RE-THINKING EMPLOYEE ENGAGEMENT:
WHAT IT MEANS AND WHY IT MATTERS

by

ASHLEY DIANNE HURD

Honors Thesis

Appalachian State University

Submitted to the Department of Management
and The Honors College
in partial fulfillment of the requirements for the degree of

Bachelor of Science

May 2014

Approved by:

_____
Jacqueline Z. Bergman, Ph.D., Thesis Director

_____
Timothy J. Huelsman, Ph.D., Reader

_____
Joseph A. Cazier, Ph.D., College of Business Honors Director

_____
Leslie Sargent Jones, Ph.D., Director, The Honors College

ABSTRACT

Employee engagement is a relatively new term in today's academic business literature. The original concept of employee engagement proposed that individuals have the decision to leverage or not leverage their personal selves in the work roles that they perform. Although employee engagement is a concept that has been discussed at great length in the current literature, there remains confusion and a lack of clarity on the true meaning of the concept and how it can be practically applied and assessed in the workplace. This study assessed the current literature on employee engagement and attempted to provide a clear, literature-based definition of employee engagement while also considering the importance of outcomes from engagement, the concept of disengagement, and the role that culture plays in creating an engaged work environment.

ACKNOWLEDGEMENTS

This thesis has been a valuable challenge that could not have been completed without the help, support, and encouragement from many people in my life. First, I must thank Dr. Jacqui Bergman for her positive attitude, excitement, and constant guidance throughout the progression of brainstorming, outlining, writing, and reviewing this thesis. Dr. Bergman is a beacon of light who has shared her personal, practical, and relevant life experiences throughout the entire process, which has greatly impacted the completion of and my personal dedication to this thesis. I would also like to thank all of my professors in the Department of Management for their wisdom and care throughout my undergraduate education. Much of what I learned in my Management courses led to the inspiration for the topic and I am grateful to have received such a well-rounded business education. Finally, I would like to thank my family for their constant support throughout my undergraduate education and Steven Austin for his listening ear as I wrestled with how to best apply my knowledge to this essay. Writing this thesis has been an invaluable experience and I plan to apply my knowledge from this study as I begin my career in Human Resources. Thank you all for the poignant role that you each have played in the creation of this impactful project.

TABLE OF CONTENTS

INTRODUCTION

When searching Google for the term "employee engagement," a staggering 54.7 million results appear. In business today, it is rare to have a conversation about workplace dynamics or the ever increasing competitive environment without mention of employee engagement. The concept of employee engagement was first introduced by William Kahn in 1990, and defined as "the behaviors by which people bring in or leave out their personal selves during work role performances" (Kahn, 1990, p. 694). Since that time, however, employee engagement has become a concept that yields great conversation and yet much lack of understanding.

Most of the conversation about employee engagement is occurring between two groups: the practitioners and the academics (Shuck, Reio, & Rocco, 2011). These two groups have competing and inconsistent opinions regarding the nature of employee engagement and its importance to organizations (Macey & Schneider, 2008). Currently, there is much disagreement that exists in the literature regarding the true definition of employee engagement. Much of the varied understanding regarding employee engagement is related to a disconnect between its theoretical meaning and how it can be practically applied to organizations today. To put it simply, there is a debate regarding the nature of the term employee engagement and its relevance to business. The mainly academic side of the argument believes that employee engagement is a concept that has already been defined by existing workplace attitudes such as job satisfaction or work motivation (e.g., Harrison & Newman, 2013). The opposing argument that has been espoused by both academics and practitioners states that employee engagement is actually its own term with a distinct

definition, practical application, and the ability to be tangibly measured (e.g., Shuck et al., 2011).

This study will attempt to bridge the gap between the practitioner and the academic models of engagement in order to better understand the relevance of employee engagement to business. In addition, this study will also address the unspoken debate (noted above) that has hindered progress on the development of the concept of employee engagement. Based on a review of the current literature, this study explores the concept of employee engagement by discussing:

I.   *The outcomes of employee engagement*

II.   *The concept of disengagement*

III. *A new definition of employee engagement*

IV.   *The impact of culture on employee engagement*

In recognition of the fact that employee engagement means nothing if it cannot be practically applied, this study attempts to provide a better understanding of what employee engagement is and why organizations should care.

OUTCOMES

Why should organizations care about employee engagement? What is it about this hot-button term that has so many employers fired up? In a rapidly growing competitive economy, organizations have the opportunity to leverage employee engagement in order to succeed over their competitors. Simply put, high levels of employee engagement have been found to be directly related to measurable business outcomes. As a result of a thorough review of the employee engagement literature, it appears that employee engagement may be

most directly correlated to the business outcomes of intention to turnover, discretionary effort, and productivity-profitability.

Intention to Turnover

Intention to turnover is the most widely researched and cited outcome related to employee engagement. Voluntary turnover is essential to understanding engagement for two distinct reasons. First, turnover epitomizes an employee's complete withdrawal (disengagement) from the organization. Second, turnover is one of the most costly outcomes an organization can incur (Wollard, 2011). The loss of employees is not only the loss of the workforce; it is the loss of knowledge, training, expertise, culture, and leadership. In 2011, the average voluntary turnover rate was 9%, a staggering statistic that has continually cost U.S. businesses millions of dollars each year (Jacobs, 2012). It is estimated that the cost of one individual leaving an organization can range from 30 to 200% of the lost employee's salary (Herman, Olivo, & Gioia, 2003). Research on employee turnover has led to the discovery that an employee's intention to turnover is a powerful predictor of that employee's future behavior. An individual's *intention* to turnover is more predictive and empirically linked to actual turnover than workplace satisfaction or commitment (Shuck et al., 2011). The relevance of *intention* to turnover is essential in understanding the relation between employee engagement and turnover. If employees spend their time at work thinking about leaving their job, it is inherent that their work will reflect their detachment from the necessary tasks at hand. The more those employees detach from their jobs, the more they disengage from the workplace. Employees who do not feel engaged with their work and believe that their work is not meaningful, may develop feelings of isolation and rejection

(Shuck et al., 2011). Such feelings, if not addressed, may eventually lead the employee to leave the organization.

