

A Study on Role of Employee Engagement in Organizational Performance and Individual Well Being

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Abstract

An engaged employee is one who is taking the interest in the organizational work and showing initiative in the benefit of organization. Employee Engagement has been a topic of study from many years. Many researchers in the past tried to associate it with many topics of organization and individual interest. This study is an attempt to find out the relationship of employee engagement with Organizational Performance and Individual Well-being on the basis of existing literature and research. Organizational Performance can be defined as the total of organizational outcomes while Individual Well-being is, doing the welfare of individual employee. The study is theoretical and concept based in nature. The study resulted into a significant relationship between Employee Engagement and Organizational Performance; Employee Engagement and Individual Well Being. The results were also supported with previous research findings.

Key Words: Individual well-being, Employees, Performance, Success

Introduction

There is a paradigm shift in human resource and management practices from job satisfaction, job selection, selection and recruitment process, to employee engagement and employee involvement. Employee engagement is relatively new. In organizations every individual is accountable for his or her own engagement; anyone with direct reports must coach team members to higher levels of engagement and manage his or her own engagement; and executives

set the tone for high morale and motivation plus shoulder the responsibilities of individuals and managers.

Employee engagement is the level of commitment and involvement an employee has towards their organization and its values. Engagement at work was conceptualized by Kahn, (1990) as the ‘harnessing of organizational members’ selves to their work roles. In engagement, people employ and express themselves physically, cognitively, and emotionally during role performances.

There are various distinctive HR researches that are often repeated all through the research of HRM. However, what types of performance that these HR practices, or systems of them, are measured against varies. Financial/ market performance, operational performance and employee attitude & behavior. These are three categories of the performance which are frequently used in the research field. However, there is also a more subjective side to the financial and market performance data in the research field of HRM and performance – that is perceived organizational performance, which is often utilized in those instances when objective data is difficult obtain. Specific examples of financial and market performance are return on assets, return on equity, revenue, market share, and market value. In this study the main objective of this research is to examine how the employee engagement influences the performance of organization and individual well being.

OBJECTIVE OF THE STUDY

1. To understand the concept of employee engagement, organizational performance and individual well-being.
2. To study the relationship between employee engagement, organizational performance and individual well-being.

Review of Literature

Nidan (2016) conducted an exploratory study on employee engagement, employee productivity and motivational level in employee. This research was conducted in India and the retail outlets are the base of studies. Employee engagement was the independent variable and the dependent variables were employee productivity and motivational level. The sample size of the study was 500 but research was taken ahead with 380. The questionnaire was self-designed, the factors on the basis of which questionnaire was constructed were Motivation, performance and commitment. The major findings of the researcher were that there exists relationship between all the three as employee engagement increases all other also increases. Other than that it is also said that employee engagement also depends upon the working environment of the company if it is positive everything will be as per organizations choice.

Markos and Sridevi (2010) also developed a conceptual paper on employee engagement, job satisfaction, employee commitment and organizational citizenship behavior. Many scholars suggested that if any organization wants to develop itself i.e. its performance than it has to keep an eye over engagement of their employees. If the employees are more engaged with organization then they will be emotionally close to the organization and they will try to strive the goals of the organization. In the paper the scholars have suggested ten tablets i.e. ten points through which the organization may have engaged employees few are as follows: start it on the day one, start it from the top, enhance employee engagement through two way communication, give satisfactory opportunities for development and advancement, ensure employees have everything that they need to perform their job, give employees appropriate training and so on. Even though the literature of the paper suggests that the employee engagement and organizational performance outcome are closely linked with each other. If the employees are highly engaged then it will have low level of turnover and high level of performance.

Chandani et al. (2016) developed a conceptual paper on employee engagement. This paper has variables under study were engagement, retention, performance and organization. The authors suggested that if organization wants an engaged employees then they must use different strategies to make the employee engaged like for new employees' induction program, for old

employees training sessions. By creating meaning to the job the employee feels satisfied and becomes engaged in his work.

Devi (2017) in her study on evaluated the relationship between employee engagement and organizational performance. Questionnaire was filled by 150 employees of private bank at Jammu, India. In this paper scholar found that there is a significant relationship between both the variables and those employees were highly engaged, performed in the best way they can and in return organizational performance also improved. Due to high level of engagement the organizations were ahead of their competitors in profit. So the scholar draw a conclusion over there that if an employee is highly engaged than his/her productivity will increase, due to which the organization performance will also improve.

