

Employee Engagement: A Competitive Advantage for Organizations

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Abstract

The purpose of this paper is to make a contribution to employee engagement theory by considering the evolution of employee engagement and the role employee engagement plays in employee performance. This paper highlights theoretical connections between employee engagement and employees performance. The article discusses linkages between engagement and employee performance which suggests research potential for employee engagement discipline. The paper encourages organizations to consider employee engagement as ways of improving competitive advantage. This conceptual paper provides an overview of employee engagement literature with a novel contribution identifying evolutionary waves in the development of the concept. It highlights the basic importance as well as strategies for improving employee engagement concept, and the paper concludes that employee engagement is a multi-faceted and dynamic concept which can be influenced an employee's emotional countenance.

Keywords: Employee engagement, employee performance, personal engagement, personal disengagement

I. INTRODUCTION

Employee engagement is a work place approach designed to encourage or motivate employees to add additional effort at work. Put differently, employee engagement illustrates the commitment and energy employees' exhibit at work. This energy, when channelled positively, is a key indicator of employees' involvement and dedication to the organization.

In the last two decades there has been momentous transformation in the philosophy as well as cultures of many organizations. This shift in organizational culture occurred as a result of economic and global change and the need for organizations to meet up with contemporary happenings. Employees are now more valued and treated better, and recognition of the impact employees have on business success is becoming very noticeable. In view of that, most organisations attempt to craft out an employee engagement culture and environment that improves performance output.

Over the past few years, the interest in the concept of employee engagement from both

academics and consultants firms has grown. This is because; research on employee engagement has argued that improving an employee's engagement level directly correlates with improve performance on the part of employees which is ultimately central to organisational goal realisation (MacLeod & Clarke, 2009, p. 10; Truss et al., 2013, p. 1; Byrne, 2014). Similarly, other study within employee engagement framework claimed that, quality employee engagement program execution, contribute extensively to organisational performance, leading to improvements in quality of service, customer satisfaction, long-term financial results as well as superior had-working employees (Mercer, 2007, p. 1; Bulent et al., 2013). On the other hand, employee disengagement has been found to be fundamental to the absence of commitment and motivation (Akouf, 1992).

Having thoroughly reviewed studies on employee engagement, the key problem associated with employee engagement concept remains, conflicting research findings associated with the concept. MacLeod & Clarke, (2009, p. 9) in view of the above issue concluded that there are over 50 classifications or definitions of employee engagement as of 2009. These representations have to a greater extent contributed to the misperception over the precise meaning of employee engagement.

This conceptual paper aims is to offer an overview of employee engagement concept, with a view of highlighting employee engagement strategies that improve employee's performance as well as, its implication to the organization

II. LITERATURE REVIEW

Kahn's ethnographic study on employee engagement and disengagement was the first qualitative research done in this area. Consequently, the historical development of the construct 'employee engagement' can arguably be traced to Kahn (1990). Kahn's finding on the employee engagement concept is still relevant and plays an important part in most engagement literature. The term, developed by Kahn to interpret Goffman's (1961) three-dimensional job functionality is personal engagement. Thus the conceptual framework in Kahn's work was then developed as personal engagement and disengagement (Welch, 2011).

III. PERSONAL ENGAGEMENT

Personal engagement is the instantaneous service and presence of an employee's preferred self while at work. Put differently, it consists of an employee's physical, cognitive, and emotional personality geared towards work to activate full role performance (Kahn, 1990, p. 700). The overall indication behind Kahn's personal engagement description is that engaged employees are more productive, content, and more likely to be loyal to the organization. Put otherwise, engaged employees, given an appropriate atmosphere, invest personal liveliness into physical, emotional and intellectual aspects of their lives in order to fulfil the role as well as organizational goals.

IV. PERSONAL DISENGAGEMENT

However, personal disengagement is the immediate pulling out and defence of a person's preferred personality in activities that encourage a lack of connection, fostering physical, cognitive, and emotional absence (Kahn, 1990, p. 701). Disengaged employees are known to exhibit imperfect task performances and are effortless, habitual or robotic. Furthermore, it means the extrication of one's self from role performance or an employee's suppression of his/her energetic personality in discharging a task. This idea is also in agreement with Maslach (1982), who referred to personal disengagement as exhaustion. Goffman (1961) called it detachment or effortlessness in performing a duty. Hackman and Oldham (1980) referred to it as to hide one's true identity during role performance. Kahn (1990) went further and stressed that, for employees to be fully engaged with their work, they have to employ and express themselves "physically, cognitively, and emotionally during role performances".

