profit out of business (Salmela-Aro 2017). Quite often though the factors that motivate and engage employees are not fully known in the management. Purpose of this thesis was to present the matters that best engage employees, and the positive effects employee engagement had for the organization. The thesis also studied the current state of the case company's employee engagement among the labour group of millennials and how the current actions supported the engagement. The research was carried out by exploring literature and existing theories and studies of the subject matter and by conducting an interview for the employees. The final purpose of the thesis was to find new tools for the case company to improve its productivity and profit by strategically exploiting employee engagement.

The motivation to study this subject arose from the author's interest in developing working conditions in the case company and personal professionalism in human resource management. Furthermore, the level of employee engagement was not studied in the case company and the benefits of high employee engagement fully recognized nor exploited. The purpose of this thesis was to examine the benefits high employee engagement has for an organization and how well are the millennials of the case organization engaged.

## 1.2 Case Company

The case company, Kemi Energy and Water Ltd is a diversified company owned by the city of Kemi, which offers services that are needed while performing common daily activities such as transmission of electricity, district heating and water supply and sewerage for the city residents. Kemi Energy and Water Ltd is fully owned by the city of Kemi and the owner steers the company. Despite of the city's ownership the company operates fully on its own and has built its own culture and courses of action. (Kemi Energy and Water Ltd 2022, Nousiainen 2022.)

The company set a lot of focus on the well-being of its employees and thus offered employee benefits such as lunch, culture and exercise compensations, flexible working hours, comprehensive occupational health care, organizing company outings and with a competitive level of salary. The case company had measured the level of its employee's job satisfaction recently and the results were at a good level. Furthermore, the rate of sick leaves was much lower than the rate of sick leaves in Finland. The personnel of the case organization seem to enjoy their work and feel well while working. (Nousiainen 2022.)

The case company has three different lines of business. These lines/ departments have become their own units and their working culture and atmosphere differ from each other. The departments have their own leaders, which also reflects on the working culture. The organization had gone through a quite big cultural shift since its CEO changed at the beginning of 2020. This shift can be seen as an opportunity to develop and improve the organizations management style and working culture. (Kemi Energy and Water Ltd 2022.)

### 1.3 Research Objective and Questions

The objective of this thesis was to study the subject matter, employee engagement, to find out the kinds of business benefits it can achieve and by a research interview clarify the level of the case company's employee engagement among millennials.

This research achieves its objective by addressing following research questions (RQ):

RQ1. How to improve employee engagement in an organization?

RQ2. Why is good employee engagement important for a company?

RQ3. What is the level of employee engagement among millennials in the case company?

By using the knowledge gained from the research findings a set of recommendations of how to develop the company's employee engagement among the



millennials was formulated. The recommendations aim to improve the productivity of work and increase the profit of the case company.

#### 1.4 Methodology of Thesis

The research methods used in the empirical part was carried out by a case study using qualitative research method. Qualitative research method was selected as a research method in this case since it is the most suitable for studying phenomena's that involves humans. According to Varto (1992), the product of the studies are the descriptions about the existing state experienced by the employees. These descriptions are presumed to involve the matters that are meaningful for the employee. This meaningfulness could not be visible without the study. (Vilkka 2009, 97). When wanting to know what one thinks, the most efficient and simplest way to solve it is to ask it in person. (Aaltola & Valli 2010, 26.)

This thesis was conducted as a case study for the commissioner Kemi Energy and Water Ltd. First the concept, employee engagement, is presented through a theoretical frame gathered from previous discussions and studies presented in academic literature. The theoretical part of the thesis concentrates to examine employee engagement and cohort of the labor group of millennials. The purpose of the research was to produce new information, that could be exploited in the company to increase the productivity of work. The new information was produced by using existing theories as guides. (Vilkka 2009, 24.)

The qualitative research was carried out with both semi-structured and structured individual interview. In structured interview the questions and the order of the questions are planned, whereas in semi-structured interview the questions remain the same, but the answers are not bound by response options. In semi-structured interview the order and phrasing of the questions can also vary. Therefore, it is distinguished for semi-structured methods that some aspects of the interview are already fixed. (Vilkka 2009, 101; Hirsjärvi & Hurme 2001, 47.) The interview was in two parts. The first, semi-structured part concentrated to collect honest and open answers to the interviewed themes and the second, structured part gathered yes or no answers to straight questions. The purpose of the second part was to confirm the results of the qualitative study and on the other hand to

specify the answers given in the first part of the interview. All the questions in the interview were selected and categorized based on the theoretical frame presented in chapters 2 and 3. The interview questions are presented in Appendix 1.

The focused interview has certain special characteristics. In this type of interview, it is already clear that the interviewees have gone through a certain kind of situation. Secondly the studied phenomena is familiar for the researcher and the researcher has investigated the meaningful and important parts of the phenomena. With a content analysis of the subject, the researcher has ended up with certain kinds of hypothesis about the dominant features and of the consequences it has for the subjects. As a result of the analysis the framework of the interview is compiled. (Hirsjärvi & Hurme 2001, 47.) The semi-structured interview method is used in this thesis to secure the reliability of the study. In structured interviews, the possibility that interviewer influences the given answers is minor. (Ruusuvuori & Tiittula 2005, 11.)

All the departments of the company were represented in the study since employees from each department were interviewed. This was to ensure a broad picture of the state of the engagement throughout the whole organization. The interviewees were both men and women.

### 1.5 Scope and Limitations of the Thesis

Organizations face major challenges of high turnover as the transition from baby boomers to millennials take place (Espinoza & Ukleja 2016, 13). Studies show that engaged employees bring their full potential to work and thus the work is both efficient and fulfilling (Bakker & Leiter 2010, 4). This thesis pays attention to how to engage employees and moreover how to engage and retain the employees that represent millennials. The thesis is a case study that examines the facts mentioned earlier in the case company, Kemi Energy and Water Ltd. The scope of the study is to examine the engagement among the millennials since it is more profitable for the company to put efforts on the employees that are more likely to leave but are the ones that want to be retained due to their professional skills, level of productivity and length of becoming careers.

Since employee engagement is based on individual experiences and is affected by personal needs generalization of the key resources of employee engagement is complicated. Therefore, the results of the interview study are extrapolatable only for the commissioner. Regarding to insufficient time resources interview study was limited to examine only a part of the research group.

## 1.6 Data Gathering

Gathering of theoretical data for the thesis was done by searching relevant peer reviewed studies and literature from the Lapland Universities databases and library. After collecting the literature most suitable references for the study were chosen and the information base for the study were combined. The data gathering for the empirical part was conducted by interviewing selected employees of the commissioner. Six employees from different departments were interviewed. These six interviewees represented workers and forepersons, men, and women. The selection was made this way to sure the reliability of the study results. The semi-structured interviews were scripted, and a database was gathered of these interviews. The scripted interviews were summarized, and all the important data can be found from the appendices. Data was gathered during March and April 2022 with individual interviews. All the interviews were given anonymously.

## 1.7 Structure of the Thesis

This thesis is structured in five main chapters. The thesis starts with introduction where background and objectives of the thesis is presented, the case organization is introduced and argumentation for methodological decisions are made. Theoretical framework composes from chapters 2. Employee engagement, and 3. Managing millennials. The last part of the thesis concentrates on the interview study results where the data and analyses of it are discussed and reflected to the theoretical framework. Results are presented in chapter 4. The conclusions that were drawn from the study results are presented with recommendations and proposals for future research in chapter 5.

## 2 EMPLOYEE ENGAGEMENT

Many companies are interested in improving the level of their employees' well-being at work and on regular basis carry out surveys to solve the state of it. Well-being at work has positive effects on productivity and surveys are a good tool to solve the issues that must be improved by the management. (Kehusmaa 2011, 82). When aiming at long-term and more extensive effects the focus should be on increasing employee engagement, not only well-being at work. According to the study performed in 2021 to Finnish employees by Hakanen, Rouvinen and Ylhäinen, engagement positively impacts on employees' working careers in terms of income levels and positively relates to occupational prospects. Work engagement is also a booster of the ability and willingness to continue working until retirement age. (Hakanen, Rouvinen & Ylhäinen 2021, 16.)

