

Employee Engagement Problems in Latvia: case airBaltic.

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Abstract: Purpose of this article is to look at employee engagement levels in Latvia and analyze the factors that create both, employee engagement and disengagement in this market. The study is based on airBaltic Corporation case, where employee engagement levels have been observed over the course of 4 consecutive years. Learnings are applied to Latvian market situation and recommendations for improving the situation across organizations developed based on appreciative inquiry framework. Article intends to provoke more of managerial thinking towards building more engaging workplaces in Latvia to support the need of businesses for an increasing productivity.

Keywords: *Employee engagement, internal environment, organizational climate, generations at workplace, appreciative inquiry, performance management, organizational efficiency, organizational productivity.*

1. Why is engagement essential for businesses (links to productivity) by different authors

Employee engagement is defined in general as the level of commitment and involvement an employee has towards their organisation and its values [2]. Work engagement (i.e. a positive affective/motivational reaction towards the job that is characterized by vigour, dedication, and absorption), when measured as a general well-being indicator, has been found to be positively related to individual job performance[3]. It is widely understood that companies with higher employee engagement levels outperform those in the market who do not manage to build sufficient commitment and involvement between their staff. For example, a June 2007 study conducted by Best Practices showed that there is a recognizable link between employee engagement and customer loyalty. Specifically, companies that engage employees show gains in customer loyalty and satisfaction. Among the findings gathered from surveying Fortune 100 clients there was as high as 1,000 percent increase in errors among disengaged versus engaged employee populations [20]. At the same time surveys around the world keep showing very low scores when it comes to measuring engagement. For example, Gallup 2012 survey[10] shows that only 13% of USA employees are engaged with their organizations and even worse numbers can be found in other countries globally.

Purpose of this article is to look at employee engagement levels in Latvia and analyze the factors that create both, employee engagement and disengagement in this market. The study is based on airBaltic Corporation case, where employee engagement/commitment levels have been observed over the course of 4 consecutive years. Learnings are applied to Latvian market situation and recommendations for improving the situation across organizations developed based on appreciative inquiry framework. Article intends to provoke more of managerial thinking towards building more engaging workplaces in Latvia to support the need of businesses for an increasing productivity.

There's undoubted evidence out there that companies with higher employee engagement/commitment rates achieve much better results in business [11].

Yet, there is a massive gap between what we know about importance of employee engagement and what we're doing to achieve high engagement levels. According to Gallup research, companies in the top quartile when it comes to employee engagement have 21 percent better productivity and 22 percent higher profitability than companies in the bottom quartile. And this is only part of the story. Companies which do well engaging their people, enjoy much lower employee turnover, absenteeism, quality problems, higher customer satisfaction, etc. Within a wide Globoforce survey, carried out between more than 800 HR professionals globally, number one HR

concern or challenge turned out to be employee engagement [16]. 47% of respondents mentioned this as the most important issue on their agenda. Seems that the famous “knowing-doing gap” applies heavily to the domain of employee engagement.

Back in the 1990s, Gallup's research identified one of the most important factors in helping companies to grow -- employee engagement -- and developed its now widely used Q12 survey that included 12 actionable workplace elements that link to sales growth.

Gallup nowadays is the leading expert in the field of employee engagement globally, they work with various organizations across the world and across the industries. They have introduced and run engagement contest called Gallup Great Workplace Awards. According to Gallup, the level of employee engagement among the winners of the award, for example, in 2014, was five times the international average. According to data from their surveys, companies with highly engaged workforces outperform their peers by 147% in earnings per share and realize:

- 41% fewer quality defects

- 48% fewer safety incidents

- 28% less shrinkage

- 65% less turnover (low-turnover organizations)

- 25% less turnover (high-turnover organizations)

- 37% less absenteeism

When employees are engaged, they are passionate, creative, and entrepreneurial, and their enthusiasm fuels growth. These employees are emotionally connected to the mission and purpose of their work. When employees are not engaged, they are indifferent toward their jobs, or worse, outright hate their work, supervisor, and organization. They might even destroy a work unit and a business. [27]

2. Employee engagement levels globally and in Latvia – data from available surveys

airBaltic uses TRI*M tool by TNS for measuring employee commitment level. It enables to gain vital, ongoing information and insights about relationships with stakeholders. TRI*M gives companies and their managers a high-powered, tailored system, so it can continuously measure, manage and monitor relationships with the relevant stakeholder groups in business, be it customers, employees, dealers or shareholders.

