# IMMEDIATE MANAGER, PERFORMANCE EVALUATION AND EMPLOYEE ENGAGEMENT: GAME CHANGER FOR ORGANIZATIONAL PERFORMANCE?

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## ABSTRACT

*This paper reports on a study investigating employee engagement, with specific reference to the dimension 'immediate manager'. Data were collected by electronic survey from 4,099 respondents. The regression analysis showed that the immediate manager explains 52.1% of variation in employee engagement, while the item relating to performance evaluation scored the lowest of all items making up this dimension. The findings are significant because they confirm the vital role of the immediate manager in ensuring organizational performance, which can be leveraged by interpersonal relationships, especially political skills. The contribution stems from integrating strategy, employee engagement and performance management theory, which has not been done before.*

**Keywords**: Employee engagement, immediate manager, organizational performance, performance evaluation, strategy.

## INTRODUCTION

Organizational performance (i.e. goal achievement) has been under scrutiny for a long time and from different perspectives, because realized performance falls short of planned performance. Generally, this performance gap is attributed to the breakdown in strategy implementation (Cocks, 2010; Mankins & Steele, 2005; Skivington & Daft, 1991; Van der Merwe & Nienaber, 2015), the tool organizations use to achieve their goals (Grant, 2016). Various reasons are advanced for strategy implementation failure, ranging from the disconnection between strategy and performance management (Micheli & Mura, 2017) to the unavailability of employees with the right competence (knowledge, skills, experience, attitudes, health and well-being) (Cheese, Thomas, & Craig, 2008; Fegley, 2006; Lockwood, 2007; Mankins & Steele, 2005), to implement strategy. Strategy implementation constitutes the daily work of employees (Jarzabkowski & Spee, 2009), which is facilitated by leadership down the line. Some researchers have shown that strategy has not been designed to be implementable (Cocks, 2010) while others have been arguing that a well-designed performance management system could enhance organization-wide participation in strategy shaping (Franco-Santos, Lucianetti, & Bourne, 2012), leading to improved strategy implementation (de Leeuw & van den Berg, 2011).

The strategy implementation dilemma is understandable as strategy is a complex concept, given its multidimensional, multileveled nature (Pettigrew, 1987) drawing on multiple disciplines, which is continuously shaped to adapt to the ever-changing environment. This paper focuses on the strategy dimension of 'how to compete', which entails a range of activities, including innovation, which in turn is influenced by a number of factors, specifically leadership (Teece, Peteraf, & Leih, 2016). Leadership is understood to refer to the process of influencing (directly and/or indirectly) others to achieve a desired outcome, such as a goal. The influence stems from the culture of the organization, which is understood as 'the way we do things'. Culture signals which behaviors are

acceptable, and consequently facilitates or curtails strategy implementation and attaining planned organizational performance. These behaviors include adapting to changing conditions and by doing so shaping competitive advantage (Teece et al., 2016).

