

# **The Impact of employee engagement on organisational performance – a case of an Insurance Brokerage company in Gauteng**

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**Abstract:** *The impact of employee engagement on organisational performance has attracted much debate over the past two decades. This study examines the impact of employee engagement on organisational performance in an insurance brokerage as well as the factors that influence and shape employee engagement in the context of the organisation. To achieve this objective, a qualitative research approach was adopted for this study. Using an inductive approach, interviews were conducted to gain insights into the factors that affect employee engagement and the data was gathered and analysed using thematic analysis. The key finding of this study was that there is an understanding of the concept of employee engagement and its impact on organisational performance. The study revealed that low engagement affected commitment and motivation levels of staff. The low employee engagement levels were produced by job design, ineffective communication, management approach, participation and incentives in the form of recognition.*

**Key Phrases:** *employee engagement, performance, psychological meaningfulness, recognition*

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## **I. Introduction and research context**

Employee engagement has become a very controversial topic in the recent years and garnered the interest of many due to its impact on organisational performance and long-term sustainability of the organisation (Cook, 2008; Markos and Sridevi, 2010; Byrne, 2014; Mone and London, 2014). Employee engagement is integral in driving organisational success as engaged employees are motivated and strive to achieve organisational goals and objectives. The economic climate in South Africa propagates many organisations to consider retrenchments, restructuring, and continuous improvement in pursuit of profitability and sustainability (Statistics SA: 2017).

In order to remain competitive in the market, organisations must encourage positive employee engagement as a strategic tool to attain a competitive advantage for the organisation. The organisation in this study, company X, is a short term insurance brokerage located in Gauteng, which focus on commercial and personal lines. Company X and insurance industry faces challenges with digital transformation and failure by the organisation in adopting this change can result in them becoming obsolete (Terblanche, 2016: 1). Another challenge identified by Dail (2015: 8) is the emergence of millennials as the target market for many insurance companies. The insurance sector would have to find new, innovative ways of connecting and engaging with these customers using social media, blogs to ensure this market is retained. Thirdly, another development is the regulatory aspects of Solvency Assessment Management (SAM), required by the Financial Services Board to assess and manage risks (KPMG, 2016:6). Lastly, customers' have demanded an improved reporting structure relating to premium and claims management for improved service levels. In order to overcome these challenges and maintain competitiveness in the market, employee engagement must become an integral force in driving organisational success within Company X.

## **II. Research problem**

The organisation faces challenges such low staff morale, poor communication, lack of transparency and reduced levels of customer service (Management report: 2017). Sixty percent of staff feel that the organisation lacks transparency and instructions are not clearly and timeously communicated. This has resulted in low self-esteem and has reduced the level of engagement and commitment by staff in achieving their organisational goals and objectives. The low levels of engagement affected the quality of the work in that employees did not compile client quotations with the relevant information and accuracy of calculations lack validation. Analysis and statistics showed that one out of every three quotes is incorrectly compiled (Management report: 2017). Insurance schedules are not maintained and has occasionally resulted in incorrect premiums being calculated

(Monthly invoicing report: 2017). Certain staff members fail to meet deadline requirements and struggle to maintain their current workload (Management report: 2017). Lastly, the implementation of an insurance system has seen resistance by staff members as the system changes the way they currently perform their tasks (Internal system report).

Solis (2015:1) identified that a major gap exists between executives and employees regarding engagement and has become a critical issue in the workplace as executives underestimate the importance of engagement and the requirements to cultivate a desirable and productive culture. According to Sathe (2017: 2) proposed that employee engagement is affected by organisational culture, appointing employees in mismatched positions, lack of development and participation in decision-making. A number of employee engagement trends are identified in the extant literature with regards to HR performing a strategic role, developing approaches to engage millennial, inclusive culture, flatter structures and recognition strategies (Mtongana, 2017:2)& Mizne (2017:3-4).

### III. Research objectives and questions

#### Research objectives

- Determine the level of employee engagement in Company X.
- To analyse the crucial factors that affect employee engagement in Company X.
- The impact of employee engagement on organisational performance at Company X.
- To recommend employee engagement strategies that can help improve employee engagement in Company X.

