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Employee Engagement and Human Resource Practices in Europe¹

KASSIM Iris²

This paper provides insight into the results of the 'European Employee Engagement Survey' research conducted on behalf of Stamford Global in 2010 and 2012 with the total participation of almost 300 European Human Resource professionals. As employee engagement is widely considered as a possible significant driver of business results, increasing attention has been paid to those human resource and engagement practices that may contribute to effective engagement management and consequently, improved organisational performance. Main objectives of the research were to reveal the acknowledgement of the employee engagement concept in the European region, to explore the variety of human resource and engagement practices being applied by European organisations and to investigate their relationship with certain employee aspects such as employee morale and engagement as well as organisations' talent attraction and retention ability.

Keywords: employee engagement, European HR, human resources practices

JEL Codes: J24, J28, M12, M54

Dolgozói elkötelezettség és humán erőforrás gyakorlatok Európában

Jelen tanulmány betekintést mutat a "European Employee Engagement Survey" (Európai Dolgozói Elkötelezettség Felmérés) eredményeibe, melyet a Stamford Global megbízásából 2010-ben és 2012-ben végeztünk el, összesen közel 300 európai emberi erőforrás szakember részvételével. Mivel a dolgozói elkötelezettségre széles körben tekintenek az üzleti eredmények egyik lehetséges és jelentős mozgatórugójaként, ezért egyre nagyobb figyelem irányul azon emberi erőforrás és elkötelezettség gyakorlatokra, melyek hozzájárulhatnak a hatékony elkötelezettség menedzsmenthez, továbbá a szervezeti teljesítmény növeléséhez. A kutatás fő célkitűzése az volt, hogy felmérjük mennyire elfogadott a dolgozói elkötelezettség koncepciója az európai régióban, feltárjuk mely emberi erőforrás és elkötelezettség gyakorlatokat alkalmazzák az európai szervezetek, továbbá, hogy megvizsgáljuk, hogy ezen gyakorlatok milyen kapcsolatot mutatnak bizonyos dolgozói aspektusokkal, mint a dolgozói morál és elkötelezettség, továbbá a szervezetek tehetség vonzó és megtartó képessége.

Kulcsszavak: dolgozói elkötelezettség, Európai HR, emberi erőforrás gyakorlatok

JEL kódok: J24, J28, M12, M54

¹ This paper is based on 'Employee Engagement, Theory and Practice' (Kassim, 2012) presented at the Economic Section of the 31st National Scientific Students' Associations Conference where it was awarded First Place in the Session of Human Resource Management. The study was prepared under the supervision of Levente Komor associate professor to whom the author would like to render her acknowledgement for the remarkable support and continuous consultation throughout the development of the study.

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Introduction

Whilst employee engagement has a wide selection of different interpretations in the literature (e.g. Csíkszentmihályi, 1975; Kahn, 1990; Meyer and Allen, 1991; Maslach and Leiter, 1997; Rothbard, 2001; Dvir et al., 2002; Harter et al., 2002; Colbert et al., 2004; Robinson et al., 2004; Schaufeli and Bakker, 2004; Saks, 2006; Towers Perrin, 2008; Macey and Schneider, 2008; MacLeod and Clarke, 2009; Gallup, 2010; CIPD, 2012; etc.), most approaches consider engaged employees to be psychologically attached to their job and/or organisation with strong intrinsic motivation to achievement. Consequently, there is a general accordance that – at an individual level – engaged employees outperform their less engaged counterparts, while – at an organisational level – an engaged workforce drives outstanding business results (e.g. Kular et al., 2008; Gallup, 2010; Spreitzer and Porath, 2012). Accordingly, we assumed that employee engagement has been gaining increasing attention across organisations as a possible way to improve business performance.

