

Employee engagement and Job performance in small enterprises (SEs) in Hinatuan, Surigao del Sur

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ABSTRACT

The study entitled “Employee Engagement and Job Performance in Small Enterprises (SEs) in Hinatuan, Surigao del Sur”, conducted by Judy Ann M. Parro of Saint Joseph Institute of Technology, Butuan City, investigated the level of work engagement and job performance among employees of small enterprises in Hinatuan, Surigao del Sur, Philippines. Data were obtained from 222 employees using structured survey questionnaires.

Results showed that the workforce was predominantly composed of young adults aged 18–35 years, with almost equal representation of male and female respondents. The majority of employees were high school graduates, indicating that the positions generally required secondary-level educational qualifications. Employee retention was identified as a challenge, as most respondents had one to five years of service. Despite this concern, findings revealed a positive organizational culture characterized by strong advocacy, collaboration, teamwork, effective communication, and access to learning and development opportunities.

Further analysis indicated that age, sex, and educational attainment did not significantly influence employee engagement, whereas length of service had a significant effect, with longer-tenured employees demonstrating higher levels of engagement. Employees exhibited high levels

of job performance across key dimensions, including productivity, adaptability, initiative, attendance, quality of task accomplishment, and customer service. No statistically significant differences in job performance were observed when respondents were grouped according to age, sex, educational attainment, or length of service. However, a moderate positive correlation was established between employee engagement and job performance, suggesting that increased engagement was associated with improved employee performance.

Based on these findings, the study recommended the strengthening of employee engagement initiatives through continuous skills training, improved working conditions, effective communication mechanisms, incentive and recognition programs, flexible work arrangements, community involvement, technology integration, and enhanced customer relationship management. At the organizational level, recommendations included the provision of specialized training programs, the establishment of partnerships with local businesses and academic institutions, the conduct of regular town hall meetings, and the utilization of mobile-based communication platforms. Non-profit organizations were encouraged to adopt mobile applications for coordination and to implement community-centered programs, while government agencies were advised to introduce employee recognition initiatives and collaborate with higher education institutions in offering relevant skills development courses. At the individual level, employees were encouraged to pursue continuous professional development and participate in community-based initiatives; community leaders were urged to promote dialogue and sustainable development policies; and young professionals were encouraged to develop community-oriented technological solutions, organize professional development activities, and seek mentorship opportunities.

Keywords: Employee engagement; job performance; small enterprises; Employee Advocacy; Teamwork; Collaboration

Introduction

Job performance is essential for organizational productivity, with effective onboarding being key to producing productive employees who contribute to company objectives (White, 2019). However, workplace stress can hinder performance (Fonkeng, 2018). In the competitive labor market, attracting and retaining top talent is challenging, and employee engagement is an effective strategy to address this (Santana, 2023). Engaged employees outperform their peers by 17% in productivity and report 40% fewer quality defects, also showing greater resilience and dedication (Schaufeli & Salanova, 2014; Merrick, 2018). Employee retention is closely linked to engagement, which is crucial for business success (Osborne & Hammoud, 2017; Lwin, 2017).

According to Gallup's 2023 report, global employee engagement stands at 23%, with the U.S. peaking at 36% in 2020 before declining to 31% by 2023. Disengaged employees lead to higher absenteeism, burnout, and morale issues, resulting in 60% more errors (Riley, 2021). Engagement is a significant concern in Asia, including the Philippines (Oreb, 2022). Disengaged employees lack enthusiasm and focus solely on task completion, causing disruptions and high turnover, which are significant concerns for management, especially in SMEs (Damianus, 2020). The link between engagement and productivity has significant costs and benefits, affecting both individual enterprises and the broader economy (Pendell, 2022).

This study focuses on small enterprises in Hinatuan, Surigao del Sur, defined as businesses with 10-99 employees and lower revenue compared to larger companies (Asokan, 2023). These enterprises play a crucial role in the economy by creating jobs, fostering innovation, and

stimulating growth. They are characterized by adaptability, quick market response, and personalized client care. In the Philippines, small enterprises are often defined by the Department of Trade and Industry as having PHP 3,000,001 to PHP 15,000,000 in assets and 10 to 99 employees (DTI, 2020). Understanding the unique challenges and opportunities faced by small enterprises in Hinatuan helps develop tailored strategies to support their growth and sustainability.

