

A Review of the Antecedents and Consequences of Employee Engagement

Ibrahim Hamidu Magem

Abstract—Employee engagement has continued to gain popularity among practitioners, consultants and academicians recent years. This is due to the fact that the engaged employees are central to organizational success in today's highly competitive and rapidly changing business environment. Employee engagement depicts a situation whereby employee's harnessed themselves to their work roles. The importance of employee engagement to organizations cannot be overemphasized in today's rapidly changing business environment. Organizations both large and small are constantly striving to improve their performance, retain employees, reduce absenteeism, and create loyal customers among others. To be able to achieve these organizations need a team of highly engaged employees. In line with this, the study attempts to provide a valuable framework for understanding the antecedents and consequences of employee engagement in organizations. The paper categorizes the antecedents of employee engagement into individual and organizational factors which it is assumed that the existence of such factors could result into engaged employees that will be of benefit to organizations. Therefore, it is recommended that organizations should revisit and redesign its employee engagement system to enable them attain their organizational goals and objectives. In addition, organizations should note that engagement is personal but organizational engagement programmes should be about everyone in the organization. The findings from this paper adds to existing studies about employee engagement and also provide awareness to academics and practitioners about the importance of employee engagement to improve organizations efficiency and effectiveness, as well as to impact to overall firm performance.

Keywords—Antecedent, employee engagement, job involvement, organization.

I. INTRODUCTION

THE needs to have a team of employees that can contribute to the attainment of organizational goals and objectives have been the pre-occupation of management right from its inception. Management tools and methods develop overtime in order to get employees put in their best to work and hence promote the goal of companies. To get employees put in their best at work, motivational tools and techniques (revolving around carrots and stick) were used. Many management scholars have advocated the use of sticks believing that, people do not like work and hence must be forced and coerced to do work. On the other hand, other scholars seem to favor reward as the surest way of getting people to work. Thus, they believe that, with proper reward system in place people will naturally take work as play or rest and not something to be

Ibrahim Hamidu Magem is with the Federal Polytechnic, Bauchi (Office of the Registrar, Establishment Unit), P.M.B. 0231 Bauchi, Bauchi State-Nigeria; West Africa (phone: +2348036219859; e-mail: douglasmagem@yahoo.com).

disliked. This means that, the employees derive pleasure from doing their work to the extent that they take work as something to be liked and even looked for, but not something to be disliked or avoided. Either way, the goal of management has been to bolster employees' productivity with a consequent effect on higher organizational performance.

Employee engagement is a relatively new concept that was introduced in 1990 by Kahn [4]. It is one of the most popular concepts today that have grasped the attentions of both the academicians and practitioners. In an economy that is characterized by unprecedented change and high employee's turnover, organizations are constantly devising ways to create a team of highly engaged employees. Accordingly, Johnson [1] stressed the importance of employee engagement when he stated that, "the ability to engage employees, to make them work with our business, is going to be one of the greatest organizational battles of the coming 10 years" p.1. More than ten years ago, employee engagement has become a hot debated topic among executives, human resource professionals and academics as well as being a topic that is fully absorbed in Human Resource (HR) agenda. It is estimated that companies spend nearly three quarter billion dollars every year in an attempt to improve employees' engagement [2].

Rice, Marlow and Masarech [3], in their book, came up with Engagement Equity, defined engagement as full employee engagement represents an alignment of maximum satisfaction for the individual with maximum contribution for the organization. This is expressed mathematically as: EE = Ms + Mc.

As important as the concept of engagement is, there is definitional problems of the concept. This has resulted in diverse definitions of the concept by many researchers and practitioners. This misconception stems from Kahn's 1990 original definition of the concept himself. Kahn [4] had defined employee engagement in terms of psychological state as "the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively and emotionally during role performances" p.694. We will take this as an inspired definition of employee engagement for now. In addition, little is known about how employee engagement can be influenced by management and thus, have remained a challenge to companies worldwide [5]. Additionally, despite the fact that there are divergent opinions about the concept of employee engagement [6]-[8], it is generally agreed among business practitioners, academic researchers and government that, the concept is worth exploring because of its potential impact on performance.

