Employee Engagement in Oil and Gas Sector

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ABSTRACT: *Employee engagement is a phenomenon that has become very important, high on the agenda of organizations and popular in management literature. This organizational behavior was articulated by Professor Kahn in 1990 and since then it has become a top organizational concern for researchers and practitioners alike. People want to find meaningfulness at work and will employ discretionary effort in their job roles if the conditions are right. Talent management and retention have become essential aspect of human resource (HR) strategy and employee engagement is a viable solution. Employee engagement has been linked to positive organizational outcomes. Every organization seeks to retain their employee, frown at high employee turnover and increase positive organizational outcomes. In the oil and gas sector, HR professionals have recognized employee engagement as a problem facing the industry. Data from recognized management consultants' organizations, Gallup, Blessing White, CIPD and Towers Watson on comprehensive employee engagement surveys were analyzed. Findings from Gallup indicated that employee engagement was related to nine (9) organizational outcomes viz. "customer loyalty/engagement, profitability, productivity, turnover, safety incidents, shrinkage, absenteeism, patient safety incidents, and quality (defects)".*

Keywords: Employee engagement, Employee commitment, Job satisfaction, Performance, Retention.
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All other things being equal an engaged workforce provides competitive advantage over a rival company; this has become a widely held and uncontroversial view (EIU, 2010). However, opinions on engagement and what spurs engagement in today's workers differ. Organizations can extract 'discretionary energy' that resides in their workforce. Employees can increase the probability of higher profitability, better services, customer loyalty, safety and sales by employing discretionary efforts in their work roles (Kruse, 2012). When an employee cares more, there is the tendency to get involved and make greater contributions to the company, thereby resulting in organizational citizenship, commitment and intent to stay; reducing employee turnover (Kruse, 2012). This scenario translates to customer satisfaction and brings about customer loyalty which is a panacea for more profit and growth for the company (see figure 1). In the real world of human resources management (HRM) this is not always the case, employee engagement is low among today's employees and their employers as reported in literature. Bates (2004) observed that several researches by highly respected consulting firms in the United States (US) have found that almost half of America's workforce do not go the extra mile in their jobs, they feel a disconnect and are turned off by their jobs, doing only what it just takes to get the job going while only a few, about 25 % are enthusiastic about their employment. Engaged employees figures worldwide are lower than 50% according to the latest Gallup Q_{12} employee engagement survey (Gallup, 2013). The "engagement gap" which has been observed cost US businesses about $300billion annually with productivity loss (Bates, 2004).

Figure 1
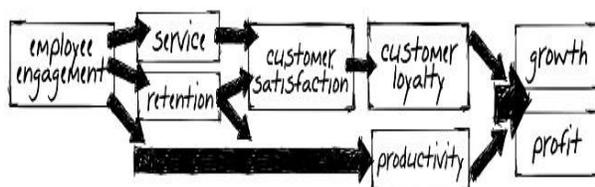
State of Employee Engagement in the Oil and Gas Sector

HR leaders in the oil and gas sector have been grappling with issues such as high employee turnover (higher than industry average), managing seasonal demands and attracting talents to difficult locations. Employee engagement has gained front stage in the oil and gas sector because of these problems outlined above. As recent as 2012, it had become the focus of oil and gas industry seminar in the United Kingdom (Oil and Gas UK, 2012). The oil and gas sector is beginning to realize that if it will continue to attract and retain highly skilled workers in the face of competing and alternative fields

such as telecoms and information technology, its human resources managers and management have to begin to focus on employee engagement. Likewise, a recent survey conducted by International Quality and Productivity Centre has identified "retention and employee engagement [as] the topmost HR challenge in the Middle East and North Africa (MENA) Region's Oil & Gas sector." In the survey, 44% of the respondents of 2,895 Energy sector employees choose retention and employee engagement as the topmost HR challenge in the Oil & Gas sector" (Training, 2010).

These findings and interest underlies the strategic importance of employee engagement which has been observed to supplement employee retention. It can be hypothesized that if employees feel a part of the enterprise, there is a likelihood that they will not want to move elsewhere. Stuart Payne, Group Human Resources Director, Dana Petroleum addressing an oil and gas conference in Aberdeen, UK, linked employee engagement to the ambitions of his company stating that if the company would achieve its strategic plans for the next five years, employee engagement would form part of its core strategic plan (Stuart, 2012).

Employee Engagement and Other Organizational Constructs

Employee engagement is related to other existing organizational constructs which include job involvement, the notion of flow by Csikszentmihalyi (1975, 1990), (May et al, 2004), commitment and organizational citizenship behavior (OCB) (Robinson et al, 2004; Kular et al, 2008). Job involvement is the degree to which a 'job situation' identifies with a person's cognitive disposition; that is the extent to which the important needs of a job relates to the psychological identification of an individual. It represents the self image of the person in relation to the job (May et al, 2004). Job involvement captures one aspect of engagement which is the cognitive dimension. Engagement goes further to entail immersion in a job role embroiled in a mix of emotions and physical presence. Therefore, job involvement can be viewed as a consequence of engagement because engaged individuals will translate to a state of identity with their jobs (May et al, 2004).

