A LITERATURE REVIEW ON EMPLOYEE ENGAGEMENT AND ITS IMPACT IN THE CONTEXT OF LEADERSHIP

Chetana M. Mudagol
Research Scholar, Kousali Institute of Management Studies,
Karnatak University Dharwad- 580003
chetanamudagol@kud.ac.in

Dr. Uttamkumar Kinange
Professor, Kousali Institute of Management Studies,
Karnatak University Dharwad- 580003

ABSTRACT

Employee engagement is a popular concept in the industry and has a significant impact on employee performance. The variables that had a major impact on employee engagement were the working environment and team and co-worker relationships. Employees are very responsible when they engage actively in the job and bring positive output as by motivating other colleagues too, the organizational goals are met easily by this. The right people with the right positions lead to define and drive employee engagement.

Employees are more engaged with their respective workforce and, contribute to one 's work performance when they are satisfied with their organizations' employee engagement initiatives." It`s clearly apparent links to job satisfaction and employee engagement, employee engagement can be important to a company's success.

Engagement can have a considerable impact on an organisation's effectiveness, generating bottom-line profit and allowing for further strategic flexibility and efficiency in successfully implementing activities.

This conceptual study shows that there is a positive relationship between various leadership styles and employee engagement. There are common drivers, which include the quality of the task, work with clear purpose and meaning, development opportunities, prompt and effective recognition and rewards, polite and proactive engagement, frank and transparent two-way effective communication systems, and truly uplifting leadership.

This conceptual paper tries to review the key variables, and impact of employee engagement on performance, a significant working environment that encourages employees' ability to focus on their tasks while sustaining interactional harmony is regarded as an indicator of employee engagement.

Keywords:Employee engagement, Employee performance, leadership, employee commitment, and job satisfaction etc.

1. INTRODUCTION

Employee engagement is the nature of the interaction between an organization and its employees, and it is a significant subject to grasp. It has arisen in management theory in the 1990s, and became quite popular in strategic planning in the 2000s, but it is still subject to debate and few works of literature say that it has an ambiguous link with prior conceptions

like morale and work satisfaction. Human resource and internal communications management methods for employee engagement are well-established.

"The harnessing of organization members' identities to their work roles; through engagement, individuals encourage and specific themselves physically, cognitively, and showing emotion throughout work roles," said by William Kahn in his initial official definition of personnel engagement. Employee engagement has become interchangeable with phrases like "employee experience" and "employee satisfaction". (Kahn, 1990)

Leaders are accountable for keeping their employees motivated, informed, and working toward a common objective. An organization's positive velocity is driven by a high level of engagement through a leader. It creates a high-energy culture and commitment by leadership. Because of the increased rate of employee absenteeism and the complexity of the digital realm, it's critical to choose the correct leadership for your personnel even it's crucial for leaders to develop a culture of new energy and passion in their businesses if they want to be effective and a firm belief in one`s leadership objective and principles.

This study uses a thorough literature review to study and understand the key determinant factors, important elements that describe employee engagement, and the strength of the impact of employee engagement on employee performance.

2. LITERATURE REVIEW

a. Employee Engagement:

Employee engagement is one of the most important factors in supporting high levels of employee performance. (Buckingham & Coffman, 1999), defined employee engagement as "the right people in the right roles with the right managers drive employee engagement".
Employee engagement has become a critical tool for companies looking to boost productivity, implement corporate objectives, and boost performance. It's not only about enormous objectives and unattainable plans for a company but it's also about how well your team handles every difficulty. It's all about how committed the employees are to attaining the company's goals.
There are three sorts of people, according to Gallup (2002):

1. Engaged employees,
2. Not engaged employees, and

3.   Actively disengaged employees.

Employees who are engaged are builders who continually strive for excellence in their roles. An engaged employee is someone who is entirely interested in and excited about their work, and as a response, requires strong steps to advance the company's reputation and objectives. Employees who are engaged have an honest perspective toward the corporation and its principles.

