



# The Loyalty of Employees in a Selected Company

## Master thesis

*Study programme:* N6208 – Economics and Management

*Study branch:* 6208T085 – Business Administration

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## Topic of Diploma Thesis

(project, work of art, art performance)

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### Elaboration Principles:

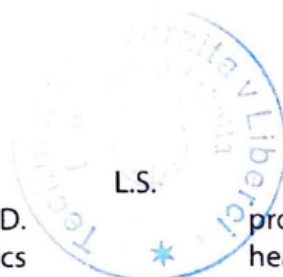
1. Setting objectives and formulation of research issues.
2. Theoretical and conceptual overview of loyalty, performance, retention and turnover.
3. Conducting an analysis of employee loyalty and retention.
4. Devising a proposal of the concept of employee loyalty and turnover.
5. Formulation of conclusions and research evaluation.

*References:*

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- PROQUEST. 2018. *Journal Article Database ProQuest* [online]. Ann Arbor, MI, USA: ProQuest. [cit. 2018-09-30]. Dostupné z: <http://knihovna.tul.cz/>

*Scope of Thesis:* at least 65 normal pages  
*Form of Thesis:* printed copy / electronic form  
*Assignment Date:* 1<sup>st</sup> October 2018  
*Submission Date:* 31<sup>st</sup> August 2020

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## ABSTRACT

“The loyalty of employees in a selected company”

In the era of globalization and liberalisation, employees are continuously proving to be competitive advantage for any organization they associate with being large or small. Therefore, an organization managed with competent employees can propel any business to greater heights by retaining valuable staff and developing employee loyalty. This research is aimed at proposing strategies and tools to aid in the minimization of employee disloyalty and turnover at DEX Innovation Centre. The research employed the use of the Computer Assisted Web Interview (CAWI), a research tool that involves the creation of a research questionnaire which is to be administered electronically to the respondents. The tool Google forms and Survey Monkey were also applied. Two surveys were created, an employee engagement survey and an exit questionnaire. The purpose of these questionnaires was to improve employee retention, workplace environment, increase employee satisfaction and provide a benchmark to ensure continued improvement in the company.

**Keywords:** *employee loyalty, motivation, retention, engagement and turnover.*

## ANOTACE

„Loajalita zaměstnanců ve vybraném podniku“

V době globalizace a liberalizace se stále více prosazuje role zaměstnanců jako konkurenční výhody pro malé i velké organizace, ve kterých působí. Organizace může být schopnými zaměstnanci poháněna k větším úspěchům, když si udržuje cenné pracovníky a buduje loajalitu zaměstnanců. Tento výzkum je zaměřen na představení strategií a nástrojů, které napomáhají minimalizovat neloajalitu a fluktuaci zaměstnanců v DEX Innovation Centre. Při výzkumu byl využit nástroj Computer Assisted Web Interview (CAWI), který umožňuje vytvoření výzkumného dotazníku přístupného elektronickou cestou respondentům. Použity byly také nástroje Google formulář a Survey Monkey. Bylo provedeno dvojí šetření, a to průzkum zaměstnanecké angažovanosti a výstupní dotazování. Smyslem těchto šetření bylo přispět k udržení pracovníků v podniku, zlepšit pracovní prostředí, zvýšit spokojenost zaměstnanců a poskytnout srovnávací kritérium pro zajištění budoucího rozvoje podniku.

**Klíčová slova:** *loajalita zaměstnanců, motivace, stabilizace pracovníků, angažovanost, fluktuace*

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## **1. INTRODUCTION**

For many years, employers have been aware of the subject matter of employee engagement and retention issues in their organizations. However, in today's world, many employers still struggle with the millennial approach to work simply because organizations have engaged retention and engagement policies under one umbrella policy without a clear distinction and differentiation for the generations of employees they have. Since the baby boomers, the millennial generation is the second largest generation of employees that have a completely different set of working policies and expectations.

Therefore, it is of utmost importance that managers in today's fast-paced world and continuously increasing millennial workforce over the next coming twenty years need to carry on with setting new and applicable priorities regarding engagement models, retention of employees and overall management strategies to ensure that they cultivate and retain this group in their organizations.

Small and medium-sized enterprises, unlike large corporations, fall into the category of organizations that continuously face challenges when it comes to retaining their most successful employees. Owing to the fact that attracting and retaining the type of employees they seek is an expensive venture that requires intensive investment results in them disregarding this approach as the most viable. Nevertheless, without extensively redirecting finances to the strategy of retention and cultivation, it is still feasible to retain employees by deploying non-financial benefits among other strategies that would encourage loyalty and good faith in an organization.

DEX IC is a non-profit organization in Liberec based on previous series of intensive years of research. They are experts in ICT and digital innovation directed to smart and integrated transport, health and well-being.

Therefore, the aim of this study is to explore the factors affecting the factors of employee loyalty at DEX IC through organizational and motivational factors likely to affect the level of employee loyalty. A survey will be administered via a structured questionnaire to the current and former employees of the company. The finding from this study will be useful to the management team trying to retain their skilled and valuable employees.

This study is divided into 5 chapters. Chapter 1 introduces the study and it consists of the background, the statement of the problem, study objectives, definitions of terms, the scope and significance of the study. The second chapter provides a detailed review of the literature

consisting of theories and previous studies conducted by other researchers related to this study. The third chapter discusses the aspects of corporate communication, establishes the form of communication and corporate culture at DEX IC, both internal and external components of culture are analysed and finally, gives a proposal of the culture at DEX Innovation Centre.

Chapter 4 insights on the research methodology, the instruments applied in the study, procedure of the data collection and the questionnaire and interview design. The last chapter of this study provides conclusive and logically expressed results from the suggested methodology, an assessment of the economic, technical and social contribution followed by a discussion of the considerations and recommendations for further research. This chapter also includes the surveys (exit interview and the employee engagement survey) conducted at DEX Innovation Centre in the appendix.

In order to prevent qualified and talented employees from leaving an organization, management needs to constantly retain and recruit talented candidates. To do this, managers need to reassess their current employees' engagement practices to ensure that they implement new strategies that will positively affect current and prospective employees.

This study aims to answer the following questions;

- i. What are the Factors that are affecting the loyalty of employees at DEX Innovation Centre?
- ii. Secondly, what are the employees' expectations when it comes to their jobs and employers in order to retain them?
- iii. Lastly, do the employees' associate internal and external factors of the corporate culture at DEX Innovation Centre as elements related to organizational loyalty?

The primary objective of this study based on the analysis of the factors affecting employee loyalty and turnover at DEX Innovation Centre is to provide the company with strategies and tools to help them minimize the challenge of employee loyalty and turnover.

The subjects of this of this study are the permanent and former employees of DEX Innovation Centre s.r.o. The data for this study was obtained in March 2019 and at least half the staff participated in the administered surveys.

### 1.1 SIGNIFICANCE OF THE STUDY

The results of this study are aimed at helping the management team at DEX Innovation Centre to establish the underlining reason(s) why employee turnover is a challenge for them. Because DEX Innovation Centre is an SME with a little under 10 employees, they do not have a Human Resource department subsequently, an HR Manager to oversee all the human resource management tasks and challenges related to human resource management that the company undergoes. Therefore, this study could help management or related parties to develop policies that could support employees' motives in work effectiveness and conceivably this would result in loyalty to the organization, ensuring its continued success.

## **2 LOYALTY AND EMPLOYEE ENGAGEMENT: A REVIEW OF THE LITERATURE**

Effective human resource management is very critical for any organization especially in today's highly competitive business environment world. In order to gain competitive advantage and stay afloat, many companies are directing more time and effort in investing in their human resource management practices. Among the many key elements that human resource managers face, one vital aspect is to ensure that employees are satisfied and retained. Managers aim at maintaining or even increasing their level of retention, satisfaction and loyalty.

It is evident that a company with satisfied employees has a higher chance of retaining their best and loyal employees resulting in the overall success of the organization. Employee loyalty is not just a virtue, it is one of the components of profitability growth and it is the fuel that drives some of the financial achievements of a company. This is evident in the type of employees a company has. Disloyal employees are usually not interested in fulfilling the company's or client's needs later, even consider their level of satisfaction. Eventually, this would result in the reduction of profits. One way of ensuring that a company is cost effective especially in its human resource management practices such as recruiting and training new employees is to retain all their valuable employees if possible. Besides losing out on very skilled and proficient members of the team, disloyal employees can cost a company far much more than just profits. Aspects such as the intellectual capacity and possibility of losing long term clients that developed relationships with the company through this employee.

### **2.1 THE FACTORS OF LOYALTY**

The aim of this chapter is to introduce and examine the main literature of the theories related to the retention of employees through engagement, motivation, and satisfaction. Overall, the information in this chapter can be described as the cornerstone of establishing the significance of employees as the most important resource in any human resource management practice of any organization, big or small.

The literature review is divided into four parts with the first being the factors of loyalty and its definitions. In this introductory part, loyalty is defined by several authors with the same underlining assumption, that loyal employees remain an important aspect of the continued success of any organization.

The second part introduces the concept of employee engagement and its organizational drivers. It explains the main characteristics of an engaged employee and how to harness these qualities in any employee. The third part of this chapter deals with the concept of employee motivation and the main theories of motivation. Extensively, the author discusses seven theories of motivation and the distinct elements in each theory.

Lastly, a discussion on Generation Y, or popularly known as “The Millennials”. In this discussion, the author makes a distinction among the three main generations currently existing in the workplace, the characteristics of Generation Y and how to ensure this group of employees is kept satisfied and retained. The theoretical framework continues with closing concept about corporate culture and its components of internal and external facets are described. Overall, a summary of all these elements is reviewed in the conclusion of the chapter.

Employees are one of the most key elements of an organization because they make up the workforce and provide human capital as a vital resource to the existence of firms. For business owner's, it of high importance that they find employees that are able to get the job done because performance is a critical factor to the overall success of a company.

Employees are the true assets of companies because they are directly involved in the contribution of and effectively work towards the successful functioning of an organization. They strive to deliver their level best and aim to achieve their targets within the stipulated time frame. However, understanding the key benefits of an employee's performance is essential because doing so allows for owners to develop consistent and objective methods for evaluation. It also enables them to create interpersonal work relationships that foster longevity in organizations demonstrated by the loyalty of employees.

Traditionally, employee loyalty was taken for granted because it was assumed that when an employee joined an organization, their intentions were to stay, grow and mature in that organization, (McGuinness, 1998). This traditional norm of loyalty was dependent on a two-way system where firms would provide some form of security in terms of recognition, regular pay raises and benefits then in turn, employees would put in their best efforts to ensure that their employers satisfied.

However, due to globalization, downsizing, the competitive nature of businesses and restructuring, the quest to retain loyal employees has increased (Mihalic, 2008). In his study, he stipulates that the reason for increased compromise of employee loyalty is due to the

mobility of employees, high educational levels and the individual independence of employees. The form of new contracts stipulating work placements as temporary, long term or permanent and the employees of today's generation have had a shift, resulting in a different approach towards loyalty. (McGuinness, 1998) emphasizes that Millennials now place a higher value on their personal career achievements over the organization's corporate mission, vision, and goals.

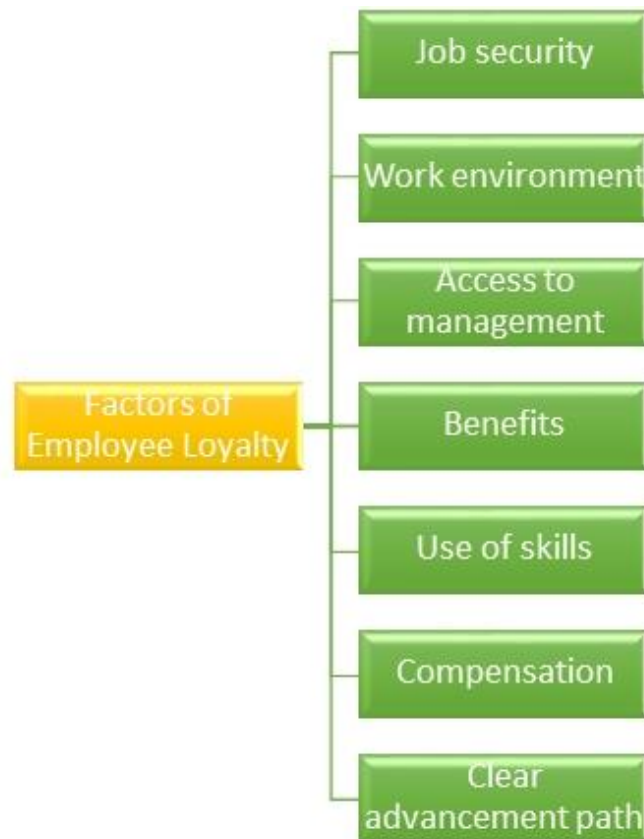
According to (Jacobson, 2010) in a study conducted by the Society for Human Resource Management, the following 5 elements were considered as the top factors affecting employee loyalty in organisations.

It was established that among all the factors that affected employee loyalty such as a pleasant work environment, clear advancement path to mention a few, job security was ranked first as something that mattered most to all employees. In this survey, this result was attributed to the high levels of unemployment at that time.

With the rise in health care costs and expenses associated with living in urban areas, it was not surprising that employee benefits ranked second. In third place of these top five elements was the ability of the employee to use their skills in the work place. Employees knowing how they contribute to the organization encourages them to feel good about their jobs and abilities, subsequently, encouraging engagement and loyalty.

The organization's financial position also ranked as something of importance to employees and lastly, how much they got compensated for the work they did. Employers usually find it surprising that the pay is not the top reason why people choose to stay with an organization.





*Figure 1. Factors of employee loyalty*

Source: Jacobson, (2010), Own elaboration.

Even though the study conducted by the Study for Human Resource Management highlighted only five elements that would influence employee loyalty in an organization, so many other attributes such as work environment, access to management and a clear advancement path are vital to ensuring the loyalty of employees in any organization. The factors of employee loyalty in figure 1 above were selected because they directly address the concerns of the current and former employees at DEX Innovation Centre. The results related to this theory are interpreted in the last chapter of the study.

## 2.2 LOYALTY DEFINED

There are several ways in which employee loyalty and behavior can be characterized even though there is no single opinion about its definition. Loyalty has become such a fundamental concern for most organizations, particularly in the context of economic tensions related to the psychological contract between an employee and their employer (Naus *et al*, (2007); Sverke and Goshinga (2003). Many authors agree with the notion that employee

loyalty as an independent factor is a source of improved organizational performance even though this relationship is not always positive.

Employee loyalty regarding performance is described as the reduction of employee turnover, an increase in profits, the development of innovations, and improved quality increasing organizational reputation and believing in the brand, (Guillion and Cezanne, 2014). The authors also describe employee loyalty as trust, commitment, identification, participation, (Johnson *et al*, 2003); (Sverke and Goshinga, 2008) as an attachment to an organization.

Shahid and Azah, (2013) stated that employee loyalty and commitment are the cornerstones to any organizations success and that without these factors and the daily duties performed by employees that are critical to a business's infrastructure, organizations and companies alike would not be able to achieve their goals, mission, or vision.

Employee loyalty is the deliberate commitment to further the best interests of one's employer even when doing so may demand to sacrifice some aspects of one's self-interest beyond what would be required by one's legal and other moral duties, (Elegido, 2013, P.496). (Ludiak, 2003) explains loyalty as an attitude that encourages a voice like the expression and defers departure or exit from an organization. Loyalty is also described as a psychological inclination that can take an emotional form (Hajdin, 2005) or a moral form in nature which is difficult to directly observe (Coughlan, 2005).

Antoncic and Antoncic (2011) defined loyalty in the form of the existing employees in an organization believing in the objectives of the company, accepting these objectives as their own, working for the common welfare of them and wanting to stay in a company over a long term period. The authors also described loyalty by employees in the form of teamwork, towards work, their managers, careers, and the organization. In this context, organizational loyalty is defined as the degree to which individuals working in a particular organization have a feeling of belonging.

Following this definition of (Antoncic and Antoncic, 2011), (Verona, 2002) agrees with the definition of the organizational loyalty of employees and in addition, extends this expression as the willingness of the support the company leader, the cooperation of the coworkers through teamwork and the mindfulness of assisting each other, acting in accordance with the work ethic and professionalism to stay in an organization when hit with hard times and finally, the willingness of employees to do their work and share information about their organization.

Other authors have described loyalty by separating it into two approaches. The behavioral and attitudinal approach. The attitudinal approach as described by (Boroff and Lewin, 1997) describes loyalty as a psychological inclination, a psychological contract, (Eberl *et al*, 2012), trust between an employer and an employee (Searle and Dietz, 2012), (Guest and Cornay, 2002); (Naus *et al*, 2007), a feeling such as the identification with an organization, (Boroff and Lewin, 1997). With this approach, managers and researchers generally rely on self-reports and qualitative evaluations for measurement.