Employee engagement is increasingly recognized as pivotal to organizational success. Empirical studies have shown that employee engagement affects employees' productivity and consequently improved organizational performance [9], [10]. Organizations with higher engagement levels tend to have lower employee turnover, higher productivity, higher total shareholders return and better financial performance [11]. An increasing number of studies have also shown that engagement is a unique construct. However, there is the need for clarification on the concept as well as its antecedents and outcomes [12], [10]. Research conducted by a global consulting firm had shown that four out of ten employees are not engaged worldwide [13]. In addition, the study indicated that, new generation of employees (the millennial) seem not to be highly engaged as the earlier generations (Baby Boomers and Generation X). Considering the impact of engagement on organizational success today, it is paramount to conduct a study on the factors that affect employee engagement.

This paper attempts to review the concept of employee engagement with specific emphasis on the definitional issues as well as the antecedents and outcomes of engagement. The study started by providing an introduction to the topic, then proceeding to review of pertinent literature and offer a valuable conclusion for managers and captains of industries to hearken to.

II. LITERATURE REVIEW

Ever since the term employee engagement was conceptualized by Kahn [4], several studies had been conducted on the topic. However, the lack of a universal definition of the term "employee engagement" has continued to be a challenge presented by the literatures [14]. For example, employee engagement has been defined as "*the state of emotional and intellectual commitment to the organization*" [15]-[17]. Others see employee engagement as the amount of discretionary effort exhibited by employees in their job [18]. Yet still, other studies had focused on identifying the antecedents and consequences of employee engagement [19], [10]. It will be proper to begin this discussion by looking at the various definitions of employee engagement, before reviewing the antecedents and consequences of employee engagement.

A. What Is Employee Engagement?

The term employee engagement is used more frequently today by practitioners, employees and consultants that some have accused "engagement" as being merely the latest buzzword in management [19]. The popularity of the word therefore, calls for a proper understanding of what it means and how it differs from other concepts like employee commitment and job involvement, satisfaction at work, organizational citizenship behavior, psychological contract and intrinsic "extreme" motivation. Unless, we clearly discriminate the concept of engagement from these other management constructs, many do and will continue to assume that we are just putting old wine in a new bottle. To be able to achieve this, there is the need to have a clear definition of employee engagement, which has been a challenge to the

concept itself. This lack of consensus on a unified definition and measurement of employee engagement implies that it cannot be managed nor can it be known if efforts to improve it are working.

The term employee engagement has been used to refer to a psychological state, traits and behaviors [20]. Although the term is used frequently by practitioners and academic researchers, the term is used to mean different thing to the two parties. Therefore, this study will explore the meaning of employee engagement from two broad perspectives: Practitioners and Academicians. Both academic researchers and companies' mostly view engagement from the point of view of outcome. However, the academicians as we will see, places more weight to the psychological state of engagement.

The ultimate place where the theory of engagement is being put into practice is the organization. And how organizations define employee engagement may not necessarily be the same as that of academicians. Organizations, are however, said to provide great insight into how engagement is viewed and used in the real world [21]. According to Dell Inc. for companies to compete in today's competitive market place, they need to win over the MINDS (rational commitment) and the HEARTS (emotional commitment) of employees in ways that lead to extraordinary effort [22].

Engagement here entails that employees give their time and talent to team building. Intuit, Inc. describes employee engagement as how an employee thinks and feels about, and acts towards his or her job, the work experience and the company. Hewitt Associates [13], a consulting firm, defines engagement as the state of emotional and intellectual commitment to an organization or group producing behavior that will help fulfill an organization's promises to customers – and, in so doing, improve business results [22]. This definition is clearly in tandem with Macey and Schneider [20] perspective of engagement as being a psychological state, behavior and attitude. Additionally, the definition stressed that engagement is about stay, say and strive. By "stay" it implies that, these employees have an intense propensity to work with and stay with their organization, thus reducing turnover rates. On the other hand, they also "say" that is, referring potential employees and customers to the organization and thereby serve as advocates for the organization. Finally, they "strive" in the sense that, they exert extra effort and engage in behaviors that contribute to business success.

Most of the company/consultants' definitions of engagement have tended to focus on the outcome [21]. This means that, employee engagement is seen as the level of employees' attachment, commitment and loyalty to the organization in which they work. The amount of time and talent expended in ensuring organizational success as well as level of advocacy for the organization in which they work are central in understanding engagement from this perspective.

The first academic definition of engagement was given by Kahn [4] when he defined engagement as the "harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively and emotionally during role

performances" p. 694. In 2006 (sixteen years later) Saks commented that, most of the definitions of engagement have been within the practitioner and consultancy sector with a sparse academic literature on the subject [23]. However, in recent years, the academic world has continued to show an increasing interest in the debate with most studies attempting to understand the antecedents of engagement as well as the outcome [21].

