Engaging People who Drive Execution and Organizational Performance

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Abstract: Problem statement: The construct of employee engagement had gained much reputation in recent years among reputable management and human resources consulting firms. Though there is an increasing contributions of few academic research on the construct of employee engagement yet there is a shortage of academic studies on the construct. This gap had made the construct an interesting area of research. **Approach:** The purpose of this study is to test a model of the drivers of employee engagement on two measures of employee engagement (job engagement and organization engagement) using the social exchange theory as a theoretical foundation.104 HR officers working at the Inland Revenue Board of Malaysia completed the survey. The survey included measures of the drivers of engagement as well the measures of job and organization engagements. The t-test and the multiple regressions were employed for data analysis. **Results:** This study is among the pioneering work to support a distinctive difference between job engagement and organization engagement and to evaluate an array of the drivers of job engagement and organization engagement. The study addresses concerns on how to provide a framework to enable organization engage their employees to drive execution. **Conclusion:** The findings of this study showed a significant difference between job engagement and organization; with co-employee support as a major driver that influence both measures of engagement.

Key words: Employee engagement, social exchange theory and organizational citizenship behavior

INTRODUCTION

Organizations and businesses are currently facing dynamic changes in an increasingly worldwide marketplace which drives many organizations to compete for talented people, as well as to fully engage them, develop them, capture their minds and hearts at each level of their work lives so they can remain with the organizations. Based on the findings of many research works Gallup Organization, Towers Perrin HR Services, DDI, (Bates, 2004; Schaufeli *et al.*, 2006; Saks, 2006), it is becoming obviously clear that employee engagement is a key business driver for organizational performance and success. Agarwal *et al* (2010) noted that employee engagement has become a critical organizational business issue as the world recovers from the menace of the recent economic recession.

There are increasing claims in management literature that engagement is needed for high-level organizational performance and productivity. For example, Gallup Organization and Hewitt Associate noted that a high number of engaged employees will help an organization attract more talented people while disengaged employees will cost an organization such as lower productivity, higher absenteeism, recruitment and training cost. An evidence to support this claims is put forward by Hooper, who noted that the Australian economy loses about $31 billion per annual as a result of employees' disengagement. In consonant, Bates (2004) noted the presence of an engagement gap in America and estimated that half of the United States workforce are disengaged costing the nation's businesses a lost of productivity worth $300 billion annually.

Thus, it is not a surprise that one of the key respondents, Nurul Nurul (pseudonym) expressed that:

"For the kind of work we do, motivated and engaged people champion our success. Committed and satisfied employees is not all we need, we need engaged employees who feel respected and valued and in return reciprocate with their willingness to go extra miles, put extra efforts to achieve our strategic objectives."

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The construct of employee engagement has been an area of interest among many researchers and it had received a great recognition in the management literature and the websites of many consulting firms in recent years. The term employee engagement as it is presently used is a construct coined by the Gallup Organization, after a 25years of research, interviewing and surveying managers and their employees. The term had been featured in many practitioner magazines such as Workforce Magazine, Washington Post and in websites of many consulting firms such as DDI 2005, Towers Perrin HR Services 2003 and Hewitt Associates 2004. Employee engagement as a construct touches nearly all branches of human resource management facets known hitherto (Markos and Sridevi, 2010). It is relatively new for HRM and appeared in the literature for nearly two decades (Robinson *et al*., 2004, MP, 2005; Sorensen, 2007). Saks (2006) and Vance (2006) noted that engagement is most closely associated with the existing construct of job involvement (May *et al*., 2004) and flow (Csikszentmihalyi, 1990). Despite the myriad definitions of the construct of employee engagement, its measures and definitions sound almost the same with other well-established constructs like job satisfaction, organizational commitment and organizational citizenship behavior (Robinson *et al*., 2004; Markos and Sridevi, 2010). This is perhaps why Little and Little (2006) considers the construct as a new management fad that lacks lucidity.

