Chapter - 2

Review of Literature

In the previous chapter, the researcher has discussed about the introduction and statement of problem. Research questions, objectives, conceptual framework of the study, variables of the study, hypotheses and research methodology have been discussed in the previous chapter. The chapter ends with significance and limitations of the study followed by the structure of the thesis.

The present chapter is based upon review of literature on the subject matter of ‘employee engagement’ from various aspects within the constraints of limited data and research materials. This chapter provides a conceptual understanding of employee engagement, its importance and impact on organizational performance. The following literature review consists of five sections: definition and concept of employee engagement, importance of employee engagement, factors influencing employee engagement, employee engagement in hotel industry and impact of employee engagement on organizational performance. Literature on employee engagement has been collected from theses, dissertation, research papers, articles, governmental and institutional report, books, magazine, newsletters and newspapers etc.

2.1 Definition and Concept of Employee Engagement

Employee engagement has generated a great deal of attention among many human resource practitioners, business entrepreneurs and academic researchers across the globe (Baldev & Anupama, 2010). It has been defined in different ways by academic researchers and practitioners both. As the concept of employee engagement has grown in popularity, it has undergone significant developments in definition, measurement and conceptualization. But researches in the academic community have lagged behind (Macey & Schneider, 2008). One of the challenges of defining the term engagement is the lack of a universal definition of this concept because engagement is a relatively new term. Different writers define ‘employee engagement’ in different way. Kahn (1990) was the first academic researcher to use term ‘employee engagement’ and define that it is level of commitment and involvement of the employees towards their organization and its value. According to Mortimer (as cited
Review of Literature

in CIPD, 2009) ‘employee engagement’ is a combination of commitment to the organization and its values plus a willingness to help their colleagues.

Robinson, Perryman, and Hayday (2004) define ‘employee engagement’ as “a positive attitude held by the employees towards the organization and its value. An engaged employee is aware of business context and works with colleagues to improve performance within the job for the benefits of the organization. The organization must work to develop and nurture engagement, which requires a two-way relationship between employer and employee.” Employee engagement is a two-way process between employees and organization. The organization attempts to engage employees who return a level of engagement to the employer (Haid & Sims 2008; Robinson, Perryman, & Hayday, 2004). Engaged employees are more satisfied with their job and are more committed to their organization and do not hold back, they not only have more energy, but they also enthusiastically apply their energy at work.

Aswathappa (2005) said that engagement is a way through which employees working together are helped and motivated to achieve and develop their technical, managerial and behavioural knowledge, skills and abilities in achieving the organizational objectives and goals. In his study, Saks (2006) defines ‘employee engagement’ as the extent to which an individual is attentive and absorbed in their role of performance. It is the positive feeling that employees have towards their jobs and also the motivation and effort that they put into it. ‘Employee engagement’ is a technique for the successful functioning and improvement in organizational performance. It is about developing opportunities for the workers to connect with colleagues, manager and organization. Konard (2006) has found that engagement is reflected when employees express themselves physically, cognitively and emotionally with their work and organization.

Business to Business International (n.d.) has defined that employee engagement is a mixture of commitment with the organization, its value, ability and willingness to help the employees of the organization. An engaged employee is one who has a strong desire towards his/her job and fully devoted to contribute to the organizational goals and objectives. Dicke, Holwerda, and Kontakos (2007) have highlighted that employee engagement is a way through which an organization
increases commitment and efficiency of its employees to achieve the organizational goals.

Oliver and Rothmann, (2007) have found that engagement of the employee is a situation in which the employee is dedicated to his or her best possible performance at work and is confident of his or her effectiveness. Vazirani (2007) has discussed that employee engagement is concerned with the involvement and motivation of the employees towards the organization. A well motivated employee will perform his/her duty in a proper manner and complete his/her work timely. Bakkar and Scheufeli, (2008) have defined the term employee engagement that “it is a psychological state where employees feel a vested interest in the organization’s success and perform to a high standard that may exceed the stated requirements of the job.” Cook (2008) has said that employee engagement is more of a psychological contract than a physical one. Engaged employee get inspired by his/her work. Therefore it is the responsibility of the top management to encourage and engage the employees towards their job.

Wilson (2009) has written that the employee engagement is a new term and is ‘more than’ simple job satisfaction and high retention rate. An engaged employee is one who is fully energetic, emotionally connected with the organization in achieving its goals and objectives. Zinger (2010) defines that “employee engagement is the art and science of engaging people in authentic and recognized connections to strategy, roles, performance, organization, community, relationship, customers, development, energy and transform the work connections into final results.” Baig (2010) explained further that employee engagement is concerned with the individual contribution under healthy working conditions and it promotes individual development, encourages mutual confidence and understanding between the employer and the employee and among the employees themselves. Bhatla (2011) has connected engagement with a psychological state and stated that it is all about having a psychological commitment towards the assigned task, which is clearly reflected in his/her dedication towards the work. Mani (2011) elucidates that an engaged employee is fully aware with the business environment and works with the help of other employees to improve the performance within the job for the benefit of the organization. Engaged employee put all efforts and enthusiasm towards his/her work and also cares about the future of the organization (Mani, 2011; Sundaray, 2011).
Rashid, Asad, and Ashraf (2011) have highlighted that engagement is the capacity of the employees to work with honesty, obligation and aspiration. Robertson (2012) has discussed that employee engagement is an innovative thought that enhances positive attitudes among the employees towards their job.