McFarlane-Shore, *et al*, (1990) emphasizes that purely attitudinal approaches make it difficult to synthesize results from surveys because using indicators such as intended absenteeism and self-reported evaluations lead to short-comings such a subjectivism or lack of response from employees. This approach is highly empirical and observing a feeling is a challenge (Gullion and Cezanne, 2015). Behavioral patterns show some expressions of loyalty such as the apparent tolerance of dissatisfaction experienced at work, which in turn might reflect the lack of opportunities for possible mobility.

Rusbult *et al*, (1998) building on the theories of (Hirschaw, 1970) and the snowball effect which focused on papers published between 1970 and 2003 on employee loyalty and performance in the Exit-Voice-Loyalty-Neglect also shortened as the EVLN framework describe behavioral loyalty as an observable phenomenon that is obvious and materialized in the relationship between an employee and the organization. Loyalty in this framework is described as one of the four possible reactions to the dissatisfaction, voice, exit, voice, and loyalty to which add cynicism (Gullion and Cezanne, 2015).

In this model, loyalty is demonstrated by the employee not only choosing to remain in the organization but also adopting some constructive behavior despite encountering dissatisfaction (Gullion & Cezanne, 2015). (Sweetman, 2001), following the EVLN framework and other behavioral measures used to evaluate loyalty, describes it as committing to working late hours.

Dutot (2004) using the EVLN model discusses employee loyalty as the relation of trust that produces a resistance to the adoption of other opportunities or opportunistic behavior when faced with outside employment offers. The significant length of service in a company with little or no tendency to seek outside employment offers accompanied by a general sense of belonging (Peretti, 2005, P 110 ). (Colle, 2006, P38) describes employee loyalty as a feeling of belonging combined with staying in an organization over the long-term.

“In mixed approaches, employee loyalty can be seen as an attitudinal inclination toward identification, attachment, commitment or trust, vis-à-vis the organization which funds the expression in different behaviors, forms or indicators. An extensive definition of loyalty as a multidimensional construct that includes a panel of indicators which are strictly equivalent to each other” (Gullion and Cazanne, 2014).

Coughlan, (2005); (Buttler and Cartrell, 1984) and (Fletcher, 1993) elaborate that today's definitions of loyalty range from specific to broad and capture the attitudes and behaviors including other varieties of attention. It is becoming increasingly difficult to determine what loyalty means exactly and how it should be measured, (Coughlan, 2005). A new and conceptualized definition of loyalty based mainly on morality can be drawn from the numerous studies conducted.

Loyalty can be reflected in behavior that can be linked to an implicit promise voluntarily made by an individual operating in a community of independent others to adhere to the universalizable moral principles in the pursuit of collective and individual goals (Coughlan, 2005).

Iqbal et al, (2015) describes loyalty in the aspects of an employee's commitment to the continued success of an organization and believe that working for this particular company is the best option. Unfortunately, determining the loyalty of an employee is a difficult task because loyalty cannot be determined through direct questioning. This is as a result of the inability to assume whether employees today work as effectively as they should. (Angle, 1983), argues that it is commonly known that loyalty and commitment are more than simple behavior.

The identification of three types of commitment by (Meyer, 1997) established another form of explaining loyalty. The author pinpoints the three elements as normative, affirmative and continuance. In this regard, normative commitment is defined as an organizational commitment whereas affirmative commitment is defined as the emotional commitment that is comprised of identification and the involvement to achieve organizational goals. Because of different personal or organizational investments, the notion of continuance commitment is established.

In 1985, an article titled “Whistleblowing and employee loyalty” was published by an author named Rehald Duster in which he argued that “ it is misguided for employees to be loyal to their employers”. Since then, this article has been reprinted and republished several times

because it is an important challenge to the commonly made assumption that employee loyalty is a moral requirement or otherwise, morally valuable (Hajdin, 2005). The author in his journal reconstructed this argument raised by (Duster, 1985) and arguably allows for loyalty to be described in four different ways.

The table below describes loyalty as reconstructed by (Hajdin, 2005), using an argument raised by (Duster, 1985). The author describes loyalty in four of the following ways; That loyalty requires reciprocity, it can only work in those relationships that demand sacrifices, that it can be incompatible with a relationship that is based on monetary benefits as the main objective, and lastly, that in this relationship, both the employer and the employee use each other as instruments for accomplishing personal goals outside the defined scope of the relationship.

*Table 1. Loyalty as described by Hajdin.*

1. Loyalty requires reciprocity. Employers will usually not reciprocate their employees attempt at loyalty.
2. Loyalty is appropriate in those relationships that that demand self-sacrifices without the expectation of reward but in practice, employee-employer relationships are not of this nature.
3. Loyalty is incompatible with the employee-employer relationship in that both parties the main objective is a monetary payoff.
4. The incompatibility of loyalty regarding the employee-employer relationship still carries on due to the fact that both parties use each other as instruments for accomplishing something outside of this relationship.

Source: Hajdin, (2005).

The table above describes loyalty as reconstructed by (Hajdin, 2005), using an argument raised by (Duster, 1985). The author describes loyalty in four of the following ways; That loyalty requires reciprocity, it can only work in those relationships that demand sacrifices, that it can be incompatible with a relationship that is based on monetary benefits as the main objective, and lastly, that in this relationship, both the employer and the employee use each other as instruments for accomplishing personal goals outside the defined scope of the relationship.

No matter what kind of organization you run be it small or large, it pays to have loyal employees. The notion of loyalty is not something that happens automatically but is it cultivated over time. With all these authors critically analyzing the concept of employee loyalty, it is clear that the aim of retaining employees and establishing a relationship that ensures that they are committed to their work is vital.

Employees contribute extensively to the productivity of any company or organization by providing exceptional value to clients. Because loyal employees are responsible for the production and deliverance of any product or service offered by a company, they create the value required to put an organization on its path to success. To ensure the continued success of a company, loyal employees are responsible for carrying the image of the company, hence it is of high importance that management, without spending extensively on a continuous recruitment process build loyalty with their already existing employees.

However, it is important that management realizes that loyalty does not only come from employees but that it is reciprocated. It is vital that they create the best and most suitable communication tools used regularly to guarantee that each employee understands and receives this communication in a concise and clear manner.

Providing a reason to be loyal will encourage loyalty from employees. Showing employees that management cares about the employee's well-being amongst other things matters to them through providing a pleasant work environment as one of the many ways of showing that the employee's welfare is important to the leaders and the company overall. As an employer, it is paramount that you perfectly play your role and lead by a good example. You need to show that you are a loyal employee to the organization so that your team can follow suit.

### 2.3 EMPLOYEE ENGAGEMENT

Just like employee loyalty, employee engagement is is another important factor to consider when employers aim at maintaining or increasing their retainment levels. There is no precise definition of what employee engagement is, but like loyalty, many authors have tried to clarify the main important aspects of what an engaged employee is.

Employee engagement is defined as the degree of an employees positive or negative emotional attachment to their job, colleagues and to the organization. It is the willingness to learn and perform well at work, The Chartered Institute of Personnel Development (CIPD, 2010). The institute further on describes engagement as being positively present during the

performance of work, willingly contributing intellectual effort, expressing positive emotions and meaningful connections with others.

There is an increased awareness that employee engagement is pivotal to the successful commercial business performance where engaged employees are the backbone of the good working environments, where people are industrious, ethical and accountable (Cleland et al, 2008).

According to (Attridge, 2009), an engaged employee can be thought of as one who is fully involved in and is enthusiastic about their work. This employee acts in a way that advances the interests of the organization.

In addition, (CIPD, 2012) in another publication stated that employee engagement is a combination of commitment to the organization and its values plus the willingness to assist in the organization citizenship comprised of colleagues. The institution emphasises that engagement goes beyond job satisfaction and that it is not simply being motivated but it is something that an employee cannot be required to do as part of their employment contract.

In another study conducted by (Robinson et al, 2004), employee engagement is defined as an attitude held by the employee towards an organization and its values and that an engaged employee is aware of the business context and works with colleagues to improve the performance within the job for the benefit of the organization. In this sense, the organization must work to develop and ensure engagement which requires a two-way relationship between the employer and their employee.

Engagement can also be the harnessing of organizational member serves to their work roles in that engaged people employ and express themselves physically, cognitively and emotionally during role performances (Kahn, 1990). In his analysis, (Kahn, 1992) further states that engagement is being psychologically present when occupying and performing an organizational role and that high levels of engagement can lead to positive outcomes for individuals like positive feelings associated with a job well done.

May (2004), says meaningfulness has the strongest relation to employee engagement when it comes to employee outcomes. He re-defines the definition by including a three-dimensional concept regarding engagement and within these three criteria being perceived, work engagement would be existent. These dimensions include physical, emotional and cognitive components.

Nelson et al (2003), in a more positive approach, states that employee engagement is primarily concerned with the relationship between an individual and their actual job. The authors suggest that employee engagement is identified when employees feel positive emotions towards their work and find it meaningful personally, consider their workload to be manageable and are hopeful about their future work prospects.

Engagement is a positive attitude towards the actual job that is also volatile and a temporary phenomenon that is considered present when employees are emotionally and intellectually bound to their job roles (Rothwell, 2010).

Employee engagement is concerned with an individual's psychological engagement with the job and is multifaceted by several characteristics at an organizational and individual level with a range of positive outcomes (Gullap, 2010) and (CIPD, 2010). Some of these primary characteristics include an are described in table 2 below; better performance, proactiveness, prolonged stay in an organization, a desire to be part of the team, able to go an extra mile and speak positively about the organization.



*Figure 2. Primary characteristics of an engaged employee*

Source: CIPD, (2010), Own elaboration.

The elements mentioned above can be expanded on and explained in more precision. Aside from an employee performing better or being more productive, another element of



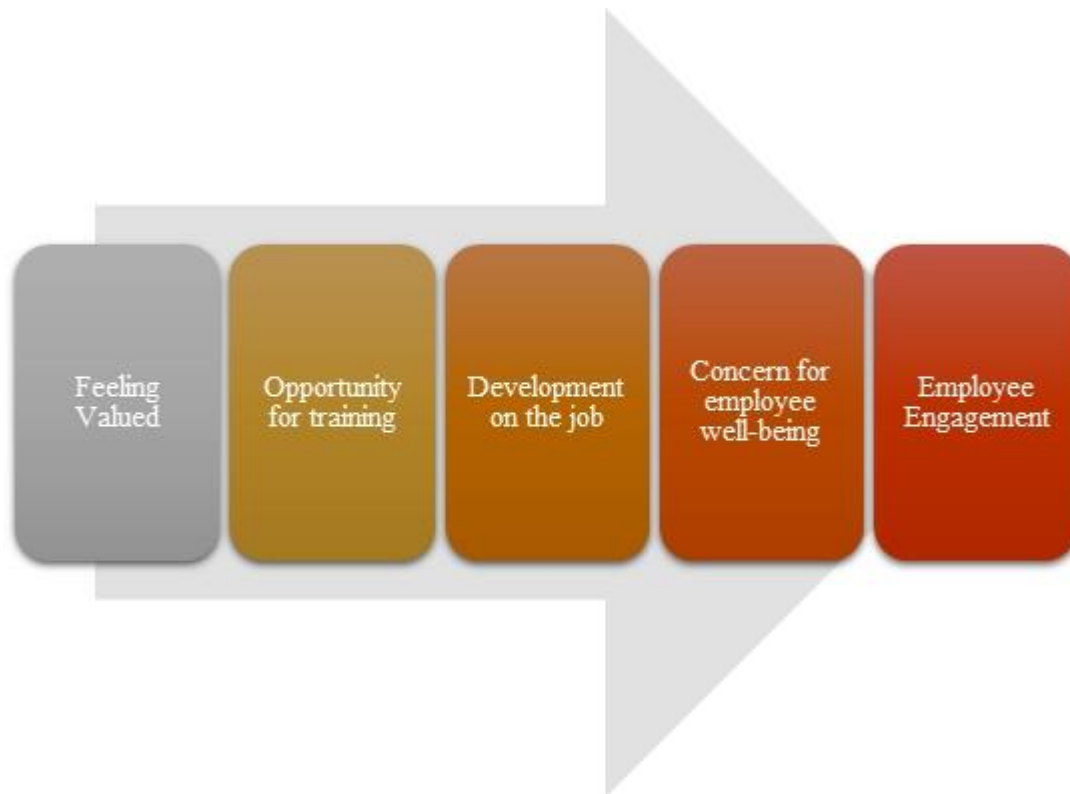
importance in the primary characteristics of an engaged employee include an individual choosing to remain with an organization for a longer period of more than 5 years, exploring better levels of personal well-being, perceiving their workload to be more sustainable than others, speaking positively about their organization to their co-workers, potential customers and generally anyone they encounter who has a vested interest in that organization. Other characteristics include expressing a high desire to be part of an organization and lastly, going above and beyond, giving more effort to ensure the continued success of the organization.

Robinson (2004) pointed out that the key characteristics of engaged employees are a sense of involvement in the organizations decision making process and the feeling of being valued. He stipulates that engaged employees are able to voice out their ideas and know that they do not go unnoticed by their line manager or superiors. Other characteristics include an employee having the opportunity to develop their work by providing suggestions as to how it should be undertaken, enhanced or improved.

Companies that enable their employees to be engaged create an alignment between individuals and the organizational goals. These type of employees are able to give discretionary effort over and above what is expected of them on the job.

In this sense, employee engagement is closely related to the idea of job satisfaction and that an employee positively benefits from having a job that is worth their time and effort at the same time, benefiting the organization through their performance by going an extra mile to continue achieving organizational success.

Penna (2007) and (Robinson, 2004), both suggested a model incorporating job satisfaction and employee engagement. They defined these two factors as correlated when employees felt valued, were given an opportunity for career growth and development and when the employer cared for their overall well-being. Combining all these elements results in employee engagement as shown in the figure below.



*Figure 3. Job satisfaction and employee engagement*

Source: Robinson, (2004) and Penna, (2007).

To clearly elaborate the figure 3 above, when an employee feels valued, is granted an opportunity of training and development on the job, and when the employers show concern for the employees well-being, all these elements result in an employee being engaged.

- a) Fell valued and have a good two-way communication between themselves and the management team.
- b) Have great opportunities for development and training because they ensure that employees are satisfied with the job and that they create a positive influence.
- c) Have the opportunity to develop on the job by suggesting how work is conducted, enhanced and improved.
- d) The extent to which the organization is concerned about the well-being and health of its employees be it in a physical, mental or emotional state.

Employee engagement is closely related to job satisfaction and organisational commitment but there is a key distinction made between the two (Johns and Harter, 2005). The authors state that the attitudinal experience of commitment occurs apart from or as a consequence of day-to-day activity while engagement is developed and sustained through work and the interaction with managers and co-workers.

With engagement, employees display high levels of commitment and therefore, it is important to note that not all committed employees are engaged. (Meyer and Allen, 1991) identified three main types of commitment namely normative or moral, affective and continuance commitment. The normative is a situation where an employee who does not believe in the values and goals of an organization feel that they ought to be committed to the organization (Nickson et al, 2008).

The continuance is a situation where an employee chooses to stay with an organization as long as they consider the benefits of staying outweigh those of leaving. Usually, in cases such as the one described above, the employee has not been able to find any job alternatives so they choose to stay. Lastly, the effective type is associated with commitment because the employee feels an emotional attachment with the organization (Silverman, 2004).

Engagement is a positive attitude to help by employees towards the organisation and its values (Robison, 2004). The further goes on to say that an engaged employee is one who is actively aware of the business context, cooperates with colleagues to ensure continued performance of the organization.

The three main elements of engagement are that its measurable, it varies from poor to great and it can be correlated with performance. Employers have to realize that they have an enormous influence on their employees' level of engagement. This is simply because engagement is a two-way process in which an organization must work to engage the employee through line managers and the employee can reciprocate about the level of engagement to offer to their employer because these two elements reinforce each other (Beardwell and Thompson, 2014).

An engaged employee is one that experiences a blend of one or more elements of job satisfaction and involvement, organizational commitment and the feeling of empowerment. As mentioned before, engagement goes beyond job satisfaction and it is not motivation. Factors such as the level of commitment to an organization, its values, and goals, the exhibition of the company to colleagues and clients through communication and assistance are what engagement is comprised of (Robinson, 2004).

An alternative definition is that engagement is a commitment that is not required by the organization through work contracts they offer their employees yet out of the intent, a form of a psychological contract is offered. This contract is not written down or influenced by

characteristics such as trust and the relationship between the employee and their organization (Beardwell and Thompson, 2014).

Saks (2006) states that engagement is not an attitude, that it is a degree to which individuals or employees are attentive and absorbed in the performance of their roles. Following this, (May, 2004) distinct engagement from involvement in the sense that engagement has more to do with how an employee conducts themselves in a role of work execution and job involvement is the result of cognitive judgment about the ability of the job to satisfy one's needs and therefore, their self-image.

It is important to note that an employees engagement varies according to how they the feel obligated to their organization and depending on the organization's respect, openness and transparency, the employee will decide how much of themselves they give to the organization (Beardwell and Thompson, 2014).

