

# Employee Engagement and Competitive Advantage during Covid 19 Pandemic in Small to Medium Enterprises, Catering Industry, Harare

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**Abstract:** The unexpected coming of Covid -19 to the whole world came with shocking effects on business. Zimbabwe as a country was not spared by this pandemic and in particular, Harare's small to medium catering industry was seriously affected. This research paper focused on the level of engagement of employees in the Small to Medium Enterprises in the catering industry with the intention to find out how engagement can provide leverage for competitiveness. The concept of engagement has an adverse effect on employee performance and the financial position of the organization. The research was based on documentary analysis to gather information on the unfolding events in Harare. The research revealed that employees in the catering industry were disengaged from the effects of Covid -19 which frustrated the work systems and plans.

The research findings revealed that employees were disengaged due to the changes in work processes. Much of the disengagement came from job insecurity caused by continued lockdowns and poor income generation by the companies. It was recommended that management must support the engagement process as they are key in facilitating employee productivity and company success. Also, the government must encourage dialogue in managing the political, Socio-Cultural and economic issues to at least avert the problems of disengagement.

**Keywords:** Covid-19, Employee Engagement, Competitive advantage, Catering industry.

## I. INTRODUCTION

The Covid -19 pandemic came unexpectedly frustrating the operations of the catering industry which is one of the key and productive sectors in Zimbabwe. The Small to Medium Catering industry was hard hit with a series of lockdowns at the edge where companies were thriving for survival by use of employee engagement strategies. Covid-19 led to a series of lockdowns and on other occasions, total lockdowns were experienced manned by state security forces thereby challenging the engagement process in the catering industry. The concept of engagement was examined by Chris Ross (2011) on how it has an effect on competitiveness. In view of Ross (2011), it was revealed that the concept of engagement feeds into improved profitability and employee performance. Need arise to examine the relation between employee engagement and competitiveness then zero in on the effect of Covid -19. This study focuses on how SMEs can use employee engagement for competitive advantage in the midst of the ravaging effects of Covid-19 affecting businesses. The

Covid-19 which spread in many countries resulted in an imposed lockdown with restrictions on movements (Statutory Instrument 77 of 2020) and productivity. The major push for the publication has been advocated for by Startup biz Zimbabwe (2017), where it was clearly stated that in establishing a catering business, you cannot do without people hence the problem of Covid -19 come into play.

## II. LITERATURE REVIEW

### 2.1 The context of engagement and Covid-19

Covid 19 is currently a health challenge that resulted in major respiratory sickness in people (Hayat *et.al.* 2020). In the current aggressive business environment employee engagement is considered valuable and a panacea to an organization's competitiveness. Businesses are able to realize their goals when their employees are engaged. Medina (2011) claims that the employees are valuable assets in any business, through which office deliverables are achieved effectively and efficiently. The huge cost of an employee's sickness on the business cannot be overemphasized. The effects of the disease like stress, and insecurity can incapacitate the employees hence they fail to do their duties diligently and timeously. On the organization's side low productivity results in unprecedented cost-cutting measures on remuneration and layoffs which affects the overall business performance. The government-imposed lockdown caused by the Covid-19 pandemic has prevented employees to discharge their duties and organizations realize their goals well hence if measures to circumvent these effects are not found some organizations wild fold up prematurely.

### 2.2 The Zimbabwean context of Covid-19

Employee engagement has established itself as a force to reckon to impact the success and survival of businesses. This study focuses on how SMEs can use employee engagement for competitive advantage in the midst of the ravaging effects of Covid-19 affecting businesses. The Covid-19 which spread in many countries resulted in an imposed lockdown n with restrictions on movements (Statutory Instrument 77 of 2020) and productivity. The lockdown in Zimbabwe morphed over many weeks and created some challenges and opportunities for Zimbabwe businesses. 90% of businesses in the Zimbabwean industry are

SMEs and the unanticipated closure due to Covid had a major impact on employees and productivity of these small businesses. Magaisa and Matapira (2017) declare that SMEs in Zimbabwe fall between 80-90 % of their employment and the sector contributes about 60% of the country's GDP. This shows the importance of the sector in the economy. The measures that were put in place to adhere to the lockdown regulations caused some SMEs business to remain operational with strict Covid 19 health protocols to comply with and some employees who were regarded as essential staff also reported on duty others worked remotely, (Chaora, 2020, Statutory Instrument 83 of 2020).