Competitive advantage, i.e. something the organization does better than the competition in attracting customers on the basis of value offered (Barney, 1991; Porter, 1985), is the hallmark of a sound strategy, and consists of three interrelated dimensions (Nienaber, Cant, & Strydom, 2002). Of these dimensions, resources (assets, processes, systems, people and the like) are most important, while human resources are vital given their competence required to shape, and in particular, to implement strategy (Grant, 2016; Lockwood, 2007; Pfeffer, 2010). Evidently, while all resources are required to ensure organizational performance, not all are equally important to organizational performance (Barney, 1991; LePak & Snell, 2002; Teece, 2014). By combining resources, especially employees, leadership down the line optimally ensures performance (Barney, 1991; LePak & Snell, 2002; Teece, 2014), which includes creating an environment that fosters performance in a way that employees are 'available' to use their competence in pursuit of organizational goals (Cheese et al., 2008; Kahn, 1990; Saks, 2006; Schaufeli, Salanova, González-Romá, & Bakker, 2002; Teece, 2014). In this regard, employees' knowledge (explicit and tacit) is of particular interest, as such knowledge is difficult to imitate due to its intangible nature, and shapes competitive advantage (Teece et al., 2016). Although knowledge resides in the heads of individuals, it can be aggregated and deployed in the organization depending on the capacity of leadership down the line to allocate and coordinate resources (Barney, 1991; Mencl, Wefald, & van Ittersum, 2016; Teece et al., 2016), which is underpinned by the dynamic capabilities of the organization, stemming from tacit knowledge (Teece et al., 2016). In addition, it has been noted that employees require autonomy in applying their knowledge, which refers to the extent that an individual enjoys independence and freedom in carrying out assigned tasks (Hackman & Oldham, 1975) in pursuit of organizational goals. Autonomy demands time to think, experiment and learn, and it has been found (Reijseger, Peeters, Taris, & Schaufeli, 2017) that employees with high levels of autonomy are likely to participate in behaviors, such as engagement, enabling them to adapt (proactively) to changing conditions, which supports the sustainability of the organization. Scholars have noted that applying knowledge requires energy, and thus leadership down the line should harness employees' energy. Moreover, energy is also associated with producing engagement (Kahn, 1990, 1992; Schaufeli et al., 2002), which unlocks employee availability.

Given the importance of employees in organizational performance, increased attention is devoted to talent management – that is the recruitment, development and retention of employees with the required competence across occupations and hierarchies (Fegley, 2006; Gallardo-Gallardo & Thunnissen, 2016) to execute strategy. However, it is realized that talent management alone may not be sufficient to drive organizational performance. Authors agree that it is rather 'engaged' employees, who secure organizational performance, although authors are not unanimous about the concept of engagement (Christian, Garza, & Slaughter, 2011; Frank, Finnegan, & Taylor, 2004; Gruman & Saks, 2011; Harter, Schmidt, & Hayes, 2002; Kahn, 1990; Mone, Eisinger, Guggenheim, Price, & Stine, 2011; Nienaber & Martins, 2015; Schaufeli & Salanova, 2011; Saks, 2006; Shuck & Rose, 2015). In brief, 'engagement' refers to employees' choice to invest their authentic selves willingly and fully in their work roles (Kahn, 1990; Saks, 2006), which is influenced by organizational factors at both the team/unit and organizational level (Cheese et al., 2008; Kahn, 1990, 1992; Nienaber & Martins, 2015). Hence, employees 'do' engagement, which is influenced by the context in which they work.

It has been suggested that engagement can be fostered by performance management (Chartered Institute of Personnel and Development [CIPD], 2016; Gruman & Saks, 2011; Mone et al., 2011), which forms part of the context of engagement. Performance management transcends performance evaluation, which is at its core (Bourne, Pavlov, Franco-Santos, Lucianetti, & Mura, 2013; CIPD, 2010, 2016, 2017; DeNisi & Smith, 2014). Essentially, performance management aims at accomplishing desired goals, which are aligned with the strategic direction of the organization (CIPD, 2010; DeNisi & Smith, 2014). If carefully designed and applied, performance management has the potential to align employee attitudes and behavior with organizational priorities, which could lead to goal achievement (de Leeuw & van den Berg, 2011). Needless to say, the immediate manager plays an important role in performance management, in particular as a representative of the employer in administering performance evaluation, which forms part of human resource management practices (CIPD, 2016, 2017). In this role, immediate managers, among others, plan and monitor performance by giving effect to output, behavioral and organizational controls (CIPD, 2016). At the same time, immediate managers play an important role in engendering engagement (CIPD,