TRI*M uses a different methodology for measuring employee commitment than Gallup for measuring employee engagement.

Commitment and engagement indicators can not be directly compared as methodologies applied by TNS and Gallup are different. TNS measures employee commitment based on 5 groups of questions (with engagement being one dimension to consider amongst loyalty, satisfaction, retention, motivation), where as a result employee pool is divided into 4 groups: Residents, Drivers, Critics and Detached. Gallup measures engagement based on 12 questions and the outcome is employee pool divided into 3 groups: Engaged, Disengaged and Actively Disengaged. The closest comparison, perhaps, can be made between Engaged workforce, as defined by Gallup and Drivers, as defined by TNS. Such conclusion seems to be strengthened by observation that in Gallup's State of The Global Workplace, Employee Engagement Insights for Business Leaders Worldwide report (2013) Employee Engagement rate for Latvia stands at the level of 13% (survey in Latvia for Gallup is performed by company SKDS). This is exactly the same percentage of people that is defined by TNS TRIM survey in Latvia as Drivers.

TNS representative, asked to comment on these similarities and differences mentioned that there might be a slight space for a mistake, since according to TRIM methodology also Critics feel the motivating environment of the workplace, yet, they are dissatisfied with certain elements and voice their dissatisfaction loudly. However, as we know from the Gallup's approach, motivation is not a synonymous to engagement, and engaged ones are those who readily go an extra mile for employer's benefit. It is doubted if that would be the characteristics of critics. Hence, based on observations, author tends to believe that there's pretty close relationship between Gallup's Engaged ones and TNS's Drivers. Nevertheless, to provide fact based conclusions, both methodological approaches should be surveyed more thoroughly with a focus on their similarities and differences. For the purpose of this article Gallup's data are used just to have a benchmark against global situation, as well as to provide arguments for the positive effects on business results by engaged workforce, as in Latvia there's very little research in this specific area. On the other hand, TNS through its well established local presence in Baltics has collected large amount of current and historic data about employee commitment through their TRIM surveys that are used by a number of organizations, as well as general market survey is carried out every second year for benchmarking purposes. This is how airBaltic has had opportunity to not only observe development of internal employee engagement but also to benchmark itself against external indicators.

airBaltic uses TRI*M for measuring both, the company-wide employee commitment, as well as commitment on individual departments', divisions' and units' level. TRI*M focuses upon following areas when measuring commitment:

- Overall performance i.e. level of employee retention. TRI*M Index offers a single performance score. It shows where the company stands relative to its own goals and to its competitors within the market or industry.
- TRI*M Typology filters employees according to the relationship they have with company, whether they are so called residents, critics, detached ones or drivers (the latter are considered to be the engaged ones).
- Identifying the key drivers. TRI*M Grid offers a key driver analysis so one can see what is motivating the stakeholders, where the hidden opportunities, as well as weaknesses lie and where company could potentially be saving money.

Results can be, then, compared and benchmarked at a country and regional level, as well as by industry sector.

3. AirBaltic group engagement survey to identify disengagement factors

As a result of restructuring in 2012 - 2014 airBaltic faces low employee commitment scores, well below the market levels (where only 8% remained truly engaged, « drivers»). Since 2011, Employee Engagement is measured at airBaltic by TNS Latvia, according to TRIM methodology. TNS Latvia is the partner who provides annual Employee Commitment Survey for airBaltic. According to TRIM methodology that is used by TNS, engagement is an essential element into total commitment concept, with the others being staff motivation, retention, loyalty, job satisfaction. Both concepts, commitment and engagement, stand pretty close, therefore it would be appropriate to draw a link between those.

Below there's an illustration of survey results over the years and situation analysis.