Secondly, employee engagement can be related to Csikszentmihalyi's (1975, 1990) 'notion of flow'. This notion explains the exciting feeling of 'total involvement' when a person releases the inner self in actions taken. When an individual is in a state of flow, Csikszentmihalyi (1975) maintains that consciousness about the environment is neglected and there is a release of personal self. The notion of flow has a bearing on

Kahn's (1990) stand that there is an employment of personal presence which involves the emotional aspect of a person. Self employment is a consequence of this construct; individuals are self motivated not needing external motivations to carry out their roles. It has been discovered in studies that flow state comes after success has been achieved and it exist in supervisors and managers more than line workers (May et al, 2004). Engagement and notion of flow differ in that the former has been conceptualized to represent a state of 'total cognitive absorption'. Another vital difference between the two constructs is that engagement results to the employment of physical presence (discretionary effort) in job roles whereas flow state is only a cognitive state.

Penultimately, commitment which has been more widely studied more than employee engagement has significant impact on a workforce. Organizational commitment describes the attitudes, obligatory feeling and/or devotion to one's organization. Many benefits have been attributed to commitment such as job satisfaction and performance. However, engagement goes beyond mere attitudes to include other aspects as have been identified early. O'Malley (2000) identifies five types of commitment thus:

- **Afflictive commitment** – refers to when the interests and values of an organization are aligned to that of the individual. This leads to an acceptance by the social environment of the organization
- **Associative commitment** – the organization gives employees a status which they cherish and would want to continue to belong to.
- **Moral commitment** – there exist a sense of reciprocal moral obligation between the employee and organization
- **Affective commitment** – this mode of commitment exhumes satisfaction in employees in respect to the colleagues and work environment.
- **Structural commitment** – there is a feeling of 'fair exchange' with material benefit.

Among these types of commitment, affective commitment is the closest to engagement; some scholars even refer to it as engagement. This kind of commitment goes with employment of discretionary effort in job roles (Robinson et al, 2004 (Muhammad Saadat Din, 2014)).

Lastly, OCB is more concerned with the behavior of the individual rather than organizational characteristics (*ibid*). However, many components of OCB align well with engagement and they include sportsmanship, self-development, civic behavior, self initiative and others. Engagement is a two-way concept whereby the organization makes available certain conditions which will evoke engagement behavior from the employee. These conditions which are the drivers, factors that make engagement possible will be the focus of next section.

Drivers of Employee Engagement

For employees to find meaningfulness at work, organizations will have to provide the atmosphere that acts as stimulants to drive employee engagement. Gibbons (2006) in an exhaustive meta-analysis of the drivers of engagement examined twelve (12) research publication each of which articulated drivers of employee engagement and twenty-six (26) drivers were identified. However, the analysis highlighted eight (8) drivers which appeared to have greater frequency in all the publications. The eight drivers of engagement identified by Gibbons (2006) used to proactively drive engagement are:

- **Trust and Integrity** – This is a driver of engagement that assures individuals that management cares about them, opens up to them, sets up adequate communication channels, is attentive to the employees, ensures that employees opinions count and the values and goals of the organization align with employee personal behaviors.
- **Person-Job fit** – HR practitioners must come up with jobs that fit into the nature of employees. This is necessary so that the daily job content and roles can be a source of mental and emotional wellbeing. An exciting and challenging job where employees are allowed to take ownership and join the decision-making process.
- **Synchronization of individual and organization's performance** – this driver is about how much the employee appreciates the company strategic goals, being aware of the wide effect on overall performance and the individual alignment with the consciousness of how employees' individual contribution adds to the overall company performance.
- **Career Growth Opportunities** – Employees having a sense of career growth and promotion. Training opportunities made available for employees will give them a feeling of defined career path.
- **Pride About Company** – Deriving self-esteem from being associated with a company will boost engagement in an employee. This will enable a scenario where the employee advertises the company to customers and possibly drawing talents from rival companies to come and join.
- **Co-workers/Team Members** – Cooperative and supportive co-workers will drive up the level of engagement of an employee.

- **Employee Development** – This refers to the perception that the company is making specific efforts to develop their personal kills.
- **Line Manager Relationship** - A good working relationship with one's manager is an engagement driver that will boost the degree of engagement of an employee.