2017; Frank et al., 2004; Harter, 2015). Hence, behaviors of immediate managers are important (CIPD, 2014, 2016). Some authors call attention to the importance of interpersonal skills (emotional and political) of the immediate managers (Mencl et al., 2016), which foster inter alia trust, which is important in engagement (CIPD, 2017; Nienaber & Martins, 2015). It is particularly political skills that are important as immediate managers are bound by the structure of the employer (including but not limited to culture, policies, procedures, processes and systems which include performance evaluation) (Bourne et al., 2013; DeNisi & Smith, 2014; Skivington & Daft, 1991), which generally seems to be overlooked. Hence, some authors highlight the importance of communication, not only between the immediate manager and reportees, but also between immediate managers and top management (CIPD, 2017; Francis, Ramdhony, Reddington, & Staines, 2013) to modify structural aspects to improve performance. It is especially dialog that may alter work relationships (especially pertaining to structural aspects of the organization) resulting in (improved) employee engagement and organizational performance (Francis et al., 2013). Communication may thus foster a symbiotic relationship between the organization and its members. This is particularly relevant in the age of the knowledge worker where innovation is important in driving engagement, strategy and performance (Pettigrew, 1987; Reijseger et al., 2017; Teece et al., 2016).

This brief introduction demonstrates that strategy is important for the long-term sustainability of the organization, which is influenced by leadership down the line, particularly the immediate manager, performance evaluation and employee engagement, which are all interweaved, and thus pose challenges for organizational performance. The question was "what is the role of the immediate manager in employee engagement". Hence, the aim of this paper was to examine the factor 'immediate manager', which scored the second lowest of all factors (comprising employee engagement) measured in a country-wide engagement survey (2015), and its effect on employee engagement. The research question was translated to the following hypothesis 'the dimension immediate manager significantly predicts employee engagement'. The significance of the findings was that the immediate manager plays a vital role in ensuring organizational performance by engendering employee engagement. This paper contributes to theory by integrating literature from strategy, employee engagement and performance management, which has not been done before. The practical implication is that the immediate manager could enhance employee engagement by improving performance evaluation and feedback to employees, contributing to improved organizational performance. The sections that follow elaborate on the theoretical description of the concepts 'employee engagement', 'the role of the line manager in employee engagement', and 'performance evaluation', which all influence organizational performance. This is followed by the method used to study the contribution of the immediate manager to employee engagement, the results and discussion of the results and the paper closes with conclusions and recommendations for improving employee engagement.

# LITERATURE

## Employee Engagement

Different conceptualizations of engagement exist in the literature (Harter et al., 2002; Kahn 1990; Nienaber & Martins, 2015; Saks 2006; Schaufeli et al., 2002) which, according to Saks (2006) and Schaufeli and Salanova (2011), represent different types of engagement. Accordingly, different scales are available to measure engagement. Engagement at individual level, or work engagement, is the most commonly used type of engagement and most often corresponds to the conceptualizations by Schaufeli et al. (2002) and Kahn (1990) (Byrne, Peters, & Weston, 2016). However, given that organizational factors influence engagement, it has been suggested that engagement at organizational level, or employee engagement, may be a better way of studying the link between engagement and organizational performance (Harter et al., 2002; Nienaber & Martins, 2015; Saks, 2006) as it presents engagement as both condition and outcome (Shuck & Rose, 2015). The engagement conceptualization by Kahn (1990, 1992) is considered somewhat broader than that by Schaufeli et al. (2002) and represents engagement as both condition and outcome (Nienaber, 2017). For Kahn (1990:700), engagement refers to "employees' choice to willingly and fully invest their authentic selves physically, cognitively and emotionally in their work roles that promote connections to work and to others, personal presence and active, full role performances". The state of engagement enables people to express their thoughts and feelings, to question assumptions and to innovate, which is admittedly influenced by the individual and organizational factors (Kahn, 1992).

