

“Employee Engagement” Management Facilitates the Recovery from Crisis Situations

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Abstract — In modern information society, the approach to communication interaction is undergoing a transformation. This is due to the digitalization and convergence of information and communication processes. These changes have an impact on the technology of interaction between an enterprise and its stakeholders. In the event of a crisis, qualitatively built interaction is particularly important. The key group of stakeholders is the company's employees. Too many organizations build the management system based on the belief that it is the top managers and managers that have a strong influence on the «company / employee» interaction. However, it is not so. The task of management is to increase employee engagement. The employees involved want their organization to succeed, because they feel that they are connected emotionally, socially and even spiritually, sharing its mission and goals. The modern management considers personnel as the most important and valuable resource used to produce goods and services, which were to be treated correspondingly. The article covers the analysis of the relationship between employee engagement and company's business results. The theoretical basis of the article are the views of Ch. Handy, A. Giddens, J. Fleming, J. Asplund, J.K. Harter, M. Buckingham, C. Coffman, Lev B. and others who made contribution to the employee engagement literature. The authors show that the employees are the key resource in resolving a crisis. The ability of the company's management to demonstrate to employees the understanding of the concerns about their destinies and the ability to mobilize staff to overcome difficulties jointly play an important role in a situation of uncertainty. The article emphasis is put on the important employee engagement instruments as employer brand and internal PR.

Keywords — crisis; employee engagement; organizational outcomes; employer brand; internal PR

I. INTRODUCTION

The introduction of Modern information technology has

led to the emergence of new digital developments that allow for strategy adjustment of the internal and external communications. In this context, much attention should be paid to the use of Analytics based on big and open data and implementation of strategic communications in the Big Data paradigm. In a crisis, the use of these technologies is especially important. The experience has shown that any organisation faces crisis periods sooner or later. The way a company withstands these impacts determines its viability. It does not matter what kind of critical situations the company encounters. If in the 80s of the twentieth century the main causes of the crisis phenomena were the recall of poor quality products, health issues, security, and etc., then in the 90s the crisis list was significantly replenished: the key accusations of companies were the ones of racial and other discrimination, misconduct, the violations of labour and trade legislation, the problems of sexual harassment, etc. The accusations of the personal data use and disclosure have been added to such crises recently.

The first reaction of any employee who learned about the crisis in the company will be the idea of what will happen to him or her personally. At this point, both the ability of the company's management to demonstrate to employees the understanding of the concerns about their destinies and the ability to mobilise staff to overcome difficulties jointly play an important role. The employees bring their perception of the crisis from the company to the rest of the world, “broadcasting” it to relatives and friends. Therefore, it is necessary to ensure that information for the employees and general assessments of the situation coincide with what is said outside, except some additional details. The employees should not find out what happened to their company from the press. The personnel will become the company's key resource in the process of overcoming the crisis and recovering after it.

Although there were a lot of studies dedicated company - employee interaction, more research aimed at understanding how employee engagement can help the company to recover from crisis is therefore needed.

The overall objective of the paper is to begin an understanding of how employee engagement's contributes to organizational outcomes and facilitates the recovery from crisis.

II. LITERATURE REVIEW

John Fleming and Jim Asplund describe employee engagement as “the ability to capture the heads, hearts, and souls of your employees to instill an intrinsic desire and passion for excellence” [1, P. 2]. Charles Handy in his book “Beyond Certainty” made the following recommendations: “I believe that the whole concept of owning a company is, today, misplaced. Buildings one can own, or land, or materials, but companies today are much more than these physical things — they are quintessentially collections of people adding value to material things. It is not appropriate to “own” collection of people... Companies are not, or should not be, possessions to be traded as commodities. They are communities. They need rules of governance, not of ownership.” [2, P. 107].

It should be mentioned that numerous contributions have been made to the engagement literature. For example, research suggests that engaged workforce has been connected with higher customer satisfaction [3; 4; 5], lower turnover [6; 7], influence on organizational outcomes [8; 9; 10; 11].

