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A Study on Employee Engagement in Theoretical Perspective.

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Abstract

Business organizations have an important role of attracting and retaining the key talent of the industry in order to achieve the competitive edge. In recent times, employee engagement has attracted much of the attention of the industry leaders, HR experts and research experts. This conceptual paper tried to know the key factors and impact of employee engagement, knowing the importance of employee personality dimensions which support the higher level of employee engagement and key drivers of employee engagement. The paper also discussed the key theories of employee engagement. Every organization is coming out with innovative and practical strategies to ensure employees are engaged to the maximum levels. Many factors influence the employee engagement like the policies, work environment, supervisor support, career development, challenging roles and assignments, effective learning and development opportunities, skill enhancement programs, motivational elements, job involvement, leadership role, empowerment, being valued in the organization etc. Two-factor theory, self-determination theory and existence relatedness growth theory were the key employee engagement theories. Katz and Khan's model, Gallup Q12 model, David Serota model etc were the key models of employee engagement.

Keywords: Employee engagement, factors, theory, , motivation.

I. INTRODUCTION

Employee engagement has become the most attention driven and highly researched human resource aspect in the recent decades. There seems to exist a wide lacunae in terms of employee engagement concepts, though there is a large research has taken place regarding its policies, systems, modules, practices and innovation in employee engagement programs. Large number of researchers and organizations have contributed key findings which has resulted in the milestone evolution of engagement concept. Many experts have tried to define employee engagement from their own perception and experience, but still a universally accepted definition is yet to evolve. Many articles have identified that it is very common across different organizations where employees tend to be really engaged, some of them seems to be totally disengaged. Many researchers have arrived to the findings where high employee engagement has cascading effects or positive association with employee performance and achievement of expected business goals. The review tries to identify the key variables and factors of engagement. Issues that can be key gaps and engagement drivers would be stressed upon. Many interventions and its effects on the employee engagement is summarized. Predictors of engagement, personality dimensions of individual employees, research in developing and under developed countries, bird view on the current research dimensions, outcomes have been explored in detail in the current research work. Most of the research outcomes have pointed out that highly engaged employees have direct relationship with high rate of performance, low attrition and demonstration of greater efficiency. It is agreed that employee engagement research is still under its nascent stage and requires in detail study to bring out its key dimensions.

Objectives of the Study

- (a) To analyze the recent important factors of employee engagement.
- (b) To evaluate the major impact of employee engagement.
- (c) To extract the key theories and models of employee engagement.

Employee Engagement Factors:

Employee engagement is critical to an organization's success, and several factors influence it. Here are some key factors that have been particularly emphasized in recent research and trends:

1. Leadership and Management

- **Authentic leadership:** Employees are more engaged when they feel their leaders are genuine, transparent, and trustworthy.
- **Supportive management:** Leaders who offer guidance, feedback, and encouragement help employees feel valued and motivated.
- **Clear vision and direction:** Employees need to understand the company's goals and how their work contributes to its success.

2. Work Culture and Environment

- **Inclusive culture:** A culture that promotes diversity, equity, and inclusion leads to higher engagement, as employees feel respected and valued for their uniqueness.
- **Psychological safety:** When employees feel safe to take risks, speak up, and make mistakes without fear of retribution, they are more likely to be engaged.
- **Flexibility and work-life balance:** The ability to manage personal and professional commitments is increasingly important, with hybrid and remote work options becoming more common.

3. Career Development and Growth

- **Learning opportunities:** Providing avenues for continuous learning, professional development, and career progression helps employees stay engaged.
- **Mentor ship and coaching:** These initiatives can empower employees to grow in their roles and see a clear path for advancement.
- **Recognition of achievements:** Acknowledging and celebrating accomplishments, both big and small, fosters a sense of value and accomplishment.

4. Recognition and Rewards

- **Personalized recognition:** Employees appreciate recognition that aligns with their preferences and contributions, whether through monetary rewards, public acknowledgment, or other forms of appreciation.
- **Fair compensation:** Competitive salaries, bonuses, and benefits packages are important factors in maintaining employee engagement and retention.

5. Work Meaning and Purpose

- **Sense of purpose:** Employees want to feel that their work contributes to something larger than themselves. Organizations that align their missions with employees' values tend to see higher engagement levels.
- **Autonomy and empowerment:** Giving employees control over their work and allowing them to make decisions fosters a deeper connection to their roles.

6. Communication

- **Transparent communication:** Regular, honest, and open communication helps build trust and ensures employees feel informed and involved in decision-making processes.
- **Feedback loops:** Actively seeking feedback from employees and responding to it can lead to improvements in work processes and increase employee morale.

