CHAPTER 2
REVIEW OF LITERATURE

Literature review is an integral part of the research process and makes a valuable contribution to almost every operational step. The review of literature gives the ideas and ways to the researcher to do the effective research in the selected topic. This chapter will expand on the definitions, key concepts and an overview of various studies carried out on employee engagement. The purpose of this chapter is to provide detailed literature overview of employee engagement.

INTRODUCTION-
Employee engagement has its roots in classic work done in employee motivation, in the form of intrinsic motivation (Hertzberg, 1966). The Gallup Research Group coined the term employee engagement as a result of 25 years of interviewing and surveying employees and managers (Little & Little; 2006) whereas Simpson (2008) states that Kahn’s (1990) study on personal engagement was the earliest of the engagement at work constructs. Thus there are therefore different views on the origin of employee engagement but this may however be a reflection of the different terms used to describe a construct that is employee engagement compared to personal engagement.

Employee engagement is derived from early studies in the 1920s on morale or a group’s willingness to accomplish organizational objectives. The concept was matured by US Army researchers during World War – II to predict unity of effort and attitudinal battle – readiness before a strike. Again, post war mass production society needed unity of effort in execution for speed & quality, where morale was considered to be the most important indicator. In the modern day perspective with the advent of knowledge worker, stress was given on individual talent management. Thus a term was required to describe an individual’s emotional attachment to the organization, to his fellow colleagues and to the job. Thus came the term ‘employee engagement’, which is an individual emotional phenomenon whereas morale is a group emotional phenomenon.
Employee engagement is a business management concept. According to Scarlett surveys, employee engagement is a measurable degree of an employee’s positive or negative emotional attachment to their job, colleagues and organization that profoundly influences their willingness to learn and perform at work. In engagement, organisation members harness their full selves in active, complete work role performances by driving personal energy into physical, cognitive and emotional labours. Engaged individuals are described as being psychologically present, fully there, attentive, feeling connected, integrated, and focussed in their role performances. They are open to themselves and others, connected to work, and focussed in their role performance.

A review of literature indicates that employee engagement has been conceptualized in different ways. It became evident from literature that employee engagement is defined differently by various organisations and authors. These definitions are in most cases adapted to what the organisations deem important for them. Most of the literature employs a multidimensional approach to defining employee engagement, where the definition encapsulates several elements required in order to achieve ‘true engagement’. Some of the important definitions of employee engagement are as follows:

1. **Kahn (1990)** defined personal engagement as the harnessing of organization members’ selves to their work roles; in engagement people employ and express themselves physically, cognitively and emotionally during role performances.

2. **Schaufeli et al. (2002)** defined engagement as a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption. Vigor is characterized by high levels of energy and mental resilience while working, the willingness to invest effort in one’s work, and persistence in the face of difficulties. Dedication is characterized by a sense of significance, enthusiasm, inspiration, pride, and challenge. Absorption is characterized by being fully concentrated and happily engrossed in one’s work, whereby time passes quickly and one has difficulties with detaching oneself from work.
3. **Robinson et al. (2004)** consider employee engagement as a positive attitude held by the employee towards the organization and its values.

4. **Schmidt (2004)** defines engagement as bringing satisfaction and commitment together.

5. **Shaw (2005)** also created a definition of employee engagement, which is, “translating employee potential into employee performance and business success” and thus “changing the way employees perform by utilizing the tools in the armory of internal communication professionals.”

6. The **CIPD Annual Survey report (2006)** defines engagement in terms of three dimensions of employee engagement:
   - Emotional engagement – being very involved emotionally in one’s work;
   - Cognitive engagement – focusing very hard whilst at work; and
   - Physical engagement – being willing to ‘go the extra mile’ for your employer.

7. **Right Management (2006)** defines true engagement as every person in the organisation understanding and being committed to the success of the business strategy, and that this goes beyond more than just simple job satisfaction and incorporates aspects of commitment, pride and advocacy about the organisation’s products and brand. Whilst the onus is on the organisation to manage communication effectively to involve employees and align them with the organisation, this clearly requires input and feedback from employees as well to make the process work.

