A Literature Review of Employee Engagement

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Over the last two decades, the organization Gallup has been conducting a survey to gauge overall employee engagement. They have accomplished this through a list of 12 questions in their G12 employee engagement survey that identifies the percentages of employees that fall into one of three groups: employees that are (a) engaged, (b) not engaged, and (c) actively disengaged. ("Gallup G12 Survey", n.d.).

**Engaged**

The group of “engaged” employees are highly committed to the organization, show a passion, and drive in their work (Sorenson & Garman, 2013). They strive for excellence in their roles (Anitha, 2014).

**Not Engaged**

The group of “not engaged” employees are just going through the motions at work. Overall, they lack a drive and passion for the work they do (Sorenson & Garman, 2013). Employees who are not engaged focus on the tasks given to them instead of the mission of the organization (Anitha, 2014).

**Actively Disengaged**

Actively disengaged employees are not just unhappy at work; they are acting out in ways that show their unhappiness (Sorenson & Garman, 2013). They tend to demotivate other employees in the organization who might fall in the engaged category (Anitha, 2014).

**Current State of Engagement**

The survey data collected by Gallup during 2014 of US companies showed that 31.5% of employees were “engaged”, 51.0% were “not engaged”, and 17.5% were “actively disengaged” (Adkins, 2015). Nearly 70% of all employees are not committed to the organization and lack a
level of enthusiasm for work. The implications of this can be staggering when you consider the possibilities of engaging even a small portion of disengaged population. Changes in engagement have the potential to affect the employees, the organization, and the customers.

Organizations faced with this stark reality can no longer choose to do nothing about this issue. Leaders need to seek out information about employee engagement and begin to transform their organizations from the current reality of disengagement to a future hope of engagement. It is to that end that this literature review exists.

Outline

This paper will focus on qualitative and quantitative analysis performed on the topic of employee engagement from studies published over the last five to six years with a specific focus on the following research questions:

- To what degree do various factors have on engagement?
- To what degree does engagement have on various outcomes?
- What are the practical implications from research studies for improving engagement?

Literature Review

Antecedents of Engagement

Career growth. Research suggests that both training and career development are a driver of employee engagement. Training directly improves job performance, which leads to the employee having more confidence in their ability, which directly relates to job engagement. The development of an employee’s career also improves their engagement (Anitha, 2014). Karatepe (2013) suggests that training and empowerment lead to high performance work practices through greater employee engagement.
Compensation. Rewards and recognition of both formal and informal varieties are significant factors in employee engagement (Anitha, 2014). Organizations typically have financial rewards available to employees but research has shown that it is also vitally important to offer psychological rewards such as recognition and encouragement, or customer feedback on a frequent basis as well. Recognition and rewards increase job satisfaction and engagement (Hofmans, Gieter, & Pepermans, 2013).

Leadership. Wallace and Trinka (2009) identified leadership activities such as coaching, career development, and communication of purpose, naturally resulted in greater employee engagement. Most employees want to be engaged at work and it is the leader’s responsibility to assist the employee in doing so. The research conducted by Xu and Thomas (2011) indicate strong correlations between employee engagement and the leader’s ability to support and develop the team. They also suggest that leaders can encourage engagement through task-oriented behaviors such as good decision-making, ethical behavior, and task management.

Research has also suggested that leaders can enhance the likelihood of engagement by talking to their employees about their needs. When this was done at one company, the leaders were then able to adjust schedules to match their employee’s needs and as a result increased engagement (Schneider, Macey, & Barbera, 2009).

Hansen, Byrne and Kiersh (2014) studied the relationship between interpersonal leadership and engagement and found that interpersonal leadership is positively associated with employee engagement. The research also showed that leaders who exhibited positive interpersonal leadership traits provided environments in which employees could thrive.

Wellbeing. Research done by Robertson and Cooper (Robertson & Cooper, 2010) indicated a positive link between employee engagement and psychological wellbeing.
Individuals with a higher level of wellbeing not only benefits the organizational performance but those employees behave differently which lead to a higher level of engagement.

**Spirituality.** Research conducted by Roof (2015) on the previously unexplored relationship between spirituality and engagement showed that spirituality had both a positive and significant correlation with engagement. Spirituality is positively related to the factors of engagement of vigor and dedication, but not with absorption based on his research.

**Relationships.** Recently research done on the effects of positive relationships at work confirmed existing findings that there is a strong correlation on employee satisfaction and engagement with employees who have positive relationships in the work place (Glinkska-Newes, 2014). The researcher found that employees with positive relationships with their workmates “demonstrate higher performance, commitment and satisfaction” (Glinkska-Newes, 2014, p. 641).

