



## A STUDY ON RELATIONSHIP OF EMPLOYEE ENGAGEMENT WITH OTHER CONSTRUCTS- A LITERATURE REVIEW

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### ABSTRACT

*Employee engagement has been a study of significance from past one decade. It has become an important tool for strategic partnering in the business. Many companies have been struggling to survive in the competition. To maintain physical and mental well being of employee has become one of the important challenge of Human resources department. Hence, worker engagement is these days seen as a strong source of competitive advantage within the turbulent times*

*This paper explores the concept of employee engagement by analyzing the impact on the various constructs of organizational behaviour and human resource management. The paper summarizes the study of the impact of various factors affecting Employee engagement and also vice-versa focuses on This paper is based upon review of literature and secondary data collected from various websites, journals, magazines, newspapers and reference books. Literature review has shown prior research work conducted by corporate & consulting firms and also few academic researches in this area.*

### INTRODUCTION

The term, *engagement* is defined as the emotional, physical and cognitive attachment of employees to their work. The researchers have explored, based on its direction put towards practice (Arrowsmith & Parker, 2013; Francis et al., 2013; Jenkins & Delbridge, 2013; Reissner & Pagan, 2013; Townsend, Wilkinson, & Burgess, 2014; Truss et al., 2011;) and tested (e.g., Alfes et al., 2013; Bakker & Xanthopoulou, 2013; Bhatnagar, 2012; Biswas, Varma, & Ramaswami, 2013; Cabrera, Collins, & Salgado, 2006; Juhdi, Pa'wan, & Hansaram, 2013; Rees, Alfes, & Gatenby, 2013; Salanova & Schaufeli, 2008; Shantz et al., 2013; Viljevac, Cooper-Thomas, & Saks, 2012; Yalabik et al., 2013) the theory of engagement in the workplace. Schaufeli et al. (2002) found dynamism, perseverance, and

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inclusion as important measures of engagement. Maslach et al. (2001) and Harter et al. (2002) by establishing relationship with burn out anti thesis and satisfaction with engagement. A multidimensional approach to study various aspects of employee engagement construct was developed by Saks (2006). Researchers, However find engagement, as a highly relative construct (Freeney & Fellenz, 2013; Kühnel, Sonnentag, & Bledow, 2012; Menguc et al., 2013; Rich, Lepine, & Crawford, 2010; Wang et al., 2013; Wollard & Shuck, 2011). The studies were based on job demand – resource (JD-R) model which mentions that various type of job demands various kind Job resources and should be available to its employees. (Karasek et al., 1998). Thus, exploring the antecedents of engagement in different contexts is important.

### **Research findings on impact of employee engagement on productivity, profitability and customer satisfaction**

#### **1. The Gallup study**

The outstanding research ever on employee engagement, conducted by the Gallup organization studies 9 performance outcomes: Customer loyalty/engagement, profitableness, productivity, turnover, safety incidents, shrinkage, absenteeism of employees, patient safety incidents and quality (defects).

It was found that all these above mentioned nine performance outcome are related to employee engagement. As per the research 0.48 is the found correlation between job performance and employee engagement. Job satisfaction and organizational commitment result into lower turnover. Thus high indicator of employee engagement will lead to curb the problem

Gallup describes the varieties of employees in the organization:

- i. Engaged : such employees are considered as the building blocks of the organization, who tries to know what is being expected from their job roles and tries to fulfil(meet) the expectations and also over prove them.
- ii. Non engaged: these kind of employees are the ones who need someone else to motivate them, in other words they are not self-motivated. They always concentrate only on completing the tasks rather than focusing on the achievements of goals and outcomes.
- iii. Actively disengaged: such employees are always unhappy ones. They are never happy with the organizations and the systems prevailing.

Gallup also studies the ratio of the above mentioned types of employees at all kind of organization. It was found that in the world class organizations, 9:57:1 is the ratio of engaged to actively disengaged employees.1:83:1 is the ratio in the average organizations. In short

29% of workers are engaged in their work, 54% are not engaged and 17 are actively disengaged. Hence the practice of employee engagement creates a greater motivation for the employees to achieve higher performance of individuals and also the organization, thus result in increased commitment towards organization. It was found that engagement also creates the enthusiasm for the roles, the work tasks and ensures that all these are aligned with values can create a well informed and well integrated culture of the organization.