Review of Literature and Studies

In small enterprises in Hinatuan, Surigao del Sur, employee engagement plays a pivotal role in organizational success, extending beyond financial metrics to encompass the vitality of the workforce. Employee engagement is multifaceted, involving emotional, cognitive, and behavioral dimensions, as outlined by various researchers. Benham (2017) defines it as a positive state of involvement and enjoyment, while Kumar and Pansari (2016) highlight its connection to job satisfaction and performance. Jin and McDonald (2016) emphasize organizational commitment and immersion in work, and Sun and Bunchapattanasakda (2019) view it as a blend of behaviors, emotions, and cognition. Engaged employees are more likely to advocate for their organizations, enhancing brand reputation and job satisfaction. Factors such as teamwork, collaboration, communication, and opportunities for learning and development are crucial for fostering engagement. Effective communication and continuous training programs have been shown to significantly boost employee performance and satisfaction, making them essential for small enterprises aiming to achieve sustainable growth and competitive advantage.

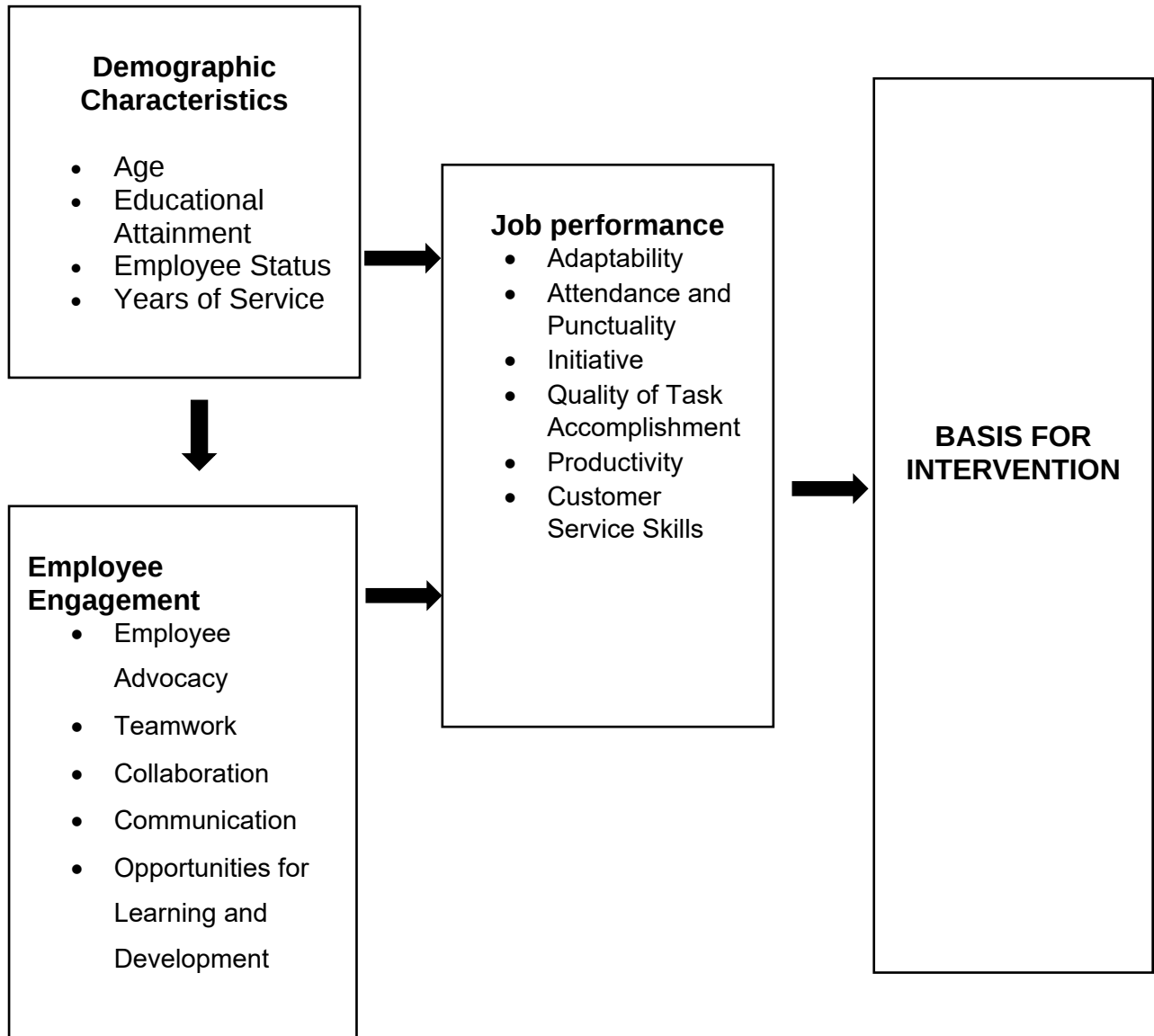
Job performance encompasses the anticipated value an individual's behavioral actions bring to an organization within a specific timeframe, reflecting a combination of various actions executed over time (Motowido, 1977). It is influenced by factors like burnout, which can impair productivity, and the quality of the work environment, which is crucial for determining overall job