Tembo (2020) further points out that Covid 19 has compounded a situation that was already dire. Business owners were finding themselves on a test meter on their capabilities in order to keep their employees engaged whilst trying to adapt to the new working norm resulting from the pandemic, (Chandani *et al* 2016). Employee turnover, job security, and demotivation have affected many businesses during the Covid 19 pandemic hence the need to keep their employees engaged. As a result employee engagement has become a daunting job for employers in unstable economic conditions.

AON's (2018) global engagement trend report showed that global engagement was at 65% with Africa having 61% engagement in 2017. On the other hand, a national survey by IPC with 5222 employees revealed that 40.79% of employees are aligned skeptics which their study defined as workers who know exactly what has to be done but they show reluctance to push the initiative to achieve the goals of the organization, (Nguwi 2012). Another study by the Industrial Psychology Consultants (IPC) of over 1900 employees in Zimbabwe revealed that 7 in 10 employees are engaged. The dimensions used in the survey revealed that the highest levels of engagement were strategic direction, relationship with co-workers, and satisfaction with the supervision by an immediate supervisor, (IPC, 2019). In the same vein, the Institute of People Management Zimbabwe 2010 survey on employee engagement revealed that most employees in the organization felt disempowered because their ideas were not considered and that the performance of the business was not communicated to them effectively, this, in the long run, resulted in disengaged employees. A North American study by Schroeder-Sualiner (2010) in Shoko and Zinyemba (2014) discovered that 60% of workers planned to job hunt when the economy improves. This scenario is parallel to Zimbabwean businesses with SMEs not spared both as employees are not engaged in their workplaces and they are only there as there is no alternative employment anywhere else in the country. Businesses in Zimbabwe are confronted by an unstable economy, stiff competition as well as the current pandemic, employees engagement has come up as the backbone of a business's competitive stature on the market.

Ortiz *et al* (2013) pointed out that employee engagement should be nurtured because disengagement has a

tendency to erode employee enthusiasm and commitment to the organization they work for. Therefore, in order to gain a competitive advantage during the Covid 19 pandemic, businesses have decided to turn to the HR function to put in place the agenda for employee engagement to inspire and engage their employees for competitive advantage. The motive to investigate how employee engagement can be used as leverage in SMEs is driven by the fact that the sectors have been struggling to stay afloat, experiencing a demotivated workforce who are unsure of their job security, stressed, and are failing to identify with their organization's goals. The catering industry in Harare is finding itself wanting to retain and motivate its employees to avoid loss of productivity and their competitive edge. It is important to focus on this study and assist businesses in being proactive on the issue than being reactive. It is against this backdrop that this paper zero on employee engagement as leverage for competitive advantage during Covid 19 pandemic in the SMEs catering industry in Harare.

### 2.3 Employee engagement

The concept of employee engagement was propounded by Kahn (1990) who described engagement as harnessing the employees' physical and physiological existence in executing their work roles. He further proposes that during their role performance, when there is engagement, employees employ and express themselves cognitively, emotionally, and emotionally. On cognition, it is linked to the beliefs of the leaders, workers, and working environment. The emotional aspect is concerned with the employee's either negative or positive attitude towards the firm. The physical characteristic is the physical energy applied by the employees so as to accomplish their roles in the organization. May *et al* (2004) cited by Chanana and Sangeeta (2020) tested Kahn's model and they discovered that engagement is positively related to safety, meaningfulness, and the presence of psychological conditions. This study asserts that employee engagement encompasses an individual person's satisfaction, involvement, and enthusiasm he/she has for work, (Harter *et al* (2002) and also that it is close to job involvement, emotions, and wellbeing, (May *et al.*, 2004 in Chanana and Sangeeta, 2020).

