CHAPTER - 2
2. REVIEW OF LITERATURE

As seen from past studies and experiences employee engagement have effects on psychological well being and overall efficiency of an organization (Bates, 2004, Perrin-ISR, 2006). This is a noble concept and can be reaped further in studies to know how to use engagement as resource. Although significant studies are there on these issues yet various experts’ questions on employee engagement. Therefore there is a dire need for a study which can well establish cause and effects relationships between the antecedents and consequences of employee engagement. Review had even concentrated to find out whether this can be termed as new study or already light has been thrown by various experts on this topic. The review provide comprehensive and crisp idea of the topic eliminating the overlapping elements and bridging the gaps in concept. Thus review has concentrated on the various antecedents and consequences of employee engagement and ways by which engagement can be increased.

Kahn (1992) & Leiter (2005) threw light on the importance of employee engagement for any organization thus said that during last decade many evident studies on employee engagement were made which provided that workers who are engaged are very enthusiastic when working and are engrossed in work with a positive approach. It has been further clarified that engaged workers feel they are doing their work rightly which turns out to be consequence of employee engagement as devoted and concentrated employees towards the area of operation (Leiter and Bakker, 2010).

Harter et al. (2002); May et al. (2004) and Sirota et al. (2005) propounded that deep involvement in work, the feeling of superiority while performing work and the high energy gain after solving complex day to day problems of work leads to good focus on work and due to the above feelings the interest in ones work is increased tremendously to the extent that even the time involved in work is forgotten by the employee.

Schaufeli et al (2002) found that the most important components of work engagement that was developed and comprises were dedication, absorption & vigour. Here dedication is the involvement of an employee towards his work, absorption is the gain received by him from
his work and vigour is the intensity by which the employee is involved in the above two factors.

Harter et al. (2002) found that the engagement is positively correlated with the performance of business unit. He found with the increase in employee engagement in an organization the performance of the business unit also flourishes when factors like satisfaction profitability turnover and safety as independent variable the performances of business showed high correlation with employee engagement.

Demerouti and Cropanzano (2010) said that engagement is related to the employee’s positive attitudes, proactive job behavior increased employee wellbeing and individual job, organizational performance also.

Schaufeli and Bakker (2004) worked on job demand and resource model and classified the factors which have positive and negative effects on employee engagement. For understanding the model we need to know the job demand and job resources. job demand refers social physical or organizational aspects of a job that needs sustained physical of mental efforts associated with job which results in exhaustion when stretched after a certain limit whereas job resource refers to psychological, physical, social or organizational of the job which may do any of the following namely 1) functional in achieving work goals 2) reducing job demands 3) stimulate personal growth and development. According to them job demand factors have negative effects on employee engagement and can often lead to burnout when stretched beyond limits whereas job resource factors have positive effect on employee engagement job resource factors are social support emotional upbringing by the supervisor thus provides that engagement is purely a psychological process.

Colin Dicke, Jake Holwerda & Anne-Marie (2007) prioritized employee satisfaction as the initial process for employee engagement and also connected employee engagement with employee attitude by means of OCB which is organizational citizenship behavior as per them employees attitude depends upon the organizational citizenship behavior operating in an organization and that employee attitude is a factor responsible for employee engagement thus providing a positive correlation between employee attitude and employee engagement
the better the employee attitude the better will be the employee engagement and employee attitude is dependent upon organizational citizenship behavior.

Mauno (2005) while doing work on comparative work engagement in permanent and temporary workers provided that fixed or permanent workforce showed lower engagement than the temporary ones. Demerouti et al (2001) in his study on employee engagement in insurance sector field discovered an interesting fact that higher engagement level was found in employees with high work pressure and higher control levels.

Leiter and Harvie (1997) provided a direct nexus between supervisor engagement and staff member engagement. It was found that an engaged supervisor’s staff shows better level of engagement than a supervisor with lower levels of engagement thus provides job involvement as one of the consequence of employee engagement job involvement is positively related with employee engagement the better the employee engagement better is the job involvement.

