

**“AN EXPLORATORY STUDY OF REMOTE OFFSHORE EMPLOYEE’S ENGAGEMENT:  
A STUDY ON NORTH SEA OFFSHORE REMOTE WORKFORCE”**

*Research Paper*

Dr. Manjusree Beena, Swiss School of Business and Management, Geneva,  
[hrmanju17@gmail.com](mailto:hrmanju17@gmail.com)

## **Abstract**

*The UK North Sea is known as the Oil capital of Europe and plays a significant role in the country's economy, providing 49% of offshore employment. However, the industry has faced challenges in recent years due to economic downturns and the COVID-19 pandemic. These difficulties have resulted in strained relationships between employers and employees, low engagement levels, and a high turnover rate. This paper is attempted to explore employee engagement among the offshore remote workforce of the North Sea's Oil and Gas industry and provide organizations with a framework for improvement. Employee engagement is crucial for organizational success, fostering a positive atmosphere and encouraging committed, energetic employees who contribute to overall success. The study uses both qualitative and quantitative approaches, including interviews and a questionnaire survey. The findings suggest that current strategies for driving employee engagement in the offshore industry need revision, emphasizing the importance of establishing trust and fostering a positive relationship between employees and organizations. The outcome from the research study can be used to provide an overview and references on some of the practical work undertaken in the area of the employee engagement practices in the North Sea's Oil and Gas industry.*

*Keywords: Employee Engagement, Offshore, Psychological Contract, Leadership.*

## **1. Introduction**

In the UK, the Northeast of Scotland, particularly the central North Sea is the focal point of Oil and Gas activities contributing to a total employment of 259,900 in 2018 (OGUK, 2019). The current market situation analyzes that several specialized roles within the North Sea Oil and Gas industry has a significant skill-shortage where some jobs are in high demand (Camps, 2015). It is key to indicate that employee engagement is one of the integral elements in retaining current workforce as if employees are not engaged, it will impact the employees in an organization and thus adversely contributes to the skill shortage within the industry (Tyler and Blader, 2003).

## **1.1 About the study**

The Northeast of Scotland's Oil and Gas industry has already impacted by shortage of skill set and further to add the variations of Oil price and COVID contributed to low morale and employee engagement among the employees. Hence to ensure that the Oil and Gas industry in Northeast of Scotland do not further face any issue with employee engagement, the study has been conducted to to explore the management and experience of employee engagement amongst offshore remote workforce in the North Sea offshore Oil and Gas industry. The primary reason for this is because Oil and Gas industry is a substantial part of UK's economy and having an engaged workforce ensures high productivity, less turnover, improve business results and play a key role in achieving organizational success and competitive advantage to attract and retain talent (Bakker and Demerouti, 2008). AbuKhalifeh and Som (2013) established that the cost associated with recruiting of workforce is low with an engaged workforce as the percentage of employees leaving an organization voluntarily is less within an engaged workforce.

The present research and the key findings and recommendations from the research will contribute to the enhancement of employee engagement among offshore remote workforce. The objectives of the study include examining the concept of employee engagement, understanding perceptions of engagement among employees and organizations, exploring the relationship between engagement and the psychological contract, investigating the role of engagement in employee retention, and identifying the benefits and challenges of engagement in the Oil and Gas industry. Engaged employees are happier, more productive, and exhibit higher levels of creativity, safety standards, and retention. The main aim of the study is to provide a better understanding of the impact of engagement on organizations and explore various aspects of support and behaviors that contribute to engagement.

## **2. Background of the study**

Employee engagement plays a crucial role in organizational success, affecting productivity, commitment, and performance (Saks, 2006). Engaged employees create a competitive advantage and foster a positive organizational atmosphere, vital for providing quality customer service in the Oil and

Gas industry (Macey and Schneider, 2008). A study by Towers Perrin (2006) found that 72% of highly engaged employees believe they positively impact customer service. The recession in 2015 and the global pandemic in 2020 highlighted the importance of promoting employee engagement during challenging times, fostering trust and maintaining performance expectations (Macleod and Clarke, 2009). Fulfilling employee expectations and meeting deliverables significantly influences engagement levels (Banks, 2010). Banks (2010) proposes an "Expectations versus Deliverables" model, establishing a direct connection between how employees are treated by the organization and their engagement, loyalty, and commitment. Balancing expectations benefits both employees and the organization, creating an engagement equation.

