DOI: 10.17747/2618-947X-2020-3-262-271



# Ensuring personnel involvement in companies' sustainable development

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# **ABSTRACT**

At the present stage of development of society and economy, there is a reassessment of values and guidelines in the field of management. The main resource for the life and development of the company is a person. Every company leader dreams of engaged employees, working harder and better, taking initiative, and high productivity. Engagement is a behavior in which the employee is fully emotionally and intellectually involved in a certain activity, wants to make additional effort. One of the key topics that a modern company leader is interested in is creating a special organizational environment in which people work consciously, look for ways to improve, put their knowledge at the service of the business and take on more responsibility. Therefore, it is very important to focus on the internal environment in which employees interact with each other.

The article examines the relationship between staff involvement and sustainable development of the company. Highly engaged companies have the best financial performance in their industry. The main sources of engagement at the moment are research by consulting companies and, to a lesser extent, practice-oriented publications. The paper analyzes the proposed approaches to increase employee engagement and proposes a comprehensive method for managing employee engagement. The purpose of the study is to determine the optimal approach to personnel engagement management.

The objectives of the research are reduced to the description of the method (PDCA), which includes a description of the approach for taking measurements, filling in the incoming questionnaire blocks, taking into account the current situation and the company's strategy, an algorithm for working with the results obtained and examples of practices to increase engagement.

The results of the study are the content of key blocks of assessment, analytical tools for assessing involvement, an algorithm for working with assessment results to make a decision to increase involvement.

# **KEYWORDS:**

business system, engagement, engagement assessment, engagement model.

# **FOR CITATION:**

Kolobov A.V., Igumnov E.M., Naumov D.N. (2020). Ensuring personnel involvement in companies' sustainable development. *Strategic Decisions and Risk Management*, 11(3), 262-271. DOI: 10.17747/2618-947X-2020-3-262-271.



In the current economic situation and the COVID-19 coronavirus pandemic, it is important for companies not only to function effectively, but also to develop sustainably in accordance with the requirements of the time in order to be competitive [Konovalova, 2014]. According to GOST R54598.1-2015 "Management of sustainable development" [Magura, 1998], the concept of sustainable development includes "development that meets the needs of the present time without compromising the ability of future generations to meet their needs. The expected result is continuous improvement of performance towards sustainable development". Sustainable development of an enterprise is ensured if management is based on principles consistent with its values. Involvement is one of the key values [Lanetsky, 2013].

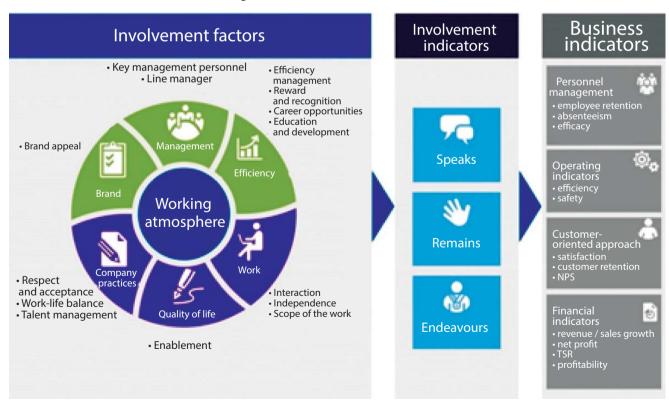
The results of numerous studies convincingly testify [Onuchin, 2012]: the level of staff involvement is one of the key factors in companies' performance and efficiency, as well as their high market adaptability and ability to successfully withstand the numerous challenges of the modern world. Staff involvement is one of the important HR trends of the 21st century, widely used in the business environment [Lanetsky, 2013].

Consolidated data of Aon Hewitt, Gallup International, Hay Group and Towers Watson<sup>1</sup> consulting companies provide compelling evidence of the direct impact of staff involvement on eventual financial results, as well as other critical business indicators of their companies. Thus, in comparison with the indicators of companies that have, according to the final index of staff involvement, a low level of involvement, companies with a high level of involvement demonstrated the following [Bryukhovetskaya, Chernaya, 2013; Masilova, Burtseva, 2016; Cheglakova, Kabalina, 2016; Alymova, 2019]:

- Return on equity is 22-43% higher;
- operating income is 17.5% higher (27.4 versus 9.9%)
- the level of customer satisfaction is 10% higher;
- labour efficiency is 18-21% higher;
- the number of promising applicants for each of the open vacancies is twice as large;
- unplanned staff turnover is 50-65% lower (depending on industry specifics);
- the level of spoilage in production is 41% lower;
- the number of accidents caused by violation of safety measures is 48% less.

