Determinants of Employee Engagement and Its Impact on Employee Performance

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Employee Engagement has become popular topic in the management arena during past two decades. The ability to engage employees, to make them work with the business, is one of the greatest organizational battles face by businesses today. Employee engagement is now a management hot topic and one which has become quickly absorbed into the HR agenda. Workers who feel disconnected and disengaged are more likely to have negative feelings towards the company. Engaged employees feel satisfied with their careers and are generally happier individuals than who aren't engaged. Disengaged employees rarely produce new solutions or brings innovative ideas to the table; they have little interest in contributing to the final outcome of the organization. The lack of employee engagement costs billion a year when workplace accidents, absenteeism, inefficiency and unproductive costs occur. This massive amount of money could be significantly utilized if companies emphasized more on employee engagement. Organizations try to use different engagement models to have discretionary effort from their employees. Though there has been a great deal of interest in employee engagement, there is a shortage of academic on that construct. The purpose of this study is to identify the key determinants of employee engagement and their impact on employee engagement. It also studies the effect of employee engagement on performance. Engaged employees go beyond the call of duty to perform their role in excellence. Employee performance is basically accomplishments made by the employees. This paper identifies the key drivers of employee engagement; work environment, leadership, rewards, training and development opportunities through a thorough literature survey and identifies the strength of impact of employee engagement on employee performance. A structured questionnaire which was developed and validated by previous researches was used to collect data. Among one hundred thirty operational level employees from six manufacturing organizations, ninety-seven were selected as sample using simple random sampling method. Correlation and Regression analysis was used to predict the relationships. It was found that leadership, training and development opportunities, rewards and work environment were predictors of employee engagement (r^2=0.755). Leadership and rewards have a major impact on the concept. Employee engagement had significant impact on employee performance (r^2=0.716). This study emphasized the importance of employee engagement and identified key drivers that have significant impact on it. It also indicated that there is a strong significant relationship between engagement and performance. Employee engagement is a positive attitude held by the employee towards the organization. Engaged employees can help their organization to achieve its mission, execute its strategy and generate important business outcomes. The theoretical implication of this study is to focus on the fact that

engagement can be a triple win; for the individuals at work, the organizations or service sectors, and for the country as a whole. As Practical implication of this study it is worthy to have effective leadership and acceptable remuneration package as they have a significant higher impact on employee engagement and hence employee performance. Organizations should focus on inspiring leadership and attractive compensation programs. Enhancing supervisor support will reflect the social impact created by the organization. Employees will perform more if the determinants of engagement being addressed. The research emphasizes the growing importance and need for studying the concept of employee engagement.

Keywords: Employee Engagement, Environment, Leadership, Rewards, Training, Employee Performance