Employee engagement is often thought to be a subject matter that HR is responsible for. Employee engagement as a strategy can also be a little obscure to business management or a concept that just does or does not exist and cannot be managed. As a matter-of-fact employee engagement should be more broadly recognized among directors as a business strategy. This strategy has several positive business outcomes and therefore should be implemented in every company that wants to get better profits out of its activities. As the engagement increases, every business measure improves with it. (Mulligan & Taylor 2019, 12, 14). After investing a great deal of resources in the selection, training, and well-being of employees it should be obvious that the employer wants to retain the employees, the great asset the firm obtains (Dessler 2015, 326). However, the retention is not that simple.

### 2.1 What is Employee Engagement?

Engagement at work was first conceptualized by William Kahn (1990). Kahn describes the employee engagement as "the harnessing of organization members 'selves' roles: in engagement, people employ and express themselves physically, cognitively, emotionally, and mentally during role performances" (Kahn 1990, 694). Sale & Jones (2019) states that, when going back in time in the 1970s the

concern was about enriching workers' jobs and in the 80s and 90s empowering workers became a popular concept. While supporting these two ideas the notion of job satisfaction at work and psychological contract between employees and employers had already been discussed among researchers. (Sale & Jones 2019, 1.)

According to Cervai et al. (2014), the term "employee engagement" appeared officially in academic literature at the beginning of 2000 by Harter & al. The term was though widely accepted already since it was presented in the work of William Kahn in 1990. Kahn stated that individuals can experience a sense of connection or disconnection from their roles at work (Kahn 1990, 702). While there are numerous definitions and streams of research about employee engagement the collective view is that "engagement is a positive and desirable state for employees with positive results for organizations". (Cervai, Kekäle & Claxton 2014, 174.)

According to Claxton (2014) the most cited definition of engagement was provided by Schaufeli et al. (2002). Schaufeli defined engagement as "a positive, fulfilling, work-related state of mind that has characterized by vigor, dedication, and absorption". In engagement vigor appears as high levels psychological resilience and energy levels, in willingness to invest effort in tasks and in persistence in difficult situations. Dedications in engagement occurs when sensing significance, enthusiasm, pride, inspiration, and challenge. Absorption can be described as the flow of work, when the state of experience is optimal. (Claxton 2014, 251.)

Opposite concept to engagement is disengagement. Viitala (2013) states that that staff turnover is sometimes associated with workers' disengagement towards the organization or the work itself. Disengaged employees have bigger tendency to leave their jobs. Viitala also states that engagement is a person's psychological relationship towards the organization. If this relationship isn't satisfying enough or is poor the employees trigger to leave is higher. The psychological relationship is built on job satisfaction, the persons willingness of stay in the company and as an appreciation towards the company. (Viitala 2013, 85.)

Additionally, employee engagement affects work involvement and organizational commitment. Work involvement reflects the state how the individual relates to one's work while working role is a focal part of the person's life. Important in relating to working role is how well the work can satisfy the needs of the person. The more an individual gets satisfaction to the needs of his/her importance at work the higher work involvement will occur. These needs can for example be the possibility for independence or an opportunity for more responsibility. Organizational commitment refers to how well a person is committed to the organization he represents. Employees who are committed are proud of the organization they belong to and accept its values and goals. Working conditions and characters of work can also influence employees' level of engagement. The possibilities to affect at work, feeling of being heard, increasing responsibility, receiving feedback and sensing meaningfulness at work are elements that increases engagement. (Kinnunen 2005.)

## 2.2 Job Demands-Resources Model

According to Deremouti et al. (2001), working conditions can be categorized into two categories. According to this job demands-resources model the psychosocial characters of work can be divided in two groups. *Job resources* strengthens the employee engagement and *job demands* as the factors that causes burnout. (Deremouti et al. 2001, 501). Job resources are the physical, psychological, social, and organizational motivators that help to achieve goals and reduce the experienced demands of work. The *resources* of work also satisfy basic psychological needs that one has concerning for example independence, sense of community and capability. These different types of resources alongside with personal resources of the employee are meaningful when building employee engagement. Personal resources such as optimism, sense of occupational ability and inner motivation affect the level of engagement. The positive resources of work can also lower the effect of negative job demands. The job resources get more powerful when being strengthened by empowering human resource practices and management. (Salmela-Aro 2017.)

According to Bakker & Leiter (2010) job demands represents the characteristics of work that creates pressure when exceeding the employee's adaptive

capability. These demands refer to physical, social, and organizational aspects of the job that requires sustained efforts from the employee and are thus associated with psychological and/or physiological costs. Examples of these demands are time and work pressure, harmful physical working environment, role ambiguity, conflicts, and overload. (Bakker & Leiter 2010, 86.)

Empowering human resource practices and human based management can directly create employee engagement but also have indirect effect while increasing the resources available for the employees and decreasing the damaging demands. The personal resources and job resources together develops engagement. Job resources can also lower the impacts of job demands. Employee engagement has wide positive outcomes for the working environment and for the well-being of the worker. (Salmela-Aro 2017.)

### 2.3 Benefits of Employee Engagement

The impacts of employee engagement on the productivity of work have been widely recognized in corporate life during previous two or three decades. There are several positive effects that the high level of employee engagement can cause for the company. Sale (2019) states that four significant factors will occur when investing in employee engagement: commitment, motivation, success, and well-being (Sale 2019, 16.)

According to international and Finnish studies the possible positive individual and organizational effects of employee engagement can be categorized in seven categories. Employee engagement influences job and workplace related attitudes and intentions. The engaged employees have a greater tendency to remain in the organization or be promoted in the same organization. When feeling engaged the employees show more voluntary activity at work and are enterprising. Engaged employees are more accomplishing and productive with their work and seek for further training with high learning motivation. Moreover, engaged employees feel higher well-being and satisfaction of their lives. (Hakanen 2009, 15x.)

According to Sale (2019), the productiveness of work grows because highly engaged employees perform better and due to this increase the profitability of the

organization. The increasing profit also benefits shareholders. The impact of employee engagement on customers, clients and associates is visible. Engaged employees tend to serve customers better and treat their partners properly and with respect (Sale 2019, 6). Satisfied, well served customers very likely pay their bills on time, are more accepting for increases in prices and promote the company. The impact of well operated partnerships is seen in loyalty and in long-lasting cooperation. The positive attitude that engaged employees' expresses is a cumulative affect that spreads around the organization and improves community spirit. (Sale 2019, 6-7.)

High engagement also reflects in the well-being of employees. The days spend in sick leaves reduce since employees feel well and happy at work and the employee doesn't feel the need to change jobs. Also, the number of mistakes and errors in work reduces. These two facts lower employers' costs. Less unproductive time is spent fixing errors and the costs of recruiting gets spared. (Sale 2019, 6-7.)

It is quite evident that high employee turnover rates influence business performance. Employee engagement reflects on employee's behaviour and on organizational performance. By keeping the best employees, the company ensures that teams are more productive, innovative, and simply good at what they do. By avoiding the replacement of key-employee's organizations can cut a huge part of their costs. The replacement causes costs not only in the recruitment of a new but also in the exit of the former employee. Additionally, there are many indirect impacts that are caused by a key person's departure. Productivity almost always suffers when a talented and knowledgeable person is replaced with a temporary staff. This lack in know how reflects on customers and partners loyalty which has direct effects on profit. (Mulligan & Taylor 2019, 16.)

The working relationship can in some parts be compared into a personal relationship. You tend to miss the persons you trust or care about. This longing caused by a person's leave can also take place among the co-workers, customers, or partners and cause a rise in stress levels, declining in team performance, suffer in customer service, and weakening in the organization culture. When a key



person is replaced the amount of time that the new employee takes to reach the same level of productivity of the former employee also adds costs. The decrease in productivity level usually has impacts in other jobs attrition. The new employees who have not yet reach their best effectiveness usually burdens the co-workers. (Mulligan & Taylor 2019, 17.)

