

ANTECEDENTS AND CONSEQUENCES OF EMPLOYEE ENGAGEMENT: A CRITICAL ANALYSIS OF LITERATURE REVIEW

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ABSTRACT

Employees are the brand ambassadors and the key touch points for the customers of any organisation. Hence it becomes very important for organisations to understand how the employees feel working for the organisation. Employee engagement helps in understanding the expectation of employees and sketches the path for the employers to deliver the expectations of employees. The study has focused on the evolution of employee engagement, described the various constructs of employee engagement. Here in this literature review it has been identified how practioners and researchers have perceived employee engagement. This literature has also identified how the antecedents and consequences of employee engagement which kept on changing when it is viewed from various perspectives.

KEYWORDS: Employee Engagement, Job Satisfaction, Retention, Productivity, Organisation Commitment

INTRODUCTION

Employee Engagement has gained a lot of emphasis in the organisations of the recent times. The term Employee Engagement has gained the attention of both the researchers and the practioners. Despite the fact that it is a very important factor to determine the impact of success of various organisations a very little work has been undertaken related to this context. This paper explores the way through which employee engagement evolved through a historical lens. The study has been carried out to identify other factors which can be the antecedents of employee engagement by systematically reviewing and organising the existing literature and then critically apprising the literature to identify the more prominent factors which can lead to employee engagement.

OBJECTIVES OF THE LITERATURE REVIEW

- To sketch the evolution of Employee Engagement.
- Description of four major constructs of Employee Engagement.
- To differentiate between the perception of employee engagement as perceived by the practitioners and the academicians.
- Perception of employee engagement by the multi generational cohort of work groups in the organisation.
- To enumerate the various antecedents and consequences of employee engagement.

EVOLUTION OF EMPLOYEE ENGAGEMENT

Kahn (1990), in his pioneering study on engagement states, “Engaged employees drive personal energies

(physical, cognitive, and emotional) into their work roles". The qualitative study undertaken by Kahn has gained the attention of various researchers who later on defined engagement in various ways. Conceptually, Kahn started with the work of (**Goffman 1961**), who proposed that people's attachment and detachment to their work roles varies. Another approach to the concept of engagement was lead by researchers named **Maslach and Leiter (1997) and Maslach et al. (2001)**, who were of the view that engagement as the opposite to the three burnout dimensions: exhaustion, cynicism, and sense of inefficacy. Engagement can be measured using scores on the burnout measurement scale called the Maslach Burnout Index (MBI). Low scores on exhaustion and cynicism and high scores on efficacy on the MBI indicate each of the three characteristics of job engagement: energy, involvement, and efficacy (**Maslach et al., 2001**). **Harter et al.** (2002) defined engagement as "the individual's involvement and satisfaction with as well as enthusiasm for work". Kahn's (1990) and Maslach et al's (2001) work indicate the psychological conditions or antecedents that are necessary for engagement, but they do not fully explain why individuals will respond to these conditions with varying degrees of engagement. **Schaufeli et al.** (2002) defined engagement as "a positive fulfilling, work related state of mind characterized by vigor, dedication, and absorption". **Robinson et al.** (2004) defined engagement as "a positive employee attitude towards the organization and its values, involving awareness of business context, and work to improve job and organizational effectiveness". **Saks (2006)**, defined employee engagement as "a distinct and unique construct that consists of cognitive, emotional, and behavioral components that are associated with individual role performance". Saks has conceptualised using Social Exchange Theory. The SET provides a theoretical foundation to explain why employees choose to become more or less engaged in their work and organization. Engagement has been mainly discussed in the context of four categories, namely personal engagement, burnout/engagement, work engagement and employee engagement (**Simpson, 2008**). **Shuck & Wollard, (2010)** distinctly defined employee engagement as "an individual employee's cognitive, emotional, and behavioural state directed toward desired organizational outcomes". **Rurkkhum and Bartlett (2012)** elucidated the relationship between employee engagement and organizational citizenship behaviour (OCB) in a study conducted in Thailand and found support for positive relationships between every component of OCB and engagement.

From the above definitions employee engagement can be conceptualised as the highest level of involvement of emotional, personal and cognitive energy of an individual towards work related activities which helps the individual to attain the individual goals sketched by the organisations for the individuals and finally helping the organisation to attain its outcomes.