TRI*M Index – airBaltic (BT) - Comparison with Benchmarks

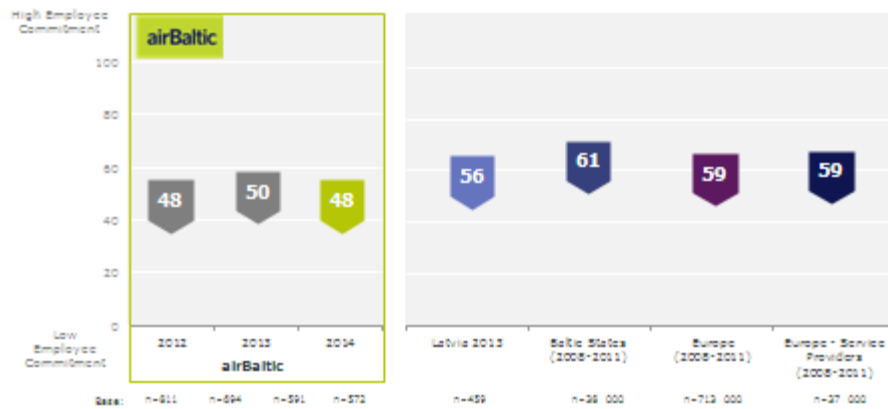


Figure 1 TRI*M Index – airBaltic (BT) – Comparison with Benchmarks

airBaltic employee commitment index (48% in 2014) is close to low.
Engaged or “driving” workforce is tiny, only 8%:

Comparing situation between departments one can observe that it differs to a rather great extent:

TRI*M Typology - airBaltic (BT) - Comparison with Coalition Rewards and airBaltic Departments

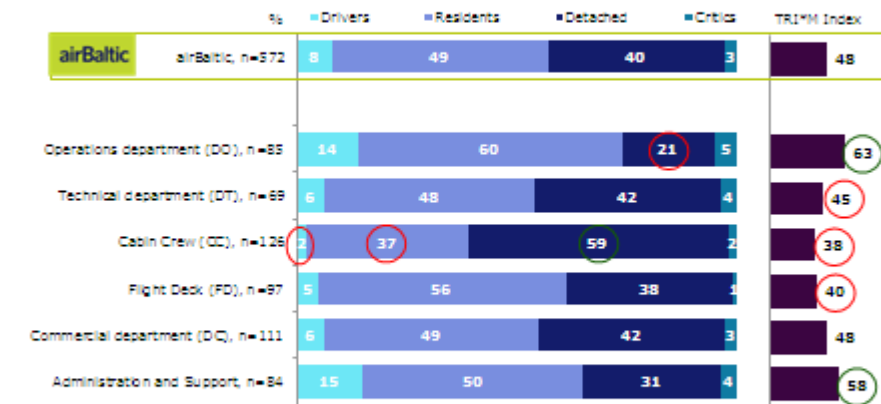


Figure 2 TRI*M Typology – airBaltic (BT) – Comparison with Coalition Rewards and airBaltic Departments.

The total response rate of airBaltic during the last survey was stable high - 59% (from all 969 eligible airBaltic employees in survey participated - 572), which is indicative of representativeness of the survey results (relevance to all airBaltic employees).

During the year airBaltic employee commitment has not changed significantly and having 48 index points still was assessed as average. If compared to external benchmarks then overall company's rate is behind average rates in Latvia, Baltic States, Europe and the average rates of service sector in Europe as well.

Such a situation in the company shows in general a stable work environment, but at the same time also a high probability that the company employees consider other alternatives where to work, as well as do not promote business development.

The same as overall company's employee commitment index also rates of index questions have not changed significantly. Like in 2012 and 2013 also this year the aspect that strengthens airBaltic employee commitment is rejoining, while comparatively lower there is assessed motivation of the closest colleagues – hence one's own motivation.

Comparatively higher employee commitment is observed among employees of Operations department and Administration and Support, while rate of Commercial department corresponds to and Cabin Crew, Flight Deck and Technical department is even lower than that of the company in general.

A higher employee commitment can be noted among those airBaltic employees who have worked for the company for up to 3 years and more than 10 years (long-standing employees). Commitment of other employees is lower than in the company in general and varies between 41 and 45 index points.

Similar to every year airBaltic employee commitment is higher among those employees whose job is not related to customer/passenger service and among managers if looked at person category.

During the year commitment rate of employees whose job is not related to customer/ passenger service has decreased significantly while there are no significant changes observed among other employee sub-groups.

During the year the situation of airBaltic employees within their working environment has not changed.

Overall, 11% of airBaltic employees experience motivating environment and 57% of employees are satisfied with their job.

1/2 (49%) of airBaltic employees are the so-called Residents who are satisfied but do not experience a motivating working environment. They have a stabilising effect on the company: they fulfil their obligations but do not have self-initiative – therefore they need to be directed and led.

~2/5 (40%) of airBaltic employees is Detached: dissatisfied and uninspired. They are regarded as underutilised resources of the company. Percentage of the Detached in the company should not exceed 1/3 of employees as according to TNS bigger amount may cause personnel risks.