Furthermore, McBain (2007) and Wellins et al, (2012) classified the drivers of engagement under the following categories: (1) the organization, (2) leadership and management, and (3) employees or working life. An illustration of factors under each category is illustrated in table 2.1.
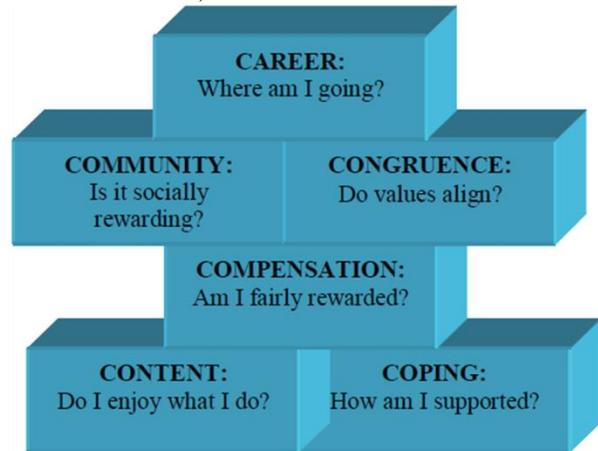
Table 2.1: The drivers of engagement (Source, McBain (2007))

The organization	Management and Leadership	Working life
• Organizational culture	• Senior management leadership	• Recognition
• Values and vision	• Line manager commitment	• Supportive colleagues
• The brand – organizational or product	• Communication	• Developing potential
		• Clarity of expectations
		• Flexibility
		• Work/life balance
		• Involvement in decision making
		• Working environment

The ultimate owner of engagement is the employee. Such organizations who want to drive engagement must tap into the employees' commitment, passion and identity. While many studies focus on different drivers, Corporate Leadership Council (2004) has shown that emotional drivers are more effective because they have four times greater impact on employment of discretionary effort, these include employee - manager relationship and self-esteem from employees organization. Gibbons (2006) argues that this supports the views of Hertzberg (1959) who showed that 'hygiene factors' such as huge pay, 'benefits and working condition' do not to a large extent 'motivate employees'. Good leadership is fundamental in driving engagement. The management must show good leadership qualities in order to implement these drivers of engagement. Cheese et al, (2007) outlined a hierarchical form of driving engagement which he refers to as the 6 C's (see figure 2.1). The 6C's highlights the importance of the content of the job, coping with the job demands, perception of fair reward by the employee, community relationship at work, the view of the employee about their superiors whether in alignment with organizational goals and

lastly the career expectations of employees near and far future.

Figure 2.1: Drivers of Engagement: The 6C's (Source - Cheese et al. 2007)

Outcomes of Engagement

McBain (2007) found that there are certain desired outcomes which stems from the discretionary efforts of engaged employees. These outcomes are seen to have direct bearing on organizational performance. If an organization is able to harness the cognitive, behavioral and emotional state of an employee, there would be a positive effect on the organizational culture which will be a panacea for success. McBain (2007) noted some frequently mentioned outcomes of employee engagement:

- It directly impacts on the positive customer-related expectations such as customer loyalty, customer service and customer satisfaction
- It aids in change management in that for example evolving a more customer focused culture
- Establishing a feeling of belonging to the organization
- Growth is sustained
- Staff turnover would be low and staff motivation is attained

Measurement of Engagement

Employee engagement can be measured although it has been noted that it is not an exact science. Several researches and studies have employed different tools and questions criteria. Varying degrees of employee engagement has been identified and more so, have provided basis for metrics of measurement of employee engagement. Many classifications of the degrees of engagement can be indentified in literature and reports of surveys. Meere, (2005) classification identifies these different levels of engagement on thus:

- **Engaged** – these are employees who exhibit cognitive, emotional and physical engagements in their jobs. They exhibit commitment, passion, motivation, job satisfaction and overall personal presence on the job.
- **Not Engaged** – These are those who perform their roles as a matter of duty. There is no connection between the jobs they do with their personal self. They can show no commitment and motivation and are at odds with the organization.
- **Disengaged** – This category of employees are disconnected from the aims and objectives of the organization. They can become a source of disenchantment from employees toward their employers. They are not happy at work and they show it thereby having a negative effect on other employees.

However, this research reviewed literature regarding measurement of employee engagement so as to derive a foundation on which the premise to find out about engagement in the oil and gas sector. Engagement is mostly measured through climate type surveys carried out by internal and probably with the help of consultants. Covered in these surveys are commitments, leadership, engagement and other aspects such as motivation and job satisfaction. McBain (2007) observes that most of the surveys involved items that deal with corporate as well as business level issues. The major trend is the use of validated surveys used by consultancies such as Gallup. Schaufeli and Bakker (2002) came up with a scale to measure employee engagement. This duo looked at this from this perspective:

- **Vigor** – this simply is the high energy level and mental resilience of employees as they work, and the willingness to put in more effort in the work.
- **Dedication** - this is deriving a sense of being valued and seen as important in the work. It is also the feeling of happiness, motivation and challenged by the job one does.
- **Absorption** – This was characterized by totally being happily engrossed in one's work with serious difficulty thinking of detaching oneself from it."

