

DIAGNOSIS OF EMPLOYEE ENGAGEMENT IN METALLURGICAL ENTERPRISE

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In the theoretical part of the publication an overview of the definitions of employee engagement was conducted together with the analysis of the methods and techniques which influence the professional activity of the employees in the metallurgical enterprise. The practical part discusses the results of diagnosis of engagement in steelworks. Presented theories, as well as the research, fill the information gap concerning the engagement of the employees in metallurgical enterprises. This notion is important due to the fact that modern conditions of human resources management require the engagement of the employees as something commonly accepted and a designation of manufacturing enterprises.

Key words: metallurgical enterprise, employee engagement, management

INTRODUCTION

In recent years the classic approach to shaping the activity of the employees is mainly based on the motivational influence (rewarding the effects of the work) gives way to management by engagement of employees. The employees are expected to possess productivity, creativity, conceptualism, flexibility of behaviour, the ability to cooperate in teams and constant readiness to engage in various forms of activities in the company including the activities which are beyond the obligatory set of duties of an employee. Each enterprise has worked out a separate set of methods and techniques of influence on the professional activities of their employees. It is also important to underline here that such activities are complex sets of tasks which include the culture of organisation, management of staff, communication and motivation system.

Author in this publication presents the activities which shape professional activity of the employees in a metallurgical enterprise and discusses the results of the diagnosis of involvement on the basis of cycle of meetings. The biggest steelworks in Poland, ArcelorMittal was a case study here.

EMPLOYEE ENGAGEMENT IN DEFINITIONS

Doing an overview of the definitions of engagement of employees according to different authors it was concluded that as the times change the definition evolves. Starting from the engagement in work, which was performing the tasks of the employee in a dependable way [1] the definitions reach the point of defining engage-

ment in the functioning of the whole enterprise. D.E. Guest defines this type of engagement as „the real dedication to the organisation” [2]. What is the real dedication to the organisation? It is a passion and willingness to do something more than the assigned set of duties for a given employee. It is a fusion of physical and intellectual effort and emotional approach to everything which is connected with functioning of the company [3]. S. Cook distinguishes such main aspects of engagement as: operation, thinking, feeling [4]. In engagement of employees the following aspects are underlined: the independence of actions, limitation of control, and increase in the decisive initiative of the employees. Engagement is full identifications with the aims of the company in time of its development as well as with its problems in crisis situations [5]. Engaged employee agrees with the values of the company such as: quality, cost leadership, innovations. Engagement of employees should be equal with business results, which may refer to finance (profit), production (productivity), merchandising (turnover, sales value), marketing (quality and customer service), and organisation (elimination of all kinds of wastage).

BUILDING ENGAGEMENT OF EMPLOYEES IN METALLURGICAL ENTERPRISES

Building engagement of employees in metallurgical enterprises requires influence on the employees, their attitudes, values and behaviour. In an attempt to increase the professional activity of employees the basis for a new culture in an organisation should be created and it means a new set of norms and values which promote high engagement of employees, for example dialogue, bonds between people, dignity of people, rules of social interactions, tolerance and honesty [6,7].