## 2. Association for Training and Development (ASTD) Study

As Association for Training and Development (ASTD) Employee Engagement study, the three greatest benefits of employee engagement to any organizations are:

- i. Amplified customer satisfaction and dependability.
- ii. Advanced organizational efficiency
- iii. Develop the bottom line.

ASTD also found our three important factors that highly influence employee engagement:

- i. Quality of training and learning opportunities
- ii. Learning through extended assignments
- iii. Rate of recurrence of learning opportunities.

## 3. An IRS Survey: This survey established that the following were the top five influences on employee satisfaction & engagement:

1. Relationship with Manager : 63%
2. Relationship with Colleagues : 60%
3. Quality of line management : 62%
4. Recognition of contribution : 56%
5. Leadership : Visibility and confidence : 55%

## 4. Towers Perrine Global Workforce study: The study conducted by Towers Perrine Global Workforce found that there is an interesting relationship between the employee retention and employee engagement. The study found that though higher levels of engagement indicate higher levels of retention those in the 'engaged' group still passively seek new jobs. However the study also found that only 21 % of the total employees are engaged, 41% were enrolled, 30% were disenchanted and 8 % were disengaged. Researchers the results in higher levels of retention, but still 15% of actively disengaged employees do not seek for other jobs.

## 5. Blessing White and HR Anexi Survey: A study conducted by Blessing White and HR Anexi in India, found out that just over 34% employees in India are fully engaged

and 13% are actually disengaged. Indian personnel confirmed to be the most alert and contented globally.

Numerous current studies of Employee Engagement levels have pointed on the Indian workforce as being more alert in helping the organizations they work to achieve its goals.

A result of a study done in association of Business world, HR Anexi and Blessing white points at significant differences between what motivates workers in India and what motivates workers in other countries. This study identified 5 different employees segment –

1. The Engaged High contribution and high satisfaction.
2. Almost Engaged – Medium to high contribution & satisfaction.
3. Honeymooners & Hamsters – Medium to high satisfaction but low contribution
4. Crush & Burn – Medium to High contribution however low on satisfaction.
5. The disengaged – Low to medium contribution & satisfaction.

Though Indian firms have benefited from rapid growth and healthy profitability, HR processes have suggested keeping up with the growth and dynamic nature of India's workforce. Right Management study showed that organizations that seek to improve engagement measures experience significant differences country wise in engagement levels from 45% in India to only 11% in Japan.

Engaged employees demonstrate 3 general characteristics:

- (i) Say – They always speak positively about the organization to colleagues, customers, family & friends.
- (ii) Stay – They strongly desire to be with the organization even if they get job offers outside.
- (iii) Strive – They place an additional time, effort and initiative to contribute to business performance.

Employee Engagement depends on four major conditions in the workplace: Organization's culture, continuous reinforcement of people focused policies, meaningful metrics and organizational performance. Corporate culture helps an organization to connect with the employees, gives them empowerment in decision making process and develops them to shoulder greater responsibilities. Continuous reinforcement happens when an organization frames policies which act as facilitator towards accomplishment of goals by the employees and thereby the organization itself. Meaningful metrics refers to devising performance measurement criterion in such a way that employees are clear about their goals.

Organizational performance leads to pride, job satisfaction, trust and a sense of belongingness to the organization. Employees should have the feeling that they possess the proper kind of physical, cognitive and emotional resources to perform their job at optimum level. Company



should also know how to project and communicate the success stories of the organization to the employees. Thus employees are ready to relate their individual performances with the success and also understand how their performance has a direct impact on the performance of the organization as a whole. This contributes towards increased employee engagement. The employees, who understand their organization to be the most effective place to work, contribute more. High engagement leads to higher financial performance, higher productivity, higher customer satisfaction and lower manpower turnover.

After reviewing research & survey findings of Gallup , Hay Group , ISR , Right Management , Blessing white & HR Annexi etc., it can be certainly concluded that high levels of employee engagement will lead to improved employee commitment & involvement towards job and thus creating a motivated workforce – that will work together to achieve the common goals of the organization . Highly engaged workforce will definitely make an organization more successful in terms of financial & nonfinancial parameters

