

FACTORS INFLUENCING ENGAGEMENT OF EMPLOYEES TOWARDS PHOENIX PULP AND PAPER PUBLIC CO., LTD.

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Abstract: *This study tried to explain the factors influencing employee engagement towards Phoenix Pulp and Paper Public Co.,Ltd., by using the mixed methodology. It started with a qualitative phase, which focus group was conducted based on an interview guideline with the respondents from different departments. In quantitative phase, questionnaires were administered as a research tool to 851 employees. Data collection was done in October-November, 2015. Qualitative data and quantitative data were analyzed by the content analysis and multiple regression analysis respectively.*

The study found that the employee engagement towards Phoenix Pulp and Paper Public Co.,Ltd., (With 6 dimensions: Clarity of Company Direction, Leadership R&R of Manager, Empowerment, Reward and Recognition, Career Development and Quality of Work Life) were influenced by 4 factors. An age of employees had negative influence, while perception of company policy, relationship with chiefs and attitude toward the company had a positive influence. It also found that the employee engagement towards the company can be explained by all variables in the model 40.6%.

Keywords: *Employee Engagement, Engagement Toward The Company, Influential Factors, Phoenix Pulp and Paper Public Co.,Ltd*

INTRODUCTION

Development in the northeastern part of Thailand has led to emerging of factories in the area. The Phoenix Pulp and Paper Public Co.,Ltd., one of the factories founded in 1980 in Nampong District, Khon Kaen commenced its commercial manufacturing to respond to the needs for paper pulp in 1984. Operating the paper manufacturing business under the Siam Cement Group, the factory has observed the occupational health, hygiene, and safety administration standards according to the law and has raised the standard to the Industry's 18001 / OHSAS 18001 level. The company always sees the importance of staff development in various forms to enhance work efficiency and team working. At the same time, the company builds understanding

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in participation and coordination, quality of life development, attitudes towards the company through promotion of activities that engage the employees towards the organization. Specifically when the Siam Cement Group Public Co., Ltd. took over the administration, many innovations have been applied in the administration to develop both the staff and the organization. One of the mechanisms implemented concretely in 2013 was team building and the study of employees' attitudes, which would result in guidelines for the development of relationship building between heads of jobs at all levels and their teams. This aimed at establishing the mechanism behind the work relationship (Ayuwat, D. and Narongchai W., 2013). The company also introduced the policy and SCG Engagement principle of the Siam Cement Group Public Co., Ltd. as the developmental framework for the company which could result in the change of employees engagement towards the organization. Employee engagement is considered the important drive that will lead the company to the success in manufacturing (Trussa, Shantzb, Soanec, Alfesd and Delbridge, 2013). Thus, it was important to study the factors influencing the engagement of the employees towards Phoenix Pulp and Paper Public Co., Ltd., which would be the bases for staff and organizational development in the future.

RESEARCH OBJECTIVE

To study the factors influencing the engagement of the employees towards Phoenix Pulp and Paper Public Co., Ltd.

RELEVANT CONCEPTS, THEORIES, AND RELATED RESEARCH WORK

This research reviewed related documents in 2 major areas, namely, employee engagement and SCG Engagement:

Employee Engagement: The Gallup Organization (2006) defined employee engagement as partnership between employees and the organization. Everyone works together towards the organizational goal. The individual needs of staff are also fulfilled with the organizational assistance and creative support under the emerging situations. This correlates with the definition by Tower Perrin (2003), who said employee engagement means employees participating in terms of emotion and feeling and in terms of reasons that relate to work and organization. It means the determination and capacity to dedicate oneself to the success of the organization. The determination includes both emotion and intellect that a person has for the organization (Richman, 2006). Hewitt Associates (2004) also defined employee engagement as the situation where each individual dedicates himself, emotion, feeling, and intellect towards the organization. Employees who are engaged to the organization act internally with an individual needs and determination towards the business outcomes of the organization. Likewise, the Institute for Employment Studies [IES] (2004) defined this as the positive attitude or values of the engaged employee who knows the working contexts that he or she does with the others to

increase the work outcomes and benefits of the organization. Thus, the organization has to raise the employee engagement through increasing relationships between the employer and employees. Engaged employees must be well motivated to work with good working behavior until organizational engagement arises. In short, employee engagement means the feeling of workers towards the organization manifested by useful acts towards the organization. Employees who are engaged are proud to be part of the organization, are satisfied with the work responsible for, want to stay with the organization, devote willingly to the organization, protect the fame and image of the organization, are aware of the organization's future, and have faith in the organizational aim and values, all of which result in other positive and supporting behaviors.