Employees who are disengaged are more concerned with the duties assigned to them than with the organization's goals. They carry out the orders given to them.

Actively disengaged employees are risky since they not only do not perform well but also demotivate the organization's performers. A disengaged employee is someone who does the absolute minimum at work to someone who is actively harming the company's job production and reputation.

As a result, a company with high employee engagement is likely to outperform one with low employee engagement. An employee's involvement, dedication, and engagement with work are like a bridge between the prior concepts of job satisfaction and employee engagement.

According to Kahn, Meaningfulness (job elements), safety (social elements, including management style, process, and organizational norms), and availability (work elements) are the three psychological engagement criteria. (J., 2014)

Employee engagement is a subset of employee retention, it combines the traditional job satisfaction (Smith et al., 1969) construct, and organizational commitment (Allen & Meyer, 1991) (Macey & Schneider, n.d.)

Employee engagement is a pleasant situation that implies involvement, dedication, passion, excitement, concentrated effort, and energy, and it encompasses both behavioural and attitudinal factors. In view of employee engagement as a broad concept as it says that, it encompasses into 3 categories of engagement i.e., listed below and each of these with distinct conceptualizations, such as proactive personality, involvement, and organizational citizenship behavior respectively.

1.   Trait's engagement,
2.   Psychological state engagement,
3.   Behavioral engagement

Engagement measures have been comprised of a mixture of items that represent the four categories: job satisfaction, commitment to the organization, psychological empowerment, and job involvement. In this study, it says that Engagement is satisfaction based on Harter et. al & Gallup`s representation. This study also substantiates the work of (Maslach, Wilmar B. Schaufeli, & Michael P. Leiter, 2001) about the development and validation of a nine-item state engagement measure that identifies three elements that are inter-linked conceptually are dedication (i.e., commitment), absorption (i.e., involvement), and energy (i.e., positive affective state).

A study emphasizes engagement as satisfaction, commitment, job involvement, psychological empowerment, positive affectivity, self-involvement. Employee engagement may be a key to competitive advantage in an evolving and increasingly both in terms of the global nature of work and the longevity of the workforce. This will be especially true if we can demonstrate how the engagement construct has an impact on levels of analysis that are important to management.(Macey & Schneider, n.d.)
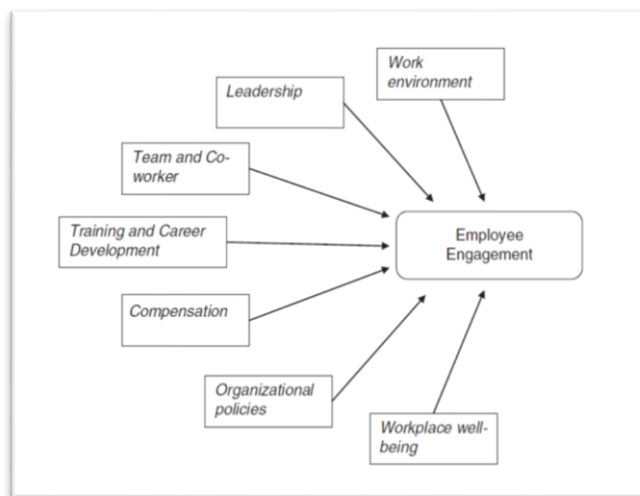
Figure No.1:   Factors facilitating
employee   engagement

Source: Determinants of employee engagement and their impact on employee performance (J.,2014)

Today's employees desire a workplace that is collaborative, flexible, happy, and friendly. Employee engagement is said to be influenced by a meaningful office environment that allows individuals to focus on their work while maintaining interpersonal harmony. Employees need to feel comfortable in the workplace and fully engaged in their responsibilities, which entails an open and supportive environment.

The second most important criterion recognized as a critical component in determining employee engagement was leadership. Effective leadership is a multi-dimensional, higher-order construct that includes self-awareness, balanced information processing, relational transparency, and internalized moral norms (Walumbwa et al., 2008). Leaders must communicate to employees that their efforts are critical to the company's overall success.

