Competing Through Employee Engagement: A Strategic Perspective of Human Resources Agenda

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Abstract
This is a general review-based study with finding of research is some analysis from previews research. The author conducted a critical review based on empirical study to understand strategic perspective of developing employee engagement from human resources management. The findings showed that Improvement of business competitiveness requires a paradigm of strategic human resource management placing employees as the key factor of success to drive competitiveness. In addressing this challenge, having employee engagement as the key factor of success is strategic human resource agenda. HR managers need to pay more attention about antecedent of employee engagement in order to develop appropriate programs for business competitiveness. Based on previous research studies, this paper provides a conceptual framework that can be used as reference for future research and stimulating programs of HR department for organizational competitiveness building. The
most important contribution of this paper is an introduction of new paradigm of strategic human resources agenda to developing programs in attempt of driving organizational competitiveness in unstable environment.

**Keywords:** Employee Engagement, Strategic Human Resources Agenda
1. Introduction

Resource-based views (Resource Based Value) explain that superior and competitive corporate performance stems from differential capabilities of internal resources of the company (Barney, 2001). This view puts employees in position of a strategic asset in achieving business success and long-term survival. Based on this paradigm, organizations through their Human Resources Department have strategic agenda to build programs of human resource management by paying attention to employee engagement in order to foster business competitiveness in the future.

Organizations face a need to have capability of adaption to uncertainty of external environment that threatens business sustainability. Based on the RBV view, the adaptability to uncertainty can be established when organizations have valuable assets that are difficult to imitate, namely human resources. Therefore, perception of strategies positioning human resources as the key of business success is necessary. With this view, the HR department assumes task of managing sustainably attitudes and behavior of employees that can drive their performance.

The concept of employee engagement has been frequently examined in organizational literature as an employee attitude that is requiring improvement. In his study, Shuck M Brad et al. (2011) concluded the importance of improving employee engagement. Employees with high employee engagement will have ability to adapt to changes that has occurred as the impact of environmental uncertainty.

The concept of engagement begins with the opinion of Kahn (1990) revealing the importance of psychological presence in workplace by distinguishing between engagement and unengagement behavior. This concept is developed from the role theory defined as an experience accompanying a behavioral involvement, involving a releasing physically, cognitively, and emotionally of energy (Kahn, 1990). Psychological presence is described as a condition in which organizational members play their roles deeply in their jobs, expressing their thoughts and feelings, assumptions, and innovating in the workplace. Kahn (1990) suggests four dimensions of psychological presence, namely attention, connection, integration and focus. The psychological presence illustrates the presence of an individual’s passion for particular situations. In many organizational literatures, the psychological presence at workplace is manifested as behavior of personal involvement or engagement.

Consideration of the importance of employee engagement as a positive attitude of employees that is necessary to build has been increasing as paying attention to the importance of employee attitudes and behavior. Employee with high engagement is characterized by energy, involvement and role. The engagement contract is expressed as a construct contrary to burnout behavior with its dimensions of fatigue, cynicism, and lack of professional efficacy (Schaufeli et al., 2002). Further study by Schaufeli et al. (2000) concluded that the construct of engagement includes dimensions of vigor, dedication and absorption having a negative correlation with the construct of burnout at workplace.

The paper is allocated into sections. In the first section, author explains purpose and
methodology of the paper. Second section discusses development of the concept of employee engagement. The third section outlines empirical supports underlying the importance of strategic perspective of employee engagement development by HR managers. Empirical studies are grouped by industry type of some countries. In fourth section, author conducts analysis by positioning employee engagement as the agenda of realizing a work attitude that is driving business competitiveness in global era today.

2. Purpose, Methodology and Literature Review

Purpose of the present paper is to provide a comprehensive review literature on employee engagement from various empirical studies with manufacturing and service sector as object of the studies in order to provide an overview for HR managers in scheduling various policies and practices of human resource that can drive business competitiveness through development of positive working attitude that discussed in many literature today, employee engagement. Author made a review literature of various articles from publication journal sources in emerald insight and science direct by using employee engagement or engagement as keyword of the search.

Although the concept of employee engagement has gained much attention and been widely studied empirically, the understanding of definition and measurement of employee engagement are very wide. Kahn (1990) suggested engagement as a form of individual simultaneous expression on a work task bringing a self-relation with the job and others. It is demonstrated by physical, cognitive, and emotional presence, active attitude and showing a result of optimum performance. A person with a high engagement will show condition of "fully connected" to his or her tasks and jobs and, demonstrate full energy in completing tasks, dedicate himself to the job and engage in job activities (Baker, 2011), demonstrate positive attitudes at work, accept organizational values, understanding the business context, have a willingness to work together in order to improve performance for the sake of the organization (Robertson IT. et al., 2010).

