

**EMPLOYEE ENGAGEMENT AS A DRIVER FOR THE ORGANIZATIONAL
PERFORMANCE**

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Abstract

Employee engagement plays a crucial role in all aspects of the organization. It directly impacts on the performance of the organization. It acts as a key driver for the growth of the organization. Several literature reviews had previously proved that employee engagement impacts on the customer engagement, employee performance, shared decision making between managers and employees, knowledge management and activeness of internal communication organizational commitment, job satisfaction, innovative outcomes and financial performance of the organization. There must be a positive sense of compassion between the supervisor and the employee for knowledge sharing and low stressful conditions.

The main aim of this paper is to prove that employee engagement impacts on the performance of the organization.

Keywords: customer engagement, Employee engagement, knowledge, Organization, performance.

I. INTRODUCTION

The world economy had become knowledge driven. In this concept, the employee had become the most powerful resource for the competitive advantage for any organization. Employee engagement helps in the management of the performance of the organizations in different sectors of India like financial services, Information technology, tourism and hospitality, and retailing industries. Among all the resources available in the organization human resource is the most crucial resource to give competitive advantage. Leader behaviors have significant indirect effects on innovative work behaviors as well as innovative performance through work engagement. Work engagement was positively related to innovative work behaviors as well as innovative performance (GUPTA, 2017). Employee engagement leads to the organizational commitment and finally to the better performance of the organization. There is a need for a strong organizational commitment and a high work engagement has been labeled by organization as critical success factors to achieve better performance (Cesário, 2017). Organizational politics has positive affect and moderates the relationship between employee engagement and behaviors at work such as knowledge sharing, creativity, proactively, and adaptively. Employees that are engaged and more actively involved in their jobs, politics can be regarded as a challenge and even an opportunity for obtaining more resources to improve their

performance (Eldor, 2017). There is an effect of employee engagement process on the performance of employees in various work roles. Efficiency and productivity of employees has become vital for businesses to run sustainably in this modern business era. Workforce engagement in this demanding situation is of critical significance. Engagement may be described as a two way process between employees and an organization. It is a strategy to enhance the productivity and performance of an employee. It is also a process to ensure the commitment, motivation and contribution of an employee towards achieving the goals and values; needless to add, it also goes with enhancing their own wellbeing (Jha, 2016). Employee engagement impacts on the employee performance of the organization (J., 2014). Employee engagement is the best way to improve performance management and manager-employee communication and relationship in organizations (Saks, 2011). The low work experience people exhibited low to medium level of creative process engagement and high experience people exhibited high level to medium level of creative process engagement (Xiaomeng Zhang, 2010).

The main key determinants of the employee engagement that impacts on the performance of the organization are working environment and team and co-worker relationship. Performance appraisal is one of the most important human resource management practices as it involves critical decision to various human resource actions and outcomes. Employee engagement is not only a key determinant for the performance of the organization, it is also an antecedent for the innovative outcomes (Hurmelinna, 2017). Employee engagement is significantly related with positive organizational outcomes such as productivity, customer satisfaction, and reduced absenteeism. positive performance management practices reviewed with the highest percentages of engaged employees (Marrelli, 2011).

Common components for employee engagement include enthusiasm for work, commitment, organizational pride, employee alignment with organizational goals and a willingness to exert discretionary effort (Vance, 2006; Robinson, 2007; Schneider, Macey, Barbera, & C Martin, 2009).

The definition for employee engagement in the present context is as follows:

"The extent to which employees are motivated to contribute to organizational success, and are willing to apply discretionary effort to accomplishing tasks important to the achievement of organizational goals."

II. LITERATURE REVIEW

There is a strong relationship between the employee engagement, customer engagement and financial performance of banking sectors in India (ADARSH, 2017). There is also a relationship between the employee engagement and the performance of the organization (Smith, 2017), (Bilal, 2015), (Bilal H. B., 2015), (Malhotra, 2012), (Balcerek-Wieszala, 2012). There is a positive link between receipt of compassion from supervisors and employees sense of work engagement (Liat, 2018). Climate plays a key role in service employee engagement and customer service performance. Climate as organizational climate and finds that performance-focused climate

strengthens the positive effect of self-efficacy on engagement while service failure recovery climate weakens the positive impact of self-efficacy on engagement (Menguc, 2017). Individual's high psychological capital and high quality relationship with their leaders is positively related to employee engagement and performance of individual in various work roles (Chaurasia, 2014). Performance appraisal justice also impacts on the employee engagement process (Gupta, 2013). Workplace spirituality and creative process engagement are required to create job satisfaction, which then lead to employee performance (Fachrunnisa, 2014).