An organization is less favorable when it does not honor its agreements or contracts resulting in employees withholding their loyalty or engagement. This might also result in reduced actual performance, the quality of work and intermediate relationships with colleagues or clients (Beardwell and Thompson, 2014), (Robinson, 2004) and (May et al, 2004).

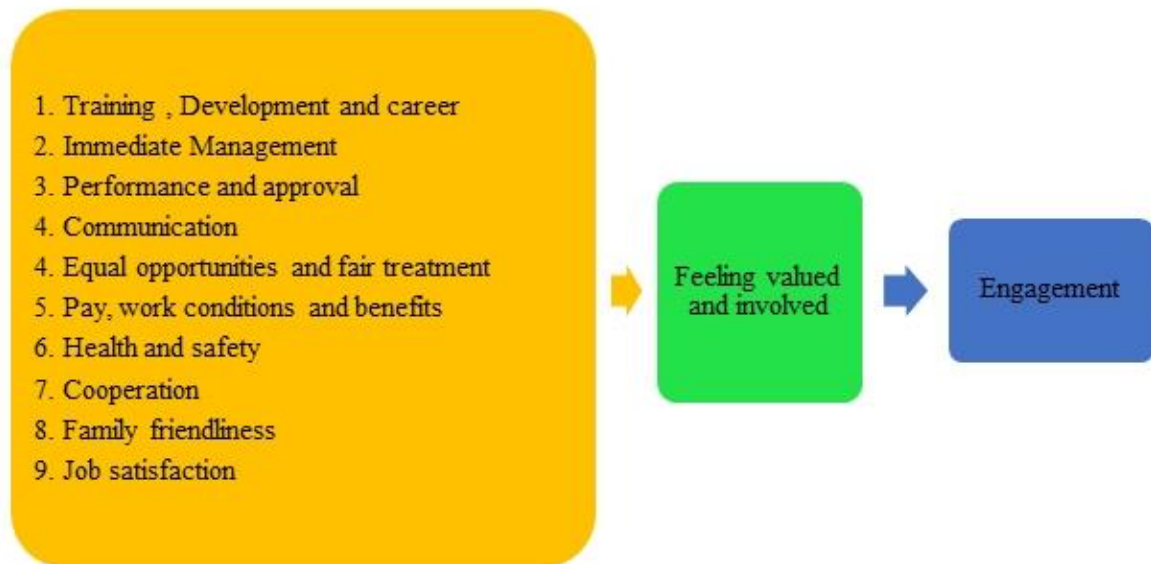
Employees feel obliged to bring themselves more deeply into their role performances as repayment for the resources they receive from their organization, therefore, employees are more likely to disengage and withdraw from their roles when these resources are no longer provided by an organization (Kahn, 1990).

## 2.4 ORGANISATIONAL DRIVERS OF ENGAGEMENT

The management of human resources plays a key role in employee engagement and the approaches used in this process should be highly integrated to ensure that the shape and direct the patterns of behavior, action, thinking and culture (Beardwel and Thompson, 2004), (Macleod, 2012).

In his review, Macleod identified four key elements found in an engaged organization, these include engaged managers providing their employees with coaching, individual treatment, focus and scope, organizational integrity, visibility empowerment and a strong strategic narrative about the organisations past and future. Figure two below describes the drivers of engagement.

In this table, the drivers of engagement are ranked from training and career development as the most sought after and job satisfaction as the least sought after the driver of engagement. The figure illustrates that the drivers of engagement lead to an employee feel valued and in turn, is engaged.



*Figure 4. The drivers of employee engagement*

Source: Robinson et al, (2005).

The drivers of engagement demonstrated in the table above show the importance of each core value of an organization to an employee. The most important driver being job satisfaction and the least training, development, and career.

Employees that are not given a compelling reason to stay in a company will look for other jobs and leave any organization. Therefore, it is important that a company knows and practices the basics of how to inspire and reward its employees' efforts. Employee engagement is vital to an organization and certain strategies can be put across to fortify that this practice is not just an individual commitment but that it is treated as a culture that needs maturing, a purpose that needs to be clearly defined and understanding that certain engagement principals, for example, transparency action and commitment start from the management of any organization leading by a good example.

### **3 EMPLOYEE MOTIVATION**

One of the toughest and most asked questions by management is the question of how to motivate their employees. Until now, this is a difficult question to answer as there are different approaches that have successfully worked for certain organizations but these cannot be applicable to every current workplace.

It is a well-known fact that all organizations run because of the involved and employed people, therefore, there is a direct link between motivation and individual performance which then, relates to organizational performance. It is important that employees realize that they need to strive towards achieving organizational goals.

Motivation, in the past and present has been widely studied and can be defined in several ways and as stated by several authors. It is a predisposition to behave in a purposive manner to achieve unmet and specific needs, (Burford, Bedeian and Linder, 1995).

The inner force that drives individuals to accomplish personal and organizational goals (Lindner, 1998), an internal drive to satisfy the unsatisfied need (Higgins, 1994), (Lindner, 1998), the psychological process that gives behavior purpose and direction (Kreitner, 1995), (Lindner, 1998) and the will to achieve (Bedeian, 1995).

In this study, motivation is defined as the process of providing a motive that causes an individual or an employee to take some action or simply put, the inner drive that directs behavior towards goals.

Panogiotakoulos (2013) states that to enhance organizational performance, it is the responsibility of the management personnel to motivate their employees to work as per expectation. It is therefore important that managers understand that motivation is successfully incorporated as a flow and this then allows the creation of a culture where their employees are always encouraged to do better.

Kuo (2013) emphasizes that for an organization to be successful, it must combine the motivation and strength of its internal employees in order to effectively respond to the external changes and demands promptly to show the organizations value. It is true that at the heart of every productive and successful organization or business are hard working employees and a thriving organisational culture (Gignac and Palmer, 2011), consequently, employees will strive to collaborate passionately in order to produce good results.

Chandra et al, (2013) highlight on motivation theories stressing that enhanced motivation in an organization is very vital with regards organizational performance and that it occurs when employees are enabled, trusted and empowered by their leaders. Following this argument, (Smith and Rupp, 2003) say that leaders have to realize that they are responsible for their employee's performance and that their role is to motivate individuals or employees to follow and participate in the design work in which they are responsible for.

Motivation is essential because it aids in knowledge sharing through intra-organisational social media platforms which in turn can support the organization in reaching its organizational goals (Vuori and Okkonen, 2012).

London, (1983) describes work motivation as a multidimensional variable consisting of 3 variables which are individual attributes, behaviors, and corresponding career decisions. (Alsaad, 2016) in his study suggests that employee motivation is directly related to the organization and that motivation is an important factor of career commitment that is affected by engagement. Motivation at work is an essential component for the analysis of various dimensions of behavior because individuals motivation affects their consistency, morale, and performance (Farmer and Chung, 1995). According to (Alsaad, 2016) employee motivation is correlated the time spent on accurately completing assigned duties and developing competencies. In figure 5 below, (Mohsan et al, 2011) describes employee motivation as a rotation of aspects such as job involvement, employee motivation, and employee commitment.



*Figure 5. Mohsan's Model of employee commitment*

Source: Mohsan et al,(2011).

Mohsan et al, (2011) have a different take on the aspect of employee motivation. The authors in the study analyze three components and the realization running among these variables as regards motivation. The model proposes that there is a positive relationship between employee commitment to their profession and motivation, job involvement and employee motivation are positively correlated and that the same positive relationship runs between employee motivation and job involvement.

To date, numerous research has been done on motivation and related factors and each conducted study has come up with a concise theory to formulate motivation bringing different ideas that have greatly influenced organizational behavior. One of the first people to distinguish the types of motivation was Frederick Herzberg with his theory of motivation in 1959 which is still being broadly used till date (Straw, 1976).

Today, one of the most difficult roles of managers is to motivate their employees to achieve organizational goals and to motivate employees in achieving their own personal goals (Lindner, 1991). He further stipulates that when employees are well motivated, they aid in organizational growth and survival in a fast pacing workplace.

### 3.1 THE THEORIES OF MOTIVATION

Several authors have discussed the main assumption outlining the theories of motivation. In this section of the study, the main theories explored include the following;

#### 3.1.1 MASLOW'S NEEDS BASED THEORY OF MOTIVATION

Maslow's Hierarchy of Needs (1954) postulated a hierarchy of needs that progress from the lowest, subsistence-level needs to the highest level of self-awareness and actualization . The theory is that an individual will be motivated by and will strive to progress to satisfy the next highest level of need once each level has been met. The needs are stated below as;

1. **Physiological Needs** – These include food, water, clothing, sexual drive, and other subsistence-related needs. They are needs typically related to the survival of human beings and lack of them can cause harm to the human body and for this reason, are thought of as the most important and must be met first.



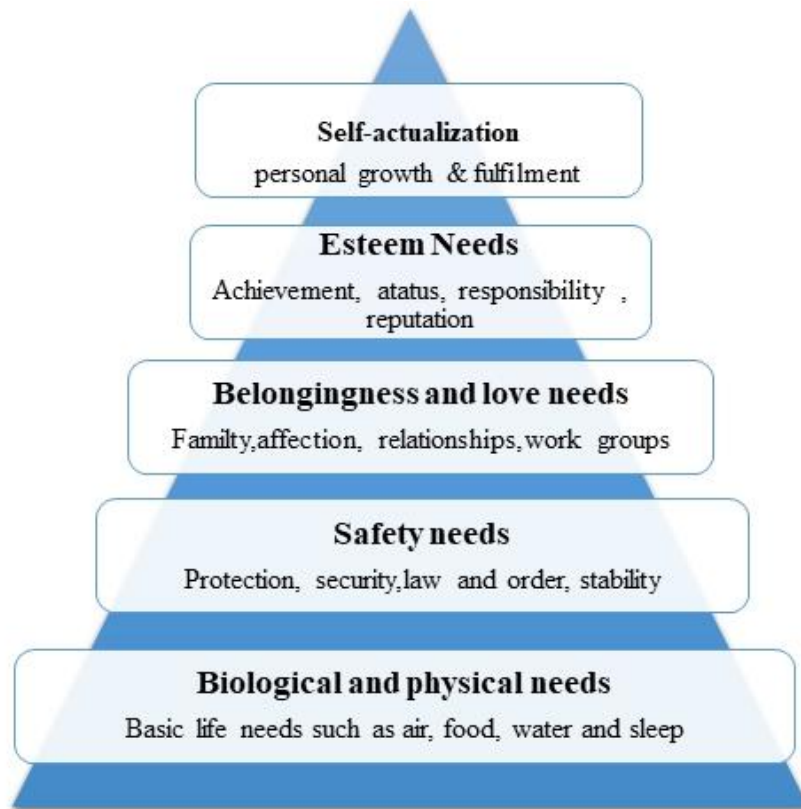
2. **Safety Needs** – These include shelter, a safe home environment, employment, a healthy and safe work environment, access to health care and other basic necessities. These needs are aimed at providing protection and security against various threats. Post-traumatic disorder due to an unsecured environment caused by war, famine, natural disasters can be experienced if safety is not met. This is why there is a great need to ensure economic security so as to create dominance over behavior.

3. **Self Actualization Needs** – Is the desire for achievement, personal growth and development, and anatomy.

4. **Esteem Needs** – Status recognition and positive regard. Also included in this theory are respect and trust. The need to feel respected and trusted is one of the human needs that individuals want to be recognized and desire self-respect and self-trust. Individuals and humans need to feel respected make them want to be a part of a hobby or job in order to gain recognition and these activities give them a sense of value.

5. **Belonging Needs** – The desire for social contact, interaction, friendship, affection, and various types of support system. Maslow explains that the human need for the social dimension of an individual who needs to feel accepted by a group be it, family, intimacy, work, friendship or associates is an important factor. Humans need to feel that they have a sense of belonging and that they are accepted among the people they associate with be it in small or large groups.

These needs can be summarized in figure 6 below. The hierarchy of the needs is according to the most desirable being biological and physical needs to self-actualization needs as the least desirable. The other needs according to ranking order can be arranged as safety, belonging and love needs and esteem needs.



*Figure 6. Maslow's Hierarchy of need*

Source: Obiekwe, (2016).

The movement from one level to the next is referred to as satisfaction progression by Maslow. The assumption is that over time, individuals are motivated to continually progress upwards through the given levels. Regrettably, this motivation theory is deemed somewhat unrealistic because it is more theoretical than practical in perspective and usually individuals do not view their needs this way.

### 3.1.2 HERZBERG'S TWO FACTOR THEORY

In a modification to Maslow's needs based theory, (Herzberg, 1959) introduced a two – factor based theory that consolidated down to two main areas of needs that he thought mainly contributed to employees namely Hygiene and Motivators. In his description, he emphasised that these factors can only be either hygiene or motivation and these two can never occur at once.

Hygiene Factors are characterized as low-level motivators and are extrinsic and they include motivators like administration, company policy, supervision, working conditions,

interpersonal relations, salary, relationship with the boss, status, and security. These factors when not met can lead to dissatisfaction of an employee.

Motivators, on the other hand, are intrinsic factors and usually lead to satisfaction mainly focusing on aspects of work, responsibility, achievement, advancement, recognition for achievement, growth and actual work itself.

Needless to say, these two factors can never be treated separately from each other (Obiekwe, 2016). Herzberg did not neglect the approach that suggests that these two motivators were beyond what individuals needed even more so, that motivators were more important to them too.

In figure 4, Herzberg's two-factor theory is depicted. It breaks down the two theories into two categories, job dissatisfaction represented by hygiene factors and job satisfaction influenced by motivation. In this theory, increasing/decreasing any of these factors will lead to an increase or a decrease in the satisfaction of employees. Which goes to say, increasing the motivating factors such as opportunities for job advancement or being recognized and acknowledged for an achievement influences job satisfaction while elements such as poor working conditions can cause job dissatisfaction.

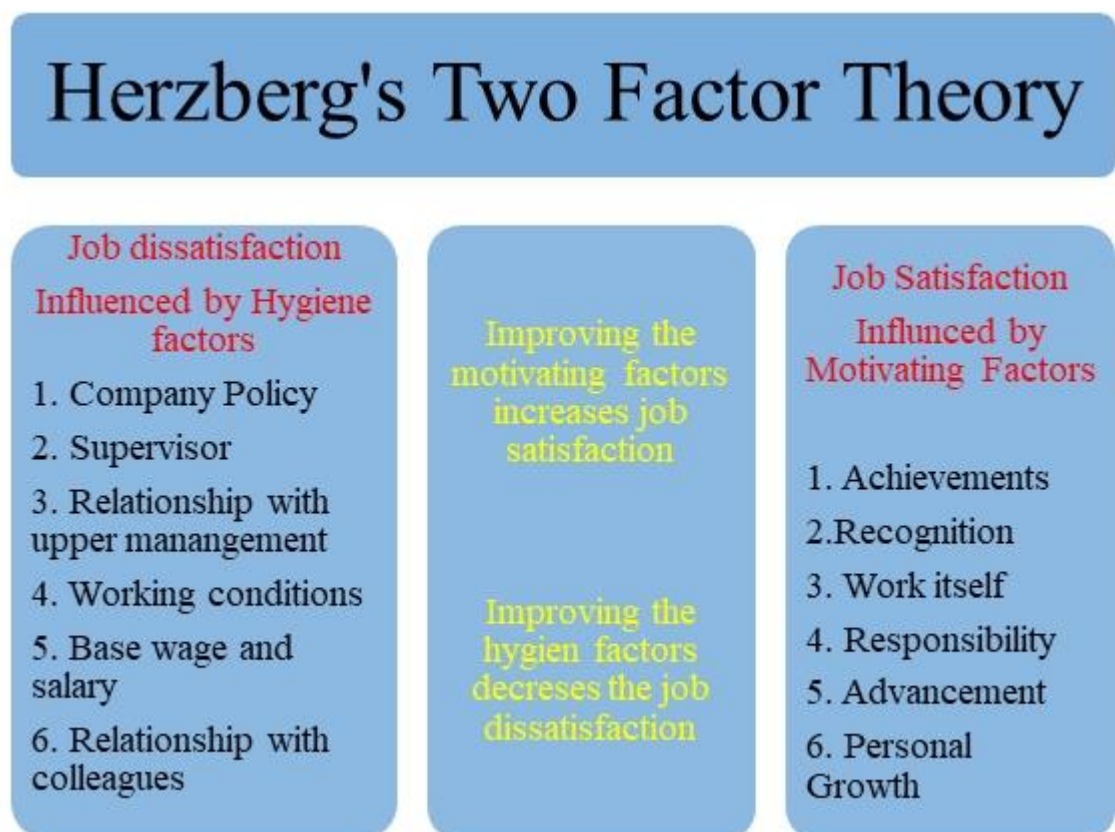


Figure 7. Herzberg's two-factor theory

Source: Obiekwe, (2016).

Figure 7 above provides a detailed elaboration of the hygiene and motivation factors as described by Herzberg in his two factor theory of motivation.

### 3.1.3 MCGREGOR'S THEORY X AND THEORY Y

This theory draws upon the work of Herzberg's two factor theory and develops a human resource approach to management. Douglas McGregor 1960 formulated this theory suggesting two aspects of human behavior at work. These two different views of employees are the negative being theory X and the positive approach as theory Y. McGregor had many perceptions of managers on the nature of individuals based on the following assumptions.

