

Employee engagement after organizational change

Case: Company X

Milla Rajala



Author(s) Milla Rajala	
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<p>The main focus of this study is on employee engagement in an environment that has gone through organizational change. The aim of this study is to investigate how employee engagement is related to organizational change, and the way it was managed, and which factors facilitate employee engagement according to the employees of the case company.</p> <p>Two theories were adopted to support the empirical research and together they provided the foundation for the theoretical framework. Employee engagement is one of these theories and, in the literature review, different models, antecedents, and organizational outcomes of employee engagement, as well as generic methods used in measuring it, are introduced. Because the focus of the study is on employee engagement in an aftermath of organizational change, change management was selected as the other theory. In much of the research concerning change management strategies, employee engagement is listed as a primary function to the success of properly implementing a change management initiative, so exploring the relationship between these two concepts became the cornerstone of this study.</p> <p>The empirical study targeted the personnel of the case company, which had recently been a target of an acquisition. The research design comprised of quantitative primary data collected via web-based questionnaire, as well as secondary data derived from the company's previous Work Community Research (WCR). Some of the same questions, with the same answering scale, that were used in the WCR, were incorporated in the questionnaire designed for this study in order to enable comparison between the results.</p> <p>The results of the research revealed that a strong relationship between employee engagement and the management of change exists, suggesting that the employees, who think the change was not managed successfully, have lower engagement levels. The general level of employee engagement in the case company was determined to be at most moderate and the results also suggest that the suitable change management methodology have not been applied very successfully in the post-acquisition integration. When compared to the previous WCR, the results revealed that most of the questions received lower scores this time around.</p> <p>The main development suggestions for the case company based on the results of the questionnaire include enhancing the workplace climate and corporate culture, providing the employees with more opportunities for development, paying special attention to expressing the appreciation for employees' good work performances, and giving the employees an opportunity to influence and participate in the changes happening in the organization. A detailed action plan for the case company on how to implement the development suggestions was also created.</p>	
Keywords Employee engagement, change management, organizational change	

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1 Introduction

Employee engagement has been an area of interest among many researchers and it has received even greater recognition among consulting firms. Especially now as businesses are recovering from the trauma of the global recession, it is emerging as a critical organizational issue because of its dual promise of enhancing both individual well-being and organizational performance.

Although often terms “employee engagement” and “work engagement” are used interchangeably, in this thesis the latter is chosen because it is more specific. Work engagement refers to the employee’s relationship with his or her work, whereas employee engagement can also include the relationship with the organization.

Organizational changes are common in today’s society, as organizations need to improve their effectiveness and stay competitive due to factors such as globalization, new technologies and political changes. Regardless of how the change occurs, the associated loss of status, certainty, control and familiarity that comes with this change may be faced with resistance from employees. In particular, merger and acquisition situations can cause many employees to feel confused or unsure about how they will fit in the combined organization.

Even though organizational changes occur frequently and work engagement is an important factor for both, organizations and individuals, there is still much to learn about the relationship between the two phenomena. The goal of this study is to consequently investigate employee engagement and the perception of change among employees in an organization that has gone through organizational change, using a case study approach to gain a comprehensive understanding of the phenomena of interest.

1.1 Case company

The case company is a Finnish provider of investment and asset management services and it will be referred to as Company X throughout the course of this research project in order to preserve the anonymity of the company and respect its privacy. Almost three years ago, the case company was acquired by Company Y, which has led to a number of substantial change initiatives in the organization over the past few years.

The acquirer, Company Y, is a Finnish company operating in the banking sector which offer services related to saving, payments and loans. The acquisition of Company X was a part of its strategy to expand its range of services to asset management and investing.

Following the acquisition, Company X is now operating as a subsidiary of Company Y, and a part of Company X's employees have been transferred to work on the parent company's premises. Some departments have also been transferred under the parent company in their entirety. These employees are obviously the ones that have faced the most significant changes but everyone throughout the organization have had to experience changes of some degree.

The personnel were first informed of the acquisition in a briefing given by the management. The reasons behind the acquisition were explained and hope for a brighter future with the new parent company was encouraged. Throughout the integration process, information was available in forms of briefings, e-mails and integration updates on Intranet. Also, employees' views and experiences about the change process were monitored regularly with Pulse surveys.

Organizational changes often result in growing employee discontent and decreasing employee engagement, which has also been shown in Company X's higher turnover rate. A work community research conducted by the company in December 2014 supported the idea that the engagement of Company X's employees is indeed a cause of concern. The results of this report was given to the researcher behind this thesis in order to gain some background information and insight. Thus, it will be presented here shortly.

The work community research was conducted by an external HR Intelligence operator and the data was collected in December 2014. The data collection language was Finnish. Each employee was sent an individual link to the survey and the answers were given online. The survey included:

- 51 standardized questions
- 8 questions especially tailored for the whole organization
- 8 background questions
- 2 open questions

The respondents gave their answers to the questions on a five point Likert scale to express much they agree or disagree with a particular statement. The survey covered three different elements: engagement, leadership, and performance. And all of these elements were discussed from three different viewpoints: own work, unit and company. This is pictured in Figure 1 below.

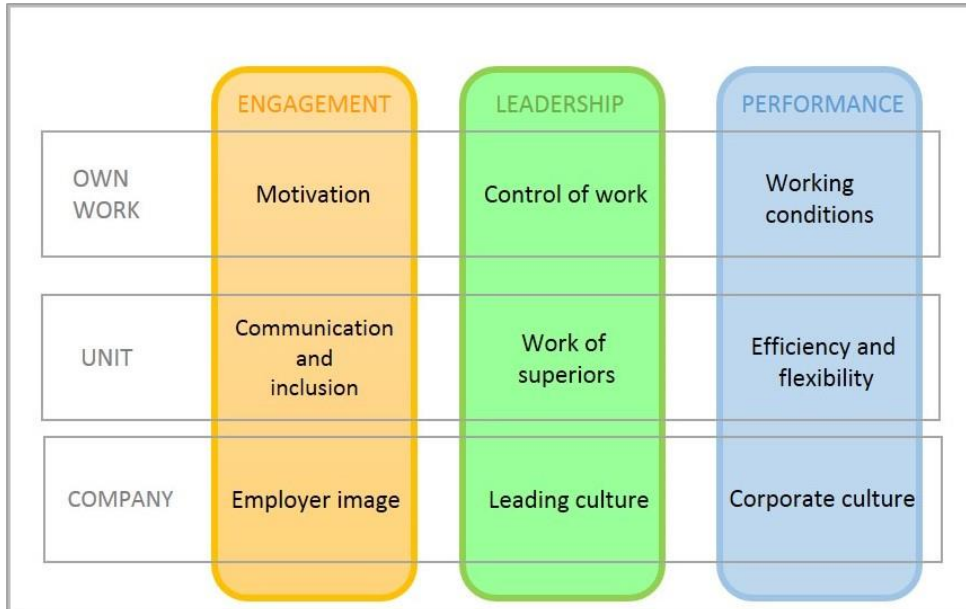


Figure 1. Content of the work community survey 2014 (Company X 2015)

In the work community research, the element of engagement included motivation, communication and inclusion, as well as employer image. Motivation was examined with questions concerning job challenge and meaningfulness, work-related stress, opportunities for development and intention to leave. The results highlighted that the work itself was experienced motivating but also as a cause of stress. The most alarming results concerned the opportunities for development and intentions to leave the organization – both were well below the external norm used in the research. On a unit level, the factors of engagement were measured with questions about working environment, knowledge sharing and possibilities for participation. The results for all of these were considered quite decent.

Employer image was the last element of engagement defined in the research. In the survey, it was examined through questions about prospects for the future, as well as values, goals, and policies of the company. In these results, the difference between the whole group and Company X were quite visible. Especially when it comes to opinions about the future and the recent development of the company – the results of Company X were significantly lower. In addition, the results also showed that there was some confusion about the company’s values and goals. (Company X 2015.)

The results of the work community research signalled that the employees of Company X were neither satisfied with their working conditions nor committed to give a maximum contribution for the organization. However, it is unclear to what extent these results were affected by the proximity of the instigative organizational change, the acquisition. Therefore, there is a clear need for new a research on the case company’s employee engagement that also takes into account the perspective of change and its management.

1.2 Needs and objectives

The main focus of this research is on employee engagement in an environment that has gone through organizational change. The aim of this study is to investigate how employee engagement is related to organizational change, and the way it was managed, and which factors facilitate employee engagement according to the employees of the case company.

Therefore, **the main research question** is formulated as:

Is there a relationship between the engagement of Company X's employees and how they perceive the organizational change was managed?

In addition, the following sub-questions once answered will conclusively cover the depth and scope of this thesis project, thus answering the main research question.

Sub-question 1:

What is the current level of engagement amongst employees and what are the antecedents contributing to it?

Sub-question 2:

How well has the suitable change management methodology been applied in the post-acquisition integration?

Understanding the relationship between the management of change and employee engagement reinforces Company X's ability to effectively support its employees throughout any future organizational changes leading to healthier workplace environment. In addition to this, the outcomes of this study could be utilized by the parent company if more acquisitions are to be made in the future.

1.3 Scope of the study

The study concentrates on answering the research questions in the scope of all Company X's current employees as well as those, who have been transferred to the parent company following the acquisition. The literature review focuses on two main theories; employee engagement and change management. However, taking into consideration the limitations placed on this thesis, it has been deemed by far too extensive to cover the entire

phenomena of employee engagement and change management. Therefore, only the critical components of the two main theories have been selected in order to fully support the empirical analysis.

The concept of engagement has similarities to and overlaps with other, pre-existing notions, such as job satisfaction, commitment, and organizational citizenship behaviour. However, these concepts do not involve the two-way nature of engagement; organizations must work to engage employee, who in turn has a choice about the level of engagement to offer the employer. Therefore, the concepts of job satisfaction, commitment, and organizational citizenship behaviour are not included in the scope of this research.

1.4 International aspect of the study

Employee engagement takes different forms around the world. Therefore, a one-size-fits-all approach might be doomed to failure in future, as it becomes increasingly difficult to determine the causes of employee engagement as workforces become more culturally diverse. Employee surveys have consistently found that employee perceptions about the work experience differ by country and national culture shapes the reality of employee engagement. Thus, for employers expanding their operations across the globe or hiring growing number of immigrants, the question of what drives engagement takes on increasing complexity as their workforces become more culturally diverse. (Sanchez & McCauley 2006, 44.)

At present, the case company is a firmly Finnish company with mostly indigenous employees, so no cultural aspects are considered when conducting the empirical part of the research. However, in any future research, it might be that the cultural perspective cannot afford to be overlooked, as organizations become ineluctably ever more global in their outlook and workforce. Therefore, employee engagement in a cultural context is also discussed in Chapter 2.5.

1.5 Structure of the study

This study consists of ten main chapters, excluding references and appendices. How these chapters are organized and what is the purpose and content of each chapter, is introduced next.

Chapter 1 concentrates in outlining the study objectives and introduces the case company. In addition, the main research question and its sub-questions, as well as the scope of the research are defined in this chapter.

Chapter 2 provides a literature review of one of the two main theories used in the study; employee engagement. It introduces different models, antecedents, and organizational outcomes of employee engagement, as well as presents generic methods used in measuring it.

In Chapter 3, the theory of change management is discussed. This chapter explores the concepts of organizational change, the role of leadership in change management, resistance to change, as well as transition management.

Chapter 4 introduces the conceptual framework for this thesis and draws together the main concepts discussed in the literature review. In this chapter, an understanding how the literature links into the objective and research questions in this study is provided.

Chapter 5 covers the research methodology and methods, which have been utilized to support the empirical analysis in this thesis. In addition, the research philosophy, approach, design, strategy, and methods of data collection and analysis are introduced.

Chapter 6 discusses in detail the results of the questionnaire conducted when collecting the primary data, as well as presents a comparison between the primary and secondary data.

Chapter 7 explains how validity and reliability of the data collection techniques and analytic procedures, as well as the design of the research were ensured. Also the standards of behaviour that guide the conduct in relation to the rights of those who are the subject of the study, or are affected by it, are presented.

Chapter 8 provides a summary of the results and delivers the case company with a list of improvement suggestions deemed necessary to boost their levels employee engagement and change management practices.

Chapter 9 provides a detailed action plan for the case company on how to implement the development suggestions introduced in the previous chapter.

Chapter 10 suggests areas in need of further research in the field of the phenomena presented in this thesis; employee engagement and change management.

Chapter 11 provides the researcher's personal reflections on learning from conducting this thesis.

2 Employee engagement

This chapter provides an overview of the concept of employee engagement and reviews existing knowledge available in literature. It includes different models, antecedents, and organizational outcomes of employee engagement, as well as generic methods used in measuring it.

William Kahn (1990) first introduced the idea that individuals can be personally engaged in their work, investing positive emotional and cognitive energy into their role performance, in his seminal paper "Psychological Conditions of Personal Engagement and Disengagement at Work". He identified meaningfulness, safety and availability as psychological conditions that affect personal engagement at work. These are also the themes that come up repeatedly in literary review of employee engagement and, therefore, are discussed in more detail later on in this chapter.

Employee engagement has generated a great deal of interest in recent years as a widely used term in organizations and consulting firms (Macey & Schneider 2008, 3). Although scholars in the psychology field have been researching engagement over 20 years, it is only recently that HRM scholars have turned their attention to the topic (Truss, Delbridge, Alfes, Schantz & Soane 2014, 2). The emergence of engagement at the beginning of the 21st century can be seen having a connection with two concurring developments: (1) the growing importance of human capital and psychological involvement of employees in business, and (2) the increased scientific interest in positive psychological states (Schaufeli 2014, 17). There is also no doubt that a large part has also been played by organizations' belief that they can leverage employee engagement for positive organizational outcomes such as higher employee retention, greater customer satisfaction, and improved financial performance. (Harter, Schmidt & Hayes 2002, 22.)

2.1 Employee engagement models and theory

Several definitions of engagement can be derived from the practice- and research-driven literatures. Common to these definitions is the idea that employee engagement is a desirable condition, has an organizational purpose, and connotes involvement, commitment, passion, enthusiasm, focused effort, and energy, so it has both attitudinal and behavioural components. The antecedents of such attitudes and behaviours are located in conditions under which people work, and the consequences are thought to be valuable to organizational effectiveness. (Macey & Schneider 2008, 4.)

A unique theoretical framework for work engagement does not exist. Instead, a number of theoretical perspectives have been proposed, each emphasizing a different aspect, but that cannot be integrated into one overarching conceptual model (Schaufeli 2014, 25). Similarly, there is also no universally accepted definition of engagement. Consulting firms typically offer definitions that are compatible with the development strategies they are promoting and academic researchers are also influenced by their own disciplines and theoretical orientations (Meyer, Gagné & Parfynova 2010, 63). In this thesis, the focus will be on definitions offered within the academic literature because they are more accessible and have been vetted in the peer-review-process.

Probably the first definition of employee engagement was provided by Kahn (1990, 694) who described it as “the harnessing of organizational members’ selves to their work roles; in engagement, people employ, and express themselves physically, cognitively, and emotionally during role performances”. However, common with many definitions offered by researchers and practitioners is the idea that engagement, besides being a positive work-related psychological state (reflected in words like enthusiasm, energy, passion, and vigor), is also a motivational state projected in genuine willingness to invest focused effort toward organizational goals and success (Albrecht 2010, 4).

In business, engagement seems to be defined as a mixture of three existing concepts: job satisfaction, commitment to the organization, and extra-role behaviour, meaning discretionary effort to go beyond the job description.

2.1.1 Approaches to employee engagement

Employee engagement can be defined as a set of motivating resources such as support and recognition from colleagues and supervisors, performance feedback, opportunities for learning and development, and opportunities for skill use. It is also conceived in terms of commitment and extra-role behaviour, for instance, as a psychological state where employees feel a vested interest in the company’s success and perform to a high standard that may exceed the stated requirements of the job or as personal satisfaction and a sense of inspiration and affirmation they get from work and being a part of the organization. The third dimension defines engagement independently from job resources and positive organizational outcomes, such as commitment, as a positive, fulfilling, affective-motivational state of work-related well-being that is the antipode of job burnout. (Bakker & Schaufeli 2008, 151.)

In his integrative literature review, Schuck (2011, 307) went through all relevant HRM, psychology, and management databases and systematically reviewed academic definitions to engagement. Within the academic perspective, he identified four approaches defining the existing state of employee engagement, each stressing a different aspect of it. These are briefly discussed below.

The needs-satisfying approach based definitions draw directly from the Kahn's (1990) work on "psychological engagement". Kahn's conceptualized engagement as the employment and expression of one's preferred self in task behaviours. The measures suggest that engagement has an activated emotional dimension (i.e. positive feelings about one's work/job that go beyond being satisfied and happy), as well as heightened cognitive dimension (i.e. feeling intellectually stimulated by one's work/job). (Fletcher & Robinson 2014, 275–276.) Although important for the theoretical thinking about engagement, the Needs-Satisfying approach has only occasionally been used in empirical research (Schaufeli 2014, 18).

The Burnout-Antithesis approach views engagement as the positive antithesis of burnout. There are actually two schools of thought with regard to the definition of work engagement. One assumes that a continuum exists with burnout and engagement as two opposite poles. The second school of thought operationalizes engagement in its own right as the positive antithesis of burnout. According to this approach, work engagement is defined as a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption. To date, the most extensively used academic measure of engagement is Utrecht Work Engagement Scale (UWES) based on this definition. (Schaufeli 2014, 18-19.) The burnout-engagement literature is also heavily dominated by theoretical frameworks rooted in understanding the effects of job demands and resources or the lack of them on the employee context (i.e. the JD-R model introduced later) (Chalofsky, Morris & Rocco, 2014, 607).

Satisfaction-engagement approach perceives engagement as more technical version of job satisfaction. As stated by Gallup Organization (Harter & al. 2002, 269), "The term employee engagement refers to an individual's involvement and satisfaction with as well as enthusiasm for work". Given its popularity within the management consultancy and HR practitioner domains, a variety of measures has been developed from this approach.

Much like the definitions of other consultant firms, Gallup's engagement concept seems to overlap with well-known traditional constructs such as job involvement and job satisfaction. This is evidenced by the fact that, after controlling for measurement error, the survey

gives an $r=.91$ correlation with a single job satisfaction measure, meaning that both are virtually identical. The Satisfaction-Engagement approach has had a significant impact in academia as well, because Gallup's research has established meaningful links between employee engagement and business outcomes, such as customer satisfaction, productivity, profit, and turnover. (Schaufeli 2014, 19.)

From this approach, employee engagement measures typically the individual's connection with the wider work and organizational environment rather than with the specific job /organizational role or work activities (Fletcher & Robinson 2014, 276). Besides the Gallup Q12, which is probably the most internationally recognized and adopted measure from this approach, the Institute for Employment Studies (IES) also uses the satisfaction-engagement approach in its 12-item employee engagement measure discussed later in this thesis.

The multidimensional approach is one of the most recent developments in the employee engagement field and is very similar to that of the needs-satisfaction approach as it focuses on role performance. However, it is distinct in the fact that it differentiates between foci of the job and of the organization. Therefore, employee engagement can be measured via two related, yet separate constructs –organizational engagement and job engagement. (Fletcher & Robinson 2014, 279.) The main focus is usually on antecedents and consequents to role performance rather than organisational identification. However, despite its intuitive appeal, the multidimensional approach has hardly been taken up by the research community. (Schaufeli 2014, 19.)

This study is not limited to only one approach but aims to explore the concept of employee engagement from multiple perspectives in order to construct a comprehensive overview of the phenomenon. Thus, all of the abovementioned approaches are taken into account when building the theoretical framework of this study.

2.1.2 Job demands-resources model

The Job Demands-Resources (JD-R) model (Demerouti, Bakker, Nachreiner & Schaufeli 2001) can be used to predict employee burnout and engagement, and consequently organizational performance. The central assumption of the JD-R model is that burnout develops—irrespective of the type of job or occupation - when certain job demands are high and when certain job resources are limited. In contrast, work engagement is most likely when job resources are high - also in the face of high job demands (Bakker & Demerouti

2006, 323). Another central assumption of the JD-R model is that although every occupation may have its own specific work characteristics associated with burnout, it is still possible to model these characteristics in two broad categories - namely, job demands and job resources. (Bakker, Demerouti & Verbeke 2004, 99.)