Discretionary Effort

Although there has been much research on the relationship between employee engagement and turnover, little research has been conducted on the relationship between employee engagement and the performance-related outcome variable of discretionary effort (Shuck et al., 2011). Discretionary effort in the workplace is the employee's willingness to go above minimal job responsibilities, and is the direct result of an employee feeling as though their work matters and adds value to the organization (Lloyd, 2008). This outcome is valuable to organizations because it acknowledges that employees have an awareness of the tasks that need to be addressed and are willing to go above and beyond to succeed in completing such tasks. In a correlational study, it was found that employee engagement was significantly related to discretionary effort (Shuck et al., 2011), and leadership appears to be essential in fostering an environment where employees put forth discretionary effort (Wang & Hsieh, 2013). Authentic leadership has the ability to positively impact employee attitudes, behaviors, work outcomes, job commitment, creativity, engagement and organizational citizenship behaviors (Wang & Hsieh, 2013). The relevance of leadership to employee engagement will be discussed further in Section IV.

Productivity and Profitability

For-profit organizations must make a profit in order to survive. Thus, significant effort must be aimed toward the goal of profitability. If having engaged employees detracts from that goal, there is no need for businesses to care about employee engagement. However, since the inception of the employee engagement concept, much research has

focused on the positive correlation between employee engagement and productivity and/or profitability. Hewitt Associates LLC, "have established a conclusive, compelling relationship between engagement and profitability through higher productivity, sales, customer satisfaction, and employee retention" (Hewitt Associates LLC, 2005, p. 1). High levels of employee engagement are associated with increased return on assets, higher earnings per employee, higher performance, greater sales growth, and lower absenteeism (Xu & Thomas, 2011). It has been found that revenues in organizations with high levels of engagement can be as much as 40% higher than in those with low levels of engagement (Wollard, 2011). In addition to this, revenue per employee is significantly higher in companies with employees who value their organization (Wollard, 2011). These financial benefits from employee engagement may be incentive enough to urge organizations to create an engaging environment, and this point illustrates the dynamic two-way relationship between employee and employer that can drastically be impacted by an engaging work environment.

The verdict is in on employee engagement and it has been shown that the relationship between employee engagement and intention to turnover, discretionary effort and productivity/profitability is clearly linked. The impact of employee engagement on important organizational outcomes provides further stimulation as to why businesses today should care about engaging their employees.

DISENGAGEMENT

Another way to explore the concept of employee engagement is to examine the construct of disengagement. To some, disengagement is the opposite or absence of engagement (Kahn, 1990). Other researchers argue that disengagement is operationalized in

the established workplace concept of burnout (Wollard, 2011). However, disengagement distinguishes itself from the concept of burnout in a variety of ways. The purpose of this section is to examine how researchers conceptualize disengagement and to pose a different way of thinking about the construct, as I argue that disengagement is in fact its own concept apart from engagement and is not best operationalized as the opposite of engagement. To further our understanding of employee engagement, it may help to understand what disengagement is in relation to engagement, how it manifests itself in the workplace, and how disengagement differs from burnout.

When thinking about engagement, it is important to distinguish the difference between employees who are not engaged and employees who are disengaged. An employee who is not engaged simply does not apply their personal abilities to go beyond in a given task (this is often unconscious) (Wollard, 2011). This employee can appear to be meeting standards in relation to their job description, but is not actively engaged with the work they perform on a daily basis—these are "bare minimum" employees. In contrast, an employee who is disengaged is one who makes a conscious decision to not apply their talents in order to go beyond in a given task. The conscious nature of choosing to disengage should be concerning to employers because the behaviors that manifest from this disengaged state of mind are often counterproductive toward the goals of the organization.

It is estimated that less than 30% of those who work report even partial engagement with their job (Chalofsky, 2010). In a business world saturated with the concept of employee engagement and the importance of employees creating substantive identities in their organizations, research would suggest that the majority of employees in today's workforce are not engaged to some extent. The lack of engagement is concerning to organizations who

are trying to create engaged cultures, but often, it is hard to distinguish what an engaged employee looks like. When thinking about engagement and disengagement, it is important to recognize that these are not "either, or" concepts. It is certainly possible for an employee to be engaged with one aspect of their job, while being disengaged or not engaged with another. This reality then poses the question of what an engaged, not engaged, and/or disengaged employee looks like.

Disengagement is characterized by "the disconnection of individuals from their work roles in order to protect themselves physically, mentally and/or emotionally from real or perceived threats in the workplace" (Wollard, 2011, p. 528). This disconnect can manifest itself through a variety of visible actions or emotions. Many organizations fail to recognize that people's work experiences are highly emotional, and disengagement often comes from the negative emotions that an employee experiences within the work environment (Maitlis & Ozcelik, 2004). Thus, disengagement is best understood as an emotionally driven decision rather than the simple absence of engagement. Disengagement leads to behaviors that put emotional, physical, and mental distance between the worker and their work, peers, and organization (Wollard, 2011).

Although disengagement is characterized as an internal process, there are clear external indicators that disengaged individual's often exhibit. As previously stated, contrasting views exist within the literature in regards to disengagement. Kahn described that disengaged employees tend to withdrawal emotionally, possess a lack of energy for work, and become uninvolved and uncaring about the people and tasks that they encounter on a daily basis (Kahn, 1990). Kahn's view would hold that disengagement is the opposite of

engagement while Wollard would assert that disengagement is its own concept apart from engagement.

