EMPLOYEE ENGAGEMENT AND ORGANISATIONAL PERFORMANCE IN A PUBLIC SECTOR ORGANISATION IN ZIMBABWE

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ABSTRACT
The research analyses employee engagement as a precursor to unlocking organisational performance in a public sector organisation in Zimbabwe. The organisation (herein referred to as Zim-PSO), which has been plagued by operational and people challenges, is essentially locked in underperformance, which, it is argued, could improve as employee engagement levels also improved. A sample of 50 subjects participated in the research. Data were gathered using a combination of unstructured interviews, self-administered questionnaires and a content analysis of a range of secondary data sources in the organisation. A thematic analysis method was used to interpret and analyse the findings. The central argument in the research is that employee engagement is very critical in determining employee, and organisational performance. Findings reveal low levels of employee engagement that consequently result in a below-standard performance amongst the majority of employees. Attempts have been made to improve the work climate and motivation of employees, but the interventions are still insufficient. Whilst the organisation has suffered from a number of perennial problems, much way beyond what engagement can fix, this does not necessarily dwarf the capacity of engagement to stimulate positive employee behaviours that affect productivity and labour efficiency.

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Keywords: Engagement, Organisational performance, Interest alignment, Human resource management, Zimbabwe.
1. INTRODUCTION

If Human Resource Management (HRM) is concerned with ‘the maximum utilisation of paid labour units’, then employee engagement becomes one of the single, most important ingredients to labour efficiency in organisations. This concept, which has received wide coverage in scholarship, has been regarded as a key driver to business success and competitive advantage (Ncube et al., 2013). Much of its influence has come out of the observation that more often, employee behaviours in organisations are a result of their values and perceptions than just management prescriptions. Employee engagement is mostly used to describe the alignment of an organization’s mission with those of employees in relation to the former (Mathis and Jackson, 2011), as demonstrated by attitude to work (Robinson, 2004), management, environment (Poisat, 2006) and extending to the extent of employees’ emotional, cognitive and personal commitment to go an extra mile at work (Kahn, 1990; Lockwood, 2007). Kreitner et al. (1999) equate it to employee satisfaction; that is, “…an effective/emotional response towards various facets of one’s job…” Ultimately, employee engagement impacts positively on employee behaviours, leading to organisational success, as measured against indicators such as productivity, profitability, safety, customer satisfaction and corporate reputation, employee commitment, key staff retention among others particularly in changing labour markets (Robinson, 2004; Lockwood, 2007; Macheno and Endres, 2008; Dickson, 2011; Mathis and Jackson, 2011).

Therefore, it is crucial for organisations to create a fertile ground for employee engagement to flourish if they are to tap into their knowledge and human capital. Macey and Schneider (2008) posit that employees come to work ready to be engaged, and emphasise that organisations need to create favourable conditions for engagement. As engaged employees connect with each other, the multiplier effects of synergy lead to the collective actions, which influences organisational performance. This means the moment an employee enters the organisation it is the business of the employer to device mechanisms for effective utilisation of labour, which essentially involves engaging employees.

The purpose of the paper is to attempt to explain how employee engagement may be used to unlock organisational performance, using the case of a Zimbabwean public sector organisation—Zim-PSO. This organisation has had perennial performance problems, most of which significantly affected employees and their performance at work. The paper argues that perceived obligation fulfilment incongruence negatively affects engagement levels of employees and ultimately, their productivity, so that an investment in employee engagement inducement activities may stimulate employees’ productive behaviours and affect organisational performance.

Zim-PSO has been on spotlight for alleged poor delivery of services to the public, general bureaucracy and failure to respond to the turbulent and complex operating environment. The financial reports of the organisation for the period 2010 and 2012 recorded inconsistent organizational performance, with a ballooning debtors’ base against waning revenues, as compared to its 2000 to 2008 performance. Minutes of collective bargaining negotiations for 2010-2012 at the parastatal also recorded a multiplicity of performance challenges, including consistent salary delays, with the consequence of having several threats of industrial actions by employees through their union. On the other hand, work’s council deliberations during the same period confirm
management’s concern about poor motivation and commitment of employees, while employees raised concerns over poor communication by management and their general failure to clarify the organisation’s new strategies. The minutes further indicate employees’ several accusations with respect to their employer withholding some of their benefits like the 50% housing allowance and freezing salary increases while management enjoy the luxury of increased their perks and housing allowances. Most of these issues obviously raise concern on the levels of engagement of employees in the public sector organisation.