Job demands refer to those physical, psychological, social, or organizational aspects of the job that require sustained physical and/or psychological (cognitive and emotional) effort and are therefore associated with certain physiological and/or psychological costs. (Bakker, Demerouti & Verbeke 2004, 86). These are the physical or emotional stressors in one's role and they include time pressures, a heavy workload, a stressful working environment, role ambiguity, emotional demands, and poor environmental conditions. (Mauno, Kinnunen, Mäkikangas & Feldt 2010, 112)

Job resources refer to those physical, psychological, social, or organizational aspects of the job that are: (1) functional in achieving work goals, (2) reduce job demands and the associated physiological and psychological costs, or (3) stimulate personal growth and development. Resources may be located at the level of the organization (e.g., salary, career opportunities, job security), interpersonal and social relations (e.g., supervisor and co-worker support, team climate), the organization of work (e.g., role clarity, participation in decision-making), and the level of the task (e.g., performance feedback, skill variety, task significance, task identity, autonomy). (Bakker, Demerouti & Verbeke 2004, 86.) They are the physical, social, or organizational factors that help achieve goals, and reduce stress. They include autonomy, strong work relationships, opportunities for advancement, coaching and mentoring, as well as learning and development. (Mauno, Kinnunen, Mäkikangas & Feldt 2010, 112.)

According to the JD-R model, resources energize employees, encourage their persistence, and make them focus on their efforts. Furthermore, the model assumes that, in its turn, engagement produces positive outcomes such as job performance. So, taken together, the JD-R model states that work engagement mediates the relationship between job and personal resources on the one hand and positive outcomes on the other hand. (Schaufeli 2014, 26.) This motivational process is represented by the upper part of Figure 2 below.

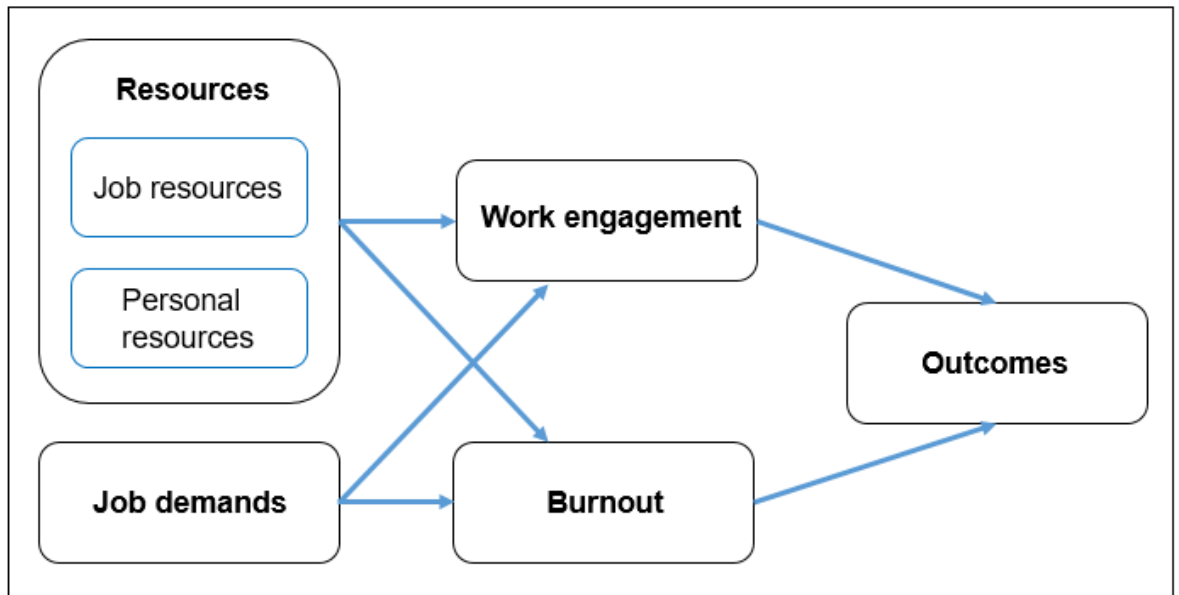


Figure 2. The job demands-resources model. (Schaufeli 2014, 26)

In addition, a negative process operates, the so-called health-impairment process, which is represented in the lower part of Figure 2. This process is triggered by job demands and when they are high, additional effort must be exerted to achieve the work goals. This compensatory effort naturally comes with physical and psychological costs, such as fatigue and irritability. And when recovery is inadequate, employees may gradually exhaust their energy backup and might eventually burn out. (Schaufeli 2014, 27.)

As Figure 1 shows, also cross-links exist between the motivational and the health-impairment processes. More particularly, poor resources may foster burnout, whereas job demands might increase work engagement. However, the latter is only valid for the so-called challenge demands that have the potential to promote mastery, personal growth, and future gains. In contrast, barriers that have the potential to halt personal growth, learning, and goal attainment do not have an effect on work engagement (Schaufeli 2014, 27.)

The JD-R model incorporates aspects of the job that may lead to job stress and to increased engagement. The model states that job demands initiate impairment of health while job resources instigate a motivational process. Particularly, high levels of job demands can exhaust employees' mental and physical resources and may lead to an increase in health problems. Conversely, high levels of job resources are motivational and may lead to employee engagement, goal-directed behaviours, and well-being. The model does not specify beforehand which job characteristics may be the most likely influence outcomes, which makes it a flexible in its use. (Tims & Bakker 2014, 136.)

Although many different theoretical approaches have been proposed to explain the underlying psychological mechanisms that are affecting work engagement, so far the job demands-resources model has received most empirical support (Schaufeli 2014, 29). Therefore, the JD-R model was also included in the conceptual framework of this thesis, and several questions in the questionnaire designed for the empirical research are linked to this model.

2.2 Antecedents of employee engagement

As one of the aims of this study is to determine the current level of engagement amongst the case company's employees and, in addition, to find out the factors affecting it, the individual and organisational characteristics that contribute to engagement are discussed next.

Antecedents of employee engagement are defined as constructs, strategies, or conditions that precede the development of employee engagement and that come before an organization reaps the benefits of engagement-related outputs, such as higher levels of productivity or lower levels of turnover. (Wollard & Shuck 2011, 432.)

Due to employee engagement's potential for superior business results, researchers and practitioners naturally wonder what key factors can be leveraged to generate increases in employee engagement. This has led to research exploring drivers such as job design, leadership, perceived organizational and supervisor support, as well as human resource management practices. As research on engagement has advanced, the list of its studied antecedents has grown increasingly long.

In his ethnographic study, Kahn (1990, 703) found that a person's degree of engagement was a function of experience of three psychological conditions of self-in-role: psychological meaningfulness, psychological safety, and psychological availability. Organization members seemed to unconsciously ask themselves three questions in each situation and then personally engage or disengage depending on the answers. The questions were:

1. How meaningful is it for me to bring myself into this performance?
2. How safe is it to do so?
3. How available am I to do so?

Kahn's engagement represents the expression of personal psychical, cognitive, and emotional energy in one's work role. This personal investment drops and flows according to the psychological presence created by individual's perceptions of meaning, safety, and

availability. These perceptions are initially affected by characteristics of work contexts, interpersonal and intergroup relations, as well as characteristics of the employees themselves. (Crawford, Rich, Buckman & Bergeron 2014, 58-59.)

Although scholars do not always explicitly use Kahn's functional theory on the psychological conditions of engagement to conceptually ground models of engagement, the majority of the antecedent constructs studied reflect these three psychological conditions. The binding theme is that individuals' perceptions of organizational, job, and personal characteristics affect the experience of psychological conditions, which in turn shape individuals' decisions to engage more completely in their work roles. (Crawford, Rich, Buckman & Bergeron 2014, 57.)

2.2.1 Psychological meaningfulness antecedents

Psychological meaningfulness involves the extent to which people derive meaning from their work and feel that they are receiving a return of investments of self-in-role performances. People experience this when they feel worthwhile, useful, and valuable and when not taken for granted. Workplaces that offer opportunities for investments of these kind of performances are more likely to foster psychological meaningfulness. (Kahn 1990, 703-704.) Constructs that have been found to theoretically fit Kahn's description of psychological meaningfulness and its task and role influences include job challenge, autonomy, variety, feedback, role fit, opportunities for development, and rewards and recognition.

Job challenge refers to the degree to which a job requires a variety of different activities in carrying out the work, which involves the use of a number of different skills and talents of the person. When a task requires a person to engage in activities that challenge or stretch his skills and abilities, that task almost invariably is experienced as meaningful by the individual. (Hackman & Oldman 1976, 257.) Job challenge promotes meaning through individual's feelings that much is expected of them (Kahn 1990, 704). Researchers have also found engagement to be positively related to cognitive work demands, work responsibility and high workload. In addition, raised expectations have been consistently shown to increase effort, persistence, and performance among individual groups and researchers have also found engagement to be positively related to cognitive work demands. Thus, across different types of job challenges, employees appear to respond to increased expectations with greater engagement. (Crawford & al. 2014, 59.)

Autonomy has been the most frequently studied engagement antecedent and it refers to the freedom, independence, and discretion allowed to employees in scheduling their work and determining the procedures for carrying it out (Hackman & Oldman 1975, 162). Autonomy increases the meaning of work by providing a sense of ownership and control over work outcomes (Kahn 1990, 704.) Extensive empirical findings support that one of the key ways to enhance engagement is through increased employee autonomy. (Crawford & al. 2014, 59-60.)

Variety of work tasks allow individuals to perform many different activities, or they require using many different talents and skills of the employee while carrying out the work. (Hackman & Oldman 1975, 161). Variety promotes meaningfulness because it enables individuals to feel more useful as they draw on a wider range of their personal knowledge, skills, and abilities to complete their tasks (Kahn 1990, 704). Although it has been less extensively studied in relation to engagement, evidence suggest that it is one of the strongest predictors of engagement. (Crawford & al. 2014, 60.)

Feedback refers to employees gaining direct and clear information about the effectiveness of their performance (Hackman & Oldman 1975, 162). Feedback promotes employees' psychological meaningfulness by allowing them to evaluate their growth and progress towards achieving goals, besides helping them to feel known, valued, and appreciated (Kahn 1990, 708). Feedback has exhibited significant positive relationships with engagement in diverse samples of employees from various nations across both private and public sectors. (Crawford & al. 2014, 60.)

Fit refers to compatibility between an individual and a work environment, (e.g. the job, organization, workgroup, supervisor) that occurs when their characteristics are well matched (Kristof-Brown, Zimmerman & Johnson 2005, 283-287). Work role fit offers greater meaning to individuals as it allows them to behave in a manner consistent with how they see or want to see themselves. Roles that offer status and influence enable individuals to feel important and needed, as though they have the opportunity to shape their work environment as opposed to only responding to it. (Kahn 1990, 706.) Though fewer studies have been conducted on this relationship, the existing evidence points to work role fit as a strong driver of engagement. (Crawford & al. 2014, 61.)

Opportunities for professional development make work meaningful by providing channels for employee growth and fulfilment, preparing employees for greater job challenge, and exposing employees to alternative roles that have potentially greater fit with their pre-

ferred selves. (Kahn 1990, 704-706.) The findings support the idea that providing employees with dedicated training and development is a key to enhance their engagement. (Crawford & al. 2014, 61.)

Rewards and recognition refer to the formal pay and benefits received as compensation associated with a job, as well as the informal praise and appreciation given by supervisors, co-workers, and customers approving of one's work (Crawford & al. 2014, 61). Rewards and recognition should promote meaningfulness because they represent both direct and indirect returns on the personal investment of time and energy (Kahn 1990, 707-708). However, in terms of empirical relationships with engagement, results are more mixed. While it appears that in most cases rewards and recognition are beneficial for engagement, further research examining the conditions under which they are detrimental would be needed. (Crawford & al. 2014, 62).

Creating a sense of meaning for employees concerns a wide range of issues focused on role and task characteristics as well as workplace interactions. All of the abovementioned antecedents were included in the questionnaire designed for this study in order to find out to what extent the case company fosters psychological meaningfulness.

2.2.2 Psychological safety antecedents

Psychological safety refers to the sense of being able to show and employ one's self without fear of negative consequences to self-image, status, or career. People feel safe in situations in which they trust that they will not suffer for their personal engagement. Predictable, consistent, and non-threatening social systems, such as interpersonal relationships, group and intergroup dynamics, management style and process, and organizational norms, are likely to provide a greater sense of psychological safety. (Kahn 1990, 708-713.) Constructs that theoretically correspond to Kahn's conceptualization of psychological safety and its social system influences include social support, transformational leadership, leader-member exchange, workplace climate organizational justice, and job security.

Social support refers to employees' perceptions concerning the degree to which the organization appreciates their contributions and cares about their wellbeing (Eisenberger & Huntington 1986, 500). These perceptions develop through interactions with the organization, supervisors, and co-workers and foster increased safety by giving employees the flexibility to take risks and possibly fail without fearing negative consequences (Kahn 1990, 708). In addition, it also fosters in employees a felt obligation to care about the organization's welfare and help it reach its objectives (Rhoades, Eisenberger & Armeli 2001,

825.) Social support from supervisors and co-workers has been positively linked to engagement in dozen of studies and, in fact, has been the second most frequently studied engagement antecedent after autonomy. (Crawford & al. 2014, 63).

Transformational leadership refers to the leader moving the follower beyond immediate self-interests through idealized influence (charisma), inspiration, intellectual stimulation, or individualized consideration. It heightens the follower's level of maturity and ideals as well as concerns for achievement, self-actualization, and the well-being of others, the organization, and society. (Bass 1999, 11.) These factors heighten psychological safety by encouraging employees to try new things and think differently rather than fearing for being punished or criticized for doing so (Kahn 1990, 708.) The relatively few empirical examinations of the relationship between transformational leadership and engagement support this theorizing. (Crawford & al. 2014, 63-64).

Leader-member exchange (LMX) refers to the differentiated quality of relationships between leaders and their followers based on the effort, resources, and support exchanged between them. High-quality LMX relationships are characterized by high degrees of trust, integration, and support (Dienesch & Liden 1986, 621) and promote psychological safety because it instantiates the supportive, connected, and trusting relationships individuals need to bring their full selves into the role performances without fearing negative consequences (Kahn 1990, 708). Similar to transformational leadership, studies of LMX and engagement have been few in number but supportive of a positive relationship. (Crawford & al. 2014, 64).

Workplace climate generally refers to employees' perception of their work environment comprised of social, organizational, and situational elements. Workplace climates enhance psychological safety by making clear the organizational norms and expectations for desired employee behaviour. This makes situations more predictable and consistent, as climates help employees understand the boundaries and consequences for what behaviour is allowed and disallowed. (Kahn 1990, 708.) The findings of several studies reveal that organizations can enhance employee engagement by developing healthy organizational climates. (Crawford & al. 2014, 65).

Organizational justice refers to the way an employee judges the behaviour of the organization and their resulting attitude and behaviour that comes from this. It is an individual's personal evaluation about the ethical and moral standing of managerial conduct. (Colquitt, Conlon, Wesson, Porter & Ng 2001, 425.) Justice perceptions enhance psychological

safety by increasing equity and minimizing concerns over the distribution of power, resources, and authority (Kahn 1990, 708). Surprisingly few studies have examined justice perceptions and engagement, though the few that have find support for this line of thinking. (Crawford & al. 2014, 65).

Job security refers to the relative certainty employees have that they will be able to remain in their positions or with their organizations for the near future (Sverke, Hellgren & Näswall 2002, 243). Job security fosters psychological safety by forming a foundation to underlying perceptions that work situations are predictable and non-threatening (Kahn 1990, 708). Empirical investigations have usually incorporated job security by studying the relations of its inverse, job insecurity, with engagement. Although also this factor has been the subject of limited research, the results suggest that employees' expectations regarding their security in their jobs and organizations is a source of predictability that can enhance their level of engagement. (Crawford & al. 2014, 65-66).

Psychological safety stems from the amount of care and support employees perceive to be provided by their organization as well as their direct supervisor. Anything that takes away from employees' ability to feel psychologically safe from the job is likely to inhibit their ability to become engaged. Therefore, the psychological safety antecedents are also included in the questionnaire designed for this study. Next, the antecedents of the third, and final, condition of employee engagement, psychological availability are presented.

2.2.3 Psychological availability antecedents

Psychological availability refers to the belief that one has the psychological, emotional, and physical resources required to invest one's self in the performance of a role. When individuals believe that they possess the personal energies needed to fulfil the obligations of their work roles, they are more likely willing and able to invest those energies in their work role performances. (Kahn 1990, 714.) Constructs that theoretically correspond to psychological availability and its personal influences include role overload, work-role conflict, family-work conflict, resource inadequacies, time urgency, off-work recovery, individual dispositions, and personal resources.

Role overload describes situations in which employees feel that there are too many responsibilities or activities expected of them regarding to the time available, their abilities, and other constraints (Rizzo, House & Lirtzman 1970, 155). Although, as previously argued, a workload has potential to raise expectations and enhance work meaningfulness, there comes a point where work demands can overwhelm individuals' capacity and trigger

negative emotions that make them feel unable to adequately deal with these demands (Crawford, LePine & Rich 2010, 837). This makes them feel less capable of having psychological, cognitive, and emotional energy to invest in their role performances (Kahn 1990, 714). Empirical research provides support for this reasoning and evidence suggest that workloads that overwhelm the capacity of the individual to deal with them become detrimental. (Crawford & al. 2014, 67)

Work-role conflict occurs when employee behaviours expected by superiors, co-workers, or clients are inconsistent (Rizzo, House & Lirtzman 1970, 155). Role conflict damages psychological availability by leading employees to believe that they cannot simultaneously satisfy conflicting demands with any amount of effort (Kahn 1990, 714). The findings confirm that if organizations wish to avoid damaging employee engagement, one way they can do so is to minimize work-role conflicts. (Crawford & al. 2014, 68.)

Family-work conflict is another type of conflict that harms individuals' psychological availability and it occurs when the role pressures from the work and family domains are, in some respect, mutually incompatible (Greenhouse & Beutell 1985, 77-78). Family-work conflict should reduce psychological availability because conflicting events in work and non-work lives distract employees to the point that they have less energy to invest in their role performances (Kahn 1990, 714). However, studies investigating this reasoning have provided mixed results and these conflicting findings highlight the need for additional research before significant conclusions can be reached on how family-work conflict can be managed to enhance engagement. (Crawford & al. 2014, 68.)

Resource inadequacies refer to situations where work tasks are made more difficult because of problems caused by missing or defective equipment or by outdated or missing information (Sonnentag 2003, 2). Resource inadequacies decrease psychological availability by sapping physical and emotional energy that could otherwise be used for productive self-investment in work role performances (Kahn 1990, 714). Consistent with this idea, numerous studies have shown that working in unfavourable or difficult physical environments that place excessive physical strain on the body is related to decreased levels of engagement. The results suggest that organizations can eliminate one distraction limiting employees' engagement by ensuring they have sufficient resources to do their jobs. (Crawford & al. 2014, 69.)

Time urgency refers to the processing speed required for employees to complete work tasks. Stress to finish tasks within a given time frame taps employees' energy and capabilities but it also focuses their attention and effort, because by coping with this demand

they can gain a sense of personal accomplishment. (Zapf 1993, 89.) Time urgency can increase employee's psychological availability by helping to eliminate distractions that would otherwise occupy their time and attention (Kahn 1990, 714). Empirical evidence supports this reasoning that time urgency at work is associated both with increased engagement as well as increased strain. (Crawford & al. 2014, 69.)

Off-work recovery is also very important, as recharging physical and emotional resources is a prerequisite for feeling psychologically available for work role performances (Kahn 1990, 714-715). A stream of research provides increasing support for the notion that employees' ability to psychologically detach and recover during off-work periods improves their ability to re-engage at work in following periods. A benefit of ensuring that employees disengage from work during off-work periods is that it helps mend accumulated fatigue from time urgency at work and it enables them to recharge their resources to be ready to re-engage when they return. (Crawford & al. 2014, 69.)

