

The Effectiveness of Employee Engagement on Organizational Success in Selangor Darul Ehsan

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Abstract

The employee engagement issue has become a great concern in societies, as well as business and non-business organizations all around the world. An engaged employee is mindful of the business context and works with his colleagues to improve the performance and the well-being of a company. In 2017 employee engagement trends have decreased for the first time in four years. Why is the turnover rate of Malaysian employees high and why do they admit to contributing little in their work? Therefore, the reason why the employees are disengaged needs to be identified. Hence, the research objectives of this study are to determine the link between work performance, leadership, and well-being towards employee engagement and to investigate the most and the least influencing factor towards employee engagement. A total of 100 questionnaires was employed as a tool for the extraction of the effectiveness of Employee Engagement. The data were analysed by employing the Statistical Package for Social Science (SPSS). The results showed that all the independent variables are significantly related to employees' engagement.

Keywords: Employee, employee engagement, work performance, leadership, well-being

1.0 Introduction

Employee engagement is the main idea to comprehend and predict, both subjectively and quantitatively, the nature of the connection between an organization and its employees. An engaged employee is portrayed as one who is overwhelmed by and energized for his work to make a positive move to propel the reputation and interests of the affiliations. Kruse (2018) claims that an attractive delegate has an elevating appearance towards the organization and its characteristics. In the present time, employee engagement is normally associated with expressions such as representative involvement and employee satisfaction. Bakker and Demerouti (2018) clarify that engaged employees perform better than those who are not because they are emotionally more positive in the sense that they are happy, joyful, and enthusiastic. The pertinence is generously more due to most by a wide margin of new-age specialists in the workforce who have a higher inclination to be 'diverted' and 'withdrew' busy working. Representatives with the most significant level of duty perform 20% better and 80% were less inclined to leave the association, which shows that commitment is related to organizational performance (Lockwood, 2018).

The present changing workplace, loaded with work vulnerability and continuous mergers and acquisitions, adds to an absence of trust and worry for the shared government

assistance among employees and employers. Numerous businesses presently cannot seem to completely comprehend the focal significance of good associations with workers to lessening non-appearance just as upgrading devotion to authoritative goals and expanding execution. Robertson (2019) reiterates that employee engagement can improve the goal-setting process. In this way, employee engagement is fundamental and furthermore, it can be considered as an imperative element for an organization to succeed and it can be expected to be set up if the representatives are happy to help and sincerely propelled to participate (Khan, 1990). When consideration is expanded, individuals will perform better since they are sincerely connected to their activity (Baard, Deci & Ryan, 2004). Thus, the purpose of this study is to consider three (3) unique factors that influence employee engagement.

2.0 Literature Review

These days' employee engagement has become a hot topic for human resource researchers, positive psychologists, and management practitioners to research this is due to the development of positive psychology, work engagement, and the importance of occupational health psychology (Sun & Bunchapattanasakda, 2019). According to Schaufeli and Bakker (2004), engaged employees will be energetic and has an effective connection with their work and they will look up to themselves as someone who can fulfil their job demands. Hence, various factors on how to foster employees' engagement need to be considered to establish good employee engagement in an organization. Allameh, Barzoki, Ghazinour, Khodaei, and Abolghasemian (2014) have identified that employee engagement has a critical connection with employee performance but good human resource (HR) practices are required to positively influence employee attitudes that will foster good engagement relationships among employees, while at the same time it would increase employees' job performance. It has been found that the theory-driven operationalization of how connections can be invigorating is demonstrated by construct and theoretical advancement of social vitality. Therefore, this can lead to better employee engagement and performance. Anitha (2014) has also confirmed that employee engagement has a significant effect on employee job performance. This study also shows that social vitality is positively related to employee engagement and job performance (Owens, Baker, Sumpter, & Cameron, 2016). Various studies also have indicated positive relationships between employee engagement and employee performance such as employees who are engaged with the organization can obtain high customer satisfaction and loyalty, have high commitment and productivity. Studies also indicate that employees who are engaged can perform well which enables their organization to perform above the industry average and generate high revenue (Kompaso & Sridevi, 2010). Moreover, leadership that is employed by an organization can also affect employee engagement. Breevaart, Bakker, Hetland, Demerouti, Olsen, & Espevik (2014) carried out a study about the effects of transformational leaders towards employee engagement in an organization and found that transformational leader contributes to employees work engagement daily. Hence, leaders who use contingent rewards are also able to influence employee engagement.

