Leadership, Risk Taking and Employee Engagement in a South African Context

Hester Nienaber
University of South Africa (Unisa), South Africa
nielah@unisa.ac.za

Abstract: Leadership is responsible for goal achievement, the ultimate goal of which is the survival and growth of the organisation. Growth is facilitated by innovation, which in turn drives employee engagement. Risk taking spurs innovation, while resources, especially engaged employees, are important in innovation. In addition, engaged employees are fundamental in shaping a competitive advantage, the hallmark of a sound strategy, the tool organisations use to achieve their goals. Hence, leadership should create an environment that encourages risk taking and employee engagement to achieve the long-term goals of the organisation. The study reported on here forms part of a larger study conducted in South Africa (2015 – 4099 respondents), measuring employee engagement at both the organisational and the individual levels. Data were collected from a convenience sample (an existing, permission-based database, comprising economically active persons employed in all sectors) by means of an electronic survey. The instrument was validated for the South African context. The aim of this study was to examine the factor, strategy and implementation, which scored the lowest of all the factors measured, and its impact on employee engagement. The results (means and standard deviations) showed that ‘risk taking’ was ranked the lowest of all items comprising the factor, strategy and implementation. Top management perceived that risk taking was encouraged, while employees perceived risk taking as not being encouraged (ANOVA). The results of the regression analysis indicate that the dimension of strategy and implementation contributes significantly to employee engagement. The results demonstrate that leadership needs to reconsider ‘encouraging risk taking’ because of its favourable influence on innovation and employee engagement, which may lead to actions that can enhance organisational performance.

Keywords: leadership, risk taking, innovation, employee engagement, competitive advantage, South African context

1. Introduction

Organisations are integral to society and have the purpose of serving and advancing society’s interests and expressed as delivering products and services valued by its customers; providing employment for societal members; and creating wealth, which encompasses profit maximisation (Teece 2014). The purpose of the organisation ultimately culminates in long-term sustainability (Ansoff 1988; Grant 2016), which reflects the performance of the organisation. Organisational performance is generally expressed as goal achievement (Grant 2016), which is attained by ‘strategy’ (Ansoff 1988; Grant 2016), the implementation of which is facilitated by leadership down the line (CIPD 2014). According to the literature strategy implementation fails (see Pretorius 2016) and thus partially realising organisational goals to the detriment of the organisation’s competitiveness and wealth creating capacity.

Strategy has been described as ‘a potentially powerful tool to cope with change, but a somewhat elusive concept’ (Ansoff and McDonnell 1990). This description is understandable, as strategy is defined by two integrated dimensions, namely, where to compete (based on the investment decision) and how to compete (Grant 2016). These require a range of activities, including innovation (Lisboa, Skarmeas and Saridakis 2016; Teece, Peteraf and Leih 2016), which in turn is influenced by a number of factors, notably leadership and risk-taking in the case of innovation (de Jong and Den Hartog 2007; Garcia-Granero et al, 2015; Lisboa, Skarmeas and Saridakis 2016; Martins and Terblanche 2002; Soken and Barnes 2014; Teece, Peteraf and Leih 2016). At the same time innovation contributes to organisational performance (Jiménez-Jiménez and Sanz-Vaile 2011; Oke, Munshi and Walumbwa 2009; Rosenbusch, Brinckmann and Bausch, 2011) as it shapes competitive advantage (Garcia-Granero et al, 2015; Nelson and Winter 1977; Soken and Barnes 2014).

Nevertheless, to be successful, strategy should be founded on ‘competitive advantage’, something the organisation does better than the competition in attracting customers on the basis of value offered (Barney 1991; Porter 1985). Barney (1991) describes competitive advantage in terms of the characteristics of resources, namely, valuable, rare, inimitable and non-substitutable. In addition, competitive advantage consists of three interrelated dimensions, namely, the arena where the firm chooses to compete, customer value and access to resources (Penrosian-sense) to deliver value to customers in the chosen arenas (Nienaber, Cant and Strydom 2002). Of the resources, human resources are the most important in view of their competence (knowledge, skills, experience, attitude, health and well-being) (Craig and Lopez 2016; Garcia-Granero et al, 2015; Grant 1996; Martins and Terblanche 2002; Lockwood 2007; Timmerman 2009).