### 2.4 Effects of employee engagement

According to Mangundjanga (2012) lack of engaged employees results in resource-wasting, suboptimal business performance, high attrition, and receding employee morale whilst an engaged labor force results in high organizational performance and job satisfaction. Siddhanta *et al* (2010) further assert that an organization that is well functioning causes workers to be motivated, healthy, and committed to their job, in short, they are engaged employees. Engaged employees help the organization realize its mission, implement its strategy and generate positive business results. Employee engagement proliferates the opportunities for organizational achievement, subsidizing individual and

organizational performance, employee well-being, and productivity, (Chandani *et al* 2016). Effective employee engagement is linked to financial performance which encompasses growth in revenue, profit margins, and operating income which is thrice greater than businesses that have disengaged employees. Higher employee engagement results in less absenteeism, job stress and better employee well-being and health, (Saks, 2017).

Despite turnover being regarded as normal, Christian *et al* (2011) argue that an organization that engages its employees religiously does not experience the sudden unexpected loss of motivated, skilled, experienced quality employees. Those employees who possess a high degree of engagement personally identify themselves with their work and job which are a source of motivation for them. This is echoed by Little and Little (2006) in Armstrong (2012) whose definition of employee engagement states that the worker's eagerness and proficiency to assist the organization to succeed. In contrast, low employee engagement has no impact on performance only but also has a negative effect on employee turnover, customer service gratification as well as increased absenteeism rates (Cataldo, 2011).

In addition, the global pandemic of Covid 19 has also impacted employees negatively as pay freezes, layoffs, and benefits cuts permeated the labor force making it not easy to maintain high levels of engagement, (Hewitt, 2013). With this view, it is imperative for businesses to embark on employee engagement so as to remain competitive during this pandemic. Employee engagement can be a mediator that enhances the intention, behavior, and employee attitudes towards better job performance, (Sudah, 2020) and the company's competitive advantage. Meanwhile, Patro, (2013) highlighted that organizations should offer their workers the freedom that enables them to make work interesting and form an environment that has an engaged work life.

### 2.5 Employee engagement drivers

Bedarkar (2014)'s study showed that communication, leadership, and work-life balance as the key drivers of employee engagement. Patro, (2013) postulates that factors that contribute to employee engagement in an organization include communication, fair remunerations structure, recognition, encouragement, flexibility in employee working hours, participation in decision making as well as an open work environment. In addition, management practices like respecting the employee, providing employees with proper job training, giving moral, financial, and technical support, and exhibiting true leadership styles have an effect on employee performance, (Presbitero *et al* 2016). A study by Lee *et. al.* (2016) noted that it is difficult for HR professionals to keep current employees engaged with their work as the employees are moderately engaged or are detached from their present roles or they fear losing their jobs. Human resources practices like reward management and training and development can

result in positive and noticeable changes in employee engagement levels, (Owoye *et al* 2020).

### 2.6 Effects of Covid-19 lockdown on business

Covid 19 is a respiratory disease that originated in Wuhan province in China, (Fan *et al* 2020) and it resulted in about 367,166 deaths and more than 5 million deaths worldwide as reported by the World Health Organisation(WHO), (WHO,2020). Many countries had to close their borders to stop the spread of the virus (Ghosh *et al* 2020) and the countries had to implement measures to slow the spread of the virus from school closures to total lockdown, (Kaplan and Mefall-Johnsen 2020). The restriction of public lockdown included curfews, social distancing, sanitizing, and wearing of face masks when one wants to go outside.