Schaufeli and Salanova (2007, 2008) in their study of Nigerian firms with many man and woman under the organization found out that when talking about antecedents and consequences there can be two types of antecedents; training, support, feedback etc and personal antecedents like demographics gender etc, but found that engagement has very little to do with personal characteristics and also found that work factors play a major role in deciding the engagement level of an employee.

As per Burke and Cooper (2007, 2008) an employee striving for excellence competes against himself to achieve the desired objective. Here, competing from oneself means competing with the previously archived results so as to make this time better than the previous time. For such employees rewards are less important than to set and achieve the desired objective. There is a good relationship between engaged employees and workaholics and individual that primarily concerned with work but not with the relationship among superiors, coworkers, subordinations, and peers.

Gonzalez-Roma et al. (2006); Hakanen et al (2005); Langelaan et al. (2006); Montgomery et al (2003) & Sonnentag (2003) proposed that it is not just the hard work which employees
put in is required for employee engagement but things like environment and recognition of their efforts are also required so as to develop higher engagement level. Thus understanding recognition needs is also equally important.

Schaufeli and Salanova (2007) stated that one of the ways to heighten employee engagement among employee is through selection, goal setting and accomplishing the desired goals by employee. Schaufeli and Salanova (2007) found that demographic factors play very little role in judging the engagement level of an employee. They also found that the type of occupation and the level of organization have meager effect on the employee engagement. Further, they found that middle level and upper level management showed higher degree of employee engagement than the workers at lower levels of hierarchy.

Harter, Schmidt and Hayes (2002) provides an energetic dimension of employee engagement because as employee it puts enthusiasm for work as the center for involvement and satisfaction of employee. Kahn (1990) moved a step further and clarified that not only the involvement of employees in their work, people around them and the organization can be covered in the definition of employee engagement but also their expression of involvement holds the same rank of importance.

Baumruk (2004); Richman (2006) and Shaw (2005) stated that most often engagement to the organization is intellectual commitment. And emotional Similarly, Fleming, Coffman and Harter (2005) reviewed engaged employees means employees committed to organization. Truss et al (2006) covers all the common concepts followed by the definition of previous authors and added that employee engagement is a cognitive state dealing with zeal for work and passion for performance.

Lucey, Bateman and Hines (2005) explained ‘engagement as gallop engagement’ measures engagement as per the relation of employee with the company and customers. Gallup's Human Sigma website (2005) provides similarity between customer engagement and employee engagement providing the dimension of pride, passion, confidence and integrity as a part of employee engagement.
Wellins and Concelman (2004) provided that employee engagement acts as a bridge between employee and his efficient performance thus the more engaged an employee is, the more he is motivated for an efficient performance. Robinson, Perryman and Hayday (2004) discussed employee engagement from the viewpoint of employees, a positive attitude of employees towards organization and its vision reflects employee engagement. An engaged employee strives to know the processes of organization, knows how to keep and maintain relation with peers ups and colleagues. He has also advocated that engagement is an action reaction relationship.

Khan (1992) on expansion of his work towards employee engagement outlined the importance of term called psychological presence further propounded that employee engagement is present due to following attributes such as attention, connection, integrity and focus towards work and organization…’ Schaufeli, Martinez, & Marques-Pinto, & Salanova and Bakker’s (2002) reserved their views for engagement to dedication and vigor towards work.

Macey and Schneider (2008) stated that belonging to the common notion of job and role in organization, engagement is also affected by the positive approach of employee commitment with job, involvements in job and also personal attributes such as mood of the employee. Bakker, Schaufeli, Leiter & Taris (2008) described employee engagement as the connection of people with their job and role in the organization with a positive psychological state.

Macey and Schnieder (2008) concluded that for many antecedent and consequence of employee engagement forms the part of employee engagement they believed not in separation of the three terms but to package them in. According to them the whole package of employee engagement exists on the platform of positive psychology.

Hart and Cooper (2001) view is that the connection between a person and the surroundings with the work oriented behavior that joins with organization success is employee engagement. The theory of organizational health promotes the concept of positive and negative antecedents and consequences and effect on employee engagement (Cotton & Hart, 2005; George, 1996 and Hart & Cotton, 2003).
Wearing (1992) summarized employee engagement into four words they are positive effect, effective commitment, continuance commitment and job involvement. According to them engagement can be clubbed and interpreted from these four words (Allen & Meyer, 1990; Brown & Leigh, 1996).