Furthermore, New Zealand uses the JRA index in measurement of employee engagement. This has a six engagement index tool to establish the different levels of engagement. This tool is seen to be very easy to use and analyze as it does not have much complications. The six indexes are used to specifically measure the rational-emotional-behavioral components of employee engagement. It follows like this:
a) "I look for ways to do my job more effectively
b) Overall, I'm satisfied with my job

c) I take an active interest in what happens in this organization
d) I feel inspired to go the extra mile to help this organization succeed
e) I feel a sense of commitment to this organization
f) Overall, I this organization as a great place to work"

Correspondingly, it has greatly been debated that the intention of an employee to decline working for an organization is indeed the most universal determinant of engagement. Engaged individuals are more likely to stick to their organization than the less or not at all engaged employees (Schaufeli and Bakker 2004; Truss et al, 2006). Though this does come with its own negativities in two ways, while engaging employees helps to combat employee turnover and reduce recruitment costs, likewise, the longer an employee is with an organization, the more likelihood of getting less engaged (Ferguson 2007 and Truss et al, 2006). This is evident that no matter how important the employee engagement factor is, it does have its other side as well.

Gallup has developed a popular engagement measuring tool known as Q_{12} Meta-Analysis which analyzes 199 research studies and explores the linkages between employee engagement and performances in 152 organizations and 32,394 business units with a total of 955,905 employees. These are 12 items measuring issues, which are actionable or changeable at the manager level. The questions that constitute the Q_{12} measures are measured on a five point scale of overall satisfaction where "5" represents extremely satisfied while "1" represents extremely dissatisfied. Gallup has administered this survey to over 15 million employees in 164 different countries and 65 languages which makes it possible to conclude that the results could be said to represent the state of employee engagement universally (Siddhanta and Roy ,2010).

Employee Engagement in the Oil and Gas Sector

The dire need for employee engagement in the oil and gas sector is on the constant increase by the day as it is seen to be of great importance in production, profitability and reduction of employee turnover as evident from success tales by oil organizations. According to Ed Sweeney, the chair of ACAS, the recession has made the implementation of this organizational construct more important than ever (ACAS, 2010).

As a result of the recession, the oil and gas industry realized the great need of employee retention, engagement and involvement in order that they move forward in the global economy like other sectors. Kruse (2012), in a response to the employee engagement

question he is frequently asked, in further clarifying what he meant by discretionary efforts, he asserted that they are efforts that are seen more in the engagement-profit chain. That with this, the employee becomes more productive and give better services as he is ready and committed to putting in willingly, as much efforts as possible to realize the goals, aims and objectives of the organization he works for. Reason being that, he is more attached and interested in the organization that engages him much more than one that does not. This will as well go a long away in ensuring that employees are willing to stay for longer times in their jobs and with their companies finally resulting to a happier employer, employee and customers alike.

According to Irvine (2009), "employee engagement is rapidly becoming the answer for many organizations" even though very many still remain puzzled on what its benefits are. The benefits of employee engagement are clear; from the research on "the bottom-line benefits of employee engagement", now in monetary terms, Towers Perrin is said to have discovered that organizations with engaged employees have higher operating income by roughly 19% as compared to those with lower engaged employees, and with a falling operating income of about 33%. In explicit dollar terms, for S&P 500 companies, Watson Wyatt (WW) says "that quite a vital development in employee engagement increases revenue by $95 million."

For Dana Petroleum, Stuart Payne, the newly appointed Group Human Resources Director of the company clearly pointed out in his appearance at the Oil & Gas UK Employee Engagement Conference in April 2012 – Aberdeen, UK, that, for the company to achieve its goals and objectives, the very many identified issues have to be tackled and tackled straight away. And the greatest and central to any organization is employee engagement he said.

H_1: There is relationship between employee engagement and organizational outcomes - customer metrics, profitability, productivity, turnover, safety (accidents), absenteeism, shrinkage, patient safety (accidents) and quality (defects).

Methodology

The data collected emanated from secondary researches carried out by different researchers in this field. In the course of investigation, mostly data present in academic journals provided insight to concept of employee engagement. As much as the secondary data is appealing and presents the research with ease of locating data, it has its downsides. One of which is that such data could have been collected for another reason and the validity

cannot easily be attested to. However, the researchers chose secondary data because it was readily available and for testing the hypothesis and also accessible for use by the public. This entails review and analysis of works already done by professionals and academicians. It is the firm belief of the researchers that using this method with reliable data gives a boost to the quality of the research work done and likewise expands the scope of the research curtailing the numerous limitations.

Data Collection Methods

The main instrument for data collection was a questionnaire. The questionnaire was based on the items contained in the Gallup Workplace Audit (GWA) comprising the Q_{12} questions and first questions which measures overall satisfaction (see appendix for questions). Harter et al., (2003) observes that these items are essential in capturing employees' view of people related management at the business unit level. These items have been designed to take into account a measurement of the attitudinal outcomes of employees such as how satisfied they are with work, their loyalty, level of pride, employee turnover and customer inclined consciousness. The first item measured the overall level of satisfaction while the remaining 12 items measured the level of employee engagement which can be affected from the supervisor level. The questions below are adapted from the 13 questions in the Q_{12}.