Kruse (2012) has discussed that employee engagement is the emotional commitment of an employee that he/she has towards the organization and its goals. These efforts motivate and engage the employees in an organization, hence the productivity and profitability of the organization increases. Lupfer (2012) has highlighted that employee engagement is concerned with the employees who positively engage not only the customers, but also with everything about the business where they are employed. Swarnalatha and Prasanna, (2012) have discussed that engagement is the positive behaviour performed by the employees towards their organization and its morale value. It is a continuous learning process, improvement over improvement, measurement and action.

Swarnalatha and Sureshkrishna, (2013) say that employee engagement is the extent to which employees think, feel and act in ways that represent high levels of involvement to their organization. Engaged employees are motivated to contribute to their knowledge, skills and abilities to help their organization succeed. Cattermole and Johnson, (2014) have defined that “employee engagement is a workplace approach designed to ensure that employees are committed to their organization’s goals and values, motivated to contribute to organizational success and are able to enhance their own sense of wellbeing.” According to Chandhok and Bhavet, (2014) engagement is about passion, commitment and the willingness to devote oneself and expand one’s discretionary efforts to contribute towards achieving the goals and objectives of the organization as a whole.

2.2 Importance of Employee Engagement

Employee engagement is very important for smooth functioning and survival of the business. The organizations which fail to make their employees engaged cannot get competitive advantage. As opined by Bhatla (2011) employee engagement has become one of the most leading priorities of human resource practitioners and senior managers in the organization today. According to Gopalakrishnan (2009) there has been rapid development in recent times all over the world. Management has the
capability to engage with the workforce and also to implement the policies humanely in the organization for achieving goals and objectives.

Kang (2014) has elucidated that engaged employees strengthen the organization’s competitive advantage and generate favourable business environment. Therefore it is a challenging task for HR managers to create and maintain a healthy work environment that motivates the employees in their work and enable selection of the right employee at right place. Employee engagement is a technique to increase employee’s productivity and reduce his/her intention to leave the organization. Haid and Sims, (2008) have reported that engaged employees understand the value of ensuring a positive customer experience and are more likely to demonstrate their commitment by delivering high quality products and services. Organizations need to not only understand their current level of employee engagement, but also to have confidence that the measures used to evaluate engagement are reliable and valid. Wharton (2012) has said that a strong focus on employee engagement is crucial for HR managers to know what is in the minds employees. A high level of engagement between executives and employees is essential for hotel industry because employees have direct exposure to customers at every stage.

According to Ference (2009) engaged employees work with passion and enthusiasm for performing their jobs properly. Mani (2011) has described that engaged employees put their all efforts and enthusiasm about their work and also care about the future of the organization. Larkin (2009) has stated that employee engagement has emerged as an important issue in recent years. It is termed as an umbrella concept. Engaged employees are not only happy in their job, but they also translate that satisfaction into higher productivity and profitability of the organization. Engaged employees think that their work can play an active role in making the organization a successful.

According to Aon Hewitt (2013) employees are important assets of every organization and their engagement works as a catalyst for smooth functioning of the organization. Ariani (2013) has stated that employee engagement is positively related with organizational performance. Engaged employees are likely to perform extra role behaviours perhaps because they are able to accomplish goals and to perform their tasks efficiently. In the view of Biro (2014) employee engagement is centre stage in
HR. Engaged employees are more committed to the organization, achieve better business outcomes and superior customer satisfaction. They are not motivated by money, status or power but by shared values, trust, mission and purpose. Furthermore Webster (n.d.) has pointed out that employee engagement improves job satisfaction and organizational performance. Employees as well as the employer both are benefited by developing engagement level of the employees. An engaged employee suffers fewer stress related illness, lesser absenteeism and turnover. Robertson (2012) has discussed that employee engagement is an innovative thought that enhances positive attitudes among the employees towards their job. If employee engagement is high, definitely organizational performance is improved. Managers as well as the organization should develop a kind of environment by which employees need to feel that their organization is interested in them.

Ariani (2013) said that employee engagement helps employers to improve or maintain their competitive advantage because engaged employee experience a high level of connectivity with their organization. Saradha and Patrick, (2011) have noted that employee engagement activities significantly improve the overall performance of an organization. It is a technique for the successful functioning and improvement in organizational performance. It is about developing opportunities for the workers to connect with colleagues, manager and organization. According to Shuck (as cited in Lockwood, 2007) employee engagement is also related to important organizational outcomes such as discretionary effort and intention to turnover. According to Shuck (as cited in Saks, 2006) engaged employees are more likely to work better through increased levels of discretionary effort and having less intention to leave their organization than the employees who are disengaged.

According to Corporate Leadership Council (2004) engaged employees are less likely to feel exhausted towards the organization. They are assets that make the organization a success in this competitive era. Organizations that wish to increase the level of employee engagement should focus on employees’ perceptions of the support they receive from their supervisor as well as organization also (Saks, 2006). Bhatla (2011) argues that employee engagement at all levels should not only encourage but also be rewarded. A highly engaged employee will consistently perform beyond expectations of the organization and provide a high energy working environment. Saks (2006) has highlighted that employees with higher work engagement are more
possible to have higher level of confidence and a high quality relationship with their employers. While Swarnalatha and Sureshkrishna, (2013) reported that employee engagement is a way to organizational success. An engaged organizational culture encourages the employees towards their job. By making the employees involved in organizational activities, human resource managers motivate them towards their job. They further describe that employee engagement and job satisfaction play an important role in the development of the morale of employees. Jose and Mampilly, (2012) have identified that an engaged employee is optimistic, highly focused toward the work, energetic and willing to work for the sustainable development of the organization. There is a relationship between employee’s satisfaction with human resource practices and their level of engagement in the organization. Baldev and Anupama, (2010) have suggested that top management should take care in implementing appropriate human resource practices to serve the requirements of different groups of employees for their engagement in the organization in order to get better business results. Rajan (2012) has discussed that managers of the organization play an important role for retention and engagement of employees. Therefore managers should be trained to management techniques that aim at retention of employees. An organization that is able to retain its employees and keeps them engaged in their work, remains competitive in this era of cut throat competition.