There are many benefits that high employee engagement has for companies. According to Hakanen (2011) the employees that are engaged are active and innovative and thus more productive to their employer. The engaged employees have tendency to be positive and helpful to their co-workers and spread this positive behaviour to the workplace community and even to their spouses. Another benefits that high engagement has is that engaged employees create better customer satisfaction and loyalty since they have the feeling of doing meaningful work and want to serve their customers excellently. Engaged employees not only are committed to their employers and willing to stay longer, but they are also healthier, happier, feeling enriched in life quality by their work and more satisfied with their roles as parents and spouses. (Hakanen 2011, 41).

Some companies are connecting engagement to business performance and the measurements are tied into customer metrics. According to the study performed by Harvard Business Review Analytic Services (2013) a group of best-practice companies found it fruitful to observe for example Net Promoter Score against engagement initiatives when placing business goals. (Harward Business School Publishing, 2013, 15).

## 2.4 Resources of Employee Engagement

According to Mulligan and Taylor (2019) there are four factors that drive employee engagement: organizational factors, job/ career factors, co-worker relationship and credible leadership (Mulligan & Taylor 2019, 35).

### 2.4.1 Job/ career factors

Job/career factors include clarity of the role's employees have of their jobs, how much possibilities they must utilize their skills, how much or what kind of responsibilities they are given and what kind of opportunities employees have for career growth. These matters determine whether the employee likes what he does, feels that his skills are in use or can be developed, sees an impact of his work, and most importantly finds meaning of his work. Over the past few years' job/ career factors has had a significant impact on employee turnover and this appears to be the case when transitioning from baby boomers to millennials. The new generation desires opportunities to develop their skills and careers and wants to see a path forward. This driver is more important than the three others. According to Dessler (2015), Messmer has once said that those professionals are more likely to stay who feel their company cares about their progress and development. Therefore, employer should periodically discuss with the employee about his career prospects. By offering career support both the employer and employee wins. Employees are better armed with occupational strengths, serve more efficiently the needs of the company and are also less likely to leave. (Mulligan & Taylor 2019, 38, Dessler 2015, 328, 332.)

One important fact to notice when talking about career factors that influences employee engagement is that the psychological contract between employer and employee change along the years. At today's labor markets a long-term commitment can't be given from either direction, and this is why career management has become even more critical for both parties. (Dessler 2015, 332.)

Next is described some matters that the employer can provide and has a positive effect on how employees experience their job/ career related resources.

1. *Diversity in work assignments and ability to develop.* When the work requires versatile proficiency and provides development changes the employee gets to use skills, experiences, and potential at work. The possibility to use own strengths and make progress increases faith in retaining the job.

2. *Independency*. Sufficient possibility to work independently is one of the most important features of job resources which enables enthusiasm and innovation.
3. *Immediate feedback of the tasks*. The feedback can be received from the foreperson or colleagues, but it is important to give feedback to oneself and to recognize the several things that has been done successfully, instead of the few ones that hasn't been.
4. *Meaningfulness*. This means that the employee sees that the performed tasks have an impact on wider meanings and influences on other people's lives.
5. *Rewarding customer service work*. Serving customers can provide positive feelings when being able to help someone and getting recognition of it.

(Hakanen 2011, 54.)

#### 2.4.2 Credible leadership

Credible leadership is an important resource to drive engagement and retention. Leaders are the ones that creates the way of communicating and the culture of trust. Leader's coach and recognize. Their behavior has a huge impact on how the workplace experiences their team members by setting expectations and moods. Leaders can deflate or energize, coach, and develop and empower their community. (Mulligan & Taylor 2019, 40.)

Next is described some matters that the employer can provide to offer positive experiences related to leadership.

6. *Clarity in working roles and objectives*. When acknowledging own basic tasks, boundaries, objectives, and roles the employees can be more creative with their work.
7. *Involving in planning and decision-making*. This resource strengthens the employees will of taking responsibility and develop own work.

8. *Flexibility in working hours.* Flexibility is a two-way street. When having the chance to balance work and free time the employee will be more likely to be flexible in working hours in return.
9. *Fairness.* In a fair organization everyone has mutual possibilities to be heard and to bring out own opinions. The principles of decision-making are open, transparent, and coherent.
10. *Trust.* Fair practices and a good psychological contract strengthen the trust between employer and employee.

(Hakanen 2011, 55-57.)

#### 2.4.3 Coworker relationships

Coworker relationships, the important thing that creates job satisfaction or dissatisfaction is one key element that also creates engagement. The stronger these relationships and bonds between coworkers develop, the more engaged an employee become. When the relationships are satisfying the employee feels that he is supported by his coworkers, communication and co-operation is efficient and colleagues supports his work and career goals. The difficulty comes in ensuring the formation of this positive coworker relationships. Again, leadership is a crucial factor when it comes to coworker relationship and the engagement that follows it. (Mulligan & Taylor 2019, 39-40.)

Next is described some matters that supports engagement with co-worker relationship.

11. *The support of co-workers and forepersons.* In challenging situations, the support and help received form others can be the focal resource. To be able to reflect the work with others is a huge factor that creates well-being in the working community.
12. *Appreciation.* It is important to be recognized of the work that has been done and to feel that is appreciated and a part of the community.
13. *Politeness and friendliness in daily activities.* These features should be a part of the working habits.

14. *The collective resources in a team.* Shared impression of ability, meaningfulness, toughness, and trust in the team can increased individual engagement.

(Hakanen 2011, 57, 59-60.)

#### 2.4.4 Organizational factors

Organizational factors such as visions and missions about the organization, its reputation, culture, policies and procedures, environment and perception of senior management contribute to the employee's job. The organizational factors can act as an inspiration, build trust towards the organization, and encourage the employees to innovate. (Mulligan & Taylor 2019, 37) The organizational factors are above all the opportunities for management and personnel administration to maintain and strengthen the employee engagement. (Hakanen 2011, 61.)

The organizational factors that create employee engagement are:

15. *Support from the organization.* The employee is motivated and willing to give more for work when receiving acknowledgement, caring and having material rewards.
16. *Psychological contract* is about what has been promised to give alongside with employment contract in return of the work contribution. These promises can involve for example work related education or progress in the career.
17. *Positive atmosphere at workplace.* Forepersons and co-workers encourage each other, and the atmosphere is relaxed.
18. *The recruiting and orientation practices.* The recruiters should recognize the future potential, not only previous achievements. The orientation should focus on what features in working habits in the organization are desirable and what should be avoided.
19. *Career development discussions.* An open discussion of the expectations and objectives to one another.

20. *Salary, rewarding and career views.* Though intangible resources are the most important creators of engagement, tangible resources also have great meaning.
21. *Family positive culture.* The organization expresses human values and appreciation towards family life.
22. *Reliability of work and psychological security.* It is hard to jump high from quicksands. The safety of being oneself.
23. *Technology.* Supporter of effortless work.
24. *Co-operation between different operators in the organization.* Involving all the departments, management, hr, occupational healthcare, employee representatives etc. to contribute to the engagement.

(Hakanen 2011, 61-69.)

Jacobs (2021) states that it is critical to both engaging and motivating employees to have a high trust culture in the organization. The organization culture where trust appears isn't that easy to achieve. The managers are again in the center in this matter. The employees should see and experience actions where the manager shows to care about the employees back. By demonstrating these things in a consistent manner, the trust between the employer and employees can grow. However, one should keep in mind that if even one of the board members are acting against these aspirations it can wreck all the achievements of others. (Jacobs 2021,147.)

“Great leaders are, beyond a doubt, the most effective strategy for enhancing organizational success.” (Mulligan & Taylor 2019, 14). It is the managers that create the environment in the organization where engagement has the opportunity to occur. This environment can be achieved by the managers being honest and consistent with their will in creating engagement. When the atmosphere and attitude is fertile for engagement the next thing that is necessary is that managers and employees has the will for personal growth. When a person has the awareness of what he desires or what drives his actions the blueprint for engagement can be outlined. (Sale 2019, 6.) Engagement is not a one-way street. To gain engaged employees, the company must also be committed to the employee.

Therefore, the relevance of managers' skills and will is huge in creating engagement. Employee engagement requires great leaders.