Employees' choice to invest themselves fully in their work roles is influenced by organizational factors such as leadership, trust, work design, strategy and competitive advantage (Cheese et al. 2008; Kahn, 1990, 1992; Nienaber & Martins, 2015) and can be summarized by the psychological conditions of meaningfulness, safety and availability proposed by Kahn (1990, 1992). 'Psychological meaningfulness' indicates how significant it is for the employee to bring his or her authentic self to the workplace in view of the 'return' he or she receives for doing so. This is influenced by task characteristics (e.g. clearly delineated, challenging, variety), role characteristics (e.g. identities that organization members are implicitly required to assume, which they may like or dislike), and work interactions (interpersonal interactions with co-workers and clients). 'Psychological safety' refers to how safe it is for the employee to bring his or her authentic self to the workplace without fear of negative consequences for his or her self-image, status or career. This is influenced by interpersonal relationships (especially characterized by support and trust), group dynamics (e.g. unacknowledged and/or unconscious roles affecting conscious working), management style and processes (e.g. openness and support) and organizational norms (shared expectations about the general behaviors of system members). 'Psychological availability' refers to how ready an employee is to bring his or her authentic self to the workplace because of the resources he or she has to engage personally at a particular moment. This is influenced by depletion of physical energy (e.g. long working hours, heavy workloads) and depletion of emotional energy (e.g. frustration in getting job done), insecurity (e.g. a lack of self-confidence) and outside lives (non-work lives) (Kahn, 1992).

The psychological conditions of meaningfulness, safety and availability proposed by Kahn (1990, 1992) can be achieved by activating the six drivers of engagement proposed by Cheese et al. (2008), namely:

- content of the work – includes the demands (physical and emotional) the job makes on the employee, the sense of achievement that the job offers, the opportunity to learn new things, and the question whether the job is meaningful and leads to some form of satisfaction;
- coping – indicates whether the employee has been equipped with the means to handle the job, including whether his or her goals are achievable. Coping comprises knowledge, skills, health, technology and training as well as a favorable working environment, supportive managers and colleagues and work practices and processes that reduce effort rather than adding to it;
- compensation – denotes the employee's belief of being fairly remunerated and being recognized for his or her contribution;
- community – refers to a feeling of positive social interactions in the workplace and whether the work is believed to be fulfilling, meaningful, enjoyable and fun, and whether it is done in a supportive or collaborative environment rather than a hostile environment;
- congruence – refers to the agreement between the individual and organizational values and alignment of expectations, and includes values that have been met; and
- career – denotes the alignment between the career, life expectations and aspirations of the individual, including work–life balance, whether the organization is investing in employees and whether employees can shape their own destiny.
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In addition, the psychological conditions of meaningfulness, safety and availability proposed by Kahn (1990, 1992) can be accomplished by job design as offered by Hackman and Oldham (1975). This can activate (or restrain) the drivers of engagement as proposed by Cheese et al. (2008). Job design holds that positive personal and work outcomes can be obtained when three psychological states, namely experienced meaningfulness of the work, experienced responsibility for the outcome of the work, and knowledge of the outcome of the work are simultaneously present for a given employee. These psychological states are created by the presence of five core job dimensions, viz. skill variety, task identity and task significance, which enhance meaningfulness, high autonomy, which increases experienced responsibility for work, and high (quality) feedback, which improves knowledge of results of the job (Hackman & Oldham, 1975). Evidently, to be effective, job design should follow from and be aligned with the goals of the organization.

In sum, to activate engagement, leadership down the line should know their employees and specifically what they are capable of, trusting them to do their best, giving them the opportunity as well as empowering them to do so, and recognizing them for their contribution to achieve organizational goals. In addition, engagement requires good two-way communication and interaction between all stakeholders, specifically the immediate managers and

employees. It is surprising though that globally, few employees are engaged. In a study, Aon Hewitt (2017) found that 24% of the respondents were highly engaged, while 39% were moderately engaged. Moreover, it is maintained that organizational management, especially the immediate manager, affects a range of issues that directly influence engagement; hence, to benefit from the immediate manager, top management should not bypass immediate managers in shaping strategy (CIPD, 2014, 2017; Saks, 2006), as the immediate manager explains 70% of variation in employee engagement (Harter, 2015).