Based on the opinion above, HR department needs to create a working climate that can encourage building of employee engagement. In the context of business with full uncertainty, every organization needs employees who have willingness to perform tasks with totality, more self-investing in jobs they have, express themselves physically, cognitively and emotionally, and high levels of energy and enthusiasm in order to promote business performance.

Employee engagement also defines positive behavior of employees as stated by Macey and Schneider (2008) who described the overall meaning of involvement, commitment, passion, enthusiasm and focus on effort and energy. Positive behavior in the workplace is very necessary and it has a strategic aspect in promoting organizational performance. Schaufeli et al. (2002) disclosed three indicators of employee engagement required by organization: 1) Vigor, reflected by condition of employee such as: high energy, endurance, willingness to make hard effort at work, not be tired easily, perseverance in facing adversity; 2) Dedication, describes a strong involvement in the job, enthusiasm, and a sense of self-pride and inspiration; 3) Absorption, reflecting the atmosphere of just like a drowning in the job, a
feeling that the time is passing quickly and unable to get away from work.

Positive attitude of an employee as expression of high employee engagement includes cognitive and affective attitudes as Simoon (2010) points out in Table 2 below.

**Table 1. Forms of Employee Engagement**

<table>
<thead>
<tr>
<th></th>
<th>Cognitive</th>
<th>Affective</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Job engagement</strong></td>
<td><strong>Absorption:</strong> Employees merges themselves into their jobs, and they feel engrossment as they do the jobs</td>
<td><strong>Energy:</strong> Level of energy demonstrated by employees in their jobs.</td>
</tr>
<tr>
<td><strong>Organizational engagement</strong></td>
<td><strong>Alignment:</strong> Employees’ viewpoint to the organization is in harmony with organization’s viewpoint about what to do.</td>
<td><strong>Identification:</strong> Emotional binding between employees and organization</td>
</tr>
</tbody>
</table>

Consistent with explanation above, the importance of employees with high engagement disclosed Rana as the importance of positive behavior at work which is a high expression of engagement that is:

**Effort.** Employees with high effort will be available to exert their efforts in order to carry out tasks of their job responsibilities. This condition is characterized by high level of energy and mental retention of employees at work, a willingness to spend extra effort while running a job.

**Extra-role.** Employees will reflect positive behaviors such as availability of completing additional work for the benefit of their organization, showing extra-role behavior, having initiatives to solve problems, offering assistance to co-workers before being asked. These positive behaviors are often referred to in the term “organizational citizenship behavior.”

**Advocacy** is reflected in the "stretch" behavior of activities undertaken in an organization. Employees in such situations will be available to act as a positive advocate for their organization when interacting with people outside of the organization.

The conception and dimensions of employee engagement as explained above give insight to the importance for each organization to pay attention to positive behavior of employees, and of course, this is through programs built by HR department. In the context of behavior, positive or negative response of employees to their jobs is basically influenced by individual perception as a result of psychological experience gained from aspects of work and environment. This condition is shown, among others, by establishment of interpersonal relationships within group, between groups and organizational factors (Kahn, 1990), work experience encouraging attitudes and behavior (Hackman & Oldham, 1980). If the condition
is established, employees will have a feeling of fit with the job (job-person fit). This environmental aspect plays a significant role in explaining reasons of employee engagement that can subsequently has an impact on performance.

Organizations that are successfully building an employee engagement will benefit from positive attitudes and individual outcomes and in turn, it will affect organizational performance. Vance R (2006) developed an antecedent and consequent model of employee engagement with the organizational practice as antecedent and the business performance as consequence. In addition, employee performance can be a reciprocal variable. This is supported by McBain Richard (2007) stating that organizational performance is an outcome of the establishment of employee engagement, with indicators such as: 1) Customer service performance, such as improved customer service, customer satisfaction and customer loyalty; 2) management of change, such as establishment of service-oriented organizational culture; 3) increased motivation; 4) decreased employee turnover. Thus, it can be understood that employee engagement is not just oriented to the positive attitude of employees, but also a goal of HR strategy in promoting a sustainable performance of organization.