#### **Assumptions of theory X**

- An average employee intrinsically does not like their job whenever they can, they feel the need to escape.
- Employees require persuasion or a warning with punishment to achieve organizational goals.
- Managers adopt a more dictation style because of the close supervision they practice.
- Job security is ranked as a top priority and employees have little or no ambition simply because they dislike responsibility and resist change.

#### **Assumptions of theory Y**

- Employees perceive their job as normal and relaxing. They are dedicated and they use self-direction and control do not need coercion to work.
- Loyalty is obtained if the job is satisfying and rewarding and commitment to the organization.
- Employees are equipped with skills and capabilities should be fully utilized in their creativity, resourcefulness and motivate potential in order to solve organizational problems.

Theory X presents a pessimistic view of employee's nature and behavior at work while theory Y is more on the optimistic view. In relation to Maslow's theory, it can be stated that theory X assumes that employees emphasize on the psychological and safety needs while

theory Y assumes of that employees are more inclined to social, esteem and self-actualization needs.

To date, many organizations are currently using the theory Y techniques simply because this theory implies that managers create and encourage a work environment which provides opportunities for employees to take initiative and self-direction. It encourages that employees are given the opportunity to contribute to the organizational well-being, decentralization of authority, teamwork and participative decision making in the organization. In conclusion, theory Y harmonizes and matches employee's needs and aspirations with that of the organization.

#### 3.1.4 MCCLELLAND'S ACQUIRED NEEDS THEORY

This theory stipulates that needs are acquired throughout one's lifetime and that they are learned or developed as a result of experiences in life. And so, because of this, needs are not innate. The theory mainly focuses on three types of needs;

##### Need for achievements

- The desire for success, attaining goals and mastering tasks.

##### Need for power

- The desire to exercise control or authority.

##### Need for affiliation or association with others

*Figure 8 McClelland acquired theory of need*

Source: McClelland, (1960).

The needs described in the figure 8 above explain that each employee overtime develop the need for success, attaining goals and mastering tasks. Not only do they desire control and authority but also want to have association with other people.

### 3.1.5 INTRINSIC AND EXTRINSIC MOTIVATION

The intrinsic and extrinsic factors are two factors among the most important aspects of motivation. This is because these two distinct elements give a clarified definition of how employees perceive work and their overall participation in an organization. It is important to understand the differentiating factor between intrinsic and extrinsic motivation. The most important being in the source of pleasure or pressure that the motivation brings.

#### 3.1.5.1 INTRINSIC MOTIVATION

Intrinsic motivation can be defined as the desire to work primarily because work itself is interesting, satisfying or challenging (Cantania and Randall, 2013). Intrinsic motivation is characterized as an internal motivation and intrinsically motivated individuals tend to seek pleasure or some level of enjoyment, interest or a challenge at work (Obiekwe, 2016). (Oudeyer and Kaplan, 2011) define this type of motivation as performing an activity for its inherent satisfaction rather than for its separable consequence.

Deci and Ryan, (2006) emphasize that not only is intrinsic motivation based on positive rewarding experiences that an individual directly obtains from performing their tasks. It can also originate from the passionate feeling of an individual can experience from resulting from the work they do. The authors also emphasize that intrinsic motivation is one of the most important forms of motivation in an organization.

Intrinsic motivation is based on endogenous factors focusing on the internal thought process and perception of motivation. The theories related to intrinsic motivation include;

1. **Adam's equity theory** – This theory proposes that individuals are motivated when they perceive that they are treated equitably in comparison to other employees in the organization (Adam, 1963).
2. **Vroom's expectancy theory** – (Vroom, 1964) addresses the expectations of individuals and hypothesizes that individual is motivated by performance and expected outcomes of their own behaviors.

3. **Locke's goal setting theory** – (Locke and Lotham, 1990) put emphasis on the hypothesis that by establishing goals, individuals are motivated to act to achieve that goal.

#### 3.1.5.2 EXTRINSIC MOTIVATION

Extrinsic motivation, on the other hand, can be seen present when an employee performs an activity with the intention of attaining some separable consequence such as avoiding guilt, receiving a reward/income or gaining approval (Deci et al, 1996 as cited by Smith, 2015). Extrinsically motivated individuals engage in work in order to obtain a certain goal (Ryan and Deci, 2006).

Extrinsic motivation is demonstrated when an employee or individual anticipates a reward and usually tends to work harder happen because of the following reasons; they are avoiding feeling guilty, they are working towards something of significance or that they are striving to attain something they desire (Deci and Ryan, 2000).

Extrinsic motivators also considered, as external factors can be elaborated through other theories such as the reinforcement theory which is explained in further detail below:

#### 3.1.6 REINFORCEMENT THEORY

This theory was first introduced by B.F. Skinner (1953) who studied human behavior and the theory states that an individual's behavior is a function of its consequence or that individuals are motivated when their behavior is reinforced. However, this theory overlooks that the internal state of an individual which is their feelings, and this is what drives individual behavior. The reinforcement theory mainly focuses on what happens when an individual takes some sort of action. In this theory, the external environment of the organization must be designed effectively and positively to motivate employees. The behavior of employees is controlled through the following:

1. **Positive reinforcement**

This type of reinforcement implies giving a positive response to an individual who shows positive and required behavior, for example, praising an employee for a job well done. Positive reinforcement stimulates the occurrence of the behavior.

2. **Negative reinforcement**

This type of reinforcement rewarding an employee by removing the negative or undesirable consequence

### **3. Punishment**

This reinforcement requires the removal of the positive consequence to lower the probability of repeating the desirable consequence or behavior in the future. In other words, it implies applying undesirable consequences for showing undesirable behavior for example suspension.

### **4. Extinction**

It is the absence of reinforcements or the lowering of the probability of undesirable behavior by removing reward for that kind of behavior for example no longer giving admiration or praise to an employee.

The motivation theories discussed in this chapter suggest that individual employees differ in their desired rewards, how they attempt to satisfy their needs and how they view fairness of what managers attempt to do for them in their work environment.

## **3.2 GENERATION Y: THE MILLENNIALS**

As mentioned in the introduction of this study, for several years, employers have been aware of the topic of employee engagement and retention and since then, they have constantly been working tirelessly to combat this ongoing problem. As the workforce keeps changing due to the older aged employees reaching retirement age, it is eminent that every employer in a work place fully understands what generations they are dealing with and how to appropriately handle any misunderstanding as a result of differences in performance and motivation (Guha, 2010).

According to (Greenwood et al, 2010), Managers need to learn to understand what levels of organizational commitment and job satisfaction their employees have in order to help smoothen the merge between the millennials and the much older generation. It is of no surprise that conflicts arising due to stereotypes and their differences in expectations, work ethic or performance arise between the older and much younger generation and as a result, affecting motivation and overall performance in an organization (Dayoe & Fox, 2011).

As more of the millennial generation takes over the workforce, there is a growing need to identify the changes in the dynamics related to the behavior and demands of this generation that in turn, will aid in retaining and keeping them motivated (Smith & Nichols, 2015). To



be able to understand the importance of the changing dynamics associated with millennial's in the work place, we need to first identify what a generation is and specifically pointing out the main differentiating factors of these different groups.

For the past 60 years, there have been three main generations dominating the workplace. The Baby Boomer, the Generation X and Generation Y also popularly known as the millennials (Kaifi, Nafei, Khaifan & Kaifi, 2012). A generation can be defined as a group identified by their birth year, location, age or the significance of events surrounding their existence that attributes to how their personality is built (Guha, 2010; Smola & Sutton, 2012).

Generational developments comprised of significant events such as wars, significant changes in economic situations or transitioning technologies can greatly contribute to the expectations, values and personalities of any generation (Hauw & Vos, 2010).

The Generation X are defined as the people born between the periods of 1960 and 1980 with this period being marked as the time of birth declines after the baby boom. Comparatively, this generation is much smaller than the previous and succeeding generations after (Kaifi et al, 2012). This generation is associated with growing up in isolation due to the high divorce rates and a high number of fulltime working parents. Other significant characteristics of the Generation X include periods of high crime and poor economic performance (Cahill & Sedrak, 2012). Nevertheless, Generation X are still referred to as the generation of renaissance and entrepreneurship (Smith & Nichols, 2015).

There are no precise dates as to when the Generation Y starts or ends however, researchers around the world have used birth years ranging between 1980 and 2000 to describe this generational phase. The Generation Y otherwise popularly known as "The Millennials" are the first generation of digital natives.

They are referred to as millennials because of their closeness to the new millennium and digital age (Cahill & Sedak, 2012). This generation is associated with sophistication and technological knowhow (Smith & Nichols, 2015). They are immune to traditional norms and values and come of age at a time of globalization, economic disruption and rapid changes in technology (Andert, 2011). Currently, the millennials are the latest generation dominating the workplace due to an increase in the number of retiring Baby Boomers.

In order to assimilate the importance of millennials in the workplace, it is vital that their values and demands are put into consideration. Taking a closer look at the characteristics of

millennials in the work place can help identify the differences in generational gaps and stereotypes.

According to a study conducted by Harvard Business School in 2017, millennials have a different definition of meaningful work. The study says that millennials valued meaningful work stating that “I would rather make nothing and love going to work every day than make a ton of money and hate going to work every day.” When asked to elaborate this, they tend to revolve around the notion of intrinsic motivation, wanting work to be more interesting, challenging and having good relationships with their core-workers. (Hauw & Vos, 2010) state that as important as having a good paying salary is for millennials, having a job that is more meaningful or working for an organization that behaves in a socially responsible manner is something of importance to them.

Even though there are mixed opinions about the advantages and disadvantages of having millennials take over the workforce, one most prominent characteristic of this generation is their high ambition, confidence and having a can-do attitude (Kowske et al, 2010). (Guha, 2010) and Kaifi et al, 2012) emphasize that a lot of this confidence can be attributed to the previous generations with most parents coming from the Baby Boomer generation. With constantly being pushed to be better and encouraged to do more, it created a level of trust and optimism in the millennials (Kowske et al, 2010).

### 3.2.1 CHARACTERISTICS OF GENERATION Y

There are several attitudes that millennials present at the work place that are drawn from their personal character and the time in which they have grown in. In this study, the focus is on the five main characteristics that are presented in the figure 5 below. These include technology utilization otherwise referred to as technology savviness, family focus and cultural acceptance, team work and flexibility and lastly, independence and achievement focus.

These main attributes to the characters of millennials are further elaborated in the figure below.



*Figure 9. Characteristics of millennials*

Source: Sa'aban et al, (2013).

Kaifi et al, (2012) in his study explains that the more millennials are taking over the workforce, the more technologically integrated the work place will be. It goes without saying, this generation being of native digital exposure, it is evident that millennials enjoy using technology and have to some extent become overly dependent on it especially at a very young age (Smith and Nichols, 2015).

Aside from excising tolerance in comparison to prior generations in the work place, millennials enjoy working in teams. This comes from their upbringing which was centered around being integrated into small groups with activities such as sports or group learning (Smith and Nichols, 2015).

Therefore, it is not surprising that a lot of this team work attitude is being transferred into the work place, creating a more tolerable approach to subjects that the older generation would otherwise not approve. It is evident from a study conducted by (Helyer & Lee, 2012) that generation Y though being independent, prefer to work in teams than alone because this type of integration enables them to finish tasks at a much faster pace through having discussions and brainstorming.

When it comes to culture, the millennials do not shy away from embracing new and diverse people. With the changing dynamics of the world, the work place, and retiring of the baby boomers, millennials are taking over most jobs and leadership positions (Sa'aban et al, 2013). However, with two other existing generations in play, it is challenging to get ideas and across the room especially with the difference in opinion as regards work ethic and culture.

Millennials being more culturally accepting, flexible and diverse thoroughly enjoy working in multicultural environments and are capable of coping and working with any other culture aside from their own (Brown et al, 2009). This characteristic is attributed to the events and activities associated with growing up in this generation encouraging diversity and acceptance of daily changes in society.

Unlike other generations before them, generation Y believe in collaborative working conditions enabling them to gain access to more knowledge, skills and thereby, achieving success (Dwyer, 2009). According to brown, generation Y is more tolerant to different races, religion, culture, sexual orientation and economic status, an ability that comes in to be very useful especially with organizations being more multicultural and embracing diversity.

Both (Kaifi et al, 2012) and (Kowske et al, 2010) agree with the notion that millennials are overachievers. In their studies, they elaborate on how millennials would spend several hours at the office because of their achievement focus and wanting to do things at the current time. According to the Harvard study, this attitude of immediacy can be associated with not wanting to miss out on an opportunity to do and be great (Erickson, 2009).

Aside wanting to do it all, millennials exhibit a lot of independence. Glass, (2007) further elaborated in his study that millennials with the help of the internet like to do things on their own, with minimum supervision enabling them to be and make independent decisions. With technological advances constantly improving, this enables generation Y to do their work much faster, with maximum efficiency, warranting more independence. The internet has greatly contributed to the effectiveness of millennials because of the ease of access to information on various platforms (Sa'aban et al 2013).

The last characteristic encompasses the ideology of a work-life balance. Millennials love jobs that allow them to be flexible be it with core working hours, working from home or remotely (Reilly, 2012). They also would preferably work with a manager or boss that is inspiring, imaginative and one who takes up a mentorship role because building

interpersonal relations to them is vital (Andert, 2011). When it comes to personal life, (Dweyer, 2009) points out how this is of importance to them, because their lifestyles and work need a balance.

With all these authors and their various studies highlighting important aspects about the generation Y, it is eminent that managers in any organization need to pay much more attention to the stereotypes created by differences in generations. Managers can counteract this conflict from arising by ensuring that their employees understand how their jobs and roles uniquely fit into the organizations mission and vision and why each job is of utmost relevance. This might aid in creating a more supportive organizational climate.

Managers also need to initiate a dialog that encourages open conversations and workshops that are aimed at recognizing the communities across generations where they can discuss what contributes meaning to their lives and works. This will allow managers to allow existing definitions of ways to merge instead of dictating what is or should be considered meaningful in the work place.

Generational stereotypes can be overcome as employees cherish their jobs and management recruits and select their employees allowing people to develop throughout their careers. Needless-to-say, encouraging communication across different kinds groups is vital after all, the aim of working is to do it together and ensure organizational success.

## **4 CORPORATE CULTURE AND COMMUNICATION**

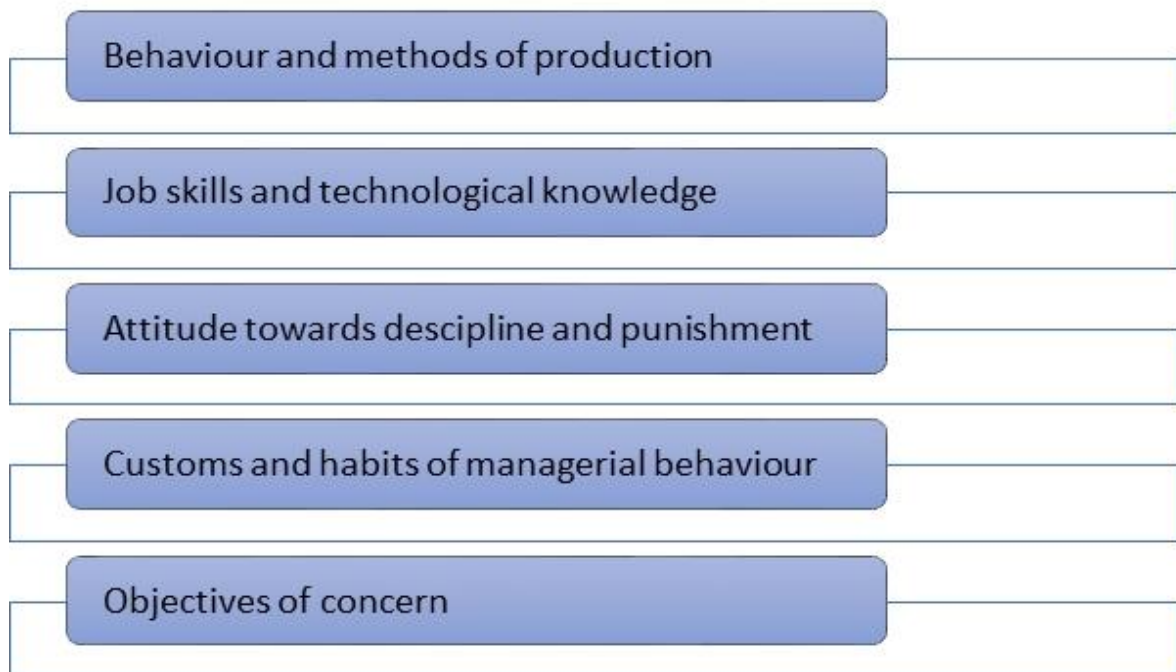
In this chapter, the author introduces the discussion about corporate culture and communication and how this is applied at the company of interest.