The ideas behind the items in the GWA according to Harter et al, (2003) are as follows:
"Q_{00}: **Overall Satisfaction.** This is the first measure of attitudinal outcome weighing how satisfied employees are with their company. Though the results might seem too encompassing, the real deal behind employee engagement and possible outcomes are measured by the following 12 items.

Q_{01}: **Expectations.** A clear undiluted understanding of what is expected of an employee at work is at the heart of what an employee requires and what is expected from the manager. These expectations will not be the same for every business unit because there are different goals.

Q_{02}: **Materials & equipment.** If employees' performance is to guarantee maximum efficiency, they must be adequately equipped. This passed a message to them that their work is valuable to the organization and all necessary support will be accorded them to deliver. Successful managers ensure that they correlate employees' request for materials to those outcomes that have greater significance.

Q_{03}: **Chances of best performance.** Managers have to discover in their employees their natural talents so that

they can be directed towards those job roles that will accelerate achievement of goals. Acknowledging and studying individual differences through observation and experience will enable managers to place people in those positions that best suit their abilities.

Q_{04}: **Recognition for performance.** Employees' preference of recognition varies among people and managers must ascertain how their employees wish to be recognized in order to make balanced decisions. It is rare to hear employees complain of over recognition which means that no level of recognition can be said to be too much.

Q_{05}: **Feeling loved at work.** We all carry individual emotional attachment and feelings. Someone wants to be loved at work while others don't care about being cared for and are only interested in their roles. It is necessary for managers to listen to employees and relate to their personal needs. Making the connection between those individual needs and that of the organization is the way to go.

Q_{06}: **Supporting employee development.** How employees are trained can affect their perception of what the future holds in store for them. If managers channel their training efforts towards harmonizing and advancing the abilities of the employee, both the company and employee will reap huge benefits.

Q_{07}: **Opinion is not neglected.** Everyone would like to be involved in making decisions especially those that concern their work. If employees' opinions are sought and taken into consideration during decision making, it makes for better decisions. Employees are in many situations closer to those things that shape the system. Lastly, if employee's opinions are involved in decisions made, they will become more responsible to make sure the outcome is favorable.

Q_{08}: **Mission and Purpose.** The essential role of the manager is to help employees focus on the purpose of the work but that is not all. Aligning that purpose with the organizational mission and expectation is critical. Employees must be made to envisage the big-picture and align with the corporate culture and brand because this dimension affects their output.

Q_{09}: **Colleague's commitment to quality.** Managers have the ability to bring together those staff that will do the right work and also adhere to ensuring quality measured by some goals and standard metrics which have a bearing on quality. If others are committed to quality work, it can be a motivator for the employee to step up if found lagging and give their best to the job that meets quality expectation.

Q_{10}: **Best friend.** Good managers do not constrain employees from interactions at work and forming bond of friendship in the process. They rather ensure that people are free to associate and explore one another so they can find friendship in each other. The result can have effect on the level of communication, trust and other eventual outcomes.

Q_{11}: **Progress.** Having time for each employee to discuss progress, promotions, achievements, targets and other things is essential for continued working relationship of managers and employees. Regular meetings with employees foster learning and an opportunity to give guidance.

Q_{12}: **Learning and growth.** Selecting the right training for employees will make them satisfy the need to know their improvement level and other opportunities to be better. If employees attend the right training, their contributions to the system can be assured and indebtedness to the company can be aroused as they will bring to bear what they have learned."

Data Analysis

This entails the actual process of sieving, transposing and transforming data with the aim of generating targeted income to meet the research objectives using suitable analytical methods. The method used for this secondary data in this research is meta-analysis. Harter et al, (2013) defines meta-analysis as "a statistical integration of data accumulated across many different studies." Accordingly, it makes for a unique extraction of important information because it enhances controls for varying measurement and allows for correction of sampling errors that could affect individual analysis. There is elimination of biases and validity is truly estimated. It is estimated that over a thousand meta-analyses have been carried out in the "psychological, educational, behavioral, medical and personnel selection fields" (*ibid*). *Meta-analytic method* used includes:

- *"weighted average estimates of true validity*
- *Standard deviation validities*
- *Corrections made for sampling error*
- *Measurement error in the dependent variables*
- *Range variations*
- *Restriction on the Grand Mean for checking validities*

Findings and Analysis

The main result and findings are from the 2013 Gallup Q_{12} employee engagement survey. Other employee engagement survey results from CIPD Employee Outlook Winter 2012 -2013, Towers Watson Global

Workforce Study 2012 and Blessing White Engagement Report 2013 were also analyzed. These studies conducted across many regions, countries, organization, gender and industries present a true picture of engagement today on a broader view including the oil and gas industry.

