Can Corporate Sustainability Influence Employee Engagement?

Georgia Simon (Corresponding author)
School of Management, Huazhong University of Science and Technology
Wuhan, China

Erhua Zhou (Iris)
School of Management, Huazhong University of Science and Technology
Wuhan, China

Received: April 19, 2018 Accepted: May 7, 2018 Online published: May 8, 2018
doi:10.5296/ijhrs.v8i2.13111 URL: https://doi.org/10.5296/ijhrs.v8i2.13111

Abstract
The global financial meltdown of 2008 has left many developing countries still trying to rebuild their economies and their labour forces. The aftermaths of the recession have inspired more businesses to incorporate sustainability into their business strategies. The sluggish growth, low productivity and other social, environmental and organizational factors have had an effect on the workforce. The unprecedented effects and outcome of disengagement worldwide have called leaders to find various initiatives to improve employee engagement. Rabid competition, coupled with the global figures of employee engagement has continued to attract both scholars and industry. The arguments put forward in this conceptual paper is meant to generate awareness as well as inspire further research into understanding how corporate sustainability might influence engagement of employees.

Keywords: corporate sustainability, employee engagement, strategic human resource management

1. Introduction
In a rabidly competitive global environment, accomplishing competitive advantage through an engaged workforce is the desire of organizational leaders. Employee Engagement (EE) has been found to have significance to employee and business level outcomes (Harter, Schmidt, & Hayes, 2002). The outcome of EE is valuable to organizations because of its value to bottom line outcomes (Harter et al, 2002). Consequently, EE is among the most researched
organizational concepts of the last three decades, and have continued to attract interest theoretically and empirically among scholars and industry practitioners (Biro, 2013; Saks & Gruman, 2014).

The focus of many of these studies have been influenced by the positive research outcomes and can be traced back to the early work of William Kahn in 1990, where he developed his engagement framework from examining the personal engagement levels of summer camp workers. Employee Engagement as defined by Kahn, is described as “the harnessing of organization member selves to their work roles; in engagement people employ and express themselves physically, cognitively, and emotionally during role performances” (Kahn, 1990). In fact, Kahn’s work is widely known and accepted as the pioneering foundation of theorizing and subsequently defining the employee engagement construct.

Importantly, various scholars have since advanced the work of Kahn (Bakker & Demerouti, 2008; Maslach & Leiter, 2001; May et al., 2004; Saks, 2006; Schaufeli et al., 2008), among which many have even challenged his findings to extend their own theorization (Bakker & Demerouti, 2007; Maslach et al., 2001; Schaufeli et al., 2008). Since then, various definitions, conceptualizations and measure have been forwarded in understanding the mechanisms that influence an employee to employ their discretionary effort to engage. Additionally, past proponents have found drivers and consequences of EE (Saks, 2006; Wollard & Shuck, 2011). However, to date the construct still suffers from construct ambiguity, especially due to its conceptualization and measure, between academia and the practitioner domain. Consequently, this has contributed to the current diffusion, where other researchers have now argued that EE is a passing fad (Wollard & Shuck, 2011), elusive construct (Saks, 2006) and a concept that should be ignored (Purcell, 2014).

Nonetheless, despite these assertions, due to the positive organizational outcome and the employee behaviours that produce engagement, EE remains a construct worthy of further elucidation. In fact, it has been found that due to the dynamic nature of EE, drivers of EE are constantly changing. Therefore what will engage an employee may change tomorrow (Simon & Zhou, 2017). Accordingly, this has led some researchers to conceptualize EE as a multi-dimensional construct (Crawford, 2014; Saks, 2006). Furthermore, the argument on the multi-dimensionality and the current diffusion has influenced recent research to recommend future researchers to investigate EE with other organizational constructs (Saks & Gruman, 2014).

1.1 Importance of Sustainability

The concept of sustainability has emerged as one of the most talked about research topics for this decade. Its far reaching impact and relevance have made sustainability a multi-discipline and multi-dimensional concept which has attained diverse meanings and interpretations over the past 30 years since its introduction in the Brundtland Report (1987). Corporate Sustainability (CS) is often used interchangeably with corporate social responsibility (CSR) which is defined as “context-specific organizational actions and policies that take into account stakeholders’ expectations and the triple bottom line of economic, social, and environmental performance” (Aguinis, 2011). However, corporate sustainability is described
as “a company that seeks to create long-term value to stakeholders by embracing the opportunities and managing risks that result from balancing economic, environmental, and social responsibility (Lazlo & Zhexembayeva, 2011). Arguably, most organizations are highly driven by social and ethical responsibilities, and as such majority of the studies on CS examined its macro impact on the organization (Aguinis & Glavas, 2012).

