

Understanding The Determinants of Employee Engagement: A Study of Hotels in India

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Abstract : Employee engagement have a major role in all industries. Hospitality, a customer service driven industry the employees are the major stakeholder who could create a difference between a happy and a dissatisfied customer. The study is to identify the key determinants of employee engagement in hotels in the country. A study was conducted to analyze the relationship of the factors which lead to the engagement of the employees. A convenience sampling method was used to collect data from the hotel employees. A total of 950 questionnaires were distributed and 762 valid responses were collected. Regression was used to find the relationship of the determinants. The factors were identified which predicted the employee engagement in which organizational policies, technology, and leadership have a major impact. The organisations should put in more efforts specially on those factors which have a higher impact on the employee engagement. Understanding the determinants will help the management and the employees to have a healthy work environment and lead to higher engagement level of the employees in the hotel industry.

Key terms: Employee engagement, Determinants, Hotel, India

I. INTRODUCTION

The role of employee engagement is critical in nature so as to retain the valued employees in the organisation. The effective utilization of the manpower leads to smooth operation of the organization. Though there is no fixed definition of employee engagement but there is a consensus that employee engagement brings in commitment and engagement and allows employees to enjoy, value themselves and believe on what they do. The engaged employees also motivates their colleagues to obtain the organisational goals, bring in pride for their work and demonstrate high level of performance and productivity.

Hospitality industry is considered as a high turnover industry, engaging and retaining the employees successfully is a challenging task for the organisation. The engagement of employees drives performance and retention for organisation. Luxury segment hotels do believe that providing additional services and investing in decoration and interiors of hotels enhances guest satisfaction, but also emphasize that investing on employees also lead to better organizational results. The engagement helps the employees to reach to their full potential so that they create proper communication channels, improve organisation productivity, and retain talented staff.

As the hospitality industry is been plagued with attrition and turnover of the employees, the industry has to come up with strategies which focus and feel concern of the industry. The hotels prefer to measure employee engagement so that they can emphasis on the employee needs and their concerns. Researchers have stated that engagement level of employees do have an impact on the productivity, profitability, customer satisfaction and on the employee turnover [1].The research consultancy Gallup have reported that engagement and earnings per share are directly proportional to each other [2].

Considering it employee engagement in hotel is of an important concern and do requires attention from all the levels of management and from each department of a hotel. The study is about various determinants of employee engagement in hotel industry.

II. REVIEW OF LITERATURE

The engagement of employees at work was first coined by Kahn who stated that engagement allows people to employ and express themselves in an emotionally, physically and in a cognitive manner [3]. Engagement is also defined as “*the psychological state accompanies the behavioural investment of personal energy*” [4]. It also conveys that an engaged employee is both emotionally and intellectually bound with an organisation and they are very passionate of their goals and are committed to be with the values of the organisation. A researcher Saks with definition from Kahn on engagement had developed constructs for job and organisation engagement. Saks stated that the antecedents of employee engagement were organisational support, perceived supervisor support, perceived organisational support, rewards and recognition, and includes procedural justice. The engagement leads to job satisfaction, organisational commitment, and organisational citizenship behaviour and reduces turnover intention. [5, 6].

The six determinants of engagement as stated by in Indian organisations [7] are the job content which include autonomy and the challenges for learning, proper compensation and benefits which is suitable as per the qualification and responsibility, work life balance which includes appreciating personal needs and spending time with family. The relationship of the managers and the supervisors with their subordinate along with the work environment which assists in career growth is also a major determinant of engagement. Team work and team spirit is of great importance so cooperation between teams both interdepartment and intradepartment leads to the engagement of the employees. In hotels training of the employees do have a major role for the employees both interns and experienced employees as the turnover is quite high as report by bureau of labour statistics stating it to be as high as 73.8% [8]. With the training actually increasing the employee retention and enagement the same is been considered. Hospitality industry with the continous evolvment do adapt with the technology which makes employees work comfortably and efficiently which lead to the engagement of the employees. The role of communication between the employees both top and bottom up communication and communication between the employees with guest and the relationship do influence the engagement of the employees. The present study is about the various determinants of employee engagement in hotels so as to model the same determinants comprehensively.

Considering the review of literature and other relevant items pertaining to the hotel industry this study combines the factors along with the three psychological conditions of Kahn employee engagement of vigor, dedication and absorption with determinants of employee engagement . The factors for the same are represented in Figure 1.