Gallup Q_{12} survey based its findings on the relationship between twelve engagement items to nine performance outcomes namely: customer metrics, profitability, productivity, turnover, safety (accidents), absenteeism, shrinkage, patient safety (accidents) and quality (defects). The results show that all the 12 engagement items have some bearing on multiple performance outcomes (the figures representing the various outcomes are attached as appendix). These results are highly generalized in that there is a correlation among different organizations in the study. However, particular true score correlations ranges were on average of 0.12 and -0.45 for the nine outcomes studied for the different employee engagement components. The first six items ($Q_{01} - Q_{06}$) depict most of the relationship between engagement and performance. These results will be devoid of the intricacies of meta-analysis which is the method used to arrive at them. Number of business units studied varied per performance outcome (see figure 4.1).

Analysis of Gallup Q_{12}

Gallup Q_{12} 2012 findings are consistent with many other surveys identified in the literature review that links employee engagement to organizational performance outcomes. The various findings reviewed depict an overall low level of employee engagement in the global workplace which is in agreement with Gallup levels The harsh economic climate does not change the negative or positive effect of employee engagement on performance. The organizational phenomenon remains an important factor which can become a differentiator for organizations even in the aftermath of the Great Recession 2008-2009.

The findings of Gallup 2013 Q_{12} Meta-Analysis can be summarized thus:
- Financial, safety, customer, quality, shrinkage and absenteeism metrics were composited for businesses in the top half of their organizations and they were found to have close to double the odds of success against those found in the bottom half.
- Measuring by percentiles, Gallup found that business units in the 99th percentile will be able to exhibit four times success rates than those in the 1st percentile.
- The nine performance outcomes used for the study are affected by employee engagement in multiple ways. Comparing the bottom quartile business units

with the top quartile units, these results are evidently illustrated in the figure below are evident thus: 37% lower absenteeism, 25% lower turnover (in high-turnover organizations), 65% lower turnover (in low-turnover organizations), 28% less shrinkage, 48% fewer safety incidents, 41% fewer patient safety incidents, 41% fewer quality incidents (defects), 10% higher customer metrics, 21% higher productivity and 22% higher profitability.
- The 2013 results are identical to the previous Gallup's 2009 results showing that there have not been many improvements by companies regarding their level of employee engagement.
- The results can be generalized across organizations. The link between employee engagement and performance of business units are very significant. Thus practitioners can with a measure of confidence apply these findings to different business units to achieve better outcomes.

**Figure 4.1:** Meta-analysis 2013 (Source - Gallup Q_{12}, 2013)
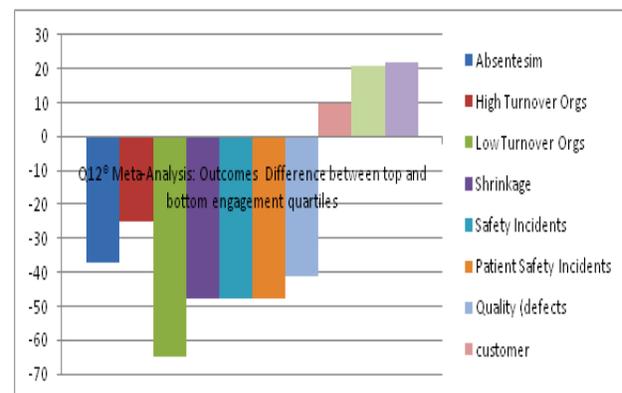
CIPD Employee Outlook Winter 2012 -2013

CIPD Employee Outlook Employee Engagement Index is based on the initial survey conducted in 2006 of British employees and updated periodically. The latest results show a reduction in the percentage of engaged employees to 35%. While majority of respondents remain neutral at 61% which is greater than the figure for neutral responses that are neither engaged nor disengaged and only 4% are disengaged. Classification by gender shows that women engagement levels are at 37% higher than men at 34%. Going by sector classifications, those in the voluntary sector continue to lead the pack with 41% engagement level; private sector comes second with 40% and those in the public sector with 29% level (see figure 4.2). Most of the neutral employees were found in the public sector with over 67% rate neutral employee engagement. Engagement of respondents increased, the smaller the organization with

micro businesses exhibiting 60% and large organizations with 31% engagement. The results indicate that employees who have been with the organizations least are the most engaged at 43%.

Figure 4.2: The extent to which employees are engaged at work, by gender, sector and size of organization (%) **(**Source -CIPD, 2013)
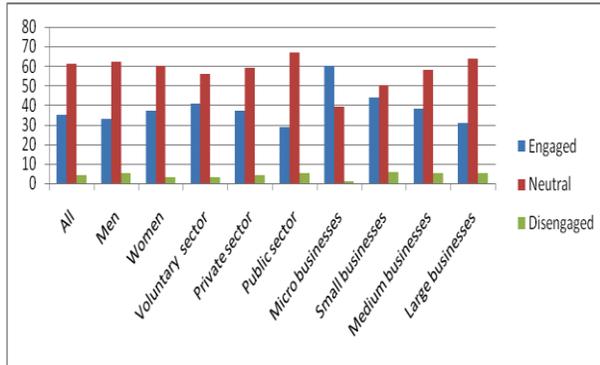
Towers Watson Global Workforce Study 2012