Kazimoto (2016), also conducted similar study on employee engagement and organizational performance in retail enterprises. In this paper the researcher want to study the factors of employee engagement and performance of organization and the relationship between employee engagement and organizational performance based on non-financial factor. This research was conducted at retailing enterprises in Wobulenzi- Luweero City, Uganda. Using purposive sampling technique 120 participants were selected from 20 retail outlets and convincing sampling technique was used to select 6 participants from each group. Karl Pearson's correlation method was used to ascertain the relationship between both the variables. The study reveals that there is a positive relationship found between job satisfaction and employee engagement.

Albrecht (2012), conducted a research on employee well-being, employee engagement, employee behavior and commitment. This research was conducted in Australia and Asia. The employees were from large mining industry where total respondents were 4,182 within which only 3,515 were usable questionnaires. Correlation and two tailed t-test was used to ascertain the relationship between employee engagement, commitment, well-being and behavior. The results stated that all are associated with each other positively. Each variable has its impact on another.

Bakker (2011) gave a work engagement model. Through this model the researcher wants to suggest that if the employees are physically, cognitively and emotionally attached with their work they won't quit rather they perform better than that of prior. Even if an individual is well engaged they will try to attain their goals and by which the performance of the organization all increases. So here the model of work engagement proves to be true if an employee is satisfied and do job crafting but always try to achieve the goal then the organization will productivity and performance will increase.

Taris and Schaufeli gave a theoretical and conceptual overview in their paper "Individual well-being and performance at work" according to their overview they are correlated with each other if well-being increases than the performance also increases. In their paper Grant et.al (2007) if the person wishes to increase both performance and well-being then they must check out all the long term consequences.

Shmailan(2016) worked on the relationship between job satisfaction, job performance and employee engagement: an explorative study. The objective was to find factor influencing employee satisfaction and performance and to define the correlation between job satisfaction and performance and employee engagement. The study is exploratory in nature and methodology used in this paper is based on review of literature. The researcher found out that employee satisfaction has a direct link to employee engagement and employee engagement can vary country to country. The author also added that poor employee engagement can cause problem to organization as lower down the profits, poor customer service.

Sibanda, muchen and ncube(2014) worked on employee engagement and organizational performance in a public sector organization in Zimbabwe. The objective was to find out how employee engagement may be used to unlock organizational performance. The public sector organization Zim-PSO was used for research. The sample of 50 was taken as 16 interviews were conducted for managerial employees and questionnaire was distributed to remaining 34 non-managerial employees. They found out that if employee engagement is influenced by the problems of an organization then it will ultimately affect their performance.

Simha and vardhan(2015) worked on enhancing “performance and retention” through employee engagement. The objective of the study was to know the relation between employee engagement and performance. The researchers found out that employee engagement drives performance by customer loyalty, productivity, safety and profitability. Further they added that engaged employees are not likely to quit their jobs and are more focused and care about the job.

Harter,et.al(2012) conducted a study on the relationship between engagement at work and organizational outcomes. The objective of the study was to check the relationship and the consistency of the employee engagement and performance. The data was collected through 263 research studies and 192 organizations in 49 industries and 34 countries. They applied hunter-schmidt meta-analysis method to estimate the true relationship between employee engagement and performance. They found out high consistency across the relationship between employee engagement and the performance at the business level.

Karina, Paauwe & Veldhoven (2011), suggested that employee well-being is connected with organizational performance. Objective of this study was to examine the role of employee well-being. They focused on the previous quantitative studies of employee well-being and related variables. Almost 36 studies were included in this research from 1995 to May 2010.

Employee engagement is critical issue, in today’s competitive business environment employee engagement is main focus of each organization to improve the performance and productivity. Andrew & Sofian (2012), tried to add in the existing concept of employee engagement. This study involved 104 HR officers of Malaysia. Statistics used by the researcher was t-test and multiple regression to find out the factors of employee engagement. After analyzing the data author finds that co-employees are major factor that influence employee engagement and performance.

Employee engagement in organization will be maximum on the point when employees and employers both have good working environment and they satisfied by the environment and organizations are providing the benefits to both. Suresh, Manivannan and Krishnaraj (2015),

assured that employees are emotionally attached to their work and job, which increases the employee engagement and improve the organizational performance. Authors gave their suggestion about employee engagement and performance on the basis of existing literature in the field of employee engagement.