Nonetheless, Gallup Organization, Hewitt Associate, Bates (2004); Salanova *et al*. (2005); Hakanen *et al.* (2006); Harter *et al*. (2002); Bakker and Demerouti (2007) and Hallberg and Schaufeli, (2006), agrees that employee engagement could be a strong factor for organizational success, as it seems to have a significant potential to affect employee retention, their loyalty and productivity with some link to customer satisfaction, company reputation and the overall stakeholder value.

Despite these acclaimed importance of employee engagement, many organizations with great strategy to attract talents, train and compensate them still have issues trying to engage them to drive execution. This may be attributed to the shortage of academic research on the construct of employee engagement. This study will test the relationship between the drivers of employee engagement and the measures of engagement, which are job engagement and organization engagement under the theoretical auspices of the Social Exchange Theory (SET).

Conceptualization of employee engagement: The conceptualization of engagement was pioneered by Kahn (1990), who defined the construct of engagement as "the 'harnessing of organizational members' selves to their work roles; in engagement, people employ and express themselves physically, cognitive and emotionally during role performances" (Kahn, 1990). Kahn's position was that engagement serves to fulfill the human spirit at work. His work used the methods of observation and interview to carry out a qualitative research of personal engagement among 16 camp counselors and 16 architectural firm employees.

Harter *et al*. (2002) and Robinson *et al.* (2004) defined employee engagement as "the Individual's involvement and satisfaction with as well as enthusiasm for work". Employee engagement is therefore the level of commitment and involvement an employee has towards his or her organization and its values. Schaufeli *et al*. (2002) defined engagement as "a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication and absorption".

No doubt, employee engagement had been defined in many unclear ways but the definitions of employee engagement from various literature, are centered on motivation, pride at work, satisfaction, organizational citizenship behavior, commitment, recognition and respect at work, going extra mile and advocacy in terms of recommending ones organizational products and services as well as encouraging other people to join ones organization. The key element of the employee engagement goes beyond other constructs such as job satisfaction, organizational commitment, job involvement, organizational citizenship behavior because it involves the active use of emotions, cognition and behavior while focusing on interactions of employers and employees working in consonance with the organization's objectives and strategy.

In this study, employee engagement is addressed by incorporating the two types of employee engagement, (a) Job Engagement, which is the level of employee's committed and dedication to his job role and Organization Engagement, which is the level of employee commitment and loyalty to their organization.

Theoretical background for employee engagement: The social exchange theory is the most accepted and widely used theory in recent research on employee engagement. According to Saks (2006),"a strong theoretical rationale for explaining employee engagement can be found in Social Exchange Theory (SET)".

The central tenet of the social exchange theory is that people make social decisions based on perceived costs and benefits. This assumption affirms that human being evaluate all social relationships to determine the benefits they will obtain out of such relationship (Homans, 1958; Blau, 1964).
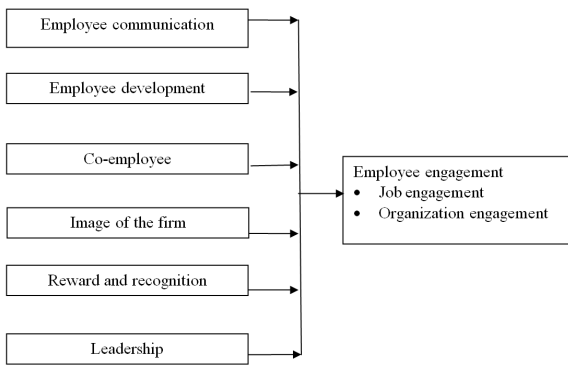
Fig. 1: Research model

Saks (2006) also noted that, the good way for employees to repay their organization is through their level of engagement. Employees will choose whether or not to engage themselves in relation to the resources they get from their organization. This perception shows a reciprocal relationship between the supports organizations give to their employees and employee's willingness to make the most of their individual and team performance.

The social exchange provides a theoretical foundation to justify the reasons why employees decide to engage more or less on their work or stay with their organization. Employee engagement involves emotional and psychological relationship between employees and their organization that can be transmuted into negative or positive behaviors employees display at their workplace.