Similarly, a positive relationship has been identified in leadership with employee engagement among banking sector employees. The study has proven that by practicing transformational leadership leaders can build trust and intrinsic motivation among employees and foster good employee engagement (Besieux, Baillien, Verbeke & Euwema, 2018). A large portion of the explored investigations is predictable in contending that leadership is altogether related with as well as is affecting employees' engagement directly (Carasco-Saul, Kim & Kim, 2014). Moreover, there is also a significant relationship between leadership and employee engagement (Xu & Cooper. Thomas, 2011) which leads to attractive outcomes, for example,

organizational performance or individual well-being. Additionally, another key driver such as well-being can also affect employee engagement in an organization, and in this case, Brunetto, Teo, Shacklock, and Farr-Wharton (2012) have identified a positive relationship between employee well-being and employee engagement. The study illustrates that if the emotional intelligence of the police officers increases they will have better well-being which would lead to good employee engagement and work commitment. Also, according to the employee engagement and well-being model, if the reported employees' engagement is high in an organization the employees have a good psychological workplace climate which will lead to an improved well-being (Shuck & Reio, 2013). A study done by a group of researchers from the Philippines has found a positive correlation between employees' well-being and employee engagement. Such as work satisfaction, employer care, employees' respect towards the organization, autonomy needs, relatedness needs, and competence needs are linked with employee engagement. This indicates that an organization can further improved its employees' engagement by making sure their employees are satisfied with everything in their organization which would enable them to have a sound well-being. If the organization fail to give priority to employees' well-being then it would be difficult for the organization to stand-in employees engagement (Abun, Magallanes, Foronda & Encarnacion, 2020).

2.1 Research Framework

The framework below is illustrated to provide a better understanding on the drivers of employee engagement in organizational success.

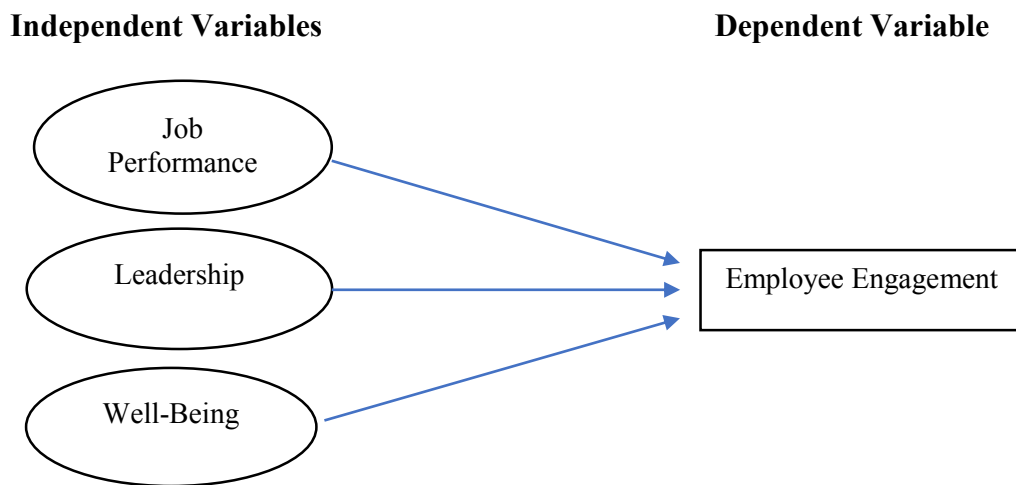


Figure 1: Research Framework

The framework consists of three main drivers comprising job performance, leadership, and well-being. These independent variables affect the employee engagement on organizational success.

3.0 Method

This study utilizes a quantitative research approach, specifically focusing on the quantitative measurement of the interval scales on employee engagement, job performance, leadership, and well-being. Questionnaires have been employed for data collection and the sample size is determined based on the approach recommended by Krejcie and Morgan (1970).