#### Research Question

- What are the crucial factors that affect employee engagement in this organisation?
- What is the level of employee engagement in this organisation?
- What is impact of employee engagement on organisational performance?
- What Human Resource recommendations can be adopted to improve employee engagement in a short-term insurance brokerage in the Logistics sector?

### IV. Significance of the study

The study will identify the factors that influence employee engagement and hence line management and HR practitioners can improve the levels of employee engagement. From an academic perspective the study contributes to the extant literature in identifying the drivers of employee engagement in the insurance industry.

### V. Literature review

This section will highlight the key literature on employee engagement and overs the definition of employee engagement, the evolution of employee engagement, factors that affect employee engagement, models of employee engagement and the link between employee engagement and organisational performance.

#### 5.1 Definition of employee engagement

There is no single, universal definition of employee engagement and terms such as “employee engagement” and “work engagement” have been used interchangeably over the past two decades. Khan first introduced the concept of engagement, defining job engagement as “the harnessing of organisational members’ selves to their work roles” (Khan, 1990: 694). Unanimous with most definition of employee engagement is passion, drive commitment and involvement of employees in providing consistent and sustained discretionary effort (Cook, 2008; Anitha, 2014 & Carbonara, 2012). These scholars concur that the consequence of good levels of employee engagement is improved customer satisfaction, positive results and organisational performance (Mone and London, 2014; Boikanyo, 2012).

#### 5.2 The evolution of employee engagement

The below mentioned table 1.1 reflects that employee engagement studies covered a number of variables as the concept evolved.

Author	Variables
Khan (1990: 692)	Meaningfulness, safety, availability, available resources, ROI and confidence
Schaufeli and Bakker (2010:22)	personal energy
Khadiolkar (2017:74)	cognitive and emotional, positive psychological states and psychological involvement
Welch (2011: 329)	innovative and cooperative high engagement and high business performance
Saks’s	organisational engagement and job engagement

### **5.3 The impact of employee engagement on organisational performance**

Various scholars ascertained that employee engagement does influence organisational performance (Markos and Sridevi, 2010: Devi, 2017: Wellins and Bernthal, 2015: Kazimoto, 2016: Alagaraja and Shuck, 2015). Markos and Sridevi (2010:92) viewed employee engagement as having a positive influence on organisational performance, stating that the more engaged employees are, the better the organisation performs and has a positive influence on performance outcomes such as productivity, profitability, employee retention, safety and customer loyalty. Devi (2017:11) shared the same view, however argued that organisations' could improve various business functions by using employee engagement as a strategic tool. Wellins and Bernthal (2015:18) posited that a positive work environment encourages employees to be driven and perform exceptionally to improve levels of productivity, profitability, the delivery of superior products or services and the better utilisation of organisational resources. Kazimoto (2016:519) proposed that managers placed greater focus on financial factors to drive performance. Alagaraja and Shuck (2015: 24) identified a third link being alignment and argued that a state of engagement is only realised through the organisation's ability to drive alignment at all levels namely, individual, team, intergroup and organisational levels.

### **5.4 Crucial factors that affect employee engagement**

#### **5.4.1 Job designing**

Various scholars highlighted job designing as a crucial factor that drives engagement. Three important job characteristics namely challenge, variety and autonomy provide psychological meaningfulness (Swathi, 2013: Shantz, Alfes, Truss and Soane, 2013). Swathi (2013:3) advocated that an employee's level of engagement is influenced by his or her perception of how attractive and meaningful a job is. Garber (2012:7) claimed that leaders need to play an active role in making their employees jobs more interesting, challenging and rewarding and provide employees with the platform to identify ways of making their jobs more challenging and productive, thus encouraging employee involvement. Truss (2014: 2) highlighted that jobs consisting of features such as autonomy, task variety, feedback and significance, encourages positive employee engagement, giving rise to psychological states such as experienced meaningfulness, experienced responsibility and knowledge of results. Chiekezie and Onyekachukwu (2015: 23334) stated that job design has three aims: to fulfil the requirements of the organisation in terms of productivity, operational efficiency and service or product quality and to fulfil the individual's need for accomplishment.