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Although all resources are required to ensure organisational performance, not all have the same strategic relevance to the organisation (Barney 1991; Teece 2014). Consequently, leadership should assure performance by 'combining' resources optimally (Barney 1991; Teece 2014). This combination of resources includes creating an environment that fosters performance (Costanza et al, 2016; Lisboa, Skarmean and Saridakis 2016; Martins and Terblanche 2002; Soken and Barnes 2014) in a way that employees are 'available' to use their competence in pursuit of organisational goals (Cheese et al, 2008; Kahn 1990; Saks 2006; Schaufeli et al, 2002; Teece 2014).

Of particular interest is employees' knowledge (explicit and tacit) (Craig and Lopez 2016; Drucker 1985; Grant 1996; Gubbins and Dooley 2014; Martins and Terblanche 2002; Teece, Peteraf and Leih 2016; Timmerman 2009), which is difficult to imitate because of its intangible nature (Grant 1996). Moreover, knowledge is central to innovation (Drucker 1985; Grant 1996; Teece, Peteraf and Leih 2016; Timmerman 2009), which in turn facilitates sustainability (Garcia-Granero et al, 2015; Jiménez-Jiménez and Sanz-Valle 2011; Oke, Munshi and Walumbwa 2009; Rosenbusch, Brinckmann and Bausch 2011), while innovation drives employee engagement (Aon Hewitt 2015; Reijseger et al, 2016) which unlocks employee availability.

This short introduction shows that strategy is important for the sustainability of the organisation, which is influenced by leadership, risk taking, innovation and employee engagement, which are all intertwined. This integrated nature of strategy makes it complex, and poses challenges for organisational performance, especially sustainability. Hence, the aim of this study was to examine the factor 'strategy and implementation', which scored the lowest of all factors (comprising employee engagement) measured, and its impact on employee engagement. The sections that follow elaborate on the theoretical description of the concepts of leadership, risk taking, innovation and employee engagement, which influence strategy and implementation; the research design; the method used to study strategy and implementation; the results and discussion of the results and closes with conclusions and recommendations for improving employee engagement.

2. Theoretical description of leadership, risk taking, innovation and employee engagement

Leadership is defined in many different ways. For purposes of this paper the definition of Garcia-Granero et al. (2015) is adopted, namely, 'the process to influence others to achieve a desired outcome', such as goal achievement. This influence can be direct and/or indirect and originates from the culture of the organisation (Costanza et al, 2016; Jiménez-Jiménez and Sanz-Valle 2011; Martins and Terblanche 2002). Organisation culture in brief means 'the way we do things around here' (Lundy and Cowling 1996 in Martins and Terblanche 2002), indicating what behaviours are acceptable (Garcia-Granero et al, 2015). Leadership practices reflect acceptable behaviours that facilitate or hinder innovation (Soken and Barnes 2014), that is, the initiation and Implementation of new ideas (Jiménez-Jiménez and Sanz-Valle 2011), whether technical or administrative in nature (Garcia-Granero et al, 2015; Jiménez-Jiménez and Sanz-Valle 2011), resulting in a benefit (de Jong and Den Hartog 2007).

2.1 Risk taking

Innovation is important in sustainability as it facilitates adapting to changing conditions (Costanza et al, 2016; Gubbins and Dooley 2014; Jiménez-Jiménez and Sanz-Valle 2011; Martins and Terblanche 2001; Teece, Peteraf and Leih 2016) whether arising from the internal or external environment (Drucker 1985). This adaptation requires risk taking at all organisational levels (Garcia-Granero et al, 2015; Soken and Barnes 2014). Risk taking is essentially a willingness to take actions and devote resources to pursue opportunities with uncertain outcomes (Costanza et al, 2016; Lisboa, Skarmean and Saridakis 2016; Teece, Peteraf and Leih 2016). Hence, risk taking may increase the organisation's exposure to a range of risks, including market risk, increased costs and employee dissatisfaction or unwanted change (Jiménez-Jiménez and Sanz-Valle 2011), which may result in failure owing to high debt and substantial resource commitment (Garcia-Granero et al, 2015). In addition, innovative behaviours are seen as challenging the status quo, which results in conflict and may have negative consequences if such innovation fails (Garcia-Granero et al, 2015). Leadership down the line plays an important role in modelling in their own behaviour whether or not innovative behaviours will be tolerated (Costanza et al, 2016; Garcia-Granero et al, 2015; Martins and Terblanche 2002). Fear of failure and the consequences of failure are the most important factors that give rise to employees withholding innovative behaviours (Craig and Lopez 2016; Soken and Barnes 2014). However, employees who perceive support for innovative behaviours and risk taking will participate in such endeavours (Garcia-Granero et al, 2015). Consequently, if organisations want their staff to-
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behave innovatively, they should incorporate such values in their vision and mission statements and align their policies and procedures (see Costanza et al., 2016) and behaviours accordingly.