In today's work environment where we have a diversified pool of employees of different co hort groups employee engagement will be different from one employee to other. Emotiona, personal and cognitive energy remaining the same the level of emotional, personal and cognitive perspective will be different. The tailor made concept of employee engagement which implies engagement drivers will be different from one individual to other has not been crafted in the researches which has so far been conducted on employee engagement.

MAJOR CONSTRUCTS OF EMPLOYEE ENGAGEMENT

This following section describes the various constructs which exists in employee engagement and which techniques were used to measure those constructs.

Personal Engagement is described as the employing or expressing of oneself physically, cognitively, and

emotionally during work role performances. When engaged, an employee is understood to be physically involved, cognitively vigilant, and emotionally connected (**Kahn, 1990**). A 14 item scale developed and used by (**May et al, 2004**)

Burnout Engagement is defined as a psychological syndrome characterized by exhaustion, cynicism, and inefficacy, which is experienced in response to chronic job stressors. Engagement is understood to be the direct opposite of burnout and exist on a continuum; with engagement on one end and burnout on the other. Exhaustion (low energy), cynicism (low involvement), and inefficacy (low efficacy) are characteristic of burnout; whereas, high energy, high involvement, and high efficacy are characteristic of engagement (**Maslach and Leiter, 1997; Leiter and Maslach, 2004**) The inventory used to measure burnout engagement was Maslach burnout inventory.

Work engagement refers to a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption. Vigour is characterized by high levels of energy and mental resilience while working. Dedication refers to being strongly involved in one's work and experiencing a sense of significance, enthusiasm, inspiration, pride, and challenge. Absorption is characterized by being fully concentrated and happily engrossed in one's work, (**Schaufeli et al., 2002**) The measurement used for this was Utrecht work engagement scale. Employee Engagement refers to the "individual's involvement and satisfaction as well as enthusiasm for work" (Harter et al., 2002) The Gallup Work Audit is the instrument which is used by various corporations even today to measure the engagement level. The above constructs described above does not take into account the **Mindful Engagement** of employees as stated by **Kruse 2013**, bringing your emotional, cognitive and physical energies and approaching all circumstances "C especially difficult ones "C with a productive constructive mindset. Mindful engaged employees will be able to answer the following questions:

- What did I do today to improve communication with my manager and peers?
- What actions did I take today to learn and grow?
- Whom did I thank today, and who recognized me?
- Was I mindful today of our company's long-term goals?
- Today, how engaged was I at work?

PRACTICIONERS AND ACADEMIA VIEWS ON EMPLOYEE ENGAGEMENT

Academia Views on Employee Engagement

Academicians are of the view which describe engaged employees as being fully involved in their activities, absorbed in the tasks given to them, charged with energy, vigour and focused, so much so that they lose track of time at work. They point to the two] way beneficial relationship between employer and employee, but do not mention anything about what organisations do in practice to enable experience of the state of engagement and to experience the outcomes. (**Ologbo C. Andrew and Saudah Sofian, 2011**) were of the view that employee communication, employee development, peer relationship, image of the firm, reward and recognition and leadership are the determinants of employee engagement. They were of the view that employee engagement was addressed incorporating the two types of employee engagement, **Job Engagement**, which is the level of employee's committed and dedication to his job role and **Organization Engagement**, which is the level of employee commitment and loyalty to their organization.

Company Based Models view engagement as an outcome “C engaged employees show commitment, loyalty, exert discretionary effort, use their talents to the fullest and are enthusiastic advocates of their organisation’s values and goals.

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 organisation. The end result is a high performing company where people are flourishing and productivity is increased and sustained’. (Catteeuw et al., 2007)

Vodafone defines employee engagement as ‘an outcome “measured or seen as a result of people being committed to something or someone in the business “C a very best effort that is willingly given” (Suff, 2008). These company definitions tend to view engagement as an outcome, something given by the employee. They often refer to the employee’s attachment, commitment and loyalty to the organisation. Johnson and Johnson, who indicate that engaged employees experience collaboration and feel valued, there is little mention of a reciprocal relationship and what the employer offers to enable engagement.

Consultancy Based Models define engagement as a psychological state with numerous outcomes for the organisation, and consider the role of the organisation in enabling it.

Hewitt Associates defines engagement as ‘the energy, passion or “fire in the belly” employees have for their employer or more specifically what their employer is trying to achieve in the market’. Hewitt Associates also suggest that engaged employees stay, say and strive. In other words, engaged employees ‘have an intense desire to be members of the organisation ... are passionate advocates for their workplace ... they refer potential employees and customers ... they go beyond what is minimally required to produce extraordinary service and results for customers and colleagues’ (Baumruk and Marusz, 2004).