Developed in the 1960s and used by managers to describe the characteristics of a company, corporate culture has various definitions and is differentiated in meaning according to its many uses. Culture comes from the Latin phrase “Cultivere” which means to “Cultivate” (Sathe, 1985), (Bathon, 2002). Culture is comprised of many complex elements such as the law, beliefs, morals, knowledge customs and any other compatibilities and habits that man has acquired as a member of society. However, the central notion around culture is that it is related to the organization's core values (Flamholtz and Randal, 2012).

A company can be defined as a place where individuals from different communities, backgrounds, and beliefs come together in a common platform and work towards a predetermined goal. As mentioned before, every organization has a different set of policies that mandatory and help govern every organization and these are to be followed by employees. These beliefs and practices form the culture of a company which then gives the direction of to achieving company objectives. Work culture goes a long way in creating the brand image of an organization and this enables a clear distinction from other organization and competitors.

Bathon (2002), quoting (Jacques, 1951) states that “culture is a traditional and customary way of thinking and doing things which are shared to a greater or lesser degree by all its members and by which its new members must learn or at least partially accept in order to be accepted into service in the firm.”

Jacques (1951), further stipulates that culture in this sense covers a wide range of elements such as:



*Figure 10. Jacques' Description of corporate culture*

Source: Jacques, (1951).

The objectives of the concern are the way of doing business, the payment method, and the values placed on different types of work, the beliefs in democratic living and joining consultation and the less conscious conventions and taboos.

Luthans (1997), describes culture as a tool that governs people and how they behave and that it consists of two elements, implicit and explicit patterns of behavior acquired and transmitted by symbols constituting the distributive achievements of human groups. Luthans further on describes the major characteristics of culture as historical, selective, learned, based on symbols, an abstraction from and a product of behavior including ideas, patterns, and values.

Culture is well understood as a concept that comprises of key elements human resources management and has an impact on human resources. In today's world, corporate culture is mostly recognized as a strategic tool if not the ultimate strategic asset (Flamholtz et al, 2012).

Corporate culture is a set of ideas, beliefs, and patterns of behavior accepted by employees that follow and are identified by it (Venova et al, 2012). (Schien, 2001) describes this concept as a pattern of assumptions and basic beliefs shared and learned by a group of individuals and is passed on to new members. It is perceived as the accepted way of thinking and feeling while interacting with other members.

He further elaborates that in an organization, culture begins with leaders who impose their own values and assumptions on a group and if successful, these assumptions come to be taken for granted we then have a culture that will define terms for the later generation of members

Schein (1984) in another article defines organizational culture as a pattern of basic assumptions and that these assumptions enable the facilitation or can hinder the flow of information between various departments or organizations both internal and external (De Long and Fahey, 2000).

Corporate culture can be defined as the beliefs and behaviors that determine how a company's employee and management interact and handle outside business transactions. In today's world, corporate culture can be demonstrated as a reflection of the following elements that can be divided into internal and external aspects of corporate culture. Table 3 below gives examples of the internal and external factors that best describe corporate culture at a small or large organization.



*Table 2. Internal and external elements of corporate culture*

<b>INTERNAL</b>	<b>EXTERNAL</b>
1. The dress-code	1. Business hours
2. Working atmosphere	2. Methods of dealing with complaints
3. Relationships at the workplace	3. Treatment of clients
4. Employee Benefits	4. Operations
5. Hiring decisions	5. Client Satisfaction
6. Employee turnover	6. Motto / Slogan / Logo
7. Office set up and equipment	7. The appearance of company infrastructure

Source: Own elaboration.

From the internal elements in table 2, the dress-code in the work place can be described as formal, smart casual, completely informal or uniform. Depending on the type of organization, employers can set up rules on how their employees should show up dressed for work. The work environment can be described as the surrounding in which employees operate. This can include physical items such as the furniture, air-conditioning, the office equipment used for example computers, the individual working space such as a cubical. An employee's work place environment is a key determinant of the quality of their work and overall productivity.

How well a work place is setup engages an employee and generally impacts on their level of motivation to perform. For the most part, employees are entitled to a work place environment at allows for social interactions with all subordinates, peers and management and with limits, in the workplace every employee is entitled to a harassment free environment.

Employee benefits can be described as remuneration provided to employees over and above their salaries or wages. Benefits may include overtime, vacation, retirement benefits, medical insurance, training and development opportunities or profit sharing. Employee benefits are important because they show that not only does the company care but that they take the time

to invest in their workforce, their health and well-being and overall, their future. A solid employee benefit cannot only help attract or retain talent but aid in differentiating an organization from its competitors.

The aspect of hiring decisions is a significant factor for any organization. Even though hiring new talent can provide a company with great benefits, the right hiring choices must be critically analyzed. Hiring an employee that is not a good fit or one that portrays a bad character can cause a disaster especially in companies that have teamwork as an integral part of their work. Generally, all employees need to work well together and hiring someone that does not get along with others can introduce bad habits throughout a team's development stage especially since teams are self-managed.

Corporate communication over the years has gained an extreme status of importance as a management and strategic tool simply because organizations are continuously becoming aware and have developed a keen interest in improving their corporate image. Corporate communication can be defined as the beliefs and behaviors that determine how a company's employees and management interact and handle outside business transactions (Piric, 2004).

Van-Riel (2003) defines corporate communication as an orchestration of all the instruments in the field of organization identity in the form of symbols and communication in a manner that creation and maintenance of a positive reputation for individuals or groups with which the organization has a dependent relationship.

Corporate communication can also be defined as the total communication activity generated by a company to achieve its set out objectives (Jackson, 1987). (Balmer and Soenen, 1998) argue that corporate communication is not only one aspect of communication. They emphasize that it comprises of controlled and uncontrolled communication, employee and corporate behavior, symbolism, and direct and indirect or external communication.

Argenti (2003) emphasizes that communication within an organization is a key element in business operations because of the importance of its implications within an organization. Traditionally, corporate communication has been based on a perspective associated with the management of corporate reputation and image.

A company's image is of high importance as it is a key differentiation factor from rivals and it is essential because it enables the establishment of the commercial relationship with the intended target group (Van-Riel, 1995). However, for an organization to gain a competitive advantage in practice, there needs to be a proper articulation and understanding of the core

elements that an organization deems essential, the vision and mission. (Goodman, 2000) states that the mission of an organization is a cornerstone to developing an image in the employee and the public's mind.

#### 4.1 ESTABLISHING THE CORPORATE CULTURE AT DEX INNOVATION CENTRE.

It is evident that corporate culture plays a crucial role in guiding the behavior of an entire organization and a strong organizational culture will aid in influencing any employees' ability to do what is right. As mentioned in the previous chapter, corporate culture when correctly harnessed can be a great source of a company's competitive advantage because it besides employees, the culture is one of the other greatest assets of an organization.

##### 4.1.1 INTRODUCTION OF DEX INNOVATION CENTRE COMPANY

DEX Innovation Centre is a small SME with a little under 10 employees. It was founded in August 2012 as a non-profit organization in Liberec Czech Republic and it was based on a previous series of intensive years of research work and innovation under the brand of Czech DEX Company. Their mission is to improve society by ICT digital related innovation and research and currently, their expertise has been directed to smart and integrated transport, energy efficiency, health, and well-being. Their other focus is on the broadband and ICT security, e-solutions, education and entrepreneurship support.



*Figure 11. Company Logo, DEX Innovation Centre*

Source: DEX Innovation Centre company website ([dex-ic.com](http://dex-ic.com)).

DEX Innovation Centre is proudly the only small SME's doing research and development besides large institutions such as Universities and Hospitals in the country. They boast of conceptualization and innovation and have written and implemented more than 20 successful international projects and initiatives. They have an excellent track record with many international partners, for example, University of Cambridge, Technology Arts Sciences TH Cologne, Agency for Innovation, European Cooperation AIEC to mention a few.

DEX Innovation Centre collaborates with different stakeholders and target groups including other SME's and startups, Universities, and Research Centre's and Public Authorities. The

company is currently working on 8 projects with their main collaboration being the Interreg with Danube Transnational Performance and under this, they are running several initiatives like Inno-School, Acceleration, New General School, PPI Innovate and many other projects including Europe start-up week.

The company has now centered their focus on switching in division and communication for their external audience and now operate by choice, with a specialized focus, and on more projects. They are also in a position where they are no longer dependent on funding from the European Union simply because the company is doing well on its own both internally and externally.

#### 4.1.2 COMMUNICATION AT DEX INNOVATION CENTRE

DEX Innovation Centre being an SME has a lot of the characteristics that small medium-sized companies have, some of which will be discussed at a later stage in this analysis. On a typical day at the office, the day starts with project implementation and there are no deals or intentions. The employees work on this process, respond to emails, and the project manager carries out internal management. They also follow leads/targets and go about working on their daily allocated tasks and other projects that are past the initiation phase. The day continues with a tight schedule with more organization, making calls and inquiries about events and booking venues.

Monday afternoon is set for meetings with employees and management and the rest of the day goes by with employees supporting the project manager with presentation and communication. At the end of the week, the project manager shares important content from the week with the rest of the management team which is comprised of two other executives the head of the company and another responsible for business development, administration, finance, and overall office management.

The operations at the company work under a three-level structure comprised of the CEO, 2 people in top management positions and three professionals and each leader responsible for project management and communication. The management approach at DEX Innovation Centre is a mix between classical and behavioral approach. The leadership team is responsible for management objectives such as planning, organization and controlling in a hierarchical structure. They are responsible for monitoring personal key performance indicators and personal contact.

Every other aspect is dealt with a case by case behavioral approach where management is leading, motivating, communicating and providing mentorship to employees. In this regard, the employees work as individuals and in teams, participating in a democratic leadership style.

The culture at the company was organically developed over time. It is flexible and able to adapt to changes, has a centralized decision-making process with a few layers of management and no direct supervision. DEX Innovation Centre prides themselves in client service believing and treating each individual project and client as unique and worth all the extra effort especially being one of the only SME doing the kind of research and development projects they work with.

Having a small client base enables the company to ensure that the clients do not have any complaints. If this happens, the problems are communicated internally and dealt with in the most professional way. The clients, at the completion of a successful project, also give feedback in person and this allows for constructive criticism. In this aspect, the victories big or small are celebrated and each project success is felt by the entire team. At DEX Innovation Centre, both management and employees are always ready to try out new projects and can be termed as risk averse at the expense cost of innovation. After all, their mission is “digital innovation and research”. Therefore, they are quick to explore new projects and can move on when need be.

The following elements represent the internal and external aspects of corporate culture at DEX Innovation Centre.

#### 4.1.3 INTERNAL ASPECTS OF THE CULTURE AT DEX INNOVATION CENTRE

There is no specific dress-code at the company but there is a requirement that should be met at any important meeting, business project presentation or for international travel to meet partners. These occasions require that the employees are appropriately dressed. The office set-up and equipment at the company is also another important element that describes the culture at DEX Innovation Centre.

Their space is set up in such a way that the two big rooms they have are split into the conference room which also acts the Executives office and the other room is divided into other interconnected rooms with two or three employees sharing cubical spaces. The other

space is used as a kitchenette that is equipped with appliances with another small set up that can be used for the informal meetings.

Relationships at the workplace are both on a professional and family friendly level because besides working individually, the people at DEX Innovation Centre work in teams which require colleagues to get along. Some of the benefits of working at this company include a flexible work schedule that allows employees to start work between 9 am and 4 pm which also happen to be their core working hours.

Initially, most people still report to work at 8am and leave after 4pm. Parents, however, can report to work at 10am in the morning and leave after an 8-hour working day. DEX IC is highly competitive and has an international staff with English as the corporate communication language. This is because many of the international projects they work on are conducted in English and there is a great opportunity to travel abroad.

The company provides 20 days of paid leave for their employees while top management gets 4 weeks off. The employees have access to a personal work mobile phone that is already prepaid and there is a possibility of having a home office for two days within the week upon request. There is no restriction to the number of sick days that an employee can get. However, the 5 days of sick days are granted, and should the problem persist for a week or more, the employee then needs to report this immediately.

The hiring decisions at the company are conducted by the project manager in collaboration with the office manager. These two people are responsible for the selection process and vetting each potential candidate. Usually, the job advertisements are posted on job boards, the company website, personal ads and social media platforms such as the professional network, LinkedIn.

When the project manager finds a suitable candidate, this person is then interviewed by the office manager who then gives the go ahead and permits the hiring decision. Alternatively, both the managers can be present in the interview session and make the decision together and this primarily depends on the position that is being advertised. DEX Innovation Centre is a cross-cultural and they are not afraid to hire foreigners especially since their corporate communication language is English.

#### 4.1.4 EXTERNAL ASPECTS OF THE CULTURE AT DEX INNOVATION CENTRE

The business hours at DEX Innovation Centre are between 9 am and 4 pm and this time frame has two sets of shifts with employees coming in the morning between 8 am and 4 pm and between 10 am and 6 pm. The flexibility of these two shifts is to cater for employees that are parents or students to give them ample in the morning to deal with their personal needs.

DEX IC is situated not far from the city centre and business location. Its offices are set up in a well-maintained building near the city's biggest public library. The building is housing several other companies that are reachable at the entrance of the building and reception.

The clients, at the completion of a successful project give feedback in person and this allows for constructive criticism. Having a small client base enables them to eliminate possible dissatisfaction on projects they handle. Should the company face any complaints from their clients or colleagues, they deal with complaints by communicating the problems with their employees internally. The problems are communicated in an appropriate manner and dealt with in the most professional way. Their clients are treated as uniquely as the projects they present.

Their slogan is "Digital Innovation and Research". Their mission is to improve society by ICT digital related innovation and research and currently, their expertise has been directed to smart and integrated transport, energy efficiency, health, and well-being. Their other focus is on the broadband and ICT security, e-solutions, education and entrepreneurship support.

The corporate culture whether shaped intentionally or developed organically reaches the core of the company's ideology and practice and this affects every aspect of the business from each employee to the client or customer and eventually, the public at large. A strong organizational culture keeps the company's core values front and center in all aspects of its day to day structure and operations. A healthy corporate culture is especially important because a company that values its employees for their intense contribution to the continued growth of the business encourages high morale and attitude towards the continued success of the company.

Workers with a positive attitude are loyal, which in turn, reduces employee turnover associated with the high costs of recruitment, hiring and training. Employees who feel like they are part of a community are more likely to stay with an organization. This is because culture plays a key role for current and prospective employees and employees are people,

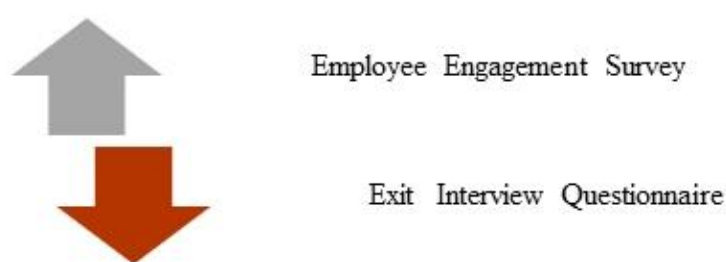
and a workforce culture that is focused on people has a profound appeal. Therefore, a healthy corporate culture can help a company return its most valued employees.

Companies with a healthy corporate culture gain a positive reputation among potential employees and even more so, clients. Creating a good reputation is not only good for gaining a competitive advantage, but also aids in attracting skilled and talented prospective employees and one way of attracting top performers is by hiring employees for their cultural fit. In addition to hiring high-quality staff, a business that has a well-regarded reputation allows a company to stand out.

Employees seek more than steady pay cheques and benefits. It is important to feel like what they do matters, and they feel this way, they are likely to become cultural advocates for the company. This not only shows that they are dedicated to giving their best input but also promote and live in it externally and internally. This can be achieved by celebrating individual and team successes and giving credit where it is due, giving employees a sense of accomplishment.

#### 4.1.5 PROPOSAL OF THE CORPORATE CULTURE AT DEX INNOVATION CENTRE

Based on the reviewed literature in the second chapter of the study and an analysis of the current situation at DEX Innovation Center, the researcher identified a need to focus on the factors influencing employee satisfaction, morale and engagement and how these issues relate to the challenge of employee loyalty and turnover. The two main proposals for the company were the creation of:



*Figure 12. Proposal for the analysis of the corporate culture at DEX Innovation Centre*

Source: Own elaboration

The two questionnaires were created with the aid of the tools Google Forms and Survey Monkey and tested using the method of Computer Assisted Web Interview (CAWI). The detailed elaboration of these tools and results obtained are explained in the next two chapters.



## **5 METHODOLOGY OF THE CORPORATE CULTURE SURVEY**

In this chapter, the methodology from the proposed corporate culture and communication from DEX Innovation Centre is discussed. The methodology is divided into three parts. The first is the instruments applied in the study, secondly the procedure of data collection and lastly, the questionnaire and interview design.