2.2 Innovation

Innovation requires the use of employees’ competence, especially their knowledge (Grant 1996; Gubbins and Dooley 2014; Martins and Terblanche 2002; Teece, Peteraf and Leih 2016; Timmerman 2009) and embraces new ideas, favours change and encourages experimentation (Lisboa, Skarmeas and Saridakis 2016). Innovation, according to Drucker (1985), is the work of knowing, rather than doing, and depends on leadership’s ability to combine resources, which is congruent with Barney’s (1991) view. Moreover, resource combining is a function of entrepreneurial activity (Drucker 1985; Lisboa, Skarmeas and Saridakis 2016). Innovation springs from a few sources, all of which require knowledge, focus and purposeful work (Drucker 1985). Knowledge resides in individuals’ heads, but can be aggregated and deployed in the organisation depending on leadership’s ability to allocate and coordinate resources (Barney 1991; Grant 1996; Gubbins and Dooley 2014; Nelson and Winter 1977; Teece, Peteraf and Leih 2016), including teamwork (Soken and Barnes 2014). As such, the organisation is an institution for integrating knowledge, which may be complicated and complex owing to the characteristics of knowledge (see Grant 1996). Essentially, the organisation’s dynamic capabilities govern how it combines, shapes and rearranges internal and external competences to respond to the changing environment in which it operates and thus its innovation capacity (Teece, Peteraf and Leih 2016). To be successful dynamic capabilities must be aligned with the strategy of the organisation and depends on decisions of leadership down the line (Teece, Peteraf and Leih 2016). Dynamic capabilities are underpinned by tacit knowledge, while ordinary capabilities (routine tasks) are underpinned by explicit knowledge (Teece, Peteraf and Leih 2016).

In applying their knowledge, employees require autonomy - the extent to which an individual enjoys independence and freedom in carrying out assigned tasks (Hackman and Oldham 1975); in pursuit of organisational goals. Autonomy entails time to think, experiment and learn (Craig and Lopez 2016; Martins and Terblanche 2002). Employees with high levels of autonomy are likely to participate in risk taking and innovative behaviours (Craig and Lopez 2016; Martins and Terblanche 2002), which may enable them to adapt (proactively) to changing conditions, supporting the sustainability of the organisation. Applying knowledge requires energy and, hence, leadership down the line should harness employees’ energy (Soken and Barnes 2014).

2.3 Employee engagement

Employees’ energy produces innovation (Soken and Barnes 2014), which drives engagement (Aon Hewitt 2015; Reijseger et al., 2016) and energy is also required to enact ‘engagement’ (Kahn 1990; Schaufeli et al., 2002). Essentially, engagement refers to employees’ choice to willingly and fully invest themselves physically, cognitively and emotionally in their work roles (Kahn 1990; Saks 2006). This choice is influenced by organisational factors like leadership, trust, work design, strategy and competitive advantage (Kahn 1990, 1992; Macey and Schneider 2008; Nienaber and Martins 2015). Nonetheless, different conceptualisations of engagement exist in the literature (see for example Fearon, McLaughlin and Morris 2013; Harter, Schmidt and Hayes 2002; Kahn 1990; Nienaber and Martins 2015; Saks 2006; Schaufeli et al., 2002), which represent different types of engagement (Saks 2006; Schaufeli and Salanova 2011). The most commonly used type of engagement is at the individual level (Barrick et al. 2015; Byrne, Peters and Weston 2016), and most often corresponds to the conceptualisations of Schaufeli et al (2002) and Kahn (1990) (Byrne, Peters and Weston 2016), which represent engagement as outcome (see Shuck and Rose 2015). However, given that organisational factors influence engagement, it has been suggested that engagement at the organisational level may be a way of studying the link between engagement and organisational performance (Barrick et al., 2015; Fearon McLaughlin and Morris 2013; Harter, Schmidt and Hayes 2002; Nienaber and Martins 2015) as it presents engagement as both condition and outcome (see Shuck and Rose 2015). However, it stands to reason that different conceptualisations of engagement result in different instruments for measuring engagement, and may use different theories to explain engagement.