Involvement theory looks at how a company can achieve its strategic goals by creating a workforce development environment in which every employee, manager, and leader will do their best for the good of the company. Aspects of this work are described by the Kincentric model (Figure 1)<sup>2</sup>, which includes organizational factors and the impact of involvement on business results, as well as results for staff, that is, directly on their involvement.

Figure 1. Kincentric involvement model



<sup>&</sup>lt;sup>1</sup> Kincentric (Aon Hewitt) staff involvement model. URL: https://axes.ru/articles/model-vovlechennosti-sotrudnikov-aon-hewitt/. Onuchin A. Studying involvement. URL: https://www.ecopsy.ru/insights/izuchenie-vovlecheniya/.

Kirillov L. Staff involvement as a factor in the company's success amid the crisis. URL: https://www.cfin.ru/anticrisis/methodical\_material/consultants/employee\_engagement.shtml.

<sup>&</sup>lt;sup>2</sup> Kincentric staff involvement model (Aon Hewitt). URL: https://axes.ru/articles/model-vovlechennosti-sotrudnikov-aon-hewitt/

In practice, this means that involvement is the combination of rational thinking, emotions, intentions and behaviour required to ensure optimal efficiency; three aspects are observed in behaviour: speaks, remains, and endeavours (Figure 2) [Gromova, 2018].

Thus, staff involvement is characterized by the inextricable unity of three main components.

- 1. Satisfaction with various aspects of their work in the company (its depth and diversity, the degree of independence and independence of implementation, the organization of work processes and procedures, the availability of resources necessary for the successful performance of work, the mode and conditions of work, the level of material compensation, the prospects for professional development and job growth, relationships with management and colleagues, etc.).
- 2. Loyalty is a positive attitude towards the company, employer and corporate brand, transmitted to others, as well as a focus on long-term work in the organization.
- 3. Excessive activity is the willingness to work not just inside and out within the framework of the performance of formal job duties, but the desire to show initiative aimed at improving existing work practices, finding new ways to solve assigned tasks, improving quality and reliability, minimizing costs, improving the level of customer service, systematically make additional efforts to achieve the highest possible performance,

exceeding the original expectations of customers, colleagues and management.

A study of six factors influencing the level of staff involvement in an organization is a frequent request from customers of consulting companies. Table 1 [Chulanova, Pripasaeva, 2016; Kolesnichenko et al., 2017] presents an analysis of the main methods for measuring involvement.

The author's study approach is based on the Aon Hewitt model. The authors propose a systematic approach to the study of involvement based on an algorithm consisting of five stages (Figure 3).

At the first step depending on the strategy of the company, a critical path for the success of the transformation is selected and thereby the content of the survey questionnaire is determined. At the same time, there are no specific plans in terms of numbers to increase involvement for the year; more important is a truthful picture of what culture is in the company, what improvements are and what areas require adjustments. Each year, the questionnaire can have a different number of questions that allow us to assess the level of staff involvement and satisfaction with factors that affect involvement, which are divided into at least six blocks:

- 1) people;
- 2) work;
- 3) career;
- 4) remuneration;
- 5) activities of the company;
- 6) the quality of life of the employee.