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Well-functioning culture of organisation should reflect in the way the employees work. They should know how to work in an enterprise for their work to bring effects. Enterprises must strive for such conditions in which the employees are integrated by new values and aims. It requires changes in organisation of work and management structures. A concept of a flexible employee appeared in this context. He or she is an employee who is able to perform a broad range of tasks. In order to learn how to function on various work stations in metallurgical enterprises an employee crossing was applied (delegating an employee to work on identical or similar work station in some other branch or section of the enterprise). Team work became crucial (working teams, project teams, task teams, problem teams etc.) The changes of the organisation of work were followed by the change in technology of manufacturing (elimination of the old fashioned technologies, introduction of continuous casting of steel, automation and computerisation of technological processes etc.). Building engagement of employees required flattening of the management structures (Lean Management) – executives closer to the employees, relationships built on partnership between the employee and its superior. Moreover, the managers had to learn how to manage the company flexibly, react quickly to changes in dynamic conditions of functioning (different combinations of strategies, resources, methods and tools). Steelworks have introduced new methods and techniques of management, for example TPM, SMED, TQM, 5S, Six Sigma, FMEA. In the stage of organisational and management changes the steelworks combined planning the activities with their implementation and assessment of effects (Management by Objectives). A lot has changed in the field of human resources management. Employees who engage in the functioning of the company become the intellectual capital. Through their knowledge and experience they take part in the process of improving the enterprise. According to Kaizen concept they initiate new operational solutions both in the range of how should basic processes (supply, production, distribution) and the auxiliary processes look like (facilities maintenance, technical maintenance of devices). In order to engage the employees in functioning of the enterprise, changes had to be made in the system of rewarding and motivation – limitation of the financial bonuses not connected with financial situation of the enterprise. Instead, the employees have their share in the profit. Some of the shares of the enterprise have been distributed among them. The importance of the non-financial motivation grew, for example being praised by the superior. In terms of promotion of the employees the vertical career paths are transformed into horizontal ones. Career development organised by the employer is completed by self-training. To achieve a high level of employees engagement some mechanisms had to be introduced which allowed the employees to present their opinion on important issues. The steelworks organise direct meetings

of the highest management with the workers of the production lines (managing staff presents the situation of the enterprise to the workers together with planned actions and expects feedback in the form of workers' opinions on the issue of the presented solutions). In communication systems, besides the communication (top-down) the communication was extended to (bottom-up) and horizontal communication. In engagement of employees a system of multi-lateral communication must be formed. Such communication favours the creation of closer relationships of worker-supervisor and common solving of the problems as well as faster introduction of changes. In the field of aims approved by the enterprise, besides the quality and customer satisfaction, the expectations of the internal stakeholders are taken into account (meeting the needs of the employees, improvement of the work conditions, providing safety), as well as the expectations of all external stakeholders including local communities are met (social responsibility) [8].

DIAGNOSIS OF THE ENGAGEMENT LEVEL IN ENTERPRISE

A case study here was metallurgical enterprise ArcelorMittal Poland. The enterprise is the largest steel producer in Poland. ArcelorMittal Poland employs over 12 thousand people. The enterprise consists of six steel plants and Zdzieszowice coke plant. In March 2008 the first tests of the level of employee engagement were conducted (company *Hewitt Associates*). The basic testing tool was a survey form. Questions referred to six topic ranges: 1) work, 2) possibilities of professional development, 3) remuneration, 4) interpersonal relations, 5) applied practices of actions, 6) quality of life. The following people took part in the tests: employees of the production lines, management staff, administration employees and members of the Board. 1620 survey forms were distributed at random among the employees (Figure 1). In order to deepen the results of tests, additional group interviews were conducted together with workshops which were organised for chosen employees of particular sections of the enterprise.

On the basis of results of survey a rate of employee engagement as the percentage of the engaged employees that is such people who answered positively to most questions in the survey. In 2008 this rate was 31 % [9]. Second measurement of employee engagement level