Ironically, the public sector organisation, just like any others, has been plagued by political interference in its operations, with its 2010-2012 financial statements reporting state related institutions as major debtors, which it could not disconnect due to political meddling and the existence of service-level agreements. Being a public sector organisation, Zim-PSO is characterised by a very complex set of stakeholders with very different, complex, multiple and often varied interest, what can be termed double bottomed participants. The values of its key stakeholders then heavily influence consensus building in the organisation pertaining to its current and future direction. This is in addition to the effects of the haemorrhaging economy, which has generally affected the capacity of most Zimbabwean companies to realise their visions. As a result, the organisation finds in a precarious position, failing to meet its salary payment commitments to employees.

As Zim-PSO has been battling for survival in the current recession, various initiatives were introduced in an attempt to turn back the fortunes of the ailing public sector organisation, with the consequence of affecting employees. These include the 2010 commercialisation initiative, which was anticipated to have a positive effect on its operational effectiveness. Commercialisation of a public sector institution includes the transformation of a government department to an entity that provides or sells its goods and services to the public, with the aim of making a profit, and where the entity no longer relies on the fiscus for its operations. It should generate enough revenue to sustain itself, and where the organisation declares its dividends to Treasury. Beer (2001) regards it as part of strategic management decision that involves a government department being given the autonomy to trade as a private company yet be still accountable and owned by the government. The commercialisation drive targeted Zim-PSO’s financial performance, market development and management, systems development and management and human resource development and management. The acknowledgement of human resources as transformative engines to the commercialisation resulted in the mooting of a strong employer value proposition in the public sector organisation’s 2010-2012 strategic plan, emphasizing aggressive human resource development (as a way of ensuring that employees have the necessary skills and competencies to realise the commercialisation dream) as well as the refinement of the organisation’s internal HR systems, including a job evaluation exercise, a re-engineering exercise as part of the restructuring initiative, a new performance management system, and a reward system that would attempt to link employee rewards to performance.

The purpose of the research was therefore to assess how far these initiatives have gone towards affecting employee engagement levels and employee performance, and ultimately, how the sum total of collectively engaged employee performance would possibly affect the performance of Zim-
PSO. The central argument here is that management practices and strategies provide a vectoring effect on employee engagement which, in turn, essentially unlocks organizational performance through consistent positive employee behaviours.

2. MATERIALS AND METHODS

The research was dominantly qualitative in nature, using a case study of a single public sector organisation-Zim-PSO. The research included a sample of 50 subjects, selected through stratified availability sampling method. Interviews were then conducted with 16 managerial employees whilst self-administered questionnaires were administered to 34 non-managerial employees. A content analysis of various company documents, including Corporate Strategic plans, Zim-PSO’s management meeting reports for 2010 – 2012, Financial Reports of the organisation covering the same period and HR reports among others was also made to complement primary data. These would help in terms of providing details on Zim-PSO’s performance, current challenges and several discussions with employees that put pointers to their levels of engagement or lack thereof. Analysis of findings was done thematically, where data was organised and described in detail to interpret various aspects of the research topic. This included the process of familiarisation, identifying a thematic framework, indexing, charting, mapping and interpretation of findings (Mutambara and Hungwe, 2011).

3. FINDINGS AND DISCUSSION

3.1. Performance Challenges At Zim-PSO

Zim-PSO has been plagued by a number of challenges, as the economy has for the past more than a decade suffered various forms of fragility. These have consequently affected the operations of the organisation, as evidenced by perennial performance problems. The net effect of this was failure of the organisation to fulfil its obligations to employees, resulting in low employee morale, lack of employee commitment and strained management/employee relations in general. The organisation has not been remitting pension dues to the respective underwriters such as Old Mutual and Government Pensions. Management respondents indicated that this was largely because the organisation has for a long time had very constrained revenue inflows and is trying to offset salary commitments to current employees until revenue inflows improve. This was not communicated properly to low level employees, causing them to view the failure to remit pension dues as highly improper, when the intention was to cater for the same employees.