Numerous researches intended to explore various drivers of engagement contributing to the development of effective human resource (HR) and engagement management practices that organisations may apply in order to increase employee engagement and consequently, business performance. Academic researches (e.g. Organ and Greene, 1974; Crant, 2000; Nakamura and Csíkszentmihályi, 2002; Xanthopoulou et al., 2007; Bakker et al., 2008; Macey and Schneider, 2008; etc.) rather tend to reveal those individual attributes (e.g. pro-activity, optimism, self-esteem, self-efficacy, psychological empowerment, internal locus of control, autotelic personality, positive affectivity, etc.) that may predict higher individual engagement levels, while practitioner researches (e.g. Buckingham and Coffman, 1999; Towers Perrin, 2003; Corporate Leadership Council, 2004; Robinson et al., 2004; Gallup, 2010; CIPD, 2011; etc.) rather focus on exploring those environmental factors (e.g. job structure, quality of leadership and management, employee relations, communications, organisational culture, HR practices, etc.) that are under the influence of organisations.

Main objective of our bi-annual Europe-wide research – with the total participation of almost 300 European HR professionals – was to investigate those HR and engagement practices that had been applied across Europe and to reveal their possible effect on certain employee aspects, such as employee morale and engagement as well as organisation's ability to attract and retain talent.

The 'European Employee Engagement Survey' research³

Background of the research

The 'European Employee Engagement Survey' was rolled out in 2010 and 2012 on behalf of Stamford Global⁴ – an international B2B⁵ conference organiser company based in Hungary –, which focuses its business activities on the European region with a strong intention to create a platform for cutting-edge knowledge transfer within the region. Participants of the research were clients of Stamford Global and members of the HCM⁶ Excellence Network⁷, an on-line group of international HR professionals on LinkedIn⁸ created and moderated by Stamford Global.

³ Due to range restrictions introduction of research results is not comprehensive. For more information, please, contact the authors directly or see Kassim, 2012.

⁴ www.stamfordglobal.com

⁵ Business to Business

⁶ Human Capital Management

⁷ http://www.linkedin.com/groups/HCM-Excellence-HR-Professionals-Network-1850502?home=&gid=1850502&trk=anet_ug_hm

⁸ LinkedIn is a website for professional networking, www.linkedin.com

In 2010 149, while in 2012 127 European HR professionals participated in the research by completing and submitting the research questionnaire through an on-line survey tool (SurveyMonkey®⁹).

Objectives of the research

Our main intention with the research was to map a comprehensive picture about the state of employee engagement in Europe.

- We were keen on investigating
 - whether the concept of employee engagement had become widely acknowledged across Europe,
 - how important employee engagement was within organisations across Europe,
 - how deliberately it was managed and
 - what HR and engagement practices had been applied by the participating organisations.
- We also explored European HR professionals' perceptions about the change of
 - business context and
 - certain employee aspects (such as employee morale and engagement and their organisation's talent attraction and retention ability) during the downturn (2008-2010) and in the recovery period (2010-2012).
- Furthermore, we analysed the possible effects of different HR and engagement practices on the mentioned employee aspects.

Demographics of research participants

In 2010 94%, while in 2012 88% of respondents were HR (Senior) Vice Presidents, HR Directors, HR Managers or HR Business Partners. Rest of respondents were HR Executives or HR Consultants.

In both years the Central and Eastern European (CEE) region was the most represented (by 50% of respondents in 2010 and 41% in 2012). In 2010 35% of respondents were coming from the UK or Ireland. In 2012 the distribution of regions out of CEE were more balanced.

Respondents were representing a wide variety of different industries. Most represented industries in 2010 were the sectors of financial services (11%) and fast moving consumer goods (10%), while in 2012 professional services (13%), manufacturing (11%) and information technology (10%).

In 2010 55% of organisations employed less than 1,000 employees, while in 2012 49% of respondents represented large organisations employing more than 15,000 employees, while the ratio of micro-, small- and medium-sized enterprises was 19%.

Importance of employee engagement in Europe

In 2010 98%, while in 2012 100% of responding European HR professionals declared their agreement that 'improved employee engagement has a direct and positive effect on the organisation's better business performance'. In the light of these results it is not surprising that employee engagement was considered to be a 'top priority' or 'very important' in majority of represented organisations (79% in 2010 and 81% in 2012). In both years, roughly two thirds of respondents (65% in 2010 and 68% in 2012) reported to have a 'clearly defined employee engagement strategy' or a 'somewhat defined employee engagement strategy'. Moreover, in 2012 72% of these strategies were clearly linked to business results.