## The Role of the Line Manager

Leaders down the line, and in particular their interpersonal skills (both emotional and political), have been acknowledged as important in facilitating goal achievement (Frank et al., 2004; Mencl et al., 2016; Saks, 2006). Interpersonal skills contribute to creating an environment in which employees can perform and thus achieve organizational goals. In this regard, immediate managers act as representatives of the organization in overseeing human resource management practices and thus play a significant role in the human resource management–performance chain (DeNisi & Smith, 2014; Mencl et al., 2016; Mone et al., 2011). In discharging their duties, immediate managers signal to employees the value placed upon them by the organization, both in terms of the way management implement human resource management practices and through their leadership style, by treating employees fairly and respectfully; providing autonomy to employees and empowering them to do their job; participating in quality two-way communication; clarifying expectations; encouraging employees to give and implement their views because their opinions count and make a difference; and behaving in a way that is congruent to the stated organizational values, which builds trust and provide a sense of integrity (CIPD, 2014, 2016, 2017; Frank et al., 2004).

It has been argued that it is not a single human resource practice, but rather complementary human resource practices (or bundles of human resource practices) that could lead to organizational performance (Bourne et al., 2012; DeNisi & Smith, 2014; Mone et al., 2011). However, it was pointed out that the link between these human resource practices and organizational performance might not be direct, but rather indirect as it may be mediated by a range of attitudinal and behavioral variables (Bourne et al., 2013; de Leeuw & van den Berg, 2011; DeNisi & Smith, 2014). In addition, it has been pointed out that the type of human resource practices implemented, e.g. transactional (which are focused on short-term exchange relationships) and/or commitment-based (emphasizing mutual, long-term exchanges) also influence organizational performance (Bourne et al., 2013). The latter has been shown to be more advantageous than the former for organizational performance and focused on three areas, namely (1) employee skills, including selective recruitment; (2) motivation, including such practices as performance-based rewards; and (3) empowerment, including participation mechanisms as they act synergistically (Bourne et al., 2013). It goes without saying that the immediate manager oversees these practices, which form part of performance management (which is a structural aspect of the organization), and which is provided for in performance evaluation.

## Performance Evaluation

Performance evaluation is a process by which the performance of an individual employee is assessed for a specific period, resulting in a score, and it may or may not include developmental feedback (CIPD, 2017; DeNisi & Smith, 2014). Performance evaluation evolved from providing an accurate rating to focusing on performance improvement and later performance management, which leads to new models to manage and improve performance, which include aligning individual performance with organizational goals (Bourne et al., 2013; DeNisi & Smith, 2014). Performance evaluation is a continuous process of identifying, measuring and developing the performance of individuals and teams as well as aligning their performance with the strategic goals of the organization (DeNisi & Smith, 2014). Given that performance, from the perspective of the organization, is deemed to be a function of ability (or means and skills), motivation and opportunity (Blumberg & Pringle, 1982), it is obvious that the performance evaluation system of an organization should ensure that employees have the ability (or means and skills), the motivation and the opportunity to improve performance and, as such, to provide the basis for measuring these aspects (Bourne et al., 2013; DeNisi & Smith, 2014). Nevertheless, the performance evaluation system should result in practices that will enhance the ability or means and skills (like recruitment, selection and training); the motivation to do their work (for example performance contracting or setting goals, performance appraisal, compensation,

benefits, career development and job security); and the opportunity to contribute to performance (building a climate of trust and empowerment such as encouraging innovation and improving work processes, providing resources and decision-making authority to perform effectively as well as control over work, and treating employees respectfully and fair) (DeNisi & Smith, 2014; Gruman & Saks, 2011; Mone et al., 2011).

Moreover, to be effective, these practices should be perceived as fair. Open discussion should accompany goals to be achieved, and employees must feel empowered to perform and discuss feedback and development as part of their daily interactions (DeNisi & Smith, 2014). In this regard, it should be highlighted that performance evaluation might not necessarily contribute to performance improvement because of structural considerations. These include the organization is pursuing the wrong strategy (DeNisi & Smith, 2014); performance evaluation is not properly aligned and integrated with performance management; the system may influence behavior towards meeting measures rather than implementing organizational strategy and/or organizational performance should be ensured (Bourne et al., 2013; DeNisi & Smith, 2014), and the link between performance evaluation and business performance may not be clearly or convincingly established (Bourne et al., 2013; DeNisi & Smith, 2014).