The cognitive characteristic associated with employee engagement, as Kahn explained, concerns employees' beliefs about the administration of the organisation, its leaders and working conditions. In other words, employees will give their best to any organisation when they have trust and belief in the efficiency of their leaders and a conducive and encouraging atmosphere is provided in their work place. The physical phase of employee engagement concerns the physical energies put in by employees to realise their task at work, while the emotional aspect concerns how employees feel about each of the three factors and whether they have positive or negative attitudes toward the organisation and its leaders. Thus, according to Kahn (1990), engagement means to be psychologically as well as physically present when occupying and performing an additional organisational role.

Kahn's research further suggested that an engaged employee, when performing a task, requires three psychological engagement conditions: meaningfulness (work elements), how profitable it is

and how enjoyable or satisfying the work is; safety (social elements, including management style, process and organisational norms) and finally, availability (individual distractions). These three determining factors can arguably be associated with Hackman and Oldman's (1980) three psychological motivational conditions that influence or motivate employees during role performance. However, Kahn's and Hackman and Oldman's psychological workplace conditions are debatable.

V. PSYCHOLOGICAL MEANINGFULNESS

Psychological meaningfulness is the sense of belonging; it is a feeling of appreciation for a job well done. Schwartz (2012) argued that feeling legitimately appreciated encourages people to give their best and, at the most basic level, it makes employees feel safe. Employees experience such a feeling when they feel worthwhile, useful and valuable, as though their input to the organisation is recognised and not taken for granted. To that effect, Frank et al (1992) argued that the individual has a primary motivation to seek meaning in his/her job. Aktouf (1992) put forward the argument that lack of meaning in one's work can lead to alienation or disengagement from work. Thomas (2009, p. 50) highlighted that meaningfulness in a job is the opportunity an employee has to follow a worthy purpose. The emotion that comes with meaningfulness in a job allows employees to recognise that they are on the right path as well being in a job that is worth their time and energy.

May et al. (2004) found that if employees are treated with dignity, respect and valued for their contributions in the organisation, they are more likely to be inspired and obtain a feeling of meaningfulness. Kahn's (1990) research revealed a connection between personal engagement and psychological meaningfulness and maintained that the characteristics of one's job (job enrichment) could influence the amount of meaningfulness an employee experiences at work. He argued that people asked themselves one fundamental question in each role situation: how meaningful is it for me to bring myself into this performance? The answer to such question is what creates engagement in most employees.

VI. PSYCHOLOGICAL SAFETY

Psychological safety is qualified as being competent enough to demonstrate and portray one's personality devoid of the fear of the negative consequences to self-esteem, position or career. Individuals feel secure in circumstances they believe would do no harm to their personal high-performing employees

Because of the vibrant, versatile nature of contemporary jobs, in the current work environment, achieving an increase in performance frequently

entails less management of performance than facilitation of performance (Das, 2003), by creating the conditions for performance to improve.

An all-inclusive approach to performance enhancement undoubtedly requires control systems and the 'management' of performance in order to, for example, coordinate cascading goals (Pulakos, 2009). Nevertheless, the required outputs of knowledge-based economies are less agreeable to control by supervisors.

VII. EMPLOYEE ENGAGEMENT AND IMPROVED PERFORMANCE

In the recent business growing economy, it is no secret that having top performing employees is crucial for growth and continued business existence. Trained engaged employees not only drive performance, but increase originality and productivity as well as reducing cost of hiring and retention in a highly globalised market.

Aon Hewitt's (2016) global engagement survey indicated that companies with elevated levels of engagement (65% or greater) outperform the total stock market index and posted total shareholder returns 22% higher than the average in 2015. However, companies with low engagement (45% or less) had a total shareholder return that was 28% lower than the average.

The concept of performance management has been extensively researched and has been hypothesised to play a vital part in organisational effectiveness (Cardy, 2004). The theoretical argument in favour of employee performance is that it is a fundamental means through which tasks are accomplished and ought to be a priority of managers (Lawler, 2008). Nonetheless, previous research has shown that only a few employees actually believe that their organisations' performance system assists them in improving their performance (Pulakos, 2009). But employee engagement has over the years proven to be a fundamental source of organizational performance. The employees' level of engagement ought to be the concern of every business, since employee engagement correlates with performance, as established by numerous studies. Even more significantly, there is proof that improving engagement correlates with improving performance (Gruman & Saks, 2011).