performance. Research has shown that job performance is closely linked to organizational commitment, motivation, and mental health, with a significant correlation between work-life quality and job performance (Aketch et al., 2012; Deadrick & Gardner, 1999). Small enterprises face unique challenges in this regard, as job performance in such settings is dynamic and influenced by both internal and external factors (Gössling et al., 2017). Key elements impacting job performance include adaptability, which is essential for coping with rapid changes in contemporary workplaces (Foss & Jensen, 2019), and personal initiative, which involves self-initiation, proactivity, and persistence (Frese, 2010). Quality of task accomplishment and productivity also play critical roles, with factors such as mental health, work environment, and employee engagement impacting these aspects (Bloom et al., 2015; Böckerman & Ilmakunnas, 2012). Additionally, customer service skills, including communication and problem-solving abilities, are crucial for maintaining positive client relationships and enhancing organizational performance (Shodiya & Ojenike, 2021). Overall, job performance is a complex, multifaceted construct influenced by numerous factors, with a strong emphasis on adaptability, initiative, and a supportive work environment to achieve optimal results.

Framework

The study used Job Demands-Resources (JD-R) theory to explore how job characteristics affect employee well-being, engagement, and performance. The JD-R model distinguishes between job demands (e.g., high workload) that can lead to burnout and job resources (e.g., social support) that enhance engagement and performance. The study also incorporates the Organization Support Theory (OST), which examines how employees' perceptions of organizational support influence their commitment and performance. Additionally, David McClelland's Three Needs Theory, which identifies achievement, affiliation, and power as key motivators, was used to

understand employees' behaviors and success. Figure 1 visually represents the relationships among these variables.



Objectives of the Study

This study sought to examine the multifaceted impact of job performance on employee outcomes by integrating multiple theoretical frameworks to provide a comprehensive analysis. The primary aim was to explore how job demands and job resources affected employee well-being, engagement, and performance using the Job Demands–Resources (JD-R) Theory. The JD-R theory was employed to differentiate between the adverse effects of high job demands—such as excessive workload and emotional strain—and the positive effects of job resources, including social support, feedback mechanisms, autonomy, and opportunities for skill development.

Additionally, the study incorporated Organizational Support Theory (OST) to investigate how employees' perceptions of organizational support—both expected and received—affected their emotional attachment, organizational commitment, job satisfaction, and performance. OST provided insights into the social exchange process in which perceived organizational support led to enhanced employee commitment and increased work effort.

Furthermore, David McClelland's Three Needs Theory was utilized to examine how the needs for achievement, affiliation, and power influenced employees' behavior and success in their roles. This theory helped explain how intrinsic motivation drove employee performance and organizational outcomes.

The study also addressed key dimensions of job performance, including adaptability, attendance and punctuality, initiative, quality of task accomplishment, productivity, and customer service skills, to develop a holistic understanding of employee performance. By integrating these theoretical perspectives and examining their interaction with various performance indicators, the study aimed to identify effective strategies for enhancing employee engagement, satisfaction, and overall productivity, ultimately contributing to improved organizational performance.

Methodology

Research Design: The study utilized a descriptive research design with both quantitative and qualitative approaches to assess employee engagement and job performance in small enterprises in Hinatuan, Surigao del Sur. The quantitative component involved descriptive and correlational analyses to measure variables and examine relationships, while the qualitative component provided deeper insights into employees' experiences and perceptions.

