

Employee Engagement and Organizational Performance: A Literature Review

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Abstract

Engagement/Commitment is an organizational approach intended to guarantee that employees are dedicated to their organization's objectives and principles, encouraged to donate to organizational success, and are able at the same time to improve their own sense of safety. Employee engagement perform very vital role in any organizations as it is connected with output, job satisfaction etc. Engagement comes about when enough people care about doing a good job and care about what the organization do. The main aim of the research is to present the opinions of researchers towards the relationship between employee engagement and organizational performance along with gaps that allow scope for further research.

Keywords— Commitment, Employee Engagement, Job Satisfaction, Organizational Performance

Employee Engagement and Organizational Performance

It says that "there is a growing recognition of the role that employees actively play in shaping and influencing their environment, as well as taking initiative, which is likely to create their own jobs, mobilize their own resources and set their own goals." work on their own engagement, in turn, to predict the performance ratings of other organizations. A study by a Canadian consulting firm found that employers believe that engaged employees are willing to do more, have higher productivity, and have positive working relationships (Psychometric Canada Limited, 2011). However, the results of the study are based on the perceptions of HR managers, not the employees themselves. Engagement assessments are best done by interviewing the employees themselves, not through proxies. Employees are best able to share what they think about the work they do and the organization they work for.

In addition, a study examining the relationship between employee engagement and organizational performance found that there is a strong correlation between employee engagement and customer loyalty, productivity and profitability, employee turnover, employee and customer safety, absenteeism, loss, and disability. Harter et al., 2013). Evidence shows that there is a relationship between employee engagement and organizational performance, where the more engaged and committed an employee is, the greater the organizational performance. Employee engagement positively influences absenteeism, continuation, promotion, facilitates customer service, and encourages staff to be effective in the organization. Achieving organizational effectiveness is the ultimate goal that any organization that puts great efforts in maximizing employee task performance, commitment, and maintaining intrinsic motivation to work well in challenging times should focus. This is why efforts to improve

organizational performance have recently begun to instill positive organizational concepts such

as optimism, trust, and engagement (Koyuncu et. al., 2006).

LITERATURE REVIEW

Table 1: Studies That Defines Relationship Between Employee Engagement and Organizational Performance

Author/Year	Independent Variable	Dependent Variable
Chandra Sekhar Patro (2018)	Employee Engagement	Organizational Productivity
Roger Muller, Elroy Smith, Riyaadh Lilla (2018)	Employee Engagement	Organizational Performance (Financial, Customer, Internal Process, Learning and Innovation)
Ruganzi Diogene (2017)	Employee Engagement	Organizational Performance
Kazimoto, P. (2016)	Employee Engagement	Organizational Performance
Aakanksha Kataria, Pooja Garg, Renu Rastogi (2013)	Employee Engagement (Vigor, Dedication, Absorption)	Perceived Organizational Effectiveness (Productivity, Adaptability, Flexibility)
Elif Ongel (2014)	Employee Engagement	Organizational Performance
Boonyada Nasomboon (2014)	Leadership Commitment	Employer Branding, Strategic alignment Organizational Alignment
Boonyada Nasomboon (2014)	Employer Branding, Strategic alignment, Organizational Alignment	Human Resource Practices
Boonyada Nasomboon (2014)	Human Resource Practices	Organizational Performance, Employee Engagement
Madhura Bedarkar, Deepika Pandita (2014)	Employee Engagement (Leadership, Communication, WLB)	Employee Performance
Ala`a Nimer AbuKhalifeh & Ahmad Puad Mat Som (2013)	Employee Engagement (Employee Communication Reward and Recognition Employee Development Extended Employee Care)	Organizational Performance

Table 2: Studies That Defines Relationship Between Employee Engagement and Organizational Performance through moderation effect

Author/Year	Independent Variable	Dependent Variable	Moderating Variable
Rowl juevesa, Cristina V. Juevesa, John Michael Castino (2020)	Employee Engagement	Organizational Performance	Moderation Variable (Baby Boomers, Gen X, Gen Y)
Tanveer Ahmed, Muhammad Shahid Khan (2020)	Employee Engagement, Knowledge Sharing	Organizational Performance	Knowledge Sharing