Robertson (2012) has highlighted that employee engagement is a technique that helps to develop positive attitudes among employees towards their works and organization. It is an umbrella term that captures number of factors including job satisfaction, commitment and involvement but it is important to recognise that different factors lead to different outcomes for an organization.

Singh and Shukla, (2012) have said that employee engagement has become an important driver for strategy development. Development of strategy is extremely necessary for the survival of the organization. Without strategy, organization cannot run for a long period of time. As competition increases in business, employers realize the significance of the talented employees and their retention in the organization. Raising the engagement level of employees and maintaining that engagement level takes time, effort, commitment and investment. The organization must work to develop and nurture engagement, which requires a two way relationship between employers and employees. Engagement level increases when the employee
participates in decision making process and feels that they have contributed in the
development of the organization. While Sinha and Sinha, (2012) reiterate that talent
retention and engagement are most challenging task for human resource managers.
Most successful organizations are those that are able to adapt change with the help of
their talented and engaged employees through innovation, creativity and flexibility.
The talent management practices that make the employees stay in the organization
differ from organization to organization.

In their study, Swarnalatha and Prasanna, (2012) have discussed that employee
engagement is gaining popularity within the organization and its impact is beneficial
for the organization. Engagement of the employees is a good sign for the organization
in achieving its goal. Craige and Desimone, (2011) have argued that the executives
today recognize that employee engagement is an important contributor to employee
performance as well as the organizational performance. The report highlighted that
the organization should maintain high level of engagement among the employees
working in the organization. The study conducted by Kumar and Swetha, (2011)
highlights that employee engagement is a good indicator for the success of any
organization. The organization that has level of employee engagement promotes talent
retention, customer satisfaction and improved organizational performance. Neeti and
Leekha, (2011) have written that engagement is one of the important and powerful
strategy to attract, nurture, retain, respect and manage the manpower of the
organization. They have developed a model of employee engagement for managing
employees’ in any organization. They have also empirically tested the level of
employee engagement across marital status and reported that married employees’ tend
to have a higher level of engagement than those who are unmarried.

Rashid, Asad, and Ashraf (2011) have thrown light on the global competitive
world and said that each and every organization desires to gain the competitive
advantage over others and employee engagement is the best technique to achieve that
advantage. There are significant relationships among the employee engagement,
decision making, coordination, individual employee performance evaluation and
employee involvement. Baig (2010) has discussed that engagement and motivation of
the employees is the top priority of every manager in this competitive business
scenario. Business can survive and grow only by implementing new strategies and
policies for human resource management both for managerial and non-managerial staff.

Heaney (2010) has further discussed that every business wants to make the best use of all of its available manpower resources. It is concerned about maximum utilization of organizational assets in order to gain competitive advantage in the market. Most of the companies still regard and manage their employees as costs and fail to recognize that employees are major source of long-term competitive advantage. Utilizing highest level of employees’ capabilities should be the top priority of every organization. He further said that motivating and engaging the employees helps in achieving an organization’s objectives and managers will be most successful if they engage their employee toward his/her job. In a study, Purcell (2010) has reported that employee engagement has positive benefits for the organization as well as the employees themselves. De Lacy (2009) points out that employee engagement plays an important role in improving the organizational efficiency. Full involvement, passion and enthusiasm at work are important for the engagement of employees. It is concerned with the magnitude of effort made by the employee towards his/her job. Southard (2009) say that each and every organization requires engaged employees who are full of energy and enthusiasm and are willing to work more than the expectations of the employer. He further said that when the employee is engaged and motivated, he/she can work more effectively that results in production and development of the organization.

Cook (2008) has highlighted that in this era of globalization, each and every organization wants to attract and retain talented employees for the success of the organization. An engaged employee is more productive, ensures greater level of customer satisfaction, has loyalty towards the organization that leads to the success of the business. While Kular, Gatenby, Rees, Soane, & Truss (2008) have emphasized that an engaged employee is almost three times more sincere toward his/her work in comparison to those employees who are actively disengaged. An individual’s intention to leave the organization is generally regarded as an important measure of how they feel about their work as well as their organization. Engaged employees are likely to have a greater level of attachment with their organization. Sinha and Sinha, (2008) stated that a talented employee possesses the potential and skills to bring change in the organization. Every organization has various types of resources and
each resource plays an important role in the development of the organization, but, human resource, is the crucial one. Engagement of HR is an effective way to carry the organization in the right direction because engaged employees have the ability to perform better work, as according to Dicke, Holwerda, and Kontakos (2007) employee engagement is a way through which an organization increases commitment and efficiency of its employees to achieve the organizational goals.