#### **5.4.2 Organisational Culture**

Siddhanta and Roy (2010:173) stated that employees can help the organisation create or reduce its competitive advantage by strengthening or weakening an organisation's culture and it is therefore vital that employees' attitudes and behaviour remain aligned to the organisation's culture to ensure they remain engaged. Garber (2012:7) claimed that employees prefer working for an organisation that has a positive reputation and that this type of organisational culture must be encouraged as employees feel a sense of pride and contribute to this reputation, thus improving the level of engagement within the organisation. With the use of the Social Exchange Theory, Suharti and Suliyanto (2012: 130) suggested that a supporting culture in the work environment encourages employee engagement by embracing fair compensation and benefit structures. Smith, Peter and Caldwell (2016: 74) when an organisation adopts a culture that creates a sense of belonging amongst its employees, engagement is enhanced.

#### **5.4.3 Incentives and rewards**

Markos and Sridevi (2010:93) stated that an important management strategy to improve employee engagement would be to incentivise employees both financially and non-financially. Markos and Sridevi (2010:93) advocated that employees, who are paid more and recognised for their work effects, tend to be more engaged in their work. Ongel (2014:6) proposed that reward systems are key management tools that influence individual and group behaviour thus contributing to organisational effectiveness. Anitha (2014:312) stated financial or non-financial compensation motivates employees to perform excellently in their jobs thus resulting in a stronger focus and self-development. Employees generally expect managers or leaders to acknowledge their valuable contributions and offerings (AbuKhalifeh and Som, 2013: Baik, 2016). These would include organisations offering employees formal rewards and recognition programmes for their contributions and sharing of ideas such as thanking them for work well done or offering a monetary incentive for implementing innovative ideas. Recognition is therefore vital as it increases employees' energy, time and commitment levels thus improving employee engagement (Baik, 2016:19).

#### **5.4.4 Leadership**

Many scholars identify leadership as a major factor that affects employee engagement and that effective leaders encourage clear communication, transparency, self-awareness, respect ethical behaviour in support of engagement (Dajani, 2015: Maximo, 2015). Maximo (2015:3-4) stated that authentic leadership consists of four

dimensions namely self-awareness, balanced processing, moral perspective and relational transparency. Employees build a sense of trust in the capabilities and competence of their leaders when leaders make competent decisions about growth and productivity thus improving employee engagement. Bakar (2013: 6) highlighted previous studies that viewed empowerment as tool to encourage leadership development to help individuals and teams engage better with the aim of accomplishing organisational goals. Zhang and Avery (2014:270) stated that there was a linkage between leadership paradigms namely classical, transactional, visionary and organic and employee engagement and that each on these paradigms have a different impact on employee engagement.

#### **5.4.5 Communication**

Mishra, Boynton and Mishra (2014: 199) argued that an important mechanism that an organisation can adopt is internal communication, which can aid in the efforts of building trust with employees. Mishra, Boynton and Mishra (2013: 199) stated that to enhance employee engagement effective internal communication must be adopted to inform employees about the organisation's vision and mission. Harter and Adkins, (2015:3) stated that communication forms the foundation of a strong and healthy relationship between managers and employees. Welch (2011: 339) proposed that communication, when used as an effective tool to convey the organisational values to encourage employee involvement in the achievement of goals. Welch (2011: 339) further stated that senior management must ensure open and effective communication to ensure positive employee engagement. Mmutle (2014:2) advocated that communication is a catalyst to produce organisational effectiveness and excellence and that employees command more information to assist them in achieving personal as well as organisational goals. Baik (2016:16) argued that major issues such as transparency, leadership, organisational relationship and trust hinder effective communication.

#### **5.4.6 Career development**

Anitha (2014:312) opined that to ensure that employees remain engaged, organisations must provide training and career development, as this will assist employees build confidence in their work abilities and improve their levels of engagement. When an organisation fails to consider people development as a strategic tool, it can lead to the derailment of both the individual and the business (Caplan, 2014:78). Organisations' must ensure that there are career development plans for all employees, thus identifying the stretch and challenge in the current role and a roadmap of future roles, thus taking care of developmental opportunities to suit their individual aspirations and needs. Sterling (2016:2) indicated that career development is a primary driver of employee happiness and emphasised that during the transition phase into a new job, managers must build strong working relationships with employees, taking full consideration of their successes, strengths and needs.

### **5.5 Models of employee engagement**

There are various models of engagement, namely Hierarchy of engagement model, Path-Goal Model, Job demands–resources model, three-dimensional model, Benchmark of Engagement Quotient (BeQ) and Mercer model.