### **3. Litreature Review**

Gallup (2019) studies shows that engaged employees are more productive, who work for a purpose with more customer focused and less likely to leave the organization than those employees who are disengaged at work. Gallup (2019) and Hewitt (2013), studied job satisfaction and employee engagement using various questions. Gallup, with its expertise in engagement surveys, developed a feedback system that measures the impact of employee's engagement on sales, growth, productivity, and customer loyalty. Through their research, Gallup identified Q.12, a concise twelve-question survey (known as the Gallup Q12) that effectively measures employee engagement and its correlation to organizational success by satisfying 12 key expectations from employees. Analyzing the responses to the twelve questions in the Gallup Q12 survey helps organizations understand employee engagement levels, identify areas for improvement, and enhance employee satisfaction and performance.

Due to the volatile nature of the offshore environment, the need for employee engagement is a deciding element to increase organizational effectiveness which is a key driver to improve safety, customer satisfaction, productivity, and reduction of employee turnover (Buckingham and Coffman, 1999; Coffman and Gonzalez- Molina, 2002).

Engagement has different definitions, with Kahn (1990) emphasizing emotional and physical aspects, Bevan et al. (1997) as cited in Armstrong (2012) focusing on collaboration and awareness of the business context, and Hewitt (2013) categorizing it into "Say," "Stay," and "Strive." These definitions emphasize positivity, involvement, and performance alignment with organizational goals. Employee engagement is crucial for the success of the offshore workforce in the UK's Oil and Gas industry. Bakker and Demerouti (2012) highlight that engaged employees are committed and stay to achieve organizational goals. On the other hand, disengagement leads to negative consequences like absenteeism, mental health issues, high turnover, and lower productivity AbuKhalifeh and Som (2013). Gallup (2017) data shows a significant drop in employee engagement in the UK from 17% in 2012 to 8% in 2016, indicating relevance to the Oil and Gas industry.

### 3.1 Figure

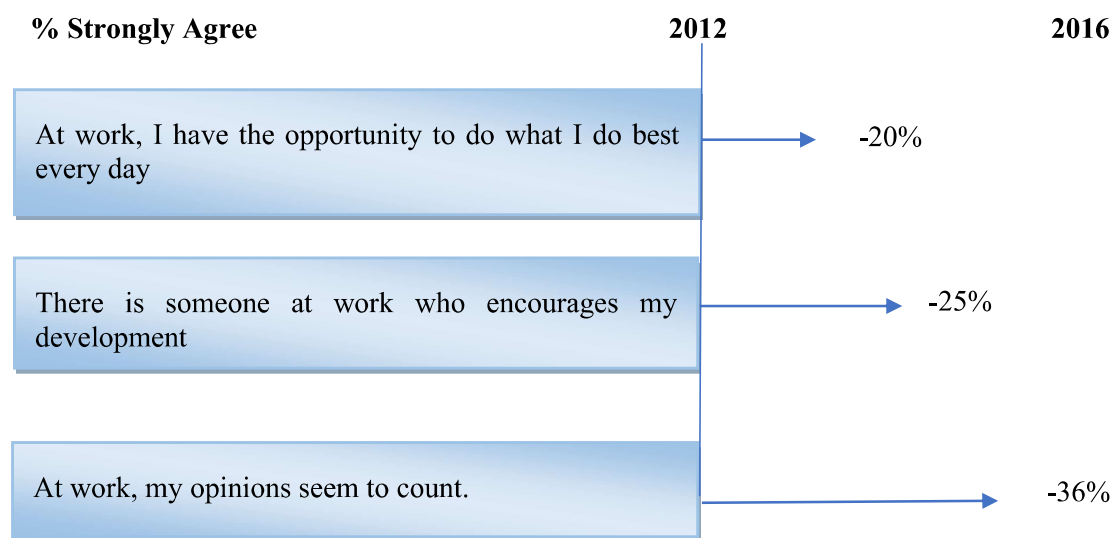


Figure 1. UK workforce engagement change from.