Personal resources are aspects of one's self that are commonly linked to resiliency and refer to individuals' own sense of ability to control and affect their environment successfully (Hobfoll, Johnson, Ennis & Jackson 2003, 632). In relation to engagement, the personal resources most frequently researched are general self-efficacy, organization-based self-esteem, and optimism. General self-efficacy is a person's belief in their own competence to respond efficiently across a variety of achievement situations. (Crawford & al. 2014, 70.) It fosters greater availability by directly impacting people's sense of confidence and security that they have the abilities needed to successfully negotiate their work role performances (Kahn 1990, 715). Organization based self-esteem refers to the degree to which an individual believes him/herself to be capable, significant, and worthy as an organizational member (Pierce & Gardner 2004, 593). This enhances availability by increasing employees' certainty regarding their desires to be a part of their organizational systems and to contribute to its goals (Kahn 1990, 716). Optimism, on the other hand, refers to people's general inclination to believe that things will go their way and good things will happen to them in life (Scheier & Carver 1992, 203). It improves availability by helping people feel secure concerning their selves and their work status, reducing anxiety, and freeing up energy that would otherwise be preoccupied from being invested in personal engagement (Kahn 1990, 715). Empirical studies exploring personal resources and engagement have generally found them being positively related. (Crawford & al. 2014, 71.)

Dispositions refer to general tendencies or personality characteristics to experience affective states over time (Crawford & al. 2014, 70). Personal dispositions also influence

how people approach work and how likely they are to engage or disengage in role performances, just as they shape people's abilities and willingness to be involved or committed to work (Kahn 1990, 718). Linked to this, personal dispositions will also have an impact on how people deal with situations where they will experience misfit between what they would like in their job and what they perceive to be present (Albrecht 2010, 40). Findings generally support this reasoning and the results suggest that that one way organizations can increase engagement is to select individuals with dispositional tendencies towards conscientiousness and positive affectivity (Crawford & al. 2014, 70).

Besides these antecedents of engagement, these are obviously also other factors that can have either short or long-term effect on the engagement of an employee. According to the Institute for Employment Studies (Hayday, Perryman & Robinson 2004, 17-18), as well as biographical characteristics (gender, ethnicity, and age group), also job group, length of service, and having a full/part-time contract influence one's engagement. Their research showed that, in general, engagement levels go down slightly as employees get older - until they reach the group of 60 and over, where the highest engagement levels of all are displayed. They also discovered that engagement levels go down as length of service increases, which can be seen as an indication to employers that they need to ensure that longer-serving employees continue to be exposed to new and interesting challenges.

Knowing and understanding the different kind of antecedents and factors effecting employee engagement is important because levels employee engagement often correlate with organization's performance. These organizational outcomes of engagement are introduced and discussed below.

2.3 Organizational outcomes of engagement

According to Schaufeli (2014, 30), engagement is a unique construct that can be distinguished from other organizational attitudes and behaviours such as in-role and extra-role performance, organizational commitment, intention to leave, personal initiative, innovativeness, and proactivity. So, rather than constituting elements of engagement, these attitudes and behaviours should be considered outcomes of employee engagement. Engagement has also been shown to mediate the relationship between job resources and outcomes such as organizational citizenship behaviour, counterproductive work behaviour, and task performance as assessed by the supervisor (Shantz, Alfes, Truss & Soane 2013, 2632-2633).

Various longitudinal studies have shown that high levels of engagement lead over time to more organizational commitment, more personal initiative behaviour at team level, less frequent company registered sickness absence, as well as better role performance. Thus, there is ample evidence that engagement is related to positive organizational attitudes and behaviours. (Schaufeli 2014, 30.)

When it comes to business success, many consultancy firms have claimed that there is a positive association between the average level of employee engagement of an organization and its business success. Perhaps the most convincing evidence for the link between the two comes from a series of studies conducted by Gallup Organization. A study that included almost 8 000 business-units of 36 companies (Harter & al. 2002) revealed that levels of engagement are positively related to indicators of business-unit performance, such as customer satisfaction, productivity, profit, employee turnover, and safety. Initial findings in this study indicated that engaged employees deliver better customer satisfaction. In addition, customer loyalty rating improves and financial turnout is better. And there is also a relationship with employee turnover; as engagement increases, turnover decreases.

As this chapter points out, studies have found positive relationship between employee engagement and organizational performance outcomes. The increasing awareness that the greatest asset of any organization is its people, organizations of all sizes and forms, including the case company, can no longer thrive in today's highly competitive environment without setting up strategic agenda for the enhancement of employee engagement. However, building and sustaining engagement is not an easy task, especially in a continuously evolving business environment. Therefore, in the next chapter the effects that organizational changes can have on employee engagement are discussed.

2.4 Employee engagement during times of change

The impact that organizational change could have on morale and engagement of employees is a major concern and potential risk for organizations. As the case company recently went through a major organizational change, an acquisition, the effect that large-scale changes can have on employee engagement are important to discuss.

Employees respond to changes like mergers and acquisitions in many different ways. Some identify and welcome opportunities for career development, greater challenges and improved scope and variety of work, or they see the change as a way of achieving greater job security or enhanced status through association with the new organization. However, others may have a less positive view. Members of acquired companies may feel that they

have been “sold out”. They may also be concerned about job security, feel less in control of their immediate working arrangements and longer-term career prospects. (Hayes 2010, 407-408.) In addition, as previously argued, all this can have a powerful effect on employee’s engagement.

According to a considerable number of researchers, post-merger performance is adversely affected by lowered morale, which is often linked to perceptions of unfair treatment. Employees’ perceptions of justice or fairness concerning how they are treated with regard to pay, promotion, and individual consideration have important consequences for organization’s performance. (Cartwright 2005, 18.) In addition, as previously stated, organizational justice is also one of the antecedents of employee engagement.

In the concept of mergers and acquisitions (M&As) perceptions of organizational justice and fairness concern not only the way in which new roles and rewards are allocated to those who are retained by the merged organization but also they ways in which termination decisions are made and the process of employee lay-offs is handled. In addition, employee perceptions and future expectations concerning organizational justice and consideration are likely to shape the terms of the psychological contract, which acquired employees will be seeking to re-establish with their employer. (Cartwright 2005, 18-19.)

There is no clear consensus on the definition of the psychological contract but most researchers accept that it should be viewed as a two-way exchange of perceived promises and obligations (Guest & Conway 2002, 22). It is an unwritten set of expectations between every member of an organization and those who represent the organization to them. It incorporates concepts such as fairness, reciprocity, and a sense of mutual obligation. If employees feel that their employer have kept their side of the psychological contract, they are likely to respond by displaying a high level of commitment to the organization. However, if they feel the opposite, they may respond by redefining their side of the psychological contract and, as a result, invest less effort in their work, be less inclined to innovate and less inclined to respond to the innovations or changes proposed by others. (Hayes 2009, 191-92.)

In addition, the way changes are communicated can affect perceptions of fairness and justice. For example, organizational members value adequate notice before decisions are implemented and expect to receive sufficient and accurate information. They may also want the opportunity to voice their concerns and have an input to the decision process. And if they perceive that the change is managed in an unfair way, this perception may

have an adverse effect on their morale, organizational commitment and performance. (Hayes 2009, 185.)

2.5 Employee engagement in a cultural context

Companies that filter their engagement data through the lens of national patterns can better interpret the data to identify the issues common across the organization and those that are distinctly regional, country, or local. By supplementing internal business-unit comparisons with national comparisons management can make better informed decisions about what issues should be addressed on a global basis through companywide initiatives and what are specific to a region's or country's operations and need local response. For organizations considering opening operations in a particular region or country, the country norms can also be helpful for assessing the challenges of cross-cultural operations and coming up with a way for addressing them before they become problems. (Sanchez & McCauley 2006, 50.)

Various considerations are relevant when employee engagement is discussed from a cross-cultural perspective. Whilst the importance of culture should not be overstated, some aspects of cultures could be unique, and need to be considered in order to understand and influence employee engagement (Rothmann 2014, 175.) Hofstede's cultural dimension theory (Hofstede, Hofstede & Minkov 2010) distinguishes between five cultural dimensions, namely individualism, power distance, uncertainty avoidance, masculinity, and long-term orientation.

Individualism can be defined as a preference for a loosely-knit social framework in which people are expected to take care of only themselves and their immediate families. Its opposite, collectivism, represents a preference for a tightly-knit framework in society in which individuals can expect others in groups to which they belong (such as an organization) to look after them. Work goal items that stress the employee's independence from the organization (such as personal time, freedom, and challenge) are associated with individualism. The work goals at the opposite pole (training, physical conditions, and use of skills) refer to things the organization does for the employee and in this way stress the employee's dependence on the organization, which fits with collectivism. (Hofstede & al. 2010, 92-93.) The degree of individualism in a country is closely related to that country's wealth. Rich countries, like The U.S., Great Britain and the Netherlands are very individualistic, while poor countries like Colombia and Pakistan are very collectivistic. In these societies, the needs of the group are more important (Hofstede & al. 2010, 95-97).

Power distance expresses the degree to which the less powerful members of a society accept and expect that power is distributed unequally. A high power distance society accepts wide differences in power in organizations and titles, rank and status carry a lot of weight. In contrast, a low-power distance society people strive to equalise the distribution of power and demand justification for inequalities of power. (Hofstede & al. 2010, 61.) Countries high in power distance include Philippines and Russia, as Denmark, Israel, and Austria are examples of countries with low-power-distance scores (Hofstede & al. 2010, 57-59).

Uncertainty avoidance refers to the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity. Members of societies, which have low uncertainty avoidance, are relatively comfortable with risks and tolerant of behaviours and opinions that differ from their own. Organizations in a society with high uncertainty avoidance are likely to have rules that are more formal and there will be less tolerance for deviant ideas and behaviour. (Hofstede & al. 2010, 191.) Countries low in this category include Singapore, Sweden, and Jamaica and countries with high uncertainty avoidance are, for example, Japan, Portugal, and Greece (Hofstede & al. 2010, 191-193).

Masculinity represents a preference in society for achievement and heroism. A society is called masculine when emotional gender roles are clearly distinct: men are supposed to be assertive, tough, and focused on material success, whereas women are supposed to be more modest, tender, and concerned with the quality of life. A society is called feminine when these emotional gender roles overlap. (Hofstede & al. 2010, 140.) Cultures that emphasize masculinity include Japan, Hungary, and Austria, whereas Norway, Sweden, and Denmark, closely followed by Finland, represent the feminine side (Hofstede & al. 2010, 141-143).

Long-term orientation refers to fostering of virtues oriented towards future rewards, like persistence, ordering relationships by status and having a sense of shame. Its opposite pole, short-term orientation, stands for the fostering of values related to the past, in particular, respect for tradition, fulfilling social obligations, and protecting one's face. (Hofstede & al. 2010, 239.) A strong long-term orientation has been found in China, Germany, Japan, and Taiwan, as countries with short-term orientation include Mexico, Iceland, and The U.S. (Hofstede & al. 2010, 255-258).

2.6 Measuring employee engagement

The academic interest in employee engagement has been traced back to Kahn's paper in 1990 and this interest shows no signs of abating. Nevertheless, engagement has surprisingly little longitudinal research for such a popular and renowned term. In fact, the review of the literature revealed only a handful of studies, although multiple references were uncovered relating to models and methods of analysis promoted by consultancies and survey houses, and their use by big companies. However, the approaches of consultancy firms are proprietary and thus not subject to external peer review, which is problematic as far as transparency is concerned.

A key distinguishing feature of the consultancy approach to employee engagement is that it is focused at the unit or organizational level of analysis. Consequently, whereas the academic approach of Kahn, Schaufeli and colleagues focus on work engagement at the individual level, the consultancy version addresses the work group, the unit or the organizational level and is more concerned with organizational engagement. (Guest 2014, 226.) Therefore, as the aim of this study is to explore employee engagement mainly on the organizational level, the consultancy approach cannot be entirely dismissed. However, only measures where content is in the public domain will be examined.

To illustrate the content that is often found, the following measures will be examined: Utrecht Work Engagement Scale (UWES), Gallup Q12 and the IES engagement model. All of these measures were also used as support in creating the questionnaire designed for this study in order to measure the engagement of the employees of the case company.

2.6.1 Utrecht Work Engagement Scale (UWES)

This approach to measuring engagement argues that engagement is a more persistent state, which is not focused on a particular object, event, individual or behaviour. It views burnout and engagement as opposite concepts but argues that they should be measured independently with different instruments. (Bridger 2015, 196.)

The Utrecht Work Engagement Scale (UWES) is a scientifically verified self-report questionnaire that is derived from the definition of the three dimensions of work engagement: vigor, dedication and absorption. The first version of the questionnaire comprised 17 items (UWES-17), 6 items for vigor, 5 for dedication, and 6 items for absorption. However, the most recent version of the UWES is the short, 9-item version. The correlation between the original UWES-17 and the short UWES-9 is very high (over .90), and therefore it seems

that the short version of the scale assesses work engagement in virtually the same way as the original version. (Fletcher & Robinson 2014, 274.)

Vigor is characterized by high levels of energy and mental resilience, the willingness to invest effort in one’s work, and persistence even when facing difficulties. Dedication refers to being strongly involved in one’s work and experiencing a sense of significance, enthusiasm, inspiration, pride, as well as challenge. Absorption, on the other hand, is characterized by being fully concentrated and happily engrossed in one’s work, whereby time passes quickly and one has difficulties with detaching oneself from work. (Bridger 2015, 196)

In the survey, respondents are asked to rate the frequency (on a seven-point scale from “never” to “always/every day”) with which they have experienced a number of feelings or thoughts over the last year and are categorized as feelings of vigor (*VI*), dedication (*DE*) and absorption (*AB*). The questions asked in the survey are presented in Table 1 below.

Table 1. UWES-9 questions (Schaufeli & Bakker 2004, 48)

	Question	category
1.	At my work, I feel bursting with energy	<i>VI</i>
2.	At my job, I feel strong and vigorous	<i>VI</i>
3.	I am enthusiastic about my work	<i>DE</i>
4.	My job inspires me	<i>DE</i>
5.	When I get up in the morning, I feel like going to work	<i>VI</i>
6.	I feel happy when I’m working intensely	<i>AB</i>
7.	I am proud of the work that I do	<i>DE</i>
8.	I am immersed in my work	<i>AB</i>
9.	I get carried away when I’m working	<i>AB</i>

The mean scale score of the three UWES subscales is computed by adding the scores on the particular scale and dividing the sum by the number of items of the subscale involved. A similar procedure is followed for the total score. Hence, the UWES, yields three subscale scores and/or a total score that range between 0 and 6. (Schaufeli & Bakker 2004, 33.)

Those who score high on vigor usually have much energy, zest and stamina when working; whereas those who score low have less of those feelings as far as their work is concerned. On the other hand, those who score high on dedication strongly identify with their

work because it is experienced as meaningful, inspiring, and challenging. Besides, they usually feel enthusiastic and proud about their work. Those who score low do not identify with their work because they do not experience it to be any of those; moreover, they feel neither enthusiastic nor proud about their work. Finally, those scoring high on absorption feel that they usually are happily engrossed in their work, immersed by it and have difficulties detaching from it because it carries them away. Consequently, everything else around is forgotten and time seems to fly. And those who score low on absorption feel the opposite. (Schaufeli & Bakker 2004, 5-6.)

2.6.2 Gallup Q¹²

Gallup developed its Q¹² engagement survey in response to studying data for thousands of organizations in order to understand correlates of worker productivity and performance. They analysed hundreds of questions in hundreds of surveys before developing the 12 questions with the highest correlations to external measures. The Q¹² database, with 5.4 million responses, is by far one of the largest employee benchmarks available. (Bridger 2015, 194.)

Rather than the experience of engagement in terms of involvement, satisfaction and enthusiasm, the Q¹² measures the antecedents of engagement in terms of perceived job resources. The reason behind this is that the Q¹² has been explicitly designed from an “actionability standpoint” and not from a scholarly perspective. (Schaufeli 2014, 19.) From this standpoint, there are two broad categories of employee survey items: those that measure attitudinal outcomes (satisfaction, loyalty, pride, customer service perceptions, and intent to stay with the company) and those that measure actionable issues for management. The Q¹² measures the actionable issues for management – those predictive of attitudinal outcomes such as satisfaction, loyalty, pride, and so on. (Harter, Schmidt, Agrawal & Plowman 2013, 7.)

As stated earlier, the Gallup Organization’s 12-item measure is designed to capture the individual’s involvement and satisfaction with as well as enthusiasm for work. The items were developed to measure employee perceptions of the quality of people-related management practices in business units. The criteria for selection of these questions came from focus groups, research, and management and scientific studies of the aspects of employee satisfaction and engagement that are important and in the influence of the manager at the business-unit or work-group level. (Harter & al. 2002, 269),

The respondents are asked to rate (on a five-point scale) the extent to which they disagree or agree with each statement. The Q12 statements, and a brief discussion of the conceptual relevance of each of the items, are (Harter & al. 2013, 8-9.):

1. **I know what is expected of me at work.**
 - *Defining and clarifying the outcomes that are to be achieved is perhaps the most basic of all employee needs and manager responsibilities.*
2. **I have the materials and equipment I need to do my work right.**
 - *Getting people what they need to do their work is important in maximizing efficiency, in demonstrating to employees that their work is valued, and in showing that the company is supporting them in what they are asked to do.*
3. **At work, I have the opportunity to do what I do best every day.**
 - *Learning about individual differences through experience and assessment can help the manager position people efficiently within and across roles and remove barriers to high performance.*
4. **In the last seven days, I have received recognition or praise for doing good work.**
 - *Employees need constant feedback to know if what they are doing matters.*
5. **My supervisor, or someone at work, seems to care about me as a person.**
 - *For each person, feeling cared about may mean something different. The best managers listen to individuals and respond to their unique needs.*
6. **There is someone at work who encourages my development.**
 - *How employees are coached can influence how they perceive their future.*
7. **At work, my opinions seem to count.**
 - *When employees feel they are involved in decisions, they take greater ownership for the outcomes*
8. **The mission/purpose of my company makes me feel my job is important.**
 - *Great managers often help people see not only the purpose of their work, but also how each person's work influences and relates to the purpose of the organization and its outcomes.*
9. **My associates (fellow employees) are committed to doing quality work.**
 - *Managers can influence the extent to which employees respect one another by selecting conscientious employees, providing some common goals and metrics for quality, and increasing associates' frequency of opportunity for interaction.*
10. **I have a best friend at work.**
 - *The best managers do not subscribe to the idea that there should be no close friendships at work; instead, they free people to get to know one another, which is a basic human need. This, then, can influence communication, trust, and other outcomes.*
11. **In the last six months, someone at work has talked to me about my progress.**
 - *Providing a structured time to discuss each employee's progress, achievements, and goals is important for managers and employees.*
12. **This last year, I have had opportunities at work to learn and grow.**

- *In addition to having a need to be recognized for doing good work, most employees need to know that they are improving and have opportunities to build their knowledge and skills.*

An engagement index is then generated which is based on the combined ratings from the ratings across all 12 questions. Based on these ratings, employees are then segmented into categories of either engaged, not-engaged, or actively disengaged. (Bridger 2015, 194). Although, no such segmentation is done in this research, the same idea of measuring engagement through the extent to which the respondents disagree or agree with statements, were used in determining the level the case company's employees.

2.6.3 The IES engagement model

The IES (The Institute for Employment Studies) engagement model illustrates the strong link between feeling valued and involved and engagement. The model indicates that a focus on increasing individuals' perceptions of their involvement with, and value to, the organization will pay dividends in terms of increased engagement levels. According to IES (Hayday, Perryman & Robinson 2004, 21) even though many aspects of working life are strongly correlated with engagement levels, the strongest driver of all is the sense of feeling valued and involved. This has several key components:

- Involvement in decision-making
- The extent to which employees feel able to voice their ideas, and managers listen to these views, and value employees' contributions
- The opportunities employees have to develop their jobs
- The extent to which the organization is concerned for employees' health and well-being.

In addition to the model, IES also offers a diagnostic tool that can be used to derive organization-specific drivers from attitude survey data. However, their findings suggest that many of the drivers of engagement will be common to all organizations. The diagnostic tool, illustrated in the Figure 3 below, shows the main component of feeling valued and involved. The identification of those components give an indicator to organizations towards those aspects of working life that require serious attention if engagement levels are wished to be maintained or improved. (Hayday & al. 2004, 22.)