#### **5.5.1 Hierarchy of engagement model**

Markos and Sridevi (2010:91) highlighted the importance of the hierarchy of engagement model, which resembles Maslow's need hierarchy model. Markos and Sridevi (2010:91) argued that this model illustrated how each level influences employee engagement as well as talent retention. Each level represents a certain need and once these levels of basic needs are realised, employees search for development opportunities and possibilities of promotions. Markos and Sridevi (2010:91) proposed that once all these needs have been satisfied, employees search to align themselves with value meaning, displaying a sense of connection as well as shared sense of meaning at work.

#### **5.5.2 Path-Goal Model**

Oliver (2012:22) argued that the path goal model, posited by Robert House, indicated that when leaders stimulated their employees, employees were able to achieve their goals. Oliver (2012:22) stated that this was based on the assumption that employees were motivated if they were able to perform their jobs, achieve their desired outcomes and felt rewarded for the work done. According to Oliver (2012: 22), this was achieved when leaders provided clarity on employees' roles, reward performance and provide the necessary support and direction. Otieno, Waiganjo&Njeru (2015:79) highlighted the importance of a leader's behavior in ensuring the motivation, satisfaction and performance of their subordinates. Otieno, Waiganjo&Njeru (2015:79) stated that a leader that engages in positive behaviour compliments his/her subordinate's abilities and compensates for their deficiencies. Malik (2013: 218) argued that dependent on the subordinates and task characteristics, a constructive leader would adopt one of the four leadership behaviours warranted by a given situation. According to Malik (2013: 218), an effective leader provides clear direction where tasks are non-routine, ambiguous and

highly unstructured and adopts a supportive role, encouraging reward and recognition for the job well done, where tasks are simple and routine.

### **5.5.3 Three-dimensional model**

Alagaraja and Shuck (2015: 23) proposed that the three-dimensional model, initially proposed by Rich and Crawford, considered cognitive, behavioural and emotional engagement and the effects on organisational climate. Alagaraja and Shuck (2015: 23) drew from previous scholars and expanded this model to establish parallel agreement across the various studies conducted. The most rational level of engagement, according to Alagaraja and Shuck (2015: 24), cognitive engagement formed the basis in unravelling the phenomenon as well as the psychological state of engagement. Alagaraja et al (2015: 24) emphasised that employees that are cognitively engaged shared a common purpose with their organisation and based on the understanding of that purpose, they are willing to make a personal investment of the resource they influence.

### **5.5.4 Job demands–resources model**

Bakker and Bal (2010:191) addressed the importance of resources in helping employees cope with the emotional demands of their job and how employees reach their work-related goals when using these resources. Bakker and Bal (2010:191) highlighted that a resourceful work environment creates confidence, leading to the accomplishment of goals and the fulfilment of the employee's need to belong. Remo (2012: 1) shared a similar view, however indicated that the work environment also played a significant role in improving work engagement. Remo argued that these job resources; related to autonomy, learning opportunities and support of supervisors and colleagues and their positive association with engagement, are embedded in the organisation's culture, and governs the way employees interact at work. Schaufeli and Taris (2014: 45) indicated that the Job demands–resources was initially linked the model to burnout, which emphasised that when there are long term excessive job demands, employees struggled to recover from these demands, resulting in exhaustion and ultimately burnout. According to Schaufeli and Taris (2014: 46), the revised job demands–resources model that emerged in 2004, considered two factors namely “mediators of the relation between job demands and health problems, and job resources and turnover intention, respectively”.

### **5.5.5 Benchmark of Engagement Quotient (BeQ) model**

Bisnath (2013: 2) claimed that the Benchmark of Engagement Quotient (BeQ), developed by Viljoen in 2008, is a model used to measure leadership perceptions and engagement which was developed specifically for South African organisations and considers three main constructs namely emotional containment, emotional presence and organisational gestalt.

Bisnath (2013: 33) further argued that BeQ, with its underlying principal of inclusivity, measures the interaction between perceptions and assumptions present in organisations around constructs that “contribute to the unleashing of individual voices, contributions and gifts”.