Furthermore most, businesses began working online and working from home (WFH) hence the organizations were compelled to provide resources for their employees to work from home. However, working from home is not easy as workers do not feel the office or organizational climate at home. Most of them experience the stress of the Covid 19 as the cases kept on increasing and people dying too globally and locally. The employees are not certain about their job security and their remuneration. These problems have resulted in the employees not concentrating on their work or tasks hence the need for employee engagement, (Chanana and Sangeeta, 2020). Engaging employees and properly taking care of their well-being is a major responsibility for the organization and competitive advantage is guaranteed. Motivational talks boost employee morale and offer security and an open environment which enables the worker to raise a voice when they have some concerns. A transparency policy should be made available so that workers do not get stressed about the work and engage in it well mannered.

### 2.7 Importance of employee engagement during difficult times

Organisations can improve their engagement levels even in difficult times like pandemics if they manage to make proper decisions at the right time. It was observed that very high engagement levels are related to improved productivity and a healthier workforce, (Vickers, 2019). As reported by The Guardian, employee engagement increases strong positive attitudes in employees towards their job and business in tough times. To add, factors like job satisfaction, organizational citizenship, and organizational commitment play a crucial role in making up employee engagement. Format (2014) argues that organizational leadership has to show more visibility by motivating their employees during difficult times if they want their workers to be engaged. Effective communication makes employees to be engaged in their work and achieve their aims during tough times. Giving feedback and direction to employees periodically, and communicating employee career growth prospects are encouraged in order for the employees to trust the developmental processes within the organization as fair and equitable, (Mason, 2009). Likewise, Stawiski and Gentry (2010) declare that during difficult periods, benefits



packages and fair comparable remuneration structures must be offered to employees to keep them motivated and engaged. Matkin (2016) also states that the business must have an open-door policy with its employees as it gives them a voice; as well as transparency with its employees which also assists in building trust among its workforce towards the business during the tough period.

### III. THEORETICAL REVIEW

This study employs the theoretical framework of Maslow's hierarchy of needs whose premise is that each individual seeks to achieve his/her optimum potential or self-actualization as he puts it. The theory proposes that people who achieve harmony within themselves and their environment, are able to enjoy much happiness and fulfillment in their everyday activities, (McGregor, 1960). It is argued that many human needs like security, esteem, and needs among others are addressed through employer-led support and opportunity. In return, the organization would gain more loyalty and hard work from their employees. On the contrary, a deficiency in employer-led support causes employees to leave the organization. In addition, Maslow's social belonging need shows the importance of friendships at the workplace and organizational fit which are employee engagement drivers and staff retention.

The model of Maslow was then taken as too simplistic by Liston (2021) who introduced the Zinger model which has ten key points that support engagement. The focus point looked to enhance well-being, enliven energy, make meaning, leverage on strengths, build relationships, foster recognition, master moments, maximize performance and work progress. This model is a hybrid model that focuses on core employee needs.

The Singer model has its uniqueness that guides how corporate success can be achieved however Liston (2021) further cements the models by advocating for a culture of employee engagement. In the fact, it is a way of creating a business environment where employees want to work every day. These models all lead to financial performance by the use of people and motivate them and build commitment.

### IV. CONCLUSIONS AND RECOMMENDATIONS

From the lessons learned in Harare Kowalramani (2018) is clear that business was closed leading to remote work from home, this brought about a separation of employees from their work. Employees in the catering industry were exposed to a series of lockdowns thereby removing the emotional commitment by employees to their organization, vision, and goals. Work systems are drastically changing in the catering industry thereby transforming the methods of work and calling for the need for agility to be able to succeed. The results, therefore, show that engagement is not solely the HR function but requires full support by management. Management in these difficult times is expected to bring in policies and systems that can foster employee

engagement by building trust between employees and management. Management are therefore encouraged to create a positive work environment that is backed by support and mutual trust between the employer and the employee. From the findings it has been found wanting for the catering industry to be on the lookout for key economic indicators. The industry is threatened by three main pillars of growth that is political, socio cultural and economic trends these are the key trends that determines and contribute to disengagement. For engagement to achieved dialogue must prevail between management and employees and then watch the three global trends that impact on engagement that is Political, Socio-cultural and economic issues.

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