

Employee engagement strategies used by Botswana motor vehicle administration

Theophilus Tshukudu

Department of Management, Faculty of Business, University of Botswana, Gaborone, Botswana

Abstract

The purpose of this paper was to identify and evaluate the human resources engagement strategies that foster organizational growth, these were discussed within the context of a local organization being MVA Fund. MVA Fund has its own HR practices that it has implemented to grow and support its employees, unfortunately its annual employee engagement surveys show a slow decline which need to be addressed for MVA Fund to continue growing and for it to have competitive advantage. The paper has identified the following human resources strategies commonly used in different organisations and have been found to be effective: encouraging employee involvement, encouraging creativity and innovation in the workplace, encouraging open communication that is honest and transparent; providing career development and educational opportunities and ensuring that information in the organisation is shared clearly and timely. As a result, understanding the drivers of engagement is clearly in the interest of the organization. After discussing these findings, recommendations were suggested to MVA Fund to review its existing strategies and improve on them. As a summary, the literature has illustrated a correlation between employee engagement and organisational performance and growth. Highly engaged employees have been found to have high morale, reduced absenteeism at work, strong emotional connection to the organisation and consequently highly productive. Therefore, organizations leadership should focus on employees in order to leverage optimum engagement levels for improved performance.

Keywords: Botswana, employee engagement, motor vehicles administration

Introduction

The world and workplace is constantly changing, which brings high service expectations particularly in service orientated industries, and organisations need loyal and highly productive workforce to remain competitive. ^[1] Highlights that employees are crucial assets of any organization and deserve to be treated with that value. To achieve a highly competitive status, in addition to staff satisfaction, organisations need engaged workforce too. Employee engagement is a workplace approach resulting in the right conditions for all members of an organization to give off their best every day, commit to their organization's goal and values and contribute to organizational success with an enhanced sense of their own wellbeing. It has also been given a definition of emotional, physical and cognitive part of the employees to their work ^[1].

In their business strategies, most organisations are slowly making deliberate investments in employee engagement strategies. This gives the organisations a competitive superior climate that employees perceive to be fundamental and in which they are able to achieve their full potential in a justified manner. One organisation, that will be looked into in this paper is the Motor Vehicle Accident Fund (MVA Fund). This paper will make reference to its employee engagement strategies that have sustained it this far. The Fund is experiencing a declining employee engagement index and this has become a top priority area for management to continuously explore new ways to boost its employee engagement. In addition to discussing what MVA Fund is doing in this area, the paper will identify and evaluate available human resources engagement strategies documented in research, that foster organisational growth, and make recommendations to MVA Fund. Literature

review and secondary data will be used to get comprehensive information on the subject.

There are principal factors or drivers of employee engagement that were also identified in the paper, these guide HR managers in developing employee engagement strategies. The antecedents are; opportunities for career developments, having a supportive organization and leadership, ability of leadership to communicate and clarify company values, empowerment, perceived trust by the employees, processes that are fair and not biased, job characteristics and the role efficacy. The literature has also shown that most of the antecedents of engagement are common to all organisations, regardless of the industry. The literature has revealed that committed employees perform better and consequently organizations that ensure better engagement of their employees, exceed the competition.

Background

MVA Fund is a parastatal organisation which was established in 1986 through the Act of parliament and started its operations in January 1987. It was established as a government response to private insurances of intended increases of third party premiums by up to 600%. The industry had cited escalating road traffic accidents as the root cause of the intended premium increase, but Government was concerned that the proposed escalations were out of reach for most motorists. To cushion the motorists from socio-economic burden that may result following the road crashes, the government established the Fund, with the ultimate aim of providing "automatic" third party cover through the payment of a fuel levy. Its parent ministry is the Ministry of Finance and Economic

Empowerment and is governed by Board of Directors appointed by the minister.