Disengaged employees can be personified in terms of their motivation toward work tasks. Disengaged employees develop a sense of "amotivation," whereby they are present as required in events or meetings, but they are effectively absent by focusing their attention elsewhere (MacCormick, Dery, & Kolb, 2012). In addition to amotivation, many disengaged workers participate in the concept of "controlled motivation" in which they cognitively choose to not engage beyond certain parameters (MacCormick et al., 2012). These internal and external motivational acts may provide organizational leaders with an understanding of what the beginning stages of engaged or disengaged behaviors look like.

According to Wollard (2011), the process of disengagement tends to follow a typical pattern. At first onset, the employee becomes cognitively disengaged and begins to focus on what is not working and attempts to correct the problem. They adopt "performance protection strategies" and put forth mental energy in order to try and find solutions to lower their increasing unhappiness in the workplace (Schaufeli & Bakker, 2004, p. 297). These employees are often forced to weigh the options of addressing the reason for their discontentment with their job or leave the position (Wollard, 2011). If the stress in the workplace continues, the emotional aspect of dissatisfaction begins to dominate the situation. Employees in this emotional passive/coping state often feel fatigue, irritability, anger, and frustration which begin to drain their energy and drive for performance (Wollard, 2011). This emotional stage may lead to the outcome of "I don't care," in which the employee cognitively decides not to engage further within their position and has possibly become cynical. If the negative emotions and cognitive cynicism are left unaddressed, the employee

12

seeks an outlet for their frustration and moves from a passive coping mode to full behavioral disengagement. In the final stage, the employee will often adopt methods and strategies in order to protect themselves from harm. Most often, the ultimate action of protection for the individual is turnover. "Employees who cannot find a way to feel competent and committed and who finally realize that things aren't going to change, finally quit" (Wollard, 2011, p. 531). Turnover, therefore, is the ultimate form of disengagement in the workplace.

There has been little research on disengagement, and one reason may be that many researchers believe disengagement has already been defined in the concept of burnout (Schaufeli, 2013). Burnout is a term used to describe a person who is mentally weary (Wollard, 2011). When an employee has reached burnout, they no longer have the mental, physical, or emotional capacity to put forth effort toward a given work task. Burnout has been linked to "emotional exhaustion, depersonalization, a lack of personal accomplishment, a failure of organizational supports, and both escapist and control coping strategies" (Wollard, 2011). Disengagement is a process that happens slowly over time as an individual cognitively and then emotionally withdrawals from their work. In contrast, burnout is a final and static state of mind in which an employee can no longer exude mental, emotional, or behavioral effort toward their job. It is important to understand the difference between disengagement and burnout because this difference is one that reflects time and process. Disengagement is a moment to moment decision that an employee makes to withdraw from a particular work task. While burnout is a final state of being "checked out" in which the employee no longer desires or cares to interact with the work environment.

It is important that researchers and practitioners of the employee engagement concept make an effort to understand disengagement. Like engagement, disengagement in the

workplace has clear connections to measurable work-related outcomes. The nature of

disengagement is emotionally rooted and this should be especially concerning to

organizations because of the invisible nature of emotions. Employers have the ability to see

tangible representations of engaged or disengaged actions either behaviorally or mentally.

However, when employees reach a state of emotional disengagement, they seek an outlet for

their frustration, helplessness, anger, resentment, and some even wish to get even (Wollard,

2011). It is in this state of mind that employees are apt to take tangible action against the

organization in order to "right the wrong" that they perceive. As disengagement takes hold

of the employee, it can be assumed that their job satisfaction decreases also (Wollard, 2011).

The connection and difference between employee engagement and job satisfaction will be

discussed later in this study, but the relevance of job satisfaction is particularly clear when

looking at disengagement. It is speculated that only 45% of US employees say that they are

satisfied with their jobs (Wollard, 2011).

This state of dissatisfaction can lead to behaviors such as employee theft, fraud,

deviance, absenteeism, and criminal activity (Wollard, 2011). It is estimated that

occupational fraud and abuse cost companies 5% of their revenues each year which amounts

to an average of $160,000 annually (Wollard, 2011). Occupational fraud can be divided into

two subcategories—property and production deviance. Property deviance is visible deviant

behavior such as theft, discounts, falsifying records, or material compensation. Production

deviance impacts the actual processes within the organization and can be seen in time theft,

absenteeism, breaks, leaving early, or spending work time on personal matters. Both

property and production deviance are linked to hundreds of billions of dollars in losses each

year and may account for as much as 30% of small business failures (Wollard, 2011). These

statistics suggest that disengaged employees are not only unproductive, but they have the ability to sink an organization if not re-engaged.

Understanding disengagement may help to further highlight the importance and relevance that employee engagement has for organizations today. As discussed previously, disengagement leads to many of the outcomes that organizations constantly seek to avoid. By looking for manifestations of disengaged behavior at work, organizations are able to encourage and incentivize behavior that is the different from clearly distinguishable disengaged actions. Furthermore, it is the nature of business to look for solutions to problems rather than observe and reward what is going well. By understanding disengagement, workplace leaders can take action to address potentially detrimental disengaged behaviors, and by doing so, strive to build a more engaged workforce.

WHAT IS EMPLOYEE ENGAGEMENT?