8% of airBaltic employees are Drivers, i.e. employees who are highly loyal and who believe in the company's goals and competitiveness, they have self-initiative, they are willing to cooperate, they are inspired and they inspire others. This is the group that for the purpose of this Article is compared with the share of Engaged employees as defined by Gallup.

3% of employees experience the company's motivating environment, but are not satisfied with their work at airBaltic. They belong to the so-called Critics characterised by strong belief in the competitiveness of the company, as well as individualism. Critics give impulses for change in the company, however due to their critical attitude they are difficult to lead.

According to survey results airBaltic Top or high priority Weaknesses (Improvable areas) are seven below or far below average rated factors which are important and have high impact on employee commitment.

It is important that six of them have been Top or high-priority improvable areas also in year 2013:

Remuneration is adequate to the work performed (factor's priority has increased due to decrease of its evaluation, if compared to 2013).

Remuneration is adequate to the overall situation in the market (factor's priority has increased due to decrease of its evaluation, if compared to 2013).

Financially strong company (factor's priority has not changed, if compared to 2013).

Career and personal growth opportunities (factor's priority has decreased due to improvement of its evaluation, if compared to 2013).

Company management acts as a team to achieve the company's business goals (factor's priority has not changed, if compared to 2013).

The plans regarding my individual growth are clear (factor's priority has decreased due to improvement of its evaluation, if compared to 2013).

In addition this year's survey results highlight the need to focus also on company's strategy related aspect, which has higher priority than in year 2013:
Company management ensures that the company's strategy is clear to all employees.

On the other hand, survey also identifies airBaltic High priority Strengths (Maintainable areas), those are ten above or far above average rated factors which are important and have high impact on employee commitment. During the year priority of nine of them has increased and they from medium priority became a company's high priority strengths:

Direct manager regularly, clearly and directly provides information necessary to carry out my job responsibilities.

I know whom to contact if I need an expert's advice and support.

Direct manager is available when I have questions or need help.

My job is interesting.

The job corresponds to my knowledge and skills.

Discounts on flights.

My job responsibilities have been clearly formulated.

Colleagues support and help each other when necessary.

Colleagues share their knowledge.

In addition one of company's last year's medium priority weaknesses is airBaltic high priority strength this year and is related to microclimate within the company:

The working atmosphere is positive.

These are, then, the areas where according to Appreciative Inquiry concept company should focus its energy to improve employee engagement.

Also last year's survey results show that majority (57%) of airBaltic employees fully agree that they are service-oriented in work with customers, colleagues or business partners. Service orientation is attributed to direct managers by a smaller percentage of employees (50% fully agree), and only 22% fully agree that airBaltic employees in general are service oriented.

It is important that self-evaluation of service orientation has slightly decreased if compared to 2013.

Out of the survey it was observed that about a half (52%) of employees who have worked for the company for more than 1 year have had performance interviews during the last 12 months and it is comparatively less than in the year before.

Similar to year before the majority (62%) of employees regard performance interviews as valuable for their professional growth (very valuable - 23%, rather valuable - 39%).

Company was also eager to learn what the main retention factors are, why employees chose to stay with the company when they're free to leave. Similar to 2013, the most often mentioned reasons which keep airBaltic employees at work is job content and employment stability. At the same time higher remuneration along with better personal/ professional growth opportunities are most often mentioned reasons for leaving the job at airBaltic.

At the same time, daughter company of airBaltic, Coalition Rewards (that is a large international coalition loyalty program (including airBaltic frequent flyer's program) PINS operator), demonstrate different outcome:

TRI*M Index – Coalition Rewards - Comparison with Benchmarks

Coalition Rewards employee commitment compared to 2013 has increased by 3 index points and with 73 index points it could be assessed as high. If compared to external benchmarks then Coalition Rewards rate is significantly higher than the average rate in Latvia, Baltic States, Europe and the average rate of service sector in Europe as well.