## 2.5 Enablers of Employee Engagement

Kahn's conceptualization of employee engagement incorporates three conditions that must be present for engagement to occur: psychological meaningfulness, psychological safety, and psychological availability (Kahn 1990, 703). Psychological meaningfulness takes place when sensing return on investment of the self-in-role performances. Psychological safety occurs if the employee can show and employ the self without fear of negative consequences. Psychological availability is present when the employee feels that is possessing physical, emotional, and psychological resources to invest on the self-in-role performances. (Claxton 2014, 177-178.)

Work related factors aren't though enough to create employee engagement. Individual needs and aspects always effect on how the person engages. It is not unequivocal what kind of characteristics of work increases engagement. The engagement usually is the highest when the character of work best matches the needs and values of the employee. Thus, essential factors that create engagement aren't objective characters in the working environment but the fundamentals that are individually significant. (Kinnunen 2005.)

According to Hakanen (2011) the formulation of employee engagement is not only consisted of personal features, such as positive or active personality or with extraversion. What is also important are the individual personal resources. The personal resources effects on how the job demands and resources are being experienced, and how they can be exploited. (Hakanen 2011, 71.)

As well as managing has a huge effect on employee engagement the employees have a significant role as the creators of their own engagement. The principle of self-motivated tuning of the work is based on the fact that almost every job is modifiable in different ways. The change is even bigger in expert tasks. In the tuning of the work the employee utilizes all the available building blocks of resources and demands of work and with them increases the stimulation of it. The

aim of the tuning can be stronger occupational identity, reaching work related objectives, increasing the matters that makes the work more satisfying or decreasing unwanted features of the work. There are several positive effects that can be identified as a result of work tuning. When the employee independently shapes his work to better match his abilities and desires his ability to use own strengths more often in work improves and the employee is more creative and willing to develop working practices. When tuning work to suite better to own needs the employee has the opportunity to be even more flexible and work with greater joy, energy, and dedication. The tuning of the work can also shape the job to be more meaningful for the employee and this is connected to better engagement and longer career. When feeling satisfied of the tuned work customer and coworker satisfaction increases and better feedbacks are received. This of course increases the success of the organization and improves its reputation. (Hakanen 2011, 84-85, 91.)

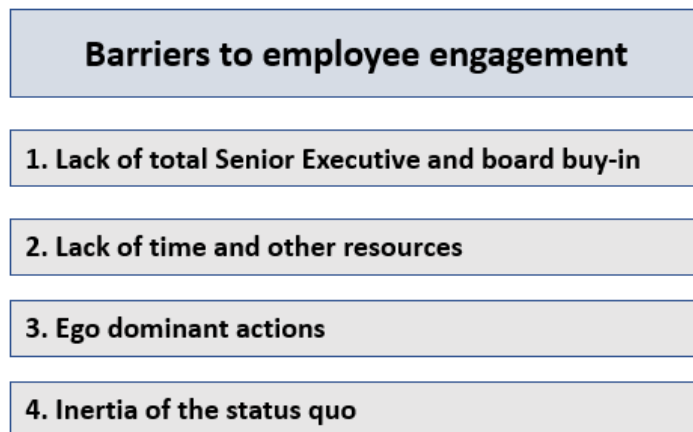
## 2.6 Barriers of Employee Engagement

The demands of job can act as a barrier for employee engagement. These negative characteristics in the working environment include physical and psychological (such as emotional) efforts. If these efforts get pro-longed and causes efforts that rises above a personal limit, they will start to develop into various degrees of physical and psychological symptoms. These symptoms can lead to different kinds of health issues and to even burnout. The job demands are being lately divided into two categories. *Disincentives* such as bureaucracy, physical stress factors and conflicts in roles creates pressure at work and if the job resources are weak the engagement decreases. Whereas different kinds of *challenges* have been noticed to have a positive effect on employee engagement. If the challenges match the personal needs of the employee, they can even create engagement and prevent development of negative type of routines. (Salmela-Aro 2017.)

A huge and probably the most noteworthy barrier for employee engagement is a lack of buy-in from the board of Senior Management. Without the managers promoting and showing an example and committing to the target of engagement employees will discount the process. Who could have trust in an organization



where bosses obey one set of rules and staff another? Second notable barrier to employee engagement is lack of resources which appears for example in a form of money, time, equipment, people skills, knowledge, right attitude, information, and environment. But the heaviest barrier of these is time. Third barrier, and probably the most difficult to tangle is human ego. Instead of prioritizing the mission and welfare of the organization, the ego is always calculating its own interests. (Sale 2019, 15). This is again the situation where the role of managers and their willingness to change to secure the success of the company is evident. The fourth significant barrier to engagement is inertia in the status quo, that can be also described as the resistance to change. Despite of all the benefits employee engagement could offer, it is too difficult, and the people are quite happy just the way they are. (Sale 2019, 17.)



Picture 1. Barriers of employee engagement (Sale 2019, 17, modified).

### 3 MANAGING MILLENNIALS

One of the greatest transformations about to happen if not happening already in working life is change in employees' attitudes and values. This displacement takes place when millennials replace baby boomers. Millennials will represent 75 percent of the global workforce by 2050. Companies are facing a situation where they must pay attention on preparing millennials for productive and positive careers. Moreover, companies must know how to manage and to retain them to be able to succeed and sustain in futures labor markets where the competition of professionals will most certainly get fiercer. (McManus Warnell 2015, xiv). As well as in the whole globe millennials are the youngest and largest generations in Finnish labor markets. In 2020 half of all the employees in Finland were millennials. The exchange in labor groups has been fast since the ratio in 2010 was only 20 percent. (Mellanen & Mellanen 2020, 38.) Thus, organizations must understand the factors that motivates and engages this cohort that is so significant to business activities.

#### 3.1 How to Describe the Millennials

Tulgan (2016) states that although demographers have differing opinions about the parameters of different generations, most agree that millennials were born between 1978 and 2000. The cohort of Millennials divides in to two waves: the Generation Y that were born from 1978 to 1989 and Generation Z that were born from 1990 to 2000. The Millennials were born and grew up in a world that was rapidly changing, where globalization and technology were making it highly interconnected and very competitive, information driven. Moreover, millennials since they have never known the world any other way, are comfortable in this ongoing change and expanded reality. (Tulgan 2016, 5-7, McManus Warnell 2015, 5.)

Generational effect represents the visible differences when comparing one generation to another. The shared identities and experiences such as historical events create different values, attitudes, and beliefs to each cohort. Thus, each generation display different working values and attitudes towards work. The

cohort also influences on what kind of expectations the employee has on his career. (Ng E., Lyons T. & Schweitzer L. 2018, 8-9, 11.)

The millennials were growing up in world where globalization, digitalization and economy was growing fast. Economic boom effected on the millennial's attitudes; they are softer, more optimistic, and liberal. Millennials see their futures bright and full of options. There have also been many uncertainties in millennials life that reflects on their attitudes. They have witnessed the recession of 1990's, mass resignations, continuous terrorist attacks and generalizing security leaks. Millennials lives in the moment and refuses to stress about meaningless minor issues. In their eyes the world is a small place, but the speed of it is rising. Because of the constant change that is present in millennials life they are innovative and willing to for changes. (Mellanen & Mellanen 2020, 38.)

According to McManus (2015) immediacy is a term that describes Millennials well. Their desire for rapid response to queries, connection with others and continuous feedback are characters that appears in Millennials more than in any generations before. Other typical characteristics of millennials are: likes informality, learns quickly, seeks for work-life balance, embraces diversity, needs supervision. (Tulgan 2016, 5-7, McManus Warnell 2015, 5.)

The most noteworthy change in the youth of millennials was the fierce development of technology. Thus, millennials are said to be digital natives that have learned to think, communicate, and find knowledge with the help of technology. Millennials are accustomed to being constantly connected to world via internet and available to information flow and social media. Therefore, millennials are more comfortable in being in the digital world that on the real world and prefer to communicate through digital systems. Millennials are also the most educated of all the generations and therefor seeking for instant results in working life and careers. Millennials are ambitious, self-confident and goal centric, and willing to work for gaining their goals in working life. However, job and career are only a part of their dreams and can be replaced if not fulfilling these dreams. Therefore, millennials seek for meaningful, motivating, and developing jobs. (Mellanen & Mellanen, 39, 40.)