Since ever, the term engagement was conceptualized by Kahn [4]; there has been conflicting use of the term in academic literatures. As stated earlier, Macey and Schneider [20] splits engagement into three while attempting to define it – psychological, behavior and trait. The splitting of engagement into the three states of psychological, behavioral and traits have been criticized by Newman and Harrison [24] on the ground it renders state engagement a redundant construct and tells us nothing more than an individual's attitude at work which has been measured by other constructs in the past [21]. It is worthy of mention here that, so far, almost all the definitions of engagement fall within these dimensions.

B. Employee Engagement and Other Constructs

Having looked at the diverse definitions of employee engagement, it will be proper to discriminate engagement from other constructs such as employee commitment and job involvement, satisfaction at work, organizational citizenship behavior, psychological contract and intrinsic "extreme" motivation. Saks [23] noted that, while it is true that engagement is related to, but it is distinct from other management constructs.

Organizational commitment is one construct that is closely related to engagement and it is used to refer to a person's attitude and attachment towards their organization [23]. Viewed in this sense, it can be seen that organizational commitment is concerned about attitude while engagement is not. Engagement is concerned with the degree to which an individual is attentive to their work and absorbed in the performance of their role [14].

Another management construct that need to be differentiated from employee engagement is job involvement. Job involvement by definition is simply a cognitive or belief state of psychological identification [14]. As it can be seen from most of the definitions of engagement as provided above, the focus of engagement is on both emotions and behaviors while job involvement focuses on cognitions [25]. In addition, May, Gilson, and Harter [25] further suggested that job involvement is conceptually different from engagement, because engagement is made up of emotional and physical elements while job involvement contains cognitive element only.

Empirical studies by Hallberg and Schaufeli [26] in which psychometric tests of engagement, job involvement and organizational commitment were compared, showed that the three constructs are different and reflect different aspects of work attachment.

C. Antecedents and Consequences of Employee Engagement

In recent years, there have been a growing number of studies that have attempted to dig out the antecedents and consequences of engagement. Most of these studies have been prompted by the potential benefits that organizations can gain from an "engaged" employee. Extant literatures have revealed that the consequences of engagement are positive [19], [27], [9], [23]. However, there is the need to identify what really make some employees to be more engaged than others. Basically, the factors that drive engagement can be broadly group into two: Individual and Organizational factors. The individual factors relate to us as individuals while the organizational factors relate to factors that organizations put in place that serve to create or mar an "engaged" employee.

D. Employee Communication

The first individual factor that influences employee's engagement in organizations is the extent to which there is room for efficient flow of communication among employees and between employees and their employer in the organization. According to Gallup (2005) cited in Ologbo and Sofian [9], the ascending and descending flow of communication in the organizational pyramid with the proper use of communication guides the organization. The level of engagement tends to be higher when individual employees are empowered to make contributions in decisions taken in the organization and/or they could be heard by their employers. In addition, an improvement in the face-to-face interaction between employees and employers will foster an atmosphere of trust and build a formidable long-term relationship among them. Therefore, as the level of employees' involvement in organizational decision-making increases, it can be expected that they will become more engaged than disengaged to achieving their organizational aims and objectives.

E. Employee Development

Employee development has been defined as the degree to which an employee believes that his/her employer or managers are making specific efforts to develop their skills [9]. Organizations that provide their employees the opportunity to develop their abilities to acquire new skills and knowledge tend to breed employees with high level of engagement than those who do not. These employees can then translate the skills and knowledge acquired to utilizing their full potentials at work [27]. The more employees perceive that their employers are committed to their career development, the higher the level of engagement.

F. Co-Employees Support

People don't work in isolation. The more supportive and cooperative is the people with which employees work, the higher their level of engagement. In organizations where there is collaboration and employees help each other to learn new and better ways of accomplishing their tasks, the more engaged the employees will be [9].

G. Image of the Organization

This is the extent that workers are ready and eager to approve the services and products of their organization to potential customers. It is to a larger extent the perceptions of

the employees about their organization's products and services. Therefore, a high-level of employee engagement can be linked with high levels of customer engagement [28].