Hence, it has been argued that performance evaluation should focus on a more proximal outcome, specifically employee engagement, rather than a distal outcome like organizational performance and goals (Gruman & Saks, 2011). In addition, scholars have argued that evidence for the link between performance management and human resource management (practices) is more compelling, as performance management interacts with human resource management (practices) (Bourne et al., 2013; CIPD, 2016; DeNisi & Smith, 2014).

# METHOD

This paper reports on a part of a larger study (2015), which employed a survey as research design, collecting self-report data by using an electronic survey, administered by a permission-based database (comprising 285,000 economically active persons, occupying various roles in organizations, from all sectors of the standard industrial classification and of different sizes, reflecting the profile of economically active South Africans who willingly gave permission to participate in online surveys). Hence, convenience sampling was used, which may be criticized for its potential to be biased. However, because the respondents mirrored the typical population under study (Nienaber & Martins, 2015), the sample was considered to be appropriate for purposes of this study (Bono & McNamara, 2010). Self-reports may be susceptible to common method variance; however, it was considered the most appropriate method to use as subjective perceptions and experiences of individuals were required (Conway & Lance, 2011). Moreover, the anonymous responses countered common-method variance.

## The Instrument Collecting Data

The study in question measured employee engagement in South Africa, a multicultural, emerging economy, using the validated engagement scale of Nienaber and Martins (2015) (with permission) for this context. Nienaber and Martins (2015) report that they developed the scale by following the typical steps for instrument development proposed by Hinkin (1998), which is similar to that of DeVellis (2013), while they heeded the guidelines of Aguinis and Edwards (2014) in connection with measurement as well as the recommendations of inter alia Johns (2006) in connection with context. Additionally, Nienaber and Martins (2015) point out that they followed the framework of Macey and Schneider (2008), which according to Christian et al. (2011), indicates discriminant validity. As such, the engagement measurement instrument used by Nienaber and Martins (2015) builds on and extends current engagement research, including scales, which have been part of prior research (Nienaber & Martins, 2015).

The Nienaber and Martins (2015) employee engagement scale consists of six factors, representing engagement at individual, team and organizational level. The individual level comprises trait, state and behavioral engagement, which are influenced by factors at team/unit level such as work design, leadership and trust. These aspects in turn are influenced by factors at organizational level such as vision, mission, goals and strategy, which are anchored in the competitive advantage of the organization (Nienaber & Martins, 2015). The instrument may be considered solid because each of the six factors consists of at least five or more items (Hinkin, 1998), while the validity, discriminant validity, convergent validity and reliability of the instrument have been established (Martins,

2016; Nienaber & Martins, 2015). The Cronbach's alpha for the six dimensions ranged between 0.813 and 0.942, while the indices of the base model were all at levels recommended by the relevant researchers in the field (Nienaber & Martins, 2015:415-416).

The instrument consisted of 69 questions, nine of which collected biographical information (gender, qualifications, experience and tenure) and 60 required responses to statements about engagement at individual, team/unit and organizational level, using a five-point Likert-type scale, widely used to measure opinion, belief and attitude (DeVellis, 2013), such as engagement. 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' (organizational level) (Nienaber & Martins, 2015).

## Data Analyses

Statistical analyses were conducted using SPSS23. The purpose of the present study was to examine the dimension 'immediate manager' because the immediate manager influences employee engagement significantly and thus affects organizational performance. Firstly, the factor scores for all dimensions of employee engagement were calculated by taking the average of the items that loaded onto the factor in question for each participant. This paper only reports on the dimension 'immediate manager' in detail. Secondly, the contribution of the dimension 'immediate manager' to the variation of employee engagement was studied by performing linear regression analysis (Terre Blanche, Durrheim, & Painter, 2007), where 'immediate manager' 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 et al., 2007) were tested and satisfied.