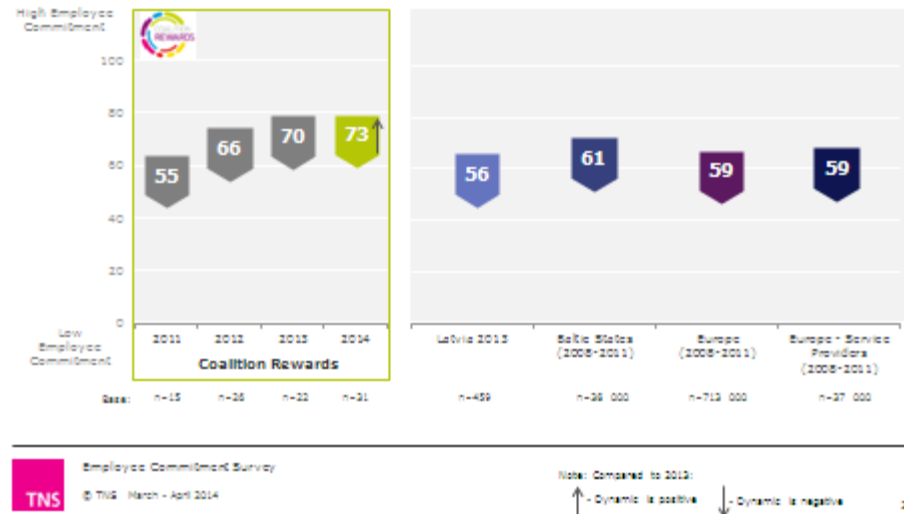


Figure 3 TRI*M Index – Coalition Rewards – Comparison with Benchmarks

When comparing to airBaltic, their results are even more surprising:

TRI*M Index – Coalition Rewards - Comparison with airBaltic (BT)

The overall rate of Coalition Rewards employee commitment is higher compared to airBaltic. In comparison with 2013 there are no statistically significant changes observed for airBaltic while Coalition Rewards rate continues to retain positive dynamics.

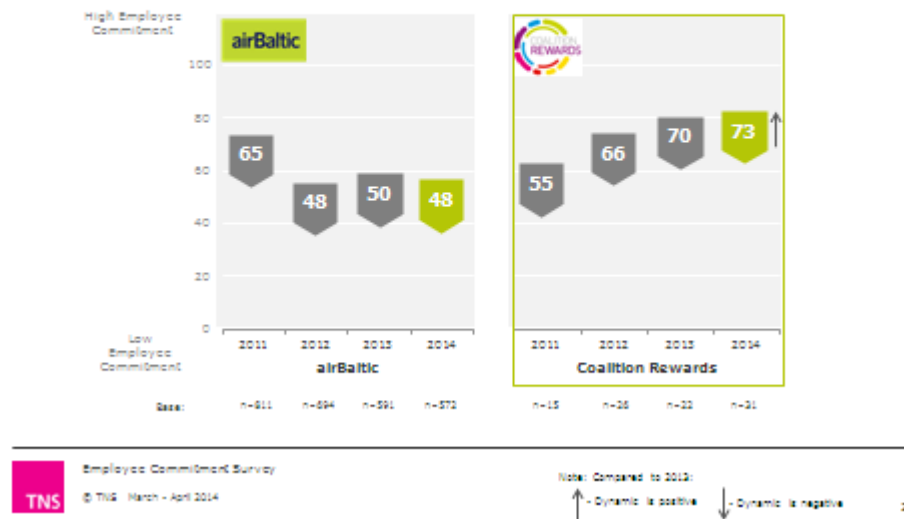


Figure 4 TRI*M Index – Coalition Rewards – Comparison with airBaltic (BT)

Looking at their employee typology following numbers strike:

TRI*M Typology - Coalition Rewards - Comparison with External Benchmarks and airBaltic (BT)