Research model: The main purpose of this study was to examine a research framework that can enhance strategic employee engagement in organizations. This will help researchers both in the academia and in the organization examine the relationship between the drivers of strategic engagement and the two major types of employee engagement.

Figure 1 shows a model of employee engagement demonstrating the two types of employee engagement (job engagement and organization engagement) in agreement with Saks (2006) and Kahn (1990) conceptualization of engagement and the two dominant roles of employees in an organization, which are job role and organization role.

Drivers of employee engagement: Towers Perrin HR Services, noted that defining engagement is a crucial step but the tangible significance comes from determining what creates engagement. This is known as the drivers that influence engagement. Wellins and Concelman suggested that engagement drivers are the

lead-way to the creation of a highly engaged workforce and environment. The employee engagement drivers are set of workplace features that, in combination are crucial to fostering high engagement. Therefore, to drive employees in achieving high involvement and commitment to their job and organization roles, it is crucial to identify the main drivers that can motivate the employees to execute their functions.

Employee communication and employee engagement: Much research had noted that there is a need for clarification and communication of organizational goals and objectives among all employees. Supporting this view, CIPD survey reported that the two most significant driver of employee engagement are having opportunities to have their voice held and feeling well informed about what is going on in the organization. Communication also encompasses that employee receives feedback about their performance. Therefore, hypothesis 1 was developed as follows:

H1: Employee communication will be positively related to employee (a) job engagement and (b) organization engagement.

Employee development and employee engagement: Wellins and Concelman noted that organizations can enhance engagement in their workforce by creating a learning culture and creating individual development plans for every employee. Many studies had shown that most employees want to keep their jobs inventive and interesting by acquiring new knowledge and skills and applying new approaches in their daily work life. Therefore, hypothesis 2 was developed as be as follows:

H2: Employee development will be positively related to (a) job engagement and (b) organization engagement.

Co-employee and employee engagement: Working in a lean organization with highly talented and co-operative co-employees has been conceptualized as an essential requirement for high level of employee engagement. If the entire organization works together by helping each other learn new approach and better ways of accomplishing task, a higher productivity is expected. Hence hypothesis 3 was developed as follows:

H3: Co-employee support will be positively related to (a) job engagement and (b) organization engagement.

Image of the organization and employee engagement: This is the level of confidence employees have to endorse the products and services that their organization provides to the general public. It is to a

bigger degree the perceptions of the employees about the organization's products and services; hence a high-level of employee engagement can be linked with high levels of customer engagement DDI. Therefore, hypothesis 4 was developed as follows:

H4: Image of the organization will be positively related to (a) job engagement and (b) organization engagement.

Reward and recognition and employee engagement: A lot of literature had recognized the idea that many employees like to be distinctively rewarded and recognized for their outstanding contributions. Wellins and Concelman Posited that employees who feel recognized and respected for their performance are likely to be more engaged. Fatt *et al*. (2010) noted that the reward incorporates a variety of benefits and perquisites other than monetary gains. Thus, employees would be more satisfied when they feel that they are rewarded genuinely for the work they have done. Therefore, hypothesis 5 was developed as follows:

H5: Reward and recognition will be positively related to employee (a) job engagement and (b) organization engagement).

Leadership and employee engagement: Employees need to have confidence in their organization and this is most powerfully reflected through the reliability and integrity shown by the leadership team. Leadership, according to engagement literatures encompasses clarity of company's values, respectful treatment of employees and company's standards of ethical behavior Gallup Organization. Jahani *et al* (2011) sees leadership as the process of deeply
encouraging others to work hard to accomplish important tasks. Therefore, hypothesis 6 was developed as follows:

H6: Leadership will be positively related to (a) job engagement and (b) organization engagement.