# RESULTS

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

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

| Engagement level | Dimensions | Count | Mean | Standard deviation |
|---|---|---|---|---|
| Team/unit | Team | 4 099 | 4.05 | 0.832 |
| Individual | Organizational satisfaction | 4099 | 3.80 | 1.008 |
| Individual | Organizational commitment | 4099 | 3.73 | 1.145 |
| Organizational | Customer service | 4099 | 3.72 | 1.027 |
| Team/unit | Immediate manager | 4099 | 3.54 | 1.167 |
| Organizational | Strategy and implementation | 4 099 | 3.40 | 1.166 |
| | Overall (all factors) | 4099 | 3.73 | 1.0383 |

**Source:** Calculated from survey results

The results (means and standard deviations) show that the factor 'immediate manager' scored the second lowest of all factors and lower than the overall average for employee engagement. The factor 'strategy and implementation' scored the 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 dimension immediate manager (2015).

**Table 2: Immediate manager as dimension of employee engagement (2015)**

| | Count | Mean | Standard |
|---|---|---|---|

| | | | deviation |
|---|---|---|---|
| **Immediate manager** | **4 099** | **3.54** | **1.167** |
| My immediate manager trusts me | 4 099 | 3.95 | 0.931 |
| I have the support from my immediate manager to do my job effectively | 4 099 | 3.83 | 1.065 |
| I trust my immediate manager | 4099 | 3.59 | 1.237 |
| My immediate manager inspires people in my business unit | 4 099 | 3.44 | 1.223 |
| My immediate manager does a good job of 'managing the work' – that is making appropriate work assignments, scheduling the work, setting priorities for me and my team | 4 099 | 3.39 | 1.222 |
| My immediate manager gives me regular feedback that helps me to improve my performance | 4 099 | 3.33 | 1.235 |
| I am satisfied with the way that my work performance is evaluated | 4 099 | 3.24 | 1.255 |

**Source:** Calculated from survey results

The item "My immediate manager trusts me" was scored the most favorable of the items making up the factor 'immediate manager' followed by "I have the support from my immediate manager to do my job effectively". "I am satisfied with the way my work performance is evaluated" ranked the lowest of all items comprising the factor 'immediate manager', while "My immediate manager gives me regular feedback that helps me to improve my performance" scored the second lowest of all items. The item "My immediate manager does a good job of 'managing the work' – that is making appropriate work assignments, scheduling the work, setting priorities for me and my team" scored the third lowest of all items making up 'immediate manager'. These three items also scored lower than the mean for 'immediate manager', which was lower than the mean for employee engagement.

The result of the regression analysis is presented in Table 3.

**Table 3 Model summary[b]**

| Model | R | R square | Adjusted R square | Std. error of the estimate | Durbin–Watson |
|---|---|---|---|---|---|
| 1 | .722[a] | 0.521 | 0.521 | 0.49091 | 1.902 |

a Predictors: (constant), immediate manager

b Dependent variable: Average without immediate manager

According to the regression analysis, the factor 'immediate manager' contributes significantly to employee engagement as it explains (or predicts) 52.1% of variance in employee engagement (R square adjusted 0.521; F sig .000).

# DISCUSSION

The factor 'immediate manager' scored the second lowest (3.54) of the factors making up 'employee engagement', which was lower than the overall engagement score (3.73). 'Team', on the other hand, scored the highest (4.05) of the factors making up employee engagement and above the overall employee engagement score. The items making up 'immediate manager' (Table 2) coincided with the literature, which is to a greater or lesser degree subject to interpersonal relationships. Leadership style builds trust and affects psychological availability (CIPD, 2014, 2016, 2017; Frank et al., 2004). The drivers of engagement (Cheese et al., 2008) are also reflected in these items, as well as aspects of job design (Hackman & Oldham, 1975), specifically feedback that could activate the drivers of engagement, which could achieve the psychological conditions of meaningfulness, safety and availability. Performance evaluation stems from performance management, which is a structural aspect of the organization (Blumberg & Pringle, 1982; Bourne et al., 2013; DeNisi & Smith, 2014; Franco-Santos et al., 2012; Mone et al., 2011; Skivington & Daft, 1991) and could be influenced by the immediate manager via interpersonal skills, specifically political skills (Mencl et al., 2016), and in particular dynamic capabilities (Mencl et al., 2016; Teece et