### 3.2 Characteristics of Millennials at Work

Tulgan (2016) states that of all generations that enter the workforce millennials will be more difficult to recruit, retain, motivate, and manage than any other. However, millennials will probably be the most high-performing workforce in history if managed properly (Tulgan 2016, 4). Furthermore, Espinoza & Ukleja states that if the company wishes to build the required trust and rapport to lead millennials, it is done only by flexing with the concerns of them (Espinoza & Ukleja 2016, 56). These facts confirm that companies must have knowledge of the characters that millennials possesses and of the factors that influence on their behavior. Ng et al. (2018) states that Millennials have low level of career identification and are more dependent on advice from others concerning their careers. Based on this employer can help millennials find their true potential by mentoring them with honest information and career options. (Ng E., Lyons T. & Schweitzer L. 2018, 19.)

According to the study of Ng, Lyons, and Schweitzer (2012) the issues that millennials most desire at work is it to be interesting. According to this study other important features at work for millennials are that advancement and achievement at work is possible. Another features that millennials desire is continuously learning possibilities and being able to use personal abilities along with freedom at work. Millennials are said to be in early-to-mid stages of their careers and yet very mobile and impatient with their advancement. If the Millennials find the workplace unconducive to fulfill their goals, they might change jobs after only a short time. The Millennials makes more career moves than any other working generation including upward, lateral, and downward directions and occupational transitions. Though at the same time having high expectations for pay as advancing in their careers, millennials are also self-sufficient and have less faith in their ability to achieve their career goals and benefits from a culture of mentorship within an organization. (Ng E., Lyons T. & Schweitzer L. 2018, 54-55, 75,77, 117). Rather than through a bond with a particular company millennial take their sense of worth from opportunities, projects and affiliation with others. (Mulligan & Taylor 2019, 39.)

### 3.2.1 Key skills

Managers around the world have recognized the millennials *technological skills*. They can work in the cloud, virtual meetings and in social media and find the most up to date information quickly and efficiently. These tendencies can be seen as an opportunity to enhance organizational effectiveness by prompting innovative approaches and new ideas within the organization. These skills are though quite faint praised since they are considered to be inborn abilities. Millennials don't mind though sharing their knowledge, as long it is not taken for granted. They also expect that their co-workers even try to learn these skills, otherwise they might think that there is no use in working with the people that refuse to learn and grow. (Hobart & Sendek 2014, 92-93, McManus Warnell 2015, 24.)

Millennials are *diverse*. Their social circles are the most diverse with respect to race and religion. Millennials are thus very accepting and open-minded to those who are different to themselves. Not only that they are comfortable with different cultures and races they are able to make others feel comfortable as well. Besides being diverse millennials *think globally* and understand the global marketplace. For their whole lives they have used and purchased goods manufactured outside domestic markets, they cannot comprehend an environment that is not global. Furthermore, they have studied abroad, been exposed to different cultures at school and love to (and can) travel to foreign countries. (Hobart & Sendek 2014, 93-95.)

Since millennials have enjoyed parental support and involvement like no other generation, they have *strong self-esteem*. This gives a great advantage for the companies they work for as they eager for responsibility and believe they can accomplish almost anything. Millennials tend to search for ways to contribute and be as quick and productive as possible. (Hobart & Sendek 2014, 95-96.)

Millennials possess a healthy deep-down *sense of security* since they have enjoyed of the support from their parents and know they are cared and loved for. Therefore, millennials believe in themselves and are optimistic about their future

and have courage to try new things and ask questions. They are in a good sense *ambitious* and pursue for good-quality life. This makes the millennials set goals and challenges and motivates them to achieve them. They probably excel their employer more quickly than any other generation. (Hobart & Sendek 2014, 96.)

Millennials *have life experience in the marketplace* and been making buying decisions since kids. This generation also has been able to dispose income unlike any previous generations. Thus, millennials have an understanding of the business world and pay attention to marketing and advertising. More, millennials have developed an understanding of how customers should be treated. If the service does not fill their expectations, they are free to shop elsewhere. This applies also in the working environment as an internal customer. Millennials expect the employers to treat them like best customers. (Hobart & Sendek 2014, 97-98.)

Millennials are *research oriented*. They have the skills to find latest information efficiently by utilizing the right tools for searching. This ability leads to another skill: millennials are *problem solvers*. When combining the ability of searching for right kind of information fast with the skill of collaboration and social connectivity problems are solved and failures avoided. (Hobart & Sendek 2014, 98-99.)

### 3.3 How to Motivate Millennials at Work

To be able to motivate the millennials at work leaders must know what they value. Next is described some of the intrinsic values of millennials. One of the most important values of millennial generation is *work-life blending*. Millennials work to live – not live to work. They are flexible when it comes to mixing free time and working time. They do not mind if having to access work during personal time, then again, they expect to have access in personal life during work. This intrinsic value of work-life blending leads to another important value of workplace that millennials hold, *autonomy*. This doesn't mean that they want to be free of supervision. When giving millennials autonomy on the job it signals that they are being trusted whereas micromanaging signals they are not. (Espinoza & Ukleja 2016, 56.)

Next issue that millennials value is *rewarding*. Just like other generations millennials want to have increase in pay, bonuses, and promotions. In addition to this millennials value intangible rewards. These rewards can be praises, support and involvement, autonomy and authority, flexible working hours, learning and development opportunities, and manager availability and time. (Espinoza & Ukleja 2016, 66.)

Millennials need to make their mark on the world; thus, they value *self-expression*. They want to be involved in brainstorming, problem solving and creating. Millennials are all the time outside of the box and managers should anticipate their boredom and offer new challenges. After creating something new, millennials need to hear feedback and track the life of their suggestions. They want to know if their opinions were taken seriously and if not, why. (Espinoza & Ukleja 2016, 76, 79-80.)

Millennials are used to getting *attention* and not only they like it they expect it. If you wish to engage them, it will be through a relationship that provides positive attention and affirmation. The more often millennials perceive interest towards their development from their managers the harder they work for them. *Achievement* is one intrinsic value of millennials. This value drives the millennials' need to be affirmed. This generation is under more pressure to succeed than their elders and they expect instant success. (Espinoza & Ukleja 2016, 86, 96, 100-101.)

One value that is important to millennials is *informality*. The functions of titles are understood by other generations but millennials seem them as obstacles in building real relationship. In addition to this millennials value *simplicity*. They always look for ways to make things simple and want information to be shared in simple ways. (Espinoza & Ukleja 2016, 114, 126.)

Millennials claim that they have *multitasking ability* and that gives them advantage over older workers. Nonetheless, if millennials get unclear about what to do the multitasking ability becomes counterproductive, therefore clear and repetitive instruction is important. By focusing on the mission, vision and values the

multitasking power of millennials can be fully exploited. (Espinoza & Ukleja 2016, 138, 142, 145.)

Millennials need to *find meaning* in their work. They want to know why before what and this way place value on the activity. Employers thus must find millennials reasons to care. When finding the reasons to care millennials will be the easiest to motivate. They will be motivated when seeing that they have left their mark on the future and thrive in an atmosphere of change. (Espinoza & Ukleja 2016, 148, 157.)



## 4 INTERVIEW RESULTS

### 4.1 Analysing Method

The decoding of the interview data was done by scripting the recorded interviews into a text. The interview data was scripted word-by-word and partly also by shortening the sentences of the interviewees. This is because it wasn't necessary to perform a deep ethnomethodological analysis (where for example brakes and sighs are marked) to ensure the reliability of the analysis. (Hirsjärvi & Hurme 2001, 140-141.) After the scripting noteworthy answers were listed under themes.

The methodology used to analyze the findings in this thesis was made with pragmatic analysis. The purpose of this analysis is to outline individual discoveries into entities so that categories can be created. The relations and meanings between these categories are being examined. The facts mentioned in the interviews create themes and categories. A meaningful and possible structure of an analysis is drawn of these themes. (Vilkkä 2021, 154.)