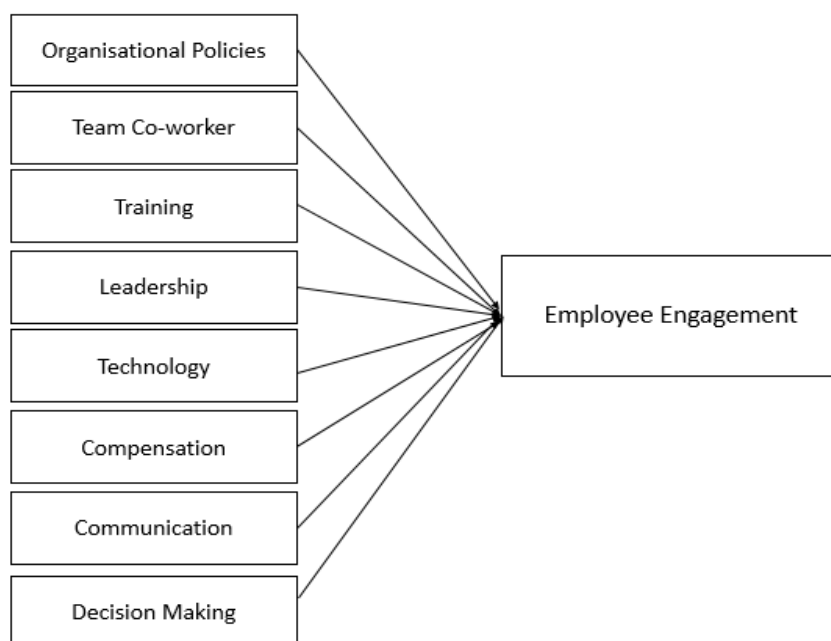


Fig.1 Proposed model of factors influencing Employee Engagement

It is an in-depth study of understanding the employee engagement concept with understanding of various theories related to it and analyzes various tools to measure employee engagement specific to the hospitality. The study considers the employment in hospitality sector and the need of engagement in the same, considering the lack of academic research in the field so as to allow the management and policy makers to look into the factors so as to enhance the level of engagement in the organization.

The organisational policies do influence the engagement of the employees [9, 10]. The organisation should come up with appropriate recruitment and selection policies which encourage fair and equitable practice leading to an overall firm's performance. Researchers [11] have concluded that the attitudinal conceptualization of organisational commitment is a part of employee engagement. Some researchers have agreed to the concept that engagement has emerged from organisational commitment [12, 13, 14] while some researchers do argue that engagement is different from organizational commitment [15, 16, 17]. The organization policies which understands the concern of the employees, provides appropriate feedback and encourage them to develop related skills and solve problems related to work leading to engagement [18].

The supportive leadership of the management is theorised to influence employee engagement by involving them, satisfying and creating enthusiasm at work [19]. In an establishment manager's role is to encourage and co-ordinate with the employees to deliver a seamless, quality service [9]. [20] A researcher has stated that if an individual only works for a person not caring about the individual, stressing on the weakness rather than on the strengths it would lead to employees not being engaged or committed. Employee retaining is a critical management issue for the hospitality sector [21]. Have the viewpoint that the purpose of the supervisor is to provide support for the employees which later leads to a high level of engagement for the employees [22]. As the employees are offered a chance to succeed in their job and provide growth opportunities it increases employee engagement [23]. The study on engagement of employees has been found that it is significantly dependent on the managers and the supervisors [24].

[3] have found that supportive team and the trusting of interpersonal relationship do promote employee engagement. Researchers have stated that team and the co-workers' relationship is created by the acceptance, friendship, and loyalty which brings in trust [25]. Research studies have also concluded that there is a significant relationship between the supervisor, the team, co-workers along with employee engagement [26]. The studies conducted by researchers have also concluded that the team and co-worker relationship do influence the engagement of the employees to an organization [27, 28, 29].

The training provided do improves service accuracy which impacts the service performance leading to employee engagement [30]. Studied have shown a positive link between an individual's experience on a range of interventions including new ways of working, mindfulness, training and engagement [31] [32]. Training and development expands one's performance and have important impact on employee engagement [33]. The management should give importance about the career path of an individual through appropriate training and development which gives them opportunity for individual growth thereby improving the level of engagement [34].