Thus far, we have established that engagement matters to organizations because of its relation to important workplace outcomes. In addition to this, we also now understand disengagement, a term which helps to continue to build knowledge of the concept. Now, the question to answer is what is engagement? There are many definitions of employee engagement that exist within the business literature today. While it is helpful that such an array of researchers have addressed the concept of employee engagement, the lack of an accepted definition of the term yields great confusion over its true value and application. Macey and Schneider (2008), in their comprehensive review of engagement, discuss this confusion:

"The lack of precision in the engagement concept does not imply that the

concept lacks conceptual or practical utility. However, the concept would be

more useful were it to be framed as a model that simultaneously embraces the

psychological state and the behavior it implies" (Macey & Schneider, 2008, p.

3)

A thorough review of the literature suggests that the main problem in regards to employee

engagement is the lack of a working definition of the term that can be applied by both

practitioners and academics. In this section, I attempt to integrate the current literature and

provide a definition of employee engagement that reflects our current knowledge.

The Current Literature on Employee Engagement

A review of the literature suggests there are two distinctly divided groups in terms of

how employee engagement is conceptualized. One group believes that the concept of

employee engagement is a new term that encapsulates its own definition in the workplace

(e.g., Shuck et al., 2011). Another group argues that employee engagement has already been

defined by a variety of existing workplace attitudes (e.g., Harrison & Newman, 2013). The

argument that I present is that employee engagement is a distinct concept with nuances

unaddressed by the already existing workplace motivation and attitude literature. In this

section, I examine our current understanding of existing essential job-related attitudes while

attempting to concisely articulate a unique, applicable, and relevant definition of employee

engagement.

To first understand engagement, it is important to understand the root of the concept

and how it came to be defined in workplace literature. Kahn's research has provided the

most essential framework from which to explore employee engagement. The concept of

16

employee engagement was originally coined as "personal engagement" by Kahn in 1990. In the original definition, Kahn explained that personal engagement and personal disengagement "refer to the behaviors by which people bring in or leave out their personal selves during work role performances" (Kahn, 1990, p. 694). As the concept of employee engagement has adapted, this initial definition has been adopted in much of the contemporary literature, as many researchers believe that engagement occurs when employees feel that they can leverage their individual strengths and weaknesses in order to most effectively engage with their work environment (Xu & Thomas, 2011). Kahn stated that, "in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances" (Kahn, 1990, p. 694). In addition to this, Kahn (1990) explained that employees harness the conditional states of psychological safety, availability, and meaningfulness in order to achieve emotional, behavioral, and cognitive engagement in their work roles. Kahn's division of the cognitive, physical, and emotional aspects of engagement has led practitioners and academics alike to seek to better understand how these three aspects interact within the workplace.

Employee Engagement and Other Job Attitudes

When conversations occur regarding engagement, the questions typically include, "How do we engage our workforce?" or "What does engagement look like?" However, these are broad questions whose answers require the existence of a clear definition and understanding of employee engagement. Unfortunately, after reviewing the literature, it appears that such a definition and understanding does not yet exist.

Thus, the need for a clear definition is pressing, and this must include a distinction between employee engagement and other work-related attitudes. Here, I attempt to

differentiate the quite subtle differences between engagement and other job attitudes, primarily arguing that employee engagement may be best conceptualized as a temporary state that fluctuates in response to the numerous internal and external factors that may influence an employee at any given time.

As previously mentioned, there are two sides to the debate regarding employee engagement. On one side, researchers believe that employee engagement is no different from the already understood workplace attitudes currently being studied. On the other side, researchers believe that employee engagement is in fact its own distinct term that can be practically applied and understood.

There are a plethora of job-related attitudes that have been established and examined in business and academia (e.g., job satisfaction, organizational commitment, job involvement, etc.). It is often difficult to distinguish these job-related attitudes from one another as they often have similar roots and are interconnected to one another (Shuck et al., 2011). The task of distinguishing already known job-related attitudes from employee engagement poses an even more difficult challenge as many argue that employee engagement is no different from other job-related attitudes. Additionally, those who believe that employee engagement is in fact an umbrella term for a variety of job attitudes, have claimed that the encompassing nature of engagement makes it difficult to link the concept with specific performance outcomes (Saks, 2006). It is not difficult to argue that the main reason employee engagement remains vague in the workplace literature is because of the lack of a clear distinction between engagement and other job-related attitudes. Throughout the literature, employee engagement is most commonly associated with the job-related attitudes of organizational commitment, job involvement, and job satisfaction (Harrison & Newman,

2013). Thus, the purpose here is to attempt to concretely define these common job-related attitudes and distinguish them from the employee engagement concept.

Organizational commitment. Organizational commitment is understood as a person's attachment to or attitude toward an organization and is often characterized as the same as employee engagement (Harrison & Newman, 2013). Employee engagement and organizational commitment are similar in that they both measure a level of attachment directed toward work (Harrison & Newman, 2013). However, these concepts differ because organizational commitment refers to an overall attitude of contentment with the organization that remains relatively stable over time. Organizational commitment is made up of three different dimensions: continuance, normative, and affective (Meyer, Allen, & Smith, 1993). Continuance commitment derives itself from the perceived economic or monetary value of remaining with an organization. Normative commitment is a feeling of obligation to remain with a company for moral or ethical reasons. Affective commitment is an emotional attachment to the company and underlying belief in its values. Employers who are trying to achieve organizational commitment from their employees are most interesting in the affective component because of the emotional attachment that underlies the concept. It has been proven that employees who have high levels of affective commitment are more likely to stay with an organizational for a longer amount of time because of the sustaining nature of the concept (Meyer et al., 1993). In contrast to affective commitment, employee engagement is a state of being that constantly changes based on a variety of variables in and outside of the workplace. For instance, an employee can be engaged toward one task, while disengaging from another. With respect to commitment, however, it is unlikely that an employee would have high organizational commitment one day, and low organizational commitment the next.