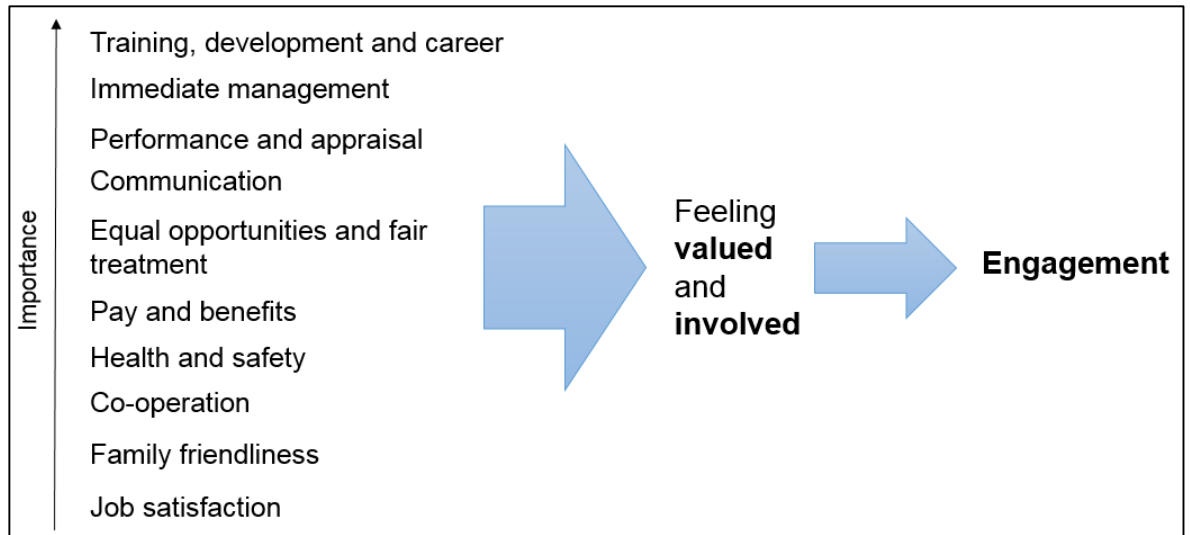


Figure 3. The drivers of employee engagement; a diagnostic tool. (Hayday & al. 2004, 22)

IES' engagement research (Hayday & al. 2004, 23) also indicates that the following areas are of fundamental importance to engagement:

- Good quality of line management
- Two-way, open communication
- Effective co-operation
- A focus on developing employees
- A commitment to employee well-being
- Clear, accessible HR policies and practices
- Fairness in relation to pay and benefits
- A harmonious working environment.

All of the three models of measuring employee engagement presented above were used in designing the survey questionnaire for this study. How these models were utilized, is explained in conceptual framework introduced in chapter 4. In the next chapter, the other main theory of this study, change management, is introduced.

3 Change management

Undergoing change at all levels of organization will unavoidably have some degree of psychological impact on employee wellbeing. Therefore, in order to maintain employee engagement, adequate support and communication at all stages throughout the change process is needed. As this study aims to answer the question, what kind of effect has organizational change, and the way it was managed, had on the engagement of the employees of the case company, change management is important to discuss.

Change management has been defined as “the process of continually renewing an organization’s direction, structure, and capabilities to serve the ever-changing needs of external and internal customers” (Moran and Brightman 2001, 111). It is the process of ensuring that an organization is ready for change and takes action to make sure that change is accepted and implemented smoothly. Success in managing change depends greatly on thinking through the reasons for change, project planning, allocating the right resources, and anticipating and dealing with problems, especially resistance to change (Armstrong 2009, 176). It can be argued that the successful management of change is crucial to any organisation in order to survive and succeed in the present highly competitive and continuously evolving business environment.

Kurt Lewin’s Change Management Theory (1951), is a time-tested, easily applied field theory that is often considered the epitome of change models. The theory suggest that a change project must go through three stages in order to succeed: unfreezing from the present level, moving to the new level, and the refreezing this new level. The practical implications of this model suggest that in order to successfully undergo change, organizations must promptly remove old processes inherent to the original way of working. That is the only way to effectively adopt the new practices required to operate in the new environment. However, the model has also attracted major criticism for being relevant only to small-scale changes in stable conditions, and for ignoring issues such as organizational politics and conflict (Burnes 2004, 978). It can also be argued that things have certainly changed since 1951, when the model was presented and the environment where businesses operate nowadays is evolving at much higher speed.

Ultimately, successful change depends upon successful people management. It is necessary to understand and show empathy with people’s needs, feelings, and motivation (Armstrong 2009, 187). Change managers need to address the people issues at all stages of the change process and not just when designing a strategy for implementation. A common mistake is to treat the stages of starting the change, reviewing the present and designing

the future state as purely technical activities. Too often, not enough attention is given to the political and motivational issues associated with the change. (Hayes 2009, 54.)

It is also important to bear in mind, that people support what they help to create. Commitment to change is improved if those affected by the change are allowed to participate as fully as possible in planning and implementing it. The goal should be to get them to see the change as something they want and will be glad to live with. (Armstrong 2009, 187.)

In order to determine the effect of change and its management on employee engagement, a deeper understanding of the concept of change management is needed. This chapter aims to providing it by covering topics of organizational change, the role of leadership in change management, resistance to change, as well as transition management.

3.1 Organizational change

Organizational change refers to how organizations are structured and, in broad terms, how they function. It also involves identifying the need to reconsider the formal structure of organizations. Organizational change programmes address issues of centralizations and decentralization, how the overall management task should be divided into separate activities, how these activities should be allocated to different parts of the organization, and how they should be directed, controlled, coordinated, and integrated. This may mean trying to free up the way things are done in order to ensure that there is more flexibility in the system to enable the organization to respond and adapt to change. (Armstrong 2009, 169.)

A common distinction in the change management literature is between first-order, incremental, continuous change and second-order, transformational, discontinuous change. First-order change may involve adjustments in systems, processes, or structures, but it does not involve fundamental change in strategy, core values, or corporate identity. First-order changes maintain and develop the organization: they are changes designed, almost paradoxically, to support organizational continuity and order. Second-order change, on the other hand, is transformational, radical, and fundamentally alters the organization at its core. Second-order change entails not developing but transforming the nature of the organization. (Palmer, Dunford & Akin 2009, 86.)

There are three types of common organizational changes that are likely to confront change managers and that are generally perceived as larger, second-order forms of change. These types are downsizing, introduction of new technologies, and mergers and

acquisitions. (Palmer, Dunford & Akin 2009, 85.) Since the change that the case company experienced was an acquisition, the management of mergers and acquisitions is discussed more elaborately below.

Since mergers and acquisitions can readily change the nature and character of the organization in question, they can be usefully conceived as a form of organizational transformation, a process of large-scale change characterised by a high level of complexity, multiple transitions, uncertain future states, and long-term time scales. During a merger, some employees may find that little has actually changed. However, for a number of other organizational members, behaviours that were once endorsed by the organization may no longer be approved and may, in fact, be punished. And others may find that their services are no longer valued or needed. This can result to lowered organizational commitment and satisfaction as well as behaviours against the company goals. (Buono & Bowditch 2003, 12.) Thus, this can also lead to lowered employee engagement.

Managers often forget that the merger or acquisition is more than a financial deal or a strategic opportunity. It is also a human transaction between people. Top managers need to do more than simply state the facts and figures; they need to employ all sorts of methods of communication to enhance relationships, establish trust, get employees to think and innovate together and build commitment to a joint future. (Cameron & Green 2009, 230.)

Issues of cultural incompatibility have often been cited as problem areas when implementing a merger or acquisition. The best way to integrate cultures is to get people working together on solving business problems and achieving results that could not have been achieved before the merger. (Cameron & Green 2009, 234-235.)

Post-acquisition integration has received considerable attention in recent years as an explanation of the poor record of achieving acquisition objectives. The consequences of mismanaging the post-acquisition phase are often described in terms of culture clash. This can mean fundamental differences about the core assumptions of employees in each organization. The effect of bringing together very different cultures can lead to very damaging actions from passive resistance and the loss of good employees to as far as sabotage. For this reason, managing expectations and having well-communicated programmes for post-acquisition integration are vital parts of successful post-acquisition management. (Angwing 2007, 404.)

Producing successful mergers and acquisitions is clearly a change management challenge. The following list identifies a number of related issues that confront the manager of change dealing with mergers or acquisitions (Palmer, Dunford & Akin 2009, 105):

- *Cultural adjustment.* The merging of different cultures and the adoption of new operating systems and procedures can often lead to conflict. The way in which this is managed can be a major determinant of the success or failure of a merger or acquisition.
- *Balancing change and continuity.* A balance is needed between the disruptions caused by the change and the need for continuity of work and positions in order to retain or re-establish employee identity with, and commitment to, the new organization.
- *Employee retention.* If people are an organization's best asset, then keeping key employees after the acquisition is another critical challenge facing merged organizations.
- *Contingency planning.* Many mergers do not begin with a compelling, well-thought-out strategy. The ability to plan and set priorities and goals for the future is needed.
- *Communication.* Communicating effectively to employees, customers, and shareholders is an important issue when undergoing a merger or acquisition. Failure to recognize the significance of this issue can be detrimental to success.

3.2 The role of leadership in change management

Leadership is essentially a process of social influence in which individuals want to feel included, supported and reinforced, especially during change. Relations between individuals and their leader will inevitably affect perceived leader effectiveness, which is why leadership is widely considered as the key enabler of the change process. (Kavanagh & Ashkanasy 2006, 87.) The role of leadership in change management can be summarized as creating a vision, aligning relationships around the vision, and inspiring others to achieve this vision (Hayes 2009, 171).

Kotter (1996, 26) believes that inspiring others and generating highly energized behaviour can help to them overcome the inevitable barriers to change they will encounter as the initiative unfolds. He identifies four ways in which leaders can do this:

- Articulating the vision in ways that are in accord with the values of the people they are addressing
- Involving people in deciding how to achieve the vision, thereby giving them some sense of control
- Supporting others' effort to realize the vision by providing coaching, feedback, and role modelling
- Recognizing and rewarding success.

Kotter (1996, 25) also argues that there is a marked difference in the orientation between management and leadership. While management involves deciding what needs to be done through planning, budgeting, organizing, staffing, controlling, and problem solving, leadership focuses on setting a direction and developing the strategies necessary to move in that direction. However, while management and leadership are distinct activities, they are complementary and both are vital for success in a changing business environment (Hayes 2009, 161).

Senge (2014, 18), on the other hand, sees leadership occurring at different locations within an organization. There are executive leaders who have the traditional hierarchical position who exercise the more formal leadership, but there are also the local leaders who have the job of translating the vision into tangible actions, as well as network leaders who adopt a role of connecting different parts of the organization involved in change.

According to Pugh (1993, 110) for effective change to take place, a manager must anticipate the need for change so that time is available, and manage the process over that time so that the two relevant characteristics of the people involved can be maintained and developed. These characteristics are their confidence in their ability and their motivation to change. Salerno and Brock (2008, 8) suggest that supervisors and managers are the most important link to the potential success of any change, because they are ultimately responsible for the ongoing communication after the initial announcement of the change. They also stress that successful strategic initiatives and organizational change require above-average attention and commitment to the communication, as well as above-average leadership and management skills.

When it comes to a merger or acquisition situation, the job of the leader is firstly to ensure that the employees know things will not be the same any more. Second, the leader needs to ensure people understand what will change, what will stay the same, and when all this will happen. Finally, the leader needs to provide the right environment for people to try out new ways of doing things. (Cameron & Green 2009, 243.)

According to Schein (1996, 31) healthy individual change happens when there is a good balance between anxiety about the future and anxiety about trying out new ways of working. The first anxiety must be greater than the second, but not too high, otherwise there will be paralysis or chaos. In a merger or acquisition situation, there is very little safety as people are anxious about their futures as well as uncertain about what new behaviours

are required. This means the leader has to create psychological safety by painting pictures of the future, acting as a strong role model of desired behaviours, and being consistent about systems and structures. And as discussed earlier, psychological safety is also an antecedent of employee engagement.

3.2.1 Creating a vision

Vision refers to a picture of the future with some implicit or explicit commentary on why people should strive to create that future. The vision of a more desirable future state provides a focus for attention and action and can also mobilize energy and effort (Hayes 2009, 50). In a change process, a good vision serves three important purposes. First, by clarifying the general direction for change, it simplifies hundreds of more detailed decisions. One simple question – is this in line with our vision? – can eliminate hours, days, or even months of torturous discussion. Second, it motivates people to take action in the right direction, even if that is not necessarily in people’s short-term self-interests. Third, vision helps align individuals, thus coordinating the actions of motivated people in a remarkably efficient way. (Kotter 1996, 68-70.)

However, while it is recognized that a strong vision can make a valuable contribution to the success of a change initiative, sometimes too little attention is given to the consequences of developing a vision unfit for purpose. It is crucial that leaders make a realistic assessment of the opportunities and constraints facing the organization and that they are sensitive to the needs and priorities of key stakeholders (Hayes 2009, 159.)

In terms of communicating the vision, people, all those affected by change, need to hear the message repeatedly. Kotter (1996, 86-96) implies that in many change programmes, the vision can be either grossly under communicated or communicated frequently but poorly. He also emphasizes that often the most powerful way to communicate a new direction is through behaviour rather than just the spoken and written word. Organizational members watch those responsible for managing the change for indications of their commitment, so telling people one thing and then behaving differently is a great way to undermine the communication of a change vision. In addition, symbolic acts, such as branding, location of headquarters, and titles are important, as well as means of changing behaviour, such as compensation structures and retention payments (Davis 2000, 73).

However, it is good to bear in mind that when employees say they do not know the organization’s vision or strategy, they often mean they do not see how their job fits into the strategy. Sometimes people low down in the organization do not understand how and what

they are doing fits into the bigger picture. Then they are neither motivated nor passionate. (Marlow, Masarech & Rice 2012, 144.)

3.2.2 Communicating change

The quality of communication can have an important impact on the success of a change programme and communicating in a way that aligns people to achieve the vision is an important role of leadership. Nadler (1993, 85) suggest that resistance and confusion often develop in an organizational change because people are unclear about what the future state will be like. Thus, the goals and purposes of change become blurred, and individual expectancies are formed based on information that may be inaccurate.

There is ample evidence that ambiguous acquisition environments create intergroup differentiation, promote win-lose attitudes, confusion, anxiety, and general climate of mistrust. Effective communication can do much to reduce the uncertainties that unsettle organizational members. (Hayes 2009, 418.) Internal communication during a change has three important tasks: communicating the external context in which the organization works, communication about news and change, and communication about the sort of organization it is and seeks to become. It is necessary to not only explain change and its context but to contribute to giving an employee a sense of the distinctive organization of which they are now a part. (Davenport & Barrow 2009, 145.)

Communications should describe why change is necessary, what the changes will look like, how they will be achieved, and how they will affect people. The goal is to ensure that unnecessary fears are allayed by keeping people informed using a variety of methods; written communications, the intranet, videos, and face-to-face briefings and discussions. (Armstrong 2009, 182.) Particular attention should be paid to ensuring the timely communication of change related messages, matching communication channels to the recipient's needs and listening opportunities, as well as ensuring that uncertainty is minimized and the negative impact of the "rumour mill" eliminated. Effective communication, designed to inform, consult, and promote action, will help in overcoming both resistance to change and ignorance. (Paton & McCalman 2008, 50-51.)

When it comes to mergers and acquisitions, it is very important to be clear on timescales, particularly when it comes to defining the new structure. People want to know how this merger or acquisition will affect them, and when. Everyone will be focused on the question "what happens to me?" At first, employees need the basic question regarding their own fate to be answered instead of hearing presentations about vision or strategic plans. If this

cannot be done, then the management team should at least publish a plan for when it will be done. (Carey 2000, 151.)

3.3 Resistance to change

People resist change when they see it as a threat to their established and familiar work life and think it will cause them to lose something of value. They may also believe that the change will affect their status, security or earnings. (Armstrong, 2009, 180.) An organization can create an operating environment, which encourages an opportunistic stance to be adopted. However, no matter how welcoming an organization is to change, it will still face a degree of employee, stakeholder and consumer resistance to change. It can manage to reduce the frequency and potency of such resistance but it will never extinguish the fear of unknown (Paton & McCalman 2008, 52.)

As a necessity to long-term survival, change needs to be portrayed in positive terms. However, in so doing, leaders must be aware that not all resistance to change is negative. Change for change's sake, change for short-term commercial advantage, or change, which may adversely affect the "common good", should, in fact, be resisted. Not only on moral counts, but also on the basis that the adverse long term consequences are likely to outweigh any short term gain. (Paton & McCalman 2008, 54.)

In order to predict what form of resistance might be faced, managers need to be aware of the four most common reasons people resist change. According to Kotter and Schlesinger (1979, 3), these reasons are parochial self-interest, a misunderstanding of the change and its implications, a belief that the change does not make sense for the organization, and a low tolerance for change.

Parochial self-interest

As stated before, one of the biggest reasons why people resist organizational change is that they think they will lose something valuable as a result. Because people often focus on their own best interests instead of those of the total organization, resistance often results in politics or political behaviour. (Kotter & Schlesinger 1979, 3.) Pugh (1993, 110) also suggests that all too often managers fail to anticipate resistance because they only consider change from a rational resource allocation perspective and fail to appreciate that many organizational members are much more worried about the impact it will have on them on a personal level.

Misunderstanding and lack of trust

Misunderstandings can be a frequent source of resistance. People resist change when they do not understand its implications and perceive that it might cost them much more than they will gain. Such situations often occur when trust is lacking between the person initiating change and the employees. (Kotter & Schlesinger 1979, 4.) In addition, several studies have linked trust to the levels of openness in communication and information sharing, levels of conflict, better task performance, and the acceptance of decisions or goals. When organizational members do not trust change managers, they are likely to resist any change they propose. (Lines, Selart, Espedal & Johansen 2005, 222.)

Different assessments

Another common reason people resist organizational change is that they assess the situation differently from their managers or those initiating the change and see more costs than benefits resulting from it, not only for themselves but also for the organization. Managers who initiate change often assume that they have all the relevant information required to conduct an adequate organization analysis and that those who will be affected by the change have the same facts. And often both assumptions are incorrect. In either case, the difference in information that groups work with often leads to differences in analyses, which, in turn, can lead to resistance. (Kotter & Schlesinger 1979, 4.)

Low tolerance for change

People also resist change when they are worried they will not be able to develop the new skills and behaviours that will be required of them. All people are limited in their ability to change, but some are more limited than others are. Organizational change can inadvertently require people to change too much, too quickly. It is because of this people's limited tolerance for change, that individuals will sometimes resist change even when they realize it is a good one. In addition, people also sometimes resist organizational change to save face; to go along with the change would be, in their mind, an admission that some of their previous decisions or beliefs were wrong. (Kotter & Schlesinger 1979, 4.)

3.4 Transition management

A sudden merger or acquisition will raise many questions in the minds of those affected about what the future will hold for them. When changes are lasting in their effects, take place over a relatively short period of time and affect large areas of their assumptive world, they are experienced as personal transitions. (Hayes 2009, 211.)

Organizational change involves the ending of something and the beginning of something new. While changes might be carefully planned and happen on a predetermined date, it might take some time before those involved have adapted to their new circumstances. That is why managers need to develop an understanding of how people respond to change. Change is situational but transition is psychological; it is a three-phase process that people go through as they internalize and come to terms with the details of the new situation that the change brings out. Getting people through the transition is essential if the change is actually to work as planned. (Bridges 2009, 3)

The starting point for dealing with transition is not the outcome but the ending one has to make in order to leave the old situation behind. Organizations often overlook that letting-go process completely and ignore the feelings of loss that it generates. Moreover, in overlooking those effects, they nearly guarantee that the transition will be mismanaged and that, as a result, the change will not go well. Unmanaged transition makes change unmanageable. (Bridges 2009, 7)

According to the work of William Bridges (2009), transition can be conceptualized as beginning with an ending and then going on to a new beginning via neutral zone. These three phases are not separate stages divided by clear boundaries but can overlap, and an individual can be in more than one phase at the same time. Thus managing changes involves not just dealing with situational factors, such as technology, structures, and systems, but the simple process of helping people through the three phases of transition illustrated in Figure 4 below.