The total population is 132, thus a minimum sample size needed for this study is 97. A total of 110 questionnaires was distributed to the employee of XYZ Company and only 100 are returned and useable, hence the response rate is 91 percent. The questionnaire comprises five sections (A, B, C, D, E). Section (A) contains the Demographic profile of the respondents. Section (B) is about the dependent variable which is employee engagement and sections C, D, and E are about independent variables namely job performance, leadership, and well-being. A 6-point Likert scale ranging from 1 (*strongly disagree*) to 6 (*strongly agree*) is used to measure all the variables. Section F is about the respondents' opinion on the employees' engagement towards organizational success. The results are analysed by using Statistical Package for Social science (SPSS 20.0). All dependent and independent variables are measured using Cronbach's Alpha Reliability Testing, Pearson Correlation, and Multiple Regression Analysis.

4.0 Results

Table 1 shows the results of Cronbach Alpha which indicate that all variables are above 0.700, conforming that the items employed for this study are reliable.

Table 1: Reliability Test

Items	Cronbach's Alpha	No of items
Employee Engagement	0.873	7
Job Performance	0.922	5
Leadership	0.945	6
Well-being	0.930	6

4.1 Demographic Analysis

This section illustrates the demographic characteristics of the respondents of this study comprising the gender, age, level of position, length of service with the current position, respondent's marital status, and education level. Table 2 below shows the demographic results. The total number of participants in this study is 100, whereby 67% are female and 33% are male. The frequency and percentage of age show that in terms of age, the highest number of respondents in this study is 20 to 40 years old with 88%, followed by more than 40 years old, 11%, and less than 20 years old, with 1%. Most of the respondents are in a middle management position, the highest respondents in this study are middle management with 46%, followed by the bottom level with 43% and 11% from top management. Furthermore, for the working experiences category, the highest in more than 2 years with 45%, followed by more than 6 months (23%), 1 to 2 years (19%), and 6 to 12 years with 13%. Next, the data also demonstrate that (56%) of the respondents are single and (44%) of the respondents are married. For the education level, the majority of respondents have completed STPM/ Diploma (38%), followed by Degree's (36%) SPM and Masters (12%) and Ph.D. (2%).

Table 2: Demographic of Respondents

Items	Frequency	Percent (%)
1) Gender		
• Female	67	67.0
• Male	33	33.0
2) Age		
• Less than 20 years	1	1.0
• 20 – 40 years	88	88.0
• More than 40 years	11	11.0
3) Position Level		
• Top Management	11	10.0
• Middle Management	46	80.0
• Bottom	43	10.0
4) Tenure		
• Less than 6 months		
• 6 – 12 months	23	23.0
• 1 – 2 years	13	13.0
• More than 6 years	19	19.0
5) Marital Status		
• Married	44	44.0
• Single	56	56.0
6) Education Level		
• SPM	12	12.0
• STPM / Diploma	38	38.0
• Degree	36	36.0
• Master	12	12.0
• PhD	2	2.0

4.2 Employee Engagement

Questions are asked on a 6-point Likert scales to measure the employee engagement (Table 3) consisting of seven questions regarding employee engagement. Table 3 below shows that the average employee engagement is in the range of 3.84 to 4.46. The mean of respondents agreed that they are proud to work for the organization is as follows; (M= 4.46, SD=1.158). It is followed by the statement, “I am satisfied with my work” (M= 4.17, SD=1.111). While the lowest mean for employee engagement is “I rarely think about looking for a job at another company” (M=3.84, SD=1.529). We conclude that most respondents find their job interesting, the organization motivates them to go beyond in whatever situation, their work gives them a feeling of accomplishment, and they like to recommend their organisation as a great place to work.