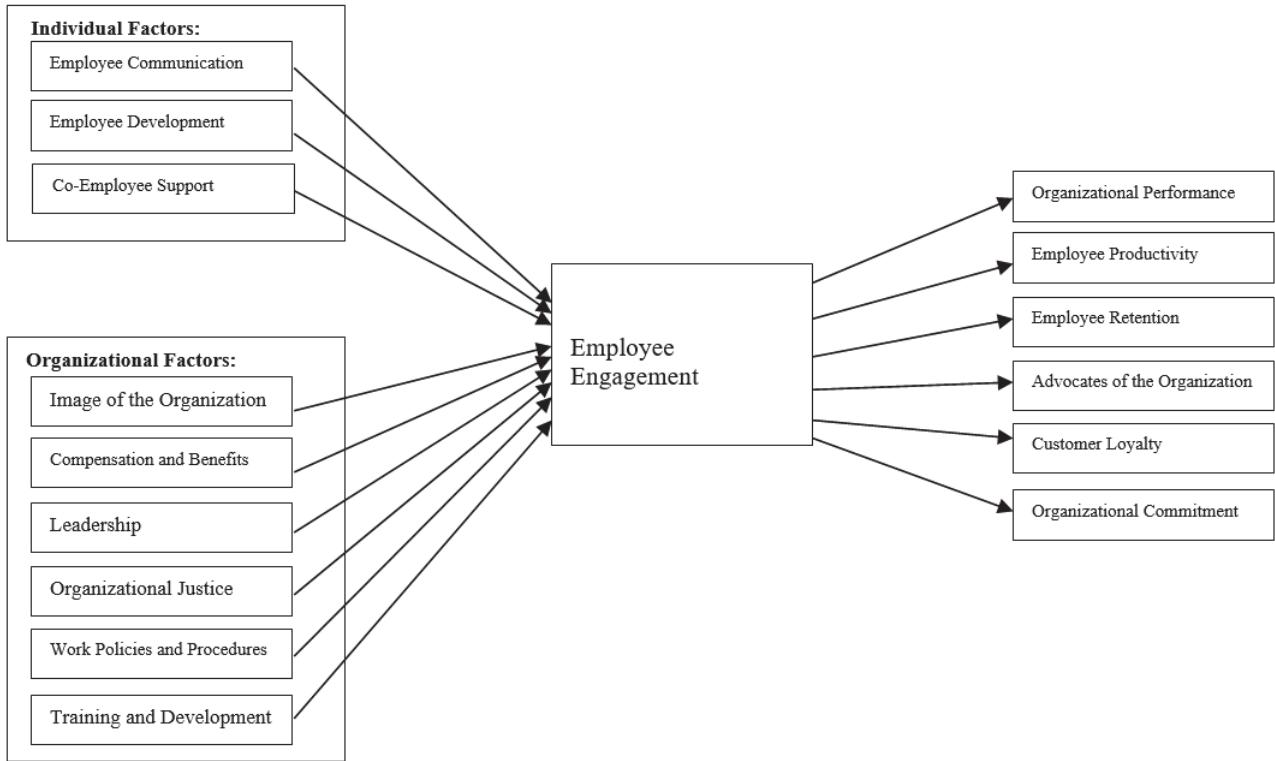


Fig. 1 Antecedents and Consequences of Employee Engagement (Adapted from Ologbo & Sofian [9])

H. Compensation and Benefits

Employees expect that they should be adequately remunerated for their valuable contribution to organizational success. Therefore, the provision of fair and equitable compensation and other benefits tends to bolster their engagement. This is not limited to the formal reward and recognition provided by organizations but also informal recognition. It has been noted that informal recognitions tend to increase employees' engagement [29]. It has also been observed that, one of the reasons for high employee turnover in most organizations is the absence of employee recognition and appreciation [27].

I. Leadership

As used by renounced scholars, leadership has been used in at least three (3) different ways which occasionally is referred to as a position within an organization; also it has been used in describing a personality characteristic. However, neither of the two definitions above gives a much better insight in studying organizational behavior. Therefore, a more acceptable definition is required to give a much better explanation as to why some people and/or individuals seem to be more effective leaders compared to others. As such, the third aspect of leadership relates to influence. Viewed from this perspective, leadership is simply a form of behavior by which one person

influences others. In other words, leadership is the incremental influence which one individual exerts over another, above and beyond mechanical compliance with routine directives. Thus, leadership is an influence relationship among leaders and followers who intend to bring about real changes that reflect their mutual purposes [30]. Influence as used here refers to the process by which leaders communicate ideas, gain acceptance of the motivating followers to support and implement their ideas through change [31]. It follows from the foregoing perspectives of leadership that leaders may use force or coercion in order to influence the behavior of their followers; and/or they can use their ability to induce voluntary commitment. The latter point entails that anyone in an organization can be a leader, whether or not that individual is formally identified in that regard. These kinds of leaders that are also referred to as informal leaders are extremely important to the effectiveness of most organizations.