On its establishment, it was called the Motor Vehicle Insurance Fund until 1998 when the first Act was repealed and it operated under the Motor Vehicle Accident Fund Act of 1998, its name also changed to Motor Vehicle Accident Fund (MVA Fund) hereafter referred as the Fund in this paper. The first two acts were fault-based, which meant that one could only benefit from the Fund if there was one party who was at fault. Benefits were in form of cash payments depending on the extent of the injury or loss. The 1998 Act was revised and repealed in 2007 to the current MVA Fund Act No. 15 of 2007. The current Act covers everyone regardless of fault and has expanded the mandate of MVA Fund to include road safety and also cover government vehicles. This expansion of mandate placed bigger responsibility on the Fund. The Board of Directors and management were now faced with an obligation to develop a corporate strategy that will drive service excellence and profitability. The overall aim being to assist the victims of the road accident and remain sustainable for years to come. The core mandate of MVA Fund is promotion of road safety, provision of compensation, support, medical care and rehabilitation of persons involved in road accident in Botswana. It provides third party insurance cover to drivers and owners of motor vehicles, as well as support in any matter incidental to the road accident ^[2]. The Fund has a staff complement of 122 employees and has seven offices nationwide. The headquarters is in Gaborone where executive management including Human Capital are based. As a service oriented organization, service excellence is critical to meet customer needs, drive its mandate and remain sustainable. Organisational sustainability depends on human, social, economic and environmental factors; and the important element of the human factor is a satisfied and engaged workforce which will consequently foster organizational growth.

As part of its Human Capital practices and corporate strategy, MVA Fund has an objective of having high performing and engaged employees. To ensure and monitor this, there are human resources strategies in place and the Fund has been running annual Employee Engagement Surveys for the past 9 years since the first one in the year 2000. The survey gives the Fund an opportunity to measure the extent at which its employees are committed to their work and organisation, and the extent at which this commitment influences their performance and intent to stay with the organisation. Since starting to measure its staff engagement in 2000, the survey results showed an annual increase in the level of engagement with the highest index of 4.02 attained in 2015. From 2016 to 2018, there has been a fluctuation of up and down but generally declining. In addition to this decline, the financial overview also went down to a deficit, shown in the 2018 Annual Report.

Though there has not been a specific study on the Fund investigating the relationship between the declining employee engagement and growth in terms of profitability, the Fund need to invest in its workforce to ensure that staff remain motivated and productive. In addition to this predicament, the Fund also lost some of the key executive management around the same period. The Chief Executive Officer's contractual term ended in 2016 and a replacement was made eight months later. The Finance Manager and Internal Audit Manager also left the Fund voluntarily.

Problem Statement

The MVA Fund's declining employee engagement index is a cause for concern. One can wonder if staff attrition of executive management could be indicating the disconnection that is brewing up. The Fund needs to revisit its Human Resource Management strategies to boost employee engagement which will consequently reduce the staff turnover and increase organizational excellence. On the basis of the above, this study is being conducted to identify and evaluate available employee engagement strategies and suggest solutions to MVA Fund to boost staff morale and attain highest possible employee engagement.

Aim of the Study

The primary objective and purpose of this study is to identify and evaluate the available Human Resources engagement strategies and provide recommendations to organisations on effective strategies to attain employee engagement and competitive advantage that will support the organisation growth strategy. A literature review and secondary data will be analysed to identify these strategies and evaluate what works and what doesn't work from the available research.

Significance of the Study

The significance of the study is to provide solution to MVA Fund management in terms of having effective employee engagement strategies that will foster loyalty and high productivity within its workforce. There is no specific study that has assessed MVA Fund Human Capital strategies to determine their effectiveness or investigating this subject on a local context that can be used by local organizations. Therefore, this will be the first study aiming to get a closer look at a local organization and offer solutions for an effective employee engagement strategy. As a service oriented organisation, its employees are core assets critical to the Fund achieving its mandate. Its efficiency and effectiveness in servicing the nation of Botswana is highly reliant on its workforce and there is need for engaged staff who will take it to the level of trust and confidence from the people they serve. This will create an environment that foster commitment from employees and high productivity.