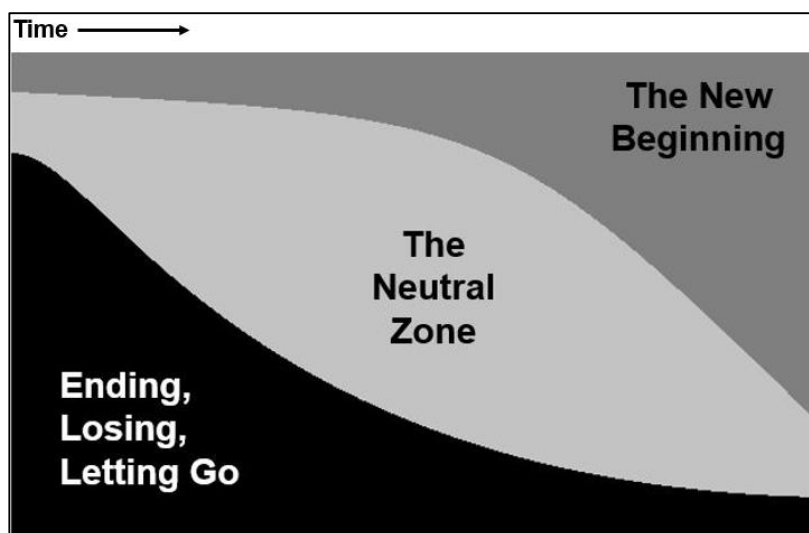


Figure 4. The three phases of transition (Bridges 2009, 5)

Phase 1. Ending, Losing, and Letting go

The first phase is about letting go of the old ways and the old identity people had. This stage is often marked with resistance and emotional turmoil because people are being forced to let go of something that they are comfortable with. At this stage, people often experience emotions of fear, denial, anger, sadness, uncertainty, or a sense of loss. If these feelings are not acknowledged, resistance throughout the entire change process is likely to be encountered. Guiding people through this first phase can be done by accepting people's resistance, understanding their emotions, treating past with respect, listening empathically, compensating for the losses and communicating openly about the changes. (Bridges 2009, 23-37.)

Phase 2. The Neutral Zone

The second phase includes going through an in-between time when the old is gone but the new is not fully operational. In this stage, people affected by the change are often confused, uncertain, and impatient. Depending on how well the change is managed, they may also experience a higher workload as they get used to new systems and new ways of working. In the neutral zone, people might experience resentment towards the change initiative, have low morale and low productivity, feel anxiety about their role, status or identity, as well as scepticism about the change initiative. Despite these, this stage can also be one of great creativity, innovation, and renewal. This is also a great time to encourage people to try new ways of thinking or working. Because people might feel a bit lost, providing them with a solid sense of direction is extremely important. (Bridges 2009, 39-53.)

Phase 3. The New Beginning

The final phase is about coming out of the transition and making a new beginning. This is when people develop the new identity, experience the new energy, and discover the new sense of purpose that make the change begin to work. People have begun to embrace the change initiative and are building the skills they need to work successfully in the new way. In addition, the early wins from their efforts are starting to emerge. At this stage, people are likely to experience high energy, openness to learning, and renewed commitment to the group or their role. As people begin to adopt the change, helping them sustain it is essential. (Bridges 2009, 57-73.) To make a new beginning, people need the four P's: the purpose, a picture, the plan, and a part to play. The purpose behind the new beginning needs to be explained as people might have trouble understanding the purpose if they do not have a realistic idea of where the organization really stands. (Bridges 2009, 60-61)

A number of factors will influence each individual's experience of transition. These include, for example, the importance of the transition, whether it is perceived as a gain or

loss, the intensity of its impact, the existence of other simultaneous transitions, and personal resilience. That is why it is important for managers to recognize the following issues. Firstly, there will often be a time lag between the announcement of a change and an emotional reaction to it. It is easy to mistake the apparent calm of the initial awareness and denial phases for acceptance of the change. Secondly, different individuals or groups will process through the change at different rates and ways, because the change can affect them differently. Finally, managers need to beware of getting out of phase with their employees. They tend to know about the change before others and so it is usual for them to have reached an acceptance of change long before other organization members. (Hayes 2009, 211-217.)

The previous two chapters form the theoretical framework of this study. One of the most glaring issues in the literature review concerning the concept of employee engagement is that there is no clear definition. However, common to all definitions is the idea that employee engagement is a desirable condition that has an organizational purpose, and both attitudinal and behavioural components. The organization must work to nurture, maintain and grow engagement, which requires a two-way relationship between employer and employee. When people are engaged, they are more willing to invest their time, effort and energy by working towards the common goals of the organization, interpreting organizational objectives and their own as one in the same.

When it comes to the other main theory of this study, change management, it can be more easily defined as the process, tools and techniques to manage the people-side of change to achieve the required business outcome. Change management incorporates the organizational tools that can be utilized to help individuals make successful personal transitions resulting in the adoption and realization of change. It can be argued that the successful management of change is essential to any organisation in order to succeed in the today's business environment. In much of the research concerning change management strategies, employee engagement is listed as a primary function to the success of properly implementing a change management initiative. In addition, it seems that employee engagement and change management share many of the same functions deemed a requirement for successful implementation.

Next, based on the concepts of the reviewed two theories, the conceptual framework of this study will be presented.

4 Conceptual Framework

In this section the theoretical framework and the main concepts discussed in the literature review are drawn together in order to gain an understanding how the literature links into the objective and research questions in this study. The information is also provided on why the specific questions were selected to the questionnaire and how the different themes for questions link to the literature. Figure 5 below illustrates, how the two main theories, employee engagement and change management, are linked together in this study in order to answer the research questions.

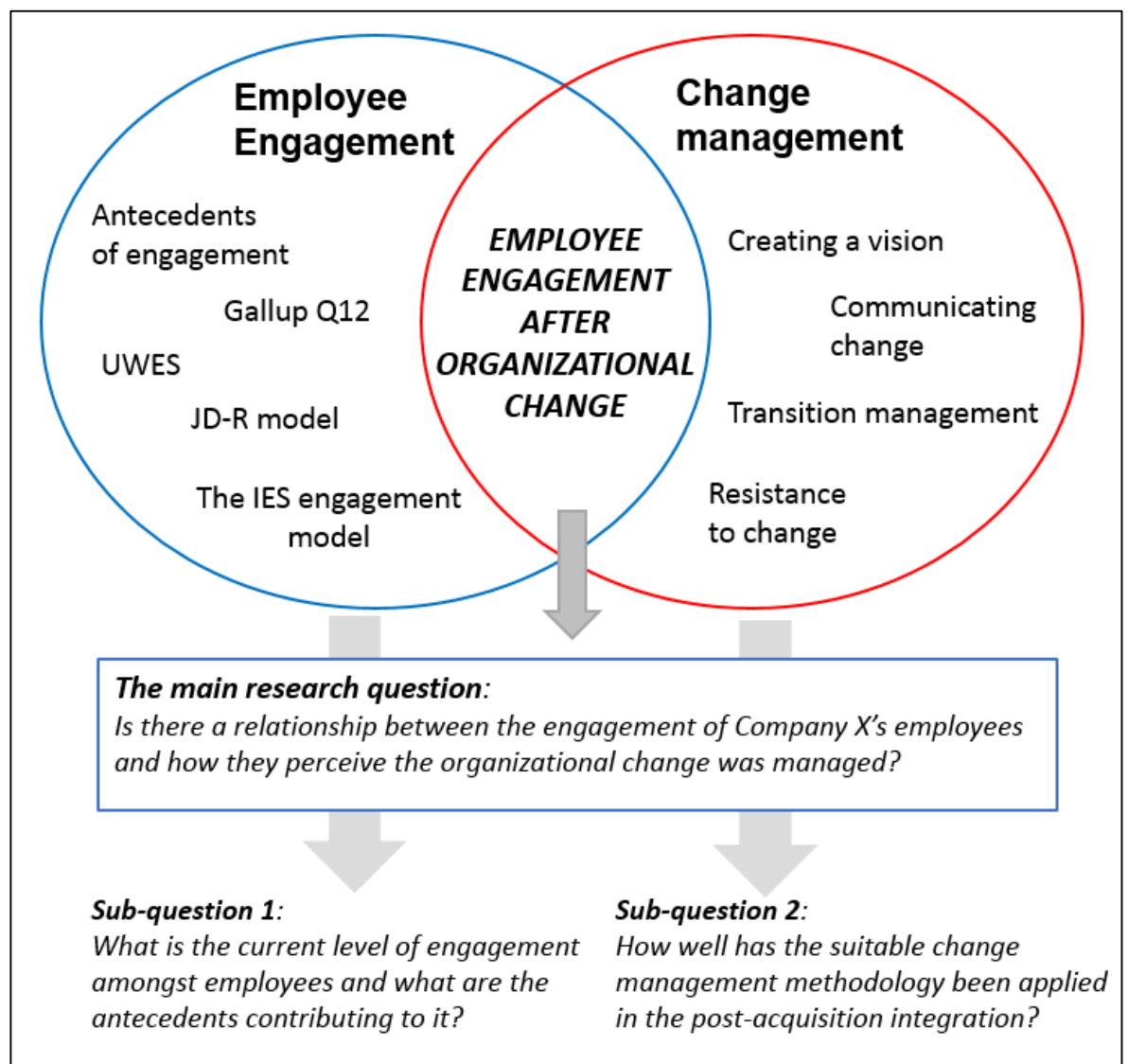


Figure 5. Conceptual Framework

As Figure 5 shows, the concept of employee engagement, and how it can be measured, consists of the antecedents of engagement and four different engagement models. These concepts together help to answer the main research question as well as sub-question 1.

Change management, on the other hand, consists of the concepts of transition management, resistance to change, creating a vision, and communicating change. These concepts, in turn, assist in answering sub-question 2, besides contributing to answering the main research question.

Following extensive research on the topics of employee engagement and change management as well as the existing measurement tools, the conclusion was that in order to achieve more reliable results and add more value of the study to the case company it is necessary to create a unique survey tool integrating the best available models and methods, instead of using just one of the measurement tools introduced in the literature review. Therefore, as a part of the study was created the “Employee Engagement after Organizational Change -questionnaire” for Company X. The questionnaire can be found in Appendix 1.

The survey questions were formulated based on the concepts discussed in the literature review and that are illustrated above. In the questionnaire, there is at least one question that is designed to measure each antecedent of engagement introduced in Chapter 2.2, excluding personal resources and dispositions. These two antecedents were excluded because they cannot be enhanced with any organizational means. In addition, the same questions that are used in the models of measuring engagement introduced in the literature review were chosen for the questionnaire, when suitable. Additionally, two of the questions concerns the outcomes of engagement and three open-ended questions were included in the questionnaire in order to gain rich data and to ensure that no major points have been left out.

The questions regarding change management were also chosen based on their relevancy to the theoretical framework. The questions were designed to detect the respondents’ attitudes towards:

- The personal significance of the change
- The physical burden of the change process
- The ability to influence and participate in the change process
- The communication of the change and the vision of the organization
- The management and implementation of change
- The management of transition

A detailed table of how the questions link to different antecedents and models engagement, as well as different aspects of change management, can be found in Appendix 3.

5 Research methodology and methods

This chapter will cover the research methodology and methods, which have been utilized to support the empirical analysis in this study. Thus, the research philosophy, approach, design, strategy, and methods of data collection and analysis are introduced. By nature, this research can be seen as both exploratory and explanatory, as the purpose of the research is to gain familiarity with a phenomenon and acquire new insight, and the emphasis is on studying a situation in order to explain the relationship between variables, in this case employee engagement and change management. The main research question of this study is: is there a relationship between the engagement of Company X's employees and how they perceive the organizational change was managed?

5.1 Research philosophy and approach

A research philosophy is a belief about the way in which data about a phenomenon should be gathered, analysed and used. The research philosophy of this study is realism. Realism is based on the belief that a reality exists that is independent of human thoughts and beliefs. In the study of business and management this can be seen as indicating that there are large-scale social forces and processes that affect people without their necessarily being aware of the existence of such influences on their interpretations and behaviours. Therefore, a researcher will only be able to understand what is going on in the social world if the social structures that have given rise to the phenomena are understood. (Saunders, Lewis & Thornhill 2012, 136.) Thus, this thesis follows the position of critical realism that our knowledge of reality is a result of social conditioning and cannot be understood independently of the social actors involved in the knowledge derivation process.

As this study started with theory overview from the literature review and a research strategy is designed to test the theory, the research approach of this study is deductive. Deduction possesses several important characteristics, such as the search to explain causal relationships between concepts and variables, the need for the concepts to be operationalized in a way that enables facts to be measured, as well as generalization. (Saunders et al. 2012, 145.)

5.2 Research method and strategy

The research method of this study is quantitative. Quantitative research examines relationships between variables, which are measured numerically and analysed using a range of statistical techniques. In quantitative research, the researcher is seen as independent from those being researched, who are usually called respondents. (Saunders et al. 2012, 162.) The survey questionnaire used in data collection also involves three qualitative open-ended questions but the results of these questions are analysed with quantitative coding.

The research strategy of this study is case study research as it investigates a contemporary phenomenon in its real-world context, where the boundaries between phenomenon and context may not be evident. According to Yin (2014, 14) case study research is the preferred research method in situations when a researcher has little or no control over behavioural events, and the focus of study is contemporary phenomenon. Therefore, case study was an obvious choice for the research strategy. As the focus of the study is on one single organization but it involves sub-units within the organization, the design can be defined as embedded single-case study.

5.3 Data collection

The process of data collection started from exploring the existing literature on employee engagement and change management. The review included available books, articles, and Internet publications with the aim of forming a broad picture of the studied topics based on the results of previous studies. This literature review formed the theoretical framework for guiding this research.

Yin (2014, 105) argues that data collection for a case study research should include multiple sources of data, in order to create a reliable case study database and to maintain a chain of evidence. Accordingly, in addition to the data gathered from the literature review, also empirical data for this study is collected from two different sources.

5.3.1 Primary data

The primary data collection method of this study is a web-based questionnaire. As the scope of the study is all Company X's current employees as well as those, who have been transferred to the parent company following the acquisition, 186 persons in total, it was feasible to collect data from every possible group member. Therefore, a census instead of

sample was used and a link to the questionnaire was sent to each member of the target group on April 11th, 2016. The respondents were given until 19th of April 2016 to submit their finalized questionnaire through Digium Enterprise. Three persons in the target population were unreachable due to a parental or study leave and therefore will not be represented in the data collected. Thus, the target population includes 183 persons.

The questionnaire consisted of 38 questions divided in the following themes:

- 4 background questions about the respondent
 - unit
 - years of employment in Company X
 - change of employer
 - change of workplace following the organizational change
- 26 rating questions designed to measure the level of engagement
- 9 rating questions related to change, its management, and how it was perceived by the respondent
- 3 open-ended questions.

The data collection language was Finnish in order to prevent any misunderstandings by the respondents when answering the questionnaire. Rating questions most frequently use the Likert-style rating, in which the respondent is asked how strongly she or he agrees or disagrees with a statement or series of statements and are often used to collect opinion data (Saunders et al. 2014, 436). Therefore, a five point Likert scale was chosen for the questionnaire. This scale was also used in the Company X's previous Work Community Research, so using the same scale enabled the comparison between the primary and secondary data. The questionnaire can be found in Appendix 2 of this report.

The response rate for the questionnaire was 45.9%, with 84 out of the 183 respondents contacted answering to the questionnaire. Especially, as the management or HR did not conduct the research, the response rate was deemed acceptable and can be considered sufficient in providing an accurate portrait of the population.

5.3.2 Secondary data

Secondary data are data analysed further which have already been collected for some other purpose. Most research projects require some combination of secondary and primary data to answer the research questions and to meet the objectives. (Saunders et al. 2014, 331.)

The results of the previous Work Community Research (WCR), conducted in the case company 18.11.-2.12.2014, are used as secondary data in this study. The response rate of WCR was significantly higher than in this study, 79.6%, and the target population included 142 persons. The employees, who had already been transferred to the parent company, were not included in the target population. Therefore, when comparing the results of this study to the results of WCR, the answers of the group "Operations moved to Company Y" are excluded.

The data is used to compare the answers of 12 particular questions also incorporated in the questionnaire designed for this study to the answers given this time. The aim is to explore, if the line of the answers is more positive this time around, which could suggest that the proximity of the acquisition did have a deteriorating effect on the results of the previous work community survey.

5.4 Data analysis

Three fundamental goals drove the collection of the primary data and the subsequent data analysis. These goals were: (1) to determine the level of the respondent's engagement, (2) to develop an understanding of how the respondents perceive the change and how it was managed, and (3) to explore if there are any differences in the engagement levels of those who perceive the change was successfully managed and those who do not.

The results of the background and rating questions were first filtered and grouped using the survey provider's, Digium Enterprise, dashboards and visualization analytics. Then the data was exported to Microsoft Excel for further analysis and the creation of visually illustrative charts.

Most of the statements were positive but in order to reduce bias, also two negative statements were included in the questionnaire. In the analysis, the answers to the positive

statements were rated so that strongly agree was 4, agree 3, disagree 2, and strongly disagree 1. Undecided was given zero, as this was also used in the benchmark work community survey. Negative statements, in turn, were reverse coded.

In order to assess the strength of relationship between employee engagement and change management, a correlation coefficient was used. It enables quantifying the strength of the linear relationship between two ranked or numerical variables. This coefficient can take any value between +1 and -1, and a value of +1 represents a perfect positive correlation. This means that the two variables are precisely related and that as values of one variable increase, values of the other variable will increase. According to Saunders et al. (2014, 521), if both of the variables contain numerical data, Pearson's Product Moment Correlation Coefficient (PMCC) should be used. Thus, PMCC was decided to be utilized in the data analysis of this study.

The open-ended questions provided qualitative data in the written form, so the answers to these questions were read and then coded into categories with common themes. In order to carry out the analysis of these questions, a code frame needed to be developed. This comprised of looking through the answers and grouping them under main themes and giving each theme a two-letter code. When going through the all the answers, each was coded with the relevant letter combination that could be then totalled to summarize these main themes. In the next chapter, the results derived from the analysis of the primary and secondary data are presented.

6 Results

This chapter discusses in detail the results of the questionnaire as well as presents a comparison between the primary and secondary data. The chapter is broken into five themes in order to categorize the results into sections based on the theoretical framework as well as the design of the questionnaire.

The first theme concentrates on the demographic questions providing background information about the respondents. The results of the demographic questions are also utilized within the analysis of the other themes. The second theme covers the topic of employee engagement providing an analysis of the results of the different antecedents and outcomes of engagement. Theme 3 is dedicated to presenting the results of how the respondents perceive the change was managed.

Theme 4 combines the results of the previous themes, employee engagement and change management, and provides an analysis of the relationship between these two. Finally, the results of this study are compared to the previous Work Community Research in theme 5.

6.1 Demographics

In order to limit the number of demographic questions in the questionnaire, the aim was to concentrate on questions, which would have significance to the study, based on the literature review and research covered in Chapters 2 and 3. This chapter introduces the demographic background questions of the questionnaire, questions 1 through 4.

As mentioned earlier, the response rate for the questionnaire was 45.9%, with 84 out of the 183 respondents contacted answering to the questionnaire. However, there was a lot of variation in the response rates between the different units, highest one being Institutional clients -team (80.0%) and the lowest Management (20.0%). How the responses divided between the different units can be seen below in Table 2.

Table 2. Response rates per unit

Unit	N	responses	response rate
Capital markets	16	8	50,0 %
Finance & administration	46	31	67,4 %
Institutional clients	5	4	80,0 %
Management	10	2	20,0 %
Operations moved to Company Y	54	17	31,5 %
Portfolio managers	16	7	43,8 %
Private banking	36	15	41,7 %
	183	84	45,9 %

Figure 6 below expresses the results of respondents by length of tenure in the organization. As the figure shows, the majority of the respondents (63.1%) have been in the organization for more than five years, and only 8.3% under a year. The remaining 28.6% have been employed from 1 to 5 years.

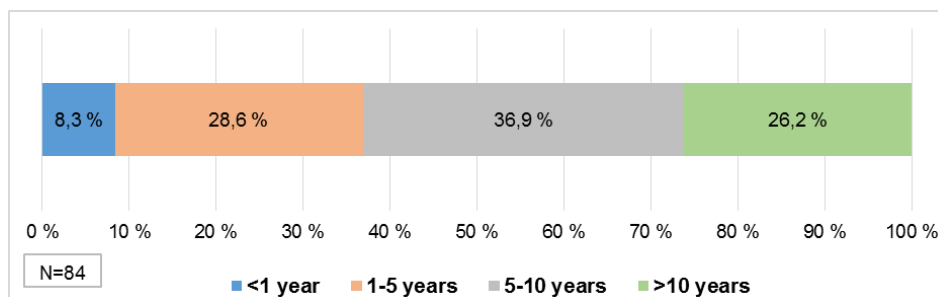


Figure 6. Respondents by the length on tenure in the organization

Respondents were then asked to select whether they have had a change of physical workplace or are now employees of the parent company. The results of these questions add analytical value to the study as it can be expected that the employees who have had to face more significant changes, such as changes of workplace and/or employer, may have different perceptions of how the change was managed to those, who have experienced more insignificant changes.