Robinson (2006) has pointed out that engagement of the human resource is effective for smooth running of the organizations. Those organizations that fail to manage their employees, cannot survive for a longer period of time. In a study, Aswathappa (2005) has made an attempt to explain various section of human resource management. These sections are nature of human resource, employee hiring, employee and executive remuneration, employee engagement and motivation, employee retention and their relationship with other employees within the organization and employers also. Human resource development is also important for engaging the employees because it provides learning experience so that they become capable of moving towards new direction. He further says that engagement is a way through which employees working together are helped and motivated to achieve and develop their technical, managerial and behavioural knowledge, skills and abilities in achieving the organizational goals and objectives. An engaged employee has strong desire towards the job and gives full devotion to contribute to the success of the business. (Swarnalatha & Sureshkrishna, 2013). Kahn (1992) has reported that an engaged employee is attached with the organization in all aspects such as physically, cognitively, emotionally, and gives complete loyalty towards the job as well as organization also, which results in the success of the organization.

2.3 Factors Influencing Employee Engagement

In the current business scenario, employee engagement is considered as one of the top priorities of HR practitioners and senior managers in any organization. Saks (2006) has suggested that organizations that wish to increase the level of employee engagement should focus on employees perceptions of the support they receive from their supervisor as well as organization.

Recent researches indicate that job satisfaction and employee commitment are important parts and predictors of employee engagement. It clearly reflects the two
way exchange of effort between employees and employers of the organization (Markos & Sridevi, 2010). Saks (2006) stated that employee engagement could be a strong factor for organizational performance and success, as it seems to have a significant potential to affect employee retention, their loyalty and productivity, customer satisfaction, organizational reputation and overall stakeholder value. Employees who are provided with adequate development (training, skills and learning) are more likely to be more engaged in their job role and organization roles and would repay with greater organizational engagement.

Lawler (n.d.) has stated that employee engagement increases when employees understand their organization’s strategy and understand how their work contributes to success of the organization. Engaged employees make greater contributions to financial goals and guest satisfaction for any organization. Anwar (as cited in Bhatia, 2011) has explained that well defined job description at the time of recruitment is very important for the engagement of the employees. If there is no assigned goal and track achievements periodically, managers can not differentiate between the performers and non-performers and reward them appropriately. Robinson, Perryman, and Hayday (2004) have highlighted that leadership plays an important role in increasing the level of employee engagement. It can be said that engagement, which has a positive effect on the employees behaviour and attitude, can be derived from a strong mutual relationship between the co-employees, their employer and the organization as a whole. It is also important to remember that employees’ resources and their recovery play an important role in the employees ability to engage (Sakovska, 2012). In their study Sreekanth and Aryasri, (2012) have explained that employee engagement is closely related with employee behaviour and commitment towards the organization. The factors like performance appraisal, job profile, financial and non financial incentives and working environment lead to greater employee engagement in hospitality industry.

Garber (2007) has aptly said that engagement is just like a muscle that continuously requires exercise to grow and develop. Engaging the employees will keep them motivated and skilled in their work. If the organizations do not make their employees engaged their skills will be underutilised. Therefore to enhance engagement among the employees, human resource managers should create positive relationship among the employees and clear, honest and reliable communication
within the organization. Zajkowska (2012) candidly argued that the manager should encourage meaningful relationship with the employees and internal communication within the organization. Effective internal communication engages the employees towards the work and finally increases productivity, retention and profit of the organization.

Lochhead and Stephens, (2004) say that communication is very important for retention and engagement of the employees. Without proper communication, employee retention is far away from complete. Open, responsive, two way communication and employee participation in decision making play vital role in retention of good employees. They further describe that good working culture, compensation and benefits, rewards and recognition, job design and team work are important factors in retention and engagement of the employees within the organization for longer period of time. In his study, Ranjan (2014) said that a relationship between an employee and employer can only grow and remain strong if there is continuous flow of communication from both sides. Internal communications plays an effective role in the engagement of employees. Understanding the modes of capturing employee feedback and analysing them to act on engagement drivers are important steps in enhancing employee engagement. He further described that an organization cannot afford to neglect internal communication as a critical area, if it wants to grow and keep its customers and employees engaged and happy.

Markos and Sridevi, (2010) have reported that feeling valued by management, job satisfaction, two way communication between management and employees, management interest in employees well-being and giving more opportunities for employees to grow are the top drivers of employee engagement. Managers should enhance two way communication, ensure that employees have all the resources they need to do their job, give appropriate training to increase their knowledge and skill, establish reward mechanisms in which good job is rewarded through various financial and non-financial incentives, build a distinctive corporate culture that encourages hard work and keeps success stories alive. As opined by Biro (2014) employees are not motivated by money, status or power but by shared values, trust, mission and purpose.

Chanania (2012) said that employee engagement is the top priority for every organization. HR managers are constantly developing innovative and effective ways
to engage their employees in a better way. A new strategy has been developed by the organizations about reaching out to the employees’ families. HR managers efforts to involve employees families creates a feeling of belonging and goodwill for the organization. Such kind of strategies help in increasing motivation, commitment and satisfaction that finally leads to employee engagement. While Gopalakrishnan (2012) has discussed interview conducted by him with HR managers about their initiatives regarding development of employee relation and employee engagement, the managers replied that growth and culture are important factors for engagement of the employees. The organization provides opportunities to all employees to work on exciting projects for their growth and also gives room for innovation. Hence the employees are motivated and engaged towards the job.