In fact, most studies have examined corporate sustainability as either the independent or dependent variable and at different levels of analysis (Aguinis & Glavas, 2012; D’Aprile & Talo, 2015; Jones, Selby, & Sterling, 2010; Kolodinsky, Madden, Zisk, & Henkel, 2010). In fact, quite a number of past researches on the construct have focused mainly on the environmental dimensions of the construct, with less on the organizational business aspect. This has led to the diffusion of its conceptualization in organizational studies and a failure to embody the holistic aspect of sustainability (Glavas & Piderit, 2009; Sharpely, 2000). Though quite distinct from CSR, CS embodies similar characteristics as those in CSR, specifically concerning the social, environmental and economic factors.

Furthermore, due to an organizational role in a society’s socio-economic development, the impact of CS can have far-reaching impact on competitive advantage and other socio-economical outcomes (Renwick, Redman, & Maguire, 2012). Furthermore, organizations such as banks and other corporate entities are particularly interested in the aspect of shareholder value and competitive advantage (Lo & Sheu, 2010). Moreover, more and more studies have alluded to the fact that there might be more to the concept, and that employees perception of CS in the organization could in fact influence their extra role behaviour (Farooq et al, 2016), job satisfaction (Dhonesh, 2014), well-being and feeling of meaningfulness (Glavas, 2009) or their engagement (Glavas & Piderit, 2009) among other attitudinal and behavioural outcomes. Arguably, since studies on the specific impact of CS of employee engagement are unclear (Glavas & Piderit, 2009), and further challenging due to its multi-discipline application (Bansal & Song, 2017). Accordingly, it has been theorized that the aspects of CS such as the social, environmental, and economic factors could be the driver influencing an employee’s discretionary behaviour (Belschak et al., 2015). Similar studies have highlighted the impact of CSR and sustainability factors on job satisfaction (Glavas & Kelley, 2014), meaningfulness (Rosso, Dekas, & Wrzesniewski, 2010), and organization citizenship behaviour (Lee & Kim, 2015; Rupp, Shao, Thornton, & Skarlicki, 2013). Furthermore, increasing studies are being undertaken by various discipline to increase the academic as well as organizational scope (Morgeson, Aguinis, Waldman, & Siegel, 2013). Additionally, past studies have identified several antecedents and drivers of employee engagement (Saks, 2006; Shuck, 2011), and many other drivers of the concept are still unknown. Accordingly, this presents a gap on the specific mechanism at play in the CS and EE relationship (Glavas, 2012), and as such this study will contribute to expanding knowledge in the sustainability and engagement literature.

1.2 Employee Engagement as a Business Imperative

Employee engagement has emerged a significant factor in business sustainability for the last two decades. The outcome of EE have attracted organizational leaders, and have become a
major business imperative. Recent studies have asserted that employees are seeking to find meaning and fulfillment at work, and as such employees of organizations that engage in sustainability or corporate social responsibility initiative have shown significance to the behaviour, and may contribute to employee engagement (Glavas, 2011). Even though it has been cited that only a few studies have considered EE as an outcome of CSR (Albdour & Altarawneh, 2012), others have pointed to the relatedness of the construct on employee behaviour and EE (D’Aprile & Talo, 2015; Rupp et al., 2013). In fact, most of the previous studies concentrated on the construct as either the predictor or outcome variable, and at the macro level of analysis (Aguinis & Glavas, 2012; Jones et al., 2010). This has made way for further enquiry at the micro level of analysis, and from the perspective of the employees. Furthermore, studies that have investigated the effects of sustainability on employee behaviour have found that sustainability have contributed to various behavioural outcome such as organizational citizenship behaviour (OCB), job satisfaction and other factors similar to the drivers of EE (Caligiuri, Mencin, & Jiang, 2013; Podsakoff, McKenzie, Lee, & Podsakoff, 2009; Rupp & Mallory, 2015). In fact, the arguments put forward in this review are influenced by past studies and premised on the findings which have demonstrated the various impact of CS on employees’ behaviour and the employees’ perception of its relatedness to their engagement. Furthermore, past proponents have argued that organizations should consider incorporating sustainability to other aspects of the organization, as past studies have focused mostly on the organization rather than the individuals (Aguinis & Glavas, 2012; Carvalho & Rabechini Junior, 2011). The study supports this assertion, and proposes that CS be incorporated as a strategic business imperative (Garcia-Castro et al., 2010; Pojasek, 2007). Arguably, the dynamism involved in engaging employees require constant innovation and readjustments of previous ideologies. In fact, the number of studies on the drivers and outcome of EE are many (Macey & Schneider, 2008; Saks, 2006; Wollard & Shuck, 2011). However, the changing pace of the global workforce, and its subsequent impact of human behaviour have influenced the shifting of the metaphoric goal post of employee engagement, and employee engagement may fluctuate (Bakker, 2014), as EE is not consistent and the influencers means different things to different people (Simon & Zhou, 2017). Nonetheless, corporate sustainability may provide another level of explanation on the other factors influencing EE which may contribute significantly to the broader knowledge on the concept as well as to an organization’s competitive advantage.