### Academic Researches:

Kahn (1990, 1992), the first scholar to apply the concept of engagement to work, argued that employee engagement is contingent on three psychological conditions in the workplace: Meaningfulness, psychological safety and availability. Meaningfulness refers to the intrinsic employees attach to performance in the work role. It is influenced by the tasks workers perform and the roles they fill. Safety pertains to the sense of whether one experiences freedom to be authentic in the work role. Its primary determinant is the perceived quality of interpersonal interaction employees experience at work. (May et. al, 2004). Finally availability involves employee's beliefs regarding whether they possess the physical, cognitive and emotional resources needed to invest themselves fully in their work roles. It is determined largely by individuals' perceptions of the quantity and quality of available resources and the extent of involvement in activities outside the work. All these three conditions determine whether employees are engaged or not. Hay Group through their extensive research found out:

- i. Engagement and enablement are both important determinants of employee Performance
- ii. Organizations are unlikely to sustain one without the other.
- iii. Frustrated employees will breakthrough barriers, disengage or leave the organization.

Engaged Employees are 7 times less likely to leave in the next year and 1.5 times more likely to stay for at least 5 years. The University of Wisconsin conducted a research in association with Right management's 2008-2009 global benchmarking study revealed significant relationship between engagement and key organizational metrics. This research studied 3200



workers from 343 firms and examined factors such as relationship between engagement and key organizational indices. There was a transparent distinction in ROA (Return on Assets) between those organizations in which workers responded to right management's engagement questions with favorable perceptions. Employee's knowledge of how well an organization's assets are being managed has a positive impact on engagement. There is a strong link between productivity and engagement. Employees' knowledge of an organization's productivity levels also has positive impact on engagement.

## **Relationship of Employee Engagement with Other Constructs**

### **1. Job Satisfaction and Employee Engagement**

Meisinger, (2007) believes that high levels of employee satisfaction translate into increased employee engagement. Lau & May (1998), also agree that employee satisfaction is essential to implementing high performance work systems, which often contribute to a company's financial performance. Financial performance can only be sustained through employee satisfaction, innovation, productivity, product quality, and customer service. Employee satisfaction leads to is to customer satisfaction. Satisfied, loyal and productive employees add value. Employee satisfaction in tum results from high quality support services and policies that enable employees to deliver results (Lau & May, 1998).

Harter et al. (2002) explicitly referred to their measure (The Gallup Workplace Audit) as "satisfaction-engagement" and defined engagement as "the individual's involvement and satisfaction with as well as enthusiasm for work" The Gallup survey items tap evaluative constructs traditionally conceptualized as satisfaction facets, including resource availability, opportunities for development and clarity of expectations perhaps even more directly, some practitioners (e.g., Burke, 2005) measure engagement as direct assessments of satisfaction with the company, manager, work group, job, and work environment characteristics. Engagement, in contrast, is about passion and commitment—the willingness to invest oneself and expend one's discretionary effort to help the employer succeed.

Fernandez (2007) shows the difference between job satisfaction, the well-known construct in management, and engagement opposing that worker satisfaction isn't identical as worker engagement and since managers cannot consider worker satisfaction to assist retain the best and also the brightest, worker engagement becomes a critical concept

### **2. Organizational Commitment and Employee Engagement**

Highly engaging organizational cultures may also have an attractive employer brand, being an employer of choice which attracts and retains the best talent (eg Martin and Hetrick, 2006).



By building a culture that enables employees to engage in their work, organisations may benefit from staff who are willing to go the extra mile and achieve better financial performance (Baumruk, 2006).

McCashland (1999) refers to engagement and commitment interchangeably. Most often worker engagement has been outlined as emotional and intellectual commitment to the organization. (Baumruk 2004, Shaw 2005, Richman 2006)

Organizational commitment is an important facet of the state of W.H. Macey and B. Schneider (2008) engagement when it is conceptualized as positive attachment to the larger organizational entity and measured as a willingness to exert energy in support of the organization, to feel pride as an organizational member, and to have personal attachment with organization.

Joo and Shim (2010) have identified the antecedents of organizational commitment as personal characteristics and job characteristics, as well as organizational characteristics.

### **3. Organizational Citizenship Behavior and Employee Engagement**

The construct, employee engagement emanates from two concepts that have won academic recognition and have been the subjects of empirical research-Commitment and Organizational Citizen Behaviour (OCB) (Robinson,Perryman and Hayday, 2004; Rafferty et al., 2005). Employee engagement has similarities to and overlaps with the above two concepts.