⁹ www.surveymonkey.com

These results – according to our pre-assumptions – may let us conclude that employee engagement has become a widely accepted concept among European HR professionals participating in the current research. Engagement was considered as an *important driver* of business results, which may explain that not only high importance was allocated to development of *engagement strategies*, but efforts were also expressed to make *clear link* between engagement measures and *business performance*. Although, in general, it is not questioned that investments in developing HR practices contribute to an increased level of engagement, which may predict higher profitability, *Ulrich and Smallwood (2005)* emphasise the importance of clearly measuring return on investments. The findings of the current research support the observation of a positive change into this suggested direction.

Engagement and HR practices in Europe

Following section of our research intended to explore those engagement and HR practices that had been applied by the represented organisations.

The research revealed that while a decreasing ratio of respondents (from 37% in 2010 down to 26% in 2012) had conducted employee satisfaction surveys, an increasing ratio of respondents (from 19% in 2010 up to 28% in 2012) reported to had conducted employee engagement surveys. At the same time in 32% of represented organisations in 2010 and in 28% in 2012 both *satisfaction and engagement surveys* were conducted.

Each year more than half of HR professionals reported to had *shared all the survey results* with their employees (55% in 2010 and 54% in 2012), while in 38% of represented organisations (both years) some of the information had been kept in confidence. Rest of respondents admitted that their employees had not received feedback about the results of the surveys at all.

In the majority of represented organisations (91% in 2010 and 90% in 2012) *employee surveys were followed up and action plans were developed*. Only minority of HR professionals (4% in 2010 and 5% in 2012) reported that their employees had been given full freedom in developing and implementing action plans in response to the employee survey results. In most organisations (87% in 2010 and 85% in 2012) management kept involved in the follow-ups.

From a pre-defined list of *HR practices*, participants could indicate those that had been applied within their organisations on a regular basis. Table 1 illustrates the ratio of respondents who indicated the use of referred HR practice on a regular basis.

As shown in Table 1 the most prevalent HR practices in 2010 and 2012 were regular performance reviews and training and development programs as 85-89% of respondents indicated that their organisations had applied these practices on a regular basis. Leadership development programs, behavioral interviews in recruitment process and identification of talent pool were also used in a growing ratio of represented organisations. Satisfaction surveys have somewhat lost from their popularity in the favor of engagement surveys as a growing ratio of HR professionals reported to had conducted engagement surveys, while satisfaction surveys had been used in a decreasing ratio of represented organisations. Succession planning, coaching, on-boarding (induction) programs, career planning and competitive remuneration were also reported to had been used by a lower ratio of HR professionals, however can still be considered as widespread as had been practiced in 45-60% of represented organisations. On the other hand 360 degree evaluation, employer branding and overall competency models have gained popularity over the last 2 years among respondents' organisations. A growing ratio of organisations paid more attention to work-life balance and participated in 'Best Employer' and 'Family Friendly Employer' surveys as well as provided more individually customised incentives to their employees, however there is still

room for further development on these areas as majority of HR professionals did not indicate these practices as used on a regular basis.

Table 1: HR practices indicated as used on a regular basis

Applied HR practices	2010	2012
<i>Regular performance reviews</i>	89%	89%
<i>Training and development programmes</i>	87%	85%
<i>Leadership development programmes</i>	66%	77%
<i>Employee Engagement surveys</i>	59%	62%
<i>Behavioural interviews in recruitment process</i>	59%	62%
<i>Succession planning</i>	61%	60%
<i>Identifying talent pool</i>	55%	59%
<i>Flexible work arrangements</i>	n.d.*	58%
<i>Coaching</i>	62%	58%
<i>On-boarding / induction programmes</i>	71%	57%
<i>360 degree evaluation</i>	49%	57%
<i>Employer branding</i>	39%	53%
<i>Talent management programmes</i>	n.d.*	52%
<i>Overall competency model</i>	49%	51%
<i>Employee Satisfaction surveys</i>	63%	50%
<i>Career planning</i>	50%	47%
<i>Competitive remuneration</i>	55%	45%
<i>Mentoring</i>	n.d.*	43%
<i>Social media</i>	n.d.*	43%
<i>Management trainee programmes</i>	47%	37%
<i>Assessment Centres (AC) in recruitment process</i>	37%	36%
<i>Participating in 'Best Employer' surveys</i>	29%	34%
<i>Work-life balance programmes</i>	28%	34%
<i>CSR programmes</i>	36%	33%
<i>Development Centres (DC)</i>	25%	23%
<i>Individually customised incentives</i>	17%	22%
<i>Individualised job design</i>	20%	17%
<i>Interim managers</i>	n.d.*	11%
<i>Participating in 'Family Friendly Employer' surveys</i>	7%	8%
Total	100%	100%

Ratio is in proportion to the total number of respondents of the present question in the corresponding year
Percentages may not total 100 due to rounding.