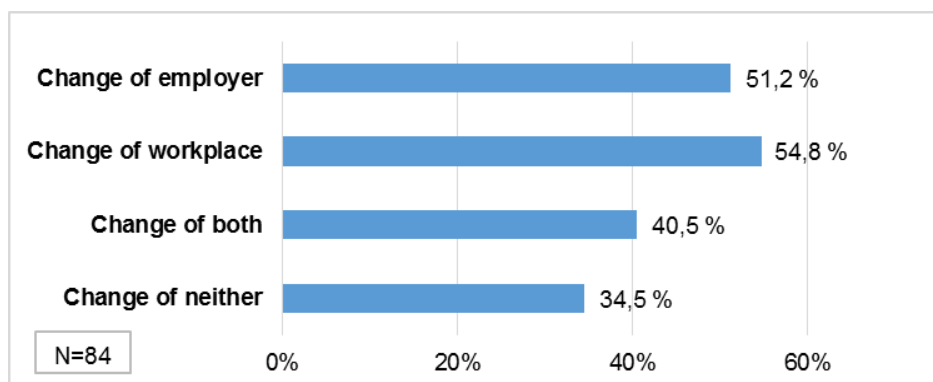


Figure 7. Respondents by the change of employer and/or premises

As Figure 7 above shows, over half of the respondents have had a change of employer (51.2%) or change of workplace (54.8%). 40.5% of the respondents have had to face both of these changes, whereas 34.5% have been able to stay in the same premises and are still employees of Company X.

6.2 Employee engagement

As the focus of this research is on employee engagement in an environment that has gone through organizational change, discovering the current level of engagement amongst the employees of the case company was the first cornerstone of this study.

Based on the literature review, the questionnaire was designed to determine the level of respondent's engagement by rating how strongly she or he agrees or disagrees with statements related to employee engagement introduced in Chapter 2.2. Therefore, this chapter concentrates on answering Sub-question 1; *what is the current level of engagement amongst employees and what are the antecedents contributing to it?*

Psychological meaningfulness antecedents

Questions 5 through 15 in the questionnaire were related to psychological meaningfulness antecedents of employee engagement. These include job challenge, autonomy, variety, feedback, organizational fit, opportunities for development, as well as rewards and recognition. In the results, the scale is from 1 to 4, 4 being the best.

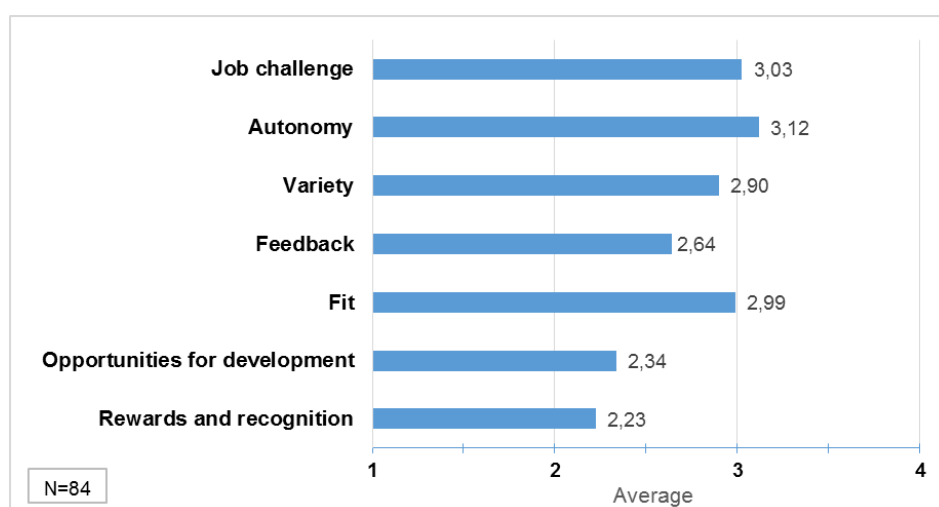


Figure 8. Psychological meaningfulness antecedents

Figure 8 above presents the respondents' average scores for each psychological meaningfulness antecedent of engagement. The results show that the highest scores were given to job challenge and autonomy, the averages of both being over 3, which indicates that the employees are quite content with the challenge of their job as well the freedom and discretion in scheduling their work and determining the procedures for carrying it out. These are closely followed by organizational fit with an average of 2.99. The average for feedback, obtaining direct and clear information about the effectiveness of their performance, was given a mediocre average of 2.64.

The clearly lowest scores were given to opportunities for development (2.34), rewards, and recognition (2.23), which signals that these are the psychological meaningfulness antecedents that the employees are the most dissatisfied with. The average score for all the psychological meaningfulness antecedents was 2.75.

Psychological safety antecedents

Questions 16 through 21 in the questionnaire were designed to measure the psychological safety antecedents, which include social support, transformational leadership, leader-member exchange, workplace climate, organizational justice and job security. Figure 9 below show the results to these questions.

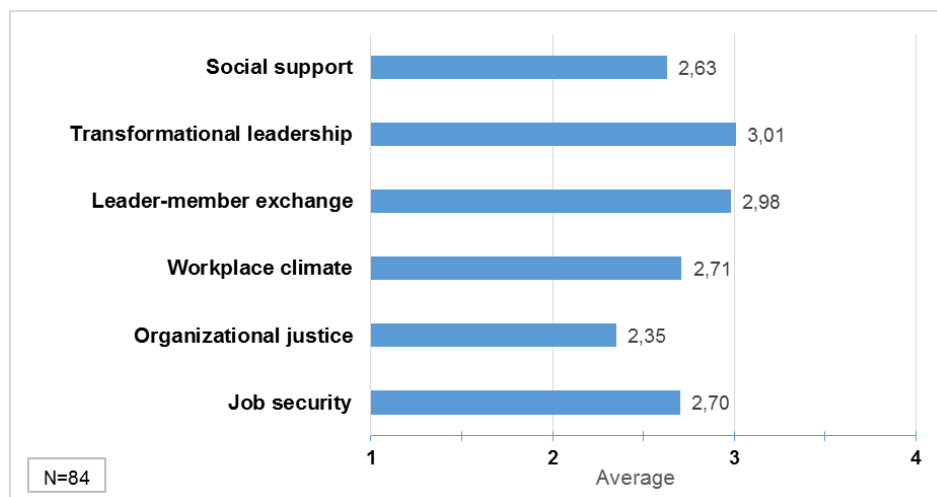


Figure 9. Psychological safety antecedents

As Figure 9 shows, the highest scores were given to transformational leadership (3.01) and leader-member exchange (2.98). This indicates that, in general, the employees seem to be quite happy with the relationships between them and their supervisors. However, social support, the degree to which the organization values employees' contributions and cares about their well-being was ranked considerably lower with an average of 2.63.

Given that these perceptions develop through interactions with the organization, supervisors, and co-workers, it can be assumed that it is namely the interactions with the organization and/or co-workers, rather than with supervisors, that are perceived less effective.

The lowest scores were given to organizational justice (2.35), job security (2.70), and workplace climate (2.71). This indicates that the respondents feel that not everyone in the organization are being treated fairly and that there is room for improvement in the workplace climate. The low average scores of job security suggest that the respondents are uncertain of if they will be able to remain in their positions or with the organizations for the foreseeable future. It should be noted though, that during the conduction of the questionnaire, there were employee co-operation negotiations underway in the private banking unit. This unavoidably had a descending effect on the results of job security, as the average score to Question 21 "*I believe my job is secure*" given by the respondents of the private banking unit was only 1.67, 43% lower than the average of the other units.

The average score for all the psychological safety antecedents was 2.73, almost identical to the average of the psychological meaningfulness antecedents, indicating that the respondents feel they experience similar levels of both, psychological safety and psychological meaningfulness in their work-roles.

Psychological availability antecedents

Questions 22 through 27 were related to the psychological availability antecedents, which include role overload, work-role conflict, family-work conflict, resource inadequacies, time urgency, and off-work recovery. The average scores given to these antecedents are presented in Figure 10 below.

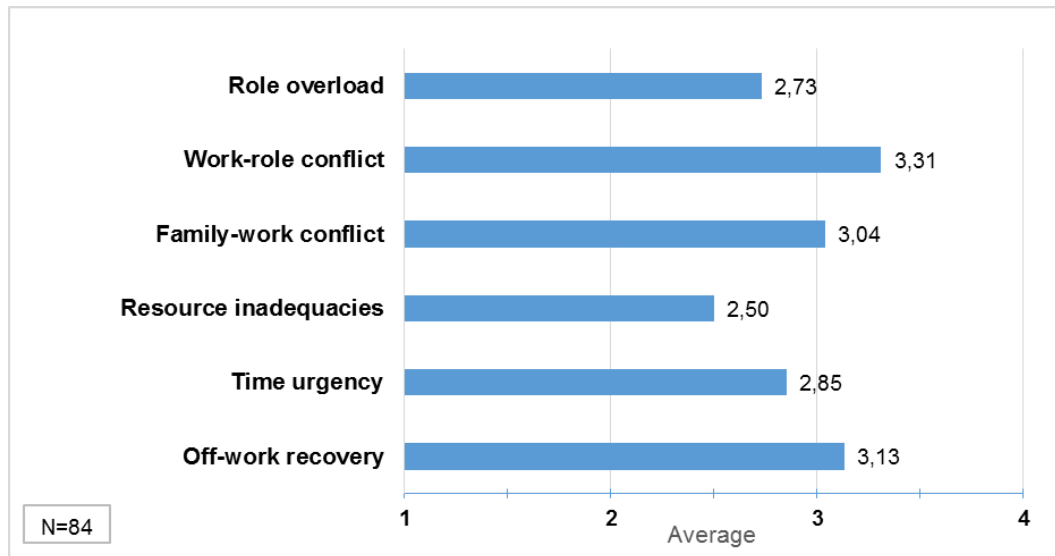


Figure 10. Psychological availability antecedents

The highest average score was given to work-role conflict (3.31), as also family-work conflict (3.04) and off-work recovery (3.13) were given scores clearly over 3. This signals that the respondents generally have a clear understanding of what is expected from them as well as are able to successfully combine work with their personal lives.

Resource inadequacies, in contrast, received an average of only 2.5, giving an indication that the materials and equipment needed to do the work as well as possible, are not adequate. Role overload's average of 2.73, together with time urgency's 2.85, can be considered decent. However, the results of these two antecedents were significantly lower than the results of work-role conflict, family-work conflict, and off-work recovery, which indicates that even though the respondents are able to psychologically detach and recover during off-work periods, the workload during the workdays is considered rather high.

The results show that the psychological availability antecedents were given an aggregated average of 2.93, which indicates that the respondents generally have the psychological, emotional, and physical resources required to invest their personal energies to fulfil the obligations of their work roles. This is also significantly higher than the averages of psychological safety and meaningfulness.

The aggregated average scores of all the questions regarding engagement was 2.82, which cannot be considered very high. This suggest that there is room for improvement when it comes to the engagement of Company X's employees. Based on the results, the antecedents of engagement that the respondents were most discontent with, are rewards and recognition, opportunities for development, and organizational justice. The highest

scores, on the other hand, received work-role conflict, off-work recovery, as well as autonomy.

Organizational outcomes of engagement

Measuring engagement in this study was not based on just its antecedents, as the questionnaire included also questions about the outcomes of engagement. This was an important aspect to include in the design of the questionnaire because, as stated in Chapter 2.3, engagement is proven to be related to positive organizational attitudes and behaviours. Therefore, questions 28 through 30 cover organizational attitudes and behaviours, such as pride in one's work, intention to leave, and the willingness to recommend the organization as an employer.

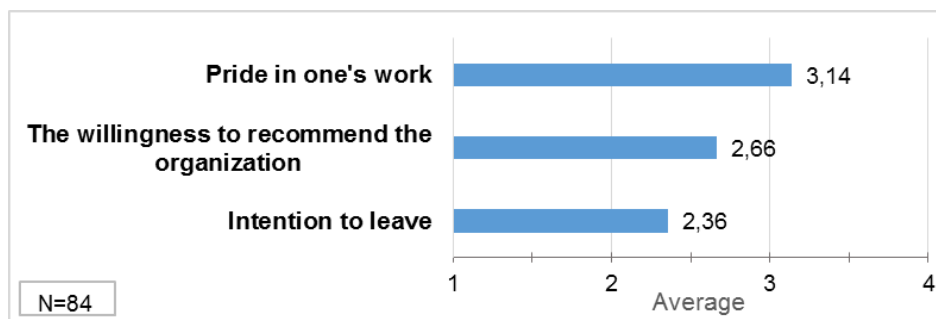


Figure 11. Organizational outcomes of engagement

Figure 11 above presents the average scores given to the three questions related to the organizational outcomes of engagement. The results show that the respondents do feel pride in their work (3.14) but would not necessarily be willing to recommend the organization as an employer (2.66). However, the most alarming average score was given to intention to leave (2.36). A closer examination of the results reveal that the majority of the respondents, 58.3%, agreed with the statement *"I have recently been thinking about looking for a job outside this organization"*, which indicates that most of the respondents are lacking organizational commitment. Therefore, as organizational commitment can be considered as an outcome of employee engagement, it can be assumed that the respondents, who have a strong intention to leave, are not highly engaged either.

These results are supported by the answers of the open-ended Question 38, where the respondents were asked to name the factors that they wish the company would pay more attention to, when it comes to engaging employees. The three most frequently occurred themes were:

- 21% of the respondents mentioned rewards and recognition
- 15% of the respondents wished improvement to the workplace climate
- 10% of the respondents would like to have more opportunities for development

All of the abovementioned issues also received low average scores in the rating questions, which indicates that these are all factors that the organization should pay special attention to. Other issues that arose in the answers of this question were, for example, sluggish bureaucracy and unwieldy ways of working, the organization's lack of appreciation for respondents' work, as well as resource inadequacies.

The answers to another open-ended Question 39 reveal, what are the factors that the respondents feel having the biggest influence on their personal engagement in general. The results show, that by far the most important factor contributing to their engagement is workplace climate, mentioned by 27% of the respondents. This was followed by rewards and recognition, together with job challenge, both being included in the answers of 19% of the respondents. Other contributing factors that arose in Question 39 were autonomy (7%), social support (6%) and opportunities for development (6%).

No significant differences in the engagement levels between different units were detected but the length of tenure did seem to have some effect on engagement. The results show, that the respondents who had been working for Company X less than a year, had a higher average score for engagement (2.93) compared to those who had been in the company longer than that (2.74). They also perceived the changes more successfully managed and less significant and straining, which is expected, as they presumably have not had to face any large-scale changes.

6.3 Change management

In order to be able to answer the research questions, how the respondents perceive the change was managed needed to be identified next. Thus, this chapter aims to answer Sub-question 2; *How well has the suitable change management methodology been applied in the post-acquisition integration?*

Based on the literature review introduced in Chapter 3, nine rating questions about the different elements of change management were created. The questions were designed to measure, how significant the changes have been for the respondents and how well they think the changes were managed. The same rating and scale of how strongly the respondent agrees or disagrees with the given statements, as used with measuring engagement, were applied.

The significance of the changes

Questions 27 and 28 were designed to determine, how significant the respondents feel the changes have been for them personally, and how mentally exhausting they have experienced the whole change process.

59.5% of the respondents agreed with the Question 27 statement *“The changes that have happened in our organization have been substantial and significant for me”*. A clear minority of 26.2% did not feel the changes as radical for them personally and 14.3% were undecided.

Question 28 stated, *“The change process has been mentally exhausting for me”*, which was agreed by 34.5% of the respondents. A majority of 59.5% disagreed with this statement and therefore did not perceive the change process as mentally straining. 6.0% of the respondents were undecided.

25% of the respondents felt that that the changes have been both significant and mentally exhausting for them and, in contrast, 20.2% thought that the changes were neither of these. These results reveal that the majority of the respondents feel they have gone through significant and substantial changes during the last few years. A third of them have also experienced the changes as mentally straining and one in four respondents agreed with both of the statements. Therefore, it is safe to say that the majority of the respondents feel affected by the changes at some level.

The results also reveal that those, who have had a change of employer as well as workplace, feel, understandably, that the changes have been more significant and more mentally exhausting, than those who have had to face neither of the abovementioned changes.

The management of the changes

Exploring how the respondents perceive the changes were managed, was the intention behind questions 29 through 34. Figure 12 below presents the average scores to these questions. The scale is the same as used in the employee engagement related questions, from 1 to 4, 4 being the best.



Figure 12. The management of the changes

As Figure 12 shows, the average scores for all the change management related questions are well under 3, which implicates that the respondents are not very satisfied with the way the changes have been managed. Especially low is the average score for the ability to influence and participate in the changes (1.83). A closer examination of this question reveals that a vast 73.8% of the respondents disagreed with the Question 29 statement “*I have been able to influence and participate in the changes made in our organization*”.

Also remarkably low average scores were given to the implementation of changes (2.10) and the management of the change process (2.13). The communication of the strategy and vision received a slightly higher average of 2.41, which was only narrowly beaten by the communication of important decisions and changes with an average of 2.46.

The support and understanding given by supervisor during the change process received the clearly highest average score (2.88), which suggest that the supervisors have, to some extent, been able to support the employees in their personal transitions. This also underpins the results of the employee engagement part of this study, where transformational leadership and leader-member exchange antecedents received relatively high averages. However, overall the results suggest that the suitable change management methodology have not been applied very successfully in the post-acquisition integration.

The previous two chapters focused on answering Sub-questions 2 and 3 but the main research question remains yet unanswered. Therefore, the goal of the next chapter is to resolve, what kind of effect has the organizational change, and the way it was managed, had on the engagement of the respondents.

6.4 The relationship between employee engagement and organizational change

As previously argued in the literature review, changes of all kinds can have a powerful effect on employee's engagement. The results of the questionnaire suggest that the general level of the respondents' engagement is not very high and the respondents are quite unhappy with the way the changes have been managed. This chapter aims to find out if there is a relationship between the engagement of Company X's employees and how they perceive the organizational change was managed, thus answer the main research question.

As presented in the previous chapter, 25% of the respondents felt that that the changes have been both significant and mentally exhausting for them whereas 20.2% thought that the changes were neither of these. Below, in Figure 13, are presented the average scores for both of these groups.

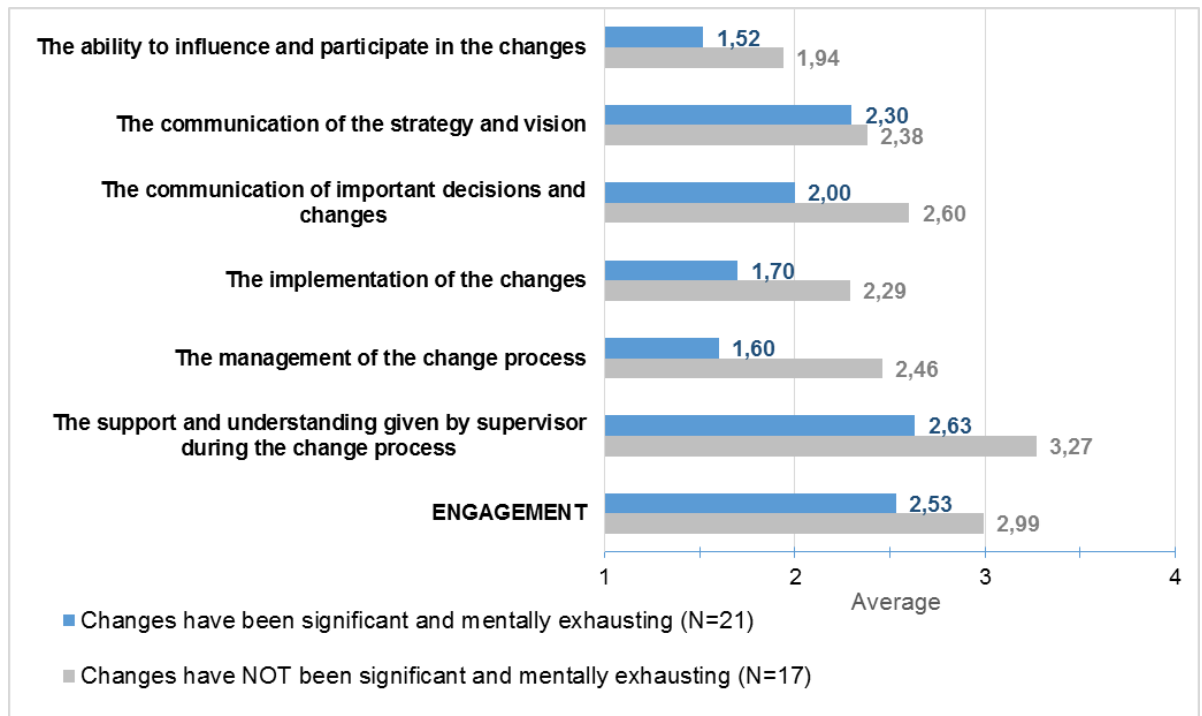


Figure 13. The average scores by the significance and strain of the changes

As Figure 13 shows, the average scores for the respondents who felt the changes were both significant and mentally exhausting, are clearly lower than of those who felt the opposite. Not only do they perceive that the change was not managed well, but their aggregated average score of all the questions regarding engagement is also considerably lower (2.53). By contrast, the respondents who were not widely affected by the change have the

average score of 2.99 on engagement. This suggests that the respondents, who perceived the changes as significant and mentally straining, feel the changes were poorly managed as well as have lower level of engagement.