19

Organizational commitment remains relatively stable over time while engagement can fluctuate quite easily based on situational variables (Harrison & Newman, 2013).

When thinking about organizational commitment, it is best to envision an employee who has a positive attachment to the company as a whole. For example, an employee with high organizational commitment is dedicated to individual workplace tasks because of their attachment toward the company. In contrast, an employee who is engaged with individual workplace tasks chooses to engage because they desire to put forth personal behavioral, emotional, and cognitive resources in order to perform at a high level. An employee can have high organizational commitment and yet be disengaged because of their conscious or unconscious decision to not actively participate and engage in the day-to-day tasks of the job. This distinction is made clear when thinking about the many employees who have positive affect toward their workplace, yet they do not intentionally engage with the tasks that the job regularly demands.

Job involvement. Job involvement is the degree to which a person psychologically relates to his/her job (Cooper-Hakim & Viswesvaran, 2005). Engagement is similar to job involvement in that engagement involves a cognitive or psychological aspect. Like job involvement, the more engaged an employee becomes in their job, the more the employee will desire to psychologically identify with their position. Job involvement is distinguishable from engagement because of the solely psychological aspect that is seen between the individual and the job that they are assigned. In engagement, the psychological relationship can be observed on the *task* level of day-to-day duties; while in job involvement, the psychological relationship can be seen on the broader *role* level in terms of how a person relates to their given title or position within the organization. Job involvement has a solely

cognitive focus in nature in that it asserts a judgment about the personal relation to one's job (Shuck, Ghosh, Zigarmi, & Nimon, 2012). This cognitive focus contrasts to employee engagement because an engaged worker relates to their position not only on a cognitive level, but also through emotional and physical experiences in the workplace (Shuck et al., 2012).

Job satisfaction. Job satisfaction is defined as a favorable evaluation of one's work role (Smith, Kendall, & Hulin, 1969). Similar to organizational commitment and job involvement, job satisfaction is also a static work-related attitude that remains relatively stable over time. In contrast, engagement is constantly changing based on the surrounding environment. A person who has high job satisfaction is a person who has reached a relatively stable state of contentment with their job. For purposes of this article, job satisfaction will be described generally in broad terms that do not address the many facets of job satisfaction that exist. Satisfaction within ones job does not readily or quickly change based on other variables. Engagement differs from job satisfaction because engagement focuses on the individual tasks of a job, rather than an overarching contentment with one's work position. Engagement involves "passion and commitment—the willingness to invest oneself and expend one's discretionary effort to help the employer succeed" (Erickson, 2005, p. 14). While satisfaction connotes fulfillment, engagement connotes, "urgency, focus, and intensity" (Macey, Schneider, & Barbera, 2009, p. 40). This urgency, focus and intensity describe how engagement relates to day-to-day tasks within a work role, rather than an overall feeling of satisfaction with one's job.

Defining Employee Engagement

Employee engagement distinguishes itself from other job-related attitudes through its application as a motivational and transitory state variable. Organizational commitment, job

involvement, and job satisfaction may appear to be the same as employee engagement until the motivational and state nature of employee engagement is brought to light. The motivational nature of employee engagement means that employees who are engaged possess an intrinsic desire to perform highly on daily work tasks. This idea was previously examined in the earlier discussion regarding the outcome of discretionary effort. Discretionary effort in the workplace is the employee's willingness to go above minimal job responsibilities, and is the direct result of an employee feeling as though their work matters and adds value to the organization (Lloyd, 2008). This outcome is valuable to organizations because it acknowledges that employees have an awareness of the tasks that need to be addressed and are motivated to go above and beyond to succeed in completing such tasks. Motivation relates to engagement because engagement is a task-to-task decision to perform at a high level. It is impossible for an employee to be engaged with their job in the absence of motivation toward the work task. In addition to this, motivation underlies the extent to which employees choose to allocate their cognitive, emotional and physical resources in order to impact the level at which they perform (Rich, Lepine, & Crawford, 2010). Shuck et al. (2010) explains it best:

> "The simultaneous investment of cognitive, affective and physical energies into performance-related outcomes represents something distinct and fundamental, differentiating engagement from other potentially related variables… Employee engagement is much more than what we see employees do; it is rather how employees experience and interpret the context around them and then accordingly behave" (Shuck et al., 2011, p. 15, Rich et al., 2010).

Employee engagement is different from existing workplace attitudes because the nature of

attitudes is that they are affective and employ a predominantly emotional backing.

Engagement encapsulates not only the emotional aspect, but also the cognitive and

behavioral aspects of workplace motivation simultaneously. Employee engagement goes

beyond the preexisting job-related attitudes because it leverages motivational energies

applied toward the work-task environment (Rich et al., 2010).

It is important to think about employee engagement in terms of the immediate work

tasks that an employee performs on a daily basis. Many definitions of employee engagement

fail to address the task-related nature of the concept and how it applies to everyday

occurrences in the workplace. This is supported by findings that the two main characteristics

that underlie employee engagement are the intensity of focus on the task and the decision an

employee makes to invest personal resources toward the task (Christian, Garza, & Slaughter,

2011). The term employee engagement incorporates perceptions of the work environment.

Employees engage because they are dedicated toward the task at hand. Macey and Schneider

explain it well, "Although the task is central, it is the degree to which the person can

implement his or her preferred self in the work that is key" (Macey & Schneider, 2005, p.

21). Perceptions of the work environment underlie job-related attitudes such as

organizational commitment or job satisfaction because these attitudes are overarching and

incorporate feelings toward the workplace as a whole. An engaged employee chooses to

engage because they feel their personal resources add value to the overall organization.