8. **Vance (2006)** defines employee engagement by stating, “To compete today, companies need to win over the minds (rational commitment) and the hearts (emotional commitment) of employees in ways that lead to extraordinary effort”
9. **GMJ (2006)** The Gallup Organization, potentially the most widely recognized name associated with employee engagement due to their bestselling book, “First, Break All the Rules,” defines engaged employees as those who, “work with a passion and feel a profound connection to their company” and “drive innovation and move the organization forward”

10. **Saks (2006)** in 2001, N.P. Rothbard’s definition described engagement as a psychological presence with two key mechanisms, attention and absorption. Attention is “cognitive ability and the amount of time one spends thinking about a role” and absorption is “being engrossed in a role and refers to the intensity of one’s focus on a role”

11. **CIPD (2007)** defines employee engagement as a combination of commitment to the organisation and its values plus a willingness to help out colleagues. According to this view, engagement is about more than job satisfaction and is a more complex concept than motivation.

12. **Macey and Schneider (2008)** conceptualized engagement at the tripartite level, a complex nomological network encompassing trait, state, and behavioral constructs, as well as the work and organizational conditions that might facilitate state and behavioral engagement.

13. **Ibrecht (2010)** views employee engagement as a positive and energized work-related motivational state and a genuine willingness to contribute to work role and organizational success.

14. According to **Welch (2011)** engagement is variously termed as personal engagement, work engagement, job engagement or employee engagement
EXAMPLES OF HOW ORGANISATIONS DEFINE ENGAGEMENT

**Vodafone** defines employee engagement as ‘an outcome “measured or seen as a result of people being committed to something or someone in the business – a very best effort that is willingly given. (Suff, 2008)

**Johnson and Johnson** defines employee engagement as ‘the degree to which employees are satisfied with their jobs, feel valued, and experience collaboration and trust. Engaged employees will stay with the company longer and continually find smarter, more effective ways to add value to the organization. The end result is a high performing company where people are flourishing and productivity is increased and sustained’. (Catteeuw et al., 2007 p. 152)

**BT** believes employee engagement is ‘a combination of attitudes, thoughts and behaviours that relate to satisfaction, advocacy, commitment, pride, loyalty and responsibility’. BT claims it is ‘broader than the more traditional concept of employee satisfaction and relates to the extent to which employees are fully engaged with the company and their work’. (BT, 2008)

**Barclays** suggests a formal definition of employee engagement might be, ‘the extent to which an employee feels a sense of attachment to the organization he or she works for, believes in its goals and supports its values.’ Barclays also suggest that it is possible to ‘gain a good sense of someone’s engagement by asking a simple question, would you recommend Barclays as a good place to work?’ (Barclays, 2008)

**Dell** refers to being engaged as ‘giving time and talent to team building activities’. (Dell, 2008)

**Nokia Siemens Networks** describes being engaged as ‘an emotional attachment to the organization, pride and a willingness to be an advocate of the organization, a rational understanding of the organization’s strategic goals, values, and how employees fit and motivation and willingness to invest discretionary effort to go above and beyond’. 
The University of York suggests that ‘employee engagement is a combination of commitment to the organisation and its values plus a willingness to help out colleagues. Employee Engagement goes beyond job satisfaction and is not simply motivation’

(The University of York, 2008)

The Civil Service sees being engaged as ‘more than just being satisfied or motivated. Engaged employees have a sense of personal attachment to their work and organisation that means they want to give of their best to help it succeed. Engaged employees tend to speak positively about their organisation and have an active desire to stay.’

(Civil Service, 2008)

**Source: Definitions drawn from organization’s websites**

The researcher has carried out extensive literature survey on employee engagement. Various academic journals, newspaper articles, various websites, books, etc were referred to extract the relevant research and to find out the research gap in available research work. A lot of the literature on employee engagement comes from practitioner literature and consulting firm. There is a lack of research on employee engagement in the academic literature. The following section examines relevant literature around each of work done on employee engagement during 1990-2012-

Kahn (1990) in his study explored the conditions at work in which people personally engage and disengage. He described three psychological conditions- meaningfulness, safety and availability- and their individual and contextual sources. The studies reported here focused on how people’s experiences of themselves and their work contexts influenced moments of personal engagement and disengagement.

Kahn (1992) developed the concept of psychological presence at work to describe the experimental state enabling organization members to draw deeply on their personal selves in role performances. He proposed that high levels of engagement lead to both positive outcomes for individuals, (e.g. quality of people’s work and their own
experiences of doing that work), as well as positive organizational-level outcomes (e.g. the growth and productivity of organizations).