Exploring possible relationships between numerical data variables can be also done by plotting one variable against another. This is called a scatter plot, and each point represents the values for one case. The strength of the relationship is indicated by the closeness of the points to an imaginary straight line, called a trend line. If as the values for horizontal variable increase, so do those for the vertical then a positive relationship exists. Thus, a scatter plot (Figure 14) was created to explore the relationship between the respondents' answers to the questions regarding the level of employee engagement and how they perceive the change was managed.

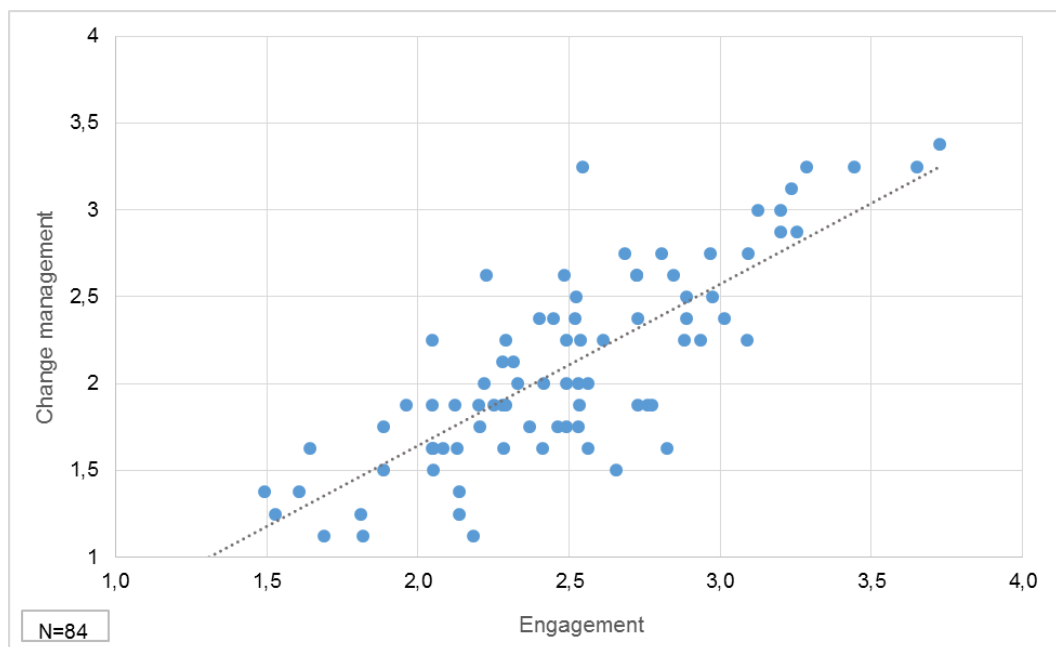


Figure 14. The relationship between employee engagement and the perception of the management of change

Figure 14 above presents the relationship between the respondents' average scores on engagement-related questions and the average scores on how they perceived the change was managed. Thus, each blue point represents one respondent, the position of the point on the scatter plot represents the respondent's level of engagement (X-axis), and how well he or she thinks the change was managed (Y-axis).

As Figure 14 shows, there is a strong relationship between the two variables, meaning that the respondents who think the change was poorly managed have low engagement levels. Or conversely, the respondents that have high engagement levels think the change

was successfully managed. In order to further ensure this relationship, also correlation through Pearson's product moment correlation coefficient was measured. A correlation coefficient of 0.62 ($p < .01$) was calculated, indicating a strong positive correlation. Thus, it can be argued that a strong positive relationship between employee engagement and the management of change exists.

However, correlation does not indicate any causal relationships so no conclusions can be made, based on this data, that low engagement levels are caused by changes and the management of those. Or the other way around, low engagement levels causing the employees perceive the change as poorly managed. Therefore, Question 35 in the questionnaire was designed to shed light on this issue presenting a statement "*The changes that have happened in the organization has had an impact on my personal engagement*". The respondents were asked to answer either yes or no, and those whose answer was positive, were asked to further explain what factors have increased and/or what factors have decreased their engagement.

A slight majority of 51.2% of all the respondents felt that the changes have had an impact on their personal engagement and 90.7% of them (46.4% of all the respondents) feel it has decreased the level of it. The average scores on engagement also reveal the difference between those who felt their engagement has been impacted by the changes and those, who did not. The average score on engagement of those who answered "yes" to Question 35 is 2.57 comparing to the average of 2.97 of those who answered "no", which shows that there is a clear difference in the engagement levels of these two groups.

When asked to further explain the factors that have had impact on their engagement, 40% of the respondents, who felt the impact has been negative, named the ways of working as a decreasing factor. Especially excessive bureaucracy and rigid co-operation between the different units were often mentioned. 29% also listed the workplace climate and culture as the affecting factors, mentioning the incompatibility of the cultures of two very different companies, as well as the lack of a sense of common purpose. The change itself and its consequences, such as change of workplace, employer and work tasks, was mentioned by 24% of these respondents. However, there were also 9.3% (4.76% of all the respondents) who felt the changes have increased their engagement. The most common reasons for this was increased responsibility and job challenge (29%) as well as increased opportunities for development in a bigger organization (43%).

6.5 Comparison of the results of this and the Work Community Research

As introduced in Chapter 1.1, a Work Community Research (WCR) was conducted in the case company in December 2014. The data derived from it was used as secondary data in this study in order to explore if there have been any changes in the answers given now and then. In order to enable comparison, 12 exactly the same questions with the same answering scale, that were used in the WCR, were incorporated in the questionnaire designed for this study.

In Figure 15 below, the average scores of these 12 questions from both of the researches are presented. As stated in Chapter 5.3, the answers of the group “Operations moved to Company Y” are excluded from these results in order to match the target population of the WCR.

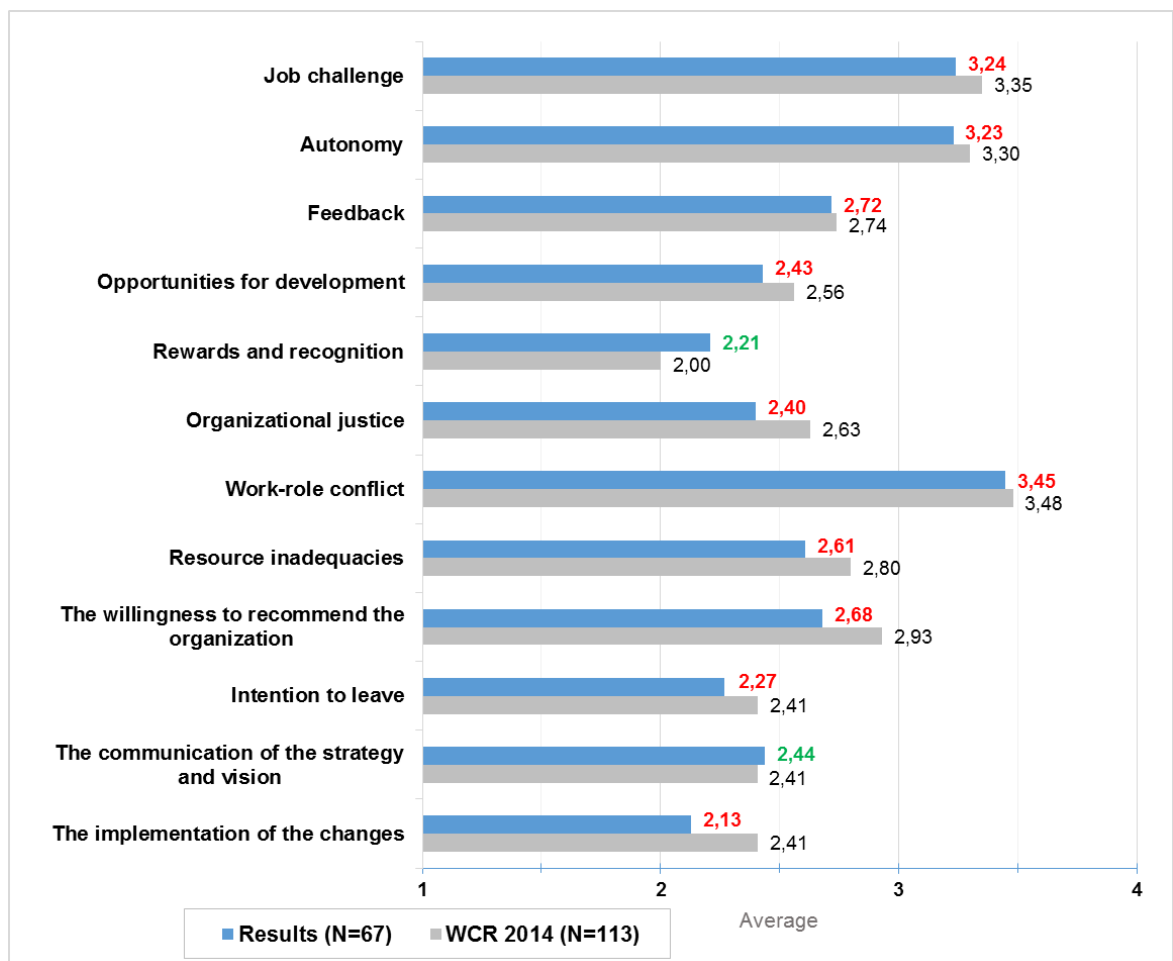


Figure 15. Comparison of the results of this research and the WCR 2014

As Figure 15 shows, only two of the questions received higher average scores in this research than in the WCR. These were rewards and recognition, with an average of 2.21 compared to 2.0 (+10.5%), and the communication of strategy and vision, raising slightly

from 2.41 to 2.44 (+1.2%). However, regardless of improvement, rewards and recognition still received the second lowest average score of these 12 questions.

The average scores for job challenge, autonomy and work-role conflict all somewhat declined, but still remained at a good level with the averages well over 3. The biggest decline can be seen in the implementation of the changes, dropping 11.6% from 2.41 to 2.13. Other clear decliners were organizational justice (-8.7%), the willingness to recommend the organization as an employer (-8.5%), and resource inadequacies (-6.8%). Also the average scores for intention to leave (-5.8%) and opportunities for development (-5.1%) were lower in this research than in the WCR. The reception of feedback was perceived virtually the same as before with only 0.7% drop in the average.

The comparison of the results reveal that most of the questions received lower average scores this time around, than in the WCR. This suggest that the low results on the WCR were not caused by the proximity of the acquisition. However, the organization and its employees have been going through a period of continuous change since the acquisition and may therefore not have been able to move past the first two phases of transition, and still feel resistance to change. As explained in Chapter 3.4, depending on how well the change is managed, people may experience a higher workload as they get used to new systems and new ways of working. In the neutral zone, people might also experience resentment towards the change initiative, have low morale and low productivity, feel anxiety about their role, status or identity, as well as scepticism about the change initiative (Bridges 2009, 39-53.) This could explain the even lowered results in this research.

However, it cannot be ignored that the low engagement results may be caused by the simple fact that the employees are just not happy with the way the company has turned out following the organizational change. What is evident, at the very least, is that the respondents are even less satisfied with the way the changes have been implemented, which is shown in the clear drop in the already low results of the WCR.

Although, when comparing the results of these two studies, it is important to bear in mind that the response rate of the WCR was significantly higher than of this research and therefore the results are not unambiguously comparable. The incentive to taking part in this study could have been considerable higher for those, who are the most discontent and wish to be heard. Nevertheless, the comparison provides, at the least, indicative information about the direction of engagement.

The main research question of this study was: is there a relationship between the engagement of Company X's employees and how they perceive the organizational change was managed? Based on the results, it can argued that, in the case company, a strong relationship between employee engagement and how the change was perceived to be managed exists.

7 Validity, reliability and ethics of research

Validity and reliability are crucial in maintaining integrity and credibility of any research project. Reliability refers to whether the data collection techniques and analytic procedures would produce consistent findings if they were repeated on another occasion or if they were replicated by a different researcher. Validity, on the other hand, is related to the degree to which the research demonstrates a link between variables, provides an accurate measure of the phenomenon presented, or can be generalized and transferred across organizational boundaries. (Saunders et al. 2014, 192-194.)

In designing a valid questionnaire, several variables needed to be considered. Internal validity, the ability of the questionnaire to measure the concepts being studied, was ensured by linking every question used in the questionnaire to theoretical concepts introduced in Chapters 2 and 3. In addition, existing models of measuring employee engagement were used in designing the questionnaire. Content validity was ensured through careful definition of the research through the literature review as well as consulting an HR professional when designing the questionnaire. In order to strengthen the reliability of the questionnaire, HR Manager of Company X, as well as an external HR professional reviewed the questions. This ensured that the questions were comprehensible and unambiguous, as well as made sure that the whole research scope was being covered.

In terms of the whole research, internal validity is established when a set of questions can be shown statistically to be associated with an analytical factor or outcome (Saunders et al. 2014, 193). In this research, this was done by calculating Pearson's Product Moment Correlation Coefficient, which indicated a strong correlation with a p-value less than 0.01. Ensuring the external validity, the extent to which the research results from this study are generalizable to all relevant concepts, in single-case studies can be done by grounding the research design on theory. In this study, external validity was established with the identification of appropriate theory and careful forming of the research questions. Reliability of the study was ensured by a systematically documenting and explaining the steps carried during the study in order to produce consistent findings if the data collection techniques and analytic procedures were repeated on another occasion or if a different researcher replicated them.

In the context of research, ethics refer to the standards of behaviour that guide the conduct in relation to the rights of those who are the subject of the study, or are affected by it (Saunders et al. 2014, 226). In order to ensure an ethical conduct of research, a number

of principles were taken into account. Integrity and objectivity of the researcher was supported by open way of acting and promoting accuracy. Maintaining confidentiality and preserving anonymity of the respondents was a key principle of ensuring the privacy of those taking part in this study. The right not to participate in the research project was also offered to the target group so the participation was voluntary by nature.

As a member of HAAGA-HELIA University of Applied Sciences, the researcher was also required to adhere the university's ethical guidelines for research. Thus, this thesis abides HAAGA-HELIA's (2016), ethical principles of plagiarism fabrication, falsification and misappropriation and, therefore, does not: (1) present material produced by someone else as one's own, (2) present invented observations or results, (3) modify original observations in such a way that the results are distorted, or that essential information is omitted, or (4) present someone else's results, an idea, or a plan as one's own.

8 Discussion of the results

This chapter presents the results of the empirical research based on the analysis of the results of the questionnaire and the comparison of those to the results of the prior Work Community Research (WCR) conducted in the case company in 2014. These results support answering the research questions of this study. First, the focus is on finding answers to the two sub-questions, which, in turn, contribute towards answering the main research question. The results will present an analysis of how employee engagement is related to organizational change, and the way it was managed, and which factors facilitate employee engagement according to the employees of the case company. In addition, a list of improvement suggestions deemed necessary to boost the level of their employee engagement and change management practices is presented.

8.1 Employee engagement

Employee engagement is a desirable condition that has an organizational purpose, both attitudinal and behavioural components, and it requires a two-way relationship between employer and employee. Today, as businesses are recovering from the trauma of the global recession, employee engagement and loyalty are more vital than ever before to an organization's success and competitive advantage. According to Kahn (1990), a person's degree of engagement drops and flows according to the psychological presence created by individual's perceptions of meaning, safety, and availability. These perceptions are initially affected by characteristics of work contexts, interpersonal and intergroup relations, as well as characteristics of the employees themselves.

Therefore, the starting point of defining the level of engagement among the employees of the case company was to determine the perceptions of meaning, safety, and availability in their work roles. The results of the perceptions of psychological meaningfulness and safety were practically at the same level, both being quite low. People experience psychological meaningfulness when they feel worthwhile, useful, and valuable and when not taken for granted. Psychological safety, on the other hand, is fostered in situations in which people trust that they will not suffer for their personal engagement, and are able to show and employ one's self without fear of negative consequences to self-image, status, or career. The quite low levels of both of these conditions indicates that the employees are not feeling very appreciated nor safe. Both of these psychological conditions have most probably been affected by the organizational change, which has caused uncertainty and turmoil. However, the conditions for psychological availability were perceived much

higher than the other two, indicating that the employees experience having the psychological, emotional, and physical resources required to invest themselves in the performance of their work roles.

When it comes to the individual antecedents of engagement, the employees are the most content with work-role and family-work conflicts, off-work recovery, as well as autonomy. This indicates that the employees have a clear understanding what is expected of them and have a sense of ownership and control over their work outcomes. They are also generally able to recharge their resources during off-work periods and are ready to re-engage when they return. Other antecedents that received rather good scores were transformational leadership and leader-member exchange, which signals that the employees have relationships based on mutual trust and respect with their supervisors. Job challenge was also perceived quite good, meaning that the employees are generally able to use a number of different skills and talents when performing their work tasks. Job challenge was also named a factor that has increased engagement for some respondents after the organizational change because of increased responsibility and more advanced work tasks.

Based on the results, the antecedents of engagement that the employees are the most discontent with, are rewards and recognition, opportunities for development, and organizational justice. Rewards and recognition received the lowest score of all the antecedents, which is a clear signal that the employees do not feel they are being paid fairly for the contributions they make to the organization's success. However, this was also one of the only two factors that had increased compared to the previous research, which indicates that some measures have been taken since the last research to increase employees' satisfaction with rewards and recognition.

Opportunities for development are important for employees as they provide channels for growth and fulfilment, preparing them for greater job challenge, and expose them to alternative roles that have potentially greater fit with the organization. The low scores of this antecedent indicate that the employees do not feel they have adequate opportunities for professional growth in the organization. The open answers also revealed that training is perceived only to be received by supervisors, which promotes unequal treatment of employees.

When it comes to the low scores for organizational justice, it should be noted that according to several researches, post-merger performance is usually affected by lowered morale, which is often linked to perceptions of unfair treatment. Employees' perceptions of

justice or fairness may cause them to invest less effort in their work, be less inclined to innovate and less inclined to respond to the innovations or changes proposed by others, which can be a contributory cause to the low scores.

Another low-ranking antecedent was resource inadequacies, indicating that situations where work tasks are made harder because of problems caused by missing or defective equipment or by missing or outdated information occur all too often. These situations sap physical and emotional energy that could otherwise be used for productive self-investment in work role performances.

Various studies have shown that high levels of engagement lead over time to more organizational commitment and positive attitudes and behaviours towards the organization. Therefore, besides the antecedents, it was also important to explore the existence of these outcomes of engagement in the organization. The results showed that the employees do take pride in their work but are not very eager to recommend the organization as an employer. This indicates that the causes of low engagement levels are foremost related to the organization and the way it treats its employees, rather than the work itself. Low organizational commitment can also be seen in the high intention to leave among the employees.

Compared to the results of the WCR, most of the scores relating to engagement were lower in this research, the only exception being rewards and recognition and the communication of strategy and vision, as mentioned earlier. This paints a quite concerning picture of the direction of employee engagement in Company X. The organization has been going through a period of continuous change, which have undoubtedly affected the engagement of the employees. However, a belief should not be harboured that this is the only reason for disengagement among employees, and the engagement levels will automatically raise as time passes.

Generally, the level of the engagement among the employees of Company X can be considered at the most moderate. The most important factors that the employees wish the company would pay more attention to are rewards and recognition, workplace climate, and opportunities for development. All of these were also mentioned to be the key factors they find having the biggest impact on their engagement. Therefore, by improving these antecedents, the company could also be able to enhance the level of engagement.