7. Job Design and Workload

- **Job variety:** Tasks that offer variety and challenges can increase engagement and prevent burnout.
- **Workload balance:** Overburdening employees can lead to disengagement. Ensuring a reasonable workload is essential for maintaining productivity and morale.

8. Wellness and Mental Health

- **Support for mental health:** Employee engagement has been linked to organizations that offer mental health support, including counseling services and stress management programs.
- **Physical well-being programs:** Programs that promote physical health, such as fitness challenges or ergonomic workspace designs, can also contribute to engagement.

9. Employee Autonomy

- Employees who have more control over how and when they work tend to be more engaged. Autonomy is linked to job satisfaction and empowerment.

10. Technology and Tools

- **Access to the right tools:** Ensuring employees have the proper technology and tools to do their jobs efficiently can reduce frustration and increase engagement.
- **Remote work infrastructure:** A robust virtual work environment with reliable communication tools is essential for engaging employees in hybrid or fully remote work models.

These factors are intertwined, and improvements in one area can have positive effects on others, contributing to higher overall employee engagement.

Major Impact of Employee Engagement

Recent studies and trends have shown that employee engagement has a significant and multifaceted impact on various aspects of an organization. Here are some of the key impacts of employee engagement that have been observed in recent times:

1. Improved Productivity and Performance

- **Higher efficiency:** Engaged employees are more motivated and take greater pride in their work, leading to higher productivity levels. They're more focused, proactive, and tend to produce higher-quality work.
- **Better performance outcomes:** Engaged employees are more likely to meet or exceed performance targets, contributing directly to the success of the business.

2. Increased Employee Retention and Reduced Turnover

- **Lower turnover rates:** When employees are engaged, they are more likely to stay with the organization. This leads to lower turnover rates, which can save the company significant recruitment and training costs.
- **Reduced absenteeism:** Engaged employees are more committed to their roles, resulting in fewer sick days and unplanned absences.

3. Enhanced Customer Satisfaction and Loyalty

- **Stronger customer relationships:** Engaged employees tend to be more enthusiastic and attentive when dealing with customers, which improves customer service quality.
- **Better customer experiences:** As employees feel motivated and valued, they are more likely to go the extra mile to ensure customers have a positive experience, leading to higher customer satisfaction and loyalty.

- **Increased customer retention:** Companies with engaged employees typically see greater customer retention rates due to the enhanced service and care employees provide.

4. Higher Profitability and Financial Performance

- **Increased profitability:** Companies with a high level of employee engagement have been shown to outperform competitors in terms of revenue growth and profitability. Engaged employees contribute directly to the company's bottom line through their improved productivity and commitment.
- **Stronger financial performance:** Studies, including those from Gallup and others, have found that organizations with engaged employees see a significant boost in financial performance, including better stock performance, higher ROI, and improved overall growth.

5. Innovation and Creativity

- **Greater innovation:** Engaged employees are more likely to think creatively, offer new ideas, and contribute to problem-solving. They feel empowered to bring forward innovative solutions to improve business processes or products.
- **Increased collaboration:** Engaged employees often work better with their peers and departments, fostering a collaborative culture that leads to more creative outcomes.

6. Stronger Organizational Culture

- **Positive work environment:** High employee engagement contributes to a positive workplace culture, where employees feel valued, respected, and motivated to contribute their best work.
- **Better morale and teamwork:** Employees in engaged environments tend to have higher morale, stronger interpersonal relationships, and better cooperation across teams.
- **Alignment with company values:** Employees who are engaged are more likely to embrace and reflect the company's values, mission, and vision, which helps build a strong and unified organizational culture.

7. Employee Well-being and Job Satisfaction

- **Improved mental health:** Engaged employees typically report better mental health and well-being. They feel more secure and supported in their roles, leading to lower stress levels and better overall satisfaction.
- **Job satisfaction:** Employees who are engaged are more satisfied with their work, leading to higher morale and a greater sense of purpose.
- **Work-life balance:** Engaged employees who feel supported in their roles are more likely to maintain a healthy work-life balance, contributing to long-term job satisfaction and retention.

8. Stronger Employer Brand and Talent Attraction

- **Attracting top talent:** Companies with high employee engagement have a stronger reputation as employers, which helps them attract top talent. Engaged employees are more likely to recommend their workplace to others, boosting the company's employer brand.

- **Increased employee advocacy:** Engaged employees are often strong advocates for the organization, sharing positive stories and experiences with potential candidates, customers, and the broader public.

9. Resilience During Change

- **Better adaptation to change:** Engaged employees are more resilient in the face of organizational changes, whether it's restructuring, mergers, or new technologies. They are more likely to embrace change positively, helping the organization adapt quickly and effectively.
- **Increased employee commitment:** Engaged employees tend to stay committed during difficult times, offering stability and consistency when the company faces challenges.