Management respondents also cited bureaucracy and lack of equipment as having a role to play in compounding the authority’s performance challenges. The larger section of non-managerial employees indicated that there was also a challenge in terms of poor distribution of rewards where there are perceptions of managerial employees getting very high perks against non-managerial employees, and in the absence of a performance-based rewarding system. Other challenges noted in the research included poor management practices, general lack of trust, which causes management to refuse to delegate decision making authority, poor communication, indiscipline on the part of managerial employees as well as extreme organisational politics. These have had the net effect of affecting employee commitment and performance.
Ironically, even management representatives in the research view challenges associated with the execution of some at Zim-PSO. Findings of the research revealed the following:

**Decision Making** - A small business unit (SBU) is closer to the market/consumer than the corporate entity (often Head Office), therefore it must lead in decision making and resource allocation. However, because of centralisation, decisions are made by people far from the ground who do not appreciate the existing scenario such there is often a misalignment between SBU needs and Head Office decisions. An example can be that of the cutting of overtime and termination of contract workers. The only way to compensate for released staff is overtime, but if you cut both, the remaining employees begin to question the wisdom of decision makers leading to low confidence in the leadership. This is much in the context that the SBU leaders are not involved in decision making.

**Management Priorities** – There is a general feeling among employees that their concerns both individually and collectively are not at management’s priority list, considering that the organisation is still lagging behind in salary payments even though it generates more than $4 million in revenues monthly.

**Selling of the Authority’s Vision and Mission** - There is a poor selling of the vision and mission of the organisation to employees. For example, after strategic retreats, there is little feedback for the general employees. This results in a low level of interest alignment among employees which generally affect their levels of engagement and performance. For example, more than 50% of employees in the research indicated that they do not understand the mission and vision of the organisation and also where they fit in the same.

**Administration of Disciplinary Procedures** – There were allegations of management not following appropriate disciplinary procedures as defined in the organisation’s regulations, coupled by a generally negative approach to discipline, which is punitive in nature. It emerged from the research that most disciplinary cases of employees cause the alleged offender to be suspended even in cases that do not necessarily warrant such a harsh decision. As a result, a lot of resources are spent in litigation and related costs.

**Communication** – there is evidence of communication problems particularly between management and employees, which leaves employees disgruntled and unaware of the many goings on in the organisation. In the light of these views, a conclusion can be drawn, that managers themselves are not emotionally attached to the organisation. Other issues such as antiquated infrastructure, recession of the economy and over control of tariffs by the regulator were also mentioned as some of the challenges facing the organisation. These factors could have a compounding effect on the capacity of the organisation to effectively manage its revenue inflows.

### 3.2. The Impact of the Challenges on the Performance of Zim-PSO

Various people issues emerge when an organisation is under-performing. In many instances, organisational performance is likely to further go down when employees are not satisfied and non-performing, because organisational performance represents the sum total of employee performance (Paauwe and Boselie, 2005). Brewster et al. (2008) concluded that employee motivation or level of
interest alignment is very critical for HR to impact on firm performance. This means if the practices extant in an organisation are not sufficient, it may result in disengagement of employees and HR’s inability to impact positively on firm performance (Ncube et al., 2013). This is supported by (Castellano) who argues that an unsound HR System of an organization may have the consequence of causing psychological disengagement, to the effect of discouraging employees from exhibiting organisational citizenship behaviours. These then affect performance of employees, and their contribution to bottom line. Worse still, it may result in the state of neglect among employees, where they intentionally let the work conditions deteriorate without taking necessary steps to rectify, put less effort and make more mistakes (Bargrain et al., 2003).

The key issue under investigation here was to understand how the challenges affected employee engagement, and performance, and ultimately the performance of Zim-PSO. The challenges cited by respondents regarding the operations and performance of the parastatal resulted in a conclusion that employees are generally disengaged. The performance indicators of the organisation, to include financial performance, product market performance and shareholder return, customer service and employee satisfaction were generally low. For example, in terms of customer service, there was evidence of improper billing, poor quality of water, erratic supply of water, less cooperative workforce and slow response to customer queries in the research.