The factors behind engagement of employees, as investigated by Eichinger Ruyle & Meuse De (2009), included strategic management, confidence in the leader, relationships with administrators, kinship organizational culture, feelings and thoughts of employees, occupational characteristics, job condition, chances in occupational development, chances in self-development, employee perception, fairness of wages. The factors investigated by Ram and Prabhakar (2011) included workplace engagement of employees, which links to employees' perception, satisfaction of the job, and reward. In addition, it was found that interpersonal relationships of employees influence employee engagement whereas individual factors do not influence employee engagement (Kumar, D. Pradeep and Swetha, G., 2011).

SCG Engagement: Instilling the feeling of engagement in employees is one of the significant operations in any company. Carrying out one's duty, cooperation, participation in activities require the feeling of engagement of the employees. Siam Cement Group Public Co., Ltd. (SCG) thus established the SCG vision of organizational engagement for companies in the group to rely on as the direction in developing employee engagement. The vision comprises 6 components: (1) profound knowledge and true perspective of the company's direction, (2) working with a good leader, (3) complete demonstration of work outcomes, (4) capacity and potentiality, being rewarded and praised at the right time, (5) development opportunity and foreseeable future at SCG, and (6) having good working life at SCG (Siam Cement Group Public Co., Ltd., 2015). These components are in accordance with those of Hey Group Insight (2013).

In this research, the researcher applied the vision of SCG organizational engagement as the major element in developing the questionnaire and as the framework for data analysis in order to be in line with the company's context. The employee engagement was defined as the positive feeling of the Phoenix Pulp and Paper Public Co., Ltd. officers towards the company owing to job satisfaction, resulting in the employees' confidence in the target and values of the company and become determined, devoted and responsible for the assigned work. The

employees talk positively about the company to the customers, colleagues, family, or people around them. They are aware of the company's future and are in unity, have faith and trust, are proud to work with the company in the long run, and are ready to protect the reputation and benefit of the company.

The independent variables which should have an impact on the employee engagement of this company comprise the length of perception time of the company's policy, participation in the company's activities, relationship with the superior, relationship with colleagues, and employee's attitudes towards the company. Therefore, the research assumed that the said variables should have an influence on employee engagement.

RESEARCH METHODOLOGY

The Mixed Methods research design (Teddlie and Tashakkori, 2009) was conducted beginning from qualitative research in order to understand the real situations of employee engagement. This comprises 6 components based on SCG Engagement. The data was then applied in developing the questionnaire. Next, the quantitative research was performed in order to collect the perspective view that measured the level of employee engagement. The analytical unit was at the individual level. The research population consisted of 1,071 staff members of Phoenix Pulp and Paper Public Co., Ltd.

The instrument for collecting the qualitative data was the interview guideline used with 6 groups of department managers and 6 operating officers, totaling 70 persons and 12 groups. The issues in the interview included the 6 principle components of SCG Engagement (Siam Cement Group, Co. Ltd.): (1) profound knowledge and true perspective towards the company's direction, (2) working with a good leader, (3) complete demonstration of work outcomes, (4) capacity and potentiality, being rewarded and praised at the right time, (5) development opportunity and foreseeable future at SCG, and (6) having good working life at SCG. The quantitative data was collected by means of the questionnaire which was divided into 8 parts, namely, 3 questions on personal traits, 3 questions on working conditions, 5 items on perception from the company's communication on policy, 19 items on participation in activities, 19 questions on relationships between the employee and the superior, 17 questions on attitudes towards Phoenix Pulp and Paper Public Co., Ltd., and 19 questions on employee engagement towards Phoenix Pulp and Paper Public Co., Ltd. The final part involved recommendations on the engagement building process. The content validity of the questionnaires was investigated by the experts and high-level administrators of the company. Then the questionnaire was tried out with 30 employees. The reliability found was 0.93, validating the quality of the questionnaire and it could be used for collecting data.

The data was collected in October, 2015 from the employees in different departments. 851 employees (79.5%) answered the questionnaire since some employees had to work in shifts and were not able to answer the questions. The Uni-variate Analysis method was used with descriptive statistics and the Multi-variate Analysis to find the factors influencing the employee engagement at Phoenix Pulp and Paper Public Co., Ltd. Finally, the Multiple Regression Analysis was performed.

RESULTS AND DISCUSSION

The results can be discussed in 7 categories as follows: (1) major characteristics and working conditions, (2) participation in the company's activities, (3) perception of policy and fringe benefits, (4) relationships with the superior and colleagues, (5) employees' attitudes towards the company, (6) employee engagement towards the company, and (7) factors influencing employee engagement.