### **5.5.6 Mercer model**

Gustomo (2014: 364-365) the Mercer model places emphasis that the drivers of employee engagement are not universal; relates to the geographical, cultural and generational circumstances and therefore categorises the drivers of employee engagement into four categories. Gustomo (2014: 364) the first driver, the work itself, includes opportunities for development. Gustomo (2014: 364) many engagement-focused organisations have adopted ways to use work as an effective driver of employee engagement, adopting a strategy of flattening the organisation and thus encouraging employees to grow within their jobs. Gustomo (2014: 364) stated that these organisations, in highlighting the importance of the job fit into the overall spectrum of functions and activities, enable employees' to map out and understand how their contributions fit with the organisation's vision. Gustomo (2014: 365) the second driver, confidence and trust in leadership, highlights how engaged employees perceive their leaders actions in terms of the organisational values and their strategic allocation of resources to support the organisational strategy. Gustomo (2014: 365) argued that strong leaders, who encourage employee and customer involvement, are transparent and build employee engagement by educating employees on how the strategy relates to the various procedures and processes. According to Pande and Basak (2015: 319), the Mercer model grades engagement of employees along a continuum with four stages namely satisfied, motivated, committed and advocate. Pande and Basak (2015: 319) stated that employees that are satisfied, enjoy their jobs and are satisfied with the terms and conditions of the job however, they do not go the extra mile. Pande and Basak (2015: 319) further claimed that employees that are motivated contribute energetically, strive to achieve personal goals and place more value in achieving personal goals than team or organisational goals. In addition, Pande and Basak (2015: 319) proposed that committed employees see the bigger picture, collaborate with others to achieve team goals, are openly ambitious and have a sense of belonging to the organisation. Lastly, Pande and Basak (2015: 319) stated that employees who are advocates of the organisation proactively seek to serve the

mission of the organisation, offer discretionary effort and promotes the organisation's name as well its products and services.

## **5.6 Employee engagement strategies**

### **5.6.1 Employee participation and involvement**

Kazimoto (2016:518) stated that organisational performance can be improved by creating a platform for employees to feel comfortable in sharing their ideas and feelings. Kazimoto (2016:518) further stated that managers and leaders, in their efforts to improve organisational performance, must address employees' concerns and acknowledge employees' contributions. Devi (2017:11) suggested that management must encourage employee involvement in the safety of their work in which they are engaged, encouraging their participation in production goal assessments, providing input in work planning, evaluating work procedures, suggestions of practice methods, assessing the risk and so on. Markos and Sridevi (2010:93) suggested that organisations' must allow employees greater job autonomy by encouraging independent thinking, problem solving and decision making on how to best perform their jobs, thus producing expected results. Reilly (2014:4) proposed that leaders and managers should encourage employee involvement in the process of identifying barriers to engagement and welcome solutions provided by employees to effect positive change.

### **5.6.2 Communication**

Markos and Sridevi (2010: 93) indicated that in order to enhance employee engagement, managers must promote two-way communication; provide clear and consistent communication of what is expected of employees and encourage participative decision making so that employees will feel a sense of belonging, thus improving their engagement (Markos and Sridevi: 2010, 93). Kazimoto (2016:518) highlighted the importance of communicating and sharing the organisation's strategic plan, thus ensuring alignment of the employee's goals to the organisation's strategic goals. Reilly (2014:4) suggested that the use of powerful descriptions and emotive language are key to highlighting what success looks like, which in turn helps give meaning to goals and build commitment between organisational members and within teams. Reilly (2014:4) claimed that leaders must play an active role in strategically aligning their employee engagement efforts. According to Reilly, (2014:4) leaders must grab every opportunity, touchpoint, and communication channel to reinforce and recognise the organisation's commitment to employee engagement as well as highlight engagement's effect on a continuous basis and share best practices across the organisation.

### **5.6.3 Leadership**

Markos and Sridevi (2010:93), leadership commitment through establishing a clear vision, mission and values will improve employee engagement. Markos and Sridevi (2010:93) stated that there must be ownership of the vision, mission and values by the leaders in the organisation before passed down to managers and employees. Leaders must "lead by example". Zhang and Avery (2014:282) advised that to improve employee engagement, leaders must recruit staff that exhibit strong characteristics, which predict high levels of employee engagement. Secondly, an ethos must exist of using the appropriate leadership style to support employee engagement. Zhang and Avery (2014:282) prosed that consideration must be taken when selecting employees such that their characteristics match the leadership paradigms in the organisation.