Zim-PSO at the time of the research had a lot of customer complaints, which could be closely linked to low morale amongst employees. Equally, the situation is then compounded by customer payment behaviours as a result of the poor service, which have the consequence of having ripple effects on the performance of the organisation. Customers take time to pay their dues, at times forcing the authority to engage in an extra burden of managing disconnections, which put additional costs to the bleeding public sector organisation. This means an assurance of quality of service to the customers’ expectations is largely relative to how employees are treated. Carrig and Wright (2006) argue that for an organization to achieve valued customer outcomes and profitability and growth, the most important input are management actions which in turn will induce employee engagement/satisfaction for subsequent enabling of excellence in execution and ultimate drive towards customer satisfaction. As a result, a conclusion may be drawn that customer satisfaction is a function of aggregate employee satisfaction.

3.3. The Levels of Engagement of Employees in the Parastatal

According to the Gallup Consulting Group, there are three different categories of employees; that is, those that are engaged, not engaged and actively disengaged. Mathis and Jackson (2011) argued that surveys on employee engagement have shown that levels of employee engagement range from 15% to 45% for highly engaged workers, and 5% to 20% for disengaged ones. Engaged workers have a high level of interest alignment with the organisation and effectively work towards the achievement of the organisation’s goals. Robinson (2004) argues that they are reliable, would go beyond the requirements of their jobs and are motivated by their achievements and the involvement and recognition they get. On the contrary, disengaged employees simply put time not energy and passion into their work, would not want to go an extra mile, or support fellow employees, feel their efforts are not recognised, have a generally poor relationship with
management and are generally unhappy. Various methods have been used to measure employee engagement in organisations. Ncube and Jerie (2012) used Vance (2006) 10 common themes.

This research employed The Gallup Q12 questionnaire, administered to non-managerial employees to assess their levels of engagement, whilst interviews were conducted with managerial employees. Researchers then regrouped the responses and tabulated a likert scale involving three (3) variables; that is, engaged, not engaged and highly disengaged. Findings reveal that of the non-managerial employees, twenty (20) were highly disengaged, nine (9) were not engaged, and three (3) engaged. For the managerial employees, three (3) were highly disengaged, ten (10) not engaged while three (3) were engaged.

There was evidence of a strained relationship between employees and management, coupled by a high perception of obligation fulfilment incongruence by employees, with a high perception of poor remuneration. With annual staff turnover of less than 1%, one is tempted to quickly conclude that the level of engagement is high. The length of service, which on average stood at 9.23 years, when used as a yardstick of measuring employee satisfaction, can also communicate high levels of satisfaction and a generally low level of labour turnover. The Zimbabwean workplace is usually the ‘first family’, where employees spend most of their time than they do with their families and friends. Naturally, employees would not like to leave the place which takes a greater percentage of their adult life unless they experience high levels of job dissatisfaction. But again, this is a time when the country is experiencing a recession, so that mobility of employees, particularly in loose labour markets, is very low. This probably explains the low rates of turnover, where employees have very limited options in terms of alternative employment, or there are other factors, considering that employees may not necessarily resign because there is alternative employment.

Bargrain et al. (2003) offered that when employees are dissatisfied, they display responses such as resignations, active employment search, gliding into a state of inactivity, or perform various acts of retribution. The research discovered that the level of engagement for most employees was also low, with evidence of them opting to leave, given a choice. 64 % of non-managerial employees indicated that they would opt out, while 67 % of managerial employees were undecided. This point to a low level of engagement and explains why indicators such as turnover rates and years of service may be insufficient in explaining employee engagement. It further confirms the assertion that the majority of employees are remaining in the employ of Zim-PSO circumstantially.

There are some circumstances where some employees are satisfied, particularly as evidenced by the high ratings of some management initiatives aimed at improving employee satisfaction. It appeared from the research that those who preferred to stay at Zim-PSO were benefiting from job opportunities and promotions, so they would want to stay loyal in the organisation. The majority of vacant senior management positions in the organisations have been filled internally through promotions and transfers. This reliance on the internal labour market for key positions would in a way communicate the value attached to employees, influencing their loyalty, particularly for managerial employees. This has the potential to positively impact on engagement levels of managerial staff. Again, most respondents who indicated their interest to stay in the organisation
have served the organisation since its inception in 2001, and their stay in the organisation could be because they are now closer to retiring.