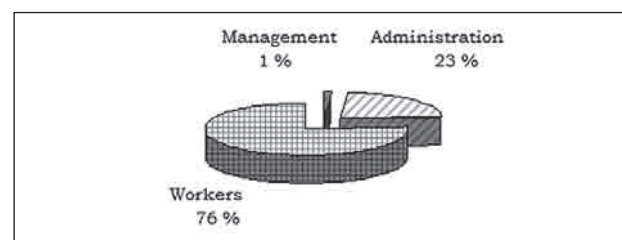


Figure 1 The structure of the employees taking part in the research

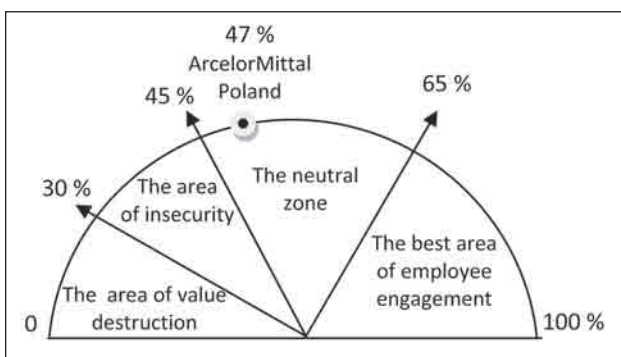


Figure 2 The areas of employee engagement

was conducted in June 2011. The rate of employee engagement rose to 47%. The biggest number of employees who expressed willingness to take part in the survey were from Coking Plant Zdzieszowice (59% of surveyed). In the analysis of the engagement level of the employees of the organisational departments the biggest engagement was observed among employees subject to human resources manager (63%) [9]. It is assumed in such tests that the range of best results is between 65% and 100%. In the range from 0% to 30% the employees do not feel engaged. The range from 30% to 45% is the area of insecurity or lack of trust of the employees towards the company. Range from 45% to 65% is defined as a neutral zone (Figure 2).

In implementation of the programs of building employee engagement ArcelorMittal Poland went from the area of insecurity and lack of trust to the neutral zone. The factors, appreciated by the employees, which influence the achieved level of engagement in the enterprise are [9]: efficient communication in horizontal and vertical system of organisational structure of the enterprise, non-financial forms of employee protection (non-financial benefits), reputation of the enterprise in society, physical conditions of work,

training and the possibility of professional development, balance of activities between areas of work and life. Mentioned factors cause that over 60% of surveyed employees connect their future with development of ArcelorMittal Poland enterprise, 40% expresses positive opinion about the company, and 50% recommends ArcelorMittal as a good employer to their friends and people who are looking for a job (Figure 3) [9].

The trust to the company rose by 9% (Figure 4). ArcelorMittal Poland continues the conduction of the program of shaping employee engagement to reach the level of the companies in the world (Figure 5).

THE PROCESS OF SHAPING THE EMPLOYEE ENGAGEMENT IN ARCELORMITTAL POLAND

The process of shaping the employee engagement in presented enterprise is realised in stages, but systematically. It can be assumed that it is the period of the last few years. Before the introduction of employee engagement system the foreign capital had to modernise the