### 3.2 Psychological contract and Employee Engagement

A broken psychological contract in the Oil and Gas industry has negative effects on employee motivation, job satisfaction, commitment, and well-being. Prioritizing employee engagement becomes crucial for surviving economic uncertainty. Research by Young (2021) reveals a correlation between employee engagement and the psychological contract, indicating that a breach in the psychological

contract results in negative impacts on motivation, job satisfaction, engagement, and commitment. Non-financial factors like leadership, communication, recognition, work-life balance, and effective management drive employee engagement, as shown in figure 2, which illustrates the drivers of employee engagement and their influence on an individual's engagement state.

### 3.3 Figure

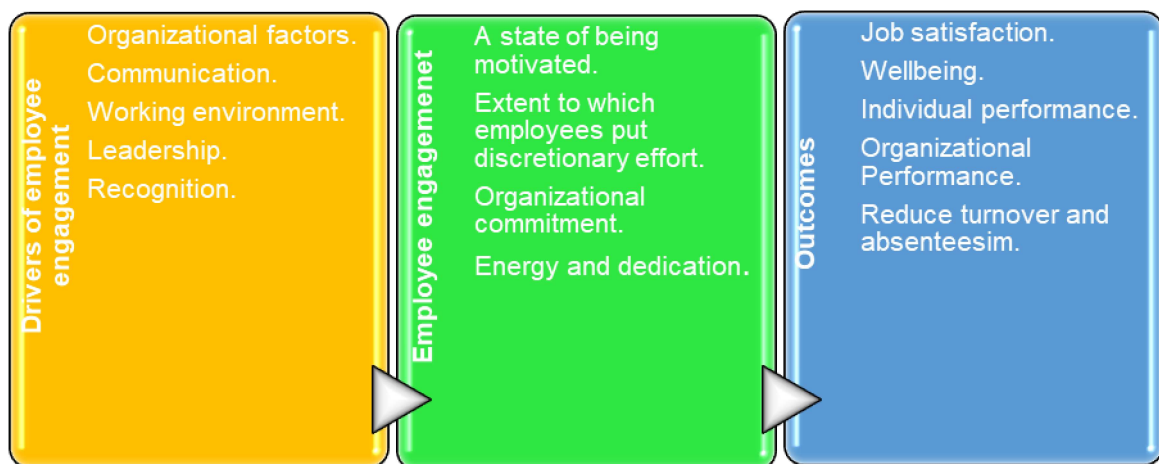


Figure 2. *Employee engagement model: Drivers and Outcomes.*

### 3.4 Employee Engagement and Motivation

Motivation and employee engagement are closely connected. Motivation can be categorized as intrinsic (driven by enjoyment and interest) or extrinsic (driven by external rewards). Intrinsic motivation, rooted in the work itself, is linked to employee engagement. Extrinsic motivation involves actions like rewards or disciplinary measures to motivate individuals. Maslow's Hierarchy of Needs theory identifies five major needs (physiological, safety, belongingness, esteem, and self-actualization) that align with employee engagement (Maslow, 1954). The hierarchy suggests that basic needs must be met first, followed by higher-level needs. To sustain motivation and engagement, organizations should address higher-level needs once employees' lower-level needs are fulfilled.