Figure 2. Three observable aspects of behaviour

# A person is involved when he/she

# SPEAKS REMAINS ENDEAVOURS The involved employee speaks positively about the company among colleagues, clients, and friends REMAINS ENDEAVOURS The involved employee feels motivated enough by the company to put extra effort into the job



Figure: 3. Scheme of work with measurements of involvement

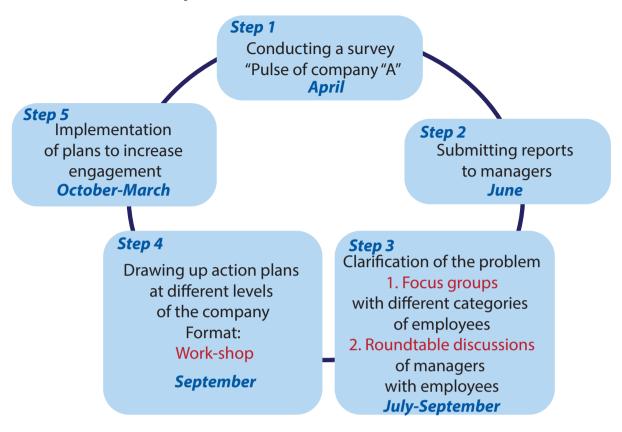


Figure 4. Example of filling in the block "Perception of the strategy"

In general, I understand the content of the new strategic priorities

I understand what I personally need to do differently to implement a new strategy

Our team has a high level of acceptance and support for the new strategy

# Perception of the strategy

I understand why I personally need to participate in the implementation of the company's new strategy

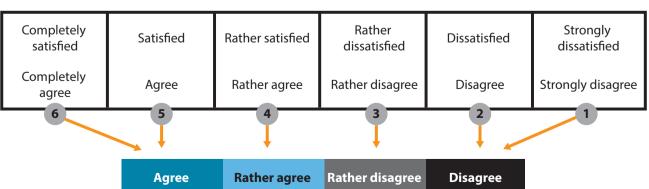


Figure 5. Example of a six-digit scale

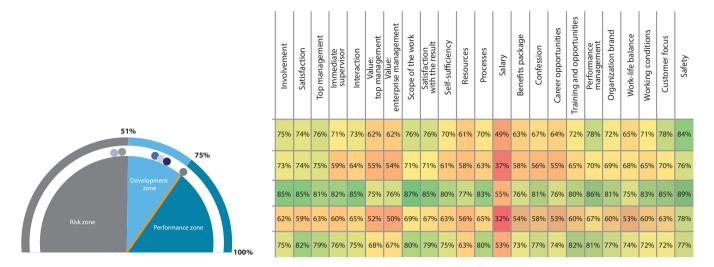


 $\label{eq:Table 1} \mbox{Table 1} \\ \mbox{Overview of the main methods for measuring involvement}$ 

Name	Study	Indicators		
Aon Hewitt model	Aon Hewitt Staff Involvement Study (1994)	The questionnaire includes about 70 questions that allow us to assess the level of staff involvement and satisfaction with 19 factors affecting involvement. These 19 factors are divided into 6 groups:  1) people; 2) work; 3) career; 4) remuneration; 5) activities of the company; 6) the quality of life of the employee		
The Gallup Q12	Gallup Inc. Study (1993–1998)	The questionnaire includes 12 questions that measure involvement through indicators of involvement, satisfaction, and enthusiasm. Fragment of the questionnaire: "Do you know what is expected of your job?" "Do you have a best friend at work (social support)?" "In the past 6 months, has anyone talked to you at work about your progress?" etc.		
Utrecht Work Engagement Scale	Schaufeli W.B., Salanova M., González-Romá V., Bakker A.B. The measurement of engagement and burnout: A two sample confirmatory factor analytic approach (2002)	The questionnaire includes 17 questions. The tool is designed to measure three components of involvement:  1) vigour ("At work I feel energized");  2) enthusiasm ("My work inspires me");  3) preoccupation with activity ("Time runs fast when I work")		
	Schaufeli W.B., Bakker A.B., Salanova M. The measurement of work engagement with a short questionnaire: A cross-national study (2006)	A short version of the 9-question methodology		
Oldenburg Burnout Inventory	Demerouti E., Bakker A.B. The oldenburg burnout inventory: A good alternative to measure burnout and engagement (2008)	Methodology of 16 questions, assessment in two directions: 1) exhaustion - energy ("There are days when I feel tired before I come to work"); - cynicism - enthusiasm ("This is the only type of work on which I can imagine myself")		
May, Gilson and Harter Methodology	May D.R., Gilson R.L., Harter L.M. The psychological conditions of meaningfulness, safety and availability and the engagement of the human spirit at work (2004)	The methodology is based on the work of V. Kahn and assesses three components of involvement: 1) cognitive ("In the process of work, I rarely get distracted by extraneous things"); 2) emotional ("My emotional state is highly dependent on how I do my work"); 3) physical ("I stay at work until I finish everything that needed to be done")		
A. Sachs Methodology	Saks A. Antecedents and consequences of employee engagement (2006)	The methodology is designed to measure two types of involvement: 1) involvement in work ("Sometimes I am so immersed in work that I lose the inner sense"); 2) organizational involvement ("Being part of an organization makes me feel "alive")		
Rich, Lepin and Crawford Methodology	Rich B., Lepine J., Crawford E. Job engagement: Antecedents and effects on job performance (2010)	The methodology was developed to measure involvement described by V. Kahn: 1) cognitive component ("At work, I am focused on completing my work tasks"); 2) emotional component ("I am proud of my work"); - behavioural component ("I make every effort to complete work tasks")		
Towers Watson Model (Exponential Involvement Model)	Towers Watson. The power of three: Taking engagement to new heights (2012)	The methodology that measures three factors:  1) attachment to the company, the desire to make additional efforts and achieve more;  2) an atmosphere that is conducive to productive work and contributes to the improvement of labour indicators;  3) individual working conditions: working environment, social conditions and the emotional climate in the team.  Based on the model, 21 drivers of involvement are proposed		