METERIALS AND METHODS

The participants of this study were 104 HR officers at the Inland Revenue Board of Malaysia. The HR division of the Inland Revenue Board of Malaysia has five departments and one unit namely: the departments of human resource management, organization development, performance, management and competency, human resource development, pension management and facility and human resource administration unit. The participants were selected using the simple random sampling. A questionnaire survey was used to collect data on the variables. Part A
of the questionnaire captured the respondent's demography such as age, gender, work experience and Position and was analyzed using the descriptive statistics. Part B consisted of 40 questions, 5 questions for each of the variables (both independent variables and the dependent variable). Each item used to measure the construct on 5 points Likert scales ranging from strongly agree to strongly disagree. The t-test was conducted to ascertain the variance of the two engagement measures while multiple regression analysis was employed to test the study hypotheses and to ascertain which among the drivers has the most significant relationship with employee engagement measures.

RESULTS

Demographic profile Female respondents consist of 56.73%, which means 59 of the total respondents while male respondents contribute 43.27% that is 45 of the total respondents. The result indicated that out of the total respondents surveyed, 10.58% of the participants were within the age range of 21-25years. 52.88% were found within the age categories of 26-35 years. 22.12% are within the ages of 36-45 years. 11.54% are within the age range of 46-55 years and the 2.88% were found within the age categories of 56-58 years. The majority of the participants have had employed in the organization for more than 5years. This is evidenced in the fact that 30.77% fall within the categories of 5-10 years of work experience and 25.96% falls within the categories of more than 10years of work experience. Both categories account for 56.73% that is 59 respondents of the total survey. Furthermore, 1.92% had worked below 1year, 11.54% within the range of 1-2 years work experience and 27.88% within the range of 2-5 years work experience while 1.92% did not to provide details.

Table 1 presents the Mean and standard deviation of the study variables. It is pertinent to state that a significant moderate correlation of ($r = 0.65$, $p<0.05$) exist between job engagement and organization engagement though the paired t-test results showed a significant difference, $t (103) = - 4.481$, $p<0.05$.

Table 3 shows the results of KMO (0.861) and Cronabach Alpha (0.956) indicating sampling adequacy, validity, factorability and reliabilty of questionairre.

Table 1: Mean and standard deviation of the study variables

Variables	Mean	Std. deviation	N
Employee communication	18.66	3.369	104
Employee development	18.65	3.052	104
Co-Employee	19.36	2.397	104
Image	15.55	2.310	104
Reward/recognition	21.08	3.785	104
Leadership	26.35	3.733	104
Job engagement	18.59	2.210	104
Organization engagement	19.53	2.769	104

Table 2: Summary multiple regression analyses predicting employee engagement

Variables (Factors of Engagement)	Job Engagement	Organization Engagement
Employee Communication	0.007	-0.064
Employee Development	0.252	0.074
Co-Employee	0.322	0.267
Image	0.132	0.262
Reward/Recognition	0.150	0.137
Leadership	-0.069	0.240
R^2	0.423	0.564
F	11.832	20.914

Notes: $p < 0.10$ and values in the table are standard Beta coefficients

Table 3: KMO, Barlett and Cronbach's Alpha test

Type of test		Value
Kaiser-Meyer-Olkin measure of sampling adequacy		0.861
Bartlett's Test of Sphericity	Approx. Chi Sqaure	6.864
	dF	1891
	Sig	0.000
Cronbach's Alpha		0.956
Cronbach Alpha based on standardized items		0.970

Table: 4: Multiple regression analysis results of factors predicting job engagement

Predictor Variables	Unstandardised coefficient B	Standardized coefficient Beta	t-value	Sig	Collinearity	
					Tolerance	VIF
Constant	6.606		4.274	0.000		
Employee communication	0.004	0.007	0.042	0.966	0.229	4.371
Employee development	0.183	0.252	1.906	0.066	0.340	2.940
Co-employee	0.297	0.322	2.805	0.006	0.452	2.212
Image	0.127	0.132	1.425	0.157	0.688	1.453
Reward/Recognition	0.088	0.150	1.072	0.287	0.303	3.305
Leadership	-0.410	-0.069	-0.433	0.666	0.234	4.265

Note: N=104, $R^2 = 0.423$, Adjusted $R^2 = 0.387$, F=11.832, $p<0.10$

Table 5: Multiple regression analysis results of factors predicting organization engagement