**Organizational structure.** According to AbuKhalifeh and Som (2013), the Chartered Institute of Personnel and Development survey indicates that both upward communication and knowledge of the organizational changes are key factors in engagement. Policies and practices of an organization, especially those that promote flexibility in work-life arrangements, benefit employee engagement (Anitha, 2014).

Schneider, Macey, and Barbera (2009) identified a key component of employee engagement to take place during hiring and customer orientation. The company they worked with instituted a policy that new hires are put through an “extensive and intensive orientation and training program” (p. 26) in which they set expectations for “what the company will do for them” (p. 26).

**Work environment.** Various studies have looked at how the overall work environment
and the employee’s perception or organizational support impacts engagement (Anitha, 2014; Rich, Lepine, & Crawford, 2010). Rich, Lepine and Crawford (2010) showed that overall the employee’s perception of the organization supporting their well-being had a positive effect on engagement.

The person-organization-fit, defined as “congruence between the norms and values of organizations and the values of persons” (Ünal & Turgut, 2015, p. 162), indicated a positive contribution to employee engagement. The researchers stated that employees may put in higher level of effort and energy when the congruence of the individual and organizations values are greater (Ünal & Turgut, 2015).

**Effects of Engagement**

**Employee performance.** A study done by Anitha (2014) looked at various antecedents of engagement and the impact of engagement on employee performance and found a statistical significance in using employee engagement to predict employee performance. The study found that employee performance was influenced by employee engagement by 59.7 percent.

Bakker, Demerouti and Brummelhuis (2011) also found that employee engagement was beneficial for employee performance but only for “highly conscientious employees” (p. 563). The researchers state this is due to employees with little conscientiousness likely needing more guidance to be motivated to perform well unlike conscientious employees who already know what to do and put in great effort to do those tasks (Bakker, Demerouti, & Brummelhuis, 2011).

Halbesleben (2010) performed a meta-analysis on work engagement and studied the relationship engagement had on various outcomes or consequences. In the study, he found that engagement had a strong correlation on performance with a value of .30.

In a review done by Demerouti and Cropanzano (2010), they analyzed the various correlations of engagement had on job performance and found that work engagement may lead to
increased performance, but it does so in various ways. The researchers suggested that the relationship between engagement and performance is “probably not straightforward and simple” (p. 158).

**Health.** Shaufeli, Taris and Van Rhenen (2008) studied the relationships of workaholism, burnout, and engagement on various different variables they identified to research. The researchers, seeking the relationships of the three constructs, found that engagement and burnout to be opposites of each other, with burnout associated to a myriad of perceived health issues. The study showed that engaged employees, had reduced rates of distress, anxiety, and psychosomatic health complaints and in general were healthier.

**Retention.** Numerous articles cite as part of their literature review that engaged employees remain with their employers due to a higher level of investment in wanting to see the organization succeed as well as having a reduced intention to leave the company (Anitha, 2014; Dash, 2013; Kataria, Rastogi, & Garg, 2013; Markos & Sridevi, 2010; Xu & Thomas, 2011). Alternatively, articles also cite various studies that disengaged employees show a significantly higher rate of turnover and intentions to leave the organization (AbuKhalifeh & Som, 2013; Kataria, Rastogi, & Garg, 2013).

**Practical Implications**

**General guideline.** Wollard and Shuck (2011) suggest several steps to take when undergoing an organizational change to improve performance. The first step is to get knowledge about the antecedents of engagement to separate fact from opinion. Proper knowledge will allow the organization to be more effective. The organization would then take this knowledge and assess the individuals in the organization to drive further conversations about engagement. The next step would involve assessing the organizational antecedents and focus on what the
organization does well to continue to develop the engagement conversation. Finally, the researchers proposed that each engagement intervention is to be customized to fit the specific needs of an organization.

**Development.** One goal in employee development should be to drive the employee toward self-efficacy (Halbesleben, 2010; Markos & Sridevi, 2010). Halbesleben (2010) suggests this can be developed by (a) giving employees tasks which provide them challenges, (b) recognize and share occurrences of employees who are successful, (c) encourage and support the employees, and (d) reduce the focus on competition. Markos and Sridevi (2010) state as a result of employees knowing more about their job they build confidence which in turn drives self-efficacy thereby increasing engagement.