* No data

Source: Own data

On the basis of occurrence frequency within the sample each HR practice was standardised.¹⁰ More frequent HR practices were taken into account with lower weights, while higher weights were allocated to less frequent HR practices. By summing up the standardised values of each HR practice that was indicated as had been applied an 'HR Practices Index' was developed and assigned to each represented organisation. The higher an organisation's 'HR Practices Index' is the more progressive the organisation may be considered based on the variety and nature of HR practices being applied on a regular basis.

The business context and employee aspects in Europe

In this section of our research we intended to explore what were the perceptions of responding European HR professionals about the change of business context and certain employee aspects during the downturn and the recovery period. Participants were asked the questions shown in Table 2.

¹⁰ Multiple variable statistical analyses were conducted by SPSS (Statistical Package for the Social Sciences) software.

Table 2: Business context and employee aspects

	How has your business changed?	How has employee morale changed?	How has the engagement level of your employees changed?	How has your ability changed in attracting talent?	How has your ability changed in retaining talent?
2010					
<i>Significantly worse</i>	16%	5%	3%	0%	1%
<i>Somewhat worse</i>	54%	41%	33%	9%	16%
<i>Remained the same</i>	20%	30%	34%	55%	43%
<i>Somewhat better</i>	9%	21%	23%	30%	30%
<i>Significantly better</i>	2%	4%	8%	6%	10%
Total	100%	100%	100%	100%	100%
2012					
<i>Significantly worse</i>	10%	9%	6%	2%	1%
<i>Somewhat worse</i>	35%	38%	32%	20%	28%
<i>Remained the same</i>	9%	30%	31%	36%	38%
<i>Somewhat better</i>	28%	20%	27%	32%	27%
<i>Significantly better</i>	18%	3%	4%	9%	6%
Total	100%	100%	100%	100%	100%

Percentages may not total 100 due to rounding.

Source: Own data

In 2010 questions were referring to the period of downturn (e.g. 'How has your business changed during the downturn?'), while in 2012 questions were referring to the last 2 years (e.g. 'How has your business changed in the last 2 years?').

As Table 2 illustrates, in 2010 only 11% of respondents considered their business as 'somewhat better' or 'significantly better', while in 2012 already 46% of participants reported the same. Meanwhile, in 2010 70% of participants considered their business as 'somewhat worse' or 'significantly worse', while in 2012 only 45% claimed the same. We can conclude that according to the perceptions of responding HR professionals the business context has changed positively from 2010 to 2012.

Answers to the remaining four questions were submitted to principal component analyses (PCA). Since the original variables were measured on a five-point Likert scale, while PCA can be conducted only on variables measured on a ratio scale or alternatively dichotomous variables (*Sajtos and Mitev, 2007; Székelyi and Barna, 2008*) answers were re-coded into dichotomous variables, where 'significantly worse' and 'somewhat worse' answers were coded as '0' and 'remained the same', 'somewhat better' and 'significantly better' responses were coded as '1'.

As shown in Table 3 the KMO measures are both above the 0.5 required limit (*Sajtos and Mitev, 2007; Székelyi and Barna, 2008*), therefore, the new principal components are appropriate to represent the original variables. This is reinforced by the Bartlett-tests, where level of significance were both below the 0.05 required limit (*Sajtos and Mitev, 2007; Székelyi and Barna, 2008*). Henceforth, the constructed principal components will be referred to as '*Employee Aspects*'.