Rothbard (2001) developed a model of engagement in multiple roles of work and family. The study revealed that depletion existed only for women and only in work-to-family direction. Men experienced enrichment from family to work. Overall more linkages were found between work and family for women than for men. The study suggests that patterns of both enrichment and depletion exist and that both gender and the direction of the relationship (i.e. work to family or family to work) matter in determining whether a person experiences enrichment or depletion.

Schaufeli et al (2001) provided an overview of the concept of burnout. Although burnout seems to be a global phenomenon, the meaning of the concept differs between countries. The study expanded the work on engagement to include a focus on engagement as the positive antithesis of burnout. The burnout process starts with the wearing out of engagement, when “energy turns into exhaustion, involvement turns into cynicism, and efficacy turns into ineffectiveness”. Accordingly, engagement is characterized by energy, involvement and efficacy – the direct opposites of the three burnout dimensions.

Scaufeliet al (2002) examined burnout and engagement in university students from three European countries- Spain, Portugal and Netherlands. The study evaluated the relationship between burnout and engagement on one hand and academic performance on the other hand. The academic performance (i.e. the ratio of passed exams in the previous term relative to the total number of exams) is negatively related to burnout and positively related to engagement.

Scaufeliet al (2002) assessed the factorial structure of MBI-GS (Maslech- Burnout Inventory- General Survey) to measure engagement and examined the relationship between engagement and burnout. It was found that all burnout and engagement scales were negatively related whereas the interrelations of the burnout & engagement scales were all positive. The study also revealed that to a certain extent burnout and engagement are antipodes i.e. both constructs are moderately negatively related.
Instead of burnout component, professional efficacy seems to be an element of engagement.

**Coffman & Gonzalez-Molina (2002)** surveyed hundreds of companies the results of which showed that 54% of workers were not engaged and 17% were actively disengaged. In other words, the companies surveyed were operating on only a fraction of the resources that should be available to them. In this study, the most engaged work groups were noted to be the most productive and the rest were shown to be mediocre or, in some cases, destructive.

**Welbourne (2003)** considers engagement to be constructed from the roles employees have in the workplace. These roles are broadly categorised into job roles as defined by the job description, and non-job roles like mentoring a subordinate, career roles where career advancement activities take place and organisation-member role where the employee perform tasks to promote and help the organisation where it is not part of their duties. The author defines employees to be engaged when they perform non-job roles.

**Sabine Sonnetag (2003)** examined work-related outcomes of recovery during leisure time. The results of multilevel analyses showed that day-level recovery was positively related to day-level work engagement and day-level proactive behavior (personal initiative, pursuit of learning) during the subsequent work day. Individuals who feel that they sufficiently recover during leisure time experience a higher level of work engagement during the subsequent work day. This high level of work engagement in turn helps them in taking initiative and pursuing learning goals.

**Douglas R. May et al (2004)** explored the determinants and the mediating effects of three psychological conditions – meaningfulness, safety and availability- on employee engagement in their work. The results from the revised theoretical framework revealed that the three psychological conditions exhibited significant positive relations with engagement. Meaningfulness displayed strongest relation. Job enrichment and work role fit were positively linked to psychological meaningfulness. Rewarding co-worker and supportive supervisor relations were positively associated with psychological safety, whereas adherence to co-worker norms and self
consciousness were negatively associated. Psychological availability was positively related to the resources available and negatively related to the participation in outside activities.

Schaufeli and Bakker (2006) in their study focused on burnout and its positive antipode—engagement. It was found that (1) burnout and engagement are negatively related, sharing between 10 per cent and 25 per cent of their variances; (2) burnout is mainly predicted by job demands but also by lack of job resources, whereas engagement is exclusively predicted by available job resources; (3) burnout is related to health problems as well as to turnover intention, whereas engagement is related only to the latter; (4) burnout mediates the relationship between job demands and health problems, whereas engagement mediates the relationship between job resources and turnover intention. The fact that burnout and engagement exhibit different patterns of possible causes and consequences implies that different intervention strategies should be used when burnout is to be reduced or engagement is to be enhanced.