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Robinson et al. (2004) state that neither commitment nor OCB reflect sufficiently two aspects of engagement-its two-way nature, and the extent to which engaged employees are expected to have an element of business awareness, even though it appears that engagement overlaps with the two concepts. Rafferty et al (2005) also distinguish employee engagement and the two prior concepts- Commitment and OCB, on the ground that engagement clearly demonstrates that it is a two-way mutual process between the employee and the organization

Employee engagement has been examined as a potential predictor in several OCB studies (Rich et al., 2010). One clarification for why worker engagement associated with OCB based mostly upon social exchange theory and also the principle of reciprocity. workers might perform OCB as it includes an emotional element (Bennett & Robinson, 2000) (Dalal, Lam,

Weiss, Welch, & Hulin, 2009). Those people who are engaged in OCB are unlikely to engage in CWB and vice versa. CWB refers to negative employee behavior that is harmful to the organization or other employees (Lee & Allen, 2002).

#### 4. Job Involvement and Employee Engagement

According to May et al (2004) engagement is most closely related to the constructs of job involvement and 'flow' (Csikszentmihalyi 1990). Job involvement is outlined as 'a cognitive or belief state of psychological identification' (Kanungo 1982). Engagement is concerned more with how the individual employs him/her self during the performance of his/her job. Furthermore, whilst the focus of job involvement is on cognitions, engagement, according to most definitions, also encompasses emotions and behaviours.

The second connected construct, the notion of 'flow', is outlined as "holistic sensation that individuals feel once they act with total involvement" (Csikszentmihalyi 1975:36). It's argued that people in a flow experience want no external rewards or goals to inspire them, as activity itself presents constant challenges (ibid). However, while flow is primarily the cognitive involvement of the individual in activity on a momentary basis, definitions of engagement implies a longer-term and more holistic involvement in work tasks (Kahn, 1990; Holbeche and Springett, 2003).

It seems appropriate to regard Maslach et al.'s and Salanova et al.'s views of job engagement as a broad multidimensional construct encompassing a family of related and more specific constructs focused on individuals' relationships with their work roles.

According to W.H. Macey and B. Schneider (2008) Job involvement (including task engagement and job commitment) as traditionally conceptualized and assessed is a crucial aspect of the psychological state of engagement.

#### 5. Leadership and Employee Engagement

Xu and Thomas Cooper(2010) state that leadership is a key antecedent of engagement. Leadership research shows that certain leadership behaviours have clear association with engagement constructs such as motivation, job satisfaction, organizational commitment, proactive behaviours and organizational citizenship behavior. Trust in leader, support from the leader, and creating a blame-free environment are considered as components of psychological safety, a condition proposed by Kahn, which leads to employee engagement (Xu and Thomas Cooper, 2010).

Studies by Judge and Piccolo (2004), Lee (2005), Erkutlu (2008), Griffin et al (2010) provide evidence for association between positive leader behaviors and follower attitude and



behaviors linked with engagement. A few other studies have attempted to provide direct evidence of association between leadership and employee engagement (Xu and Thomas Cooper, 2010). A study by Atwater and Brett (2006, as cited in Xu and Thomas Cooper (2010) identifies three leadership behaviors, namely employee development, consideration and performance-orientation. The first two behaviors are labeled relationship-oriented and the third as task oriented. They further state that employee engagement includes facets of work on which leaders can take action. Metcalfe and Metcalfe (2008) present positive correlation between leadership scales and engagement constructs such as job and organizational commitment, motivation and job satisfaction. Papalexandris and Galanki (2009) identify two factors which are positively linked with engagement, namely, management and mentoring behaviours such as imparting confidence to followers, power sharing, communication, providing role clarification and articulation of vision which could be characterized as inspirational, visionary, decisive and team-oriented. More importantly, their study found only certain leader behaviours are associated with engagement, especially those enhance follower performance and which enable followers to relate with organizational goals. Studies by May et al (2004), Saks (2006), Bakker et al (2007) show that higher levels of engagement are observed for employees with their supervisors exhibiting more relationship-related behaviours ( as cited in Xu and Thomas Cooper (2010).

### Conclusion:

Review of literature reflects that an employee may experience job-satisfaction on account of reasons and drivers which are not linked to engagement. It also reveals that an employee who is committed to the organization may not always display attributes of an engaged employee. Few literatures indicates that job-involvement is an integral a part of worker engagement but not its complete synonymous , as a worker could be engaged due to reasons beyond one's job and not merely because of it. Hence it can be ended that the worker engagement has a major relationship and crucial impact on varied Human Resource and organizational behavior constructs

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