8.2 Change management

Change management can be defined as the process, tools and techniques to manage the people-side of change to achieve the required business outcomes. At the end of the day, successful change depends upon successful people management and, therefore, change managers need to address the people issues at all stages of the change process. The employees of the case company have gone through several substantial changes during the last few years and the way they perceive the changes managed, as the results of this study show, does have a relationship with their level of engagement.

For the majority of the employees, the changes have been significant, and a quarter of the respondents experienced them, on top of that, psychologically exhausting. Especially those, who have had a change of employer as well as workplace, deemed the changes straining. These were also the ones who were the most discontent with the way the changes were managed.

People usually support what they help to create. Commitment to change has been proven to be improved if those affected by the change are allowed to participate as fully as possible in planning and implementing it. The goal should always be to get employees to see the change as something they want and will be glad to live with. According to the results, this has not happened in the case company. Employees' ability to influence and participate in the changes was ranked the least successful part of the change management, with almost 74% stating that they have not been able to do this. And the second lowest scores were given to the implementation of change.

The quality of communication can have an important impact on the success of a change programme, as resistance and confusion often develop in an organizational change because people are unclear about what the future state will be like. The communication of important decisions and changes was perceived quite inadequate by the respondents, which may have caused confusion, anxiety, and general climate of mistrust. In addition, the way changes are communicated can affect perceptions of fairness and justice, an antecedent of engagement that received very low scores in the questionnaire.

The vision of a more desirable future state provides a focus for attention and can mobilize energy and effort. An important role of leadership is communicating in a way that aligns people to achieve this vision. In this research, the communication of the strategy and vision also received quite low scores, indicating that the goals and purpose of the new organization may have been left unclear for the employees and, therefore, they feel less

motivated to achieve the vision. However, when employees say they do not know the organization's vision or strategy, they often mean they do not see how their job fits into the strategy, which can be the reason behind the low scores in this case as well. The communication of strategy and vision was one of the two questions that received higher scores in this research than in the previous WCR, which indicates that actions have been taken in order to clarify the strategy and vision of the organization to the employees.

Managing changes involves not just dealing with situational factors, such as technology, structures, and systems, but the simple process of helping people through the transition. Guiding people through the first phases of transition can be done by accepting people's resistance, understanding their emotions, treating past with respect, listening empathically, compensating for the losses and communicating openly about the changes. The support and understanding given by supervisor during the change process received the highest ranking of the questions relating to change management, which indicates that the supervisors were generally successful in managing their subordinates' personal transitions. Overall, the results suggest that the suitable change management methodology have not been applied very successfully in the post-acquisition integration, and that the employees are more content with the actions and the behaviours of their immediate managers than with the senior management.

8.3 The relationship between employee engagement and change management

Organizational change is essential for both short-term competitiveness as well as long-term survival, but it also creates daunting managerial challenges. In much of the research concerning change management strategies, employee engagement is listed as a primary function to the success of properly implementing a change management initiative, as engaged employees are more likely to "go the extra mile" and deliver better performance. However, changes, especially badly managed ones, usually cause feelings of anxiety, anger, sadness, uncertainty, and a sense of loss, which can lead to lowered engagement.

The main objective of this study was to find out, if the engagement of Company X's employees, and how they perceived the organizational change was managed are related. Therefore, this relationship was explored in the research. The results show that the respondents, who perceived the changes as significant and mentally straining, feel the changes were poorly managed as well as have lower level of engagement. Also, a strong correlation between respondents' level of engagement and their perception of change management was discovered. This further suggests that the employees, who think the

change management was not successful, have low engagement levels. Or the other way around, the ones who are highly engaged, think the change was well managed.

The majority believed that the changes have affected their personal engagement, and almost all of them who did, think the effect has been negative. The biggest reasons for this were mentioned, for example, deteriorated ways of working, the changes itself and its consequences, such as change of workplace, employer and work tasks, as well as altered workplace climate and culture. As employees respond to changes like acquisition in different ways, few of the respondents also felt the changes have had a positive effect on their engagement, and welcomed opportunities for career development, greater challenges and improved scope and variety of work. However, overall the results suggest that the organizational change, and the way it was managed, does, in fact, have a relationship with the engagement of the employees of Company X.

8.4 Development suggestions

In order to improve the level of engagement in the case company and to enhance the efficiency of its change management, a number of development suggestions based on the results of the empirical analysis are outlined in this chapter. Based on the employee feedback, and in support of the empirical research results, the most significant development suggestion in terms of employee engagement would be to enhance the workplace climate and the corporate culture. This was not only named to be a key factor of engagement among the employees but also received very low scores in the survey and was frequently mentioned as an issue that they wish the company would pay more attention to. The results showed that the employees feel the workplace climate is not stimulating and the excessive bureaucracy and strict rules and regulations are experienced discouraging. The lack of solidarity and sense of common purpose in the new organization were also often mentioned, along with the non-existent common corporate culture between the two companies. A workplace climate and culture that is perceived as positive by the employees could result in increased feelings of psychological safety, as well as higher levels of commitment and motivation, and thus, better organizational performance.

Another suggestion for development would be a provision of more opportunities for development. Training is generally perceived to be available only for supervisors, which promotes feelings of unequal treatment of employees. Better opportunities for professional growth and career development would enhance engagement by providing employees a feeling that the organization takes a long-term view of their value and serve also as a motivating factor encouraging their persistence, and making them focus on their efforts.

The third development suggestion related to employee engagement concerns rewards and recognition. This was also one of the lowest ranking antecedents of engagement and came frequently up in the open-ended question. The employees do not feel that they are being paid fairly for the contributions they make to the organization's success. They also wish for a bonus system that would be more dependent on their own performance rather than involving components they have no control over, such as the performance of the parent company. However, rewards and recognition refer to more than just the formal pay and benefits received as compensation associated with a job. It also includes the informal praise and appreciation given by supervisors, co-workers, and customers. Therefore, the case company could also pay special attention to expressing the appreciation for employees' good work performances and with it promote feelings of meaningfulness.

When it comes to the management of change, the development suggestion is to concentrate on giving the employees the opportunity to influence and participate in the changes. This received the lowest score of all the questions in the questionnaire and, therefore, is an obvious issue to be addressed. As mentioned earlier in this paper, people support what they help to create and commitment to change is improved if those affected by the change are allowed to participate as fully as possible in planning and implementing it. Changes also often generate feelings of uncertainty and confusion, so giving the employees an opportunity to participate in the changes would enforce the feeling of control and thus lower the resistance and ease the adaptation of change.

9 Implementation

One of the major crimes committed when it comes to the survey process is not really knowing what to do with the results. A poorly executed survey follow-up plan is one of the quickest ways to erode engagement, and trust, in a survey process. (Bridger 2015, 205.) Employees expect and need resolution, and one of the best ways to do this is through action planning. Action planning boosts employee engagement partly because the process itself demonstrates that the opinions of each person in the organization count. Neglecting survey results is a proven way to undermine engagement. (Earl, Lampe & Buksin 2006.)

Therefore, in Table 3 below, is presented a detailed action plan on how to implement the development suggestions introduced in the previous chapter. It shows each area for development, definitions of the problems, and their proposed solutions. It also determines who should be the “owner” of each step of the action plan as well as gives a realistic timeline to implement these plans.

Table 3. Action plan

Areas for improvement	Problem definition	Proposed solutions	Owners	Timeline
Workplace climate and culture	The employees feel the workplace climate is not encouraging because of excessive bureaucracy and strict rules and regulations	Reduction of bureaucracy by reducing the number of layers between top management and front-line employees	Management	+1 year
		Giving the employees more freedom to make their own decisions about how best to do their job, instead of strictly following the general guidelines	Management + supervisors	3-6 months
	The lack of solidarity and sense of common purpose in the new organization	Organizing opportunities for teams to visit other teams in order to familiarize themselves with their members and work tasks	HR initiates, supervisors arrange the details	3-6 months
		Organizing common recreation events that give the employees a chance to get to know each other outside their work roles	HR	6 months
Opportunities for development	Training is generally perceived to be available only for supervisors	Organizing training opportunities for employees, who are not supervisors	HR	6 months
		Encouraging employees to seek and suggest training they would like to participate in	HR	3-6 months
		Encouraging employees to educate themselves by providing support and providing opportunities to do this partially in their working time	Management + supervisors	6 months
	The opportunities for professional growth or career development are seen inadequate	Developing a talent management strategy to train, develop, retain, promote, and move employees through the organization	HR	+1 year

Rewards and recognition	The employees do not feel that they are being paid fairly for the contributions they make to the organization's success.	If pay levels are below the norm of the industry and location, and they cannot afford to be raised, open and honest communication about it should be promoted	Management	3 months
		Highlighting the other benefits of working for the company besides pay	Management + supervisors	3 months
	The employees feel the organization does not value their contribution and good work performances	Creating a bonus system that is more dependent on their the employee's own performance rather than involving components they have no control over	Management	+1 year
The ability to influence and participate in the changes	The employees feel that they cannot influence or participate in the changes happening in the organization	Asking for employees opinions about upcoming changes and their suggestion how they should be implemented, for example, in the Intranet	Manager of the change in question	3 months
		Forming cross-organizational teams to plan the implementation of changes	Manager of the change in question	6 months

10 Areas for further research

This chapter suggests areas in need of further research in the field of the phenomena presented in this thesis; employee engagement and change management.

The empirical analysis of this research project focused on a limited number of employees on relation to the whole organization's workforce. I would suggest that in order to transfer the knowledge gained from this research to a wider scale, the case company could conduct a similar research project analysing the employee engagement and the perception of change management efficiency at all levels of the organization. This thesis provided an important insight into this specific case, however in order to provide even greater gain to the organization, conducting a similar study on other subsidiaries of Company Y could be advantageous. As Company X is not the only company acquired by Company Y, comparing the results of different subsidiaries could provide valuable understanding of the similarities and differences in the engagement levels and the perception of change management.

Furthermore, this research project concluded that there is a strong relationship between employee engagement and change management but what was left unanswered, is the causal effect, meaning no definite conclusion if the lower engagement levels were indeed caused by poor change management, or was the perceptions of poor management actually caused by low engagement levels, could be made. Therefore, a deeper causal analysis would be beneficial to further determine the relationship between employee engagement and change management.

Finally, the concepts of job satisfaction, commitment, and organizational citizenship behaviour were not included in the scope of this research, even though they have overlaps and similarities with employee engagement. Covering the entire phenomena of employee engagement was deemed far too extensive for this research but I believe this thesis could be further elaborated on by scrutinizing the relationship between change management and the concepts of job satisfaction, commitment, and organizational citizenship behaviour.

11 Reflections

The idea for this thesis arose from my personal interest in employee engagement and how it can be affected by changes happening within an organization. Having personally encountered significant organizational changes in my career and watching my co-workers struggle with similar feelings of confusion, anxiety, and loss, the idea of exploring how the changes might affect the engagement levels was born. Fortunately, I was able to convince the case company of the importance of this issue, and was allowed to conduct this research.

Going through a formidable amount of literature on employee engagement and change management resulted in a rather comprehensive understanding of the phenomena, as well as a deeper comprehension of the significance of both concepts for organizations to survive and succeed in the present highly competitive and continuously changing business environment. During this research, I came to realize that it is indeed a great challenge to excel in managing change in a constantly evolving environment. In my opinion, the most important message of this research is that, ultimately, successful change depends upon successful people management. Too often managing changes involves just dealing with situational factors, such as technology, structures, and systems, but foremost it should be regarded as a human transaction between people. By allowing this kind of research project to take place in the organization, the case company is showing interest and dedication to this important matter.

I personally am very satisfied how this research turned out and believe it has provided substantial value for the case company by identifying specific problem areas and providing a detailed implementation plan for improving these issues. As a researcher, I feel I have developed significantly during this project by strengthening my ability to critically analyse literature and successfully design a theoretical framework supporting the empirical analysis. In terms of professional development in the field of my studies, International Business Management, I feel this project has complemented my knowledge on the subject and further fuelled my motivation and interest towards human resources and management.

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Appendices

Appendix 1. Questionnaire

1. Yksikkö
 - Johto ja toimitusjohtajan alaiset
 - Salkunhoito
 - Pääomamarkkinat
 - Yksityisasiakkuudet
 - Instituutioasiakkuudet ja Ruotsin myynti
 - Laskenta ja hallinto
 - Emoyhtiöön siirtyneet toiminnot (ennen vuotta 2015)

2. Kuinka monta vuotta olet työskennellyt yrityksessä?
 - Alle vuoden / 1-5 vuotta / 5-10 vuotta / yli 10 vuotta

3. Onko työnantajasi vaihtunut organisaatiomuutoksen seurauksena?
4. Onko fyysinen työpaikkasi muuttunut organisaatiomuutoksen seurauksena?
5. Työni on haastavaa ja mielenkiintoista
6. Koen työssäni usein onnistumisen tunteita
7. Saan tehdä työhöni liittyviä päätöksiä riittävän itsenäisesti
8. Työssäni saan käyttää monipuolisesti osaamistani ja vahvuuksiani
9. Saan riittävästi palautetta työstäni ja suoriutumistani
10. Yrityksen arvot vastaavat omiani
11. Ymmärrän, kuinka työni vaikuttaa organisaation menestykseen
12. Työnantaja tukee ammatillista kehittymistäni
13. Minulla on mahdollisuus edetä urallani tässä organisaatiossa
14. Palkkatasoni on mielestäni kilpailukykyinen
15. Hyvät työsuoritukset palkitaan kannustavasti ja oikeudenmukaisesti
16. Koen, että yrityksessä arvostetaan taitojani ja työpanostani
17. Esimieheni kannustaa käytöksellään ja toiminnallaan hyviin työsuorituksiin
18. Koen saavani esimieheltäni riittävästi tukea ja kannustusta
19. Työpaikallani vallitsee positiivinen ja kannustava ilmapiiri
20. Organisaatio kohtelee työntekijöitään reilusti ja tasapuolisesti
21. En koe epävarmuutta nykyisen työsuhteeni jatkumisesta
22. Työkuormani on pysynyt yleensä kohtuullisena
23. Tiedän, mitä minulta työssäni odotetaan
24. Työni ja vapaa-aikani ovat tasapainossa keskenään
25. Työvälineemme ovat asianmukaiset
26. Päivittäinen työaikani on riittävä työtehtävieni suorittamiseen
27. Minulla on mahdollisuus riittävään lepoon ja palautumiseen vapaa-ajallani
28. Olen ylpeä työstäni
29. Olen viime aikoina harkinnut työnantajan vaihtoa
30. Olen valmis suosittelemaan organisaatiota työnantajana
31. Organisaatiossani tapahtuneet muutokset ovat olleet kannaltani suuria ja merkityksellisiä
32. Olen kokenut muutostilanteen henkisesti raskaaksi
33. Olen voinut osallistua ja vaikuttaa organisaatiossamme tehtyihin muutoksiin
34. Organisaation strategia ja tulevaisuuden näkymät on viestitty henkilöstölle hyvin
35. Minut on pidetty hyvin ajan tasalla tärkeistä päätöksistä ja muutoksista

36. Organisaatiossa tehdyt muutokset on toteutettu hyvin
37. Muutosprosessi on ollut hyvin hallittu ja johdettu
38. Koen, että olen saanut esimieheltäni riittävästi tukea ja ymmärrystä muutoksen käsittelyyn
39. Organisaatiossa tapahtuneilla muutoksilla on ollut vaikutusta henkilökohtaiseen sitoutumiseeni
 40. Jos vastasit kyllä, mitkä tekijät ovat lisänneet ja/tai mitkä tekijät ovat vähentäneet sitoutumispanostasi?
41. Mitkä tekijät koet eniten vaikuttavan sitoutumiseesi työhösi ja työnantajaan?
42. Mihin tekijöihin toivoisit yrityksen kiinnittävän enemmän huomiota työntekijöiden sitouttamisessa?

Kyselyssä ”yritys” tarkoittaa ”Company Y:tä” ja ”organisaatio” koko konsernia.

Appendix 2. Questionnaire cover letter

Hyvä vastaanottaja,

Teen International Business Management –opintoihini kuuluvaa Master Thesis tutkielmaa aiheesta ”Employee Engagement after Organizational Change” (Työntekijöiden sitoutuminen organisaatiomuutoksen jälkeen).

Tutkimuksen tarkoituksena on tutkia, minkälaista on ollut työntekijöiden suhtautuminen yrityskaupan myötä tapahtuneeseen organisaatiomuutokseen ja analysoida muutoksen vaikutusta henkilöstön sitoutuneisuuteen. Tutkimuksen kohderyhmänä on sekä Company X:n nykyiset että organisaatiomuutoksen seurauksena Company Y:hyn siirtyneet työntekijät.

Toivon, että Sinulla olisi aikaa vastata huolellisesti kysymyksiin, jotta kerättävä tieto vastaisi todellisuutta mahdollisimman tarkasti. Kaikki vastaukset käsitellään luottamuksellisesti, eikä kenenkään yksittäisen vastaajan henkilöllisyys tule ilmi tutkimuksen missään vaiheessa.

Vastaaminen vie vain noin 10 minuuttia ja kysely on auki tiistaihin 19.4. asti.

Pyydän sinua ystävällisesti vastaamaan kyselyyn oheisen linkin kautta.

Linkki kyselyyn: <http://digiumenterprise.com/answer/.....>

Mikäli haluat lisätietoja tutkimuksesta, voit ottaa yhteyttä minuun. Vastaan mielelläni tutkimusta koskeviin kysymyksiin.

Kiitos vastauksestasi!

Appendix 3. Conceptual Framework

EMPLOYEE ENGAGEMENT					
Question	Antecedent /outcome of engagement	Gallup Q12	IES	UWES 9	JD-R
5 My work is challenging and interesting *	Job challenge				X
6 My work often gives me feelings of personal accomplishment	Job challenge				X
7 I am given enough freedom to make decisions about my work independently*	Autonomy				X
8 My job makes good use of my skills and abilities	Variety	X			X
9 I am given adequate feedback about my performance *	Feedback	X	X		X
10 The values of this organization are consistent with my values	Fit		X		
11 I understand how my work contributes to the organization's performance	Fit	X			
12 My employer promotes my professional growth *	Opportunities for development	X	X		X
13 I see career development opportunities for myself in this organization	Opportunities for development		X		X
14 My salary is competitive with similar jobs I might find elsewhere *	Rewards and recognition		X		X
15 Good work performances are recognized in a fair and encouraging way	Rewards and recognition		X		
16 The organization values my talent and the contribution I make	Social support		X		X
17 My supervisor acts in ways to inspire good work performance	Transformational leadership				
18 My manager provides me with sufficient support and encouragement	Leader-member exchange		X		X
19 My company provides a positive and encouraging work environment	Workplace climate				X
20 Everybody is treated fairly in this organization *	Organizational justice		X		X
21 I believe my job is secure	Job security				X
22 The volume of work I have in my role is usually manageable	Role overload				X
23 I have a clear understanding of what is expected of me at work *	Work-role conflict	X			X
24 There is a reasonable balance between work and personal life	Family-work conflict		X		
25 I have the materials and equipment I need to do my work right *	Resource inadequacies	X			X
26 I am able to meet the deadlines I have for my work	Time urgency				X
27 I am able to recover and rest adequately after work days	Off-work recovery				
28 I am proud of the work that I do	outcome of engagement			X	
29 I have recently been thinking about looking for a job outside this organization*	outcome of engagement				
30 I would recommend this organization as an employer *	outcome of engagement				
Psychological meaningfulness antecedent					
Psychological safety antecedent					
Psychological availability antecedent					
CHANGE MANAGEMENT		Aspect			
31 The changes that have happened in our organization have been substantial and significant for me	significance of change				
32 The change process has been mentally exhausting for me	psychological strain				
33 I have been able to influence and participate in the changes made in our organization	influence & participation				
34 The strategy and the vision of the organization has been well communicated to the employees *	creating a vision				
35 I have been well informed about important decisions and changes	communication of change				
36 The changes made in the organization have been well implemented *	implementation of change				
37 The change process has been well managed and led	management of change				
38 I feel that my supervisor has given me enough support and understanding during the change process	transition management				
39 The changes that have happened in the organization has had an impact on my personal engagement	effect on EE				
Open ended questions					
40 If answered yes to Q39, what factors have increased and/or what factors have decreased your engagement?					
41 What are the factors that most influence your engagement with your work and employer?					
42 When it comes to engaging employees, what are the factors that you wish the company would pay more attention to?					
*) The question in was included in the previous work community survey					