In suggesting the appropriate tools for the company, several aspects that are discussed below were analyzed. The present research is explanatory and descriptive in nature and it is based on primary as well as secondary data. The secondary data was obtained from books, journals and other research materials related to the study while the primary data was collected using survey method. Following this criterion, structured questionnaires were created covering different dimensions of the organizational culture. It was of great importance to management and the researcher that all aspects of the factors affecting loyalty at DEX Innovation Centre were carefully considered.

### **SUBJECTS THE EMPLOYEE ENGAGEMENT AND EXIT QUESTIONNAIRE SURVEYS**

The participants of this study were current and former employees of DEX Innovation Centre. With the permissions of the manager, the employees were asked if they would like to participate in the survey by truthfully and anonymously answering the survey questions. Once they agreed, a self-administered exit interview for former employees and an engagement survey for current employees was distributed to them for completion. The total number of recruited respondents was half the employees. This is because management did not participate in the survey.

### **THE TOOLS USED TO CONDUCT THE ANALYSIS**

A questionnaire was used as an instrument for the study. Before distribution of the final version submitted to employees, current and present, the questionnaire was pilot-tested with 5 respondents in order to check the level of understanding of the information provided in the questionnaire. The according to the comments and suggestions of the participants, the manager included, the questionnaire was rightfully adjusted.

The creation of the surveys was done through the Google Forms and Survey Monkey applications. Both these tools are provided for free with the requirement of having a google account or email address. To support the distribution of the surveys, the researcher used the

Computer Assisted Web Interview (CAWI) method. This method after the creation of a research questionnaire which is to be shown on the official website of the company or redistributed via email allows the respondents of the questionnaire to answer the questions created.

For this research, the CAWI method proved most appropriate due to the small size of the company. To ensure that each respondent was able to answer the questions in anonymity, it was important that they did this in privacy and uninterrupted. The advantages of using the CAWI method include the short time required to create questionnaires intended for research, the excellent control over the data collection process, the flexibility of the questionnaire with the ability of adjustment and reactions and finally the low costs and geographic coverage. Because some of the respondents were former employees of DEX Innovation Centre, it was important that they were able answer these questions in their spare time and comfort.

The first questionnaire was an employee engagement survey which had questions divided into three segments. The first part consisted of morale and motivation targeted questions while the second part asked the respondents for their opinions on the factors aligned with the culture at DEX Innovation Centre that could potentially affect the loyalty of employees in the company. Lastly, the conclusion questions were comprised of open-ended compulsory questions that required some elaboration. This was done to obtain more opinions and suggestions from the employees on issues that might not have been covered in the previous questions. Overall, the employee engagement survey consisted of 20 questions.

The exit interview administered to the former employees of the company comprised of 10 questions with 2 compulsory questions that required elaboration. Like in the engagement survey, this was done for the purpose of attain more insights why these employees decided to no-longer be part of the organization. For all the questions in both surveys, a Likert 5-scale was used. The scores of each separate scale are as follows;

Table 3. Likert's 5-point scale

LEVEL OF AGREEMENT	VALUE
STRONGLY AGREE	5
AGREE	4
NEITHER	3
DISAGREE	2
STRONGLY DISAGREE	1

Source: Kumnerdkarn, (2010).

For this study, it is worth mentioning that the Likert 5-point scale was adjusted in order to obtain more accurate results considering the number of respondents was very small. The answer option “neither” was eliminated. In a similar format the adjusted scale is shown below;

Table 4. Adjusted Likert Scale

LEVEL OF AGREEMENT	VALUE
STRONGLY AGREE	4
AGREE	3
DISAGREE	2
STRONGLY DISAGREE	1

## PROCEDURES AND DATA COLLECTION OF THE SURVEYS

According to the objective and the theoretical framework of the study identified in the literature review, both questionnaires were designed the intent of clearly defining the problematic areas affecting loyalty in DEX IC supported by primary data. Therefore, all the questions in the engagement survey and exit interview were carefully assigned to obtain in detail the most problematic areas in the company. The research table is enclosed in an appendix.

The respondents for this research were former and current employees of DEX Innovation Centre. This research was based on primary data that was collected through a self-designed

questionnaire. The questionnaire on a 5-point Likert Scale was prepared to evaluate employee engagement using 3 measures, morale, work satisfaction, and engagement. Employees were asked how engaged they are to the organization, their current position, and their supervisor. Each item was scored on a scale of 1 to 4 with 1 being strongly unengaged and 4 being strongly engaged.

An exit interview with 4 respondents was also conducted to ascertain why employees left the company. Using the same scale, the questions asked aimed at obtaining precise reasons for departure.

In order to obtain maximal efficiency in the results from the respondents, the questionnaires designed were specifically tailored to highlight the main aspects of the thesis in order to achieve the desired objective. In this regard, several criteria were considered in the design process of the questionnaire.

It was of crucial importance that the engagement survey and the exit interview consisted of questions that highlighted the areas of concern in a very easy and clear manner that was comprehensible. With this fact, the exit interview consisted of 12 questions with 9 multiple choice and 3 compulsory questions that required a short or detailed elaboration. The engagement survey consisted of 20 questions with the same criterion of compulsory questions that required elaboration according to the employee's aspects of most importance.

The length of both these questionnaires was structured in a manner that ensured less time consumption on the part of both respondents. Employees that had already left the organization were more than glad to cooperate even in their free time, nevertheless, the fully engaged current employees needed to respond while on duty.

#### DATA ANALYSIS OF THE EMPLOYEE ENGAGEMENT SURVEY FOR DEX INNOVATION CENTRE

Once all the responses from the questionnaires were collected, the researcher did a prescreening of the survey to ensure that all the questions responded and completed. The Likert design was used to measure the level of agreement. The employees' level of agreement towards the factors considered was calculated as follows; The levels of agreement are classified according to the values of the mean.

Table 5. Classification of the Likert 5-Point Scale according to value of the mean

VALUE	SIGNIFICANCE
4.21 – 5.00	Strongly Agree
3.41 – 4.20	Agree
3.61 – 3.40	Neither
1.81 – 2.60	Disagree
1.00 – 1.80	Strongly Disagree

$$\text{Highest Score} - \text{Lowest Score} / \text{Total rating level} : 5 - 1/5 = 0.8$$

Table 6. Classification of the Adjusted Likert Scale according to the value of the mean

VALUE	SIGNIFICANCE
3.26 – 4.00	Strongly Agree
2.51 – 3.25	Agree
1.76 – 2.50	Disagree
1.00 – 1.75	Strongly Disagree

$$\text{Highest Score} - \frac{\text{Lowest Score}}{\text{Total}} \text{rating level} : 4 - \frac{1}{4} = 0.75$$

As mentioned before, 5-point Likert Scale was adjusted to provide more accurate answers specifically designed for this research. Therefore, the mean value was altered to suit the given scale.

The second part of the questionnaire was presented as a compulsory open-ended question requiring elaboration. This part was created to attain deeper understanding of the elements that the employees (current and former) appreciated about the company and the suggested changes they would like management to put into consideration. In summary, this chapter highlights the subjects, materials, procedures and the data analysis of the research. In the next chapter, the findings of the research will be discussed.

## **6 RESULTS OF THE ENGAGEMENT SURVEY AND EXIT INTERVIEW AT DEX INNOVATION CENTRE**

In the previous chapter, the researcher discussed the instruments of measurement and the procedures that will be used in the study. In this chapter, a presentation of the data collected from the questionnaire of 4 respondents from DEX IC is analyzed. The findings are interpreted to examine the factors that affect employee loyalty in the company.

This chapter is divided into three parts the first being the demonstration of the mean level of agreement of the respondents towards the factors of morale, work satisfaction and work engagement as elements that affect employee loyalty in the company. The second part provides the suggestions, the assessment of economic use, technical and social contribution, considerations and proposals for further proceedings.

### **6.1 ENGAGEMENT SURVEY RESPONDENTS LEVEL OF AGREEMENT FOR MORALE, WORK SATISFACTION AND ENGAGEMENT**

The level of agreement towards the factors affecting the level of employee loyalty at DEX Innovation Centre were measured in three aspects and these were the employee morale, employee work satisfaction and the employee engagement level. These aspects were analyzed below as an average for each question in each section and the overall impression of what the level of agreement is in each subsection of these factors.

#### **6.1.1 AN ANALYSIS OF EMPLOYEE MORALE FACTORS IN DEX INNOVATION CENTRE**

The average level of agreement for all the employees in each question regarding their morale level was analyzed and the results are as follows; The overall average for employee morale as one of the factors affecting the level of loyalty in the company was 3.3 which falls in the category of “agree” level.

Regarding how each employee had a clear understanding of the company’s strategic goals, the average value was ( $X=3.25$ ) with all employees agreeing that the company’s strategic goals were clearly defined. The knowledge and expectations regarding the objectives while working in teams was employees ( $X=3$ ) with all employees agreeing with this statement. The response to the employees’ recognition for their work and the capitalization of their skills and potential gave an average result of ( $X=3.25$ ) with all employees agreeing that their potential was recognized, and skills adequately used. When asked how proud the employees

were of the company they worked for or if they would recommend it to anyone, they gave an average answer of (X=3.50) with half strongly agreeing and the other half agreeing to this statement.

When asked about their willingness to accept changes in the company, the employees average result was (X=3.50). The response to the question of having a feeling of accomplishment with the company was (X=3.25). In the employee morale section, none of the employees strongly disagreed with any of the questions asked. The tabulation below gives a summary of the employee morale responses from the employees at DEX Innovation Centre.

*Table 7. Employee Morale levels at DEX Innovation Centre*

<b>The factors affecting loyalty in the organization</b>	<b>Level of engagement in %</b>				<b>Average (X)</b>	<b>Opinion Level</b>
	<b>Strongly Agree</b>	<b>Agree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>		
Do you have a clear understanding of the company's strategic goals?	25%	75%	-	-		Agree
Do you know what is expected of you regarding objectives when working in a team?	-	100%	-	-		Agree
Does your supervisor recognize your full potential and capitalize on your strengths?	25%	75%	-	-		Agree
Are you proud to be part of DEX Innovation Centre?	50%	50%	-	-		Agree
Would you recommend this company to others?	50%	50%	-	-		Agree
I am open to accepting change in the company	25%	50%	-	25%		Agree
My work gives me a feeling of accomplishment	25%	75%	-	-		Agree
<b>GRAND TOTAL</b>					<b>3.25</b>	<b>AGREE</b>

Source: Own elaboration.

#### 6.1.2 AN ANALYSIS OF EMPLOYEE WORK SATISFACTION FACTOR IN DEX INNOVATION CENTRE

The average level employee work satisfaction for all the employees in each question regarding their level of work satisfaction was analyzed and the results are as follows; The overall average level of work satisfaction as one of the factors affecting employee loyalty in the company was 1.34 which falls in the “very satisfied” level.

When asked about how satisfied the employees about their working hours, their average response was ( $X=0.13$ ) with half strongly being satisfied and the other half only satisfied. The employee’s satisfaction with their salary was ( $X=0.19$ ) with the agreement level satisfied. The employee’s response to their satisfaction with the office setup and environment was ( $X=0.19$ ) with many of the employees agreeing that they were very satisfied with their office environment. The workload of the employees was analyzed and the average response to their satisfaction with their amount of work was ( $X=0.19$ ) with most of the respondents answering that they were satisfied with their workload.

The response to how the employees is satisfied with the company benefits was ( $X=0.13$ ) with half being satisfied and the other half dissatisfied. Most of the employees are very satisfied with the relationship they have with their supervisor with the average result being ( $X=0.19$ ). The employees are equally satisfied with their job security level with a result of ( $X=0.19$ ) as the average level of satisfaction.

Finally, when asked if the employees were satisfied with the communication with other colleagues in the workplace, half of them were extremely satisfied with this relation and that was the average ( $X=0.13$ ). In the work satisfaction survey, only one employee expressed their dissatisfaction when asked about employee benefits. The table below gives a summary of the results obtained from the work satisfaction survey.



Table 8. Employee work satisfaction level at DEX Innovation Centre

<b>Factors affecting loyalty in the organization</b>	<b>Level of engagement in %</b>				<b>Average (X)</b>	<b>Opinion Level</b>
<b>Employee Work Satisfaction</b>	<b>Extremely Satisfied</b>	<b>Very Satisfied</b>	<b>Satisfied</b>	<b>Unsatisfied</b>		
Working Hours	50%	-	50%	-		Very Satisfied
Salary	25%	-	75%	-		Satisfied
Office Environment	25%	75%	-	-		Very Satisfied
Workload	-	25%	75%	-		Satisfied
Company Benefits	-	25%	50%	25%		Satisfied
Relationship with Supervisor	-	75%	25%	-		Very Satisfied
Job Security	25%	75%	-	-		Very Satisfied
Communication with Colleagues	50%	25%	25%	-		Very Satisfied
	<b>GRAND TOTAL</b>				<b>2.78</b>	<b>VERY SATISFIED</b>

Source: Own elaboration.

### 6.1.3 AN ANALYSIS OF EMPLOYEE WORK ENGAGEMENT FACTOR IN DEX INNOVATION CENTRE

The average level of agreement for all the employees in each question regarding the level of employee work engagement was analyzed and the results are as follows; The overall average for the section employee work engagement as one of the factors affecting the level employee engagement is 3.11 which corresponds with the level “agree”.

When asked how inspired the employees are to meet their daily goals, they responded with an average of (X=2.75) corresponding with the level agree, evident that majority of the employees inspired to achieve their daily goals. To establish more how the employees felt about their engagement practices, they were asked if they got excited to go to work and if

the day went by quickly while they performed their tasks. To both these questions, they responded with an average of (X=3) agreeing to these two statements.

The employees were also asked how determined they were to give their best effort each day they spent at work and their average response was (X=3). When asked how well the employees got along and assisted each other at their place of work, they strongly agreed with an average of (X=3). To the question related to understanding how the employees work directly affected the company's business goals, their average response was that they strongly agree with a mean level of (X=4). Lastly, in establishing engagement levels the employees were asked how proactively they identified future challenges and opportunities and the average result agreed at (X=3). In the employee engagement survey section, no employee expressed any dissatisfaction. The summary of the results from the work engagement are tabulated below.

*Table 9. Employee Work engagement levels at DEX Innovation Centre*

<b>The following factors affect your level of loyalty in the company</b>	<b>Level of agreement in %</b>				<b>Average Opinion (X)</b>	<b>Opinion Level</b>
	<b>Strongly Agree</b>	<b>Agree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>		
I am inspired to meet my daily goals	-	75%	25%	-		Agree
I get excited to go to work	-	100%	-	-		Agree
I am determined to give my very best effort each day	50%	25%	-	25%		Agree
My colleagues and I help each other when the need arises	100%	-	-	-		Strongly Agree
I understand how my work impacts the company's business goals	-	100%	-	-		Strongly Agree
My colleagues and I proactively identify future challenges and opportunities	-	75%	25%	-		Agree
I am involved in my work that the day goes by fast	25%	75%	-	-		Agree
<b>GRAND TOTAL</b>					<b>3.11</b>	<b>AGREE</b>

Source: Own elaboration.

Apart from the multiple-choice questions in the employee engagement survey, the employees at DEX Innovation Centre were asked to answer questions elaboratively to ensure that any opinion that might not have been addressed in the first part of the questionnaire were tackled. The following table elaborates the answered questions from the compulsory questions asked in the engagement survey.

*Table 10. Elaborative responses in the Engagement Survey conducted at DEX Innovation Centre*

<b>The factors affecting loyalty in the organization</b>	<b>Answer according to elaboration from employee</b>			
<b>Employee Work Satisfaction, engagement and morale</b>				
What aspects of your job bring you joy?	Any task accomplished successfully	Evidence of a variable trace behind every project / work	Working in an international environment	Positive feedback from partners and clients
When most do you feel motivated at work?	When challenges are faced and a feeling of fulfilling them	In the morning at the start of the work day	After completion of a difficult task	After a successful accomplishment of a smaller goal or “step between”

Source: Own elaboration.

## 6.2 KEY FINDING FROM THE EMPLOYEE ENGAGEMENT SURVEY CONDUCTED AT DEX INNOVATION CENTRE

Overall, the results obtained from the employee engagement survey conducted at DEX Innovation Centre show that in all the three categories of employee morale, work satisfaction and engagement, none of the employees have shown dissatisfaction with the factors that might initiate them to want to leave the company.

The employee morale is very high with very few aspects to be considered for alteration. Some employees share a different opinion about giving their utmost best at the work place, something that can be changed through increasing motivation factors. The diagram below shows a sample of the response to one of the questions asked and answered in the employee morale factor.

I am open to accepting change in the work place.

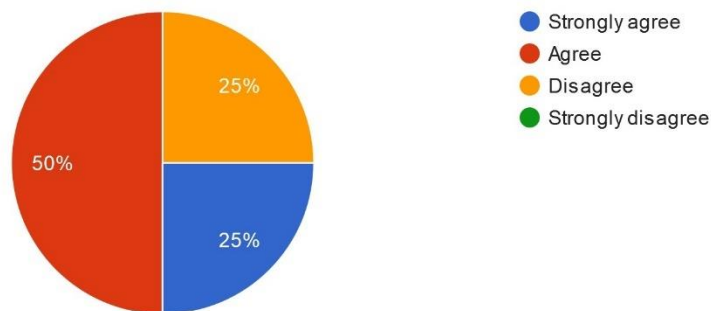


Figure 13. Sample question and response, employee morale at DEX Innovation Centre

Source: Own elaboration.