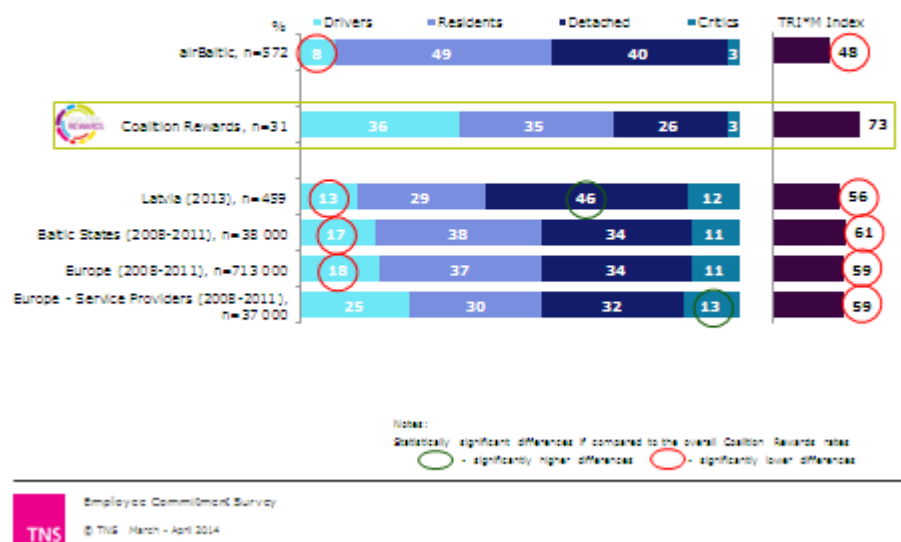


Figure 5 TRI*M Typology – Coalition Rewards – Comparison with External Benchmarks and airBaltic (BT)

The total response rate of Coalition Rewards remains very high - 86% (from all 36 Coalition Rewards employees in survey participated - 31), which is not only indicative of representativeness of the survey results (relevance to all Coalition Rewards employees), but also of a high level of employee engagement.

Coalition Rewards employee commitment compared to 2013 increased in 2014 by 3 index points and with 73 index points it could be assessed as high. If compared to external benchmarks then Coalition Rewards rate is significantly higher than the average rate in Latvia, Baltic States, Europe in general and the average rate of service sector in Europe as well.

Such a situation in the company means that employees with high loyalty and satisfaction are devoted to their work, promote business development, spread positive “word-of-mouth” and promote Coalition Rewards as an attractive employer’s image.

Overall, increase of Coalition Rewards employee commitment compared to 2013 could be explained by increase of overall satisfaction and assessment of company’s overall competitiveness (market strength) among its employees. Aspect that strengthens Coalition Rewards employee commitment is rejoining, while comparatively lower there is assessed motivation of the closest colleagues – hence, one’s own motivation.

Overall, 39% of Coalition Rewards employees experience motivating environment and 71% of employees are satisfied with their job.

~1/3 (35%) of Coalition Rewards employees are the so-called Residents who are satisfied but do not experience a motivating working environment. They have a stabilising effect on the company: they fulfill their obligations but do not have self-initiative – therefore they need to be directed and led.

~1/3 (36%) of Coalition Rewards employees are Drivers, i.e. employees who are highly loyal and who believe in the company’s goals and competitiveness, they have self-initiative, they are willing to cooperate, they are inspired and they inspire others.

26% of Coalition Rewards employees are detached.

3% of employees experience the company’s motivating environment, but are not satisfied with their work at Coalition Rewards. They belong to the so-called Critics.

It is interesting, then, to see what are the strengths of the company mentioned by the staff and, perhaps, that would help to explain such a high commitment and engagement rates, when comparing to outcomes of the mother company airBaltic.

These are the top strengths, mentioned by people:

My job is interesting.

I am aware of the company's plans and goals.

The working atmosphere is positive.

I am proud of the company I work for.

Discounts on flights.

Company management works effectively.

It is especially useful to look at the last strength, which indicates the main difference between the two companies. What airBaltic employees have defined as a weakness, Coalition Rewards employees indicate as their strengths. Perhaps, this is one of the key factors that denominate the difference in engagement?

The hypothesis of more competent management is strengthened by the fact that performance interviews (or feedback sessions) are much more common at Coalition Rewards than they are at airBaltic. Like in 2013 almost all (91%) of employees who have worked for the company for more than 1 year had their performance interviews during the last 12 months.

It is important that during the year the number of employees who regard performance interviews as very valuable for their professional growth even increased.

The most often mentioned reasons which keep Coalition Rewards employees at work is job contents and good opportunities of personal/ professional growth. At the same time better growth opportunities along with higher remuneration are comparatively most often mentioned reasons for leaving the job at Coalition Rewards. It might suggest a slightly different employee profile at Coalition Rewards where it is more important for people to have development opportunities.

4. Interviews with Riga Business School MBA students and local HR managers to identify common disengagement factors in Latvia

It is well understandable that enactment of positive behavioural outcomes, as a consequence of engagement, largely depends on the wider organisational climate and employees' relationship with their line manager [1]. However, in practice it is often difficult to address the engagement gap that exists on a larger organizational context. In companies, which in many cases are struggling for their bottom line, it is difficult to see the importance of the "soft" side of the business and how it impacts the hard numbers. It is even more difficult for those to allocate resources for investing in actions with uncertain outcome, like raising engagement. It is, therefore, smart to go for even the small wins and build on those little by little.