al., 2016), which are required to combine and allocate resources, particularly knowledge (Barney, 1991; LePak & Snell, 2002; Teece et al., 2016). The results indicate that the political skills of immediate managers may be underdeveloped. This might have an adverse effect on motivation (Bourne et al., 2013; DeNisi & Smith, 2014; Gruman & Saks, 2011) and the psychological safety and availability of employees (Cheese et al., 2008; de Leeuw & van den Berg, 2011; Kahn, 1990; Saks, 2006; Schaufeli et al., 2002; Teece, 2014), adversely affecting competitive advantage (Barney, 1991; Grant, 2016; Lockwood, 2007; Nienaber et al., 2002; Pfeffer, 2010; Porter, 1985; Teece et al., 2016) with dire consequences for organizational performance (Barney, 1991; Christian et al., 2011; Kahn, 1990, 1992; LePak & Snell, 2002; Porter, 1985; Teece, 2014; Teece et al., 2016).

According to the regression analysis, the factor 'immediate manager' contributes significantly to employee engagement as it predicts 52.1% (adjusted $r^2$) of variation in employee engagement as proportions of variance above 25 per cent are considered substantial (Heiman, 2014). This is consistent with the literature and congruent with the findings by Saks (2006) and Harter (2015) that the immediate manager contributes significantly to the variation in employee engagement. If organizations seek to improve employee engagement they should attend to the immediate manager, who plays a critical role in influencing an individual employee's choice to engage or disengage (Kahn, 1990, 1992; Saks, 2006), and in particular to performance evaluation and feedback, which could be improved by political skills.

# CONCLUSIONS AND RECOMMENDATIONS

Strategy implementation is important in the sustainability of organizations. According to the literature, leadership down the line plays an important role in strategy implementation. Literature also shows that if strategy implementation fails, it jeopardizing the sustainability of the organization. Strategy is complex, as it requires a range of activities, which in turn are influenced by a number of factors, notably leadership. The immediate manager plays a significant role in performance via employee engagement, which can be fostered by particularly performance evaluation and feedback.

The study reported on here demonstrated that the immediate manager is significant in employee engagement, both theoretically and empirically, as it explains 52.1% of variation in employee engagement (i.e. factual conclusion). It is therefore troubling to note that this factor scored the second lowest (3.54) of all factors making up 'employee engagement'. In addition, the analyses also identified items that influence 'immediate manager', which is consistent with the literature (i.e. conceptual conclusion). Of these items, "I am satisfied with the way that my work performance is evaluated" scored the lowest, followed by "My immediate manager gives me regular feedback that helps me to improve my performance", which scored the second lowest. "My immediate manager does a good job of 'managing the work' – that is making appropriate work assignments, scheduling the work, setting priorities for me and my team" scored the third lowest, which is concerning as performance evaluation, feedback and managing the work assist in enhancing employee engagement and aligning attitudes and behaviors of employees to goal achievement and thus organizational performance. These items are influenced by structural aspects of the organization as well as interpersonal relationships. The immediate manager could affect structural aspects, such as performance evaluation, both directly and indirectly, via political skills (combining and allocating resources) and communication and dialog (to adjust/adapt performance evaluation and performance management systems to reflect 'knowledge work'). This aspect of performance evaluation forms part of giving feedback. Feedback falls in the direct sphere of influence of the immediate manager, which can be addressed by interpersonal skills, including political skills. The latter here needs some development. Nevertheless, this may be a daunting task, given the complexity of the concepts in question and their integrated nature. These also represent the contribution of the study i.e. the line manager plays a significant role in employee engagement, via performance evaluation. However, performance evaluation forms part of structural aspects of the organization, which are determined by top management. The implications (managerial and practical) of this study include that management must deliberately link strategy to performance management and evaluation. This can be done, inter alia, by policies, processes and practices (including commitment based human resource practices), which form part of structural aspects of the organization. To succeed in linking strategy and performance management, inputs of all role players, regardless of their position in the hierarchy of the organization, should be solicited of which the immediate manager are of particular relevance. Further research is therefore recommended.

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