

Factors that Drive Employee Engagement in Organizations: A Review

Isha Tewari

Abstract--- *In the current time of globalization and increased competition in the global business environment, a management approach like employee engagement has started attaining huge significance. However, it is seen that many organizations still fail to reap the desired results of employee engagement due to a lack of awareness about the affecting factors. As engaged employees are fully aware of their job responsibility, they align their individual goals with the organizational goals with optimum commitment towards the welfare of the organization. This article reviews the current knowledge of significant factors and workplace practices that can drive employee engagement in organizations. It discusses some key predictors of employee engagement as suggested by the other researchers such as career development, employee empowerment, interpersonal relationships, communication, leadership, organizational culture, job design, compensation system, performance management, and individual factors like extraversion, conscientiousness, and positive affectivity that can help companies in increasing organizational effectiveness by keeping their employees engaged. Secondary data from articles of various management journals, books, websites, and periodicals have been reviewed for this purpose. The article shows that a single factor cannot contribute to employee engagement alone, rather a combination of multiple factors helps it to develop. This review will be of value to any organization seeking knowledge on the approach to employee engagement for improving productivity at the workplace, reducing staff turnover and increasing profits.*

Keywords--- *Employee Engagement, Factors, Management, Organization, Predictors.*

I. INTRODUCTION

Numerous studies state that engaged employees are hard-working, self-motivated, have an immense dedication towards their work, and turn out to be great assets in the journey to achieve business success. They have greater loyalty and hence are unlikely to leave the organization voluntarily. Highly engaged employees have a sense of rational and emotional commitment towards their job, the organization, and its values. As a result of this commitment, employees make discretionary efforts and develop the intent to stay for long [1]. A high level of employee engagement help in improving employee retention by addressing factors such as communication, relationship, teamwork, and role clarity [2].

Employee engagement is considered highly beneficial for organizations because it leads to a reduction in attrition rate and absenteeism. It is also responsible for increasing efficiency and productivity at work. It helps companies create a trustful environment where employees are encouraged to continuously give their inputs on how to take the organization forward [3]. “Continuous employee engagement in the organization always results in better performance” [4]. Therefore, management must focus on developing a positive attitude among the staff members and avoid any conflict and pessimism to keep their employees motivated [3].

Isha Tewari, Graphic Era Hill University, Bhimtal, Uttarakhand, India. E-mail: ishatewari15995@gmail.com

Today, personnel are considered as the most valuable resource by modern management. The management of the company needs to engage its employees because they are a key resource in overcoming and resolving any crisis in the time of uncertainty. “The employees involved want their organization to succeed, because they feel that they are connected emotionally, socially, and even spiritually, sharing its mission and goals” [5]. People show behavior which includes both personal engagement and disengagement due to varied circumstances at work. Personally engaged individuals develop an emotional connection with their job. In contrast to this, disengaged individuals are not emotionally invested. They put their time in the work but lack energy in their performance [6]. Today, when businesses are boundary-less and the workforce is highly diverse, it is very challenging for the organizations to attract, engage, and retain the right talent for the right roles. Engaged employees help companies to gain a competitive advantage. Companies that are not able to realize the need for employee engagement in the present time, end up losing their talented workforce, and eventually even their place in the market [7]. Despite the increasing popularity of this organizational concept, many organizations still face difficulty to reap the expected outcomes. This is because they aren’t well aware of the factors which affect employee engagement. This paper attempts to throw light on the work done in the same field by several researchers. It highlights some important driving factors of engagement predicted by them which can help increase organizational effectiveness.

II. METHODOLOGY

This study is a review of the driving factors of employee engagement. The literature for this study was mainly collected through journal and article databases such as Elsevier, Scopus, IEEE Xplore, ScienceDirect, EBSCO, Emerald Insight, and JSTOR.

III. EMPLOYEE ENGAGEMENT

The concept of engagement at work was first expressed as “the behavior by which individuals bring in or leave out their selves during work role performances” [6]. Another study defined engagement as “a positive state of mind that is characterized by vigor, dedication, and absorption. Vigor refers to high levels of energy and mental resilience while working. Dedication refers to a sense of significance, enthusiasm, inspiration, pride, and challenge. Lastly, absorption is characterized by being fully concentrated and happily engrossed in one's work, whereby time passes quickly and one has difficulties with detaching from work” [8].