3. Method

This study employed a survey as research design (see Mouton 2001), using a permission-based database (the members gave willingly permission to participate in online surveys), consisting of 285 000 economically active persons, occupying various roles in organisations, from all standard industrial classification sectors, of different sizes, reflecting the profile of economically active South Africans (see Nienaber and Martins 2015). Hence,
convenience sampling was used, which may be criticised for its potential to be biased. However, the respondents reflected the typical population under study (see Nienaber and Martins 2015) and are thus considered to be appropriate for purposes of this study, as advised by Bono and McNamara (2010). A structured electronic survey was administered by the permission-based database, collecting self-report data from 4099 respondents. A self-report was considered the most appropriate because subjective perceptions and experiences of individuals were required (Conway and Lance 2011). However, a self-report is susceptible to common-method variance, which was countered by the anonymous response.

3.1 The engagement instrument used to collect the data

The study reported on here forms part of a larger study (2015 – 4099 respondents) and measured employee engagement in South Africa, which is a multicultural, emerging economy. Consequently, the researchers used the engagement scale of Nienaber and Martins (2015) [with permission], as this scale was specifically designed, developed and validated for a South African context. Nienaber and Martins (2015) indicated that they followed the steps for instrument development and validation as proposed by Hinkin (1998), which correspond to that of DeVellis (2013), and at the same time they heeded the guidelines of Aguinis and Edwards (2014) in connection with measurement. In addition, they reported that they considered context, as recommended by, among others, Jack et al. (2013) and Johns (2006). They further stated that they used the framework of Macey and Schneider (2008), which indicated discriminant validity (Christian et al., 2011). Hence, their engagement measurement instrument builds on, and extends, current engagement research, including scales, which have been part of prior research to generate items for their instrument (Nienaber and Martins 2015).

The Nienaber and Martins (2015) engagement scale consists of six factors, representing the individual, team and organisational levels. Individual factors include trait, state and behavioural engagement, which are influenced by work design, leadership and trust, representing the unit/team level. These aspects in turn are influenced by the vision, mission, goals and strategy, which are anchored in the competitive advantage of the organisation, which represent the organisational level. The validity, discriminant validity, convergent validity and reliability of the instrument were established in previous studies (Nienaber and Martins 2015) and can be considered as solid because each of the six factors consists of five or more items (Hinkin 1998).

The instrument consisted of 69 questions divided into two sections, one collecting background information (gender, qualifications, experience and tenure) and one soliciting responses on statements about engagement at the individual, team/unit and organisational levels, using a five-point Likert scale. A five-point Likert scale is widely used to measure opinion, belief and attitude (DeVellis 2013) like engagement, and because ‘coefficient alpha reliability with Likert type scales has shown to increase up to the use of five points after which it levels off’ (Lisitz and Green 1975 in Hinkin 1998). Examples of statements include ‘I feel positive about my work’ (individual level), ‘my team continuously strives to improve performance in line with our business objectives’ (team/unit level) and ‘we have a competitive advantage in the market” (organisational level).

3.2 Analyses

Statistical analyses were conducted with SPSS23. The purpose of the study was to examine the factor ‘strategy and implementation’ because strategy is important for the sustainability of the organisation. Hence, the first step was to determine the factor scores for all dimensions of employee engagement; while only the factor ‘strategy and implementation’ is reported in detail here. The factor score was calculated by taking the average of the items that loaded onto the factor in question for each participant. The second step was to study the contribution of the factor ‘strategy and implementation’ to the variation of employee engagement. This was done by performing linear regression analysis (Terre Blanche, Durrheim and Painter 2007), where strategy and implementation was treated as the independent variable and employee engagement as the dependent variable. The assumptions of regression, namely, normality, linearity, equality, co-linearity and outliers (Terre Blance, Durrheim and Painter 2007), were tested and satisfied. Thereafter, stepwise regression analysis was used to study the collective and separate contributions of items (that are theoretically relevant) to the variation of the factor strategy and implementation (the items were the independent variables and strategy and implementation the dependent variable). The assumptions of regression were tested and satisfied. According to Heiman (1998), proportions of variance above 25% are considered substantial. Lastly, analysis of variance (ANOVA) was calculated to determine whether there were significant differences between the various biographical groups in respect of the item ‘risk taking’. The results of these analyses are reflected in the next section.
4. Results

Table 1 reflects the overall employee engagement factors (2015).

