

Important dimensions influencing employee engagement in organizations of Pakistan

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Abstract

Employee engagement is one of the significant issues in modern business world. The purpose of study is to identify the important dimensions in organizations which influence employee engagement, to overcome the difficulty while engaging employment and developing effective strategies by organizations. Through this study, the related party not only can understand in depth the causes or effects of various influencing variables but also helps to refine current understanding and importance of employee engagement within an organization. Considerable attention has been given to the identification of driving force behind Employee Engagement and this study provide a new interpretation and dimension of variables influencing employee engagement for success of any organization in fruitful way. This study is an attempt to investigate the impact of important dimensions on employee engagement in organizations of Pakistan. A quantitative approach based survey in form of close ended structured five point likert scale questionnaires was designed and used to implore the response. The data was collected from 125 employees of major organization working in Pakistan. The data was analyzed via regression analysis using SPSS software. Outcome epitomizes that there is significant relationship among employee engagement and decision making, reward, motivation employee satisfaction, training and development. However relationship among employee involvement, leadership and customer orientation was found insignificant.

Keyword: Employee Engagement, Decision Making, Reward Systems, Motivation, Employee Satisfaction, Leadership and Employee Involvement.

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1. Introduction

Employee engagement is the prime focus of business entrepreneurs as well as academic researchers as it predicts productivity, motivation, employee involvement, job performance commitment and leadership (Baumruk, 2004). Engagement is defined as a positive, fulfilling, work-related mind state that is characterized by, high energy levels, mental resilience, enthusiasm, and absorption (Schaufeli, Salanova,

González-Romá & Bakker, 2002). Haudan and MacLean (2002) describe engagement as a sustained link and undivided concentration, where time seems of no significant importance and the mind and soul of employees are involved. Decision is significant variable having an influencing effect on employee engagement (Konrad & Alison, 2006). Performance of engaged employees leads the company towards customer content. This results in directing an organization towards high profitability or business

outcomes as discussed by Schaufeli & Bakker (2002). Konard (2006) claimed in his study that how highly effectual work practices can influence effective employee engagement. High involvement work practices are the techniques used by the management to efficiently involve their employees in their work and receive high performance. If a company cares for its customer's satisfaction and is focused on customer then it can also drive employees to get more engaged. And if there are limited career advancement opportunities, then employees will definitely be less engaged at certain level and will have less chances to remain engaged with an organization (Konrad & Alison, 2006).

Motivation plays an important role in effective performance by employees. Therefore, managers and supervisors are interested to hire enthusiastic, motivated individuals. It is important to understand that values and motivation can be developed from within an individual and not from external forces (Wubbolding, 1996). Seijts & Crim (2006) are of opinion that leaders need to identify the extent of engagement they seek from employees in their organization. Employees that are highly involved employees can give outclass performance when organization can take care of their physical as well as emotional commitments.

Few studies have been carried out till date in Pakistani organizational circles to find out the significance and impact of variable that influence the employee engagement. The consequences of this study surely append to the literature and help the policy makers to draft policies workable at institutional level as well as nationwide. This study indicates different elements which persuade any employee towards engagement. Performance of engaged employees leads towards customer satisfaction which ultimately directs an organization towards more revenue or high business outcomes. The study is conducted to create an impact in the body of knowledge as these variables have not been studied to this extent in different and complex environment of Pakistani organization system. The findings of the study can help managers to learn different dimensions which enhance employee engagement and also the human resource department to formulate strategies for the organization which encourage employee engagement. This will help to drive optimal performance level. This study can also provide significant help to higher management while drafting strategic decisions and policies.

2- Literature review

Managers today wonder how such significant concept of employee engagement can be quantified. The term actually encompasses several key ingredients from which researchers have formed different measurement procedures. The importance and application of employee engagement is unique as it is utilized by many vital areas of organization.