Table 3: Items of Employee Engagement

	<i>Items</i>	<i>N</i>	<i>Mean</i>	<i>Std. Deviation</i>
1.	I am proud to work for my organization	100	4.46	1.158
2.	I would like recommend my organization as a great place to work	100	4.00	1.189
3.	My work gives me a feeling of accomplishment	100	4.17	1.111
4.	I am satisfied with my work	100	4.40	1.054
5.	My current job is interesting	100	4.28	1.147
6.	I rarely think about looking for a job at another company	100	3.84	1.529
7.	This organization motivates me to go beyond what I would in a situation	100	4.24	1.102

4.3 Job Performance

Table 4 shows the items of Job Performance. The overall mean items denote the Job Performance is in the average range of 4.57 to 4.81. Most of the employees believe that they perform towards the results of their work (M=4.81, SD=0.971). They also believe that they manage to plan their work so that it is done on time (M=4.77, SD=1.118). They also agree on the statements, I could complete my work on time (M=4.76, SD=.976), “I keep in mind the results that I have to achieve in my work” (M=4.75, SD=1.067). These respondents also believe that they have no problem setting priorities in their work (M=4.57, SD=1.139).

Table 4: Items of Job Performance

	<i>Items</i>	<i>N</i>	<i>Mean</i>	<i>Std. Deviation</i>
1.	I manage to plan my work so that it is done on time	100	4.77	1.118
2.	I keep in mind the results that I have to achieve in my work	100	4.75	1.067
3.	I could complete my work on time	100	4.76	.976
4.	I have no problem setting priorities in my work	100	4.57	1.139
5.	I work towards the end results of my work	100	4.81	.971

4.4 Leadership

The findings in Table 5 shows the items of leadership. Six questions of leadership are asked on 6-point Likert scales. The overall items denote the leadership in the average range of 3.81 to 4.26. Most of the respondents agreed on the statement that “*My leaders have high expectations for all staff to make good decisions*” (M=4.26, SD=1.368). They also believe that their leaders have communicated a vision that motivates them, keeps people informed about what is happening, and understands their needs as an employee respectively (M=4.04, SD=1.399; (M=4.02, SD=1.31; (M=3.98, SD=1.255).

Table 5: Items of Leadership

	<i>Items</i>	<i>N</i>	<i>Mean</i>	<i>Std. Deviation</i>
1.	My leaders understand my needs as an employee	100	3.98	1.255
2.	My leaders have high expectations for all staff to make good decisions	100	4.26	1.368
3.	My leaders keep people informed about what is happening.	100	4.02	1.231
4.	My leaders are a great role model for employee	100	3.89	1.406
5.	My leaders have communicated a vision that motivated me	100	4.04	1.399
6.	My leaders are consistent with their words	100	3.81	1.331

4.5 Well-Being

Six questions of well-being are asked on 6-point Likert scales. The findings in Table 6 exhibit the items of well-being that affect employee engagement in the organization. The overall items show that well-being has a significant impact on employee engagement, which is in the average range of 3.94 to 4.36. Majority of respondents agreed on the item of “*I can accept change in my life*” (M=4.36, SD=1.106), “*My work brings a sense of satisfaction and the lowest*” (M=4.33, SD=1.120), “*I feel safe in my company*” (M=4.33, SD=1.120), “*I am able to balance the demands of my work and personal life*” (M=4.23, SD=1.205). They also feel in order to have sound well-being; they need to have enough rest” (M=3.94, SD=1.369).

Table 6: Items of Well-Being

	<i>Items</i>	<i>N</i>	<i>Mean</i>	<i>Std. Deviation</i>
1.	My work brings sense of satisfaction	100	4.33	1.120
2.	I have enough rest	100	3.94	1.369
3.	I feel safe in my company	100	4.23	1.205
4.	I am able to balance the demands of my work and personal life	100	4.03	1.235
5.	I can accept change in my life	100	4.36	1.106
6.	I can enjoy lot of little things everyday	100	4.15	1.274

4.6 Correlation Coefficient Analysis

Next is the correlation analysis. It is found that the correlation between the employee engagement in XYZ Company in Shah Alam and the job performance has a positive correlation of .610 and it correlates strongly. Next, the correlation between employee engagement and leadership of XYZ Company and has a positive correlation of 0.736 and correlates in a strong relationship. It also has a significant level of 0.000 which is less than 0.05. Based on the same table above, the correlation between employee engagement of XYZ company and the well-being factor has a positive correlation at 0.837 and correlates in a very strong relationship. In short, the correlation coefficient is a statistical measure that calculates the strength of the relationship between the relative movements of the three variables.