Leadership according to engagement literature reflects inspirational motivation, by which leaders provide meaning and challenge to assigned employees work; and also intellectual stimulation, whereby leaders support employees adaptively and creativity in a blame free context [32], [33]. Effective leadership behavior that support engagement reflected self-awareness, communication of information, transparency and respectful treatment of employees and

organizations standard of ethical behaviors. The reliability and integrity exhibited by the leadership team in an organization will reflect in the level of engagement of employees [9].

J. Organizational Justice

The term organizational justice as given by Wendell French in the year 1964 simply refers to the just, fair and ethical manner in which organizations treat their employees [34]. Also, it refers to employees' perceptions of fairness in the workplace; that is, perceptions of being fair or unjust treatment received from their management and their behavioral reactions to such perceptions. Meta-analytic studies and reviews further confirmed three dimensions: Distributive, Procedural and Interactional justice [35], [36].

The first dimension of organizational justice given as distributive justice denotes employees' perceptions of the fairness of the outcomes which they receive in relation to their contributions and that of the outcome and contributions of their colleagues.

The second dimension which is procedural justice relates to the fairness in decision-making process and procedures that determine and regulate the manner in which resources are distributed within an organization as perceived by the employees. As such, procedures are judged based on their consistency of application, prevailing ethical standards, impartiality and rationality.

The third dimension of organizational justice which is found to be interactional/relational justice refers to the perceived fairness of the interpersonal treatment displayed by supervisors and management. These shared perceptions on justice worked together to create a climate that promotes or inhibits positive organizational behaviors, and have consistently been found to be related to employee work-related attitudes and behaviors. In this regard, when employees perceived just and fair treatment in the workplace, they tend to have favourable disposition to the workplace as a result of higher levels of job satisfaction; and in essence displayed more commitment to their job.

K. Work Policies and Procedures

This encompasses human resources (HR) policies and procedures and perceived organizational support [34]. Most organizations have a published document in form of booklets or other forms that spells out its principles, rules and guidelines to guide and direct it toward the attainment of its objectives. These set rules and regulations that are often referred to as policies are widely reachable and accessible by all employees. Thus, policies and procedures which happen to be the fifth organizational factor in Fig. 1 of the Antecedent and Consequences of Employee Engagement are designed in order to influence the major decisions and actions to be taken in an organization on a daily basis. They set the boundaries within which all major decisions and actions including activities take place in organizations; whereas policies set out what is to be done or not in an organization, procedures provide the specific methods employed to express policies in action in the day-to-day operations of the organization [37].

The combination of both policies and procedures ensures that a point of view held by the organization's management team or the governing body of the organization is translated/transformed into phases which yields reasonable outcome that will be in compliance with the organization's view and/or goals in the long run.

Policies are made known to employees, volunteers and trustees through induction but also need to be reinforced systematically in various contexts. According to Dajani [34], the HR policies include an organization's hiring practices, flextime, work-life balance policies, performance management and safety issues organizations which has more effective and efficient working policies and procedures breeds more highly engaged set of employees. Perceived Organizational Support (POS) refers to the employee's belief that an organization values their contributions and cares about their well-being [34].

Empirical studies have shown that perceived organizational support positively influence job and organizational engagement [34], [23]. Employees seem to be much engaged on their work when they feel that their organizations attach a greater amount of support and care.

L. Training and Development

This is another important antecedent of employee engagement. It is a function of human resource management concerned with organizational activity aimed at bettering the performance of individuals and groups in organizational settings; that is, the educational activities – both off-the-job and on-the-job – within an organization which are designed to bring about the fulfillment and performance of employees.

As such, the training and development programs which are offered by firms and/or business organizations might include a variety of educational techniques and programs that are made to be on either a compulsory or voluntary basis for staff to attend.

Training and development can be perceived as both intrinsic and extrinsic motivator of behavior. As an intrinsic motivator, it aims at helping employees fulfill the basic human needs for autonomy, relatedness and competence [38]. On the other hand, training serves as an extrinsic motivator in the sense that it provides employees with tools and resources, such as knowledge, skills and competences that are applied on the job and are important to employees' goal achievement and career growth opportunities [34]. Training and development is consistent with the scope of job resources as proposed in Job Demands – Resources (JD – R) Model [34].