3.4. Interventions to steer up Employee Engagement in the Authority

There is generally no prescription as to what drives employee engagement in organisations. Common drivers have included promoting employee participation in decision making, job enrichment, creating opportunities for internal career mobility and promotions, having clear job descriptions and job-based skill training (Subramony, 2009), mostly indicating a sense of feeling valued and involved and therefore trusts their employer (Johnson, 2004; Robinson, 2004). Considering that engagement is an individual phenomenon, factors that steer it up differ from one organisation to the other. (Castellano) identifies the aspects that serve as engagement drivers such as organization and job design, rewards and opportunities for training and development and argues that these aspects should be matched with job characteristics, which embraces feedback and job clarity. A combination of these improves state of psychological engagement, the consequence of which includes positive organizational citizenship behaviours from employees, quality products and improved financial performance of organisations.

A number of corporate interventions have been put in place to improve employee conditions of service, which would create a fertile ground for raising levels of employee engagement and ultimately their performance. These include the provision of job security (this is a very key issue with the current recession, where the possibility of termination of employment is very high in many organisations) and also training and development opportunities for employees. Zim-PSO’s training and development policy stipulates that an employee may enrol for any course of their choice at any local institution as long as the course is relevant to one’s current duties. Evidence of the implementation of the policy was demonstrated by HR reports on employees currently enrolled in universities and technical colleges as part of their staff development benefits at the organisation’s expense. According to the organization’s Employee Handbook, there is also the provision of staff welfare packages that include the group funeral cover and the group medical aid cover. On both packages, employees contribute 20% of the premium and employer covers the remaining 80% and the initiatives cover the employee and their immediate family which includes the spouse, all children, parents and in laws.

The majority of these initiatives are aimed at improving employee satisfaction conform to existing literature, such as training and development, with the consequence of harnessing employee engagement. Ironically, the high attrition levels prove to the contrary. One would expect employees to stay in the employ of the organisation. This probably indicates that the discontent of employees transcends beyond what training and development can solve. One other challenge is that there is little alignment of training and development with rewards, and there are inconsistencies surrounding the selection of beneficiaries among other things.

3.5. The Link between Corporate Interventions and Employee Engagement

Overall, the availability of these initiatives has contributed less towards employee engagement, considering that they are not ‘post-ordinary’, even though their absence would
probably worsen the situation. The initiatives, in the eyes of Zim-PSO’s management could be significantly contributing, but employees perceive them otherwise. There are many explanations for such perceptual variations. Arthur and Boyles (2007) argue that if one measures HR programs at organisational level but there exists significant employee group-level variation in the application of HR programs, then it would be inappropriate to make organisational-level attributions about the effects of these programs on outcomes. In this case, employees perceive institutions such as works council negotiations in Zim-PSO with a high degree of scepticism, where at times they request to see the Chairman of the Board of Directors in the absence of management to air their concerns.

This is very unusual and raises questions on issues of corporate governance. But at the same time, this puts pointers to the inconsistency of management on the thrust of the organization as stated in its 2010 – 2012 Strategic Plan document, which prioritizes the need to value employees and create relevant platforms to ensure the parastatal becomes an “employer of choice”. Therefore, there is a lot of mistrust between the management and non-management groups, particularly on communication issues. The onus is on management to create a platform for consistent and transparent communications with employees so that everyone is put on the same page.

4. CONCLUSIONS

The current despondency of employees, as demonstrated by their levels of engagement and general perceptions of the organisation does, in a way explain the current performance challenges faced by the organisation. It is very encouraging to note that Zim-PSO has actively engaged in various activities, the outcome of which may, in the future, cause a significant change on employee perceptions and performance in general.

However, in the light of the findings, there are some areas that may need urgent attention, if employee engagement is to influence bottom-line of the organisation. Consumer complaints, including improper billing, poor quality of water products and slow responses to customer queries were disturbing, and linked to employees’ negative perception about the organization, which ultimately affected their performance. These have largely been influenced by salary delays among other performance challenges.

This calls for Human Resources and Public Relations departments to revive employee motivation and perceptions of the organisation. The research deduced elements of mistrust between employees and management, largely due to inadequate or insufficient communications by management. It is very crucial that the existing platforms for consultations with employees are improved so that all stakeholders understand the internal dynamics in the public sector organisation.

This includes honest, transparent and constant feedback to and from employees. Ultimately, it is HR practitioners who create a people strategy that drives the company’s vision towards the commercialisation, and the management of people has a strong impact on realising that goal. Whilst rules and regulations may be enforced on employees, they do not demean the values of individuals, which influence discretionary behaviours, to impact on employee productivity.
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