Predictor Variables	Unstandardised coefficient B	Standardized coefficient Beta	t-value	Sig	Collinearity	
					Tolerance	VIF
Constant	1.608		0.956	0.342		
Employee communication	-0.053	- 0.064	-0.460	0.647	0.229	4.371
Employee development	0.067	0.074	0.647	0.519	0.340	2.940
Co-employee	0.308	0.267	2.675	0.009	0.452	2.212
Image	0.314	0.262	3.245	0.002	0.688	1.453
Reward/recognition	0.100	0.137	1.123	0.264	0.303	3.305
Leadership	0.178	0.240	1.732	0.086	0.234	4.265

Note: N=104, $p < 0.10$, $R^2 = 0.564$, F= 20.914

These results show that despite the correlation between job engagement and organization engagement, both measures are also significantly different with Participants of this research indicating a higher organization engagement (Mean = 19.53) than job engagement (Mean = 18.59) as shown in Table 1.

To test the study hypotheses, multiple regression analyses were conducted in which job engagement and organization engagement were regressed simultaneously on all six drivers of engagement as shown in Table 2.

Table 4 and 5 shows the result of the regression analyses. The results in Table 4, indicate that drivers explained a significant amount of the variance in job engagement ($R^2 = 0.423$, $p<0.10$) and organization engagement ($R^2 = 0.564$, $p<0.10$) as shown in Table 5.

As regards the study hypotheses, the results from the regression analysis show that co-employees support (0.322, $p<0.10$) and employee development (0.252, $p<0.10$) were significant predictors of job engagement while reward and recognition approached significance (0.150, $p<0.10$) as shown in Table 4. Furthermore, Table 5 shows that co-employees support (0.267, $p<0.10$), Image of the organization (0.262, $p<0.10$) and leadership (0.240, $p<0.10$) were significant predictor of organization engagement. From the results provided, hypotheses: H2a, H3a, H3b, H4b, H5a, H6b were accepted.

DISCUSSION

The purpose of this research was to test a model of the drivers of job engagement and organization engagement based on the Social Exchange Theory (SET). This study is among the pioneering work to support a distinctive difference between job engagement and organization engagement. Hence, it contributed greatly to the emerging area of employee engagement. One of such contribution was the recognition of employee engagement as role specific (i.e., employee job role and employee organizational role). To be candid, this study supported Saks (2006) findings that suggested that there is a distinctive difference between job engagement and organization engagement though both measures are related.

Unlike Saks (2006) findings, this study shows that participants' scores for organization were significantly higher than for job engagement. Furthermore, this study found that an array of drivers predict job engagement and organization engagement. For example, co-employee support predicted both job and organization, employee development predicted job engagement while the image of the organization and leadership predicted organization engagement.

In addition, the findings of this study supported that SET can be used as a theoretical framework in understanding the construct of employee engagement. Meaning that the employees who have perceived support from the co-employees are more likely to reciprocate with greater level job engagement and organization engagement; employees who are provided with adequate development (training, skills and learning) are more likely to be more engaged in their job role; while employees with higher perception of the image of their organization and leadership are more likely to repay with greater organization engagement. Thus, engaged employees have positive behaviors, attitudes, intentions derived from a high level mutual relationship with their co-employees and their employer.

CONCLUSION

In conclusion, this study provides a great value to knowledge as one of the pioneering work in advocating that employee engagement should be examined by distinguishing between job engagement and organization engagement. This distinctiveness will help drive strategic employee engagement because it will examine the job role and organization role of every member of an organization in alignment with the organizational business goals and its human capital strategy in a wide range of attitudes, behaviors and

intentions that have great impact on performance, productivity and strategy delivery. No doubt, there is no one-size-fits-all answer to employee engagement. It is a win-win state of affairs, vastly engaged employees will resiliently identify with the success of their organization and win fulfillment from their contributions. Therefore this study engagement model will help organization's identify the most cost-effective drivers of employee engagement to sustain a long-term engagement.

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