The compensation and benefits are vital attributes for employee engagement which motivates the employees to be more focus and work towards development. The study conducted by researchers [16] have found that rewards and recognition are antecedents for employee engagement. [3] have concluded that the level of engagement of the employees is directly related to the benefit they obtain. Researchers do state that the pay, additional benefits, and bonuses are also been considered as compensation for the employee's work. [35] argues that these aspects are important for engagement but not the most important factor. [36] Study had concluded that employee pay satisfaction does have a significant as well as a positive effect on job engagement. It also states good benefits given by the employers lead to engagement in hotels.

Technology does play an important role to improve the engagement of employees which affects the performance of the organization. It depends upon the organization if they are ready to make the fundamental changes that are necessary for the new technology which makes things possible. The use of technology helps to communicate between employees and guest and helps in getting feedback in an instant by a transparent and interesting way [37]. The technology enables better platform for an individual to work and provides employee with flexibility in work. It also avoids duplication of work and also improves the pace of the work and enhances customer relationship management(CRM) [38].

Poor communication results in low employee engagement, as the employees feel they are not able to trust the organisation [39]. For instance, employees' ability to speak up was found to be able to influence their engagement. Communication should be transparent and frequent to obtain the trust and respect of employees [40] [41] [42] Communication makes a positive difference in employee engagement. High engagement employees receive communication from their supervisors and senior management far more frequently than low-engagement employees. [43] While leaders are encouraged to exercise open and clear communications, a 'joining' communication style empowers the employees with ample opportunity for their voices to be heard. In two-way communication also an individual employee should be able to express his opinion, as when the employees feel like they are not left out, they are more engaged [35]. A focused communication skill, knowledge, process, behaviour assessment and experience can be easily carried out that drives to the overall company engagement objectives for the stakeholders [44].

The empirical studies have also demonstrated that there is a positive relationship between empowerment and work engagement [45, 46]. [45] had validated the four-factor composition of empowerment in the context of employee engagement. Researchers [47] have also concluded that empowerment is the core component of the employee engagement construct. The survey revealed that creating an environment that supports high performance is the item that had received the least favourable response but was found to have the strongest correlations with employee engagement. The voice of the employees relates to employees' ability to influence the outcome of organisational decisions by having the opportunity to advance their ideas [48]. [49] Researchers have predicted about a problem of under-utilization of employees in the organization because they are not involved in the work-based decisions. [50] Envisage that for a high-involvement work practice to be effective and positively impact engagement, the employees should be provided with authority. The involvement of employees in decision making enhances engagement level and gives the employees a feeling in the control of the job they do.

III. OBJECTIVES OF THE STUDY

To identify the various factors which are been studied through literature review and are their strength to determine employee engagement in a comprehensive manner.

IV. METHODOLOGY

A survey questionnaire was designed to so as to study the impact of the identified factors on the employee engagement. The questionnaire is used to measure the organisation policies, leadership, team co-worker relationship, training, compensation and benefits, technology, decision making and communication with the engagement. The engagement was measured by the UWES 9-point scale. The respondents were asked to rate each item on a five-point Likert scale ranging from strongly agree to strongly disagree for measuring the variables. The questionnaire was validated with a pilot study of 30 respondents and the reliability was found to be statistically significant. A convenience sample method was chosen to select the employees of five star hotels, in five metropolitan cities across India the sampling method was followed as many establishments didn't want their employees to participate in the survey. The cities included were New Delhi, Kolkata, Chennai, Mumbai and Bengaluru. A total of 950 questionnaires were distributed and 762 valid responses were collected. Data analysis was carried out with regression techniques to identify the prediction level by various factors on the employee engagement.

V. RESULTS & DISCUSSIONS

The various factors identified by the review of literature had been used to study the level of prediction on employee engagement. On performing regression, the results obtained conclude that all factors identified are predictors of employee engagement with r^2 value of 62.7 percent as in Table 1 which is highly statistically significant. The proportions of variance which is above 25 percent is been considered substantial [51]. The r^2 value indicates that the identified factors explain up to 63 per cent of the variance in employee engagement. The ANOVA Table 2 in this test shows a significant probability value of ($p=0.00$) which signifies that all the factors team co-worker, communication, compensation, technology, leadership, training, decision making and organisation policies explain employee engagement significantly. Therefore 63 per cent of the variance in employee engagement is influenced by factors- team co-worker, communication, compensation, technology, leadership, training, decision making, and organisation policies.