Literature Review

Introduction

Employee engagement has become the mantra of human resources practice. This is since employees are critical assets of every organisation regardless of the industry. It is therefore empirical that organisations have strategies in place to ensure that their employees stay engaged and support the organisational mission and vision. Employee engagement has been defined as employee full involvement in their job in such a way that they stay within the organisation and always aims to give their best.

Employee Engagement

Many definitions of employee engagement have been given by different authors and similarly they all emphasize the holistic involvement of the concept. ^[3] defines employee engagement has been cited in many studies as a psychological and physical demonstration of what employees understand of their role in the organization and the commitment of stewardship that manifest in high productivity levels in the workplace ^[4] and ^[1]. In ^[1]

employee engagement is defined as the extent to which employees commit to something or someone in the organisation, and how long they stay as a result of that commitment. [4] Further went on to highlight that employee engagement has now become one of the key factors for organizations to focus on, in order to remain competitive. A competitive organization stand a better chance of profitability and growth. The literature review will identify and evaluate the available strategies that will positively impact organisational growth. [5, 6] have listed principal factors or drivers of employee engagement and these are:

Opportunities for career development

It has been shown that when a company invests in its people by providing opportunities to develop their skills, acquire new knowledge and realise their full potential, reciprocally, its employees will also invest in it [5].

Ability for leadership to communicate and clarify the company values

It is the responsibility of leadership to set ethical standards for the company and clearly communicate these. When employees understands them and believe their contribution and diverse qualities in the organisation are valued, they will remain loyal and give their best.

Empowerment

Employees want to be involved in company decision making affecting their work. An environment that allows them to engage and be innovative has been found to have an influence in employee engagement.

Organisational supportiveness

In their study [6], support from the organisation was rated highest, employees believe that they will put extra effort in their work when there is support from their managers and colleagues.

Perceived trust

When employees feel that they are trusted by senior

management and colleagues, they feel free to give out their best and contribute to decision –making without any fear.

Rewards and recognition

A combination of financial and non-financial rewards and recognition at work are also influencers of employee engagement. Employees need recognition if they go an extra mile and further believe their engagement will be enhanced if there is a well devised system of reward and recognition in place.

Procedural justice

Employees expect fairness, consistency and non-bias on procedures and processes used to allocate resources within the organisation. If they believe the organization practices procedural justice and feel valued and it influences their work engagement.

Job characteristics

Employee believe their involvement in the workplace will increase if their job roles are not ambiguous and continuously offer them new challenges and assignments to apply themselves.

Role efficacy

If the employee believe that their role in the organisation is significant, they ae valued and allowed work-life balance, they will commit to the organisation.

It should be noted that the studies also showed that these factors are interrelated, it is a combination of more than one factor that gives an organisation that superior climate to attract and retain engaged employees. Moreover, companies need to be constantly reviewing these and get feedback from the employees to ensure they remain relevant.

Employee Engagement Hierachy

In the Gallup Inc. report, [7], Gallup interviewed more than a million manager to understand the predictors of employee and team performance and came up with the following hierarchy, Figure 1.