Rasheed, Khan, and Ramzan (2013) have highlighted that organizations should provide their employees more monetary and non-monetary incentives so that employee engagement level becomes high. Thomas (2009) has explained that intrinsic rewards are relatively healthy and sustainable source of motivation for the employees of the organization. The workers with high level of rewards experience more positive feeling and fewer negative ones on the job and plays an effective contribution in the employee engagement. According to Business to Business International (n.d.) there are various factors which engage the employees such as opportunity to express their views, what happens within the organization should be informed among the employees. While Lupfer (2012) has discussed that engagement can vary from time to time depending upon different factors such as employee role, organization, individual satisfaction and personal happiness. Rajan (2012) has explained that the managers of the organization play important role in engagement and retention of the employees. The motivating factors for the employee retention and engagement are compensation, value of the employees, favourable organizational culture.

De Lacy (2009) has reported that employee engagement and retention are current focus of many developed countries. The business experts have realised that recruitment and retention of valuable and talented employees is deciding factors for smooth functioning of the organization and will be a key point for future of the business. She further described that those organization which do not pay attention on these things suffer a lot that results employee turnover, inability to expand production, low productivity and falling profitability.
Sengupta and Basu, (2012) have described that the public sector banks are altering their talent strategies to focus on performance and engagement of the employees. They further describe that the banks are also lining up incentives such as paid holidays abroad, leadership and training programmes in order to engage their employees towards the job. In their study, Singh and Shukla, (2012) have written that as the competition increases in the business, the employers realize the significance of talented employees and retain them in the organization. Raising the engagement level of the employees and maintaining that engagement level takes time, effort, commitment and investment. They suggested that organization must work to develop and nurture engagement, which requires a two way relationship between employer and employee. Engagement level increases when the employee participates in the opportunities for growth and feels that they have contributed in the development of the organization.

Behera, Sahoo, and Sundaray (2011) have explained that the primary responsibility of the employers is related with the retention of their best employees and this is only possible if the employees are engaged and motivated. Job satisfaction is directly related to retention. If an employee is satisfied definitely, he/she will be engaged towards the job and will stay in the organization. Supervisors or line managers should develop and encourage such a kind of environment that facilitates employee engagement. Fair and unbiased performance appraisal must be done and on the basis of that performance, compensation, benefits, promotion and rewards should be provided to the employees that result the engagement and retention of the employees. While Kumar and Swetha, (2011) have reported that employee engagement is affected by the organizational environment, communication and managerial style, trust and respect and also with reputation of the organization. The top management should implement effective working policies and practices that will help to attract and retain talented employees for growth and sustainable development of the organization.

Irshad (2011) has rightly emphasized that the high salary and designation are not enough for engagement and retention of the employees. The other factors which help in engagement and retention of the employees are career development, leave policy of the organization, leadership style, work environment, remuneration and rewards. Employee engagement, satisfaction and retention are keys to the success of
any organization. Mani (2011) said that employee welfare, empowerment, growth and interpersonal relationship play an important role in the engagement of employees.

In a study, Mortimer (2010) has explained that there are various factors that makes employees engaged and motivated towards their job like leadership quality, employers support, rewards and job security. The employer of the organization wants the employees who do their work with loyalty and dedication. A positive and effective working environment increases the satisfaction of the employees and makes them engaged in the organizational work. Robinson (2006) is also of the same opinion and advocated that employee engagement can take place through the development of good organizational environment where positive emotions such as involvement of the employee and their morale are encouraged, that results improved organizational performance, lower employee turnover and better health. According to De Lacy (2009) full involvement, passion and enthusiasm for the work are important for the engagement of the employees. Gopalakrishnan (2009) has explained that implementation of effective HR policies is very essential for the employee engagement. Therefore it is responsibility of top level of management to provide best management practices and latest techniques to their employees through training and workshop for their effective engagement (Stroud, 2009).

In his study, Thompson (2009) has found that it is quite difficult for the human resource managers to recruit the talented employees and put them at right place according to their knowledge, skills and engage them towards their job. The employees need to be creatively involved in how their work gets done. Positive thinking, good organizational culture, individual behaviour and positive approach to organizational life make the employee engaged towards their work. Dicke, Holwerda, and Kontakos (2007) have reported that engagement affects the organization at micro and macro level from different direction. In order to achieve favourable results, a manager must know about the strength and weakness that are related with the organization and must take remedial measures to minimize that weakness. Oliver and Rothmann, (2007) have explained that engagement of the employees is a position in which the employee dedicates his or her best possible performance at work and is confident of his or her effectiveness. There is an effect of psychological condition on the work engagement, availability and safety on employee engagement.
Saks (2006) has argued that employee involvement with the organization is directly related with the resources they receive from their organization. Compensation and other meaningful employment decisions are key factors of engagement of the employees. He further explained the antecedents of employee engagement. Antecedents of employee engagement includes job characteristics, rewards and recognition, perceived organizational and supervisor support and procedural justice. Robinson, Perryman, and Hayday (2004) have discussed about the key behaviour which helps in motivation and engagement of the employees. These behaviours includes belief in the organization, ability and willingness to work, making things better, understanding the business scenario, cooperation and coordination with the other employees of the organization. They further described that effective leadership by the top management, two way communication among the workers of the organization, well designed human resource policies, organizational development of employees are the key drivers of employee engagement.