Saks (2006) argues that organizational commitment differs from engagement in that it refers to a person’s attitude and attachment towards their organization, whilst it could be argued that engagement is not merely an attitude; it is the degree to which an individual is attentive to their work and absorbed in the performance of their role. Vance (2006) explains that an engaged workforce generate valuable business results for an organization. The process starts with employer practices such as job and task design, recruitment and selection, training, compensation, performance management and career development. These practices affect the employees’ level of engagement as well as job performance.

Jyotsna Bhatnagar (2007) investigated the talent management and its relationship to levels of employee engagement using a mixed method research design. In the first phase low factor loadings indicated low engagement scores at the beginning of the career and at completion of 16 months with the organization. High factor loadings at intermediate stages of employment were indicative of high engagement levels, but the interview data reflected that this may mean high loyalty, but only for a limited time. In the second phase factor loadings indicated three distinct factors of organizational
culture, career planning along with incentives and organizational support. The first two were indicative of high attrition. The study indicated that a good level of engagement may lead to high retention, but only for a limited time in the ITES sector. The need for a more rigorous employee engagement construct is indicated by the study.

Robison (2007) classify employees into one of the following three categories: engaged, not engaged, or actively disengaged. Engaged employees work with passion and feel a profound connection to their organization. They drive innovation and move the organization forward. Not-engaged employees are employees who are at work, but are making no active contribution to the success of the organization. They are putting in their time, but no energy or passion into their work. Actively disengaged employees are not just unhappy at work, but also act out their unhappiness. These workers undermine the efforts of engaged workers.

Derek Avery et al (2007) examined how individual or situational factors relate to engagement. Consequently, the study examined the interplay between employee age, perceived coworker age composition, and satisfaction with older (older than 55) and younger (younger than 40) coworkers on engagement using a sample of 901 individuals employed in the United Kingdom. Results indicated that satisfaction with one’s coworkers related significantly to engagement. Moreover, perceived age similarity was associated with higher levels of engagement among older workers when they were highly satisfied with their coworkers over 55 and lower levels of engagement when they were not.

S. Rothmann& J.H.M Joubert (2007) in their study investigated the relationships between job demands, job resources, burnout, and engagement of management staff at platinum mine in the North West Province using a cross-sectional survey design. The results revealed that exhaustion was predicted by workload, job insecurity and a lack of resources, while cynicism was predicted by lack of organizational support and advancement opportunities. Vigor was predicted by organizational support. Dedication was predicted by organizational support and high workload. Engagement was predicted by organizational support.
Kim & Swanger (2008) emphasized on burnout, engagement, and their relationships with personality traits. Results indicated that burnout and engagement may be, rather, two distinctive concepts driven by different personality dimensions. Specifically, the most critical personality trait affecting two core burnout constructs (exhaustion and cynicism) is neuroticism and the most eminent traits predicting four extended engagement factors (vigor, dedication, absorption, and professional efficacy) are conscientiousness and neuroticism. However the study did not validate the effects of positive personality traits such as extraversion and agreeableness on burnout and they were found to be weakly related to employees’ work engagement as well.

Michelle R. Simpson (2008) examined the state of knowledge about engagement at work through a review of the literature. The review highlighted the four lines of engagement research and focused on the determinants and consequences of engagement at work. The literature review identified four distinct lines of research that focused on engagement within the employee work role. A review of 32 engagement-based articles were referred taking a sample of 20 studies report on the examination of antecedents and/or consequences of engagement at work among varying employee types and work settings. He found that organizational factors versus individual contributors significantly impact engagement at work.

Richman et al (2008) concluded that supportive work-life policies and perceived flexibility increases expected retention. This indicates that employees will be inclined to stay with an organization that they feel are sensitive to their personal life circumstances. Employees are engaged in organizations where they feel that they are not just a commodity or asset towards achieving organizational goals, but are human beings who form part of families and communities.

Salanova & Schaufeli (2008) investigated the mediating role of work engagement (i.e. vigour and dedication) among job resources (i.e. job control, feedback and variety) and proactive behaviour at work using Structural Equation Modeling in two independent samples from Spain and the Netherlands. Results in both samples confirmed that work engagement fully mediates the impact of job resources on proactive behaviour. Subsequent multigroup analyses revealed that the strengths of
the structural paths of the mediation model were invariant across both national samples, underscoring the cross-national validity of the model.