Lockwood (2007) defined Employee engagement as "the extent to which employees commit to something or someone in their organization, how hard they work and how long they stay as a result of that commitment." The author is of view that employee engagement is degree of employee commitment towards his or her organization. The more the employee is committed towards his organization the more enthusiastically he will engage to his desired task. On the other hand (Frank et al, 2004) said that employee engagement is the collection of unique characteristics which result in emotional connection with entity. Moreover mind application and comfort level of an employee reflects in his work. The more relaxed and comfortable an employee is with his environment the better and efficient his performance would be. Seijts & Crim (2006) stated that an engaged employee is a person who is fully involved in, and passionate about his task. Through employee engagement, employees think about the future of their organization. Employee consequently works with more vigor and enthusiasm as he considers the organization as a part of his family. As suggested by Saks (2006) employee engagement is an approach for employees to pay back their organization through their level of commitment. Paying back mainly depends upon level of satisfaction and extent of employee motivation. Organizations need to take care of its employee's needs and wants in order to get hundred percent utilization of employees' capability and talent. Khan (1990) is of view that workers have different levels of commitments according to the income they receive from the respective organization. If employee's income is justified according to the capability of employee, it will result in increased engagement towards the set task. Other financial rewards such as profit and compensation are main issues considered by employees. Therefore a critical element of success is anticipated by financial rewards (Iaffaldano & Muchinsky, 1985). Proper engagement of employee in any organization results in efficient utilization of resources which in turn result in maximum output. Baumruk (2004) also highlighted is that every organization strives to gain competitive advantage over their competitor.

The importance of employee engagement can be explained by Ten C's of employee engagement which are Connect, Career, Clarity, Convey, Congratulate, Contribute, Control, Collaborate, Credibility and Confidence (Seijts & Crim, 2006). By consulting Ten C's managers of today can implement the best practice of employee engagement with great ease. Richman (2006) states that when employees are relaxed and have no organizational pressure, they render their services voluntarily in terms of extra effort and energy into their job which in other words is known as employee engagement. According to Richman employees who are relaxed at work give better outcome than those who are constantly under pressure and tension. Engaged staff especially with no pressure from organization

consider themselves truly indebted. Obligation results in more profound effort, energy, motivation and better financial performance in their job as compared to payment. By keeping employees happy would result in more input of efforts than they are actually paying for (Kahn, 1990). Employees engage in work more easily when they have a recognized contribution in decisions of the company and vice versa. Therefore performance of worker depends upon the amount of contribution one has in organizational decision (Konrad & Alison, 2006).

Meyer, Becker & Vandenberghe (2004) proposed an integrative framework that combines essential elements of theories of work motivation and employee engagement. They argued that commitment is one of several energizing factors for motivated behavior and that a better understanding of this relationship contributes to advances in research and practice.

3- Methodology

3.1- Hypotheses

As shown in the theoretical framework, the following research hypotheses have been developed for research;

H1: Decision making has significant impact on the employee engagement in organizations of Pakistan.

H2: Coordination has significant impact on the employee engagement in organizations of Pakistan.

H3: Employee satisfaction has significant impact on the employee engagement in organizations of Pakistan.

H4: Reward system has significant impact on the employee engagement in organizations of Pakistan.

H5: Employee involvement has significant impact on the employee engagement in organizations of Pakistan.

H6: Training and development Practices has significant impact on the employee engagement in organizations of Pakistan.

H7: Leadership has significant impact on the employee engagement in organizations of Pakistan

H8: Employee Motivation has significant impact on the employee engagement in organizations of Pakistan

Literature suggests that there is a significant impact of Decision Making, Co-Ordination, Employee Satisfaction, Reward Systems, Employee Involvement Training and Development, Leadership & Employee Motivation on employee engagement. (Vance, 2006; Baumruk, 2004; Iaffaldano & Muchinsky, 1985; Ilgen & Pulakos, 1999).