Engagement most aptly applies to the immediate work an employee performs. From

this immediate work, employers are able to "see" engagement through behavioral outcomes

(Shuck et al., 2012). When professionals understand the motivational nature of employee

engagement and consider that the construct is best applied to individual work tasks during the work day, employee engagement then becomes a much more tangible concept that can be leveraged and monitored in the workplace.

Each time that an employee is faced with a work task, a cognitive and emotional appraisal takes place within the individual that places value on the situation and directly determines the behavioral action the worker chooses. Kahn (1990) believes that when employees interpret their work as meaningful, feel as though they are safe in the work environment, and believe that they have adequate resources in order to complete the task, they choose to engage. The task-related nature of engagement solidifies the argument that employee engagement is best understood when thought about as a fluid state that changes based off of cognitive, emotional, and behavioral influences.

It is important to understand that "employee engagement is formed within a context, a work context of daily experiences within an organization in which the employee is responsible for performing a specified role and interacting with a specified set of individuals" (Shuck et al., 2012, p. 20). Employee engagement is not an end state that can be arrived at like job satisfaction or organizational commitment. When employees consistently choose to apply their unique personal resources to given work tasks, they achieve true engagement in the workplace.

A definition of engagement. In summary, then, the following definition of employee engagement is offered: a fluid appraisal process of evaluating a work task and determining that it is in the employee's best interest to employ the cognitive, emotional, and behavioral resources necessary to perform the task well.

CULTURE

Thus far, it has been established that employee engagement is crucially important to organizational success. Not only is engagement something that businesses should strive to foster in their employees, but an engaged workforce has clear business-related outcomes that impact the bottom line. After understanding that employee engagement is not a static attitude, but rather a conscious decision of fluctuating motivation that is based on the daily tasks with which one is faced, it is important to take this knowledge a step further.

The outcomes that result from an engaged workforce are clear and in addition to this, we now know what disengagement looks like and have a working definition of employee engagement. But how is employee engagement fostered and created? Why is it that there are so many organizations who strive to create an engaged workplace and yet the large majority of workers in the United States are disengaged? The literature suggests that this disconnect may come down to organizational culture. The final part of this study will attempt to pull together the previous sections on outcomes, disengagement, and defining employee engagement, in order to better understand the role that culture plays in fostering employee engagement.

Culture is another one of those "hot button terms" that business leaders love to talk about, analyze, and attempt to understand. However, like employee engagement, culture is abstract and is often difficult to define and quantify. According to the business dictionary, culture is defined as, "the values and behaviors that contribute to the unique social and psychological environment of an organization" (Business Dictionary, 2014). This definition provides a good starting point of understanding what culture is and how culture can be leveraged in order to create an engaging work environment for employees.

It is well understood that culture is the result of the employees that make up an organization. More often than not, the founders of an organization set the tone for the cultural demeanor of the entity (Schein, 1983). To expand even further, much research has shown that culture starts with the top leadership of an organization and filters down throughout the rest of the organizational structure (Hambrick & Mason, 1984). It is those in leadership positions within a company that determine the cultural nuances and expectations that are upheld. Therefore, a highly motivated, energetic, dedicated, involved, and knowledgeable CEO has the opportunity to model functional and positive values and beliefs, and thus, form a healthy corporate culture. In contrast, a leader who is disconnected, unavailable, self-centered, and ignorant, will likely model dysfunctional values and beliefs throughout the hierarchy of the organization and thus, form a detrimental corporate culture.

Being engaged is having a heightened level of involvement during a work-related task. It is possible and necessary to recognize that this heightened level of cognitive acumen could lead to mental strain, thoughtless decision making, or apathy toward a given task. Similarly, the same is true for the emotional and behavioral aspects of engagement. If an employee functions at a high level of emotional intensity in relation to a task, there is great risk for that employee to make biased decisions based off of their emotional state, allow feelings to lead processes, or discredit leadership based off of emotional ties. The most tangibly evident, the physical or behavioral aspect of engagement can be overdone when employees are constantly working late, responding to emails during personal hours, or portraying visible indications of sleep deprivation or stress. Thus, the conversation regarding engagement merits a shift from "What engagement is and how can we achieve it?" to "How can we most effectively and efficiently create an environment that leverages our employees

unique strengths in order to engage our employees to achieve optimal levels of performance?"

The knowledge that leadership greatly influences culture is essential in understanding how an organization can approach employee engagement. An understanding of what an effective leader looks like has the potential to change the way that traditional businesses operate. According to a study on the effect of authentic leadership on employee trust and employee engagement, Wang and Hsieh (2013) found that "the most important component of effective leadership is that leaders treat their employees authentically." Authentic treatment of employees can be as simple as creating an open environment, allowing employees to ask questions, or recognizing positive performance by an employee. An authentic environment relates to an organization's culture. This aspect of culture impacts employee engagement because when employees perceive that they are supported and treated sincerely, they increase their engagement in their work (Wang & Hsieh., 2013). Additionally, an authentic environment increases employee trust, as authentic leaders are able to create close relationships with their employees, increase employee engagement, and contribute to the sustainability of the organization (Wang et al., 2013). When leaders show consistency between their words and actions, hold high moral standards, identify with their employees, and have good communication skills, they are able to create a trusting relationship with employees that fosters engaged work behaviors (Wang et al., 2013).

It is important to acknowledge that although leadership plays an essential role in fostering engagement, leadership alone is not sufficient for creating an engaged workforce. If work tasks are menial, working conditions are stressful or unsafe, opportunities for growth are few, and compensation for work is poor, it is unreasonable to expect employees to engage

at work due to having authentic leaders. Basic necessities have to be in place such as fair pay, equal treatment, good benefits, growth opportunities, etc., in order for employees to strive toward going beyond in their work role and thus, engaging. When these basic necessities are already in place, employees then have their fundamental needs met and they can choose to apply their personal strengths toward work tasks.