After the scripting, noteworthy facts from each interview were sorted into themes (Appendix 2, Preparatory results) and after that placed into an Excel-table (Appendix 3, Qualitative results). These themes were then categorized into groups: job/ career factors, organizational factors, coworker factors, and factors of credible leadership. After categorizing the amount of each answer in each theme were counted. Analysis of the relevancy of these themes were concluded according to the number of answers compared to all the given answers in the theme. Since the interview was semi-structured, and no ready answering options were given to the interviewees all the given facts could be considered important.

The interview also included a part where 23 yes/no questions were stated. The purpose of this part was to clarify and verify the received answers of the first part of the interview. These questions were specified and examined different aspects of job resources that create employee engagement. Two last questions focused to examine how great is the possibility that the interviewees would leave their jobs. All the answers to the interview questions were received during the interview

study. The scripted interviews are not presented in thesis to ensure anonymization.

## 4.2 Job Resources

In order to create a highly engaged and committed workforce the organization should increase job resources by identifying the key job resources the individual employee or the workplace needs to achieve their work goals and to flourish. Other noteworthy points to consider when desiring to increase engagement are identify the *available job resources* in the workplace, the *potential job resources* that aren't yet currently used in the organization and the *resources that are lacking*. (Bakker & Leiter 2010, 98.) Job resources and their characters were studied with the research interview conducted with the employees of Kemi Energy and Water Ltd that represents millennials. The results of the study are presented in this chapter.

### 4.2.1 Key job resources

The first part of the interview examined job resources and concentrated on the matters that motivates or inspires the employee. The breakdown of the factors is presented in Figure 1. According to the given answers, the main resources of work that existed and created motivation are *related to job/career factors*. 54% of the current motivators somehow refer to factors that concerns the employees' job or career. The most relevant of these factors was that the employee feels that he is doing a meaningful work. Four out of six answered doing meaningful work. The interviewees are all working in an organization which provides services for a huge group of people. Without this organization the citizens of Kemi would not be able to have water, electricity, or heating. The efforts of these employees are required to provide the services. This is matter that create the feeling of performing meaningful work. Meaningfulness is one intrinsic value that millennials pursue of work. Thus, the result that meaningfulness is one of the key job resources of this researched group is not surprising.

The second relevant factor was to have varying work assignments. Three out of six interviewees answered to have varying work assignments. This refers to the fact that the company is relatively small and work assignments are shared and done together. Another factor that enables varying work assignments is having the trust of forepersons. Moreover, while seeking motivation the employees on one's own initiative ask for varying tasks. Other answers given that were mentioned to be important and concerned job/ career factors were

- to have independency at work
- sense of accomplishment
- having responsibility over something
- new projects
- sense of succeeding
- challenge

Again, almost all the factors mentioned that are key motivators and job resources for these employees are factors that millennials value in working life.

The next relevant component that created engagement and motivation was credible leadership and co-worker relationship. 17 % of the given answers concerned issues related to leadership factors and 17 % to co-worker relationship. The mentioned factors were:

- suitable working hours/ daytime work
- flexible working hours
- mutual trust
- teamwork
- close group of colleagues and
- inspiring colleagues

Millennials value work-life blending, and thus suitable and flexible working hours are mentioned to be important. The fact that the interviewees mentioned working hours as a key resource indicates that the employer has paid attention to employees needs concerning working hours and allowed them to have freedom with it. This effort has paid off. According to the interview, it is important that the employee gets to perform teamwork; "It would be probably quite boring to be here alone" said one of the interviewees. Moreover, close group of colleagues was a

factor that was mentioned along with the fact being surrounded by inspiring colleagues.

The least meaningful theme that created motivation was organizational factors (12 %). In this theme the issues that was mentioned was location of workplace, salary, and new kinds of working methods.

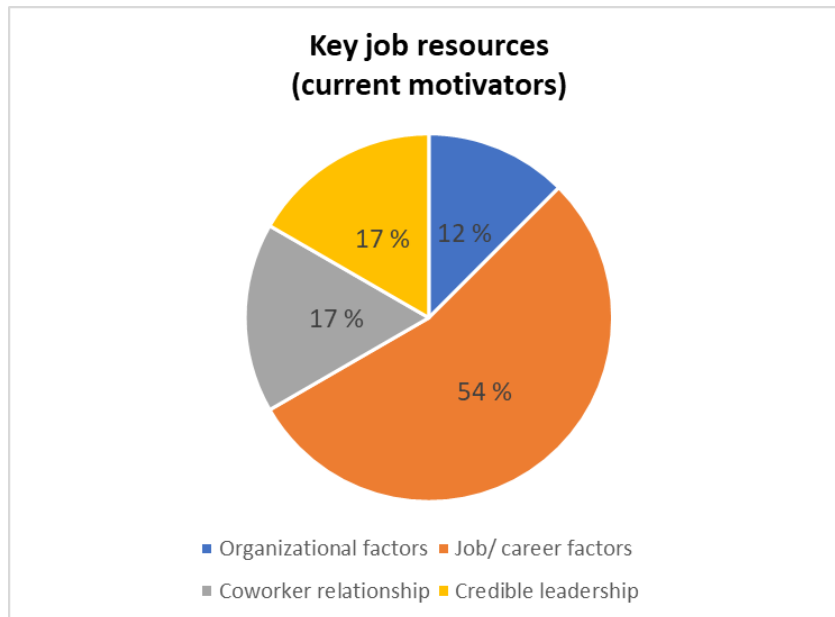


Figure 1. Breakdown of key job resources/ current motivators

In the other part of the interview that examined available resources that increases engagement concentrated on the employee's opinion on what factors make the employee to stay in the organization. The breakdown of the factors is presented in Figure 2. According to the interviews credible leadership was the most relevant factor that made the employees stay with this particular employer. 41 % of the given answers related to credible leadership. The fact that employer treats employees in a fair way, cares about and is interested in employees emerged as an important factor that creates positive view of the leadership among millennials in Kemi Energy and Water Ltd. Other factors mentioned were mutual trust, feeling of being heard and former CEO. This indicates that managers succeed in this part of their work. They make their subordinates feel important and equal. An atmosphere of trust is concrete.

The second relevant factor that creates loyalty and makes the employees stay is the component of coworker relationship. 24 % of the given answers related to this factor. A majority of the interviewees mentioned that they have good working community. Other responses concerning coworker relationship were that no one is left alone, and that the employee has work committed colleagues.

The thirdly important (23 %) engagement factors concerned the organization. The fact that the working place is situated in Kemi was important for two interviewees. Other important facts mentioned were that Kemi Energy and Water Ltd has good workplace health promotion program and that the atmosphere at work is not too formal. Again, informality is a factor that millennials value at work.

The theme that received the fewest answers was job/career factors. The possibility to develop and freedom at work were things that the employees mentioned to be important.

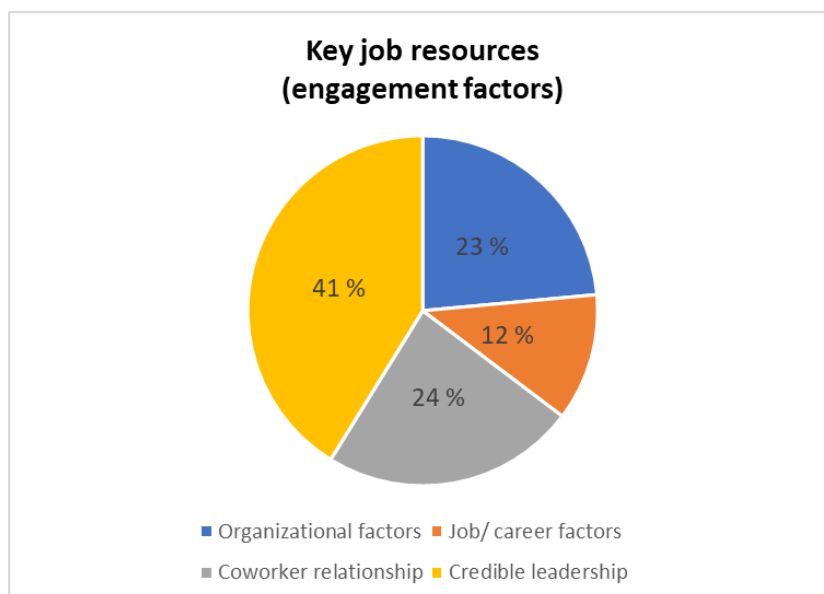


Figure 2. Breakdown of key job resources/ engagement factors

It can be concluded from the results that at the existing moment the job assignments, their variety, and difficulty level were well designed, and tasks were pointed to the right persons. The company had succeeded in creating meaningful jobs with just the right amount of load. The employees were motivated from the assignments and appreciate the trust they received from their employer.