Leaders ought to effectively engage themselves in serving the workers' success and make sure that they're able to perform their roles and responsibilities in alignment therewith of the organization. associate degree engaged leader can pave the means for engaged staff.

The third important criterion of employee engagement that emphasizes specifically the interpersonal harmony aspect is team and co-worker relationships. Employee engagement is boosted through supportive and trusted interpersonal interactions as well as a supportive team, according to Kahn. The individual has positive relationships with his co-workers and is expected to be highly engaged at work. (Kahn, 1990)

Another key factor to consider in the process of engaging employees is training and career development, as it encourages employees to focus on a specific job dimension. The organization must prioritize the career path ladder through training and development, which will lead to suitable prospects for growth and development. The degree of involvement improves automatically as a result of employee career development.

Compensation, often known as remuneration, is an important factor in employee engagement, it encourages employees to work, and focus more on their work and personal growth. It comprises both monetary and nonmonetary incentives. Employees will feel obligated to respond with higher levels of engagement if they earn rewards and recognition from their employer.

The level to which employees are engaged in an organization is determined by the policies, procedures, structures, and systems in place.

Lastly, Workplace wellbeing is a broad term that refers to a variety of factors that contribute to employee engagement. In this variable, perceived organizational support is involved. Focusing and developing employee engagement is a key strategy to improve employee performance and it has a positive and significant effect.

The study (J., 2014) used regression analysis and showed the effect of employee performance and engagement, it was to determine the level of impact on employee performance and

proved that variance in the dependent variable, employee performance, is influenced by the independent variable, employee engagement. Thus, the primary drivers of employee engagement are revealed, which employees and supervisors should cultivate in order to create a pleasant environment for employees to become positively engaged.(J., 2014)

Leadership:

Most firms today are subjected to change that happens too frequently and too swiftly, as well as growth retardation. As a leader, you're spending a great deal of effort to ensure that you're communicating interesting approaches that will bring the organization forward in terms of potential and growth. If leaders face the issues that their personnel has experienced and continue to experience changes and instability they doubt themselves whether they have the energy to contribute to moving the organization forward.

1. Communication is key to increasing engagement.
2. Increasing Engagement by Setting Clear Goals
3. Improving Engagement by Setting Clear Expectations

Improving employee engagement as a process by these three strategies complements one another to boost employee engagement. Employees have a clear route forward when they use good communication to set specific goals and defined responsibilities. A significant relationship exists with leadership, and if organizational leaders lack the appropriate skills to implement these methods, the leadership development program will need to be updated. The measures to strategically support the new tactic and direction of a healthier firm with an environment of engagement will help you become a great leader (Ian Cornett, 2018)

When it comes to engagement, it's critical to know who in the organization is truly prepared and who requires assistance in moving forward. Leaders are the strong point, who develop strategies to live in the future, focusing on trends.

Many employees find it challenging, to transition into a future strategy attitude and require time to do so. It is the responsibility of a leader to educate the entire organization, beginning at the top and identifying the road ahead.

Engagement is a combination of how you perceive changes and occurrences in your environment, as well as how much energy everyone possesses. As a result, highly engaged people have a positive outlook on the changes taking place around them and invest a lot of energy into their work and other activities. 4 leadership levels can be seen in an organization in terms of employee engagement are Leading Oneself, Leading Others: One-to-One,

Leading Teams: One-to-Group, Leading a Work Culture. When leaders develop their power through the Levels of Leadership, organizations have a real chance to boost employee engagement and create a culture of engagement. (Roth, n.d.)