### 3.5 Figure

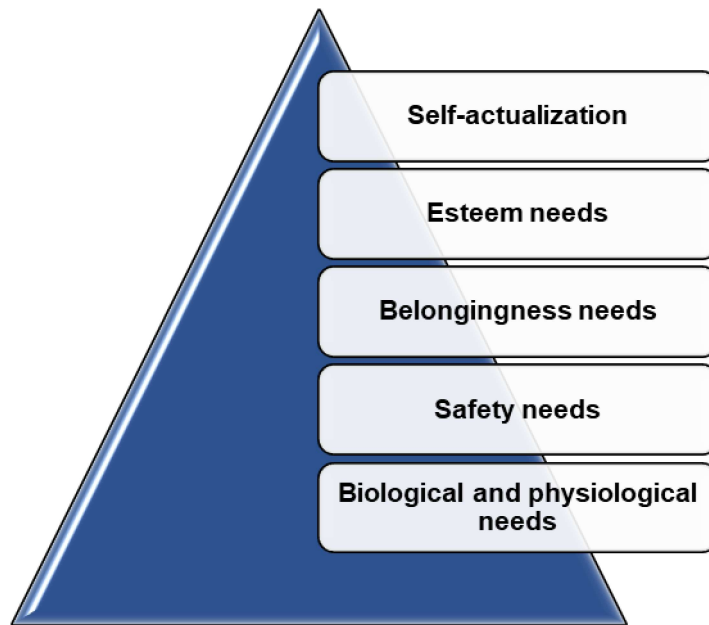


Figure 3. Maslow's Hierarchy of needs.

### 3.6 Engagement and Organizational Performance

Fully engaged employees, according to Glaspie and Nesbitt (2004), contribute to organizational success by going beyond their job requirements and exerting extra effort. Employee engagement is highly valued for its impact on organizational excellence and performance. As a result, organizational leaders and stakeholders are increasingly focused on creating an environment that supports employee engagement, as highlighted by De Mello e Souza Wildermuth and Pauken (2008).

### 3.7 The Effect of Leadership and Management on Employee Engagement

Employee perceptions of leadership and management impact engagement as engaged employees are highly motivated, contribute to team objectives, and boost morale (Johnson, 2011) whereas disengaged employees create negativity and affect others (Cataldo, 2012). Engaged managers develop engaged employees, creating a productive workplace and leaders' engagement is crucial in developing an engaged workforce (Aromstrong, 2013). As engaged leaders set clear objectives, provide useful feedback, and promote transparent communication (Gajendran and Joshi, 2012) and effective leader-employee relationships built on trust and respect increase engagement (Reio and Sanders-Rei, 2011),

encouraging a positive working culture and empowering employees to voice concerns improves engagement (Tuckey et al., 2012).

### **3.8 Employee Engagement as Retention Tool**

Successful organizations recognize the importance of employee retention and talent management for their sustained leadership and success. Engaged organizations are better equipped to retain employees and leverage their talents effectively. Creating a retention-focused organization fosters loyalty among talented employees, contributing to overall success (Young, 2021). Additionally, strong employee engagement can improve retention rates by deepening employees' connection with the organization and its values. A survey by CIPD (2006) as stated in Armstrong (2012) supports these points, indicating that positively engaged employees are more emotionally invested, satisfied with their work, likely to speak positively about the organization, and less likely to leave (Armstrong, 2012).

## **4. Research Methodology**

The exploratory study used a mixed-methods approach, combining qualitative interviews and quantitative questionnaire surveys. Seven interviews and 70 questionnaires were conducted with participants from various Oil and Gas companies in Northeast Scotland, including three interviews with senior leaders. Thematic analysis was applied to the interviews, while descriptive and bivariate analysis, including the Chi-square test, were used for the questionnaire. Multiple instruments and a 5-point Likert scale were employed to measure employee engagement, including its relationship with the psychological contract and its impact on retention. The findings revealed positive associations between engagement and loyalty, satisfaction, motivation, and commitment, but highlighted a lack of organizational prioritization. The study achieved a 86.42% response rate and demonstrated that employee engagement positively affects the employee-employer relationship, leading to increased commitment, loyalty, satisfaction, and engagement. Furthermore, significant relationships were identified between engagement, productivity, and physical and mental health.

**4.1 Table: Summary of Chi-Squared Test**

<b>Variables used for performing Chi-square test</b>	<b>Performed Chi-squared value</b>	<b>Whether the performed Chi-squared value is significant at null hypothesis</b>
Employee engagement and positive impact on relationship with employer	8.45	Significant as the CHITEST value was greater than 3.84.
Employee engagement and commitment	4.66	Significant as the CHITEST value was greater than 3.84.
Employee engagement and better physical and mental health	8.45	Significant as the CHITEST value was greater than 3.84.
Employee engagement and job satisfaction towards work.	4.66	Significant as the CHITEST value was greater than 3.84.
Employee engagement and motivation towards work	6.44	Significant as the CHITEST value was greater than 3.84.
Employee engagement and productivity	9.78	Significant as the CHITEST value was greater than 3.84.