Perrin (2003) opines that employee engagement is a never ending process that enriches work experience. The pays and benefits which are provided to the employees are not about making them happy but for attracting and retaining the talented employees. The fundamental elements which are required for engagement of the employee are strong leadership, accountability, autonomy, ability to control the business environment and opportunity for the development. There is no substitute of these elements. Emotional factors are related with the individual employee satisfaction and the sense of inspiration which the employees get from the organization where they are working. In his study, Kahn (1992) has highlighted that fully engaged employees leads to the success of the organization. There are many dimensions which makes the employees engaged towards their job. Some of them are continuity in the organization, connection with other staff members and integration in their job. Kahn (1990) has reported that the ideas of each and every employee differs from each other and every employee should be given freedom to express their views and thought. This kind of activity enhances the morale of employees, hence the employees are engaged towards their work and increases the productivity of the organization. He further described that lack of connection with the organization, emotional absence, passive and incomplete role causes disengagement among the workers. While Verma and Roa, (1989) have discussed the methods of development
of human resource, employee potential and engagement for the organizational growth and development. It involves the performance appraisal, potential development, engagement, performance analysis, performance feedback, career development and intervention. They further described that knowledge, interest motives and values of the employees are dominant factors which play a key role in engagement and satisfaction of the employees within the organization for a longer period of time.

2.4 Employee Engagement in Hotel Industry

According to Anwar (2014) hotel industry is one of the growing and labour intensive industries in the world. It provides employment to all categories of employees. Therefore it is a very important and challenging task for HR managers to engage their employee towards their work. In their study Hamid and Farooqi, (2014) have reported that hotel industry is quality driven service industry. The competitiveness and productivity of the industry largely depends on its employees. High rate of employees turnover in hospitality industry is a challenging task for human resource managers as well as employers also. Therefore employee engagement is very important for hotel industry because it increases the level of trust and reduces the problem of turnover of the employees. Engaged employee acts in a way that reflects greater level of commitment to the organization and contribute his/her skills and abilities for the betterment of the organization.

Cattermole and Johnson, (2014) have written that employee engagement can really help businesses in the hotel industry and there is a strong relationship between high level of employee engagement and high customer advocacy. The hotels which have high level of employee engagement have higher profitability and lower attrition rate. Lee (2012) has discussed that employee engagement is a new human resource practice that is being used by the business organizations now a days. It is associated with productivity and profitability of hotel industry. When employees are engaged in their work, they will have good relationships with their co-workers and working environment is better for service.

Razzi (2013) has explained that the hospitality industry is a unique one that exists to serve customers in their recreational time. Currently the hospitality industry is facing the problem of high turnover in comparison to any other industry. Therefore it is absolutely essential that managers should accept the links between employee
engagement, retention and business productivity so that they can convey to employees who are working in the hospitality industry. Anwar (as cited in Willis, 2008) emphasizes that regional hotels need to dedicate more attention on engagement if they wish to continue to operate successfully. Asian countries such as India and China are presently witnessing the fastest growth followed closely by the Middle East. The challenge is to match growth with talent so that the service levels are maintained. At the same time, keeping that talent within the hospitality industry via training and career progression opportunities is essential.

According to Kang (2014) employee engagement has been identified as important technique by consultant and business enterprises. It is a technique to increase employees’ productivity and reduce their intention to leave the organization. By identifying the factors that influence employee engagement, employers in the hospitality industry can better understand and address their employees’ work-related psychological state, attitudes and behaviours in order to reduce turnover intention or unnecessary turnover. Hospitality employers may be better equipped to retain talented employees to deliver quality service which has been tied to increased business profitability. In his study, Wharton (2012) has noted that a strong focus on employee engagement is crucial for HR managers to know what is in their employee’s minds. High level of engagement between executive and employees is essential for hotel industry because the employees have direct exposure to customers at every stage.

In their study Ncube and Jerie, (2012) have highlighted the contribution of employee engagement to competitive advantage in hotel industry. Hotels having high level of employee engagement enjoy a competitive advantage over the hotels having lower level of employee engagement because the engaged employees are highly satisfied, motivated, committed towards the job. Cooper (2010) advocates that the organization in hospitality sectors should maximize the level of employee engagement. By enhancing the level of employee engagement, organization can use the full potential of the employees. It is the responsibility of HR managers to identify the employees’ main strength and build on them to increase the overall organizational performance. Anand (2011) has discussed that employee engagement plays a crucial role in the hotel because it affects everything from retention and productivity to profitability and safety. There is an intrinsic link between employee engagement,
customer loyalty and profitability. Engaged employees provide quality services. They are more customer focused and have less intention to leave the organization.

The survey conducted by EON Consulting and Training (2015) has found that the tourism and hospitality industry has the highest engagement than any other industry in Singapore. Support from supervisors is also an important factor in engaging employees. Therefore, employers of tourism and hospitality industry should train their supervisors with the right kinds of skills, knowledge and autonomy to be able to support their junior employees whenever required. In their study AbuKhalifeh and Som, (2013) have reported that employee development is the highest contributing factor to employee engagement. Therefore it is very essential for hotel owners to enhance the level of engagement among the employees by increasing employees’ development. The HR managers should develop the knowledge and skills of the employees by organizing workshops and training programmes in order to improve the services.