Towers Watson measures employee attitudes and concerns defined in a new way called '*sustainable engagement'*. This study covers 32,000 full-time workers worldwide and the findings indicated that only 35% are highly engaged workers. The five years of recession could easily be argued to be the cause of the below average level of engagement which is echoed in almost every survey report including this. Today's workers are becoming more uncertain about the future. The major themes include:

- About 38% are concerned about so much pressure on the job.
- A larger percentage above fifty percent mark (56%) is worried about retirement security as being very expedient today more than in the past. These findings indicate that employees would prefer a small salary to be assured of robust retirement option that is not susceptible to the market.
- Topping considerations for taking a job include salary and job security.
- The quality of work is a major driver for retention more than pay.
- Today's workers have doubts that the management would give the level of interest necessary. Also respondents don't think that their 'direct supervisors' have the time required to deal with people management expected of the job.

Sustainable Engagement

From these summaries, Towers Watson concludes that traditional engagement level does not provide an answer to the current workplace therefore, its proposition of sustainable engagement. Two gaps in the traditional engagement model are identified as ensuring workers have support they require internally in terms of resources and tool. Secondly, an energizing workplace creates an atmosphere that is charged and enhances a 'physical emotional and social well-being'. At the core of sustainable engagement which can be described as degree of employees' connection to their organization which lies on three core elements which are being engaged, being enabled and feeling engaged.

- Being engaged explains employees discretionary effort employed in achieving job goals
- Enablement comes with the environment supporting productivity in many ways
- And work experience that does not ignore employee wellbeing.

A set of nine questions were used to measure the extent to which the three core elements occur in their work environment. This finding classified the employees as highly engaged, unsupported, detached and disengaged. Those who score high in all aspects are the highly engaged; those who are unsupported have been engaged traditionally without enablement and/or energy. Detached employees are the reverse of unsupported, they are enabled and/or energized but traditional engagement is lacking. Disengaged is below the red line, these are workers who are not emotionally connected to their organizations. The result from the survey indicates that highly engaged, unsupported, detached and disengaged scored 35%, 22%, 17% and 26% respectively.

Figure 4.3: Towers Watson Sustainable Engagement (Source - Tower Watson, 2013)
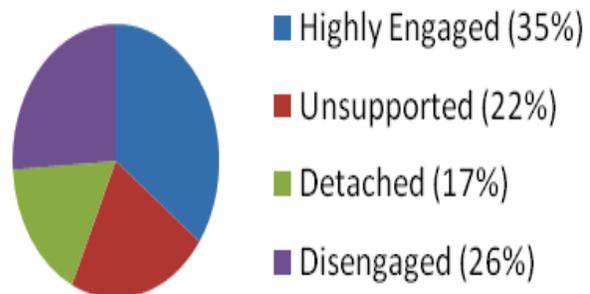
Blessing White Engagement Report 2013

The latest Blessing White findings among 7,000 workers indicated that employee engagement is gaining momentum following slow recovery from the 2008-2009 recessions. Employee engagement varies around various regions. Employee engagement is measured on five levels aligned along the four axes of maximum satisfaction, maximum contribution, organization and individual. Blessing White model of employee engagement is achieved with maximum job contribution complemented by maximum job satisfaction. The index includes:

- **The engaged** – Maximum contribution to the organization is exhibited with a high level of commitment and discretionary efforts.
- **Almost Engaged** – At the edge of almost being highly engaged. Showing signs of high employability but can easily be lured off.
- **Honeymooners & Hamsters** – These are new comers or hires who are enthusiastic to be in the organization, have not experienced stress, yet to find their ground and strike a balance.
- **Crash & Burners** – These are 'top producers' who aren't satisfied and successful. Can easily slip down the ladder and become disengaged.
- **The disengaged** – A disconnect exist among these set of employees and the organizations goals and strategy. They may not have started this way but not getting it right by managers and management leads them to their states.

Employee Engagement and Retention

A measure of the "intent to stay", which is a strong predictor of how committed an employee is to the organizational goals, was measured globally (see figure 4.4). The results indicate that employees want to remain with their employer for the next 12 months. Among engaged employees, the figure was higher at 81% but very low among disengaged employees at 23%.

Figure 4.4: Blessing White 2013 Employee Engagement and Retention (Source - Blessing White, 2013)
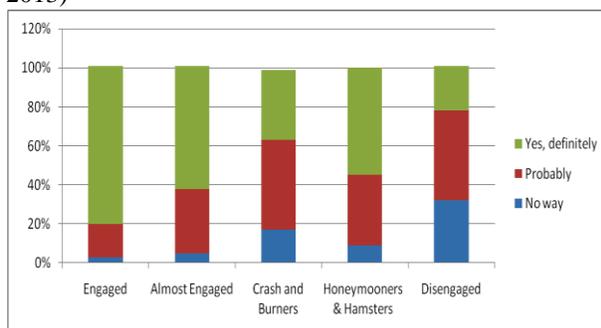
It can be rightly assumed that those who show signs of engagement (Engaged, Almost Engaged, Honeymooners and Hamsters) will likely plan to stay. Although the intent to stay is influenced by many factors so it is not a straightforward correlation and not very easy to determine even as a certain good percentage of disengaged employees (23%) want to stay. Significance in the retention rate is different scenarios that occur in different regions. Though China has low levels of engagement, the will stay longer with the employer. This opens a lot of opportunity for employers to harness the potentials of their employees.