Table 3: KMO and Bartlett's Test

KMO and Bartlett's Test		2010	2012
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.581	.700
Bartlett's Test of Sphericity	Approx. Chi-Square	101.006	172.276
	df	3	6
	Sig.	.000	.000

Source: Own data

As Table 4 illustrates the 'Employee Aspects' principal component included talent retention ability, employee morale and employee engagement in 2010, while in 2012 also talent attraction ability. From Table 2 we can observe that ability to attract talent showed a somewhat different pattern than the other three components. Explanation may be that during the highly uncertain circumstances of downturn people may have been more insistent to their jobs, which may have resulted in respondents' perception of a somewhat or significantly better talent retention ability. In the meantime ability to attract talent could also be perceived as somewhat or significantly better due to the increasing labour supply as a result of the outstanding number of layoffs many organisations were forced to conduct during the downturn. As we could see from the responses of European HR professionals the business context was perceived as having improved from 2010 to 2012, which may explain that a growing ratio of respondents perceived their ability to retain talent somewhat or significantly worse comparing to the retrospective period.

Table 4: Component matrices

Component Matrix 2010		Component Matrix 2012	
	Component		Component
	1		1
Talent retention	.636	Employee attraction	.747
Employee morale	.859	Talent retention	.806
Employee engagement	.901	Employee morale	.895
		Employee engagement	.805

Extraction Method: Principal Component Analysis.

* 1 component extracted.

Source: Own data

The 'Employee Aspects 2010' principal component included 65.1% of information content of the original variables, while 'Employee Aspects 2012' included 66.4% (Table 5).

Table 5: Total variance explained

Total variance explained 2010						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.954	65.128	65.128	1.954	65.128	65.128
2	.763	25.427	90.556			
3	.283	9.444	100.00			
Total variance explained 2012						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.658	66.438	66.438	2.658	66.438	66.438
2	.757	18.937	85.375			
3	.390	9.743	95.118			
4	.195	4.882	100.00			

Extraction Method: Principal Component Analysis

Source: Own data

An 'Employee Aspects' score was generated and assigned to each respondent in both years. The higher the 'Employee Aspects' score is the higher degree of increase in employee morale and engagement as well as a higher increase in the level of ability to retain (and in 2012 also to attract) talent was reported based on the perceptions of responding European HR professionals.

Relationship between the 'HR practices Index' and 'Employee Aspects'

Our assumption was that the more various and progressive HR practices an organisation has the more likely we can anticipate a higher level of employee morale and engagement as well as a better talent attraction and retention ability. This notion is widely supported by academic literature (e.g. *Koncz, 2004; Karoliny and Poór, 2010; Fehér, 2011; Komor, 2011; etc.*). Therefore our first hypothesis was:

Hypothesis 1: *'HR Practices Index' and 'Employee Aspects' are positively related to each other.*

In order to test this hypothesis we conducted correlation analyses between the two variables. As shown in Table 6 even though correlation was found to be significant at a 5% significance level, Pearson correlation coefficients were only 0.225 in 2010 and 0.220 in 2012, which refers to a fairly weak relationship (*Sajtos and Mitev, 2007; Székelyi and Barna, 2008*).

Table 6: Correlations between 'HR Practices Index' and 'Employee Aspects'

Correlations							
2010		PC Employee Aspects 2010	Stand HR Practices Index 2010	2012		PC Employee Aspects 2012	Stand HR Practices Index 2012
PC Employee Aspects 2010	Pearson Correlation Sig. (2-tailed) N	1 120	,225* .013 120	PC Employee Aspects 2012	Pearson Correlation Sig. (2-tailed) N	1 95	,220* .032 95
Stand HR Practices Index 2010	Pearson Correlation Sig. (2-tailed) N	,225* .013 120	1 149	Stand HR Practices Index 2012	Pearson Correlation Sig. (2-tailed) N	,220* .032 95	1 127

* Correlation is significant at the 0.05 level (2-tailed).

Source: Own data

Thus, we can accept Hypothesis 1 and can conclude that the operation of more various and progressive HR practices within an organisation may contribute to a higher level of employee morale and engagement as well as a better ability to attract and retain talent, however, this relationship was not proved to be strong. We assume that the quality of way certain HR practices are being applied may also have a notable effect on 'Employee Aspects'. For instance, an organisation may have the most cutting-edge performance management system in place if managers are not skilled in providing clear, objective and constructive feedback to their subordinates than it may rather disengage than engage employees.