Table 1 Regression model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.792 ^a	.627	.622	.45931

a. Predictors: (Constant), Team Co-worker, Communication, Compensation, Technology, Leadership, Training, Decision making, Organisation Policies

b. Dependent Variable: EE

Table 2 Results of ANOVA for employee engagement model

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	230.798	8	28.850	136.751	.000 ^a
	Residual	137.550	652	.211		
	Total	368.348	660			

a. Predictors: (Constant), Team Co-worker, Communication, Compensation, Technology, Leadership, Training, Decision making, Organisation Policies

b. Dependent Variable: EE

With the data obtained from Table 3 the following regression equation is derived

Employee engagement = $-0.077 \times \text{training} - 0.003 \times \text{decision making} - 0.158 \times \text{compensation} + 0.196 \times \text{leadership} + 0.273 \times \text{technology} + 0.068 \times \text{communication} + 0.447 \times \text{organisational policies} + 0.163 \times \text{team work}$.

Table 3 Regression coefficient for employee engagement

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	T	
1	(Constant)	.273	.120		2.272	.023
	Training	-.077	.025	-.094	-3.060	.002
	Decision making	-.003	.026	-.005	-.135	.893
	Compensation	-.158	.021	-.222	-7.528	.000
	Leadership	.196	.020	.265	9.806	.000
	Technology	.273	.020	.380	13.934	.000
	Communication	.068	.017	.108	3.970	.000
	Organisation Policies	.447	.038	.405	11.853	.000
	Team Co worker	.163	.029	.193	5.541	.000

a. Dependent Variable: EE

The results of the regression analysis state that the independent variables which have been identified do influence the employee engagement and have a significant impact in determining the engagement level of the employees. The *t* value in Table 3 implies that technology (*t* = 13.93) and organisational policies (11.85) are the most influential factors on employee engagement and they are statistically significant at 0.01 level of significance. The β value also suggest that technology influences 38 per cent as a determinant of employee engagement and organisational policies has about 40 per cent influence and leadership 28 percent. It signifies that technology, organisational policies and leadership of an organisation do create engagement at work.

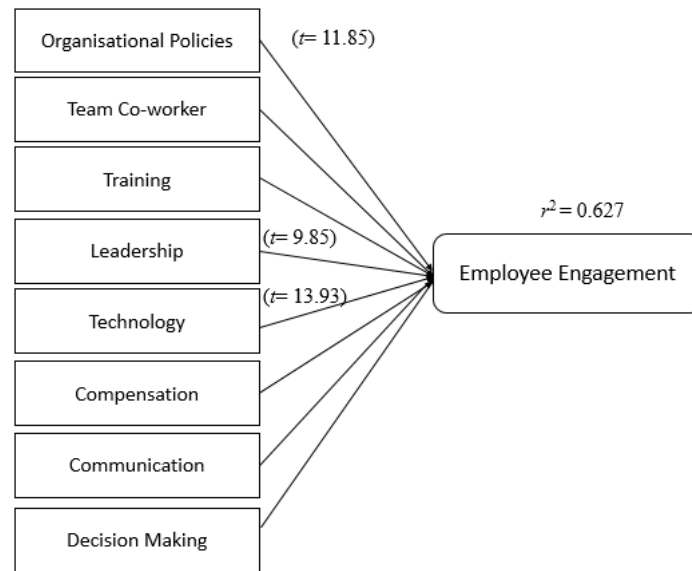


Fig 2. Validated model of determinants on employee engagement

VI. CONCLUSION

The study emphasises the need and importance of employee engagement for the hospitality industry and identifies various aspects which have a significant effect. The results obtained from the study by regression analysis envisages that from the various factors that have an effect on the employee engagement, the three factors, organisation policies, technology and leadership have a significant path validity or t value as in Fig 2.

The implications obtained reflects upon the determinants of employee engagement on the hotels which will create a conducive work environment for the employees. The employees do take a considerable attention to the organisational policies, the usage of technology in an establishment and the leadership of the organisation in a hospitality industry. The model obtained could be used by hotels to focus upon the various key aspects that would help both the employee and the employer thereby increase in engagement.

VII. REFERENCE

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