In the employee work satisfaction was also analyzed and showed that most of the employees were satisfied with their work. However, the management should investigate the benefits that they offer their employees because there was a trace of complete dissatisfaction in this category. Many of employees at DEX Innovation Centre expressed a great satisfaction with how secure their job security coupled with their relations with other colleagues and their working hours. In the chart below is a variation of the results from the section of work satisfaction levels demonstrated by the respondents.

How satisfied are you with the following work aspects at the company?

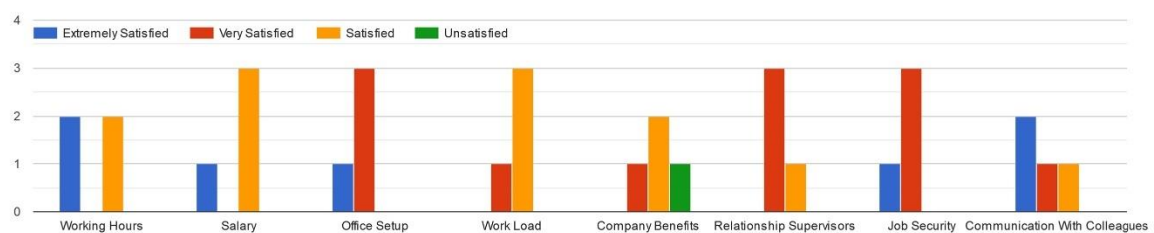


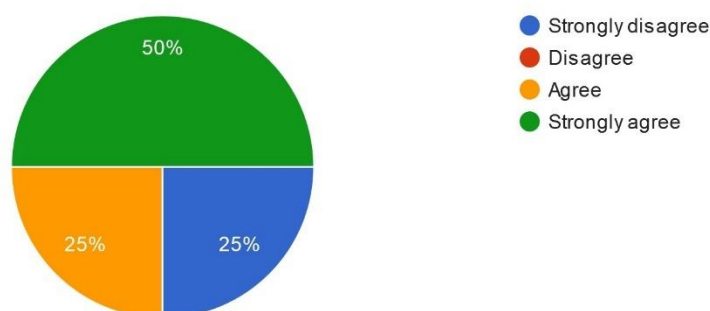
Figure 14. Sample question and response, Employee work satisfaction at DEX Innovation Centre

Source: Own elaboration.

Under the factor employee work engagement, it was established that the employees at DEX Innovation Centre are very engaged. With a little investigation, there is need to establish why some employees are not willing to give their best effort in their work. Generally, the employees work well together, and are proactively able to identify future challenges and

opportunities beforehand. The table below demonstrates the level of agreement or non-  
thereof as extracted from the survey.

I am determined to give my best effort at work each day.



*Figure 15. Sample of question and response, Employee Engagement Survey at DEX Innovation Centre*

Source: Own elaboration.

Overall, the employees at DEX Innovation Centre enjoy accomplishing the company objectives and their work projects. This is evident in the work they do as there is evidence of a variable trace in all their work. Because they collaborate with a lot of international partners on many international projects, they enjoy the possibility of travelling and obtaining positive feedback from their clients and partners. The employees at DEX Innovation Centre feel motivated most when they tackle challenges big or small and having a feeling of fulfilment in such tasks.

### 6.3 ANALYZING THE EXIT INTERVIEW CONDUCTED AT DEX INNOVATION CENTRE

To learn more about the factors influencing the levels of loyalty at DEX Innovation Centre, a structured exit interview was created. This was done because previously, there was no formal interview setup to enable management to understand in detail why some of their valuable staff left. In this interview survey, the researcher was able to establish a small correlation with some of the reasons supplied by the respondents in the exit interview as possible factors currently affecting the level of loyalty in with the engagement survey conducted with the current employees such as the performance reward system.

When asked how realistic the expectations that were set up for the employees at DEX Innovation Centre, the respondents agreed suggesting that the expectations were very realistic which averaged at (X=2.75). Interestingly, the response to the question of the employee's skills being effectively used disagreed. The former employees averaged at (X=2.25) suggesting that their skills were not effectively used. When it came to the remuneration, the respondents averaged at (X=2.75) agreeing that their work paid very well. With an average of (X=2.75) the respondents agreed that their contributions were fully recognized by management most of the time. During the decision-making process, the respondents were in a commonplace averaging at (X=3.25) with one half in agreement that management listened to the employees input while the other half suggest that management did not often listen to the employee's opinions.

Regarding teamwork, all former employees agreed that they worked very well with their colleagues to achieve a common goal. This result average at (X=3.25). Balancing work and personal life are a very important aspect to every employee working in any organization, big or small. In this regard, the former employees were asked how well they managed to balance their work-life and personal life and the averaged at (X=2.5) with half agreeing that their work at DEX Innovation Centre allowed them to balance so well while the other half did not manage to balance their personal and work life.

When asked how easy it was to acquire the resources the employees needed in order to perform their assigned tasks, the result averaged at (X=2.75) in agreement with the a very well supply of resources. Overall, the former employees were split in half about how much they enjoyed working at DEX Innovation Centre. The average result was (X=2.5) with half of the respondents answering that they liked working at the company a lot while the other half a little. The table below gives a summary of the findings from the exit interview conducted for DEX Innovation Centre.

Table 11. An analysis of the Exit Questionnaire conducted for DEX Innovation Centre

<b>The factors affecting loyalty in the organization</b>	<b>Answer according to elaboration from employee</b>			
What were your expectations at the company?	Absolutely nothing	Professional growth and continuous learning	Participating in more variable work	Making Liberec Region a better living place through EU funds
What were your reasons for leaving?	- Different career path - Very limited work	-I got fed up -No room for personal development	-Limited long-term outlooks -Teamwork was nuisance for tracking administrative work	-Closely focused work -Less perspective for future career growth

Source: Own elaboration

Table 12. Actions to make the company a better work place as suggested by former employees of DEX Innovation Centre

The factors affecting loyalty in the organization	Answer according to elaboration from employee			
Recommendations				
-Create more teambuilding activities	-Discourage employee favoritism	-Offer employees with more closely focused work	-Help more colleagues get more variety in their work	-provide a motivational bonus scheme or performance reward
-Provide more support to employees	-More time flexibility			

Source: Own elaboration.

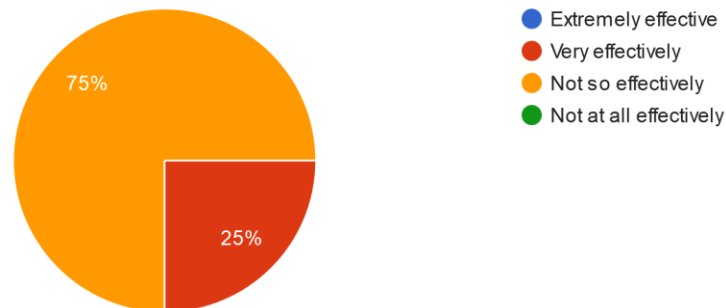
#### 6.4 KEY FINDINGS FROM THE EXIT INTERVIEW CONDUCTED AT DEX INNOVATION CENTRE

The exit questionnaire administered to the former employees of DEX Innovation Centre enabled the researcher to understand better why employee turnover was a challenge that the company was dealing with. The most outstanding finding from the survey was that many of the employees that left the company felt that their skills were not effectively utilized. In this manner, highly skilled workers were subjected to improve a new skill set or minimally work within their field of expertise.

The table below graphically demonstrates how the former employees expressed their lack of use for their skill set.

### How effectively did you feel your skills were put to use here?

4 responses



*Figure 16. A sample question and response from the exit interview conducted at DEX Innovation Centre*

Source: Own elaboration.

There is a conflicting opinion about two related aspects of the work at the company. When asked how realistic the expectations the company set out for their employees, they were in agreement that the expectations were very clear yet the employees expectations about the job were not set out for management to establish what candidate would be best suitable for pairing personal and professional objectives on the job. This resulted in former employees' dissatisfaction regarding the lack of professional or personal development presently and in a future perspective, continuous learning and variability of their work.

Overall, the company can investigate on how to ensure they provide more team building activities for their employees especially in off peak season and encourage more variety in their work projects. Creating an environment where internal communication allows employees opinions to be heard and possibly implemented in company strategy where suitable.

## A SUMMARY EVALUATION OF THE TESTED QUESTIONNAIRES AT DEX INNOVATION CENTRE

For the purpose of establishing if the employees at DEX Innovation Centre were motivated, engaged and satisfied with their jobs and work in general, an employee engagement survey and an exit questionnaire was created by the researcher as a tool that would enable



management to acquire an understanding of how their employees feel regarding factors that would result in their disloyalty. The used tools aim at assisting the management team at DEX Innovation Centre to improve employee retention, work place environment, increase employee satisfaction and provide a benchmark to measure continued improvement of all factors of employee engagement.

Figure 17 below is a sample from the survey conducted at DEX Innovation Centre for their current employees. The Computer-Assisted Web Interview method (CAWI) was used to conduct this survey. This method is a result of an evolution of the previously used popular methods such as the paper and pencil interviews to mention a few. With the increasing popularization of the Internet, the CAWI method is coming a research too with a large following.

This method involves the creation of a structured research questionnaire created by a software called Google Documents and Survey Monkey for this research. This survey is then presented to management which is to be shown on the company website or in the case of this study, redistributed by email as an instruction from management to all the employees to be filled in. With the size of the company DEX Innovation Centre, it was imminent to use this method to ensure absolute confidentiality and anonymity.



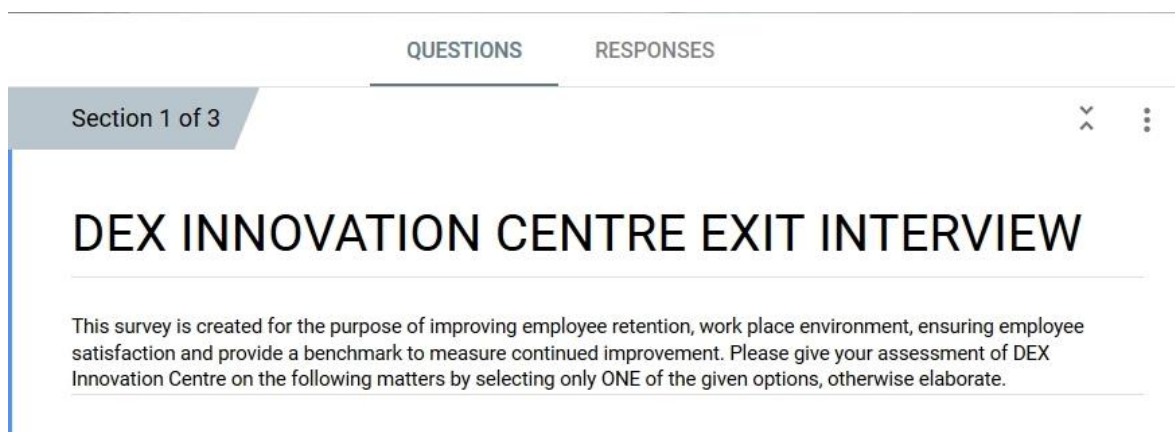
The image shows a screenshot of a web-based survey interface. At the top, there are two tabs: 'QUESTIONS' and 'RESPONSES'. Below the tabs, a header bar indicates 'Section 1 of 6'. The main title of the survey is 'DEX Innovation Centre Employee Engagement Survey'. Below the title, a paragraph explains the purpose of the survey: 'This survey is created for the purpose of improving employee retention, work place environment, increase employee satisfaction and provide a benchmark to measure continued improvement. Please give your assessment of DEX Innovation Centre on the following matters by selecting ONE of the given options, otherwise elaborate.'



*Figure 17. A Sample of the front and end page of Employee Engagement Survey conducted for DEX Innovation Centre.*

Source: Own elaboration.

Likewise, the same criteria were used, for the Exit questionnaire sent out to the former employees of the company. This supporting too is to aid in the establishment of any correlation of the current factors affecting loyalty, performance and retention that may result in the dissatisfaction of employees driving them to become disloyal. The management team was willing and assisted with contacting the for former employees of DEX Innovation Centre and this had to be done through company policy of not violating any General Data Protection Regulation (GDPR) Laws. The Figure below shows a sample of the administered exit interview for DEX Innovation Centre.



Thank you for taking part in the survey. Please note that this survey should be answered in anonymity and without any distractions or interruptions.

The survey is conducted in fulfillment of Master Degree Program at the Technical University of Liberec. The researcher is interested in the opinion of the employees at DEX Innovation Centre and the results if successful, will be used to analyse the factors affecting employee satisfaction, turnover and loyalty at the named company.

*Figure 18. A Sample of the front and end pages of the Exit Questionnaire Survey conducted for DEX Innovation Centre*

Source: Own elaboration.

Conducting these surveys will have to be done at a time when the management team at DEX Innovation Centre feel the need to establish the professional well-being of their employees in the company. This can be done on a yearly basis to avoid the inconvenience that comes with the evaluation of the results obtained from the survey. There will be a need to restructure the questions in the engagement survey following the nature of interest the company would like to establish concerning other factors that may possibly affect employee loyalty in the future.

For the exit questionnaire to be used effectively, once the management team is informed of the possibility of an employee leaving the company, they can schedule a time that the employee fills out this interview resulting in a more formal exit interview process. In this regard, the management team will be well informed on time about the other factors they would have to consider during the restructuring process of the employee engagement survey, enabling them to detect issues that may not have been addressed in the previous version of the survey.

Like any other interview, the management team must focus on the loss of the good employees because not every turnover is bad turnover. The employee should be interviewed by another superior person other than their direct supervisor to ensure that they feel comfortable voicing out their opinion. There is also needed to explain to the employee why the interview is being conducted, for educative purposes, the employee must not feel ambushed into answering these questions.

Because an employee leaving an organization is a sensitive matter, the management team must ensure that whatever reason provided by the employee regarding their reason for leaving e.g. change in career paths or joining another company must be treated with utmost respect. After following some of these steps depending on the type of organization, the management team must then ensure that they access the interview or questionnaire administered for all the information provided in order to observe an emergence of patterns. This gives room for them to apply the appropriate measures in a realistic manner to help prevent future losses of good employees.

#### 6.5 PROPOSAL OF THE PROCESS OF EMPLOYEE SATISFACTION AT DEX INNOVATION CENTRE

Following the structure of the literature review provided in this research conducted for DEX Innovation Centre, the researcher defined and analyzed the factors of employee loyalty, the drivers of employee and organizational engagement, employee motivation and corporate culture and communication.

These factors were selected as the main divers of employee loyalty, performance and turnover. In order to the management team to effectively utilize the supplied engagement survey, they should implement the following process;

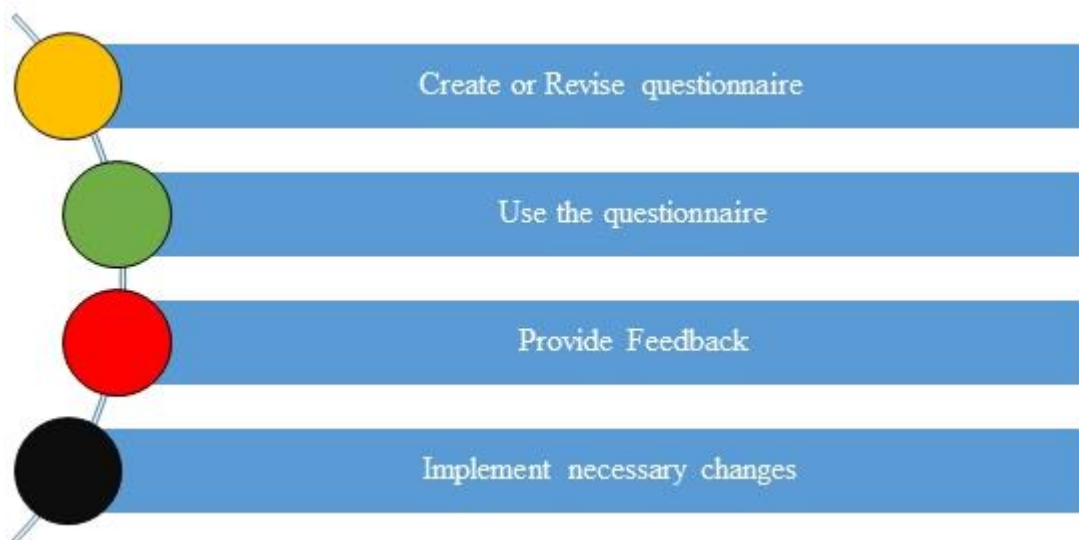


Figure 19. Proposal of the process of employee morale, engagement and satisfaction at DEX Innovation Centre

Source: Own elaboration.