III. DESCRIPTION

Thus, the modern management considers personnel as the most important and valuable resource used to produce goods and services, which were to be treated correspondingly.

The main causes of this trend are the following:

- structural changes in the employee motivation system as they realise their significance for an employer;
- the modern highly competitive market environment encourages companies to struggle for the leadership and seek new competitive advantages constantly;
- the demand for the labour resources exceeds the supply for some specialities, that is the labour market is being transformed from the «employer's market» into the «employee market» in certain professional areas;
- workers' mobility increase, that is specialists of different levels have the opportunity to get a job in any part of the world;
- declining employee loyalty to the employer. [12]

Hence employers' function is not only to make the company attractive to potential employees and recruit applicants successfully, but also to keep them and make sure of their awareness of the organization's goals and commitments.

Similar to the loyal consumers who are the most lucrative company's clients and the most faithful supporters, the most involved employees work more professionally and efficiently than the others. Therefore, the «relationship marketing» strategies, which are usually presented as a means for establishing long-lasting and mutually beneficial relationships with consumers, should include programmes aimed at the organisation's personnel. This is particularly relevant in crisis situations.

The anti-crisis programme is implemented by the staff of the organisation, who is another key audience in this programme.

Inside the organisation, the crisis is characterised by the emergence of two problems:

- the discrepancy between the professional tools that the organisation's staff possesses and the ones that are required for a new situation;
- the inadequacy of internal standards and rules (namely corporate or organisational culture) for the new environment.
- In the crisis situation, the staff's focus on a change often helps organisations to survive.

Concentrating on employee engagement can help companies withstand, and possibly even thrive, in tough economic times. Gallup researchers studied the differences in performance between engaged and actively disengaged work units and found that those scoring in the top half on employee engagement nearly doubled their odds of success compared with those in the bottom half. Those at the 99th percentile had four times the success rate of those at the first percentile. These kinds of performance differences are always important to businesses, but they are especially crucial during a recession. Researchers discovered that as the economy began to rebound after 2009, having an engaged workforce became a strong differentiator in EPS. Companies with engaged workforces seemed to have an advantage in regaining and growing EPS at a faster rate than their industry equivalents. Conversely, companies with average engagement levels saw no increased advantage over their competitors in the economic recovery [13].

The ability to manage personnel is both a science and an art. It usually comes with the experience and is supported by knowledge, although the natural gift also plays a significant role. Between a boss, a manager, on the one hand, and employees directly subordinate to him or her, other employees of an enterprise, on the other hand, there is a system of formal and informal relations that influence business success greatly. However, some experts say that the employees, not managers, become loyal supporters of the company.

Therefore, production management, operating together with the personnel one, is often called the art of getting the right things through the people's ruling.

No manager can make an employee productive. Managers are catalysts. They can speed up the reaction between the talent of the employee and the needs of the

customer/company. They can help the employee find his path of least resistance toward his goals. They can help the employee plan his career. But they cannot do any of these without a major effort from the employee. In the world according to great managers, the employee is the star. The manager is the agent. And, as in the world of performing arts, the agent expects a great deal from his stars. [14]

Human relations are expressed in various forms and through a variety of interests. The very people's interests are the main, primary and objective way of showing their relations both to each other and the environment. Hence, interests act as a powerful engine of human behaviour and of all socio-economic progress as well as form the source that drives the entire society.

Of course, there are still leaders who hope that all their employees will give themselves to organisations and carry out work to the highest standards, without expecting anything in return. However, the best managers understand that employees will not contribute their souls unless the risk is worth it. The study on the employees' emotional connection with the company, conducted by J. Fleming and J. Asplund, showed that the work demonstrates the people's innate need for self-preservation. In this case it is a comfort in the workplace [1].

The best processes and systems appear to be as effective as the people working behind them. In any company, the secret to the free implementation of innovative ideas is as simple as engaging employees.