Figure: 6. Options for presenting involvement measurements



In 2018, Company A included 80 questions in the inquiry with the addition of two blocks: "problems that hinder personal efficiency" and "inclusive leadership", and in 2019 - 65. Questions the answers to which were obvious, socially desirable or have been consistently at a very high level for several years were deleted. 13 questions and two new blocks were added: "Perception of the strategy" and "Questions affecting the implementation of the strategy" [Rusin, Goryainova, 2018].

A six-digit scale is used to assess employee opinion.

At the second step, based on the heart rate results, managers receive the following measurements [Skriptunova, 2010; Abrosimova, Sviridova, 2016]:

- 1) the dynamics of the company in comparison with the previous year and in relation to competitors;
- 2) factors of involvement by production;
- 3) factors of involvement by divisions within production. All answers can be divided into four groups [Gvozdeva, 2014]:

Figure 7. Algorithm for working with research results

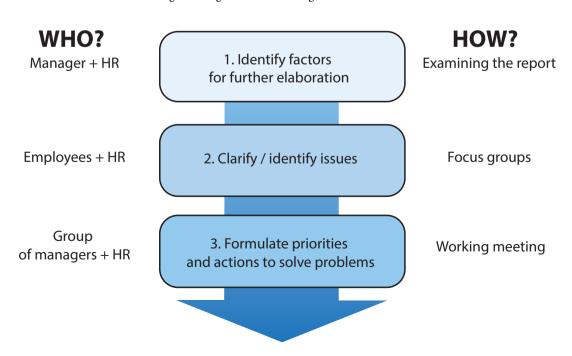




Table 2 An example of the program of activities to improve the level of involvement

Activity	Actions		
Work out the options for the personnel motivation system (options for progressive bonuses)	Implementation of a progressive bonus system at the roll production and stamping areas  Expand the production competition at two sites.  The deployment of the production competition in other sections of the workshop is being considered		
Reveal potential and conduct selection to the personnel reserve for the position of master	The Head of the workshop personally conducted one-on-one conversations with workers in order to identify problems at the sites, in relationships in the team and development prospects (according to the schedule, two people a day)		
3. Organize a system of non-material incentives for employees	A board of honour of the workshop was organized, certificates of entry on the board are handed out at work meetings  The sports hall was repaired, sports competitions are held among the sites  Corporate souvenirs and cups have been ordered and awarded to the winners of the competition and distinguished employees  When awarding the best at the sites, the Head of the workshop personally focuses on each employee		
Carry out measures to improve lighting in the production building and sanitary conditions	Replacement of luminaires with more modern ones is made The glazing of the building is being replaced Renovation of the dining room is made Renovation of the meeting room is in progress Overhaul in shower rooms is in progress		
5. Communication	The Head of the workshop personally brings all the information to the workers at work meetings  Guided tours of the production facility for retired former shop workers  Personal example of a head (positive management in deeds, not in words, leadership development (heart-to-heart dialogues, not only in the allotted time for a "dialogue about goals"), trust and frankness in work, personal involvement and involvement of colleagues, explaining the reasons why it is necessary make changes)  Attention to employee issues.		