In their study Sreekanth and Aryasri, (2012) have reported that employee engagement is closely related with employee behaviour and commitment towards the organization. The factors like performance appraisal, job profile, financial and non-financial incentives and working environment leads to greater employee engagement in hospitality industry. They have also explained the importance of employee engagement in hospitality industry that employee engagement improves organizational performance and greater guest satisfaction. While Anwar (as cited in Moncarz et al., 2008) analyzed that hotels could have higher employee retention rates if they offered financial incentives. Hotels must offer other incentives so that they become competitive or unique in the marketplace. She recommended that hotels must clearly communicate their compensation policies, create clear goals for the employees and make their financial incentives achievable. She argued that since the hospitality industry relies on employees to deliver quality service in order to obtain higher revenues, then attracting and retaining the best talent through better compensation practices would benefit employers.
2.5 Impact of Employee Engagement on Organizational Performance

Larkin (2009) has stated that engaged employees are not only happy with their job, but also translate that satisfaction into higher productivity and profitability of the organization. They think that their work can play an active role in making the organization a successful one. According to Robinson, Perryman, and Hayday (2004) engaged employees are more satisfied with their job and are more committed to the organization. Engaged employees do not hold back, they not only have more energy, but they also enthusiastically apply their energy at work. Kang (2014) is of the opinion that engaged employees strengthen the organization’s competitive advantage and generate favourable business environment. The firms or organizations that deal with the man power resources have made it clear that by improving the level of employee engagement, the companies can increase their productivity and profitability.

Swarnalatha and Prasanna, (2012) reiterate that employee engagement is gaining popularity within the organization and its impact is beneficial for the organization. Engagement of the employees is a good sign for the organization in achieving its goals and objectives. Engaged employees give their organization a competitive advantage such as higher productivity, customer satisfaction and lower employee turnover. The employer of the organization should build a strong relationship with the employees. Ariani (2013) has stated that employee engagement is positively related with organizational performance. Engaged employees are likely to perform extra role behaviours because they are able to accomplish goals and to perform their tasks efficiently. Employee engagement helps employers to improve or maintain their competitive advantage because engaged employee experience a high level of connectivity with their organization. Mortimer (2010) has reported that benefits of an engaged workforce are reflected in performance and productivity, improved quality and customer care, enhanced cooperation amongst the workforce, reduced staff turnover, reduced absenteeism and disputes. Markos and Sridevi, (2010) are of the opinion that engaged employees have higher employee retention as a result of reduced intention to leave the organization, increases productivity, profitability, growth and customer satisfaction. Lee (2012) elucidated that employee engagement is associated with productivity and profitability of industry. When employees are engaged in their work, they have good relationships with their co-workers and working environment is better for service. Cattermole and Johnson, (2014) have said
that there is strong relationship between high level of employee engagement and high customer advocacy. The organizations which have high level of employee engagement have higher profitability and lower attrition rate.

In his study, Saks (2006) has discussed that employee engagement has positive consequences for an organization. These consequences are job satisfaction, organizational commitment and organizational citizenship behaviour. In a study conducted by Sreekanth and Aryasri, (2012) have been found that employee engagement improves organizational performance and leads to greater guest satisfaction. It has positive impact on employees performance, productivity, guest satisfaction and also having different levels of work engagement. Engaged employees are more involved in organizational works and having less intention to leave the organization (Saks, 2006; Kang, 2014).

Haid and Sims, (2008) explain that engagement is a two way process between employees and organization. The organization attempts to engage employees who return a level of engagement to the employer. Engagement leads to higher financial performance, higher customer satisfaction and higher employee retention. Engaged employees understand the value of ensuring a positive customer experience and are more likely to demonstrate their commitment by delivering high quality products and services. Anand (2011) has discussed that there is an intrinsic link between employee engagement, customer loyalty and profitability. Engaged employees provide quality service, are more customer focused and have less intention to leave the organization.

Aon Hewitt (2013) discussed that by evaluating the level of employee engagement, employers can develop strategy to enhance employee motivation, productivity and profitability of the organization. According to Konrad (2006) employee engagement increases the customer satisfaction, profitability, productivity and reduces turnover of the employees in the organization. Webster (n.d.) has pointed out that employee engagement improves job satisfaction and organizational performance. Employees as well as the employer both are benefited by developing engagement level of the employees. An engaged employee suffers fewer stress related illness and exhibits lesser absenteeism and turnover. Managers also trust employees who are engaged and committed to their works. Robertson (2012) asserts that if employee engagement is high, definitely organizational performance is improved.
Saradha and Patrick, (2011) have discussed that employee engagement activities significantly improve overall performance of an organization. The ultimate goal and objective of every organization is to increase its profits, improve the quality of goods and services and improve customer satisfaction with optimum resources. Therefore HR managers should develop ways to increase the employee engagement activities, to increase the frequency and intensity of engagement levels among employees which would bring better organizational results.

According to Shuck (as cited in Lockwood, 2007) organizations have started focusing on employee engagement as a promising strategy to increase retention and improve productivity. Engaged employees positively affect the experience of customers and co-workers. It has relation with important organizational outcomes such as discretionary effort and intention to turnover. In the views of Corporate Leadership Council (2004) engaged employees are less likely to feel exhausted towards the organization. They are assets who make the organization successful in the competitive era. Kruse (2012) has reported that engaged employees increase productivity and profitability of the organization. Shanmugam and Krishnaveni, (2012) have pointed out that employers of the organization have started measuring the level of the engagement of their employees in order to improve the productivity, profitability, turnover and safety of the organization.