For HR Department, efforts to increase employee engagement can be made by paying attention to the antecedents. Simoon (2010) suggested occupational factor and organizational factor as antecedent of employee engagement, as can be seen in table 2.

Table 2. Antecedent of Employee Engagement

<table>
<thead>
<tr>
<th>Occupational Factor</th>
<th>Organizational Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Task/job challenge</td>
<td>1. Wider effect</td>
</tr>
<tr>
<td>2. Working ethics</td>
<td>2. Vision</td>
</tr>
<tr>
<td>3. Level of competition</td>
<td>3. Effective communication</td>
</tr>
<tr>
<td>4. Interaction within the organization</td>
<td>4. Justice</td>
</tr>
<tr>
<td>5. Expectation-Career ambition</td>
<td>5. Ethics</td>
</tr>
<tr>
<td>6. Factor of individual influence</td>
<td>6. Effective decision-making</td>
</tr>
<tr>
<td>7. A supporting working environment</td>
<td>7. Customer oriented</td>
</tr>
<tr>
<td>8. Job setting</td>
<td>8. bureaucracy</td>
</tr>
<tr>
<td></td>
<td>10. Cross-functional collaboration within organization</td>
</tr>
</tbody>
</table>

Some other opinions about antecedents of employee engagement have been discussed in some literature, such as opinion of McBain Richard (2007) dividing it into three aspects, namely organizational factors, management and leadership, and quality of working life. Organizational factor includes organizational culture, values and vision, organization/product reputation. Factor of organizational management considers a direct superior leadership, managerial commitment and organizational communication. Factor of working life is reflected by aspects such as a supportive job environment, superior support, job flexibility, employee engagement, work-life balance. A similar opinion is expressed by Rana (2014) distinguishing between job design and job characteristics, relationships with superiors and
co-workers, work environment, and HR management practices as antecedents of employee engagement.

3. Empirical Study of Employee Engagement in Various Sectors

The empirical literature on employee engagement demonstrates attention, urgency and agenda of the importance of improving employee engagement in addressing business developments placing employees as valuable assets and part of business infrastructure. This conceptual paper will review several empirical literatures on similar topic in different organizational contexts of different countries as a basis of synthesizing the urgency for HR managers to pay attention to employee engagement. A short picture of the empirical studies on the manufacturing and service sectors is presented in Table 3, Table 4, and Table 5, respectively.

Table 3. Antecedent and Consequence of Employee Engagement Study in Sector of Manufacturing

<table>
<thead>
<tr>
<th>No</th>
<th>Author</th>
<th>Industry</th>
<th>Object</th>
<th>Country</th>
<th>Antecedent</th>
<th>Consequent</th>
</tr>
</thead>
</table>
| 1. | Huang YH, et al., 2016 | Manufacturing | Trucking firms | United States of America | • Employees' safety climate  
• Job satisfaction | |
| 2. | Shuck M. Brad. et al., 2010 | Manufacturing | Employees | Miami, Florida | • Environment  
• Personal interaction  
• Managerial role  
• Personality | |
| 3. | McBain R, 2007        | Manufacturing | Employees | United States of America | • Organizational culture  
• Leadership  
• Quality of working life  
• Psychological contract  
• Psychological condition  
• Organizational commitment  
• Job satisfaction | • Organizational commitment  
• Job satisfaction  
• Outcome |
| 4. | Ajayi OM., et al., 2016 | Manufacturing (SME) | Employees | Nigeria | • Organizational structure  
• Knowledge sharing culture  
• Clan culture  
• Adhocracy culture | |
Empirical studies of antecedent and consequences of employee engagement with objects of service sector are presented in table 4 as follows.

Table 4. Empirical Studies of Antecedent and consequence of Employee Engagement Studies in Service Sector