The Evolving Leadership Model

Leadership is the primary driver of engagement and it has been proven by several studies by Blessing White. In this particular study, respondents agree that their leadership does a good job strategically. When it comes to growing the business, 53% agreed said they did a good job, 49% posited they are apt at managing costs while 48% have trust in their leaders. This is an essential ingredient in employee engagement. A good number did not have confidence in their leaders. In areas of operation, due to operations' leader's unwillingness to consider their employee views are a contributor to lack of confidence and trust. Only 39% agreed that their leadership were interested in succession planning. A quarter did not score their leader good at all saying they are bad leaders. These results are consistent with a number of academic studies that have predicted leadership competencies of the future. They include strategic planning, risk awareness, technological knowhow, interpersonal skills, and multi and cross cultural ability and ability to take critical and quick decisions. Developing these competencies enable employees to have a good perception of their leaders.

In a knowledge world where employees seem to have so much knowledge and highly technical, leaders need to exhibit certain skills that can enable them stay above the rim and garner followership. This gradual shift to a 'digital' workplace poses great challenges to management. The first challenge is recognizing current practices that require a change. Secondly determine how to assess new competencies change those practices and thirdly developing and inculcating those competencies to nurture leadership for today and the next generation. There are certain factors organizations need to consider no matter the leadership model in place. These constitute immediate actions that can be taken to help strengthen the connections between leaders and followers in the workplace.

- A clear leadership model that incorporates competency model with new leadership requirements.
- Alignment of competencies with the strategic goals and objective especially if organization is wants to expand.
- Put a mechanism for assessing leaders' abilities against the current model and provide grounds for closing gaps.
- Put a robust and extensive succession plan in place.
- Senior executives have to connect with the employees through meaning programs that fosters communication.
- Create opportunities for leaders to be innovative in generating approaches to work.

Conclusion

With an aim to critically review the literature on employee engagement while examining current trends in the oil and gas sector, deep investigations were made as to the roles employee engagement play in the oil and gas sector. A model of employee engagement which revolves on engagement, performance and intentions to stay with an organization is appropriate for achieving employee engagement in the workplace. It's worthy to note that other aspects of employment such as job satisfaction, job content, flexibility and age are concerned with engagement and must be taken into consideration. The level of engagement must consider holistically in taking managerial actions, job features and individual differences into context. Feedback and recognition is an important part of the model. Overlooking feedback and recognition kills motivation. Recognizing individual performance and team results will result in a workplace that team spirit abides. Individualized feedback can result in per person productivity over a long period of time.

Employee engagement as has been recognized earlier surpasses motivation and organizational citizenship. However, its scope is beyond any of these concepts. Deepening the managerial understanding of drivers of engagement and how to sustain it is a great managerial skill worth having. Business units, generally, and more specifically in the oil and gas sector with highly engaged employees have been shown to have more odds of success. Managers must be committed to the organization if they expect their employees to do same. Employees must be respected and treated fairly.

Figure 5.1 Model of Employee Engagement for Oil and Gas Sector (Engagement, performance and retention)
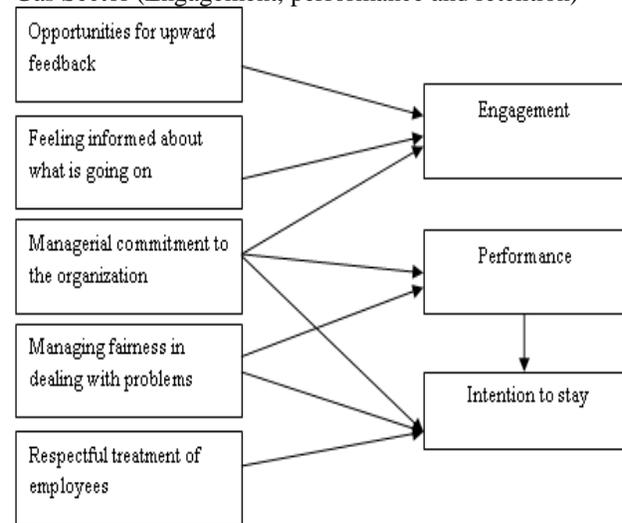
Employee engagement is not another management fad. Organizations both private and public have recognized its place in management. More importantly, we are in a generation of knowledge workers where most jobs can be done remotely or individually. Recognizing the impact of employee engagement on cognitive emotional and physical aspects of works and how these factors intertwine to evolve an atmosphere that is conducive for performance is very important. The oil and gas industry has recognized the importance of employee engagement more so in this age when other industries are competing with the sector in talent retention especially the tech industry.

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