Anitha (2013), focused on the concept of employee engagement and impact of employee engagement on the performances of employees. To understand the concept and to find out the impact researcher conducted causal study with the sample size of 700 in the area of Coimbatore and focused on the small industries. Data was analyzed through the regression and structural equation modelling was used to find out the relationship between employee engagement and employee performance. The main finding of study were employee engagement has impact on the performance of employees and this relationship was mediated by the work-environment, relationship with employers and co-workers.

Taris & Schreurs (2009), said that if employees are happy it will have positive impact on the productive work. This study represents a large-scale organizational level test for happy productive employee hypothesis, and assumes that if individual well-being is high then individual performance will also high, which improves the overall organizational performance. Data for the study was collected from the 66 Dutch home care organization, and regression analysis were used to examine the relationship. The results showed that improving well-being not only improves the performance of employees but it also have positive impact on organization and their stakeholders.

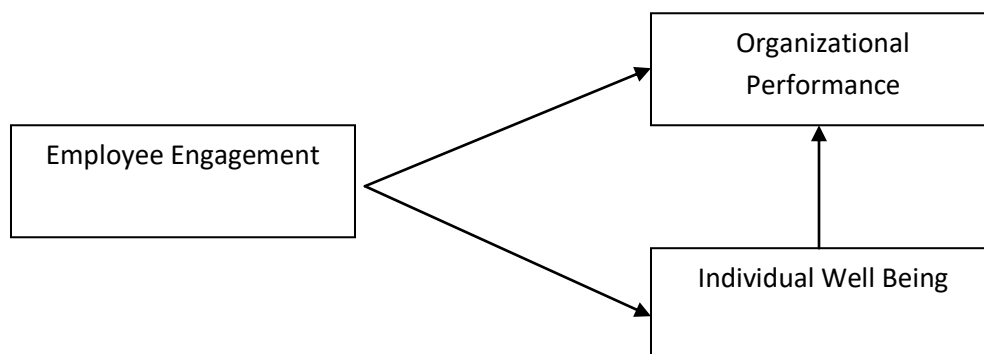
Bhuvanaiah & Raya (2014), their study aims to describe the concept of engagement, and to explain positive things related with engagement. The past literature on the employee engagement showed that employee engagement fulfills the requirement of organization on individual as well as organizational level. Employee will engage with the organization if work is meaningful and challenging for them, they have freedom to take their own decisions, opportunity for career advancement should be there, all of these will improve employee engagement and well-being of employees. To improve the employee engagement, management should take care of few things

like, work-environment, provide appropriate resources to the employees, continuous guiding should be there so that employees has clear idea about their work and role in the organization.

FINDING

Employee engagement has play an important role in today's continuous changing business world. Employee engagement is used by organization to build their organization stronger and retain their talented employees. Employee engagement contributes towards better performance. On the basis of past research and literature, it is found that employee are key factor towards the growth of the organization. It is required for the organization to engage their employees in the organization by provide them challenging and innovative task and activities which increase the level of employee engagement. Employee engagement increase the motivation level of employee and they feel as a part of organization which automatically lead to higher organizational performance. Employee engagement also leads to individual well-being which initiate the good organizational performance. Employee engagement is an approach which make managers to capable from which they focus each and every employee separately which improve individual well-being and create a cordial relationship between the management and employee at individual, group as well as organizational level.

Figure No. 1: Following is the proposed model



Employee engagement leads to organizational performance as well as individual well-being, whereas individual well-being indirectly also relation to improved organizational performance.

Conclusion

Employee engagement has been a much discussed concept but contributes towards better performance. Individuals well-being, though similar sounding concept yet it has a different perspective. The research indicates that employee engagement enhances organizational performance and well-being significantly. It was also found that Individual Well-being is significantly influencing the Organizational Performance. Though high level of engagement requires commitment that may result in to poor well-being but the sense of performing better improves well-beingsignificantly. Hence a balanced approach of managing both employee engagement and well-being may result in to better performances. Organization need to give emphasis on improving the employee engagement. More an employee is engaged, more he would focus on the organizational objectives. Organisation also has to focus on employee welfare and must provide all the benefits to the employee. These practices will definitely lead the organizational performance towards the higher degree.

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