Arnold B. Bakker and Despoina Xanthopoulou (2009) examined the crossover of work engagement—a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption. They hypothesized that work engagement crosses over from an employee (the actor) to his or her colleague (the partner) on a daily basis. The frequency of daily communication was expected to moderate the crossover of daily work engagement, which in turn would relate to colleagues’ daily performance. The results from multilevel analyses confirmed the crossover of daily work engagement, but only on days when employees within a dyad (i.e. a smallest unit of communication) interacted more frequently than usual. They also found that actor’s work engagement (particularly vigor), when frequently communicated, had a positive indirect relationship with partner’s performance through partner’s work engagement. The results showed that actor’s vigor was negatively related to partner’s performance when communication was low. However, this negative effect was counteracted when mediated by the vigor of the partner.

Thomas, Kenneth W. (2009) explained the popularity of intrinsic rewards and how these rewards can be used to build a high engagement culture. The study emphasized on sense of meaningfulness, sense of choice, sense of competence and sense of progress. The results show that the intrinsic rewards create a strong, win-win form of motivation for both the organization and its employees—and the one which suits the times. Also intrinsic rewards are considered to be the strong predictors of retention.

Walmar Schaufeli et al. (2009) carried out a longitudinal survey among 201 telecom managers. The results of structural equation modeling analyses revealed that: (1) increases in job demands (i.e., overload, emotional demands, and work-home interference) and decreases in job resources (i.e., social support, autonomy, opportunities to learn, and feedback) predict burnout, (2) increases in job resources predict work engagement, and (3) burnout (positively) and engagement (negatively) predict registered sickness duration ("involuntary" absence) and frequency ("involuntary" absence), respectively. Finally, consistent with predictions results
suggested a positive gain spiral: initial work engagement predicts an increase in job resources, which, in its turn, further increases work engagement.

**Dow Scott et al (2010)** determined how total reward programs and employee engagement are related. It also helped in determining whether total reward programs are associated with organization performance. The study confirms that the total reward structures, programs and policies influence employee engagement. Organizations that encourage managers to engage employee engagement through incentive programs indicate programs indicate that their organizations more effectively foster employee engagement and motivation than those organizations than those organizations that do not.

**Michael Shuck (2010)** examined the relation among job fit, commitment & psychological climate, discretionary efforts, intention to turnover and employee engagement. The results of the study revealed that job fit, affective commitment & psychological climate were all significantly related to both discretionary effort & intention to turnover. Employees who reported experiencing a positively psychological climate were more likely to report high levels of discretionary effort. Affective commitment & Employee engagement predicted lower levels of employee’s intention to turnover.

**Rama Joshi & J.S Joshi (2011)** analyzed the organizational climate and its role in driving employee engagement in a variety of Indian Organizations. The study brought to light Work life balance, Job content, Monitory benefits and Team orientation as common drivers of employee engagement for both executives and non executives. Scope for advancement and top management employee relations were the additional key drivers of engagement for executives. Three other key drivers of engagement for non executives were: Union/Association management relations, recognition & rewards and welfare facilities. The study also reveals that organizational climate not only promotes positive attitudes leading to engagement among employees of an organization and, in turn, also plays an important role in the successful performance of the organization.

**Geetha Jose, Sebastian Rupert Mampilly (2012)** explained the relationship between employees’ satisfaction with human resource practices and their level of engagement in the organization based on social exchange theory. The study also discussed the
importance of employee engagement and its declining levels across the globe. It is evident that employees’ satisfaction with human resource practices and employee engagement has a bearing on organizational success and in achieving competitive advantage. The firms need to construct the human resource practices of the organization based on the need of their employees to enhance employee engagement and thus bridge the gap between the appropriate HR practices to what is actually practiced in the organizations.

Mrs. Priya Shanmugam & Dr. R. Krishnaveni (2012) concluded that there is a strong link between employee engagement and organisational performance. Organisations around the globe are measuring their employees’ level of engagement in the attempt of improving productivity, profitability, turnover and safety. A clear and concise definition of employee engagement can give human resource development practitioners and managers powerful tools to develop workplace strategies that can greatly improve employee satisfaction, fulfillment, and loyalty. Hence, the scope for continued research on Employee Engagement is immense.