Additionally, our understanding of the relationship between employee engagement and organizational culture can be aided by examining workplace communication. Internal communication of expectations within an organization has been found to be an important factor in developing employee engagement (Welch, 2011). It is unreasonable for a company to expect something of their employees if it is not a clearly communicated expectation. Good communication has always been associated with effective leadership and the same principal holds true for leaders who are trying to foster employee engagement. Employees often perceive that their employer does not care about engagement because this is not a clearly communicated expectation. If employers communicate that it is their expectation for employees to actively engage with their day-to-day work tasks using their cognitive, emotional, and behavioral strengths, the likelihood of employees choosing to engage is much greater. High quality internal communication within an organization enhances engagement because employees have a better understanding of how their personal roles fit within the vision of upper leadership and the company (Welch, 2011). Finally, poor communication has been cited as a barrier to engagement and also shows connections with eventual disengagement (Welch, 2011).

When employers think about employee engagement, it is important to recognize that employee engagement is not a one-size-fits-all construct. The cultural values and beliefs of

organizations differ and thus, how employee engagement manifests itself within a company will vary. First, it is important to establish whether employee engagement is valuable to the organization. I would argue that an engaged workforce is beneficial to any and all work environments, but if this consensus cannot be met in upper leadership, efforts to create engagement are likely to fail. In order to increase employee engagement within an organization, it is important to ponder questions about the organization such as, "How much common ground is there between employees and management?" (Wollard, 2011). Finding answers to often difficult and abstract cultural questions provides a platform from which employee engagement can become an organizational goal. To recruit, maintain, and motivate employees in an increasingly competitive environment, practices must be innovative and compelling; benefitting both the employee and the organization (Shuck et al., 2012).

Practically, employee engagement should function just like any other measurable outcome within an organization. It is important to explicitly measure employee engagement in order for an organization to know if their efforts to increase engagement are making an impact. Additionally, it is also important to address what distinguishes engaged employees versus disengaged employees within a workforce. As previously discussed, disengagement ultimately manifests itself behaviorally (e.g., absenteeism, turnover, time theft, spending work time on personal matters) and from these behavioral observations, leaders can probe to better understand the cognitive and emotional beliefs underlying the disengaged behavior. The ultimate goal of organizations should be to gain a better awareness of engaged behaviors and begin to recognize and celebrate successful engagement whenever it appears (Wollard, 2011).

When an organization has established a positive culture in which employee engagement is essential to success, the strategic focus often shifts to the importance of the employees. In the modern business model, leaders recognize that employees are the organization's most valuable asset. Companies aim to hire people who will be engaged with their jobs, but they are often then placed into a culture which inherently prevents employees from engaging. Engaged employees are willing and eager to make use of their full selves in their jobs and this holistic behavior leads employees to have better well-being, maintain higher levels of productivity, and remain in their jobs for longer (Xu & Thomas, 2011). Organizations that successfully implement employee engagement strategies choose to recognize their employees as whole beings who have needs, desires, and demands outside the confines of the forty-hour work week.

A holistic understanding of engagement allows a company's leaders to create a culture that acknowledges the abstract demands of life. Companies that succeed in creating an engaged workforce have implemented small, but meaningful, actions such as flexible work time, on-site child care, fitness facilities, better than average compensation/benefits, time off for volunteer work, team building retreats…the opportunities are endless. To many people, it is hard to see the connection between, for example, on-site child care facilities and employee engagement. However, when one understands employee engagement as the cognitive, emotional, and behavioral motivation that underlies a series of work tasks, it makes sense that the better an organization cares for and holistically treats its employees, the more apt employees are to engage cognitively, emotionally, and behaviorally with the task at hand. The skills and unique talents that employees choose to use to cognitively, emotionally, and/or behaviorally engage, should be recognized as aspects of the individual that do not

solely stem from the work environment. Many of the positive traits that individual's possess have been a part of their lives in a variety of forms for decades. When employers recognize, care for, and applaud these unique strengths within individual employees, employers have the ability to thus leverage the individual strengths toward the success and engagement with workplace goals.

As previously discussed, employee engagement is not an end-state of being. Rather, engagement is often changing based on a variety of internal and external factors. This may make creating an engaging culture a difficult task for company leadership. However, things such as employee development have very strong correlations to employee engagement (Xu & Thomas, 2011). Unfortunately, many organizations neglect employee development after initial new hire training has occurred. This oversight causes many employees to find monotony in their work and thus detach behaviorally, emotionally, and/or physically (Wollard, 2011). This detachment will often manifest itself in disengagement if not reversed. Employees who perceive that they have the physical, emotional, and psychological resources necessary for the completion of work are less likely to have intention to turnover and are more likely to be highly motivated to complete the task (Shuck, et al, 2012).

Creating an engaging corporate culture is essential to the manifestation of employee engagement on the individual employee level. By leveraging the unique values and beliefs within an organization, leadership can then observe what aspects of the business model or process can be improved in order to foster greater engagement. A better understanding of and stance toward employees as holistic individuals creates a work environment in which employee contributions are valued and recognized. "Engaged employees invest their energy, time, or personal resources, trusting that the investment will be rewarded (intrinsically or

31

extrinsically) in some meaningful way" (Macey & Schneider, 2005, p. 22). The development of an organizational culture which fosters employee engagement is essential to business success.