Employee engagement is defined as an employee's cognitive, emotional, and behavioral activity directed toward favorable organizational objectives. It defines employee engagement as a set of psychological states (cognitive, emotional, and behavioral) (Sun & Bunchapattanasakda, 2019) that culminate in a desire to act with motivation-like characteristics. It has a great deep connection to engage the people in an organization to succeed. It acts as a mutual contract between an organization and its employees. This study explores the development of the model to measure employee engagement and validate it, the 11 constructs which are measured by 94 criteria from previous literature. Those 11 constructs are listed below:

A total of 11 employee engagement constructs have been identified from the literature study.

1. Cognitive drivers: Employees' appraisals of whether their work is meaningful, safe (physically, emotionally, and psychologically), and if they have sufficient resources to complete their work determine their level of cognitive engagement.

2. Emotional engagement: It`s an investment of resources such as pride, trust, etc.,

3. Behavioral engagement: Behavioural engagement can be defined as the outward exhibition of an employee's resources.

4. Feeling valued and involved: positive attitudes and beliefs are interrelated with employee engagement and this can be developed by high involvement practices.

5. Having an engaged leadership team: Engagement is a key component of effective leadership. Engaged managers are more likely to build engaged teams. Having leaders who can assist cascade the vision and inspire people to great performance is an equally critical aspect of making engagement flourish in your team, department, and company. In summary, engagement begins at the top, and firms will not be able to engage their employees' hearts and minds unless they have engaged senior leadership.

6. Trust and integrity: It's a two-way street when it comes to trust. Leaders must also demonstrate that they trust their personnel to assist them achieve company goals.

7. Nature of my job: Accountability of employee engagement is the important thing. Advocating the concept of responsibility ensures that employees are trusted with work, the responsibilities that come with it, and the expectation that they will accomplish the job within a certain time frame.

8. The connection between individual and company performance: The amount to which employees understand the firm's objectives, present levels of performance, and how best to contribute to them is measured by the engagement driver "Connection between individual and corporate performance." To guarantee that employee engagement is a driver of success, top management must allow for the open flow of information, including industry updates, sectoral updates, quality issues, and compliances, and employee development updates.

9. Career growth opportunities: The amount to which employees have prospects for advancement and promotion, as well as a clearly defined career path, is referred to as career growth opportunities.

10. Stress-free environment: A stress-free environment is adorable; every employee urges a stress-free work atmosphere and will only leave if there are regular conflicts. They have the ability to innovate and be innovative, resulting in the best possible results. People will stay with a company longer if they feel involved and needed, according to numerous studies. Instead of wasting time on pointless work, an engaged employee completes his obligations on time and benefits the company.

11. Change management: Employee engagement during a change management program is likely to result in more "buy-in" and improved performance, which will promote corporate success. Employee engagement is listed as a primary function to the success of properly implementing a change management initiative, and understanding organizational commitment's relationship to change management may provide some valuable insight due to employee engagement's close relationship to organizational commitment. (LailahImandin(SouthAfrica), n.d.)

Employee engagement, at its most basic level, is widely acknowledged as important to corporate success. Many firms, however, neglect that absolute engagement resides with the company's leaders and that those leaders must be guided and properly understand how to motivate and make their employees enthusiastic to reach the organization`s common goals. Here this conceptual paper tried to define the kind of leadership abilities that are required to develop a commitment to put forth the organizational employee engagement.

The most important criterion for employee engagement is Leadership, it has a prominent role to play in defining employee engagement in the organization of any sector. So looking into employee engagement through the leadership lens, it is said that, because your employees are

your most significant asset, paying attention to them is crucial. People are the most expensive expense for most businesses as it has HR activities like hiring, firing, payroll, disciplinary actions, etc., thus it's worth it to keep them happy.

Employee engagement might mean many different factors, but it all comes down to the individual's association with the organization they work for. An engaged employee is focused on their work and is extremely motivated, immersed, and enthusiastic about it. As a result, they frequently put in extra effort, may go beyond the requirements, and genuinely care about the company's success. They are willing to go above and beyond to fulfill the organization's objectives.