Cooper-Hakim & Viswesvaran (2005); Hart & Cooper (2001) proposed the theory that with the rise of employee engagement an employee is able to feel the energy of pride passion, enthusiasm both when involved with work and when dealing with the work group. George (1990) asserts that when employee gets emotionally attached with the organization it is called employee commitment in continuance. The definition of employee commitment defined as desire of employees to remain with the organization with medium to long term perspective whereas job involvement is defined as employees connection with the work in a positive manner thus the difference between employee commitment and employee involvement is affection with organization in the former whereas affection with work in later.

TowersPerrin-ISR (2006) explained how concept of employee engagement is being noticed and valued in today’s world. Employee engagement is seen as a measure of utilization of human capital. Kahn (1990) stated that engagement is related to three characters of employee at work viz; meaningfulness, safety and availability. Kahn termed these three characteristics as psychological conditions which are determinants of employee engagement in the organization when most of the time the answer to the following question is positive, shows high employee engagement. Robinson, Perryman & Hayday (2004) advocated that developing employee engagement should be one of the prime functions of any organization which reflects the thought that employee engagement is the reciprocal of organization efforts for its growth.

Robert (2006) provided that Employee engagement reduces employee turnover rate in an organisation thus provides the organisation better operational synergy and efficiency ratios. This is the reason in the last decade companies have invested too much in employee engagement programs. This is the reason in the last decade companies have invested too much in employee engagement programs.
TouraniAzadeh, SadeghRast (2012) declared that employee job satisfaction is affected highly by employee participation and communication so as per them if the involvement of employee in organizational activities is increased it will lead to better satisfaction level among them. Participation drives employees in the day to day activities and explains the question of why these activities are carried over which results in better understanding of organizational vision of the employee and thus it becomes easy for him to understand his role in the organization and by the means of communication he can communicate to the management how things can be made more fluidic to achieve the desired results.

As per Greenberg (1990) fairness in dealing and the treatment of employees in workplace are the key words for organizational justice and it is organizational justice that can explain various attributes in organization.

Bies & Moag (1986) identified that organizational justice is related to fairness at the workplace. This is an interpersonal treatment of the employee and lead to the interactional justice of additional conceptualization. Bates (2004) found that communication is one of the better ways to increase employee engagement. Among employees the responses from employee about their feeling, about the organization can lead to various policy development that can lead to better employee engagement. For having a better communication with employees it is very necessary to communicate at regular interval of time and listen to employee responses honestly.

Robinson et al (2004) showed the importance of communication between employer and employee. As per them the two way communication between employee and immediate supervisor provides a means to develop employee engagement.

Robinson (2006) reported that the source for employee engagement is the environment within the organization which promotes job involvement and pride within employees if such environment is created then it results in low turnover ratio and better health of employees which in turn gifts organization with open minded and flexible thinking of employees.
Schaufeli and Bakker (2004) & Sonnentag (2003) stated that engagement is found to be higher with higher organizational commitment and lower with higher intention to quit the organization they also provided that such direct relation of engagement also lies with job performance and extra role behavior. Robinson et al. (2004, p. 8) provided that engagement constitute major factors of commitment and OCB but by no means engagement and OCB or commitment can be said as synonyms (commitment).

Erickson (2005) provided that the key factor for employee engagement is job and not the organization whereas the key factor for job involvement is job outcomes and not the organizational level outcomes. Cooper-Hakim and Visveswaran (2005) defined the concept of job involvement as the relation of an employee with his job thus stressing upon job rather than organization.

Susan Sorenson (2013) as per gallop research to create a positive workplace it is good to keep employees happy and satisfied and that counts a worthy goal. But to create a long term change, to reduce attrition rate of the efficient work force and to improve overall business value simply assessing the happiness level or satisfaction level is not enough. As per their research happy and satisfied employee cannot be said as engaged employee thus named heading stop pampering your employees better engage them. According to their research engaged employees are those who are hard workers perform with best efficiency and want to stay with the organization.