3.2- Variables used for analysis

a) Dependent variable

Employee Engagement

b) Independent variables

1. Decision Making,
2. Co-Ordination,
3. Employee Satisfaction,
4. Reward Systems,
5. Employee Involvement
6. Training and Development
7. Leadership
8. Employee Motivation

3.3- Research Model

From above mentioned literature review, important dimensions which can influence employee engagement are decision making, co-ordination, leadership, employee involvement, employee motivation, employee training and career development and reward system. . To find out the relationship between the following variable a research model is proposed to observe the impacts of decision making / co-ordination, employee satisfaction, training and development, leadership, motivation, rewards, employee engagement with dependent variable employee engagement in organizations of Pakistan.

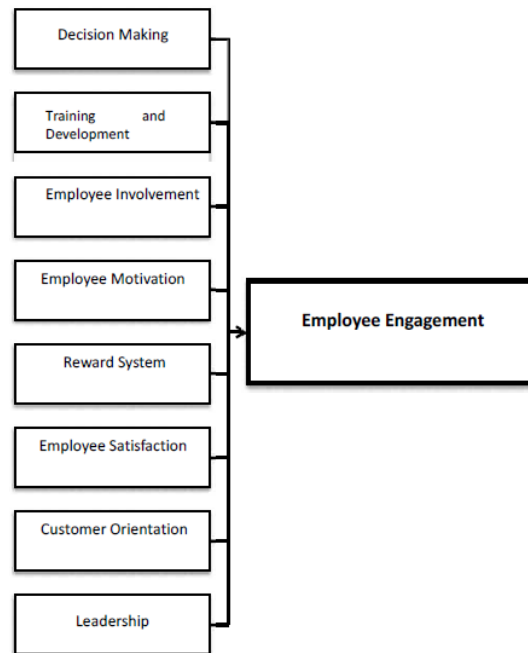


Figure 1: Research Model

3.4- Research methodology

A quantitative approach based survey is designed in form of five point likert-scale having close ended structured questionnaires for the proposed study. Questionnaire included 36 questions.

Sample size of 125 was chosen on the basis of convenience sampling and consists of employees who are currently working in Lahore region. For the purpose of this study private organizations were taken. A quantitative approach is adopted for survey purpose.

Survey responses received from 86 employees i.e. below 25 years, above 25 years but below 35 than above 35 years and below 45 up to 55 years working in renowned organization in Lahore. The data was analyzed through regression analysis using SPSS software to substantiate the research hypothesis

4- Analysis

Results show that that 12.8% of respondents were under 25 years of age, 29.1% respondents were between 25 to 35 years of age, 32.6% respondents were between age group of 36 to 45 years, 23.3% respondents were between 46 to 55 years age group and only 2.3% respondents were above 55 years of age. 46.5% of respondents were male and 53.5% were female. 33.7% respondents had only high school degree, 48.8 % of respondents had college degree however 16% of respondents had post graduate degree. This means most of the respondents fall in age bracket

of 36-45 years and have completed their college degree.

Number of observations of each variable is 86 after checking the outliers. Mean provide the idea about the central tendency of the values of a variable. The average mean value of all the variables is in-between the range of 2.7 to 3.2.

4.1- Reliability

Reliability of the study actually measures the accuracy of the instrument. For this purpose questionnaire is designed and pilot survey conducted. Reliability can be measured test of assumption, analysis of identified variables in which measure of significance of variables and evaluation of difference is done. This means that the study is tested if it measures the same thing it was designed to measure. This research study conducted on then HR impact on employee engagement in organizational sector of Pakistan. This said study has been tested for reliability. Focus group discussion conducted ensured the relationship of the independent variables with the dependent variable. (Sekaran, 2009). Than the pilot study confirmed the reliability and consistency of the questionnaire. Moreover the study was checked for Cronbach's coefficient alpha. The resultant score was 0.75.

4.2- Hypothesis testing

As explained before that the data is tested through statistical package of Social Sciences (SPSS). Since every variable has multiple questions so in order to

convert them in one response summated scale has been used. Following are the statistics for regression model.