Although an organization may have levels or departments with the best of intentions to increase employee engagement over time. There is unlikely to be a change until growing employee engagement results in improvements in day-to-day operations and actions. Employee engagement will be led by the leaders, who take the initiation to motivate their employees. So organizations must analyze the skills that are needed by leaders to get the work done from their employees and to make them engaged by providing tools and necessary knowledge. As a leader, your boundary is about creating a strong, clear vision and establishing the "rules of engagement" for operating the team.

Being transparent in this way involves the leader being available, visible, and aware of when and how things need to be get done, as well as when they are and are not being done correctly. As recognition (Employee Engagement through the Lens of Leadership, n.d.; Purushothaman & Kaviya, n.d.) is the primary motivating factor for employees to be engaged highly in an organization by leaders, and it will build a high-performing culture. When employees receive focus on them as individuals, they can't deny the help but they try to shine by their work and find themselves to grow, support the leader, and excel. (Employee Engagement through the Lens of Leadership, n.d.)

Transformational leadership style may be an acceptable theory that describes behavioral engagement which is a product of cognitive and emotional engagement and with a few literatures, we can find that at the individual level, there is a positive relationship between leadership and employee engagement. By clarifying roles and establishing corporate culture, leadership becomes more effective in engaging staff. (Carasco-Saul et al., 2015)

The purposeful decision of a leadership team to focus on boosting engagement is regarded to be providing high and quality care to engagement development a form of workplace self-fulfilling impact. (Wollard & Shuck, 2011)

3. RESEARCH METHODOLOGY

Secondary research in the field of employee engagement was used to write this research article. The study analyzes the previous body of work on these topics and tries to arrive at an analysis of employee engagement practices, as well as to evaluate their influence on employee performance with some factors.

The study has developed this article on a systematic evaluation of the current literature in order to understand the concept and to determine the factors, by reviewing the available literature.

3.1 OBJECTIVES

1. To understand the concept of employee engagement.
2. To study the essential factors of employee engagement.
3. To analyze the impact of leaders on employee engagement.

4. RESULTS AND DISCUSSION

Work environment, leadership, team and coworker relationships, training and career development, compensation program, policies and procedures, and workplace well-being are all elements that influence employee engagement.

Focusing on employee engagement is a key strategy to improve staff performance. Studies concentrating on the contribution of employee engagement to employee performance have recently been published in the performance management literature, highlighting the significance of engagement in the performance management process. Organizational effectiveness is impacted by performance management. Through the lens of leadership context, it was meant to study the strength of employee engagement's influence on employee performance.

Through the antecedent's work on employee engagement, it is said that the independent variable, employee engagement, influences the variance in the dependent variable, employee performance. Staff engagement has a significant impact on employee performance. It

demonstrates that ensuring employee engagement is critical and has a favorable impact on their performance.

Employee engagement determinants study suggests, a healthy working environment for employees. If an organization values its people and believes that engaged employees are a valuable asset, it should invest in enhancing the organizational climate. This demonstrates the potential for the organization's actions to have a positive societal influence. Similarly, employee engagement is influenced by factors such as Leadership, team, and coworker relationships, etc., For increased engagement, an effective leader, an effective team and a strong coworker relationship are essential.

Leaders also behave in ways that encourage and develop team members who might expect better levels of engagement from their employees, with the support team accounting for the greatest contribution to the likelihood of employee engagement. The inter-relationships of employee engagement with a variety of antecedents such as personality and leadership, all of the elements linked with relationship-oriented leadership were found to be positively related to engagement. The findings shed light on the leadership dimension.

5. CONCLUSION

Employee engagement is the concept of inculcating the employees and their dedication towards their work. The foundation or lifeblood of every organization is human resources or employees, which have a significant impact on becoming a successful organization. The quality of employee engagement will make the organization sustain itself in the competitive business world. Some elements will drive employees highly engaged and make them highly oriented members of the organization viz., work environment, crystal clear communication channel, leadership, employee-employer mutual understanding, job satisfaction, organizational commitment, etc., these will help to define the organization's competitiveness in the market.