Though a lot of study has been done linking engagement and performance, considerations of how to promote engagement as a desirable outcome of the performance management process remains a fantasy and represents a significant but untested development in the performance management literature (Sparrow, 2008). Studying employee engagement in the performance management process may well foster performance enhancement further than be realisable through a conservative focus on performance itself. As noted by Banks and May (1999, cited in

Gruman & Saks, 2011), the conventional approach to performance appraisal is appropriate for stable jobs in which work procedures are practical and easily observable. Nonetheless, contemporary jobs are much less static (Singh, 2008). Currently, the description of a job and what characterises high-quality performance is more variable (Fletcher & Perry, 2001). Fletcher and Perry (2001) argued that the multidimensional and dynamic characteristics of performance are best explained by the evolution of concepts, such as emotional intelligence (Goleman, 1998) and the difference between task and contextual performance (Borman & Motowilo, 1993). To this list can be effectively added the concepts of creativity (Tierney & Farmer, 2002) and proactivity (Bateman & Crant, 1993; Grant & Ashford, 2008), which represent outcomes associated with behavioural engagement (Macey et al., 2009).

A lot of research has been carried out linking employee engagement to improved performance. Mone and London (2010) argued that if an organisation designs their performance management programme to align with employee engagement programmes, a higher level of performance can be expected from the employees. Along these lines, Gruman and Saks (2011, p. 3) argued that a performance management processes will be improved by concentrating on employee engagement as a proximal outcome and a fundamental determinant of job performance.

Employee engagement is arguably a recent idea; as a result, factors that lead to engagement might not be the same as those that lead to other traditional employee outcomes, for example, that of job satisfaction and organisational commitment and employee performance (Macey et al., 2009)

A closer look at employee engagement within the performance management practices may perhaps promote performance improvement beyond that achievable through a conventional focus on performance itself (Banks & May 1999). Schaufeli and Salanova (2007, p. 150) argued that engagement is 'essential' for modern organisations given the many challenges they face. Macey et al. (2009), in the same line of argument, claimed that organisations can increase their competitive advantage and performance through employee engagement. A few other scholars supported the notion and argue: "Employee engagement is a key driver of individual feelings, behaviour, and performance as well as productivity, retention, financial performance, and even Shareholder return" (Bates, 2004; Baumruk, 2004; Harter et al., 2002; Richman, 2006).

The notion of engagement as a psychological construct is the widespread perception in most academic research studies. The consequences of employee engagement are very important given that both theoretical and empirical studies to date across different industries have found a variety of performance-based outcomes of engagement. Bakker

et al. (2004) studied Dutch companies and claimed that engagement is associated with both in-role and extra-role performance. Research conducted by Schaufeli et al. (2006) and Halbesleben and Wheeler (2008) in a US multi-sector survey, found comparable results for in-role performance and turnover intention. Harter et al. (2002) used a statistical approach to study 8,000 firms across different industries in 36 companies. Their study found that engagement is crucial for employee performance. Further inquiry by Salanova et al. (2005) found that engagement also has a relationship with business unit performance and with customer satisfaction in service sectors. Xanthopoulou et al. (2009) established a link between the work engagement of restaurant employees and objective daily financial returns. Engagement is also related to safe working by employees in a meta-analysis of 203 separate samples (Nahrgang et al., 2011).

Furthermore, in a different performance-engagement related study, Towers Perrin conducted a more universal-based study in 2006 which integrated information obtained from an employee's perception-based research. The study sample included over 664,000 employees from more than 50 companies around the world, representing a variety of industries and firms of different sizes. It was a comparative study that evaluated the financial performance of organisations with highly engaged employees to their colleagues with a less engaged workforce. The research was conducted over a 12-month period. The findings corresponded to most of the other employee engagement performance-based surveys. The result established a significant difference in bottom-line results in companies with highly engaged employees when compared with companies with low levels of employee engagement (Gruman & Saks, 2011, p. 25). A most noticeable detail was the 52% gap in performance enhancement in operational income over the year, between companies with highly engaged employees versus companies whose employees had low engagement scores. The organisations with high levels of employee engagement were 19.2% higher in operational income, while companies with low levels of employee engagement decreased 32.7% over the study period. Comparably, Standard Chartered Bank in 2007 reported that branches with a statistically significant increase in levels of employee engagement (0.2 or more on a scale of 5) had a 16% higher profit margin growth than branches with decreased levels of employee engagement (Gruman & Saks, 2011, p. 27). Arguing in favour of the Gruman and Saks (2011), Schaufeli and Salanova (2007, p. 156) claimed that engagement is "essential for contemporary organizations given the many challenges they face" and Macey et al. (2009) argued that numerous writers have sung the praises of engagement as a key driver of individual attitudes, behaviour, organisational performance, productivity, retention, financial performance and even shareholder return (Bates,

2004; Baumruk, 2004; Harter et al., 2002; Richman, 2006).