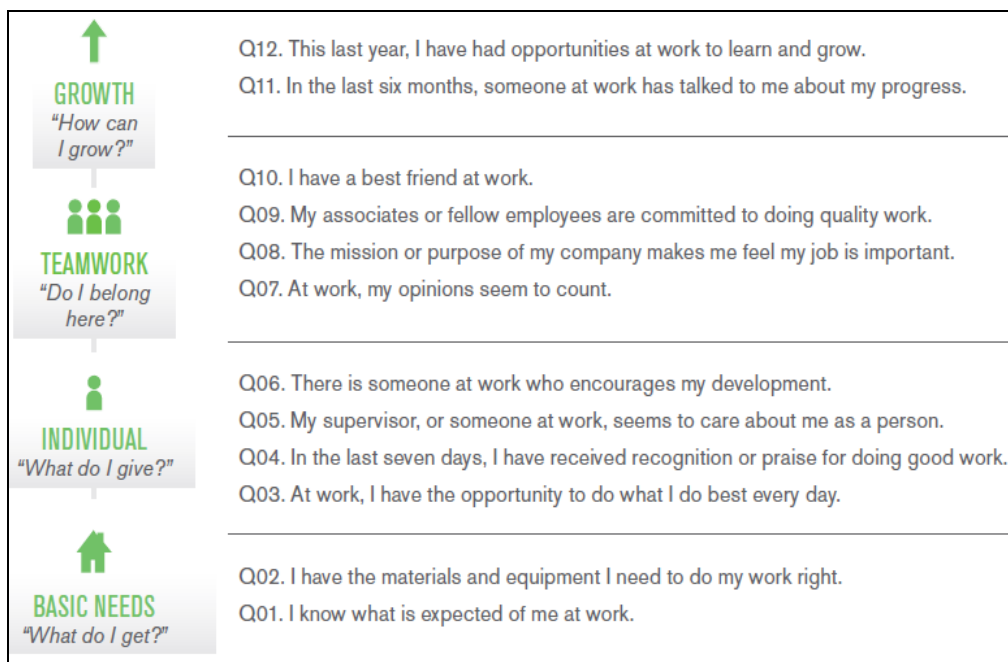


Fig 1: Hierarchical structure of the 12 employee needs. (Employment Hierarchy, 2019)

The twelve (12) employee needs above are in correlation with other factors previously discussed in this section. These have therefore informed the human resource engagement strategies that will be discussed in the following section.

Strategies for Improving Employee Engagement

Organizations continuously are faced pressures of the changing workplace due to globalisation of markets, technological advancements and increased access to information. These changes are at unprecedented rates and organizations are compelled to come up with strategies to stay competitive and grow. Several studies on employee engagement have listed human resource strategies that have influences employee engagement ^[5, 4, 8, 9] and these are discussed below:

Encourage employee involvement in companywide initiatives

Employees who have worked in the same position for a long time may feel that their job is no longer challenging and may disconnect. It is critical to keep employees interested by involving them in other initiatives company-wide that gives them opportunity to contribute to decisions of general improvement of services. Employees who are involved and consulted during decision making feel that they are an essential part of the team and this will increase their work engagement.

Encourage creativity and innovation

The objective of encouraging staff to be creative and innovative, will provide new insights and a sense of accomplishment. The organisation needs clear guidelines and a deliberate effort to support and develop the new ideas. The use of employee engagement surveys and suggestion boxes will assist the organisation get feedback from the employees. Organisations must ensure that when it receives feedback and opinions, these are actioned to build trust and confidence. Survey data should be made in such a way that it is specific, relevant, and actionable for any team at any organizational level. For it to be effective, the data collected should also be proven to influence key performance metrics.

Encourage open communication

A good communication strategy will encourage staff to express their ideas and perspectives without being criticized.

Provide educational opportunities

Career development plan are critical to ensure that employees do not become redundant. Plan for short-term and long-term training, inter-departmental career development plan are important for career and personal growth. In this way the company stands a better chance of retaining its staff.

Share information

Companies should aim to share company information with the employees, this has shown to foster a sense of worth within them ^[5].

The doctoral dissertation by ^[10] did a qualitative single case

study on a healthcare organisation to explore the strategies that HR in the organization used to reduce employee disengagement caused by stress. He collected data from twelve (12) HR leaders and line managers through semi structured interviews. The results showed four (4) main themes used as follows:

- a. Integration of employee engagement practices into culture and business processes,
- b. Providing managers with the job resources they need to lead staff,
- c. Being transparent and honest in communications, and
- d. Relying on supportive supervisor behaviour to mitigate employee stress.

Further showed that these strategies were aided by a mission-driven and values-based organization culture, which was a foundation of their HR practices. The findings in ^[10] are critical to HR since they have a potential of bringing social change that will address issues of stress in the workplace and contribute to helping organizations reduce stress in the workplace. Stress have been associated with negative health outcome and addressing it will improve employee wellbeing, and reduce individuals' risk of morbidity and mortality leading to a reduction in healthcare costs for communities.