**Table 1: Overall employee engagement factors (2015)**

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Count</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team</td>
<td>4099</td>
<td>4.05</td>
<td>0.832</td>
</tr>
<tr>
<td>Organisational Satisfaction</td>
<td>4099</td>
<td>3.80</td>
<td>1.008</td>
</tr>
<tr>
<td>Organisational Commitment</td>
<td>4099</td>
<td>3.73</td>
<td>1.145</td>
</tr>
<tr>
<td>Customer Service</td>
<td>4099</td>
<td>3.72</td>
<td>1.027</td>
</tr>
<tr>
<td>Immediate Manager</td>
<td>4099</td>
<td>3.54</td>
<td>1.167</td>
</tr>
<tr>
<td>Strategy and implementation</td>
<td>4099</td>
<td>3.40</td>
<td>1.166</td>
</tr>
<tr>
<td>Overall (all factors)</td>
<td>4099</td>
<td>3.73</td>
<td>1.0383</td>
</tr>
</tbody>
</table>

Source: Calculated from survey results

The results (means and standard deviations) show that the factor, strategy and implementation, scored the lowest of all factors and lower than the overall average for employee engagement. The factor immediate management scored the second lowest of all factors, and also lower than the overall average for employee engagement. The factor team scored the highest of all factors making up employee engagement.

Table 2 below shows the details for the factor strategy and implementation as dimension of employee engagement (2015).

**Table 2: Strategy and Implementation as dimension of employee engagement (2015)**

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Count</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy and implementation</td>
<td>4099</td>
<td>3.40</td>
<td>1.166</td>
</tr>
<tr>
<td>In our organisation employees are encouraged to develop ideas to improve work procedures and methods</td>
<td>4099</td>
<td>3.60</td>
<td>1.124</td>
</tr>
<tr>
<td>Initiative is encouraged in the organisation</td>
<td>4099</td>
<td>3.57</td>
<td>1.140</td>
</tr>
<tr>
<td>Our top management communicates the vision and mission to us</td>
<td>4099</td>
<td>3.55</td>
<td>1.210</td>
</tr>
<tr>
<td>The organisation vision for the future is inspiring</td>
<td>4099</td>
<td>3.52</td>
<td>1.208</td>
</tr>
<tr>
<td>In our organisation individual employees accept accountability for their performance</td>
<td>4099</td>
<td>3.44</td>
<td>1.102</td>
</tr>
<tr>
<td>The organisation has a stimulating environment</td>
<td>4099</td>
<td>3.38</td>
<td>1.137</td>
</tr>
<tr>
<td>The organisational leadership gives employees a clear picture of the directions the organisation is headed</td>
<td>4099</td>
<td>3.37</td>
<td>1.267</td>
</tr>
<tr>
<td>The way we do things around here encourages high performance</td>
<td>4099</td>
<td>3.37</td>
<td>1.190</td>
</tr>
<tr>
<td>In my organisation individual employees are involved in implementing the strategy of the organisation</td>
<td>4099</td>
<td>3.37</td>
<td>1.158</td>
</tr>
<tr>
<td>Risk taking is encouraged in the organisation</td>
<td>4099</td>
<td>2.87</td>
<td>1.141</td>
</tr>
</tbody>
</table>

Source: Calculated from survey results

The item ‘In our organisation employees are encouraged to develop ideas to improve work procedures and methods’ was scored the most favourable of the items making up the factor strategy and implementation; followed by ‘Initiative is encouraged in the organisation’. ‘Risk taking’ ranked the lowest of all items comprising the factor, strategy and implementation, while ‘the way we do things around here encourages high performance’ scored the second lowest of all items with ‘In my organisation individual employees are involved in implementing the strategy of the organisation’.

According to the regression analysis, the factor, strategy and implementation, contributes significantly to employee engagement as it predicts (or explains) 70.9% of variance in employee engagement (R square adjusted 0.709; F sig .000).

Items in the employee engagement scale that influence the factor strategy and implementation, as per the literature discussed above, include questions 29 (I am excited by our vision and mission); 44 (My job challenges me to think about problems in new ways); 53 (Our organisation has the systems and procedures to support me in providing good customer service); 54 (In my team we operate in line with the organisational strategy); and 66
(My performance is linked to the strategy of the organisation). According to the regression analysis these items collectively predict 68.1% of variance in the factor strategy and implementation (R square 0.681; F sig 0.000), while item 29 (I am excited by our vision and mission) predicts 52.5% of this variance (R Square 0.525; F Sig 0.000).

According to the results of the ANOVA analysis, top management was significantly more positive about the factor strategy and implementation than other job levels. Top management was also significantly more positive about the item ‘risk taking is encouraged’ than the other job levels.