Employees can become «involved and enthusiastic» in their workplaces when they have their basic needs met, have an opportunity to contribute, a sense of belonging, and chances to learn and grow. [15]

According to Anthony Giddens, the creation of emotional and psychological commitments requires [16]:

- maintaining stable social and physical conditions, i.e. feelings of relying on people and things;
- confidence in their social status and the right to be yourself;
- the belief that maximum can be achieved in self-realisation.

Wealth and growth in today's economy are primarily driven by intangible (intellectual) assets. Baruch L. in his paper has proved that intangible assets make a big contribution to the growth and profitability of the company. The growth rate of companies with a high level of employee involvement is 2.6 times higher than the growth rate of companies with a low level of involvement [17].

This demonstrates how the involved employees create intangible assets. These results convincingly prove that the involved employees confidently lead to the success of the most effective companies and their units.

J.K. Harter, F.L. Schmidt, T.L. Hayes, based on research involving 7,939 business units in 36 companies have proved:

- Business-unit-level employee satisfaction and engagement will have positive average correlations with the

business-unit outcomes of customer satisfaction, productivity, profit, employee retention, and employee safety;

- The correlations between employee satisfaction and engagement and business-unit outcomes will generalize across organizations for all business-unit outcomes. [18]

Another important tool for the staff involvement can be the building of a strong employer brand. Employer branding is a common name for brand building tactics used by the growing number of companies in order to become more attractive to both present and future employees. After all, the preferred employer's image influences the decisions of choosing a job and its continuation as well as the involvement in the working process.

It has been proven that companies with a strong HR-brand:

- reduce the costs of headhunting and recruiting;
- improve working relations;
- favour staff retention, thereby reducing turnover rates;
- can offer employees lower wages for the positions corresponding the ones of the companies that do not have an employer brand;
- improve and change organisational culture. [19]

Despite the fact that the reputation of an «employer of choice» implies an improvement in the recruitment and staff retention, true employer branding includes workers' motivating and the combining of their personal goals with the organisation's vision and values. Ultimately, employer branding encompasses the processes related to people that create an organisational advantage.

HR-brand characterizes the specific values of the employer's organization, but also related to its corporate and product brand [20]

Undoubtedly, well-reputed organizations are of interest to applicants. This is the case even when a company does not plan to recruit a large number of newcomers. A good reputation also strengthens current employees' devotion to corporate values, opinions, mission, and goals. Due to the reputation, the sense of company's unity is created. Workers' loyalty, motivation, commitment and dedication are increased as well.

When forming a strong employer brand, internal PR work is of great importance. In its activities, internal PR uses, in fact, the same mechanisms as external PR. However, there are peculiarities since the audience of internal PR work is the employees of the organization. And the success of internal corporate activities depends on the life, well-being and achievements of the organization. Therefore, it is natural that the need for awareness and communication interaction is much higher for the internal audience of the enterprise than for any external target group.

Internal communications should provide comprehensive information and improve the psychological climate in the team. The system of internal communications will fully function if you use informational, analytical, communication

and organizational tools. Informational tools are: internal website, Bulletin Board, messaging, corporate media. Analytical tools are: survey, poll, focus group. Communication tools are: variety of corporate events (training, instruction), the personnel adaptation system. Organizational tools are: meetings, conferences, corporate standards development. For the most effective functioning of the internal communication system, a reasonable combination of the above tools is necessary.

The importance of internal work on public relations for the stable and progressive industrial enterprise development is confirmed by our research of the brand “Karelia Pulp”. The company is the largest supplier of paper and pulp products in the world (2nd place after Canada). For the brand’s quality functioning “Karelia pulp” employs internal PR [21]. Thus, during the bankruptcy procedure of the subsidiary of JSC “Kondopoga”, this process was actively positioned within the internal environment of the enterprise (it has minimized financial losses), and within the external one, which has allowed to complete the procedure without significant reputational losses.