Table 7: Correlation Coefficient Analysis

		Employee Engagement	Job Performance	Leadership	Well-being
Employee Engagement	Pearson Correlation		.610**	.736**	.837**
	Sig. (2-tailed)		.000	.000	.000
	N		100	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

4.6 Multiple Regression Analysis

To better understand the relationship between employee engagement and the selected variables, multiple regression approaches are used to further explore the relationships (Uyanik & Güler, 2013). Based on this model, the adjusted R square is 0.762, as shown in Table 7, which means that the R-square value indicates that 76.2% of the dependent variable - employee engagement can be explained by the independent variables: job performance, leadership, well-being.

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate
1	.877 ^a	.769	.762	.43847

a. Predictors: (Constant), Job Performance, Leadership, Well-Being

Table 7 above shows the R square value is 0.769 or 76.9%. The R-square value indicated that 76.9% of the Employee Engagement can be explained by the job performance, leadership, and well-being.

Table 8: Regression Results

Model	Unstandardized Coefficient		Standardised Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.505	.240		2.103	0.38
Job Performance	.211	.057	.217	3.738	.000
Leadership	.197	.054	.259	3.628	.000
Well-being	.457	.065	.534	6.990	.000

a. Dependent Variable: Employee Engagement

Table 8 shows the results of the full model. The study found that the largest standardized coefficient beta is 0.534, which is contributed by the well-being factor, followed by a leadership factor that has a beta coefficient of 0.259, and the lowest beta coefficient is job performance factors which have 0.217. This result indicates that well-being, leadership, and job performance have a strong, unique contribution in explaining the employee engagement with a significant value of 0.000 less than 0.05.

5.0 Discussion

Based on the findings, all three independent variables; job performance, leadership, and well-being are significant drivers to XYZ company's employee engagement. This study is consistent with previous studies (Owen et al, 2016; Breevaart, 2014; Besieux et. Al 2018; Brunetto et al., 2012; Shuck & Reio, 2013; and Abun et al., 2020). The majority (76.2 per cent) of the variances come from these three factors. It is considered as a substantial amount. Of all variables, well-being factor has contributed the biggest contributor to the employee engagement. The XYZ company has taken care of its employees' well-being. The employees of XYZ company feel safe, satisfied and enjoy working in the company. Employee engagement is successful in valuing the employees. Secondly, the leadership in XYZ company also plays an important role. The leaders seem to understand the need of the employees, they also communicated the company's vision that motivates the employees to work better. The employees' job performance also affects the XYZ company' engagement. The respondents are able to complete the task and perform on time. They have no problem in setting priorities in their work. Satisfied employees lead to good performance with high productivity. So basically, most of them are giving the answer about communication towards employee and the employee welfare. One of the most difficult challenges for any organization today is to find ways to effectively speak to its employees. Communicating with employees regularly helps ensure everyone understands the business objectives and goals, as well as their place in achieving organisational success. Every person will have his own way of communicating, and each person will have an individual way in which they want to be communicated to. Also, leadership is a key precursor of numerous factors including employee engagement. In a conclusion, employee engagement is a positive attitude held by individuals toward their organization and its culture. Satisfied employees lead to a good performance with high productivity.

6.0 Conclusion

On the whole, employee engagement is a crucial variable in an organization and practice. Employee Engagement likewise alludes to an inspirational disposition held by people toward their association and its way of life. Therefore, all the three factors that have been

concentrated thus far give a decent establishment to cultivate employee engagement in an organization. For instance, the organization can concentrate on open and straightforward correspondence and communication with the representatives to improve employee engagement.

Assessing employee engagement is a test because an association needs to ascertain a way that they can speak with culturally various representatives sufficiently so everybody can comprehend the message viably. By discussing consistently with employees and the organization can assure that its employees realize the organization's objectives and targets and their obligations in accomplishing them. Subsequently, by setting up great correspondence and communication, prosperity, boundless authority and legitimate occupation execution the organization can accomplish high employee engagement which will prompt organizational success. Thus, this study also shows that there is a significant link between wellbeing and employee engagement. High levels of psychological well-being and employee engagement play a key role in delivering some of the significant outcomes that are related to successful, high performing companies. However, if the organization does not emphasize on employees' wellbeing, the organization's productivity will be affected and employee turnover will increase.

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