<table>
<thead>
<tr>
<th>No</th>
<th>Author</th>
<th>Industry</th>
<th>Object</th>
<th>Country</th>
<th>Antecedent</th>
<th>Consequence</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Park J and Gursoy D, 2012</td>
<td>Hospitality Service</td>
<td>Middle-Top Managers</td>
<td>America</td>
<td>• Turnover intention</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Karatepe OM et al.</td>
<td>Hospitality Service</td>
<td>Employees of Five Stars Hotel</td>
<td>Turk</td>
<td>• Affective commitment</td>
<td>• Job Performance</td>
</tr>
<tr>
<td>3</td>
<td>Karatepe 2013</td>
<td>Hospitality Service</td>
<td>Frontline Employees of Hotels</td>
<td>Iran</td>
<td>• Extra Role Performance</td>
<td>• affective Commitment</td>
</tr>
<tr>
<td>4</td>
<td>Paek et al., 2015</td>
<td>Hospitality Service</td>
<td>Employees</td>
<td>South Korea</td>
<td>Psychological capital</td>
<td>• JS</td>
</tr>
<tr>
<td>5</td>
<td>Jung HS and Yoon, 2015</td>
<td>Hospitality Service</td>
<td>Employees</td>
<td>Korea</td>
<td>Pay Satisfaction</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Zhang et al.,</td>
<td>Service</td>
<td>360 Hotel</td>
<td>China</td>
<td>Identification</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>Author</td>
<td>Industry</td>
<td>Object</td>
<td>Country</td>
<td>Antecedent</td>
<td>Consequence</td>
</tr>
<tr>
<td>----</td>
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<td>----------</td>
<td>--------</td>
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<td>------------</td>
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</tr>
<tr>
<td>2017</td>
<td>HRDs in China</td>
<td>Organization Respect Pride</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Nazisrowais and Islam UlJamid, 2017</td>
<td>Education service</td>
<td>600 respondents of Higher Education</td>
<td>Delhi, India</td>
<td>POS</td>
<td>affective Commitment Employees’ performances</td>
</tr>
<tr>
<td>8.</td>
<td>Saks, 2006</td>
<td>Education service</td>
<td>Participants (employees) of courses</td>
<td>Canada</td>
<td>• Job characteristics • Perception of organizational support • Perception of managerial support • reward and recognition, Procedural justice, and distributive justice</td>
<td>• Job satisfaction • Commitment • Turn-over intention • OCB</td>
</tr>
<tr>
<td>9.</td>
<td>Wefal &amp; Downey, 2009</td>
<td>Education Service</td>
<td>Students of secondary and high schools</td>
<td>Kansas (U.S.A), UK</td>
<td></td>
<td>Job satisfaction</td>
</tr>
<tr>
<td>10.</td>
<td>Schaufeli WB, et al., 2002</td>
<td>Education Service</td>
<td>University students</td>
<td>Spain</td>
<td>Burnout</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>Al Tit AA et al., 2015</td>
<td>Education Service</td>
<td>Employees</td>
<td>Jordan</td>
<td>Relationship of employees Trust Communication Justice Organization Organizational and superior supports Motivation Feedback and reward system Career</td>
<td>Job satisfaction</td>
</tr>
<tr>
<td>12.</td>
<td>Ben Suzanne et al., 2015</td>
<td>Education Service</td>
<td>Lecturers and Engineers</td>
<td>Australia</td>
<td>Participation Involvement</td>
<td>• Job satisfaction • Organizational performance</td>
</tr>
<tr>
<td>13.</td>
<td>Giallonardo ML, 2010</td>
<td>Education Service</td>
<td>Nursing Graduates, 63</td>
<td>America</td>
<td>Leadership Authentic</td>
<td>Job satisfaction</td>
</tr>
<tr>
<td>14.</td>
<td>Ogbuanya and Chukwuedo,</td>
<td>Education Service</td>
<td>Lecturers</td>
<td>Nigeria</td>
<td>Commitment Job Crafting</td>
<td>Job satisfaction Commitment</td>
</tr>
</tbody>
</table>
Studies on employee engagement using the manufacturing firms as objects (table 3) linked the employee engagement to individual outcomes such as organizational commitment, job satisfaction, organizational citizenship behavior, and performance. Some of these studies concluded that a mutual relationship was found between employee engagement and satisfaction, and between employee engagement and organizational commitment. A study of Huang YH et al., (2016) concluded that employee engagement is influenced by job
satisfaction. Meanwhile, based on study of Ghorbannejad Parisa and Esakhani Ahmad (2016), the job satisfaction is an impact of employee engagement. In contrast, findings of McBain Richard's (2007) study proved a mutual relationship between employee engagement and satisfaction, and between employee engagement and commitment.

Based on an empirical study with the object of service organization, Jung HS and Yoon (2015) explicitly concluded that salary satisfaction is an antecedent of employee engagement (table 4). However, Saks (2006) concluded in his study that job satisfaction is an impact of employee engagement. Based on these studies, red lines can be drawn that employee engagement affects individual outcomes such as organizational commitment, job satisfaction, organizational citizenship behavior, and performance. Relationship between employee engagement and job satisfaction can be mutual in nature.