During 2017 while preparing JSC “Kondopoga” bankruptcy procedure, “Karelia pulp” has published 13 articles concerning JSC “Kondopoga” and LLC “Karelia Pulp” on RISI website. Most of the materials were initiated by the press service of the company and were neutral. Press releases were being published on average once a month.

An important indicator in assessing the effectiveness of PR is measuring the media response to the newsworthy occurrences that serve as the basis for publications. Also such indicators are:

- references of the company
- references of the brand
- publishings on new products emergence

References’ context and tone are important as well.

The frequency of references to the company, to its brands and products is the first step towards measuring the results of work with the media. The activity indexes of authors and media coverage of its activities; information about the positive, the negative and the main contexts of reference to the object.

To monitor the references to the Karelia pulp brand, we used “Medialogy” - the information and analytical system.

“Medialogy” is a developer of an automatic system of real-time monitoring and analysis of media and social media. Medialogy automatically processes 500 000 media messages and 50 000 000 social media messages per day, so that every morning the press service employees receive monitoring in 2 clicks.

During the study, a report for the period 01 January 2017 - 31 December 2017 was acquired. Messages without reprints: 224. Total on this topic in the media came out: 383

During 2017, the number of references to the company was below average with minor fluctuations (at the end of the

year there was a slight jump due to a major event - Awarding the best exporter in 2016.).

Depending on the nature of the information, references may be positive, negative and neutral. The more positive mentions appear in the media, the better it is for the brand. To reveal the meaning of the indicator of positive references, it is necessary to consider it in dynamics. According to the statistical report conducted while using the monitoring of the Internet platform “Medialogia” (<https://www.mlg.ru>), mentions of the company “Karelia Pulp” are mostly neutral (80,22%). Negative references were minimized by proper response to comments made also by employees of the company.

TABLE I. COMPARATIVE CHARACTERISTICS OF THE NUMBER OF MENTIONS IN THE PRESS OF OTHER MARKET PLAYERS IN 2017 (WITHOUT REPRINTS).

Object	Total Media Index	Number of messages
“Mondi Syktyvkar pulp and paper mil”	11 281,10	3 065
Solikamskumprom	3 145,00	1 107
JSC “Volga”	1 753,90	908
“Karelia pulp”	2 144,10	814

Source: monitoring of the Internet platform “Medialogia” <https://www.mlg.ru>

In comparison with other players of the Russian pulp industry market the number of publications about Karelia Pulp company for the period under review (tab.1.) was significantly less. It was justified by the increased attention to the use of integrated communication work and by intracorporation PR activities strengthening. Thus it can be affirmed that internal communications have played a crucial role in the survival of the enterprise.

This has allowed not only to prevent the crisis, but also to successfully conclude a treaty of strategic cooperation on newsprint deliveries for 2019-2020 with representatives of Chinese media structures (the daily newspaper “Zhenmin Zhibao” and the news Agency “Xinhua daily”).

The construction of internal communication work is currently based on the external digital environment, which affects the formation of the employer's brand as a whole.

The transformation of the informational and communicational common business space dictates the conditions of modern communication trends development , which leads to the modernization of internal and external communication tools of interaction:

- Digital marketing – astrategic planning and analytics for digital channels
- Data Science– data analytics and data visualization
- Interaction Design– visualization of communication
- Business Strategy - creation and implementation of BS
- Strategic Business Analytics – marketing and HR analytics

- Organization Leadership – motivation, self-realization, conflict management
- Strategic Thinking and Innovation – creation and implementation

Another trend that is currently gaining momentum should be noted. 79% of corporate communications specialists believe that storytelling is one of the most popular communication techniques with employees, 71% – content marketing, and 67%– ideological leadership. Ideological leadership and the ability to convey one’s thoughts through effective stories (challenge, tension, climax, denouement) are the classic elements of traditional PR. Yet content marketing is just emerging in this industry.