In their study Kumar and Swetha, (2011) have explained that the employee engagement is an indicator for success of the organization. The organizations having high level of employee engagement promote talent retention, customer satisfaction and improved overall organizational performance. The top management should implement effective working policies and practices that will help to attract and retain talented employees for growth and sustainable development of the organization. Mani (2011) reports that employee engagement has direct and positive impact on employee retention, productivity and loyalty towards the organization. Engaged employees are fully aware with the business environment and works with the help of other employees to improve the organizational performance. Sundaray (2011) described that employee engagement develops positive attitudes among the employees towards their organization, hence the productivity of the organization is improved.
Mortimer (2010) has discussed that an engaged employee provides many benefits to the organization such as productivity, improved quality, customer care, cooperation among the employees, reduced employee turnover, reduced absenteeism and dispute (Wilson, 2009). A positive and effective working environment increases the satisfaction of the employees and makes them engaged in the organizational work. It has positive benefits for the organization as well as for the employees (Purcell, 2010).

Karsnia (2009) has discussed that employee engagement has been identified as a critical business driver that has the capacity to have an impact on organization’s overall success. Effective employee engagement results in employee retention, productivity and loyalty towards the organization. He further described that there are so many reasons for engaging the employees such as customer service, increased customer satisfaction, improved organizational productivity, positive effect on teamwork and morale, alignment of employee strategy, reduced turnover and absenteeism. Southard (2009) said that when the employee is engaged and motivated, he/she can work more consistently that results in production and development of the organization. Stroud (2009) has explained that employee engagement provides a large numbers of meaningful business benefits. These benefits are very important for the development of the business such as increased productivity, improved individual and organizational performance and heightened organizational commitment.

Cook (2008) reported that an engaged employee is more productive and loyal towards the organization that leads to the success of the business and greater level of customer satisfaction. Kular, Gatenby, Rees, Soane, and Truss (2008) have reported that an engaged employee is almost three times more sincere towards his/her work and job in comparison to those employees who are actively disengaged. Engaged employees are likely to have a greater attachment to their organization and problems of turnover and recruitment costs are reduced. Sinha and Sinha, (2008) have pointed out that a talented and engaged employee has the potentials and skills to bring out the change in the organization. Engagement of human resource is an effective way to carry the organization in right direction because engaged employees have the ability to perform better work.
Dicke, Holwerda, and Kontakos (2007) have discussed that employee engagement is a way through which an organization increases commitment and efficiency of its employees to achieve the organizational goals and objectives. Engagement affects the organization at micro and macro level from different direction. In order to achieve favourable results, a manager must know about the strength and weakness related with the organization and must take remedial measures to minimize the weakness that is prevailing within the organization.

2.6 Research Gap

The term employee engagement was firstly used by the corporate world and later it had been used by academic researchers. Considerable portions of literature on employee engagement comes from practitioner literature and consulting firms. There is a lack of research on employee engagement in the academic literature (Robinson, Perryman & Hayday, 2004). After reviewing various books, articles, journals, magazines, project reports, Governmental and institutional reports, newsletters, newspapers, dissertation and Ph.D. theses related to the employee engagement, the researcher uncovered that most of the work done on employee engagement is related to need, significance and importance of employee engagement for an organization and its role in the success of the organizations. Some of the researches have also dealt with the antecedent and consequences of employee engagement.

Apart from these, some studies have also tried to probe the relationship between employee engagement and organizational citizenship behaviour, job satisfaction, organizational commitment, leadership, organizational communication etc. Other studies have also made empirical research on employee engagement in the hotel industry. But till now no work has been done particularly, on hotel industry of India dealing with the factors that are responsible for employee engagement along with impact of employee engagement on organizational performance of hotels.

Therefore this study will makes an attempt to probe the factors that make the employees engaged towards their jobs and also the impact of employee engagement on organizational performance in terms of customer satisfaction and turnover intention at Taj Group of Hotels, New Delhi.
2.7 Summary

Employee engagement is the latest human resource practice that has been used by the corporate world in the 21st century. As the concept of employee engagement has grown in popularity, it has undergone significant developments in definition, measurement and conceptualization. But researches in the academic community have lagged behind. Employee engagement is the level of commitment and involvement of employees towards their organization and its value. An engaged employee is aware of business context and works with colleagues to improve performance within the job for the benefits of the organization. It is very important for smooth functioning and survival of organization. Organizations which fail to make their employees engaged cannot get competitive advantage. Therefore it is a challenging task for HR managers to create and maintain a healthy work environment that motivates and engaged the employees towards his/her work. Good working environment, career development opportunities, leadership style, compensation and benefits, rewards and recognition, job design and team work are important factors that influence employee engagement and make employees engaged towards his/her job for a longer period of time.

Human resources are important assets of every organization and their engagement works as a catalyst for smooth functioning of organizations. The organizations which have high level of employee engagement have higher productivity, higher profitability, higher customer satisfaction, higher retention rate and lower turnover intention and absenteeism.

Therefore the aforesaid discussion concludes that business environment is becoming more and more complex due to competition and advancement in technology. It is very difficult for the organizations to survive in this competitive market without having engaged workforce. Therefore the organization should focus on the aspect employee engagement in order to get competitive advantage and to increase productivity and profitability of the organization and also to reduce absenteeism and attrition.
References


and Regional College of Management Autonomous (RCMA), Bhubaneswar (pp 1-12).


Cooper, C. (2010, November 24). *Engagement is important to hospitality firms.* Retrieved from http://www.love2reward.co.uk/rewards/feeds/engagement-is-important-to-hospitality-firms.jsp