Table 1: Summary of Chi-squared analysis

The analysis highlights the significant impact of employee engagement on retention and the employee-employer relationship. Organizational culture is identified as a key factor influencing engagement, with workplace isolation also playing a role. When organizational culture fails to support remote employees, it can lead to increased feelings of independence, isolation, and the formation of a subculture. Workplace isolation emerges as a major obstacle for offshore remote work, causing disconnection and loneliness. The research paper presents a conceptual model outlining the factors influencing employee engagement based on these findings.



## **5. Findings**

The research shows that employee engagement positively affects the work environment and the employee-employer relationship in the Oil and Gas industry. Understanding what motivates employees and focusing on their motivation is important for employers. Leaders should develop their skills, including Emotional Intelligence (EI), to address industry challenges. Cultivating a satisfied workforce enhances employee engagement, encouraging employees to go above and beyond and contribute to long-term organizational success.

### **5.1 Employee Engagement Model**

The research findings suggest that successful employee engagement requires cooperation between employees and organizations. It is crucial for organizations to understand the drivers of engagement and capture employees' feelings and opinions. Based on this analysis, the research paper developed an employee engagement model for fostering a happy workforce.

### **5.2 Figure**

#### **HEAR – The Employee Engagement Model**

**H** – Hear and understand your employees

**E** – Enlighten employees through open communication

**A** – Attach and connect with employees

**R** – Resolve and active engagement



Figure 4. Employee engagement model.

The tool emphasizes listening to employees, open communication, and issue resolution to promote engagement at all levels. It highlights the importance of leaders who listen and value employees' suggestions, as lack of listening leads to disengagement.

## 6. Conclusion

The research identifies that offshore employees may experience low engagement due to remote work, affecting communication, collaboration, and the psychological contract with the employer. To address this, organizations should prioritize creating a happy workforce that goes above and beyond their responsibilities. The research developed a "Happy Workforce" model (Figure 5) based on this concept. A happy workforce enhances organizational skills and management effectiveness. Organizations should prioritize employee engagement, fostering a sense of purpose and fulfillment in employees' jobs. This leads to increased energy, dedication, and focus, resulting in improved customer satisfaction, higher retention rates, and reduced absenteeism.

## 6.1 Figure

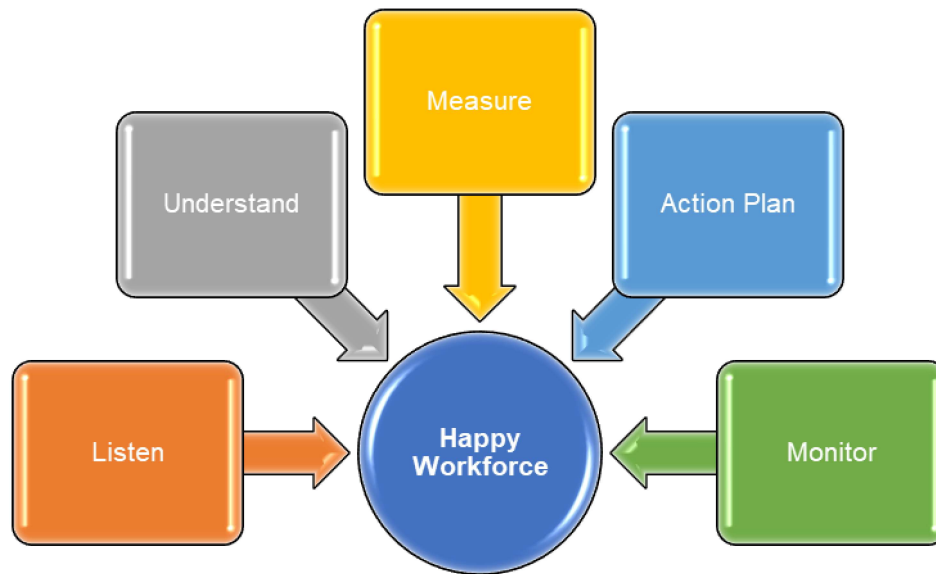


Figure 5. Happy Workforce Model

Source: Researcher

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