Currently, there are active discussions on the fastest possible collection of necessary information for business, where special attention is paid to the use of internal communications analytics based on big and open data (big&open data).

Big data comes from three sources:

- Internet (social networks, forums, blogs, media, other sites);
- corporate document archives;
- readings of sensors, instruments and other devices.

In this context, we should pay attention to the tools of social networks to determine the social impact and monitor the performance of the enterprise.

The virtual behavior of employees plays an important role. The way each employee represents himself/herself on the Internet and social networks, the way social and search queries are built, for example, when implementing Facebook at Work technology – it all forms the organization image in the external environment. The internal communication work with employees is the foundation of it all. Socialrank, Buffer, Sumo are the most commonly used tools to analyze communication behavior.

These parameters become significant, as the main focus is currently placed on quantitative indicators of return on investment in advertising marketing (ROI). But it is not enough to rely solely on quantitative indicators when building a brand. Qualitative indicators of internal corporate activity are very important parameters as well.

Gallup researchers have accumulated 263 research studies across 192 organizations in 49 industries and 34 countries. Within each study, they statistically calculated the business/work unit level relationship between employee engagement and performance outcomes that the organizations supplied. In total, they have studied 49,928 business/work units including 1,390,941 employees.

Comparing top-quartile with bottom-quartile engagement business units resulted in median percentage differences of:

- 10% in customer loyalty/engagement
- 22% in profitability

- 21% in productivity
- 25% in turnover for high-turnover companies (those with 60% or higher annualized turnover)
- 65% in turnover for low-turnover companies (those with 40% or lower annualized turnover)
- 48% in safety incidents
- 28% in shrinkage
- 37% in absenteeism
- 41% in patient safety incidents
- 41% in quality (defects) [22, P. 22].

J. Fleming and J. Asplund, based on research involving hundreds of companies, and over 10 million employees and 10 million customers around the world have combined the key characteristics of employee engagement and customer engagement to produce four core principles that great organisations and managers exhibit: [1]

1. **Manage by outcomes, not behaviors** –In other words, although the end remains constant, the means to achieve that end will inevitably vary between individuals.
2. **Liberate, don’t legislate** –The most dramatic increases in productivity occur when companies allow workgroups to choose their own initiatives and focus on them. Anything that makes employees passive viewers instead of active participants in the employee-customer encounter is counterproductive.
3. **Engagement is for everyone** –The ability to capture the heads, hearts, and souls of employees and instill an intrinsic desire and passion for excellence.
4. **All politics is local** –Companies cannot dictate employee engagement from corporate headquarters. They must manage engagement locally. To this end, the local manager is the single most important factor in local group performance.

Though companies can manage many kinds of organizational activities effectively from the top down, the employee-customer encounter is an intensely local phenomenon that can vary considerably from location to location within the same company. Because of the variability in local performance, you must measure and manage it locally.

IV. CONCLUSIONS

The defining feature of modern communication relations is the use of technological achievements of modern information society. The role of digital technologies used to adjust internal communication strategies is growing in a crisis. In crisis situations, special attention should be paid to the involvement of stakeholders, most importantly is the staff of the enterprise. The paper aims to discuss the main scientific perspectives in dealing with the employee engagement and its influence on organizational outcomes.

We can argue the strong evidence of the links between the high employee and company's business results especially in resolving a crisis.

In a crisis situation, the role of internal communications is significantly increasing. In some cases, they can have a decisive influence on how the company will come out of the crisis and whether it will come out at all. Our research proved that the key factor of the company's survival was the fact that the emphasis was placed on internal PR from external PR.

Therefore, it is necessary to conduct active internal work in enterprises, especially large industrial enterprises, the functioning of which is based on the use of large technical capacities and a wide range of social resources.

And it is necessary to evaluate the implementation of internal PR-activities with relevant tools, such as digital platforms for the assessment and development of involvement "Happy Job".

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