- "agree/satisfied" (options 5 and 6) employees with a pronounced positive attitude towards the area under discussion;
- "rather agree" (option 4) employees who are not completely satisfied with the area under discussion, but rather satisfied with it;
- "rather disagree" (option 3) employees who are not completely satisfied with the area under discussion, but rather dissatisfied with it;
- "disagree/dissatisfied employees" (options 1 and 2) employees with a pronounced negative attitude towards the area under discussion.

Managers should pay attention to the criteria for analysing the following factors.

- 1. Focus of attention:
  - dynamics of the factor value (+/-);
  - deviation of the factor from the benchmark;
  - analysis of the factor's influence on the growth of involvement;
  - the significance of the factor for the company;
  - absolute value of the factor;
  - results of analysis of open questions;
  - objective information.



- 2. 2. Categories of employees:
  - subdivision, work-shop, small team;
  - position;
  - · degree.

At the third step, the authors invite everyone to analyse the research results in accordance with an algorithm consisting of three steps.

First, you need to decide how much you are satisfied with the involvement indicators, as an option - based on a comparison with the selected internal benchmarks. If the results are satisfactory, then it is necessary to support them, and if they are not satisfactory, then to raise them. For strengths, it is necessary to identify the factors that are rated the highest and the factors that showed the greatest growth compared to last year. To identify areas for development, it is necessary to pay attention to the intersection and factors with the lowest rates and the largest drop compared to last year. Further, the priority factors for work are determined, taking into account the development zone and the zone of influence.

Focus groups, a qualitative method of collecting sociological information in homogeneous groups, with a focus of discussion, help to determine the problems. Focus groups are held in free form according to a previously developed scenario aimed to:

- determine the attitude of the participants to a specific problem;
- get information about the personal experience of participants on the topic;
- get information about perception;
- identify the object of research by the participants.

Focus groups can cover all participants in the process, for example, workers, foremen and specialists, or they can have more detailed detailing - repairmen, workers technologists, foremen - repairmen, foremen - technologists. The optimal number of focus group participants is 6-12 people. The selection criteria for participants depend on the goals of a particular research and can take into account socio-demographic characteristics: gender, age, education, income level, industrial profession, length of service at the enterprise. It is necessary to form a group from among those categories of employees who rated the factors identified for research the worst, or those where the overall level of involvement is low. You cannot force people to participate in the work of the group without their desire. The group should be as homogeneous as possible. In no case should a manager and his subordinates, friends or enemies, an informal leader and his "team", extremely positive/negative employees, as well as those who plan to leave the company be included in

one group. The questions asked to the participants must be clear and unambiguous (direct), the participants must be able to answer them (i.e. must have real personal experience). Questions are formulated in the language of the focus group participants, do not include terms and abbreviations (or they are explained). It is useful to write the questions to a flip chart and display them on the screen.

At the fourth step, corrective action plans are developed in subdivisions at the level of direct managers, their approval for top-7 and top-100 managers and the defence of corrective action plans for the division/enterprises with an indication of the timing and responsible persons on the board of the company (Table 2).

At the fifth step, all planned activities are implemented with control over their implementation through regular reporting meetings of top managers.

The article discusses a comprehensive approach to increasing staff involvement and assesses its relationship with the sustainability of ongoing changes in the company. For this, the practical experience of a large company was studied, which since 2012 has been centrally dealing with the issue of involvement. The work reflects: where to start analysing the current level of involvement, taking into account internal and external factors, the procedure for analysing the results.

The results of applying the proposed approach allowed company "A" in 2016 to achieve the level of involvement of international metallurgical and mining companies in 63%.

Table 3 Analysis of the involvement of company "A" and its financial results

Indicator	2014	2015	2016
Study participants (% of total population / people)		59 / 29 756	70 / 34 252
Involvement rate (%)	49	60	68
EBITDA (RUB bln)	84.9	127.69	128.14

The methodology can be applied in any company that relies on changes and understands that the energy of inclusion of employees and their expert potential is a key factor in successful transformations.



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