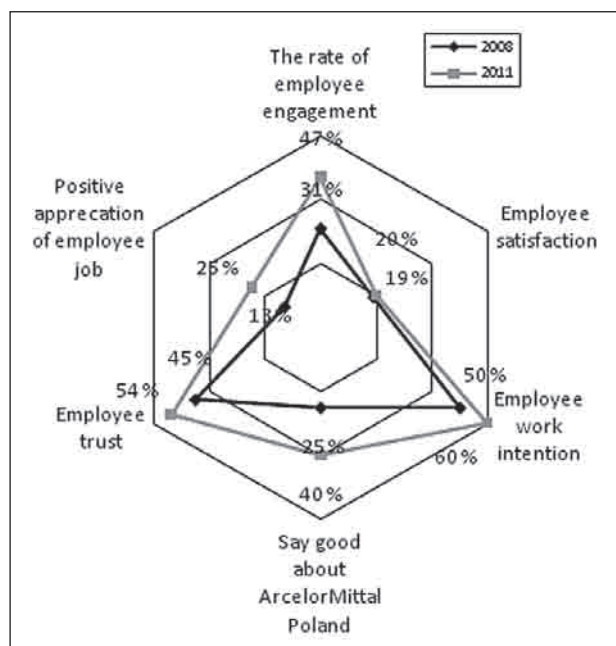


Figure 3 Some results of employee engagement in ArcelorMittal Poland

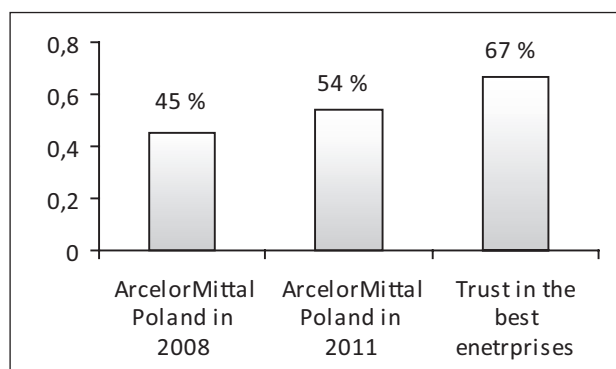


Figure 4 The level of employee trust in ArcelorMittal Poland

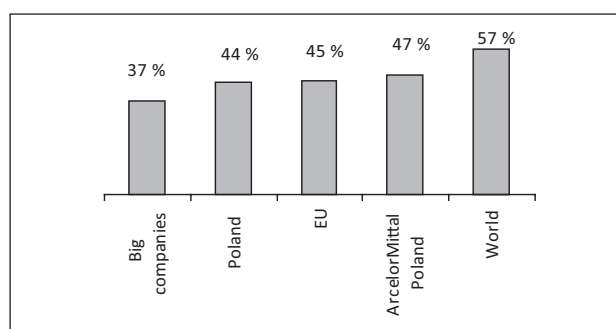


Figure 5 The rate of employee engagement (average level)

enterprise (technological investments with value of 4 billion PLN) - restructuring process. In the next stage of changes the work organisation improvements were introduced and a new organisational structure was constructed: functional-product-task type. In order to achieve the standards of world class manufacturing (WCM) the elimination of all wastage started (from Japanese *muda*) together with the improvement of manufacturing processes (SMED - single-minute exchange of die) and maintenance of machines (TPM - Total Productive Maintenance). Increase of engagement by a few

per cent in the enterprise is the result of personnel policy placed on employees. In August 2006, the enterprise initiated a complex training program for the managers of all the sections, entitled Manager's Academy. The aim of this program is to prepare the managing staff to building employee engagement. To eliminate the communication barrier employees learning foreign languages online (<http://spexx.com/arcelormittal>). Next stage was the creation of Training Centre which is electronic database of trainings in the fields connected with the company. The access to knowledge was broadened: browser Business Book Review – current business publications and Steel University Words – metallurgical dictionary in English. The company organises a series of meetings of the General Manager of the company with the employees. To plan the development of each employee of the enterprise precisely, a program was worked out of the assessment of employee competence on each work station both physical and managerial, entitled "let's define our competence". The enterprise ArcelorMittal Poland implements also different projects of professional development entitled "You have got talent" (program "Academy of Talents"). Next program "Twinning Project allowed employees to share knowledge and experience on identical or similar work posts. By comparing processes and engaging employees in search for savings the company managed to save 19,7 Euro/ 1 Mg of steel. The program "We base on the Quality" also functions in the company and within it the employees engage in search of innovations in a broader sense (these are process, product, technological, organisational and managerial innovations). In 2011, another program was introduced, entitled Academy of Steel which aims at exchange of technological knowledge in the areas of: coking plants, blast-furnace practice, steel-making, rolling of long products and rolling of flat products. The enterprise has been, since 2007, a member of the Social Responsibility Program [8]. ArcelorMittal takes actions for various groups of stakeholders providing sustainable development.

CONCLUSION

Shaping engagement of the employees is a continuous process where ArcelorMittal metallurgical enterprise introduces new programs which let the workers engage in functioning of the enterprise. In 2008 the rate of employee engagement was 31 %, in 2011 the rate rose to 47 %. Advantages of the enterprise in building the employee engagement are: strong brand of the company, high quality of products, well-defined expectations towards employees (clear, well communicated, connected with high quality and aim of the company), good preparation to work – useful training and access to information.

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Note: The responsible translator for English language is D. Grachal, Katowice, Poland