Mercer defines engagement as ‘a state of mind in which employees feel a vested interest in the company’s success and are both willing and motivated to perform to levels that exceed the stated job requirements. It is the result of how employees feel about the work experience “C the organisation, its leaders, the work and the work environment’ (Mercer 2007).

Gallup suggested that engaged employees are ‘psychologically committed to their work, go above and beyond their basic job expectations, and want to play a key role in fulfilling the mission of their organisations’, whilst disengaged employees were said to be ‘uninvolved and unenthusiastic about their jobs and love to tell others how bad things are’ (Blizzard, 2004).

Company definitions focus heavily on what the organisation obtains from the ‘engagement’, without acknowledging the role of the organisation or explaining the state of engagement. Academics and consultants also provide some explanation of the psychological state of engagement, which is not observed in company definitions. Consultancy based models tend to focus heavily on employee productivity and identifying oneself with the organisation; they tend to see engagement at a department, or company] wide level, rather than considering how individuals are investing themselves in their personal work. So far the literature reviewed has not been able to give us an wholistic defination of engagement which would include the symbiotic association of the individuals and the organisation where an wholistic development of the organisation and the individual takes place.

GEN X AND GEN Y AND EMPLOYEE ENGAGEMENT

This section elaborates on the age of changing tectonics in the contemporary workplace which has a challenge to deal with the generational diversity. Each of the generations demand their own take always from the organisation.

Generation can be defined as a cohort which comprises of individuals of same age who share the social, economic and historical experience within the same time period (**Ryder, 1965**). Members of the same cohort share important life experiences such as completion of schooling, graduating and entering the workforce, and retiring at similar age (**Kowske et al 2010**).

Baby Boomers (born from 1946 to 1964) who comprise the largest generational cohort about 78 million workers belong to this cohort who have made great social and economic impacts and are now being replaced by younger generation, Millennials. Boomers are more driven by work goals, tasks and results in the workplace, showing a higher desire to enter into positions with greater responsibility and fame (**Families and Work Institute, 2006**). Boomers have the belief that hard work is always paid back and have expectations to be rewarded and are comparatively more loyal and committed to the organisations than the millennials (**Gursoy, Maier & Chi, 2008; Smola & Sutton, 2002**). Baby boomers are currently the largest generation of active workers. Research has shown that boomers identify their strengths as optimism, and their willingness to work long hours. This generation grew up in organizations with large hierarchies, rather than flat management structures and teamwork-based job roles.

Millennials (Generation Y or GenMe) (born from 1981 to 1999) are the youngest generation cohort, Millennial generation has been characterised by economic prosperity, advancement of instant communication technologies through the Internet, social networking, and globalization, who need more balance between work and life, flexibility in job assignments and want to define the exact role in their job. Millennials value freedom and work-life balance more than Baby Boomers (**Cennamo & Gardner, 2008; Smola & Sutton, 2002; Twenge, 2010**). They value high leisure work values, preferring a job that provides more vacation time (**Twenge et al., 2010**). Millennials have higher expectations about promotions and pay hikes in the workplace They do, however, realize that their need for social interaction, immediate results in their work, and desire for speedy advancement may be seen as weaknesses by older colleagues. Not tolerant of less challenging work (**Corporate Leadership Council, 2005; Lancaster & Stillman, 2002**). Millennials are usually multi skilled and prefer to work in teams and a flat structure. Contemporary organisations in IT and ITES are facing the challenge to manage engagement and retain Gen Y and Gen X. Organizations have engagement tools that typically address engagement for the organization under one basket without any differentiation for the generations of employees. As the millennial generation will start entering into the work force rapidly and baby boomers will retire new engagement models need to be developed to address the differences between baby boomers and millennials.

Various literature being reviewed has reflected the fact that meaning of engagement is different from individual to individual taking into account difference in individuals demographics, personality. Blessing White's survey found that at least a quarter of Generation Y employees globally are disengaged with the exception of India, where all generations have higher engagement levels than other countries. They suggest that the older the employee, the more engaged they are, with employees born since 1980 being the least engaged members of the workplace (**Blessing White, 2008**). They also suggest that the lack of experience in the younger employees might be responsible in bringing a lack of clarity over what they want from their workplace. This suggestion is somewhat negated however by Talent smoothie's research which found that

Generation Y seek jobs that they love and do not 'live to work' (Talents smoothie, 2008.) However, Robinson et al. (2004, 2007) found that the youngest employees had the highest engagement levels when compared to all other age groups.