- 1) **Major characteristics** - Most of the employees were males (89.0%). The age level found at the highest percentage was over 40 years old (59.7%), while 40.3 percent were younger than 40 years. The oldest age was 58.0 years and the youngest was 19.0 years old. The employees in the oldest age group have been with the company since the first start. The youngest age group entered the company through screening process by the head quarter. Most of the employees (42.9%) completed their education at the advanced occupational or diploma level, followed by high school and bachelor's degree levels at 24.8 and 19.8 percent, respectively. Over 70.9 percent work at the operational level, followed by the superior level (27.9%). As high as 23.6 percent work in the pulping section and 23.4 percent in the maintenance section, whereas 19.9 percent work in the power plant. Half of the employees (50.5%) work in the following shifts: 07:00-15:00, 15:00-23:00, and 23:00-07:00 while 47.0 percent work full time from 08:00-17:00.
- 2) **Participation in the company's activities** - The majority of the staff (42.6%) participated in the company's activities at a medium level (scores: 8-13), followed by 33.1 percent who participated at a high level (scores: 14 and higher). It was noted that as high as 25.0 and 22.8 percent of the operation workers and superior-level staff, respectively, participated in the activities at a low level. Over 90.0 percent of the employees joined the annual health check-up and the New Year parties. A lower percentage (87.6%) joined the ethical dialogue on organizational development. It was also noted that only 39.6 percent participated in the company's monetary planning, which is open for everyone.

- 3) **Perception of policy and fringe benefits** – Most employees (90.5%) know the company's regulations, whereas 34.2 percent said that they were not clear about the company's values. This was because most of the employees whose educational level was not high work at the operating level and. Meanwhile, this reflects the weakness of the company in communicating its policy to all levels of employees.
- 4) **Relationships with the superior and colleagues** – It was found that the relationships between most employees with the superiors and with their colleagues were at a medium level (scores: 40-59) at 63.2 and 67.0 percent, respectively. It was noticed that over 17.4 percent had a low relationship level with the superior (scores: lower or equal to 39), whereas 24.5 percent showed a high relationship with their colleagues (scores: 60 and over).
- 5) **Employees' attitudes towards Phoenix Pulp and Paper Public Co., Ltd.** – Most employees have positive and relatively positive attitudes (53.3 and 43.1 percent, respectively) towards the company. In terms of economy, social, environment and good governance; the majority hold positive attitudes towards the company at 58.3, 45.6, 49.8 and 58.6 percent, respectively. Only 3.6 percent had relatively negative and negative attitudes. As far as social aspect is concerned, 9.0 percent hold negative and relatively negative attitudes towards the company.
- 6) **Employee engagement towards Phoenix Pulp and Paper Public Co., Ltd.** – The engagement of the employees towards the company was found at a medium level (57.0%) and a high level (40.9%), with the mean score of 149.2 (S.D.= 22.3). This is not considered high as the employees reported that internal communication was not adequately clear and they did not join many of the activities. They believe that company's support is important in building employee engagement (Singh, V. and Srivastava, Urmila R., 2015).
- 7) **The analysis of factors influencing employee engagement towards Phoenix Pulp and Paper Public Co.,Ltd.** – The factors was performed based on the Multi-variety Analysis and the Multiple Regression Analysis, in which independent and dependent variables must show the interval scales or the ratio scales as in Table 1. No pair of variables should correlate at a level higher than 0.75 in order to avoid the problem of multi-collinearity, which would lower the effectiveness of prediction from equations. The result of the analysis of correlation coefficient to test the correlation between pairs of variables involved revealed that all variables had the values of correlations between them not higher than 0.75 (Table 2). The next step was then performed on the Multiple Regression Analysis to test the assumption.

Table 1
Mean, Standard Deviation, Minimum and Maximum value of all characteristics of employee

<i>variables</i>	<i>Mean</i>	<i>S.D</i>	<i>Minimum</i>	<i>Maximum</i>
Current age	40.70	9.75	20.00	58.00
Perception of policy and fringe benefits	5.55	1.60	0.00	26.00
Participation in the company's activities	11.29	4.53	0.00	19.00
Relationships with the superior	50.38	11.81	19.00	76.00
Relationships with the colleagues	53.62	10.34	19.00	76.00
Attitudes of employees towards the company	57.68	7.32	24.00	68.00
Employee engagement towards the company	149.21	22.28	49.00	196.00