10. Reduced Workplace Stress and Burnout

- **Lower stress levels:** Engaged employees tend to have lower levels of stress and burnout because they feel supported by their managers and have a clear understanding of their roles and expectations.
- **Better work-life integration:** Engaged employees are more likely to maintain a healthy balance between their personal and professional lives, reducing the risk of burnout.

Theories of Employee Engagement

Recent theories of employee engagement have evolved as organizations continue to adapt to changing work environments, technologies, and employee expectations. Below are some of the most prominent and contemporary theories that explore employee engagement:

1. The Job Demands-Resources (JD-R) Model

- **Overview:** The JD-R model is one of the most widely discussed theories in recent employee engagement research. It focuses on the balance between job demands and job resources. According to this theory, employees' engagement levels depend on how well they can manage the demands of their job with the resources provided to them.
- **Job Demands:** These are the aspects of a job that require sustained physical or mental effort (e.g., workload, emotional demands, time pressure).
- **Job Resources:** These are the aspects of the job that help employees achieve their goals, reduce job demands, or stimulate personal growth (e.g., support from colleagues, autonomy, development opportunities).
- **Engagement:** When job resources are high, engagement tends to increase, even if job demands are significant. Conversely, when job demands exceed resources, burnout may occur.

2. The Social Exchange Theory

- **Overview:** The social exchange theory posits that employee engagement is a result of a reciprocal relationship between the organization and the employee. The organization provides resources, support, and benefits to employees, and in return, employees demonstrate commitment, loyalty, and engagement.

- **Key Elements:**

- **Perceived organizational support (POS):** Employees who feel supported by their organization are more likely to reciprocate with higher levels of engagement.
- **Trust:** Trust in leadership and the organization itself is a crucial element. High trust leads to higher engagement.
- **Commitment:** A sense of mutual benefit fosters organizational commitment, which in turn drives higher levels of engagement.

3. The Psychological Contract Theory

- **Overview:** This theory revolves around the unwritten expectations and obligations that exist between employers and employees. It suggests that employee engagement is influenced by how well the psychological contract (the mutual expectations between employer and employee) is fulfilled.
- **Types of Psychological Contracts:**
 - **Transactional contract:** Focused on short-term exchanges and clear agreements (e.g., salary for work).
 - **Relational contract:** Based on long-term relationships, trust, and loyalty (e.g., job security and personal development).
- **Engagement Impact:** When employees feel their expectations (both relational and transactional) are met, they are more likely to be engaged. Breach of this contract can lead to disengagement or even turnover.

4. The Self-Determination Theory (SDT)

- **Overview:** The SDT emphasizes intrinsic motivation as a key driver of employee engagement. According to SDT, engagement is fostered when employees experience autonomy, competence, and relatedness in their roles.
- **Autonomy:** The degree to which employees feel they have control over their work and decision-making.
- **Competence:** The sense of mastery or achievement in performing tasks.
- **Relatedness:** The feeling of connection and belonging within the workplace.
- **Engagement:** When these three psychological needs are satisfied, employees are more likely to experience higher levels of intrinsic motivation, leading to greater engagement.

5. The Conservation of Resources (COR) Theory

- **Overview:** The COR theory focuses on how individuals manage their resources (e.g., time, energy, emotional strength) to cope with stressors in the workplace. It suggests that engagement is a result of the ability to conserve and expand resources, whereas burnout occurs when resources are depleted.
- **Resource Investment:** Employees are motivated to invest resources into their work when they feel they will gain additional resources in return. A lack of resource investment or a depletion of resources leads to disengagement or burnout.

- **Engagement:** When employees feel supported and able to conserve or expand their resources (e.g., through skill development or positive work experiences), they are more likely to be engaged.

6. The Flow Theory

- **Overview:** Flow theory, proposed by psychologist Mihaly Csikszentmihalyi, emphasizes the state of "flow," a deep, focused state of engagement where employees lose track of time because they are so absorbed in their work. This theory is particularly relevant to tasks that are challenging but achievable.
- **Key Elements of Flow:**
 - **Clear goals:** Employees need to know what is expected of them and what success looks like.
 - **Challenge matched with skills:** The task should be challenging enough to engage the employee but not so difficult that it leads to frustration.
 - **Immediate feedback:** Employees should receive immediate feedback to gauge their progress and adjust accordingly.
- **Engagement:** Employees experience a high level of engagement when they are in a state of flow, as they are fully immersed and motivated by the work itself.