Employee Engagement and Organisational Growth

A cross sectional study was done by ^[4] on the workforce of a sugar manufacturer in KwaZulu-Natal, to investigate the factors affecting employee engagement and their relationship with employee productivity which will translate to growth and profitability. The results showed a satisfactory engagement by the workforce. The main factors that were mentioned to have influenced employee engagement were; employees' personal feeling about the workplace, the way they perceived the work environment, communication in the workplace, leadership and commitment. In the study personal feelings rated highest, which indicates the importance of staff perception. This suggests that strategies to increase employee engagement should focus more on the employees themselves to influence optimal engagement that will in turn influence productivity.

In ^[11] it is stated that though most executives measure success with brand equity, percentage of market share, and an increase in revenue, they should know that in all the business success comes from the employees. ^[11] Further elaborates that a study of 50 firms showed that organizations with high employee engagement had 19 percent increase in operating income and about 28 percent earnings per share (EPS) growth. Inversely, those with low employee engagement levels experienced more than 32 percent drop in operating income and 11 percent decline in EPS, further supporting the correlation of employee engagement and organizational growth. The conceptual framework in Figure 2 below puts together factors influencing employee engagement from the above study and shows that the final result will be increased productivity, which in turn will increase organisational growth.

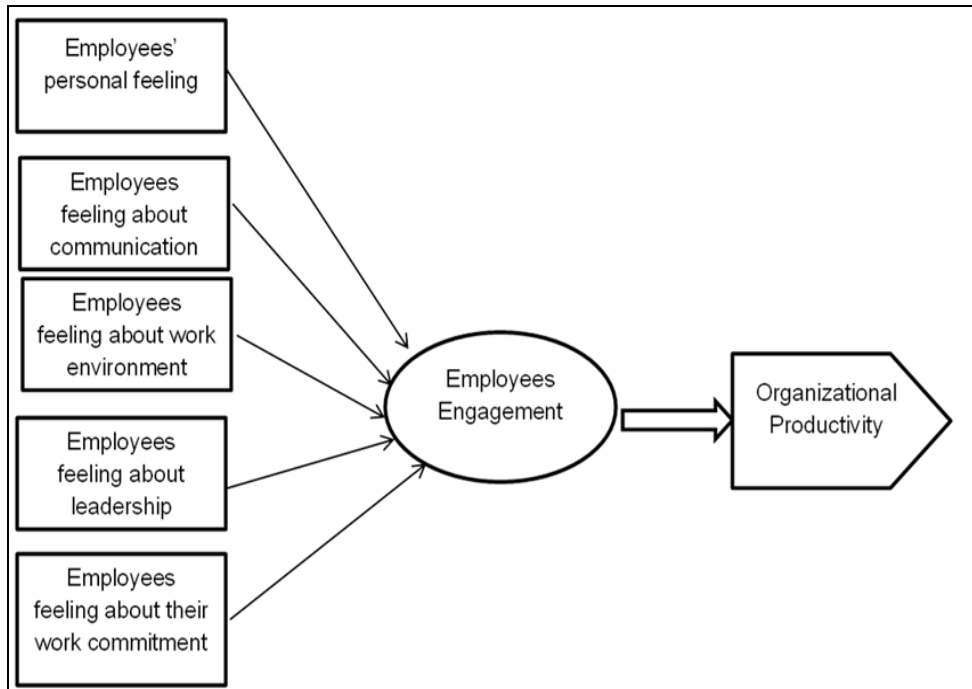


Fig 2: Conceptual framework on factors that affect employee engagement and their effect on organizational productivity ^[4]

Highly engaged employees stay longer with the organisation and have lower absenteeism rates which results in a higher organisational performance ^[12]. Further, the study also showed that satisfied employees will yield high productivity and consequently higher profitability. A report on Gallup’s 2016 study, ^[13], analysed the results of a study where Gallup compared productivity and growth of companies from the highest and lowest quartiles of engagement levels. The results of the study showed that those companies in the

highest quartile experienced 17% higher productivity, 20% higher sales, and 21% higher profitability among many other positive metrics resulting from higher engagement levels ^[14]. Figure 3 below depicts these results, comparing key business outcomes. This shows that employee engagement influences organisational growth. In the same study, one of the key differences that Gallup found between the two segments was the effective use of communications strategies implemented by those companies doing very well.