Joyner (2015) recommends when focusing on developing employees that organizations should try integrating development into the daily work tasks as opposed to a more traditional classroom approach. Development done this way may lead to more success in long-term behavior change and be more effective in acquiring new knowledge.

The organization should also focus on giving employees more job autonomy to allow them the chance to choose their own ways to perform their job while still producing the desired outcomes (Markos & Sridevi, 2010). “Manage through results rather than trying to manage all the processes by which that result is achieved” (Markos & Sridevi, 2010, p. 93).

**Communication.** Leaders need to provide clarity of tasks and expectations to the employee (Demerouti & Cropanzano, 2010; Kataria, Rastogi, & Garg, 2013; Medlin & Green Jr., 2014). This, among other efforts, will focus on job empowerment and ultimately lead to engagement (Demerouti & Cropanzano, 2010).

Managers need to focus on developing two-way communication to enhance engagement.
Make sure to involve the employees, show respect for the input they provide, and allow them to participate in the decision making process. This will encourage their investment in the process and as a result increase their engagement (Markos & Sridevi, 2010).

It is important to make sure that progress reports on engagement are shared with both the top levels of leadership as well as the managers closer to the employees. The information is important for the process of strategic planning as well as effective feedback for managers to enhance the work life of the people that work under them (Leiter & Maslach, 2010).

**Perceived organizational support.** Organizations desiring to increase employee engagement should focus on the organizational support perceived by employees (Kataria, Rastogi, & Garg, 2013). Xu and Thomas (2011) state that leaders “who act in ways that support and develop team members can expect to have team members who show higher levels of engagement” (p. 411).

Perceived organizational support (POS) can be increased by making sure to take actions that communicate the organizations desire to support the employee and that they are valued (Hansen, Byrne, & Kiersch, 2014).

Another way POS is increased is through developmental feedback of the employee. By engaging in training and performance, management could foster an increase in perceptions that the organization supports the employees (Rich, Lepine, & Crawford, 2010).

Liao, Liu-Qin, Wang, Drown and Shi (2013) state an organization can also increase POS by making sure the employees are informed about all the policies and benefits that support their well-being. The researchers also indicate that organization-wide events such as new employee receptions may also enhance the people-oriented culture, which leads to an increased perception of the importance of the employees to the organization.
Burnout. Demerouti and Cropanzano (2010) explored the effect of burnout on engagement and makes the suggestion that organizations “try to reduce or optimize job demands such that they do not have undesirable effects on employee health” (p. 159). This could be accomplished by making ergonomic accommodations for tasks that are physically demanding or provide an employee a variety of assignments that are both demanding and undemanding. Organizations need to put practices in place that reduce burnout in addition to focusing on engagement (Demerouti & Cropanzano, 2010).

Tenure. Xu and Thomas (Xu & Thomas, 2011) focused on the length of service and the relationship to engagement. In their study they hypothesized, a longer tenure with an organization would result in a decreased engagement level. The research conducted yielded a result opposed to what the researchers had expected. The data showed length of service was not associated with engagement. In the researcher’s opinion this was good news for organizations looking to focus on engagement since the longer-tenured employees tend to have acquired a great deal of organizational knowledge, which can be an asset. Longer-tenured employees “can be as engaged in their work as their newer colleagues” (p. 411).

Conclusion

Summary

Employee engagement is an important concept to organizational leaders and employees alike. This literature review, through the focus of the three primary research questions as stated in the introduction, has highlighted what the body of research has indicated on the topic of employee engagement. Many different factors researched indicated a direct correlation to employee engagement. It is crucial that organizations make engagement a key part of their overall strategy in order to reap the benefits or be prepared to endure the negative outcomes with
increased turnover and underperformance.

State of Research

The body of research on employee engagement is relatively young spanning only the last 25 years starting with Kahn’s work in the early 1990s, which identified the components that make up engagement (Kahn, 1990). Even with the number of studies conducted over that period of time there is still much research to be done in the area of employee engagement. Based on the research for this literature review, research focused primarily on the actively disengaged population in the organization has not been widely published. There also seems to be a lack of recent research focusing on the individual employee related to engagement such as demographic, cultural and personality traits.

Call to Action

Establishing a culture of engagement in an organization is not without a cost, but the research indicates that that value gained is well worth the investment. Engagement is not something we can expect to happen automatically or even by happenstance. Engagement is only improved through deliberate interventions catered to the needs and strengths specific to the organization. Organizations are not operating at their full potential due to engagement levels and the current state is not one at which they can remain. The vision of where organizations need to be with regard to engagement is set. Now is the time to move forward.
References


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