From the provision of the first interview provided by the researcher, the possibility of alterations on the factors that would affect employee loyalty and turnover is endless. Depending on the frequency of the employee engagement survey, the management team may detect an emergence of repeating patterns in the respondent's suggestions. This will allow them to re-establish the factors of importance to their staff so that they can implement possible changes. Another way would be to restructure this interview side by side with the reviews of the information provided by former employees on the challenges they faced while working for the organization.

## 6.6 PROPOSAL OF THE PROCESS OF EXIT INTERVIEW AT DEX INNOVATION CENTRE

In the same manner the employee engagement survey is administered, the exit questionnaire is provided to employees that have reached the end of their tenure at the company. It should be recognized that the intension of this interview or questionnaire is not to reverse the decision of the employee to leave the company. However, it will serve as means of diminishing future employee turnover by establishing what is causing good employees to leave.

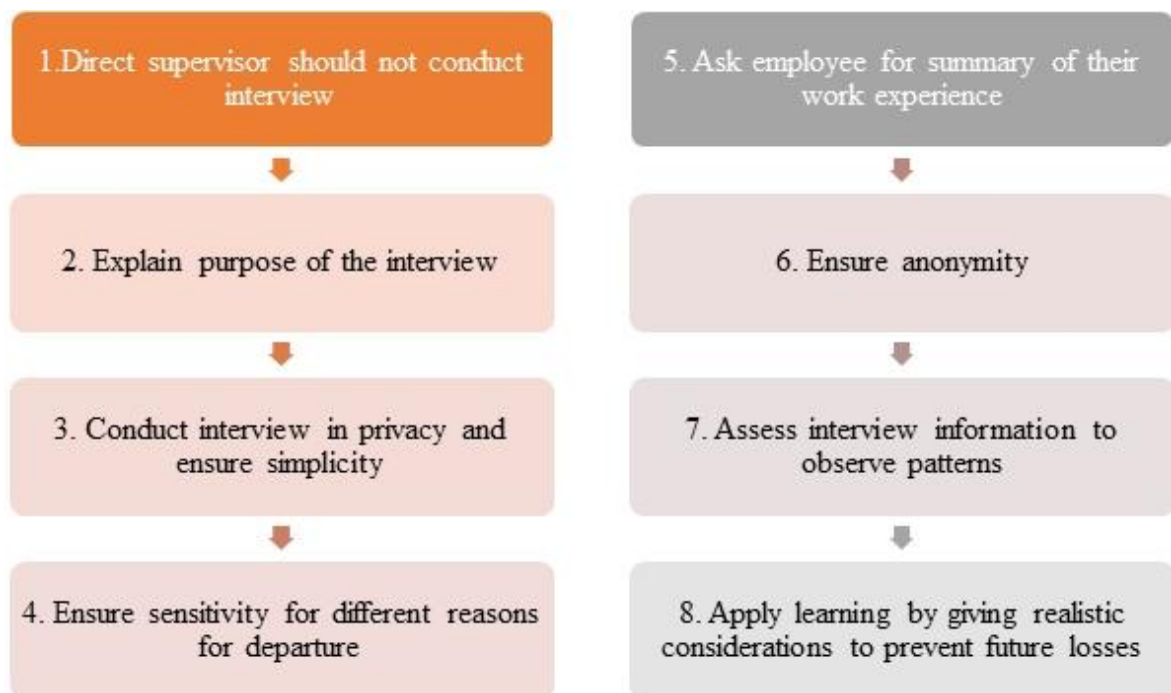


Figure 20. Proposal of the exit questionnaire process at DEX Innovation Centre

Source: Own elaboration.

## THE ECONOMIC EVALUATION OF THE PROPOSALS

The economic evaluation for the research amounted to no costs incurred because the tools and software used were free of charge. The company DEX Innovation Centre is situated very close to the Faculty of Economics and this did not require any transportation costs for any meeting scheduled.

On the side of the management team at DEX Innovation Centre, the use of this structured questionnaire may require a paid version of the Survey Monkey Software otherwise, a free version of the Google Forms Version is available with a creation of a google account which is also free. They may, for evaluation purposes require an external consultant or Human Resource Specialist and may amount to some agreed costs between the involved parties. If the management team feel confident that they can conduct the interviews and evaluate respondents results of the employee engagement and exit surveys, then there will be no costs incurred for their company.

## **7 CONCLUSION**

The objective of the research based on the exploration and analysis of the factors affecting the employee loyalty, performance, retention and turnover was to propose appropriate tools to aid in the minimization of disloyalty and employee turnover. This was done by analyzing factors of employee motivation, engagement and work satisfaction and providing possible strategies to ensure that the professional well-being of each employee at DEX Innovation Centre was taken care of.

Based on the results obtained from the employee engagement survey, the employees at DEX Innovation Centre are very satisfied with their work. They express high level of contentment especially with their job security, relationships with colleagues, their workload, pay and the office environment set up.

In agreement with the factors influencing their levels of morale, they all seem to have a clear understanding of the company's objectives and work in line with achieving these set out goals. The employees especially are content with their work giving them a sense of accomplishment, when their tasks are completed successfully with a trace of variable work for every project they do. And with each project or task they perform, their supervisor acknowledges and capitalizes on their strengths and recognizes their full potential to successfully complete their tasks. Because the type of work they do requires a lot of collaboration with international partners and clients, the possibility of travel is a factor that most employees are satisfied with.

When analyzing their work engagement levels, it was established that the employees are also engaged in their work practice. They all show interest and excitement in wanting to go to work daily primarily because they succeed in achieving their daily goals and tasks. The employees enjoy and work well in teams easily identifying future opportunities and challenges.

The proposals from the exit interview that were contributed by the former employees of DEX Innovation Centre suggest that management should provide more support to its employees by allowing them to participate in variable or closely related work enabling them to achieve professional and personal growth in the projects they do. All these results could be useful to the organization, but they must critically analyze which factors are of most importance to the company offering a more realistic approach to the implementing process.

## 7.1 CONSIDERATIONS AND PROPOSALS FOR FURTHER PROCEEDINGS FOR DEX INNOVATION CENTRE

Based on the findings and the conclusions of this study, the following recommendations were made;

Many factors that could possibly affect the level of employee loyalty and turnover such as the nature of work, employee benefits and performance reward, career advancement opportunities and recognition among many other factors could be considered for further investigation to establish their relationship with employee loyalty.

Because of the small size of the company, the number of respondents was very limited, and this could give distorted or inconclusive results. The lack of participation from other employees including the former members of DEX Innovation Centre may create a lack of creativity on the side of the researcher as they could be unable to devise more solutions on how to improve the loyalty in the company.

In order to obtain a deeper understanding or more direct solutions from the employees and their professional well-being, the management team needs to implore more simple methods such as observing employee behavior or attitude towards certain aspects regarding their work or initiate direct interviews in a relaxed environment enabling them to obtain more opinions and or suggestions regarding the things they would like improved or changed. This is especially possible for DEX Innovation Centre because they are an SME with a family friendly feeling encouraging close communication between the management team and their employees.



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## **9 LIST OF APPENDICES**

**APPENDIX A** The final form of the Employee Engagement Survey for DEX Innovation Centre

**APPENDIX B** The final form of results obtained from the Employee Engagement Survey from DEX Innovation Centre

**APPENDIX C** The final form of the Exit Questionnaire Survey

**APPENDIX D** The final form of the results from the exit interview obtained from DEX Innovation Centre

**APPENDIX E** The definition of terms used in the research



## APPENDIX A

### The final form of the Employee Engagement Survey for DEX Innovation Centre

Section 2 of 6



## Morale

Description (optional)

Do you have a clear understanding of the company's strategic goals?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly Disagree

Do you know what is expected of you regarding objectives when working in a team?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly Disagree

Does your Manager/Supervisor recognize your full potential and capitalize on your strengths?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly Disagree

Are you proud to be a part of DEX Innovation Centre?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly Disagree

Would you recommend this company to others?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly Disagree

My company operates in a socially responsible manner

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly Disagree

I am open to accepting change in the work place.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree

My work gives me a feeling of accomplishment.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree

What aspects of your job bring you joy?

Short answer text

---

## Work Satisfaction

Description (optional)

How satisfied are you with the following work aspects at the company?



Multiple choice grid ▾

### Rows

1. Working Hours
2. Salary
3. Office Setup
4. Work Load
5. Company Benefits
6. Relationship Supervisors
7. Job Security
8. Communication With Colleagues

### Columns

- ☐ Extremely Satisfied
- ☐ Very Satisfied
- ☐ Satisfied
- ☐ Unsatisfied

## Work Engagement

Description (optional)

I am inspired to meet my daily goals at work.

- ☐ Strongly Agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly Disagree

I get excited about going to work.

- ☐ Strongly Agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly Disagree

I am determined to give my best effort at work each day.

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Agree
- ☐ Strongly agree

My colleagues and I help each other when the need arises.

- ☐ Strongly Agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly Disagree

I understand how my work impacts the company's business goals

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree

My colleagues and I proactively identify future challenges and opportunities

- ☐ Strongly Agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly Disagree

I am so involved in my work that the day goes by quickly.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree

When do you feel the most motivated at work?

Short answer text

---

## Compulsory Questions

Description (optional)

What would you recommend to improve, change or cancel in order to enhance your job satisfaction? List at least 3 things of importance to you.

Long answer text

---

What aspects would you say are positive about your company? Mention at least 3 things of importance to you.

Long answer text

---

## APPENDIX B

The final form of the results from the employee engagement survey for DEX Innovation Centre.

Employee	Morale Questions							
	Do you have a clear understanding of the company's strategic goals?	Do you know what is expected of you regarding objectives when working in a team?	Does your Manager/Supervisor recognize your full potential and capitalize on your strengths?	Are you proud to be a part of DEX Innovation Centre?	Would you recommend this company to others?	My company operates in a socially responsible manner	I am open to accepting change in the work place.	My work gives me a feeling of accomplishment.
Employee 1	3	3	3	3	4	3	3	3
Employee 2	3	3	3	4	4	3	2	3
Employee 3	4	3	3	3	3	4	4	3
Employee 4	3	3	4	4	3	4	3	4

### Legend

#### Morale Questions

Strongly Agree	4
Agree	3
Disagree	2
Strongly Disagree	1

What aspects of your job bring you joy?	How 2 are you with the following work aspects at the company? [Working hours]	How 2 are you with the following work aspects at the company? [Salary]	How 2 are you with the following work aspects at the company? [Office setup]	How 2 are you with the following work aspects at the company? [Work load]	How 2 are you with the following work aspects at the company? [Company benefits]	How 2 are you with the following work aspects at the company? [Relationship with supervisor]	How 2 are you with the following work aspects at the company? [Job security]	How 2 are you with the following work aspects at the company? [Communication with colleagues]
Any task which accomplished correctly	2	2	3	2	1	3	4	2
That there is a visible trace behind our work.	4	4	4	3	3	3	3	3
international environment	4	2	3	2	2	2	3	4
Positive feedback from the clients/partners.	2	2	3	2	2	3	3	4

Work Satisfaction			
	Extremely satisfied	4	
	Very satisfied	3	
	Satisfied	2	
	Unsatisfied	1	



I am inspired to meet my daily goals at work.	I get excited about going to work.	I am determined to give my best effort at work each day.	My colleagues and I help each other when the need arises.	I understand how my work impacts the company's business goals	My colleagues and I proactively identify future challenges and opportunities.	I am so involved in my work that the day goes by quickly.
3	3	4	4	3	3	3
3	3	3	4	3	3	3
2	3	4	4	3	2	3
3	3	1	4	3	3	4

Work Engagement			
	Strongly Agree	4	
	Agree	3	
	Disagree	2	
	Strongly Disagree	1	

When do you feel the most motivated at work?	What would you recommend to improve, change or cancel in order to enhance your job satisfaction? List at least 3 things of importance to you.	What aspects would you say are positive about your company? Mention at least 3 things of importance to you.
When I face the challenge and I think then I am able to fulfill it.	Home office, better work week distribution (sometimes very little work and sometimes too much work, but I think that is natural)	Using of English. A small team of people who are willing to collaborate at any time. Almost anything is possible to discuss (with my supervisor)
In the morning	time management	the team, salary
after I complete a difficult task	time management, balanced workload, communication important messages	friendly environment, expertise of the team, international company
After successful accomplishment of smaller goal, "step between".	Improvement of work-life balance/workload, Having possibility of few sick-days/per year, Right to more holidays than just the minimum settled by law.	good interpersonal relations, cultural diversity/multidisciplinary of the team, time-flexibility during working hours for small personal business (bank, other appointments,...).

## APPENDIX C

The final form of the exit interview questionnaire for DEX Innovation Centre

Section 2 of 3

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# QUESTIONS

Description (optional)

How realistic were the expectations that were set for you?

☐ Extremely realistic

☐ Very realistic

☐ Not so realistic

☐ Not at all realistic

How effectively did you feel your skills were put to use here?

☐ Extremely effective

☐ Very effectively

☐ Not so effectively

☐ Not at all effectively

How well were you paid for the work you did at this company?

☐ Extremely well

☐ Very well

☐ Not so well

☐ Not well at all

How often did you feel your contributions were recognized?

- ☐ Always
- ☐ Most of the time
- ☐ Once in a while
- ☐ Never

How often did management listen to employees' opinions when making decisions?

- ☐ Extremely Often
- ☐ Very Often
- ☐ Not so often
- ☐ Not at all often

How well did the members of your department work together to reach a common goal?

- ☐ Extremely well
- ☐ Very well
- ☐ Not so well
- ☐ Not at all well

How difficult was it for you to balance your work life and personal life while working here?

- ☐ Extremely difficult
- ☐ Very difficult
- ☐ Not so difficult
- ☐ Not at all difficult

How easy was it to get the resources you needed to do your job well at this company?

- ☐ Extremely easy
- ☐ Very easy
- ☐ Not so easy
- ☐ Not at all easy

Overall, how much did you like working here?

- ☐ A great deal
- ☐ A lot
- ☐ A little
- ☐ Not at all

What were your expectations when you first started working at DEX Innovation Centre?

Long answer text

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What are your reasons for leaving the company?

Long answer text

---

What actions can your employer take to build a better workplace?

Long answer text

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## APPENDIX D

The final version of the answers from the exit interview

Employee	EXIT INTERVIEW					
	How realistic were the expectations that were set for you?	How effectively did you feel your skills were put to use here?	How well were you paid for the work you did at this company?	How often did you feel your contributions were recognized?	How often did management listen to employees' opinions when making decisions?	How well did the members of your department work together to reach a common goal?
Employee 1	Very realistic	Not so effectively	Very well	Most of the time	Not so often	Very well
Employee 2	Not so realistic	Not so effectively	Very well	Once in a while	Not so often	Very well
Employee 3	Very realistic	Not so effectively	Very well	Most of the time	Very Often	Very well
Employee 4	Very realistic	Very effectively	Not so well	Most of the time	Very Often	Extremely well

EXIT INTERVIEW						
Employee	How difficult was it for you to balance your work life and personal life while working here?	How easy was it to get the resources you needed to do your job well at this company?	Overall, how much did you like working here?	What were your expectations when you first started working at DEX Innovation Centre?	What are your reasons for leaving the company?	What actions can your employer take to build a better workplace?
Employee 1	Very difficult	Very easy	A lot	Nothing	Different career path	Team building activity
Employee 2	Very difficult	Not so easy	A little	I thought I will learn new things and will grow professionally.	I got fed up. From my point of view Teamwork is a nuisance (sw for tracking time spent on tasks) - useful maybe for statistics but not for tracking of admin work.	He should be more supportive and do not prefer one employee over another.
Employee 3	Not so difficult	Very easy	A little	More variable work.	Limited and closely focused work, which does not develop a person.	To offer to a person with closely focused work to do some other stuff as helping colleagues to get more variety in work, and thus have a chance to be better rated, also more time flexibility.
Employee 4	Not so difficult	Very easy	A lot	Making Liberec a better place for living through EU funded projects.	Limited long-term outlooks, lesser perspective for career growth in the future.	Motivational bonus scheme for well performing employees.

## APPENDIX E

The definition of terms used in the study.

**Loyalty** – A feeling of positive orientation of an employee related to the future direction and development of an organization which has an impact on its current operations.

**Engagement** – The act of being fully involved and enthusiastic about work resulting in the advances of the organization.

**DEX Innovation Centre** – A non-governmental organization in the Liberec Region founded in 2012 that specializes in research and innovation under the brand Czech DEX Company. They are experts in smart and integrated transport, energy, health and well-being focusing on broadband and ICT security, e-solutions, education and entrepreneurship.

**Motivation** – The inner force that drives individuals to accomplish personal and organizational goals.

**Generation Y** – A group of people born between the period 1980 and 2000 popularly referred to as “Millennials” and identified as the age of digital natives.

**Corporate Culture** – An element that guides peoples’ behaviour in the work place. It is a customary and traditional way of conducting your business, values placed on different types and beliefs in democratic living.

**Corporate Communication** – Is defined as the sharing of information within a business and a practice that needs developing, cultivating and maintaining a corporate identity or brand.