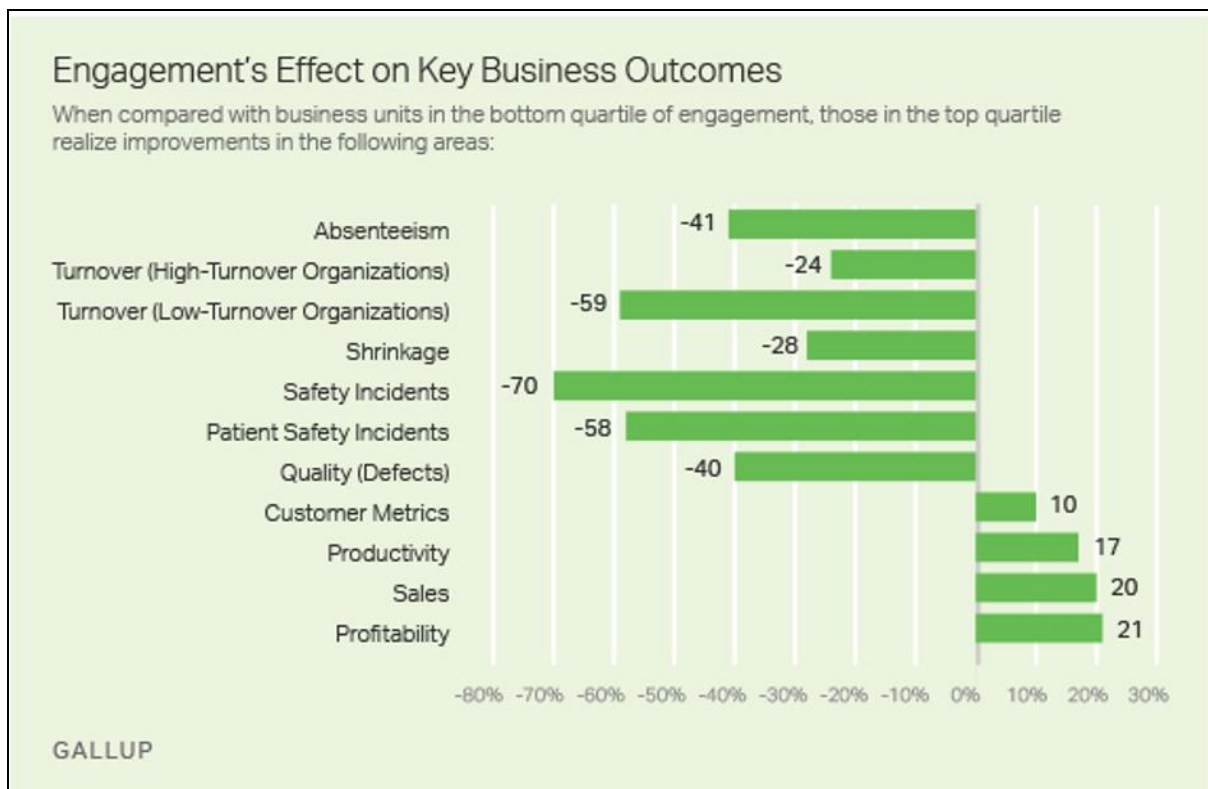


Fig 3: Comparing key outcomes of bottom quartile engagement levels and top quartile engagement levels companies ^[8].