Relationship between engagement practices and 'Employee Aspects'

We also aimed to explore whether certain engagement practices contribute to a higher level of employee morale and engagement as well as a better talent attraction and retention ability. Our assumptions are summarised in the following hypotheses:

Hypothesis 2: *Importance of employee engagement within the organisation is positively related to 'Employee Aspects'.*

Hypothesis 3: *Having a clearly defined employee engagement strategy is positively related to 'Employee Aspects'.*

Hypothesis 4: *Measuring employee engagement is positively related to 'Employee Aspects'.*

Hypothesis 5: *Conducting employee surveys is positively related to 'Employee Aspects'.*

Hypothesis 6: *Sharing the survey results with employees is positively related to 'Employee Aspects'.*

Hypothesis 7: *Involvement of employees in the development of action plans as a follow-up on employee surveys is positively related to 'Employee Aspects'.*

Since engagement practices were not measured on a ratio scale we could not conduct correlation analyses between the mentioned engagement practices and 'Employee Aspects'. Hence, analysis of variance was chosen to test the above hypotheses (results are shown in Table 7). If the significance value (Sig.) is below 0.05 that indicates a significant relationship between the examined factors however does not say anything about the strength of the relationship. If the relationship is significant than the 'Eta Squared' value shows the percentage of variance in the heterogeneity of the dependent factor (i.e. 'Employee Aspects') explained by the independent factor (i.e. engagement practices) (*Sajtos and Mitev, 2007; Székelyi and Barna, 2008*).

Table 7: Analyses of variance

<i>Engagement practices (or approach to engagement)</i>	'Employee Aspects'			
	2010		2012	
	Sig.	Eta Squared	Sig.	Eta Squared
<i>Importance of employee engagement</i>	0.023	0.062	0.001	0.177
<i>Having a defined engagement strategy</i>	0.000	0.144	0.008	0.144
<i>Measurement of engagement</i>	0.029	0.059	0.031	0.095
<i>Conducting employee surveys</i>	0.346		0.734	
<i>Sharing results of surveys</i>	0.771		0.753	
<i>Employee involvement in follow-ups</i>	0.560		0.235	

Source: Own data

As Table 7 illustrates, importance of employee engagement, having a defined engagement strategy and measurement of engagement were found to be in a significant relationship with 'Employee Aspects', while – interestingly – this was not true for conducting employee surveys, sharing results of the surveys with employees or involving them in the development of action plans as a follow-up on employee surveys. Hence, Hypotheses 2-4 can be accepted, while Hypotheses 5-7 must be rejected based on the current research sample.

It is generally agreed in the academic (e.g. *Koncz, 2004; Karoliny and Poór, 2010; Fehér, 2011, etc.*) and practitioner literature (e.g. *Towers Perrin, 2008; Gallup, 2010; CIPD, 2012, etc.*) that providing opportunities for employees to voice their opinions or give feedback, maintaining honest communication with them and involving them in decision-making contribute to a higher level of overall employee engagement. The reason behind our

contradictory results may lie in the quality of applied HR practices. Based on the current research we do not know whether employees of the represented organisations were indeed asked with the right survey questions, whether they really perceived the results as sincere and straightforward or whether they were really provided the opportunity to contribute to action plan development in a truly meaningful way.

Relationship between the business context and 'Employee Aspects'

Finally, we also assumed that organisations operating in a more desirable business environment may have a higher level of employee morale and engagement and a better talent attraction and retention ability. This is articulated in the following hypothesis:

Hypothesis 8: *Perceptions about the change of business context are positively related to 'Employee Aspects'.*

The above hypothesis was also tested by analyses of variance. Significance values were '0.000' in both years which allows us to accept Hypothesis 8 and conclude that the better the perceptions of responding HR professionals were about the business context of their organisation the higher level of employee morale and engagement as well as a better talent attraction and retention ability was reported. This research finding supports a possible converse causality approach between employee attitudes and performance, introduced by *Lawler and Porter (1967)* and reinforced by *Schneider et al. (2003)*. Contradictory to the conventionally accepted notions they argued that it was not inevitable that positive employee attitudes contribute to improved organisational results, but successful organisations may have a better ability to make their employees positively attached to their organisation.