Literature reviewed so far crafts the fact that engagement levels and drivers might differ from one generation to another. Despite the fact that engagement being an important factor a lot of study has not been done in this respect.

ANTECEDENTS AND CONSEQUENCES OF EMPLOYEE ENGAGEMENT

Various researchers have been working on to identify various antecedents and consequences of employee engagement. **Saks (2006)** used the theory of social exchange to explain how individuals would differ in their responses according to how they perceive various antecedents, and whether employees will reciprocate with performance. Saks stated job engagement, which is specific to the role task an employee is principally hired to perform; organizational engagement as referring to other roles that an employee plays being a part of the larger organization. He in fact stated employee will become loyal and trust worthy over time as long as the organization is fair in applying standard operating procedures and resource. Employees are willing to give if the organization reciprocates the benefits and resources.

Perceived Organizational support, perceived supervisor support and organizational justice are various antecedents of employee engagement and organizational citizenship is the consequence of employee engagement (**Saks, 2006**). According to (**Robinson, 2006**) antecedents to employee engagement include, organizational environment where positive emotions such as involvement and pride are encouraged nurturing of feelings and views being valued, which in turn generates discretionary effort which lead to enhanced performance. Empowerment for employees which gives power to employees to make decisions that are important to their performance was stated by (**Lawler and Worley, 2006; Purcell et al, 2003**); employee-job fit (**Lloyd 2004 and MacDonald 2002**); highly engaged work environment with highly engaged supervisors (**Soltis, 2004**) are some of the antecedents as observed in the literature.

Koyunca, Burke and Fiksenbaum (2006) examined the different antecedents and consequences of work engagement for Turkish bankers. The results of the study reflected that the following antecedents such as: rewards and recognition, value fit and control were found to predict engagement measures. Vigor predicted psychological well-being outcomes.

Engaged employees are likely to have a greater attachment to their organization and they reduce organisations turnover cost and recruitment cost (**Schaufeli and Bakker, 2004; Truss et al, 2006**). In contrary to this it is observed in the study of (**Ferguson 2007**) that the longer employees stay with an organization, the less engaged they become.

Employee engagement has been defined by various researchers taking into account various factors which influences and also taking into consideration various protocols under which various organisations work.

Some researches like (**Robbison et al 2004, Rurkkhum and Bartlett 2012**), have linked Organisation Citizenship Behaviour to employee engagement but if one observes the definitions of OCB and Employee Engagement it can be ascertained that OCB refers to informal behaviours like helping the co workers while employee engagement refers to formal roles which helps individuals to fulfil the KRAs and at the same time will contribute to add to the bottom line.

Many studies have been looking at the antecedents and consequences of employee engagement. **Saks (2006)**, found a distinction between two types of engagement, job engagement and organisation engagement, in which he has stated that the relationships between both job and organisation engagement, and their antecedents and consequences

differed. According to Saks the psychological conditions that lead to job and organisation engagement, as well as their consequences, are not the same. Saks had conducted the survey for employees in Canada and the results indicate that there is a meaningful difference between job and organization engagements and that perceived organizational support predicts both job and organization engagement; job characteristics predicts job engagement; and procedural justice predicts organization engagement. In addition, job and organization engagement mediated the relationships between the antecedents and job satisfaction, organizational commitment, intentions to quit, and organizational citizenship behavior. so we cannot generalise the result. However since the study was carried out for employees in Canada the result cannot be generalised for all the organisations across the world. (Herter et al 2004), conducted a meta analysis which inferred that employee satisfaction and engagement are related to meaningful business outcomes at a magnitude that is important to many organisations. Employee engagement has gained tremendous attention from practitioners in the industry because of its possible link to a wide range of individual and business outcomes (Stroud, 2009). Various consulting firms have reflected various business outcomes of employee engagement, including individual productivity (Corporate Executive Board [CEB], 2004; Kenexa, 2008), sales and revenue growth (DDI, n.d.; Gallup, 2007; Hewitt Associates, 2004; International Survey Research [ISR], 2007; Towers Perrin, 2003; Wellins, Bernthal & Phelps.), cost of goods sold (Hewitt Associates, 2004; Towers Perrin, 2003), financial performance (Gallup, 2003; Hewitt Research Associates [HRA], 2004; ISR, 2004; Towers Perrin, 2003) reduced absenteeism (DDI, Gallup, 2004), reduced turnover (CEB, 2004; DDI, n.d; Towers Perrin, 2003). Employee engagement has also been tied to customer satisfaction, retention, and loyalty. Heintzman & Marson 2005, Ellis & Sorensen, 2007). Engagement has been found to be closely linked to feelings and perceptions around being valued and involved, which in turn generates the kinds of discretionary effort that lead to enhanced performance (Konrad 2006). Such evidence implies that management needs to share control and allow employees to participate important decisions. If they do not, they risk having a workforce, which is not, and cannot be, engaged.