Discussion

The available secondary data on this subject has a general definition of employee engagement which has similarities. The literature review by ^[15] summarised the definition of employee engagement as an individual-level construct which seems to display at three different levels: (a) behavioural; (b) emotional; and (c) cognitive. This is in line with ^[1] and ^[4]. The main factors influencing employee engagement in the literature were personal feelings, work environment, communication, leadership and commitment. These have informed organisation when developing their human resource engagement strategies. The commonly used strategies identified in the literature are encouraging employee involvement, encouraging creativity and innovation in the workplace, encouraging open communication, providing career development and educational opportunities and ensuring that information in the organisation is shared clearly and timely. In addition, ^[10] brought in an element of influencing a social change by his findings. These touches on the need to integrate employee engagement practices into organization culture and business processes, providing managers with the job resources to optimally lead staff and need for supportive leadership behaviours to mitigate employee stress, reduce disengagement, and improve employee engagement in good and bad times.

The studies have also show a strong correlation between high engagement levels and organisational growth. Implementing these strategies will positively influence employee engagement and consequently loyalty and high productivity. Engaged employees are more likely to stay longer in the organisation and have low absenteeism rates. Furthermore, workers who feel valued and that they are an essential part of the team, are more productive and are willing to go the extra mile for the customers and the organisation. It is documented in ^[4] that a positive correlation between employee engagement and productivity. Workplaces with high levels of employee engagement have an additional benefit of having the Potential to attract top achievers and top talent ^[16]. High Productivity will results in increased profitability and share and overall growth of organisations.

In terms of MVA Fund, it has adopted similar strategies as listed above but contrary to this, it has experienced a steady decline in its employee engagement index for the past four years after hitting its peak in 2015, compounding to this, the Fund also lost senior managers around the same period. The Fund needs to re-look at its strategies and involve employees to close any strategic gaps that will be identified.

Findings

Different researchers on this subject concluded that core engagement strategies are work environment, human resources practices- a comprehensive communication strategy, career development and training opportunities, involving employees in companywide initiatives, employee supervisor relationship, job characteristics and satisfaction, and overall organizational culture which creates an environment of trust, creativity and innovation. These factors have been shown to influence employee engagement. The studies goes on to show that employee engagement concept of managing discretionary effort ^[5]. It has been shown that when employees believe that they have choices, they will act in a way that further the company's

strategic direction. Companies with high levels of employee engagement, have shown a positive shift of their key business outcomes ^[14].

Recommendations

Literature suggests organizational communication, rewards/remuneration and recognition, Organizational culture and workplace relationships as the most studied antecedent of employee engagement. While performance, organizational growth and staff retention were identified as the most common consequence of employee engagement. The following recommendations are made to

MVA Fund

- Review and improve Human Resource strategies that influence employee engagement. The Fund management must consider implementing a comprehensive communications plan. The plan should clearly define the Fund's mission, and the role that each and every department and teams within the organisation play in achieving its vision.
- Set up strong active change management teams to improve on communication
- Involvement of staff companywide during the development of these strategies
- Continue with periodic employee engagement surveys for feedback

Conclusion

To summarize, employee engagement is an approach which helps to build the relationship between the organization and its staff. Employee engagement is an emotional commitment which is made by an employee toward his or her work and goals. An engaged employee always cares about their work and goals and they want to make sure that their efforts should be used for organization. Employees and their managers must feel empowered to make a significant difference in their immediate environment. Employees are an integral part of the organisation, therefore corporate strategies should include human resources engagement strategies. Strategic employee engagement initiatives support organizational branding and reputation among employees. There must be continuous evaluation of these strategies, annual employee engagement surveys so that organisations get an opportunity to identify barriers to engagement and opportunities to effect positive change. Employees as core assets, are familiar with the company's processes, systems, products, and customers. They are also experts on themselves and their teams. So it makes sense that they will have the best ideas to maximize these elements and deliver improved performance, business innovation, and better workplace experiences.