Employee engagement is “a positive attitude held by the employee towards the organization and its values. An engaged employee is aware of the business context and works with colleagues to improve performance within the job for the benefit of the organization. The organization must work to develop and nurture engagement, which requires a two-way relationship between employer and employee” [9]. Thus, in simple terms, employee engagement can be quoted as a positive relationship between employees and the organization. This engagement is reflected in the delivery of excellent service to the clients and customers which is of utmost importance to maintain customer loyalty and accomplish business success [10]. Social exchange theory helps to get a better understanding of employee engagement concept. It says that “employees who perceive higher organizational support are more likely to reciprocate with greater levels of engagement in their job” [11], [12]. Since employee engagement is an ongoing process, it requires continuous efforts from the side of management to achieve reciprocal interdependence [12].

Employee engagement plays a vital role in the success of any business. An exploratory study on employee engagement expressed it as a triple win and considered it to be beneficial for the organizations, individuals working in them, and for the country as a whole [13].

IV. PREDICTORS OF EMPLOYEE ENGAGEMENT

Employee engagement has started gaining worldwide attention by being recognized as a management tool to influence business performance. It is thus important for the organizations to understand what causes engagement and how to enforce it. This section attempts to explore the existing works of literature on possible drivers of employee engagement that can be leveraged by the organizations to manage the engagement levels of their employees.

A research conducted among the executive level employees identified growth, interpersonal relationships, employee welfare, and empowerment as critical predictors of employee engagement. According to the study, these factors can help in enhancing employee engagement by:

- Allowing employees to participate in decision-making especially for matters which directly or indirectly affect their set of work.
- Conducting team counseling sessions to develop co-operation and trust among each other.
- Providing employees the opportunity to raise their opinion.
- Organizing training sessions and healthcare programs [14].

Engaged employees provide companies an edge over their competitors in terms of productivity and profitability. No one size fits all as different employees are affected by different factors of engagement. Some of the critical factors of employee engagement are job design, opportunities for career development, leadership, good communication, employee empowerment, job satisfaction, training and development, compensation system, performance management, and health and safety [15]. A study conducted in a manufacturing organization identifies four critical predictors of employee engagement out of 10 promising variables. These are “provision of attractive compensation and benefits to the employees, performance management system, creation of jobs that provide adequate role clarity and provision of adequate facilities for training and development” [16].

Recent research on antecedents of employee engagement gives a model listing some common key drivers that have a great impact on engagement and its outcomes. Reward system of the organization, job enrichment, effective leadership, opportunity for growth, job security, and participation in decision making are identified as key driving factors that lead to job satisfaction, increased productivity, and improved employee turnover [17]. All the factors given by the above researches are positively correlated with employee engagement.

There is an indirect relationship between leadership behavior and engagement behavior displayed by employees. Effective Leadership helps create trust and this feeling of trust experienced by employees enables behavioral engagement. When people work under managers who are fair, supportive and recognize their work, they feel engaged and behave in constructive ways that produce unexpected results [18]. Both transformational and transactional leadership styles are effective in enhancing engagement. Transformational leaders encourage

employees to work harder. They strive to bring out the best in their subordinates by building a trusting relationship with them. Transactional leaders also keep their subordinates motivated but through rewards and appreciation for task accomplishments. The passive avoidant leadership style reduces productivity among employees and must be avoided by the leaders to contribute positively to employee engagement [19].

The culture of any organization influences the conduct of its people. The presence of a dynamic work culture makes it quite challenging for management to keep the commitment level of their employees high. Employees' commitment to the organization is influenced by its culture to a large extent and thus organizations must carefully design the policies within the dimensions of organizational culture [20]. Another study proves work culture and leadership style to affect the process of development of employee engagement. A positive culture and effective leadership style create a good impression in the mind of employees. This impression, in turn, helps in building a strong relationship between the employees and the organization [21].