M. Consequences of Employee Engagement

The output from employee engagement is split and/or grouped into the following:

N. Organizational Performance

This term is known to be the most frequently cited outcome of employee engagement. Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives) [37].

Organizational performance can be measured using three performance metrics within corporations: Financial, Market, and Shareholders value performance; while in other cases, production capacity performance is also analyzed.

Most studies have shown that engagement improves organizational performance [21]. This implies that, increasing employee engagement and building an environment to support this can significantly increase the likelihood of business success.

O.Employee Productivity

The term Employee Productivity, which is also known as workforce productivity, simply refers to “an assessment of the efficiency of a worker or group of workers” [37]. Hence, productivity may also be evaluated in terms of an employee’s output in a particular time period. Engaged employees are said to work harder, are more loyal and are more likely to go the extra mile for their organization [21].

Employee productivity is enhanced if extra compensation motivates the employees to increase productivity. In fact, management should keep their employees motivated in order to maximize output. Consequently, both extrinsic motivators (pay increase, bonuses, etc.) and intrinsic motivators (job satisfaction, personal development, etc.) must be provided adequately as this have the tendency to breed a team of highly engaged employees in organizations.

Empirical studies have also indicated that employee engagement enhances employees’ productivity [39], [40], [21].

P.Employee Retention

This simply refers to organizations ability to make employees to stay and want to work with them always; that is, business/firm’s effort to create a suitable working environment so as to support its employees to remain within the company.

It has been argued that, employees who with high level of engagement are more likely to stay or stick to their firms as compared to employees who remain disengaged to any duties [21].

Most of the policies pertaining to employee retention focuses on meeting the different needs of workers so as to create a team of employees that are satisfied with their job. This in turn will make them stay and consequently enable the organization to cut down the cost involved in sourcing out as well as hiring/training new staff. A report by Blessing White in 2008 cited in Robertson-Smith [21] revealed that 85% of engaged employees plan on sticking around compared to 27% of disengaged employees. The report further revealed that among the engaged employees, 41% of them plan to stay with their organization even when the organization is in distress.

Q.Advocates of the Organization

Advocacy techniques differ from one organization to another but the central theme is to promote the corporate image of the organization and that of its products. Advocates therefore project the image of their organization through their action during interaction with the public, the type of services rendered and even their after work attention given to

disengaged employees who might not be contributing to the effective attainment of organizational goals.

Such types of employees are said to advocate their organizations as a place to work and actively promote the products and services offered by the organization [21]. On the other hand, disengaged employees, also referred to as ‘corporate terrorists’ actually discourage others from joining the organizations in which they work [21].

R.Customer Loyalty

This term comes into being when it was observed that people and/or customers patronizes a particular shop or continuously purchases a particular product, rather than switching to other shops or decided to switch to another company’s product [37]. As such, when customers constantly purchase a certain product or brand over an extended period of time, then they are said to have portrayed and/or exhibited the characteristics of customer loyalty.

Customer loyalty results from engaged employees who are able to deliver the organizations products and services beyond the customer’s expectation. Employees who are happy with their work are more likely to create loyal customers than those who are not [21]. Engaged employees tend to have a better understanding of how to create engaged customers. As a result Levinson (2007) cited in Roberson-Smith [21] stated that, in organizations where highly engaged employees sell to engaged customers, customer loyalty, repeat purchases and recommendations to friends are double that of companies with average employee engagement.

S.Organizational Commitment

The term is borrowed from organizational behavior and industrial and organizational psychology. Within these disciplines, organizational commitment is used to refer to the level of psychological attachment exhibited by individuals to the organization in which they work. Employee retention, work performance, and *organizational citizenship behavior* are affected by the level of *organizational commitment*.

Organizational commitment embraces a strong belief and acceptance of the goals and values of the organization; a willingness to exert considerable efforts on behalf of the organization; and a strong desire to continue working with the organization [41]. Organizational commitment as a multi-dimensional construct is said to be of three types [42]. The first is affective commitment which refers to employee’s emotional attachment towards their organization; the second type is continuance commitment which is the degree to which an employee stays with the *organization* because he/she believe that he/she have to stay; and thirdly, the normative commitment which refers to the moral obligation to remain with the organization [43], [42]. Of the three types of organizational commitment, it has been shown that, affective commitment holds the most potential benefit for organizations, because it directly influences how employees perform their jobs and reciprocates with engagement in supportive working environment [43].

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