Towers Watson undertook a study of the relationship between employee engagement and organisation performance across a population of 16 insurance companies. They found a strong association between increased employee engagement and significant increases in financial gains.

This section describes the various consequences of employee engagement. Job satisfaction is more reactive concept when we look at it as an consequence in terms of feelings about what has already been attained and is likely to be attained. As defined by (Locke 1969), it is “the pleasurable emotional state resulting from the appraisal of one’s job as achieving or facilitating the achievement of one’s job values”. Job satisfaction is an old construct that has long been recognized as important to any consideration of turnover behaviour and more recently, to an understanding of turnover intentions as well. Employees who are more satisfied experience lower rates of absenteeism, have reduced rates of intention to leave. Job attitudes combined with job alternatives predict whether employees intend to leave an organization, which is the direct antecedent to turnover. There’s a common misconception that job engagement; high motivation to work; is a personality trait and that motivated people will work with a lot of enthusiasm. But research consistently shows that even the most committed employees will rapidly become de motivated if they cease to find their work meaningful or they can’t succeed at it. Thus, whether it’s a media frontier or a product launch, the people in charge need to be vigilant about removing obstacles impeding their most engaged employees; the very people whom they may think need the least help in staying motivated. For these high performers, factors they can’t control; role ambiguity, inadequate resources, and

overwork itself,³ can hinder their best work and may ultimately drive them to seek jobs elsewhere. The ones who stay behind may well be the ones who just don't care. (HBR 2013, Thomas W. Biit)

In addition to its conceptual domain (job satisfaction as an affective state or as an attitude), the concept of job satisfaction may vary by the target an individual evaluates (Spector, 1997). Job satisfaction is a mix of individual attitudes on various aspects of the job: relations with coworkers and supervisors, the work itself, and the organizational infrastructure and processes (Lee, 2000). Using all these conceptualizations, in this study, job satisfaction is the subjective, individual-level attitude representing an individual's general affective reaction to a job (Cranny, Smith, & Stone, 1992). Simply put, job satisfaction is the extent to which people like their jobs (Odom, Boxx, & Dunn, 1990; Spector, 1996).

The review of literature revealed that job satisfaction is distinct from two other attitudinal constructs: job involvement and organizational commitment (Kanungo, 1982; Lawler & Hall, 1970; Locke, 1976; Mowday, Steers, & Porter, 1979; Steers, 1977). Organizational commitment can be defined as "the relative strength of an individual's identification with, and involvement in, a particular organization" (Mowday et al., 1979). Although both job satisfaction and organizational commitment are closely related in that both are affective responses, the two constructs are different because of their referent objects; job satisfaction focuses on the work environment where employees perform their duties while organizational commitment focuses on employees' attachment and allegiance to the organization they work for (Lee, 2000). Job satisfaction traditionally has been distinct from job involvement. Job involvement is defined as psychological identification with a job (Kanungo, 1982). Although both constructs refer to a specific job, job satisfaction pertains to the emotional state of liking a job (Locke, 1976; Kanungo, 1982).

An engaged employee is satisfied with his job, who understands and is aligned with the organization's goals, is a productive, profitable employee, and one who creates customer loyalty, remains with the organization, practices safety and is strongly aligned with the organization's brand values. It is important to quantify the magnitude of employee engagement in order to enhance it (FORUM RESEARCH 2013).