Stephen G Cheche, Stephen M A Muathe and Samuel M Maina (2019)	Employee Engagement	Organizational Performance	Moderating Variable (Demographic Characteristics with respect to age, tenure, level of education)
Datche Evelyn, Gachunga Hazel (2015)	Idealized influence, Inspirational motivation, intellectual stimulation, Individualized concern	Organizational performance	Employee Engagement
Aakanksha Kataria, Aakanksha Kataria, Pooja Garg, Renu Rastogi (2015)	Employee Engagement	Organizational Effectiveness	OCB
Aalansksha Kataria, Pooja Garg, Renu Rastogi (2013)	Vigor, Dedication, Absorption	Productivity, Adaptability, Flexibility	Organizational Citizenship Behavior

Table 3: Studies That Defines Relationship Between Employee Engagement and Organizational Performance through mediation effect

Author/Year	Independent Variable	Dependent Variable	Mediating Variable
Abdul Quddus Mohammed (2015)	Talent Management	Organizational Performance	Employee Engagement, Retention, Value Addition
Zafarullah Waqas, Sharjeel Saleem (2014)	Monetary Rewards, Non-Monetary Rewards	Organizational Performance	employee engagement

FURTHER SCOPE

1. Further research could be conducted on employee engagement, organizational performance drivers, and a cross-generational workforce using the research results to continue to develop models and tools that are important to the field of human resource management. Rawl Juevesa et al (2020)
2. This study focuses on the impact of employee engagement on organizational performance and how the relationship is moderated by demographics, but does not explore the antecedents of employee engagement. It is recommended that future research includes precursors to employee engagement to have a clearer understanding of the relationship between employee engagement and organizational performance. Steven G. Chech et al (2019)
3. Future research covering other prerequisites for employee engagement

should be carried out in various work settings to enrich the human resource management literature. This research encourages scholars to start thinking about how employee engagement relates to HR outcomes and contributes to improving organizational outcomes and organizational culture. Future researchers may try to examine the relationship between these components in other large public service organizations and where the service is directly provided by employees. Neha Gupta et al (2016)

4. Due to the lack of research on employee engagement in small and medium-sized companies, it is advisable to study employee engagement in these organizations. Roger Mueller et al (2018)
5. This article is conceptual in nature and based on a review of selected scientific papers. Future research should empirically examine conceptual models across organizations, industries, and

countries to generalize research findings. In addition, future research may consider other intermediary variables such as commitment and OCB in relation to corporate social responsibility and organizational performance. As employee engagement is a new concept, and there is still ongoing research on the factors that stimulate engagement, which in turn leads to financial loss and employee productivity. Neha Gupta et al (2016).

6. Future research might focus on the specific areas of employee engagement that have been influenced by

transformational leadership and why the influence of the ideal leader negatively impacts employee engagement and organizational performance. Dutche Evelyn et al (2015).

7. Potential mediating mechanisms such as productivity, organizational commitment, and OCB may play an important role in the relationship between organizational engagement and performance. Aakanksha Kataria et al (2013)

CONCEPTUAL MODEL



Source: Author Compilation

CONCLUSION

Organizations performance has been well affected by the involvement of employees with their work. An employee who is highly engaged with his job is the one who is taking attention towards the work of the organization and presenting some kind of initiatives for the benefit of the organization. The literature review presented in the article clearly shows the association between employee engagement and organizational performance and proves that there is a growing interest of researchers in the subject even till date. From the literature a conceptual model was developed and it will be further continued with empirical research.

The literature review on the association between work engagement and various performance categories proves the growing interest of researchers in the subject. To put it in context, 50 out of the 71 analyzed

papers have been written in the past 50 years. Overall, authors have conducted empirical studies in 25 countries, in diverse geographical regions, based on data from various industries such as financial services, education, construction, or hospitality. However, ordering and categorization of prior studies revealed the uneven distribution of the analyzed research across six categories, which were defined to reflect the different types and levels of performance. There is a particular deficiency in studies on the association between engagement and outcome performance aspects, as well as association between engagement and performance on aggregated (team and organizational) levels

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