Saks (2006) averted that as for the antecedents of employee engagement perceived organizational support, perceived supervisor support and organizational justice counts for the antecedents of employee engagement and organizational citizenship is the consequence of employee engagement. Organizational justice is divided into three dimensions i.e. distributive justice, procedural justice and interactional justice (Leventhal, 1980; Bies & Moag, 1986; Folger and Cropanzano, 1998; Cropanzano et al., 2001; Masterson et al., 2000). Chan (2000) & Tyler (1994) researched distributive justice is the thinking of an employee whether has getting in return for the provided effort in proportion of what others are getting for verifying distributive justice.
Cropanzano (1998) found that procedural justice verifies whether there is fairness in the mechanism process deployed for the desired outcomes. Folger & Cropanzano (1998) interactional justice deals with the social precepts of justice it measures whether there is depth and quality in the relations between the people working in organization. May et al (2004) the most closely associated constructs of employee engagement is job involvement.

Brown and Leigh (1996) linked positive psychological climate with individual clarity and affection with the job and further connected it to the level of job involvement. As per them a positive psychological climate results in better individual clarity that would lead to high job involvement (Moorman, 1991; Parke, Baltes, Young, Huff, Altmann, Lacost, and Robert, 2003). Research conducted by researchers like James, James, & Ashe, (1990); Parker, Baltes, Young, Huff, Altmann, Lacost, & Herr (1994) stated psychological climate as an antecedent for job involvement attrition rate, and employee job satisfaction.

As per Soumendu Biswas (2010) affective commitment act as a connector or say a bridge between psychological climate and criteria variables which are job involvement affective commitment is a full mediator between the predictor, that is psychological climate and the criteria variables, that is job involvement and organizational citizenship behavior.


As per J. P. Meyer & N. J. Allen (1997) dimensions of organizational commitment constitutes Affective commitment: which is the cognitive desire of an employee for being a part of the organization as he is able to identify himself with the organization means he is clear about his role in the organization. Continuance commitment: which is commitment of employee due to the fear that job opportunities outside are less and he won’t get job elsewhere once left the organization. Normative commitment: which is desire of employee
to be with organization due to moral responsibility suppose there is only one hospital in a village and only one doctor in that village then the doctors commitment to the hospital can be due to moral responsibility towards the people of village well being.

As per research reports by (A. Bakhshi, K. Kumar, & E. Rani, 2009; A. Bakhshi, & E. Rani, N, 2009; A. Shamsuri; J. Clay-Warner, 2004; J. Reynolds, & P. Roman and A. Hassan, 2005) distributive and procedural justice are responsible in predicting employees job satisfaction and organizational commitment as factors like pay, promotion, performance appraisal, and organizational commitment are influenced by distributive justice whereas factors like supervision, self reported performance appraisal rating, performance appraisal, commitment, and job involvement are influenced by procedural justice.

As proposed by L. Gbadamosi, & J. C. Nwosu (2011) employee job satisfaction is the degree of relationship of an employee has for his/her job. As per the reports provided by J. Clay-Warner, J. Reynolds & P. Roman (2005) that among the types of organizational justice major predictor of job satisfaction is procedural justice rather than distributive justice.

2.1 OBJECTIVES

Based on previous researches few objectives were formed. Although the main objective of this research was to measure overall impact of all independent variables like the psychological climate, organizational justice, employee engagement variables on the dependent variable organizational commitment, job involvement, and employee job satisfaction objectives were set to complete the study.

1. To re-standardize the questionnaires of psychological climate, organizational justice, employee engagement, organizational commitment, job involvement and employee job satisfaction in Indian context.

2. To identify the factors underlying psychological climate, organizational justice, employee engagement, organizational commitment, job involvement and employee job satisfaction.
3. To measure the cause and effect relationship between Organization Justice and Employee Engagement.
4. To measure the cause and effect relationship between Psychological Climate and Employee Engagement.
5. To measure the cause and effect relationship between Employee Engagement and Organization Commitment.
6. To measure the cause and effect relationship between Employee Engagement and Job Involvement.
7. To build a model showing relationship between variables.