The size, leadership, and composition of the board of directors together with employee engagement are structured to enhance firm's efficiency and performance (Domniku, 2014). It builds employee identification with corporate identity to establish a fit between how the identity of the firm is positioned internally and externally and employee engagement to drive business performance (Farrelly, 2012).

The best predictors of employee performance are employee engagement and job satisfaction (Dalal, 2012). Performance management process includes employee engagement to achieve high levels of job performance (Gruman, 2011). Work engagement functions as a mediator of the effects of high-performance work practices on job performance and extra-role customer service (Karatepe, 2013). Performance management can be used to increase levels of employee engagement (Mone, 2011). The performance appraisal system must be updated and different types of performance appraisal systems must be used across the organizations. The incentives and initiatives taken by the organization must be well communicated to the employees (Anand, 2011). Job passion links two types of passion, harmonious and obsessive passion, to employees work performance, through the mediating mechanism of cognitive engagement (Ho, 2011). Organizational resources and work engagement predict service climate, which in turn predicts employee performance and then customer loyalty (Salanova, 2005). Management practices can influence the level of passion, the level of intellectual capital, the level of engagement and the performance of employees. (Harjo, 2012). Leaders' work engagement is a key to positive leader-follower relationships and a means for promoting employee engagement and performance (Gutermann, 2016). The individual performance appraisal and the business units performance must be maintained along with the employee engagement for the overall performance of the organization (Purwanti, 2011). Work engagement and job crafting mediate the relationship between employee perceptions of HR practice and employee performance (Xiaoyu Guan, 2017). Employee engagement is associated with the higher levels of employee performance. The concepts of goal-setting, optimism, and employee engagement are mechanisms in improving employee performance (Medlin, 2008). HRM process theory explains how work engagement and job crafting mediate the relationship between employee perceptions of HR practice and employee performance. To enhance employee engagement and boost employee self-efficacy and confidence the limitations of traditional activities in promoting engagement scores and performance are to be done (Carter, 2010). The government also while implementing policies, it must engage with the employee so that it can gain trust from the people (Trahant, 2009). The

employee and the customer engagement are the indicators for the financial performance of the organization (Fleming, 2008).

Beyond the task performance the work engagement is more beneficial to the organization. The conservation of resources theory (Hobfoll, 1989) and the theory of planned behavior (Azen, 1991). There is a positive relation between employee engagement and voice behavior and, hence resulting in beneficial outcomes. Job embeddedness and work engagement may influence employee job performance. Hence there is a relationship between job embeddedness, work engagement, and employee job performance (Kapil, 2017). Employee engagement develops the employee satisfaction among the employees. Employee satisfaction drivers including efficient leadership, mission match and employee skills, and work/life balance (Lavigna, 2010). Leader-member exchange and crossover theory, examines how leaders work engagement can spread to followers, highlighting the role of leader-member exchange as an underlying explanatory process. Leaders work engagement is a key to positive leader-follower relationships and a means for promoting employee engagement and performance. Promoting work engagement at the managerial level may be a beneficial starting point for fostering an organizational culture of engagement (Gutermann D. L.-W., 2017). The HR practices influence on the employee outcomes in the organization.

Flexible HRM practices are used by the organizations for younger workers to enhance work engagement while the older workers to enhance their job performance. Flexible HRM practices are important because they balance both the work and the private life (Bal, 2015). HRM theory had already proved that HRM practices impacts on the both individual and organizational performance (Catherine Trussa, 2013).

The performance essentials, which are linked to employee engagement, are as follows:

The following literature review suggests that employee engagement impacts on the performance (Wiley, 2014).

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IV. QUALITY EMPHASIS

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VII. CONCLUSION

One of the key success factors to win in the global business competition is to produce innovative products and services. To produce such products knowledge management facilities which encourage their employees' engagement to share knowledge among them to result in innovations, which eventually results in high corporate performance (Budihardjo Surijah, 2015). Employee engagement is the top business priority for every organization; wherein business leaders know that having a high-performing workforce is essential for growth and survival (Patary, 2015). Engaged employees are emotionally bound up with organization and make extra effort for the employer. Continuous employee engagement in the organization always results in

the better performance. Employee engagement is beneficial to both the organization and the employee.

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