### **5.6.4 Managers: selection and coaching**

Reilly (2014:4) proposed that great managers care about their employees' success, recognise and value employee contributions, actively embrace employees' opinions and ideas and seeks to understand people's strengths and encourage the use of these strengths in their organisational role. According to Reilly (2014:4), it is therefore important for scientific selection of managers that have the unique talent of effectively managing people, as this will substantially increase the odds of engaging employees. Secondly, Reilly (2014:4) indicated the importance to coach and hold managers accountable for their employees' engagement. Reilly (2014:4) managers must be coached to take an active role in building engagement plans with their employees, be held accountable for tracking their employees' progress and ensuring managers' continual focus on emotionally engaging their employees. One way of managing accountability for the level of engagement demonstrated by both managers' and employees, as mentioned by Markos and Sridevi (2010:93), is the implementation of a performance management system.

## **VI. Research methodology**

### **6.1 Research Design**

The research design adopted in this study is of an exploratory nature, as this approach would provide insight into the employees' attitudes and perceptions of the research problem identified. Secondly, this research design is flexible and can be managed on a small scale, thus allowing the researcher to learn from the experience of the investigation and avoid bias of any preconceived notions (Webb, 2014: 20)

## **6.2 Research strategy**

Due to the choice of the qualitative approach in this study, the research strategy adopted was a case study. Saunders, Lewis and Thornhill (2016:184) opined that a case study is a comprehensive inquiry into a phenomenon within its real-life setting. Based on the problems identified at IIB, this was the most suitable approach and based on this approach, interviews were conducted to gain understanding of the dynamics of the research topic and to get an in-depth nuance knowledge in this area.

## **6.3 Research Philosophy**

The research conducted was qualitative in nature. This methodology was utilised because it allowed the researcher to achieve an in-depth understanding of the situation (Cooper and Schindler, 2014: 144). The underlying research philosophy will be phenomenological as the meanings emerging from the study will be socially constructed and derived in the context of the organisation, within which it occurs, being its natural setting.

## **6.4 Target population**

Company X has a staff complement of twenty-four, consisting of six management staff members and eighteen employees. Based on the population, a sample size of twelve research participants were selected to participate in the study.

## **6.5 Sampling Strategy**

Non-probability sampling approach was adopted using purposive sampling to ensure that the cases selected would provide best responses to answer the research questions. Cooper and Schindler (2014: 152) stated that purposive sampling will assist the researcher to gain insight into participants' experiences and perceptions around the research problem. Secondly, this sampling technique is economical, sample groups can be easily matched and there is better control of significant variables and homogeneity of cases or subjects (Devi, 2017: 20).

## **6.6 The Research Instrument**

For this study, data was gathered by interviews with management staff members and employees, with the aim of gaining meaningful insight into the research problem. Before the commencement of the interview process each interviewee was issued a cover letter; informing them about the background of the study, the reason for conducting the interviews, advising them that their participation was voluntary, providing assurance that their responses would remain confidential and ensuring preservation of their anonymity. Each respondent was issued consent for participation document, explaining the contents of the document and thereafter signed off by each respondent before commencing the interview. Face-to-face interviews were conducted, for about five to ten minutes and was recorded on laptop and well as smartphone. During the interview process, the area of investigation comprised: crucial factors that affect employee engagement, the level of engagement, the impact of employee engagement on organisational performance and recommendation of employee engagement strategies to improve employee engagement. All interviews were transcribed with the use of Google Docs and Microsoft Word and each transcribed interview was saved with interview numbers as file names to ensure the confidentiality and anonymity of the interviewees.

## **6.7 Data Analysis**

With the aim of specifically understanding people's attitudes, meanings and experiences regarding employee engagement and its impact on organisational performance, thematic analysis was adopted to analysis the data gathered and assisted in highlighting important themes that emerged from the interview process. Saunders et al. (2016:579) argued that thematic analysis, a generic approach to analysing qualitative data, is the identification of themes and patterns for further analysis. Through various stages of analysis: all interview transcripts were read thoroughly to code concepts, words, phrases and sentences and thereafter it was categorised into codes according to level of importance and thereafter identified the emerging themes.