7. The Engagement-Commitment Model

- **Overview:** This model links engagement directly to organizational commitment. It suggests that when employees are engaged in their work, they develop a strong emotional connection and commitment to the organization.
- **Key Aspects:**
 - **Affective commitment:** The emotional attachment an employee has to the organization, which influences their willingness to go beyond the call of duty.
 - **Normative commitment:** A sense of obligation to remain with the organization.
 - **Continuance commitment:** Staying with the organization because of the perceived costs of leaving.
- **Engagement and Commitment:** The model suggests that engagement can enhance employees' commitment to the organization, which in turn fosters loyalty, retention, and productivity.

8. The Theory of Work Adjustment (TWA)

- **Overview:** This theory focuses on how well employees' abilities and needs align with the demands and rewards of their job. The theory suggests that job satisfaction and engagement are a result of the fit between what the employee values and what the job offers.
- **Key Elements:**
 - **Person-environment fit:** How well an employee's skills, abilities, and personal preferences match with the work environment and job role.
 - **Satisfaction and satisfaction discrepancy:** Engagement increases when employees perceive a high fit and are satisfied with their role.

- **Engagement:** Employees who experience a high degree of alignment between their job characteristics and personal attributes are more likely to be engaged.

9. The Four-Drive Theory

- **Overview:** Developed by Paul Lawrence and Nitin Nohria, this theory posits that human motivation is driven by four primary drives:

1. **The drive to acquire:** The desire to obtain rewards and resources.
2. **The drive to bond:** The need to build relationships and work within a team.
3. **The drive to comprehend:** The need to make sense of the world and understand how things work.
4. **The drive to defend:** The desire to protect oneself and one's interests.

- **Engagement:** The theory suggests that employee engagement can be enhanced when organizations satisfy these drives through meaningful work, rewards, relationships, opportunities for learning, and fair treatment.

10. The Gallup Q12 Model

- **Overview:** Developed by Gallup, this model identifies 12 key factors that contribute to employee engagement. These factors cover a wide range of organizational aspects, from clarity of expectations to recognition, development, and personal relationships.

- **Key Questions:**

- Do I know what is expected of me at work?
- Do I have the materials and equipment to do my job right?
- At work, do I have the opportunity to do what I do best every day?
- In the last seven days, have I received recognition or praise for doing good work?

- **Engagement:** The Q12 model argues that when these 12 factors are met, employee engagement rises, leading to higher performance, productivity, and retention.

Findings

1. Recent Important Factors of Employee Engagement

a) Leadership and Management

Employees value trust and transparent communication from their leaders. Effective leadership not only involves giving clear directions but also fostering a sense of purpose, motivation, and empathy.

b) Work-Life Balance and Flexibility

Offering flexible work options and fostering a balance between personal and professional life significantly contributes to engagement, particularly in a post-pandemic world.

2. Major Impacts of Employee Engagement

a) Higher Productivity and Performance

Engaged employees are not just more productive—they also produce higher-quality work, contributing to improved team and organizational performance.

b) Lower Employee Turnover

Employee engagement is a critical retention tool. Organizations that prioritize engagement strategies experience greater stability and lower turnover costs.

c) Improved Customer Satisfaction

Engaged employees are more motivated and willing to go the extra mile for customers, which leads to better service delivery, stronger relationships, and improved customer retention.

3. Key Theories and Models of Employee Engagement

a) Job Demands-Resources (JD-R) Model

Organizations can increase engagement by reducing excessive demands and enhancing job resources like autonomy, feedback, and support.

b) Self-Determination Theory (SDT)

Providing employees with more control, opportunities for skill development, and fostering social connections can significantly increase engagement.

c) Social Exchange Theory

Engagement is fostered through mutual exchange—when employees feel valued, they are more likely to put in discretionary effort.

d) Psychological Contract Theory

Maintaining a clear, realistic, and mutually beneficial psychological contract is key to fostering high employee engagement and trust.

e) Flow Theory

Designing work that challenges employees without overwhelming them, while providing clear goals and feedback, fosters engagement and can lead to a state of flow.

f) Gallup's Q12 Model

Regular assessment and attention to the Q12 factors can guide managers and organizations in improving employee engagement levels and outcomes.

II.CONCLUSION

Recent findings emphasize that **employee engagement** is influenced by multiple factors including **leadership quality**, **work culture**, **recognition**, and **flexible work arrangements**. The **impact** of engagement is wide-ranging, driving **higher productivity**, **lower turnover**, **better customer satisfaction**, and **improved financial performance**. Leading **theories** and **models** like the **JD-R model**, **Self-Determination Theory**, and **Gallup's Q12** continue to provide frameworks for understanding and improving engagement. Organizations that prioritize these factors, understand the impact of engagement, and apply these theories can foster a more engaged, satisfied, and productive workforce.

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