An employee can be satisfied with a job without being engaged in the job. Employee engagement is much more than being content with pay and the ability to leave in time. That contentedness is merely job satisfaction, and though satisfaction is generally enough to retain employees, it's not enough to ensure productivity. On the other hand, employee engagement *does* promote increased productivity. An engaged employee is an employee who is deeply involved and invested in their work. The factors that drive employee engagement, however, are different than those that drive satisfaction. Engagement factors include Meaning, Autonomy, Growth, Impact, and Connection. **Employee satisfaction is the foundation upon which employee engagement can grow and thrive.**

Organizations with genuinely engaged employees have higher retention, productivity, customer satisfaction, innovation, and quality. They also require less training time, experience less illness, and have fewer accidents. Employee satisfaction is the minimum entry fee that needs to be met in order for an employee to be fully engaged by (Laura Sheffield, 2010)

Productivity and Employee Engagement

Companies are expected to be efficient and show growth, while continuing to manage the bottom line and keep costs down. Technology and the rise of social media is a factor which could be used to drive efficiency, but it should be done without sacrificing the personal connection to customers, employees and other stakeholders. There is, however,

one common element that enables organisations to move forward in this complex environment, and that is people. Employee engagement can be the master key that unlocks business performance. Successive research exercises over the past five or six years have shown that, without engagement, companies will fail to create a sustainable competitive advantage on a continuous basis (**Pickard, 2009**).

Employees want to invest their skills and knowledge in the organisation and assist it to grow. But few organisations are using employee engagement as a tool to drive business performance. When asked about changes in profit, organizations with higher levels of engagement were more likely to report increases. The average difference in favourability between organizations with increases in profit and those with decreases was 3.4 percent. Interestingly, organizations reporting stagnant profits experienced the same level of engagement as those that reported decreasing profits.

The same areas that suffered the most when retention was low also suffered the most when profits were stagnant or decreasing: alignment with goals, trust in senior leaders, and feeling valued. (**Employee Engagement Survey 2013**)

Retention and Employee Engagement

Engagement is to extent to which employees are willing to go beyond the minimum requirements of their role to provide additional energy or to advocate for their organization to others as a great place in which to work or invest. A worker's turnover indicates her/his separation from a given employment relationship. Conversely, retention means the existence of an ongoing employment relationship.

Sigler (1999) said retention is about willingness to stay at organization which is influenced by incentive pay or compensation and job satisfaction. Sigler, also, mention about the problem retention in the many companies is about so many companies have "dilemma" when they face on the retention problem. If the companies keep the talented people, the talent employee will gain the more value than the others but otherwise the company cannot avoid in order keeping them stayed because the company still need that employee in their office to keep the stabilization. Moreover, Sigler (1999) said the companies must aware about detail information before to retain the talented employee because the wrong information about employee can conduct big problem in the future. To help the companies decided which employee should be retains or not, Sigler categorized the employee into two kinds. First, the talented employee which should be retains must have big contribution and have positive risk adjusted profit to the firm. Second, the talented employee must be categorized as, the person who has influenced on the firm than any employee hired to replace him or her. More widely, Crispin R. **Coombs (2009)** mentioned that retention is about how to manage three their environment of the employee, there are altitude toward behaviour, subjective norm, perceived behavioural control into intention and intention will made behaviour surrounded the employee.

SCOPE OF THE STUDY

Though many researchers argue that the construct named employee engagement is related to concepts in management such as employee commitment, organizational citizenship behaviour and job satisfaction in such a manner. On the other hand some researchers propagate that employee engagement clearly reflects the mutual and symbiotic association between employees and employers. Research on engagement is still at an infant stage attempting to come up with more clear-cut and acceptable definition. Various other variables like Human Resource Interventions, Human Resource process, diversity in workforce are yet not been explored in literature reviewed so far. Researches so far has reflected strongly on the impact of employee engagement on business performance and job satisfaction negating the fact

that there might be changes in the consequences diverse work force enters into the work environment. The cost factor of taking the engagement decisions are not taken into account. The antecedents of employee engagement are not categorised. Further study can be carried out as how organisations should enhance communication both top down and bottom up, ensure that employees have all the resources they need to do their job, provide appropriate training to increase their knowledge and skill, establish reward mechanisms in which good job is rewarded through various incentives, build a distinctive corporate culture that encourages hard work and success, develop a strong performance management system which holds managers and employees accountable for the behaviour they bring to the workplace, place focus on top-performing employees to reduce their turnover and maintain or increase business performance.

CONCLUSIONS

So, as organisations are in a state of flux looking at the current economy working in a positive environment and being self are very important factors to stimulate engagement and retention in the organisations. Employers who are proactive, who sustain their investment in people and continue to develop the potential of their human capital are likely to maintain their competitiveness.

The engagement-performance potential is there "C delivering the results is a shared effort. Leaders, managers, HR and employees themselves have key roles to play since employee engagement flows up, down and across the organisation. Ensuring mutual benefits (as well as risks) for both organisations and employees is potentially the most sustainable and honest basis for an employment relationship better suited to the demands of today's volatile global economy.

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