## **VII. Results**

The primary research was evaluated under the research objectives.

### **7.1 Level of employee engagement**

The empirical findings indicated that the levels of employee was differential in some research participants rating it average, some above average and still the below average. The participants highlighted the factors that drive employee engagement as the lack of flexibility in the job, company politics, and tug-of-war between staff, respect for others, lack of recognition and personal issues interfering with job performance.

### **7.2 Factors that affect employee engagement**

The factors highlighted from the research findings were job design, culture, recognition communication, career development, employee involvement and motivation.

**7.2.1 Job design**

The sub-theme job design stimulated much discussion amongst the employees and is rightfully the starting point of the whole HR systems.

Job design	Excerpts from interviewees
	Action plans are important to guide employees on the tasks and responsibilities Proper guidelines must be given to facilitate the work Unrealistic deadlines prevents the completion of task and responsibilities Proper tools to complete the tasks Educate employees on job procedures Working conditions facilitate employee engagement

**7.2.2 Culture**

The research findings did not match with the literature because the participants did not identify organisational culture as an important factor

Culture	Excerpts from interviewees
	Employee cultural upbringing affects employee engagement Employees are diverse and different Employees have different personalities and this affects organisational culture The employees behaviour is not aligned to the company's values Leaders shape the culture of the organisation

**7.2.3 Recognition**

The empirical findings of the study revealed that recognition is a vital incentive and reward strategy to improve employee engagement.

Recognition	Excerpts from interviewees
	Management do not have a recognition strategy The system used is not transparent and fair The system is applied inconsistently in the organisation A lack of recognition leads to stifled growth potential Employees are being identified for promotion The company has not fully explored and identified the recognition approaches Industry standards on recognition must be explored Employees are not consulted about what the needs are

**5.2.4 Communication**

All the participants identified that communication is one of the more important determinants of employee engagement.

Communication	Excerpts from interviewees
	Open communication between management and employees must be addressed. Transparent is an important aspect of communication Generally there is a good level of communication The organisation needs to develop a communications strategy and plan Communication is not consistently practices across the organisation Horizontal communication needs to be explored. Effective communication builds trusting relationship A bottom-up approach is required so that all system The work environment lack positivity

**7.2.5 Career development**

The research findings also contended that career development is vital in enhancing employee engagement. The findings revealed that great emphasis was placed on training and development of individuals within the organisation. Annual training plans were highlighted as an important tool to assist employees build confidence in their work abilities and thus improving their levels of productivity. Career development was highlighted as an important element to ensure self-development of employees.

**7.2.6 Employee involvement**

Only one participant highlighted employee involvement as a factor. The participant stated that employees must play an active role in decision-making relating to strategy. The participant indicated that it was a norm for top management to make decisions affecting employees and employees only become involved when implementation of strategy is initiated. The participant believes that employees must be involved from the initial stages when the strategy is being developed.



**7.2.7 Motivation**

The empirical findings indicated that motivation must a crucial factor that affects engagement. The participant indicated that motivation of employees makes a difference and believes that the employee must drive their own level of motivation as he or she is responsible of this and no one else.

**7.2 Impact of employee engagement on organisational performance**

According to the research findings, all participants agreed that employee engagement does influence organisational performance. Some of the participants spoke of the positive influence of employee engagement on organisational performance and highlighted performance outcomes such as improved profits, improved bottom line, improved productivity, employee’s proactive nature of findings ways to improve revenue and improved customer services. Other participants felt that when employees are unhappy, not given the opportunity to speak, not recognised for their efforts and not encouraged to participate in decision-making, they do not exercise their full potential resulting in reduced individual performance and ultimately reduced organisational performance.

**VIII. Discussion**

The literature review highlighted various factors that drive employee engagement namely job designing, organisational culture, incentives and rewards, leadership, communication and career development. Besides organisation culture all factor factors have surfaced in the primary research for influencing the levels of employee engagement.

Both the literature and findings reveal that employee engagement is related to individual, team and organisational levels of engagement.