SUMMARY AND CONCLUSION

In order to mitigate the ambiguity surrounding the concept of employee engagement, this study first attempted to examine the link between employee engagement and important work outcomes. The importance of relating employee engagement to work outcomes is highlighted by the understanding that employee engagement is a useless concept if it cannot be proven to directly relate to "the bottom line" for organizations. Additionally, we have observed the opposite of engagement – disengagement -- and learned that because much of the U.S. workforce is disengaged, it is important to understand how disengaged behaviors manifest themselves and what they look like in employees. Furthermore, to deepen our understanding of engagement and our ability to apply the concept, I developed a clear, literature-based definition of employee engagement: a fluid appraisal process of evaluating a work task and determining that it is in the employee's best interest to employ the cognitive, emotional, and behavioral resources necessary to perform the task well. This definition attempts to more concisely apply the concept of employee engagement as a fluid state of being that can and does change from task to task within the work environment. Finally, after understanding outcomes from engagement, learning what disengagement is, and defining engagement, I found it important to elaborate that employee engagement is intimately connected to culture. Employee engagement is created by a corporate culture that values its employees and attempts to create a work environment in which employees choose to apply

their personal emotions, cognitions, and/or behaviors in order to engage with a given work task.

After examining the current literature on employee engagement, it can be concluded that the concept of employee engagement is one that continues to need further exploration and explanation. I believe that further practical and academic research on employee engagement is valuable and has the potential to change organizational norms in terms of how employees and employers interact with the work environment.

REFERENCES

Chalofsky, N. (2010). Meaningful workplaces. San Francisco, CA: Jossey-Bass.

Christian, M. S., Garza, A. S., & Slaughter, J. E. (2011). Work engagement: A quantitative review and test of its relations with task and contextual performance. *Personnel Psychology*, 64 (1), 89-136.

Cooper-Hakim, A., & Viswesvaran, C. (2005). The construct of work commitment: Testing an integrative framework. *Psychological Bulletin*, 131, 241-259.

Erickson, T.J. (2005). Testimony submitted before the U.S. Senate Committee on Health, Education, Labor and Pensions, May 26.

Gebauer, J., and Lowman, D.. (2008). Closing the engagement gap: How great companies unlock employee potential for superior results. New York: Penguin Group.

Hambrick, D. C., & Mason, P. A. (1984). Upper echelons: The organization as a reflection of its top managers." *Academy of Management Review*, April, 193-206.

Herman, R., Olivo, T., & Gioia, J. (2003). Impending crisis: Too many jobs, too few people. Winchester, Virginia: *Oakhill Press*.

Hewitt Associates LLC. (2005). Employee engagement. Retrieved April 23, 2014 from http://was4.hewitt.com/hewitt/services/talent/subtalent/ee_engagement.htm

Jacobs, E. (2012). Executive Brief: Tracking trends in employee turnover. Alexandria, Virginia: *SHRM*.

Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *Acad. Management J*, *33*(4), 692-724.

Lloyd, R. 2008. Discretionary effort and the performance domain. The Australian and New Zealand *Journal of Organizational Psychology* 1: 22–34.

MacCormick, J. S., Dery, K., & Kolb, D. G. (2012). Engaged or just connected?

      Smartphones and employee engagement. *Organizational Dynamics*, *41*(3), 194-201.

Macey, W. H., & Schneider, B. (2008). The meaning of employee engagement. *Industrial*

      and Organizational Psychology: Perspectives on Science and Practice, *1*(1), 3-30.

Macey, W. H., Schneider, B., Barbera, K. M., & Young, S. A. (2009). Employee

      engagement: Tools for analysis, practice, and competitive advantage. Malden, MA:

      Wiley-Blackwell.

Maitlis, S., & Ozcelik, H. (2004). Toxic decision processes: A study of emotion and

      organizational decision making. *Organization Science*, 15, 375-393.

Meyer, J.P., Allen, N.J., & Smith, C.A. (1993). Commitment to organizations and

      occupations: extension and test of a three-component conceptualization. *Journal of*

      Applied Psychology, 4, 538-551.

Rich, B. L., Lepine, J. A., & Crawford, E. R. (2010). Job engagement: Antecedents and

      effects on job performance. *The Academy of Management Journal*, 53, 617-635.

Saks, A. M. (2006). Antecedents and consequences of employee engagement. *Journal Of*

      Managerial Psychology, *21*(7), 600-619.

Schaufeli, W., & Bakker, A. (2004). Job demands, job resources, and their relationships with

      burnout and engagement: A multi-sample study. *Journal of Organizational Behavior*,

      25, 293-315.

Schein, E. H. (1983). The role of the founder in creating organizational culture.

      Organizational Dynamics, Summer, 13-28.

Shuck, B. (2011). Four emerging perspectives of employee engagement: An integrative

      literature review. *Human Resource Development Review*, *10*(3), 304-328.

Shuck, B., Ghosh, R., Zigarmi, D., & Nimon, K. (2013). The jingle jangle of employee engagement: Further exploration of the emerging construct and implications for workplace learning and performance. *Human Resource Development Review*, *12*(1), 11-35.

Shuck, B., Reio, T. r., & Rocco, T. (2011). Employee engagement: An examination of antecedent and outcome variables. *Human Resource Development International*, *14*(4), 427-445.

Smith, P. C., Kendall, L., & Hulin, C. L. (1969). The measurement of satisfaction in work and retirement. Chicago, IL: *Rand McNally*.

Wang, D., & Hsieh, C. (2013). The effect of authentic leadership on employee trust and employee engagement. *Social Behavior and Personality*, *41*(4), 613-624.

Welch, M. (2011). The evolution of the employee engagement concept: Communication implications. *Corporate Communications*, *16*(4), 328-346.

Wollard, K. (2011). Quiet desperation: Another perspective on employee engagement. *Advances In Developing Human Resources*, *13*(4), 526-537.

Xu, J., & Thomas, H. (2011). How can leaders achieve high employee engagement?. *Leadership & Organization Development Journal*, *32*(4), 399-416.