Employee engagement provided by a few measures by providing promotional facilities like career growth guidance, awards, and recognition will drive or motivate employees to give their best for the organization. Leaders play a significant role in helping employees feel inspired and engaged. The organization should provide a clear focus to employees by setting goals, and clearly communicating rules and regulations, and visionary leadership will help

them to motivate. This will indeed help the organization to be more confident in their employees, which will drive the employees to remain in the organization for the long term.

6. SCOPE FOR FUTURE RESEARCH/RESEARCH IMPLICATIONS

After reviewing the literature, the study has come up with employee engagement with the combination aspect of leadership that can help industry practitioners and policymakers design and implement successful projects by comparing the study of this model with a previous model of employee engagement might also be conducted.

There is an obvious vacuum in the literature, which is the lack of qualitative data. From various aspects, the original study's potential application is rather broad, and future research can be carried out at multiple levels of the organization, which results in an individual's behavior of each variable viz., impact of employees' demographics, personality traits, and cultural differences on engagement on employee engagement, as a response, employee performance, and focusing on the future engagement study, should take into account how engagement is used in reality, especially if practitioners want to identify those who are more willing to engage. This entails an accurate and valid measure of engagement potential.

More research could focus on what training managers should get to improve their capacity to engage their employees. There is also a need for longitudinal studies of engagement, to prove a clear link between engagement and organization effectiveness, and also to evaluate long-term results and advantages, for the betterment of management practices.

REFERENCE

1. Allen, & Meyer. (1991). Employee Engagement Smith et al. (1969). Employee Engagement

2. Buckingham, & Coffman. (1999). First, break all the rules, New York : Simon Schuster, 1999.

3. Carasco-Saul, M., Kim, W., & Kim, T. (2015). Leadership and Employee Engagement: Proposing Research Agendas Through a Review of Literature. In Human Resource Development Review (Vol. 14, Issue 1, pp. 38–63). SAGE Publications Ltd. https://doi.org/10.1177/1534484314560406

4. Employee Engagement through the lens of leadership. (n.d.).

5. Ian Cornett. (2018, October 18). How to Improve Employee Engagement with Strong Leadership.

6. J., A. (2014). Determinants of employee engagement and their impact on employee performance. International Journal of Productivity and Performance Management, 63(3), 308–323. https://doi.org/10.1108/IJPPM-01-2013-0008

7. Kahn, W. A. (1990). Psychological Conditions of Personal Engagement and Disengagement at Work. In Source: The Academy of Management Journal (Vol. 33, Issue 4).

8. LailahImandin(SouthAfrica), C. (SouthAfrica),Christoff B. (n.d.). "A model to measure employee engagement." https://orcid.org/0000-0001-6845-7355

9. Macey, W. H., & Schneider, B. (n.d.). The Meaning of Employee Engagement.

10. Maslach, C., Wilmar B. Schaufeli, & Michael P. Leiter. (2001). JOB BURNOUT.

11. Purushothaman, S., & Kaviya, E. (n.d.). Article ID: JOM_07_03_001 Cite this Article: S. Purushothaman and E. Kaviya, A Study on Employee Engagement in a IT Company. Journal of Management (JOM, 7(3), 1–7. https://doi.org/10.34218/JOM.7.3.2020.001

12. Roth, T. (n.d.). Engagement Starts with Your Leaders Create a Culture of High Energy and Commitment Through the 4 Levels of Leadership.

13. Sun, L., & Bunchapattanasakda, C. (2019). Employee Engagement: A Literature Review. International Journal of Human Resource Studies, 9(1), 63. https://doi.org/10.5296/ijhrs.v9i1.14167

14. Wollard, K. K., & Shuck, B. (2011). Antecedents to employee engagement: A structured review of the literature. In Advances in Developing Human Resources (Vol. 13, Issue 4, pp. 429–446). https://doi.org/10.1177/1523422311431220