Research Respondents: The respondents were selected using random sampling, with emphasis on employees who had one to two years of work experience in small enterprises. The study involved 222 employees drawn from 22 small enterprises operating in various sectors, including food and beverage, construction, and microfinance. Stratified sampling was applied to ensure proportional representation across different types of enterprises.

Research Locale: The research was conducted in Hinatuan, Surigao del Sur, a municipality in northeastern Mindanao, Philippines. Hinatuan was characterized by a growing number of small enterprises operating within the manufacturing, agricultural, and service sectors, making it an appropriate setting for examining employee engagement and job performance in small business contexts.

Research Instrument: Data were gathered using researcher-developed questionnaires designed to measure employee engagement and job performance. The instruments were validated by experts in education, language, and business management to ensure content validity, clarity, and alignment with established theoretical constructs.

Data Gathering Procedure: Prior to data collection, approval was secured from relevant authorities and participating enterprises. Respondents were informed of the purpose of the study and were provided with informed consent forms. Questionnaires were then distributed and collected personally by the researcher. All responses were reviewed, encoded, and analyzed in accordance with the study's objectives.

Ethical Considerations: Ethical standards were strictly observed throughout the conduct of the study. Participation was voluntary, informed consent was obtained, confidentiality and anonymity were ensured, and respondents' rights and privacy were fully respected.

Statistical Treatment:

The following statistical tools were utilized:

- Mean, to determine the level of employee engagement and job performance
- Analysis of Variance (ANOVA), to identify significant differences in engagement and performance among groups
- Pearson Product–Moment Correlation, to determine the relationship between employee engagement and job performance

Results and Discussion

The demographic profile revealed that most respondents were young adults aged 18–35 years, with nearly equal representation of male and female employees. The majority were high school graduates, suggesting that most positions required secondary-level educational qualifications. A significant number of employees had one to five years of service, indicating challenges in employee retention within small enterprises.

Results showed that employees demonstrated high levels of work engagement, particularly in advocacy, collaboration, teamwork, communication, and learning opportunities. These findings indicated a positive organizational culture and supportive work environment.

Statistical analysis revealed that age, sex, and educational attainment did not significantly influence work engagement, while length of service significantly affected engagement, with longer-tenured employees exhibiting higher engagement levels.

In terms of job performance, employees demonstrated high levels of productivity, adaptability, initiative, attendance, task quality, and customer service. No significant differences in job performance were observed across demographic variables, indicating consistency in performance regardless of personal characteristics.

Correlation analysis revealed a moderate positive relationship between employee engagement and job performance, suggesting that increased engagement was associated with improved job performance.

Conclusions

The study concluded that employees in small enterprises in Hinatuan, Surigao del Sur were predominantly young, with relatively short tenure, highlighting retention as a key organizational concern. Employees exhibited high levels of work engagement and job performance, reflecting strong organizational support and a positive work environment.

Demographic variables such as age, sex, and educational attainment did not significantly affect engagement or performance. However, length of service was found to be a significant factor influencing employee engagement. Job performance remained consistent across demographic groups, indicating equitable work outcomes.

The significant positive relationship between employee engagement and job performance affirmed the importance of fostering engagement to enhance employee effectiveness and organizational performance in small enterprises.

Recommendations

For Organizations

Hinatuan Southern College

- Develop specialized training programs in eco-tourism and sustainable materials
- Strengthen partnerships with local businesses for experiential learning and community-based projects

Local Businesses and Small Enterprises

- Conduct regular bilingual town hall meetings to improve communication
- Collaborate with academic institutions for workforce training
- Utilize mobile-friendly digital platforms for employee engagement

Non-Profit Organizations and Community Groups

- Adopt mobile applications for volunteer coordination and fundraising
- Organize community hackathons and wellness programs integrating local practices

Government Agencies

- Implement employee recognition and incentive programs
- Promote flexible work arrangements
- Partner with educational institutions to offer online and skills-based courses

Academic Institutions

- Provide research grants and establish entrepreneurship hubs
- Engage in collaborative projects addressing community and industry needs

For Individuals

Employees were encouraged to seek continuous professional development and actively participate in community initiatives.

Community leaders were advised to facilitate collaborative programs and advocate inclusive development policies.

Young professionals and entrepreneurs were encouraged to develop innovative, community-focused solutions and pursue mentorship opportunities.

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