2. The Corporate Sustainability and Employee Engagement Relationship

2.1 Influence on Corporate Sustainability on Employee Engagement

As noted by past research, many of the studies on CS had to do with the financial outcomes of CS on the organization (Lo & Sheu, 2010). Since corporate sustainability is similar to corporate social responsibility, certain aspects of the concept have theoretical overlap and present diffusion in conceptualization. However, CS is conceptually different from corporate social responsibility (Smith, 2011). Notwithstanding, the diffusion the outcome of both concept has great significance to business outcomes (Lazlo & Zhexembayeva, 2011). Due to the multi-dimensional aspect of the construct, it is often challenged by a theoretical basis (Bansal & Song, 2017). However, most past research has used the social identity theory
(Hogg & Terry, 2000; Hogg, 2016) as the theoretical framework for sustainability (Bramer et al., 2007). They opine that employee’s moral identity (Rupp et al., 2013) and desire to find meaningfulness in their work (Rosso et al., 2010) may contribute to their engagement (Aguinis & Glavas, 2013; Glavas & Piderit, 2009). Social identity theory implies that the more an employee perceive their organization to be involved in sustainability, the more likely they will feel a positive attitude towards the organization which may influence their behaviour (Jones et al., 2010; Rupp et al., 2013). Furthermore, it was found that employees’ attribute different motives of their organization’s sustainability efforts and these motives influence employee performance (Story & Neves, 2017) e.g. When employees perceive that their organization investment in a sustainability initiative or practices that are both intrinsic and extrinsic, they too will be prone to employing their discretionary effort to their work.

2.2 Gap in Research Pertaining to Corporate Sustainability Effect on Employee Engagement

A study done by Glavas (2016) highlighted that a gap exists in the understanding of how corporate sustainability (CS) impacts employee engagement (EE). To date other studies have contributed various theories and proposed conclusions about the relationship (Glavas & Piderit, 2009; Morgeson et al., 2013; Rupp, 2013). However, there is a significant dissonance in the understanding of the specific mechanisms in the construct which influences employees’ behaviour (Glavas & Piderit, 2009; Rupp & Mallory, 2015). In light of this, past proponent have alluded to the moral nature of the construct, and opine that people feel a moral pride, and sense of meaning to their job and organization when involved in sustainability practices (Glavas, 2014). Furthermore, it was found that the perception of sustainability tend to trigger multiple behaviour in individuals. Similar studies have found significance between perceived CSR and employee identity (Jones, 2010), job satisfaction (Glavas & Kelley, 2014), meaningfulness (Rosso et al., 2010) and organizational citizen behaviour (Lee & Kim, 2015). Additionally, it has been opined that employees’ positive behaviour is increased as a result of their identification of their organization’s corporate social responsibility (Farooq et al., 2017; Shen & Benson, 2016).

3. Practical and Theoretical Implications

3.1 Implications for Practice

Understanding the role and impact of Engagement on the overall organizational success is required for business longevity. If corporate sustainability can be positively linked to employee engagement and other positive organizational outcomes, then it would be indicative of organizations to use it as a Strategic HRM tool for engagement.

Both corporate sustainability and employee engagement can contribute to profitability and increased shareholder value (Glavas & Godwin, 2016; Lazlo & Zhemymbayeva, 2011). Hence, organizations should invest in more studies that will enhance their understanding of the concepts, so that they will have the right understanding and consequently know how to sustain engagement levels among employees. Additionally, given the worldwide focus and attention on sustainability, it is incumbent on leaders to facilitate and educate employees on the far reaching impact of sustainability beyond the business scope. Sustainability awareness
and practice is the step in the right direction to ensuring a better world to live and work in, and organizations that are aware of this, are likely ahead of their competitors in attaining competitive advantage.

3.2 Implications for Theory

The argument put forward in this paper is significant to theory by providing an enhanced framework for the existing literature on these constructs. Understanding the relationship between CS and EE would add significant knowledge to academic and industry literature, and also provide greater elucidation on advancing the theory and addressing the existing gaps. Furthermore, future researchers may develop a framework for employee engagement etched in sustainability.

4. Conclusion

The changing goal post of employee engagement makes for interesting studies. The diversity in the current drivers and the changing nature of human being will continue to inspire further study on the factors influencing employee engagement. Furthermore, the recommendation by some authors to measuring EE against other organizational variables may just be the answer in elucidating the construct. There is no doubt of the impact of an engaged workforce. Studies have found extensive findings that confirm its impact on various organizational variables (Alfes, Shantz, Truss, & Soane, 2013; Bakker & Bal, 2010; Bal, 2015; Christian et al., 2011; 2014; Salanova et al., 2011; Whittingham & Galpin, 2010) and most significantly is its impact on business outcome. Accordingly, the link between sustainability and employee engagement will no doubt have a profound impact on an overall sustainable business.

References


**Copyright Disclaimer**

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (http://creativecommons.org/licenses/by/4.0/).