Despite the above claims, it is important to note that changes in places of work, such as decentralisation, a lack of direct experience and an increasing proportion of knowledge workers make it harder for supervisors to manage the performance of others, regardless of how engaged they are (Fletcher & Perry, 2001). Pulakos et al. (2008, cited in Gruman & Saks, p. 124) noted that it is "tricky to manage and set objectives for employees in economies dominated by knowledge- and service-intensive jobs because such work is more varied and subtle". Therefore, contemporary performance management procedures must, consequently, also focus on the creation of conditions for the engagement of knowledge workers in order to facilitate the type of enhanced performance desired in advanced economies. In other words, contemporary performance management is, to a great extent, about managing the context in which performance occurs as it is about managing performance itself. The overall notion was articulated over 30 years ago by Miller (1977) who believed that getting a better idea of the productivity of knowledge workers requires a focus on the environment in which work is completed. Salanova et al.'s (2005) study claimed that the probable reason why engagement has been linked to employee performance is the mediating mechanism of the service climate. What this means is that, as a result of high engagement level by employees, energy is injected into interactions with customers and this may lead to a spill-over effect onto colleagues, leading to a more engaged place of work generally. This may also be why engagement might have an effect on performance outcomes in health care.

VIII. EMPLOYEES' ENGAGEMENT STRATEGIES/PERFORMANCE ENHANCERS

The above theoretical arguments have possibly supported the notion of how important employee engagement is related to employee performance. However, the strategies below describes more in-depth solutions to employee engagement/performance outputs

A. The right managers

Rationality is arguably a product of positive output. A rational and extroverted manager understands that the failure and success of the organization depends on the managerial capability of its top management. Arguably, a functional manager is a rational person, and cares about its employee wellbeing, make effort to understand the strength and weaknesses of the workforce under his supervision. This leads to empowerment of employees which becomes a taproot to employee engagement success

B. Employee empowerment

Due to the ever-changing global economy, authoritarian method of leadership is becoming less popular and effective. The modern concept of work requires employees who are creative, articulate and most importantly flexible and all the above variables can only be achieved if employees are empowered to think outside their daily working guidelines. An informal work setting allows managers and employees respectively to identify barriers to engagement and opportunity to effect positive change

C. Effectively apply the right employee engagement survey

As mentioned in the literature review, there are more than 50 conceptualizations of employee engagement, both by practitioners and scholars. Therefore the major question is 'how do organizations know which findings to apply? The solution is simple. The best employee engagement survey as opined by the current researcher is to understand your employee's needs, strengths, weaknesses and wants. Organizational culture differs from one organization to the other, as a result what engages company A, might not necessarily engage company B. For this reason, Employee engagement survey will, and only as effective as the parent company where the research is carried out.

D. Focus on employee engagement

Effective change is arguably efficient when it starts from the top management. For employee engagement to become part of an organizational culture, managers, supervisors and directors must lead the way. Employees will become more effectively engaged when their superiors are seen making efforts

IX. CONCLUSION

It is clear that employee engagement, although termed as an emerging concept, has a lot of connections to individual and organisational performance and correlations with other constructs. It has also developed into top business precedence for senior management. The overall notion of both concepts is that when organisations work hard to put together highly engaged personnel, the resultant output will be employees who are exceedingly engaged. Comparable to the scientific theory of cause and effect which hypothesised that there are no actions that happen by chance, it is apparent that all things were caused by something physical or mental (Bergman et al., 2004). In this case, both mental and physical energies of employees, when directed positively, lead to high performance.

The influx of different research findings has made it more difficult to understand the actual meaning of employee engagement, however, after assessing most of the engagement definitions and

measurements, what constitute an engaged employee is hard to tell. Likewise, Fletcher and Robinson (2014) stated that the validity of most employee engagement research is questionable, because it has been found that employee engagement fluctuates with time; as a result, an employee's level of engagement will change, depending on the situation and condition of an employee's mind-set. This idea is rooted on Kahn (1990) description of engagement which states "The harnessing of organisational members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances" Kahn (1990, p. 694). The problem however, is if employee engagement fluctuates depending on an employee's physical, cognitive, and emotional situations, and becomes disengagement when all the above three variables are absent, then employee engagement should not be considered as a concept that enhances business performance due to the dynamic and changeable nature of human beings.

X. RECOMMENDATIONS

Employee engagement is arguably a new concept, so it's not startling if some employees have not indeed grasped the concept. For this reason, it is recommended that seminars and conferences should be held on the topic for employees. It will also be a good idea if employee engagement is discussed on a weekly basis within the organization.

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