However, when asked of the factors that really kept the employee from changing jobs the answer emphasized on leadership factors, not in the job/ career factors. It can still be assumed that without having satisfaction in job/career factors the credible leadership alone could not create engagement.

#### 4.2.2 Lacking resources

The second part of the interview concentrated on the factors that considered having negative effect on the employee's engagement. Many of the answers were stated as, "if happening". Following are presented the matters that truly had a negative effect on the engagement:

- flow of information
- difference in opinions
- unequal workload
- uncertainty in work assignments/ responsibilities
- lack of team spirit
- negative atmosphere

Essential information is also knowing the factors that would affect engagement *if happening*. These factors were:

- constant heavy workload
- unequal treatment
- tedious work assignments
- not being acknowledged or involved in planning
- poor salary
- lack of appreciation from employer
- not having help from others

Breakdown of the answers given to theme "negative engagement factors" are presented in the Figure 3. According to the answers after they were categorized, leadership (43%) was the most notable factor for the employees that disengages them or could even cause them to change jobs. The issues related to unequal treatment and uncertainties in work assignments and responsibilities. The employees felt that they have unequal workloads, and they are in some points

treated unequally. This suggest that the forepersons are not fully aware of or unable the solve the problems concerning distribution of tasks. The problem might also lie in the job descriptions and organizing of tasks. It is important that each employee has a clear vision on what to do and how they contribute to the company's goals. A reorganization and re-examination of assignments could solve this problem. The lack of team spirit can also reflect on the fact that employees don't know their place in the big picture. It is hard to build a team spirit if not understanding the main goal and purpose of the team.

The fact that flow of information was not functioning well might suggest that inner communications are not designed properly or at all. The company should have clear instructions on who communicates and is responsible of what matters. Organizational, coworker relationship, and career factors were all at the quite same level, but all can be considered to be noteworthy while receiving this much attention.

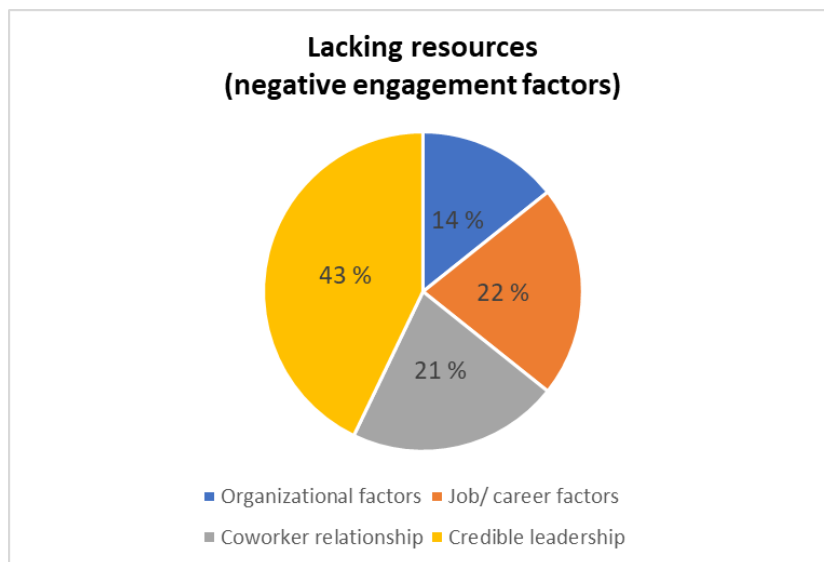


Figure 3. Breakdown of lacking resources/ negative engagement factors

#### 4.2.3 Potential resources

Next part of the interview concentrated on solving matters that would increase the level of engagement. Breakdown of the themes concerning potential resources are presented in Figure 4.



Figure 4. Breakdown of potential resources

According to the interview the major factors that needed greater attention and development were leadership and organizational factors. 50 % of the given answers related to leadership factors and 40 % to organizational factors. The points that rose from the interview were:

- informing
- more involvement in planning
- policy of transparency
- ownership
- reducing cliques
- better dialogical connection with foreperson
- career discussions
- forepersons interest towards the employee
- increased responsibility

The main points to improve in leadership of millennials is to build a better connection with them. By increasing communication, interest towards them and involvement the employer can easily improve the factors that millennials desire; attention and rewarding. The employer should also examine is it giving enough feedback and praises or are the career discussions sufficient. The lack of feedback or career discussions are one cause of disengagement.



### 4.3 Career Views

The last part of the interview focused to find out the views the interviewees had of their career. The question was: "What kinds of views you have for your career? Where do you see yourself for example in five years?" All six respondents wished to be in the same position they were in. Two of them hoped that they would have the chance to develop. One hoped to have more responsibility, one wished to be an employee with multiple skills, and one wanted new challenges. Surprisingly one of the respondents, though claiming to want to continue in the same position, said that it was unfortunately in the same seat. Argumentation for this statement comes from the fact that the person did not have opportunities to be promoted since there are no job titles between the employee and branch manager, and that position is not possible for this employee. Despite this fact the employee wanted to stay with this employer.

#### 4.3.1 Grass is always greener on the other side

The last question in the interview wanted to clarify what factors would make the employee change jobs. The question was specified by asking what features would cause the swap to some other employer if salary, journey to work and benefits would remain the same. The answers were:

- opportunity to be promoted
- even more meaningful job
- reliable employer
- inspiring colleagues
- better self-development conditions
- interesting job
- job that provides meaningful human capital

All of these factors can also be considered as the potential resources that need to be increased at Kemi Energy and Water Ltd in order to increase the engagement of millennials.

#### 4.4 Clarification and Verification of Lacking resources

The interview study included a part of yes or no questions. This was carried out to clarify and verify the answers from the first part of the interview. This part of the interview considered 23 questions with answer alternatives yes or no. This part was also separated into themes concerning different engagement factors. All the answers concerning engagement factors that received even one no answer, are now presented since it can be considered to be a factor that must be noted.

The most striking result that emerged from the answers is that some of the employees did not receive praises or even some kind of feedback on their work weekly. Only two out of six employees were given some kind of feedback on their work on weekly basis. This reflects that the company does not possess a culture where praises are given. Moreover, the leaders and forepersons are not aware of the positive results that giving feedback has. This suggests that more training should be pointed to managing skills of forepersons and leaders. The second noteworthy result was that two out of six respondents felt that they were not inspired by the company's leaders. These two results are related to factors that concerns leadership.

One respondent felt that the employer did not treat and reward employees equally. One respondent felt that his/ her knowhow was not used to full extent. All the other questions in the yes/no part received yes answers. All the questions and breakdown of answers are presented in the appendix 4.

As stated earlier, according to the interview answers leadership was the most notable factor for the employees that disengages them or could even cause them to change jobs. This can be verified with the yes or no answers since the most critical issues that rose from the results of yes/ no part were leadership factors. When reflecting the results of the interviews to the values that motivate millennials and engage employees it can be stated that it is extremely important that the company pays attention to these results. The purpose of the yes/ no questions was to find verification to the semi-structured interview and specifically to the

lacking resources. The results of this part verify the result that leadership resources should be improved if wanting to engage the millennials better in Kemi Energy and Water Ltd.

Two last questions in the yes/no part concerned the employees' thoughts on whether to stay or go. Only one out of six employees had considered to change employer during the year. A concerning factor was that only two out of six persons mentioned that they would not change employer in case of right kind of opportunity. This gives the confirmation to the fact that Kemi Energy and Water Ltd should start to focus more on the factors that engage their millennials. Afterall, millennials will represent the majority of their workforce in their future.