**Figure 1: A Hypothesized Model of Employee Engagement**
2.3 HYPOTHESES FORMATION

As discussed in previous section number of studies has been conducted over the variables included in the study. On the basis of the above objectives and review of those studies different hypotheses were formed:

As discussed in previous section number of studies has been conducted over the variables included in the study. On the basis of the above objectives and review of those studies different hypotheses were formed:

H01 = There is no cause and effect relationship between Psychological Climate and Employee Engagement.

H02 = There is no cause and effect relationship between Organization Justice and Employee Engagement.

H03 = There is no cause and effect relationship between Employee Engagement and Employee Job Satisfaction.

H04 = There is no cause and effect relationship between Employee Engagement and Job Involvement.

H05 = There is no cause and effect relationship between Employee Engagement and Organization Commitment.

2.4 Definition of Terms

2.4.1 Employee Engagement: Employee engagement is a positive, fulfilling, work related state of mind characterized by vigor, dedication, and absorption (Schaufeli et al., 2002, p. 74). Vigor refers to “high levels of energy and mental resilience while working, the willingness to invest efforts in one’s work, and persistence even in the face of difficulties” (Schaufeli et al., 2002, p. 74). Engagement translates into “increased discretionary effort, higher productivity and lower turnover at the employee level, as well as increased customer
satisfaction and loyalty, profitability and shareholder value for the organization” (Richman 2006).

“A heightened emotional connection that an employee feels for his or her organization, that influences him or her to exert greater discretionary effort to his or her work” (Conference Board in Soldati, 2007). William H. Kahn (1990, p.183) completed some of the earliest work on engagement and defined 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.”

The Gallup Organization, potentially the most widely recognized name associated with employee engagement due to their bestselling book, “First, Break All the Rules”, defined 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” (GMJ, 2006 p.5).

Melcrum Publishing recently produced a research report on Employee Engagement: How to build a high performance workforce that provides a very comprehensive review on the current state of employee engagement (Shaw, 2005, p.5).

2.4.2 Organization Justices: Organizational justice, first postulated by (Greenberg, 1987; p.2) refer to the employee’s perception of their organization’s behaviors, decisions and actions and how these influence the employees own attitudes and behaviors at work.

The term is closely connected to the concept of fairness; employees are sensitive to decisions made on a day-to-day basis by their employers, both on the small and large scale, and will judge these decisions as unfair or fair. These judgments influence an individual’s behavior and can, in cases where the actions have a personal effect on the employee and are judged as unfair, lead to workplace deviance.

2.4.3 Psychological Climate: Baltes, Zhdanova, & Parker, 2009; James, James, & Ashe, 1990, (p.11) defined Psychological climate is an individual’s perceptions or interpretations of organizational environments including structures, processes, and events. It
pertain to the degree to which an individual feels that the environment is psychologically meaningful and safe enough to influence motivational, affective, and attitudinal reactions (Parker, Baltes, Young, Huff, Altmann, Lacost, & Roberts, 2003, p. 66).

2.4.4 Job Involvement: Job Involvement refers to the psychological and emotional extent to which someone participates in their work, profession and company. Showing up to work on time is half the battle. Top performers are engaged in their work and have high job involvement. There have been several studies that directly correlate high job involvement with job satisfaction and how it makes a difference in the organization. For example, Lodahl and Kejner's (1965) job involvement scale has been used by corporations in order to gauge their employee's level of satisfaction.

2.4.5 Employee Job Satisfaction: Job satisfaction is the “positive or pleasurable emotional state resulting from one’s own appraisal of the job or of one’s own work experience” (Locke, 1976, p.1300). It involves an affective reaction to a job, resulting from an evaluation of the work situation (Mottaz, 1988 p.12). Schermerhorn (1993, p.1993) defines job satisfaction as an affective or emotional response towards various aspects of an employee’s work. The author emphasizes that likely causes of job satisfaction include status, supervision, co-worker relationships, job content, remuneration and extrinsic rewards, promotion and physical conditions of the work environment, as well as organizational structure.

2.4.6 Organizational Commitment: Commitment is an employee’s personal attachment to, identification with, and involvement in the employing organization, resulting in a strong belief in the organization’s goals and values and in extra effort on behalf of the organization (Meyer & Allen, 1997; p.12).