Table 2
Intercorrelations among variables

<i>Variables</i>	1	2	3	4	5	6	7
1	1.000						
2	0.062	1.000					
3	0.270	0.119**	1.000				
4	-0.120	0.157**	0.395**	01.000			
5	0.048	0.147**	0.354**	0.642**	1.000		
6	0.066	0.171**	0.236**	0.322**	0.331**	1.000	
7	-0.063	0.192**	0.243**	0.570**	0.483**	0.421**	1.000

Note: 1 = Current age
 2 = Perception of policy and fringe benefits
 3 = Participation in the company's activities
 4 = Relationships with the superior
 5 = Relationships with the colleagues
 6 = Attitudes of employees towards the company
 7 = Employee engagement towards the company

When all of the variables were tested under the Multiple Regression Analysis based on the Enter method, it was found that only some independent variables influenced the engagement of the employees of Phoenix Pulp and Paper Public Co., Ltd. The details are discussed below: (Table 3)

- 1) The age of employees has a negative influence on employee engagement towards Phoenix Pulp and Paper Public Co., Ltd. The multiple regression coefficient (b) was 0.328, denoting that when the employee age increases 1 year, the employee engagement parameter decreases 0.328 unit. This result disagrees with the study of Kumar, D. Pradeep and Swetha, G., (2011).
- 2) Perception of the company's policy has a positive influence on employee engagement towards Phoenix Pulp and Paper Public Co., Ltd. The multiple regression coefficient (b) was 1.251, showing that when the employees perception of the company's communication on its policy increases one

unit, their engagement increases 1.251 units. This agrees with the study by Ram and Prabhakar (2011) and Eichinger Ruyle and Meuse De (2009).

- 3) The relationship with the superior has a positive influence on the employee's engagement with Phoenix Pulp and Paper Public Co., Ltd. The multiple regression coefficient (b) was 0.862, meaning that when the relationship of employees with the superior increases one unit, the engagement increases 0.862 unit. This correlates to the study by Kumar, D. Pradeep and Swetha, G., (2011). It could result from the working conditions where most employees have been with the organization for a relatively long time, and hence they are close to the head of shifts and the superior in the working context. This has led to good employee engagement (Jenkins and Delbridge, 2013).
- 4) The attitudes of employees towards Phoenix Pulp and Paper Public Co., Ltd. has a positive influence on employee engagement with the multiple regression coefficient (b) of 0.725. When the attitude of employees towards the company increases 1 unit, the engagement also increases 0.725 unit. This agrees with the study of Kamalanabhan et al., (2009) who found that attitudes towards the organization influences employee engagement.

It should be noted that participation with the company's activities does not show any influence on employee engagement since the activities held mostly follow the national traditions.

When comparing the 4 variable influencing employee engagement towards Phoenix Pulp and Paper Public Co., Ltd., the standard multiple regression coefficient (Beta) shows that the factor receiving highest influence was relationship with the superior (Beta = -.455). The second highest was the employees' attitudes towards the company (Beta = 0.240), followed by the perception of the company's policy (Beta = 0.191) and the employee's age (Beta = -0.143). All of the independent variables analyzed explain the variation of employee engagement significantly at 0.01, at the percentage of 40.6 ($R^2 = 0.406$) (Table 3).

Table 3
Factors Influencing Engagement of Employees towards Phoenix Pulp and Paper Public Co.,Ltd.

<i>Variable</i>	<i>b</i>	<i>Beta</i>	<i>Sig.</i>	<i>Rank</i>
Current age	-0.328	-0.143	0.000	4
Perception of policy and fringe benefits	1.251	0.191	0.001	3
Participation in the company's activities	0.044	0.009	0.776	
Relationships with the superior	0.862	0.455	0.000	1
Relationships with the colleagues	0.102	0.047	0.272	
Attitudes of employees towards the company	0.725	0.240	0.000	2
constant	78.459			

$R^2 = 0.406$ $F = 86.974$ Sig. of $F = 0.000$

CONCLUSION AND RECOMMENDATION

The following conclusion can be drawn from the analysis: Relationship with the superior, attitudes of employees towards the company, perception of the company's policy through communication, and the employee age are influential on employee engagement towards Phoenix Pulp and Paper Public Co., Ltd. The following recommendations can be made from the findings: The company should place the importance on young workers who could be newly recruited because the age has a negative influence on employee engagement. Communication of policy should be improved so that the employees will have the fundamental understanding of the company. Meanwhile, relationships with the superior should be continuously enhanced while the employees' attitudes should be retained at the positive level since these are the major basis behind employee engagement.

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