The issues that rose from the empirical research results of this thesis reflects to the theory of the factors that creates employee engagement. All the main creators of employee engagement were able to be found from the interview answers. The theory of what motivates millennials, and what they value were also visible in the answers. This secures the reliability of the research.

## 5 CONCLUSIONS

The objective of this thesis was to study the subject matter, employee engagement, clarify what kinds of business benefits it has to offer, how to increase the level of engagement and by conducting a research interview solve the level of Kemi Energy and Water Ltd.'s employee engagement level among millennials.

The first part of the theoretical framework of the thesis presented the benefits of employee engagement, the focal elements of employee engagement, its resources, enablers, and barriers. Employee engagement consist of four different factors that are credible leadership, co-worker relations, organizational, and job/career factors. If the company wants to increase the level of its employee's engagement it has to strengthen clarify the existing key resources, the potential resources that the company was not for some reason providing at the time and what were the lacking resources. Employee engagement can't be built only by the employer. The employee's personality and own effort is also a significant factor for the formation of engagement. The conclusion of the study is that high employee engagement enhances the company's operations by reducing costs in increasing the efficiency and productivity in different forms. Employee engagement is an accumulating phenomenon. It tends to be contagious, and that's why even small investments are profitable. The study results of employee engagement can be considered reliable, since they are based on several studies performed by experts in the field.

The second part of the theoretical framework studied the labor group of millennials. Generational aspects in terms of not only age, but the shared social and economic experience influences an employee's behavior and view on life. This is important to acknowledge in the management. Millennials have their own needs and wants concerning work. They want balance between work and home life. Their main motivator is to perform meaningful work with varying and interesting assignments. Millennials are eager for change and want to develop and feel successful. They are ambitious but still money isn't the most important issue. These distinguishing features was also noted from the interview results. Kemi Energy and Water Ltd would benefit if taking into account this age group's related factors that have influences on an employee's behavior and motivation. When giving

millennials the chance on work-life blending, autonomy, and achievement they will be more motivated and engaged. Millennials are more productive in informal atmosphere and love to be rewarded while performing meaningful work. When providing millennials these features, they will be the best performing generation that has existed.

The thesis asked the following research questions: How to improve employee engagement in an organization? Why is good employee engagement important for a company? And what is the level of employee engagement among the age group of millennials in the case company? All the questions were answered. According to the study results the level of the company's employee engagement among millennials is at worrying state. Kemi Energy and Water Ltd can gain notable business benefits if investing more in actions that increases employee engagement and secures the productivity and retention of their talents.

According to the interview study the most relevant factors that now creates employee engagement and motivates are job/ career related factors and credible leadership. Quite surprisingly though the main factors that have influences on employee engagement and needs improving are the factors that are affected or created by leadership. It can be concluded that the employees highly value the meaning of good leadership and thus it has a huge effect on the engagement. There are many things that are already done well with leadership, but many other need to be improved in the case company. The points are now though visible, only the action is required. Many benefits are now within reach.

The results of interview study show that the actual potential for the employees to change jobs is quite relevant. Four out of six would change employer if a right kind of opportunity would occur. But luckily only one of these respondents had really been considering quitting prior to this thesis research. This suggests that employee's commitment for the company could and should be improved.

According to previous the author recommends the company to develop an engagement strategy for better productivity with following features:

1. Yearly quantitative engagement surveys to follow the trend of it.

2. Surveys of personal engagement factors. These can be done in development discussion.
3. Training for managers and forepersons to promote the engagement.

If deciding to conduct yearly engagement surveys the results should be measured against business performance metrics, for example with customer satisfaction or operating profit.

The thesis project was interesting and educational for the author. The willingness of how the interviewees joined the interview was a pleasant surprise. The research conducted in this thesis can be considered to be reliable since the studied theory supported the reality; the factors that rose from the interview study matched the written theory of employee engagement and millennials. Therefore, the results and recommendations in this thesis can be claimed to be exploitable. Since the correlations between the interviewees background and the study results weren't analyzed, this could be a possible option for future research.

If the outcome of a good employee engagement strategy is employees that are more productive, more committed, healthier, happier... the list goes on, what company would not want to invest in it?

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## APPENDICES

- |             |   |
|-------------|---|
| Appendix 1. | Interview questions                           |
| Appendix 2. | Preparatory results (confidential)            |
| Appendix 3. | Qualitative results (confidential)            |
| Appendix 4. | Clarifying qualitative results (confidential) |

## Tutkimushaastattelu

### Työntekijän sitoutuneisuuden taso ja sitoutuneisuuteen vaikuttavat tekijät Kemin Energia ja Vesi Oy

#### Taustakysymykset:

Perheellinen/ perheetön

Koulutustausta

Esihenkilö vai työntekijä

Miten pitkään ollut työsuhteessa Kenvellä

1-5 vuotta, 6-10 vuotta, 11-15 vuotta, 16-20 vuotta

1. Kerro mahdollisimman tarkasti mitkä tekijät motivoivat sinua tämänhetkessä työssäsi.
  - mikä saa tekemään töitä intensiivisesti/ normaalia pitempään?
  - mitkä asiat työssä saava sinut innostumaan/ kokemaan mielihyvää
2. Minkä asioiden koet sitouttavan sinua tällä hetkellä työnantajaasi/ organisaatioon?
3. Mitkä asiat vaikuttavat tällä hetkellä negatiivisesti sitoutumiseen?
4. Minkä asioiden toivoisit olevan toisin työpaikalla, jotta sitoutumisesi parani? Ts. mitä asioita toivoisit työnantajan tekevän toisella tavalla?
5. Minkälaisia ajatuksia sinulla on urastasi. Missä näet itsesi esim. 5 vuoden päästä?
6. Kuvitellaan, että saisit työtarjouksen, jossa palkka, henkilöstöedut ja työmatka pysyisivät samana. Mitkä tekijät saisivat sinut vaihtamaan työpaikkaa?

## Vastaa kyllä/ ei esitettyyn väittämään.

### Uraan liittyvät sitoutumistekijät

1. Työnantajani mahdollistaa urakehitykseni.
2. Ammatillista kehittymistäni tuetaan ja kannustetaan.
3. Pääsen hyödyntämään työssäni ammatillista osaamistani täydessä laajuudessaan.
4. Saan riittävästi haasteita työssäni.
5. Minulla on tarvittavat työkalut ja tieto työni suorittamiseen.

### Organisatoristen tekijöiden vaikutus sitoutumiseen

6. Työnantajani on antanut minulle selkeän kuvan siitä, mitä minulta odotetaan työssäni.
7. Minulla on selkeä käsitys siitä, miten tekemäni työ toteuttaa yhtiön strategiaa.
8. Työnantajani kohtelee ja palkitsee työntekijöitään tasavertaisesti.
9. Voin kertoa ylpeydellä olevani Kenven palkkalistoilla.
10. Työnantajani arvostaa työntekijöitään.

### Johtamiskulttuurin vaikutus sitoutumiseen

11. Saan viikoittain tunnustusta/ palautetta työstäni.
12. Koen, että esimieheni välittää minusta.
13. Uskallan kertoa ajatuksiani/ ideoitani esimiehelleni.
14. Uskallan kertoa ajatuksiani/ ideoitani ylimmälle johdolle.
15. Työnantajani tukee työn ja vapaa-ajan tasapainoa kohdallani.
16. Yhtiön johto toimii innoittajana työntekijöille.

### Työyhteisön vaikutus sitoutumiseen

17. Työyhteisömme ilmapiiri on hyvä.
18. Kommunikointi työpaikalla on vaivatonta.
19. Minulla on työpaikalla hyviä/ merkityksellisiä ihmissuhteita.
20. Työkaverini tukevat laadukkaasti työn suorittamista.
21. Työkaverini arvostavat tekemääni työtä.

### Lähtöherkyys

22. Olen harkinnut vaihtavani työnantajaa viimeisen vuoden aikana.
23. Voisin vaihtaa työnantajaa, mikäli oikeanlainen tilanne sattuu kohdalle.