INDIVIDUAL	TEAM	ORGANISATION
<b>FACTORS THAT INFLUENCE EMPLOYEE ENGAGEMENT</b>		
Job design Communication Career development Leadership Reward & recognition	Job design and departmental structure Communication Leadership Recognition	Culture Communication Inclusive structures Participation Organisational design to facilitate strategy
<b>STAKEHOLDERS</b>		
Human resource practitioners Employee Line managers	Line managers HR Practitioners	HR Practitioners Quality Practitioners Senior Managers

The simple model above proposes that the drivers of employee engagement is designed and managed at the individual, team and organisational levels. Human resources is mostly responsible for creating HR systems, policies and processes to facilitate employee engagement. Secondly, line managers are responsible for managing people to improve employee engagement. Thirdly, there must be a recognition strategy that culture is another driver of employee engagement. The organisational culture is created through the leadership style and the managerial sub-system (policies, systems and processes). In managing employee engagement there must be an integrated approach to improving the levels of employee engagement.

**Recommendations**

The purpose of the study was to examine the impact of employee engagement on organisational performance. The organisation under study must improve employee engagement with the implementation of the following strategies:

- The managers and leaders in the organisation must encourage employee involvement. During quarterly meetings, weekly strategic sessions and team building sessions or interaction sessions, employees must be encouraged to address concerns relating to their jobs or share ideas on how to improve existing policies, practices and procedures that can improve performance levels. Secondly, employees must be included in planning: assessing important issues, identifying opportunities and sharing improvement ideas for the business strategy.
- The organisation must implement a broad organisational strategy that involves all levels of the organisation to ensure proper execution and completion of tasks with the aim of meeting the organisation’s vision and mission. This can be achieved by re-addressing company policies and procedures. The organisation’s leadership must include all employees in the action planning process of revising existing policies and procedures or creating new policies and procedure, thus ensuring buy-in from employees. This sense of involvement will motivate employees to map out and drive their work processes to achieve improved

performance. Secondly, create a designated intranet for company policies and procedures such that employees can easily access these policies and procedures and continually update these policies and procedures to ensure relevance to the job design.

- The organisation, with the use of effective communication channels, must promote two-way communication that is clear and consistent. The organisation must adopt communication methods such as notice boards to advise employees of changes such as change in task deadline. Secondly, conduct regular staff meetings to discuss all achievements and failures as this will encourage better performance levels. Thirdly, circulate a company newsletter on a quarterly basis that informs employees of changes or new developments within and outside the organisation. The organisation can make use social media such as creating a company Facebook as a platform for interaction. Lastly, in instances where employees do not feel comfortable with talking in staff meetings, leaders or managers can conduct one-on-one sessions with employees so that they feel comfortable to discuss issues or concerns.
- Adopt important leadership strategies. This can be achieved through the introduction mentorship programmes, as this will improve employee performance and ensure organisational goal and objectives are achieved. Secondly, create of knowledge sharing system in the form of a company intranet. Thirdly, create an effective selection process that identifies of the right managers that accept accountability for promoting employee engagement.
- The findings indicated that employees do not accept accountability for their work, often explaining away errors in their work. The organisation needs to adopt an effective performance management system that assesses employees' efforts in ensuring optimal levels of performance in the furtherance of achieving organisational goals and objectives.
- The research findings also revealed that there was little or no recognition for work well done. The organisation must implement a recognition strategy and systems. This can be achieved by implementing awards such as "employee of the month", create a culture that encourages recognition on a daily basis, leave post-it notes on employee's desks just to say, "thank you" for their efforts and contributions or during staff meetings, highlight important contributions made by employees. Also reward and recognition systems must be benchmarked.

## **IX. Conclusion**

This study set out to investigate the impact of employee engagement on organisational performance in a short-term insurance brokerage. Findings from the literature as well as the study conducted indicated that employee engagement does influence organisational performance. Secondly, communications, job design, incentives and rewards, leadership, employee involvement, culture and career development were identified as important factors that drive employee engagement. The limitations of this study was that it was conducted in a single organisation and was not equally representative of the both genders as there are only two male employees in the organisation. Secondly, although purposive sampling is used to select participants who have rich knowledge and experience in the subject area, the researcher had no way of ascertaining which of the employees were more knowledgeable in employee engagement as the sample population was not large enough. In relation to this study, it is recommended that further study be conducted in the short-term industry to gain a better understanding of the impact employee engagement on organisational performance.

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