In a causal study conducted to predict the influence of various independent variables on the engagement level of employees, the work environment, and relationship with co-workers are found to be the most influential factors [22]. This indicates that for engaging people positively at work, a healthy work atmosphere and interpersonal harmony among each other is important. "It is the quality of the employee's workplace environment that most impacts their level of motivation and subsequent performance" [23]. Employee creativity, absenteeism rate, and productivity level are greatly impacted by how well they collaborate with their fellow workers. Co-employee support plays an important part in sustaining employee engagement for a longer period. Working in an organization with highly cooperative co-workers helps in binding the organization together by developing an environment where employees help each other in learning new and better ways to accomplish tasks [10]. Employees feel secure in a fully extended and conducive work atmosphere, thereby getting involved in their job roles easily [6]. Research on labor-intensive manufacturing industries has shown that a welcoming culture, good team, supportive boss, a likeness for physical surroundings, job security, availability of food items at the workplace and good remuneration helps in building a healthy working environment. A good and favorable working environment is very essential for driving the workforce towards higher productivity. Therefore, organizations must focus on enhancing their working environment so that the productivity gap can be reduced [24].

The reward system of any company allows the development of the workforce and ensures its fidelity to the organization. A mutual social exchange facilitated by the reward system generates a sense of gratitude among members of the organization leading to a higher employee involvement at the workplace [25], [26]. "Employee compensation is an important predictor of employee job engagement" [27]. Engagement could be lost if employees are not rewarded for their hard work and accomplishments. It has been found that the compensation factor along with its other components such as pay structure, overall salary package, future raises, promotions, and influence of the supervisor enhances the engagement level [26]. A good remuneration can motivate employees to a great extent and push them to achieve their best.

Employee empowerment means giving employees authority in decision-making regarding their organizational tasks. Empowerment gives employees a feeling of confidence and creates a trusting environment where employees

have the freedom to raise their opinion and express their views to senior management. The more the employees feel empowered, the more they become engaged [26]. According to an empirical study, empowered employees feel that their activities and work are important and meaningful for the organization. This thought creates a positive impact on their engagement level [28].

Employees must be given chances to enhance their skills and gain the latest knowledge related to their area of interest. The development of one's abilities helps him to realize his potential and achieve career growth. Career development is also one of the factors which help companies with employee engagement by providing opportunities for personal development [15]. It has been observed that employees are likely to invest in companies that invest in their development.

Job design means combining different tasks to form a specific job. Studies have shown that the nature of employees' work has a great impact on engagement. Features of the job such as job variety, autonomy, and job feedback are all positively correlated with engagement [15], [29], [30]. Well designed jobs are interesting, challenging and have variety in tasks. Often, it is seen that people who find their work repetitive and uninteresting face psychological distress which leads to disengagement. On the contrary, people who have interesting and challenging tasks feel motivated and energized while performing which leads to high engagement and ultimately, improved performance [31].

Performance Management ensures the accomplishment of organizational objectives by developing good communication between managers and their team members. It involves continuous assessment of employee performance. "Designing the performance management process to foster employee engagement will lead to higher levels of performance" [32]. This process provides a suitable condition for employee engagement by involving employees in the goal-setting process and recognizing their contribution to the organization. When employees are valued in the organization, they experience meaningfulness which in turn helps in engagement [33].

Apart from job characteristics, individual characteristics are also equally pertinent for fostering employee engagement in organizations [34]. "Personality is a combination of stable physical and mental characteristics which can provide an identity for an individual" [35]. A research conducted among the frontline employees in the retail sector reveals personality traits to have synchronized relationship with engagement levels. Employees with traits like extraversion and conscientiousness are likely to perform better by maintaining a good relationship and rapport in their social network [36]. Positive affectivity enables individuals to experience positive emotions and keep them always high on energy. It is a cause of success correlated with happiness [37]. A personality assessment must be conducted by the organization for employee selection to build a highly engaged workforce [38]. A selection based approach to engagement makes it easier for the organizations and saves them from continuous spending on resources later by predicting engagement at the initial stage only [34].

V. CONCLUSION

The journey to organizational success starts with employee engagement and the same can only be achieved when the organization is fully aware of its driving factors. The article includes some essential predictors of employee engagement collected from different studies that can be of great help in this direction. It indicates that the

organization must adopt a blend of different engagement strategies because a single factor alone is not enough to drive engagement in the time when the workforce is highly diverse. In future works, it can be studied that how these factors make their impact on different employees in different ways. Organizations need to start viewing employee engagement as a strategic objective because it would lead them to increased profitability, improved quality of work, and reduced staff turnover which are very important for the success of any organization.

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