Table 1: Linear Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.639 ^a	.409	.311	.47080	1.989

a. Predictors: (Constant), EM, ES, DM, Education category, R, L, Age category, CO, TD, How long have you been present on the job?, EI, Gender

b. Dependent Variable: EE

Table 2: ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	11.183	12	.932	4.204	.000 ^b
	Residual	16.181	73	.222		
	Total	27.363	85			

a. Dependent Variable: EE

b. Predictors: (Constant), EM, ES, DM, Education category, R, L, Age category, CO, TD, How long have you been present on the job?, EI, Gender

Regression assumption

Regression assumptions have been checked of the model;

Normality Assumption was checked through QQ plots and level of Sig came 0.00 which shows that variables are normally distributed. Hence normality is accepted.

Multicollinearity Assumption was seen whether independent variables are linked or not. Since values of VIF of all variables of interest are less than 10 which means multicollinearity is ignorable, no need to remove.

Autocorrelation shows that whether one observation has any influence on the other observation. According to the model summary table Durbin-Watson value = 1.989 which means that there exists no autocorrelation hence ignorable.

5- Discussion

As assumptions are dually checked, this means that the regression model is reliable. Employee

engagement depends upon employee involvement, leadership, employee satisfaction, decision making, reward system, training and development, customer orientation and employee motivation. Employee engagement 0.38, 0.28, 0.101, 0.27, 0.42, 0.023, 0.083 and 0.020 value depends on employee involvement, leadership, employee satisfaction, decision making, reward system, training and development, customer orientation and employee motivation respectively. Relationship of Employee Engagement with employee involvement, leadership and customer orientation is reverse. However direct relationship is shown with employee satisfaction, decision making, reward system, training and development, and employee motivation. It is seen that decision making, reward, motivation and employee satisfaction have more impact on employee engagement than other HR practices and dimensions. One can also say that one unit increase in employee involvement, leadership and customer orientation the employee engagement would decrease by 0.38, 0.28 and 0.83 respectively. Where as one unit increase in employee satisfaction, decision making, reward system, training and development, and

employee motivation would increase employee engagement value by .101, 0.27, 0.42, 0.023 and 0.020 respectively.

The value of R square from the model is 41% which shows that this model is a moderate model and its explaining power is 41%. This means that the 41% of Employee Engagement depends upon employee involvement, leadership, employee satisfaction, decision making, reward system, training and development, customer orientation and employee motivation. In order to increase the strength of a model other variables can be added like personal rewards, employee performance, pay scale effect etc to see dependence relationship of employee engagement in more depth.

Statistics of ANOVA shows that the overall significance of model is 0.00 which is less than 0.005; hence the model is significant and therefore generalizable to the populations. It can be concluded that employee involvement, leadership, employee satisfaction, decision making, reward system, training and development, customer orientation and employee motivation do influence (in positive and negative way) employee engagement of organization.

6- Findings and recommendations

It is observed in broad-range that the employees working in various private organizations have a positive approach toward employee's engagement. Most of the employees viewed that employee engagement adds to the profitability and services improvement in respective organization. Employee engagement inclination differs from department to department on employee to employee basis and employee's mind-set toward employee engagement is also different. Employees are inclined towards engagement if they are given proper rewards system, employee motivation, and involvement in major organizational activities with an active participation in decision making. These findings are also supported via statistical results. Whereas leadership, employee involvement and customer orientation do not have significant impact in engaging the employees.

The study is an endeavor to create an impact in the body of knowledge as these variables have not been studied in different and complex environment of Pakistani organizational system. The findings of the study can help organization's management to learn effective application of HR Practices which makes employee more engaged and also the human resource department to formulate strategies for the organization which encourage employee engagement to drive optimal performance level. This study can provide help to higher management while drafting strategic decision relating to HR policies. Based on the above study, the results cannot be generalized owing to small sample size, thus the study still needs to be expanded at broader dimension involving more employees in the survey and increasing the number of banks both local

as well as foreign organization. Furthermore, there are numerous other variables like work environment, employee respect, unionism, non-monetary benefits which directly and indirectly may influence the employee engagement.

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