Human Resources Management contribution, therefore, lies in helping to create a holistic and consistent people management approach that transcends the role of the HRM department alone to encompass the behavioural interventions of all line and senior managers.[1]

30 students of MBA program at Riga Business School were given following definition of an employee engagement: "Employee engagement is the emotional commitment the employee has to the organization and its goals. This emotional commitment means engaged employees actually care about their work and their company. They don't work just for a paycheck, or just for the next promotion, but work on behalf of the organization's goals. When employees care – when they are engaged – they use discretionary effort. This means the engaged computer programmer works overtime when needed, without being asked. This means the engaged retail clerk picks up the trash on the store floor, even if the boss isn't watching" (Kevin Kruse, Employee Engagement Definition, Forbes, 2015).

Following a teacher-led discussion in small groups of 6 students about what this means and how they understand the concept of engagement, students were asked to respond anonymously, in writing, whether they feel currently engaged with their workplace or not. If they answered affirmative they had to describe the factors that, according to their opinion, contributed to their engagement at work. If they answered negatively, they had to describe what workplace factors made them feel disengaged. In addition to that, students were asked to indicate whether their job roles are currently on the level of specialist/expert or middle/senior management.

What students responded was neither shocking nor surprising.

Gerard H. Seijts and Dan Crim in their 2006 article What engages employees the most, or The Ten C's of employee engagement, published in Ivey Business Journal [23] outlines following 10 elements that companies can employ to raise employee engagement: 1. Connect (show that you value your employees); 2. Career (provide opportunities for people to grow in their roles, advance careers); 3. Clarity (communicate a clear vision); 4. Convey (let people know your expectations about them and provide feedback); 5. Congratulate (recognize and reward); 6. Contribute (people want to know how their input matters); 7. Control (give people control over processes they're responsible for); 8. Collaborate (teamwork); 9. Credibility (build trust, reputation, social responsibility); 10. Confidence (be an exemplar of high ethical and performance standards).

Even if the above mentioned article has been produced around 10 years ago, still, summarizing responses of MBA students, author concludes that there are more similarities than differences to this survey done in USA before a decade with how people think in Latvian business environment today. Number one most frequently mentioned engaging factor by specialist/expert level respondents was relationship with colleagues/teamwork (which echoes with Collaborate). Surprisingly enough, only two of the middle/senior level managers mentioned collaboration with colleagues as important engagement factor for them. Number two most frequently mentioned engagement factor was job content, the job itself. The fact that the job is interesting, challenging and developing. That, as well as the third most commonly mentioned factor, career development, competence development, progression, can be associated with Career notion above.

Above ones were followed by items like "recognition & reward", "achievement & challenge", "trustful, competent & reliable management".

From disengagement factors most overwhelmingly were mentioned "lack of development" and "unreliable management".

Alternatively, to have Employer's perspective represented, author interviewed 7 Senior Human Resource Management professionals from local market with a purpose to observe what they consider being most common factors for employee engagement and how companies address engagement issues at the workplace. According to the pool of professionals, number one engaging factor is compelling vision or mission that employees love to be identified with. Management reliability and information about company's goals and results, as well as interesting job content follow the first one closely. It is rarely in the hands of Human Resource management to influence company mission/vision where it is missing. Therefore most effort goes into management development and shaping the job content to make it more diverse and exciting for employees. Human Resource Managers are often on a mission to make workplace more transparent and information more accessible for all employees across the company.

In opinion of HR managers questioned, the very low level of Latvian employee engagement can partly explain why it is taking so long for Latvia's economy to improve. This is why engagement topic is of fundamental importance. The Soviet heritage has been a scourge on Latvia's development, which eroded the Latvian work ethic. However, great step forward has been made since regaining independence, especially with youth born since the 1980s. Increasingly, parts of the Latvian population have embraced notion of meritocracy

(advancement based on ability and achievement), and employees have become more and more motivated to be successful at what they do. However, the question remains, how is this accomplished? How can Latvian managers improve employee motivation and engagement?

According to opinions of HR Managers company culture is to high extent associated with employee engagement. It also involves creating an environment where everyone is treated with respect regardless of who they are.

Interviews with HR managers confirm that showing respect, appreciation, and being polite as part of the company culture is very important. These aspects are sorely lacking in Latvia. People want and deserve to be shown respect, but the Soviet cultural heritage has left a culture where authority is dominant, and being polite and showing respect to our fellow human being is looked down upon. According to opinions of local HR managers, improving employee engagement boils down to feeling appreciated and respected. Obviously, this would mean that the quality of management and leadership needs to be improved.