5. Discussion

The factor, strategy and implementation, scored the lowest (3.40) of the factors making up employee engagement, followed by immediate manager (3.54) and these scores were also lower than the overall engagement score (3.73). Team on the other hand scored the highest (4.05) and above the overall employee engagement score. According to the regression analysis, the factor, strategy and implementation, contributes significantly to employee engagement as it predicts 70.9% (adjusted r²) of variation in employee engagement. If organisations seek to improve employee engagement they should attend to the factor, strategy and implementation. This might be a challenging task in practice as the literature shows that strategy implementation fails (see Pretorius 2016; Nienaber 2016); which may be compounded by the ‘immediate manager’, forming part of leadership down the line, which plays a critical role in influencing an individual employee’s choice to engage or disengage. On the positive side the employee engagement dimension of ‘team’ scored high which is important in innovation (See Soken and Barnes 2014), an activity of strategy which drives employee engagement.

The items ‘in our organisation employees are encouraged to develop ideas to improve work procedures’ and ‘methods and initiative is encouraged in the organisation’ scored the best of all items in the factor strategy and implementation. Both these items can be seen to form part of innovation (see Lisboa, Skarmeas and Saridakis 2016), which is necessary for employee engagement. However, of all the items contributing to the factor strategy and implementation, risk taking scored the lowest. Risk taking is theoretically important for employee engagement as it spurs innovation, which drives employee engagement (Reijseger et al, 2016). Hence, leadership down the line must encourage risk-taking behaviours in line with the vision, mission, policies and procedures of the organisation. Risk-taking behaviours can be encouraged by the culture of the organisation (Costanza et al, 2016; Jiménez-Jiménez and Sanz-Valle 2011; Martins and Terblanche 2002; Soken and Barnes 2014), which embraces autonomy. Autonomy means employees are allowed time to think, experiment and learn (Craig and Lopez 2016; Martins and Terblanche 2002), as well as independence and freedom in carrying out assigned tasks (Hackman and Oldham 1975) in pursuit of organisational goals.

Items that are theoretically important for strategy and implementation were found to also be statistically significant, as they collectively explain 68.1% of variance in strategy and implementation. Of these items, ‘I am excited by our vision and mission’, is the most significant as it explains 52.5% of variance. Hence, leadership must ensure that the vision and mission of the organisation excite employees. This can be achieved by translating the vision and mission into purposeful work (see Drucker 1985), which includes autonomy. In addition leadership down the line should be clear on acceptable behaviours, including risk taking and innovation, which should be embodied in the vision, mission, policies and procedures of the organisation (Costanza et al, 2016), thus guiding their behaviours. In so doing, leadership directly and indirectly supports innovative behaviours.

6. Conclusions and recommendations

Strategy implementation is important in the sustainability of organisations. According to the literature leadership down the line plays an important role in strategy implementation. Literature also shows that strategy implementation fails, jeopardising the sustainability of the organisation. Strategy is complex as it requires a range of activities, including innovation, which in turn is influenced by a number of factors, notably leadership, employees’ competence, especially their knowledge, energy and risk-taking, in the case of innovation, while innovation drives employee engagement and sustainability of organisations.

The study reported on here demonstrates that strategy and implementation are significant in employee engagement, both theoretically and empirically. Strategy and implementation are significant in employee engagement as it predicts 70.9% of variation in employee engagement. Hence it is troubling to note that strategy
an implementation is the employee engagement factor that scored the lowest (3.40) of all factors making up employee engagement. In addition, the analyses also identified factors that influence strategy and implementation. Of these factors risk-taking scored the lowest, which is concerning as risk taking spurs innovation, which drives employee engagement and the sustainability of the organisation. Moreover, factors identified in the literature, notably leadership, culture, innovation and risk-taking were also found to be statistically significant. These factors are all in leadership’s sphere of influence, notably risk taking and innovation (behaviours). According to the results of the ANOVA leadership down the line is significantly more positive about risk-taking than employees.

This research achieved the aim of the study, namely, to examine the factor ‘strategy and implementation’, which scored the lowest of all factors (comprising employee engagement) measured, and its impact on employee engagement. However, it is recommended that leadership reconsider ‘encouraging risk taking’ because of its favourable influence on innovation and employee engagement, which may lead to actions that can enhance organisational sustainability. This may be a daunting task, given the complexity of the concepts in question and their integrated nature. In addition, further research is recommended in particular to investigate the relative importance of each of the factors comprising employee engagement. In conclusion, this study contributes to advancing our understanding of the influence of strategy and implementation on employee engagement.

References

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