Limitations of the research

The 'European Employee Engagement Survey' provided an interesting insight into the variety of HR and engagement practices being applied within the European region. Furthermore, it analysed the relationship of these practices with not only employee engagement, but also employee morale and organisations' talent attraction and retention ability. However, we must acknowledge that the research has its limitations as well.

First of all, due to the exiguous number of respondents the research sample cannot be considered representative. The sample neither reflects the real regional and industrial distribution of European organisations. Consequently, conclusions drawn based on the research findings may not be generalised for the whole European region.

Also, data collection was not objective, but was based on the perceptions of responding HR professionals. This may distort the results as perceptions are highly dependent on the idiosyncrasy of the individual (*Komor and Mihály, 2011*). For example, a research by *Human Synergistics International (2006)* found that the organisational culture was typically perceived much more positively by top management and HR managers than by employees.

Furthermore, the questions were constructed to investigate changes over a 2-year period. Therefore, collected data reflects a relative position compared to a previous situation providing no opportunity to inter-organisational comparisons from absolute perspectives.

Finally, although, the 'HR Practices Index' reflects the progressivity of HR practices being applied by an organisation, it suggests nothing about the quality of these practices. The way a certain HR tool is being put into practice may significantly influence engagement levels.

Summary and conclusions

Table 8 illustrates the summary of research findings.

The 'European Employee Engagement Survey' confirmed that the concept of employee engagement had become widely acknowledged among European HR professionals participating in the research. Almost all respondents declared that engagement was considered as a key driver of business results and got to attain a 'top priority' or 'very important' status within their organisation. Roughly two thirds of participants reported to have a 'clearly defined' or 'somewhat defined' engagement strategy, moreover in 2012 majority of these strategies were clearly linked to business results, which reflects a fairly deliberate approach to engagement management.

Table 8: Summary of research findings

Survey questions	2010	2012
Agrees that engagement has a positive and direct effect on business results	98%	100%
Engagement is a 'top priority' or 'very important'	78%	80%
Having a 'clearly defined' or 'somewhat defined' engagement strategy	65%	67%
Engagement strategy is linked to business results	n.d.*	72%
'HR Practices Index' is related to 'Employee Aspects'	r=22.5%	r=22%
	dependent factor	'Employee Aspects'
independent factors		
Importance of engagement		positively related
Having a defined engagement strategy		positively related
Measuring engagement		positively related
Conducting employee surveys		not related
Sharing results of surveys		not related
Employee involvement in follow-ups		not related
Business context		positively related

* No data

Source: Own data

The research provided an insight into those HR and engagement practices that have been applied by represented European organisations. We could see that certain HR practices – such as, for example, regular performance reviews or training and development programs – had been outstandingly prevalent, while others – such as, for example, participating in 'Family Friendly Employer Surveys', individually designed jobs or customised incentives – had just been unfolding. We could also see that satisfaction surveys had somewhat lost from their popularity in the favor of engagement surveys, which also confirms the sweep of the engagement concept. According to the research findings great majority of represented organisations conducted employee surveys, shared the results of the surveys with employees and involved them into action-plan development as a follow-up on the surveys.

In order to investigate deeper coherences multiple variable statistical analyses were conducted and a significant but fairly moderate relationship was revealed between the 'HR Practices Index' and 'Employee Aspects'. This may let us assume that investments into the development of various HR practices contribute to a positive, but moderate improvement in employee morale, engagement and organisations' talent attraction and retention ability. However, we believe that the quality of applied HR practices may also have a significant influence on the mentioned employee aspects and further research would be expedient in order to explore this possible impact mechanism.

Another finding of the research was that the better the perceptions of responding HR professionals were about the business context of their organisation the higher level of

employee morale and engagement as well as a better talent attraction and retention ability was reported. This result may let us raise an unconventional pose that query the traditionally presumed causality direction between employee attitudes and performance. While certain researches (e.g. Lawler and Porter, 1967; Schneider et al., 2003) already made attempts to investigate the converse relationship, further research would be beneficial to expand knowledge about the correspondence of employee attitudes and performance.

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