5. Suggestions for further addressing of the issue – appreciative inquiry approach

Focusing on building platforms that make engagement infectious and allow everyone to participate in a healthy company culture is the smartest way to avoid the engagement abyss. [16]

Following the notion of Appreciative Inquiry, airBaltic has been building on its strengths, instead of focusing on numerous weaknesses and trying to fix those. Given the context of restructuring and subsequent fierce competition in the aviation industry it has been never easy for the company to allocate additional resources for “people projects”. Therefore, the main focus should be directed towards workplace dimensions that employees themselves consider being most important. In case of airBaltic, company should concentrate on building even more diverse and rich job content tat offers intrinsic motivators. As it seems to be of a high importance for the employees, teamwork should be stressed and strengthened on every occasion. People are proud and glad to work with others who are respected professionals but also supportive and positive colleagues. Least but not last, airBaltic can increase further its attractiveness as employer by promoting industry prestige and benefits. For a large part of company’s employees being in aviation means a lot, as survey results prove, they’re proud to work for the company even despite the fact that many workplace factors keep them away from becoming fully engaged. This pride can be smartly used to strengthen employee engagement.

According to Gallup, employees who use their strengths every day are six times more likely to be engaged than those who do not. The same is true on the organizational level. Organization that builds on its strengths achieves better results than the one which struggles to fix problems.

Gallup even offers companies their service to build strengths-based culture through an online assessment known as the Clifton Strengths Finder. It has been invented by the company in the late 1990s following 30-year study by psychologist Dr. Donald O. Clifton.

The Clifton Strengths Finder serves as the foundation of any strengths-based culture. The assessment gives employees insight into how they can develop their talents into strengths. It also provides managers with the information they need to understand, engage, and build upon their employees' greatest talents. Leaders can then use this knowledge to create onboarding and development programs that speak directly to their employees' most natural ways of thinking and behaving. [27]

This approach is around for more than a decade, still, it sounds rather revolutionary to a large share of companies who are still putting majority of their effort into identifying and solving the problems, developing against weaknesses.

Hence, the most effective way to promote employee engagement might be observing and asking themselves of what they enjoy most about their workplace and what a company (also, people themselves) could do to make it even more engaging. To visualize the ideal state and what it would take to get the company there. Not only that this approach would result into a better environment, it would also naturally raise employee engagement through participation effect. People would automatically identify themselves with the change and assume greater responsibility for the outcome. These are well proven tactics for achieving higher engagement.

One thing that remains organizations responsibility, though, is to develop its managers into direction of strength-based culture and practice appreciative inquiry approach between management on a daily basis so that it becomes a habit for them. As employees observe management behavior and tend to replicate it sooner or later, such tactics might be infectious towards positive outcome.

In a first place, such approach would require to rebuild performance management systems that are still today largely based on corrective feedback and development needs. This is the effort that needs to be taken by Human Resource Management.

6. Summary & Conclusions

Topic of employee engagement is extremely important on a global scale, as ongoing research proves actual employee engagement levels being low across the world. To even higher extent this is an issue that is critical for Latvian economy, given the fact that country is struggling to improve labour productivity and the gap between the Western and Scandinavian countries and Latvia remains large in this respect. [26]

However, following the principles of appreciative inquiry, little can be done by trying to solve the problem. Instead, organizations should rather approach improving engagement from the strength-based perspective. To look for what already works well in the organization and further strengthen these aspects, as well as envision how the environment could become even better by building on strengths and involving employees to participate in this process. Example of airBaltic daughter company Coalition Rewards serves as positive example how the approach of appreciative inquiry may help the company advance its engagement levels comparing to the example of airBaltic Corporation where more problem-solving approach until recently is applied.

It is suggested for Latvian enterprises in general to try out in a more targeted way the approach of appreciative inquiry. To build a vision of a highly engaged workforce and what would it take of them to achieve such a state. What steps should be made, what improvements done, how to involve employees themselves more actively in the process to reach the desired state where all the stakeholders would benefit from it.

More research is required into the topic of employee engagement in Latvia, as the current data that is mostly available through TNS TRI*M commitment survey methodology can not be considered as fully sufficient and reliable when addressing the issue of employee engagement. Gallup engagement survey, on the other hand, is not widely used in Latvian enterprises to provide fully reliable data.

7. Literature

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