MVA Fund must note that the value of loyal, productive and committed employees cannot be overemphasized. The longer they are in the organization, the more they learn about that environment and this will drive their productivity as they become best at what they do. Additional efforts need to be made to identify the gaps on the current strategies the Fund is using. One danger that the Fund should be weary of is that it is a monopoly on the services it offers in Botswana and its long-standing employees may feel no longer challenged in their current environment and may disconnect. The Fund's role and involvement in key stakeholder initiatives may provide new challenges and as a result keep

the job interesting. Achieving high levels of employee engagement will result in increased staff productivity and will generate positive outcomes which will consequently drive organizational growth, profitability and excellence. These employees are also less likely to leave the organization, as a result, they become representatives of the organization at all times.

The limitation of this paper is that it is based on secondary data, with no local studies to apply specifically to MVA Fund. The factors that influence employee engagement may differ in the local context and in specific industries. Practically, more research on this subject will help if it looks at the Botswana context, the nature of industries (governmental, Parastatals, private) and nature of the services they offer. More research will also be needed to investigate if the factors influencing employee engagement affects all industries in the same manner and if the effects are the same country-wide. Finally, it is also critical to know if consequences of employee engagement will be the same across industries and country-wide, this information will be fundamental in developing relevant strategies for positive business outcomes.

References

1. Deepika, "Employee Engagement: A Conceptual Framework," Indian Association of Health, Research and Welfare. *International Journal of Social Sciences Review*. 2019; 7(4):704-708.
2. "MVA Fund," [Online], 2018. Available: <https://www.mvafund.bw/index.php/mva-content/cid/2/about-us/>. [Accessed 15 November 2019].
3. Kahn WA. "Psychological conditions of personal engagement and disengagement at work," *Academy of Management Journal*. 1990; 33(3):692-724.
4. Moletsane M, Tefera O, Migiros S. "The Relationship between Employee Engagement and Organisational Productivity of Sugar Industry in South Africa: The Employees' Perspective," *African Journal of Business and Economic Research*. 2019; 14(1):113-134.
5. Gupta M. "A study on employees perception towards employee engagement," *Globsyn Management Journal*. 2015; 9(1-2):45-51.
6. Mercy JR, Choudhary JK. "An exploratory study on organizational factors affecting employee engagement," *International Journal of Research in Commerce and Management*. 2019; 10(1):6-9.
7. "Employee Engagement Hierarchy," 15 November 2019. [Online]. Available: http://web.jhu.edu/administration/finance/initiatives/Employee_Engagement_Hierarchy.pdf. [Accessed 15 November 2019].
8. Robyn Reilly, "Business Journal: Five ways to improve employee engagement now," 15 November 2019. [Online]. Available: <https://www.gallup.com/workplace/231581/five-ways-improve-employee-engagement.aspx>. [Accessed 15 November 2019].
9. F. Marrelli, "Employee engagement and performance management in the federal sector," *Performance Improvement*. 2011; 50(5):5-13.
10. Subramaniam K. "Strategies for Reducing Employee Stress and Increasing Employee Engagement," Walden University ScholarWorks, Minneapolis, 2017.
11. Kaliannan M, Adjovu SN. "Effective employee engagement and organizational success: a case study," *Procedia-Social and Behavioral Sciences*. 2015; 172:161-168.
12. Kazimoto P. "Employee engagement and organisational performance of retail enterprises," *American Journal of Industrial and Business Management*. 2016; 6:4.
13. Corbin J. "Surprising Results from the 2017 Gallup Employee Engagement Report," 7 March 2017. [Online]. Available: <https://www.theemployeeapp.com/gallup-2017-employee-engagement-report-results-nothing-changed/>. [Accessed 15 November 2019].
14. Jim Clifton. "Gallup-State-of-the-Global-Workplace-Report-2017_Executive-Summary.pdf," Gallup Inc., Bogota, 2017.
15. Kaur S. "Antecedents and Consequences of Employee Engagement: A Literature Review," *Journal of Organizational Behavior*. 2017; 16(3):7-32.
16. Joyner FF. "Bridging the Knowing/Doing Gap to Create High Engagement Work cultures," Joyner, F. F. *Bridging the Knowing/Doing Gap to Create High Engagement Journal of Applied Business Research*. 2015; 1131-1148.