Based on empirical studies with various industries in one study period (table 5) as object, provide a similar picture of antecedents and consequent of employee engagement. The cross-organizational study shows various aspects of employee engagement antecedents that are necessary paid attention, namely job, organizational (processes) and individual aspects. Assessment of employee about the job aspect and overall organizational process will determine how high the employee's attachment to the organization. This will affect effectiveness of the job implementation, as described in table 5 as follows.

Table 5. Empiric Studies of Antecedent and consequence of Employee Engagement in Various Sectors of Organizations

<table>
<thead>
<tr>
<th>No</th>
<th>Author</th>
<th>Group</th>
<th>Object</th>
<th>Country</th>
<th>Antecedent</th>
<th>Consequent</th>
</tr>
</thead>
</table>
| 1. | YasinGhadi, Fernando, Caputi. 2013 | Various industries | Employees | Sydney, Australia | • Transformational leadership  
• Employees’ perceptions of meaning in work positively  
• Perceptions of meaning in work | |
| 2. | Avery &Bergsteiner. 2014 | Various industries | Employees | Sydney, Australia | - Paradigm of visionary and organic  
- classical and transactive styles of employee engagement (-).  
- Behavioral-outcome | |
| 3. | Karanika-Murray et al., 2015 | Various industries | Professional, administrative, senior executive | America | Organizational identification | Job satisfaction |
| 4. | PopliSavna and Rizvi A Irvan, 2015 | Banking service, telecommunication | Managers | India | Service orientation  
Transformational leadership | |
4. Synthesis: Strategic Agenda of the Department of Human Resources

A business phenomenon guiding the importance of adaptive ability for every business entity needs to put the aspect of human resources as human capital as a competitiveness resource into its agenda. Various studies summarized in this paper prove the importance of every sector of an organization to drive its efforts in developing human resource programs in attempts of encouraging positive employee attitudes indicated by employee engagement, thereby promoting performance improvements and other individual outcomes, which in turn, it will produce positive results on organizational performance and competitiveness. The HR program demonstrates efforts of an organization to create a job environment, working environment and management system encouraging quality of work life.

Inability of the organization to create a working environment will affect positive perception of employees so that it can reduce their engagement in their jobs. It is in line with Khan’s analysis (1992) suggesting that organizational factors (Hochschild, 1983) can increase or weaken motivation and sense of meaningful of employees in workplace. When such condition occurs within an organization, the engagement can also decrease further.

It is important to note that employee engagement can be built by every organization through various human resource programs supported by good organizational process. In attempt of innovation and gaining competitive advantage, an organization need to have employees who are willing to exert extra energy and work in totality, but it should not necessary create workaholic employees. Concept of engagement is different from workaholism and organizational commitment (Bakker et al., 2008). Organizations need to pay attention to antecedents of employee engagement sourced from job resources and personal resources (Bakker et al., 2008). Job resources include autonomy, supervisory, coaching and performance feedback. While personal resources include employee optimism, self-efficacy, and self-esteem.

Similar opinion suggested by Simon (2010) that antecedents of employee engagement, namely characteristics of a working environment factors cover job role and wider range of other organizational features describing the job as a whole. The working environment will shape experiences of employees in their jobs, and it can encourage employees to have engagements or otherwise, encourage them to turn away from job responsibilities.

Human resources department plays a central role in building a working attitude and outcome. Therefore, they need to have a strategic paradigm in developing various HR policies encouraging employee engagement that ultimately resulting in positive aspects of individual and organizational outcomes. Positive consequence at workplace was also expressed by some experts, among the others: individual outcome such as work performance and satisfaction (Bakker, 2008) and, organizational performance such as profitability, revenue growth, earnings per share and employee turnover (Harter et al., 2002). Employees with high engagement and commitment to organization will encourage the competitive advantage of the
company. Employees will have high productivity and no intention to leave the organization.

5. Conclusion

The present study is a critical literature review study of previous research studies related to employee engagement with various studies of antecedents and consequences. Relationship between factors that shape employee engagement and its impact on individuals and organizations provides an explanation of the importance of employee management agenda. Based on the discussion above, the following conceptual framework is prepared:

![Figure 1. Antecedents and consequences of employee engagement](image)

Every organization has a responsibility of maintaining long-term effectiveness so that it is necessary to put human resource as the main asset of the organization through a strategic program of human resource management that is capable to encourage employee engagement. Aspects that are necessary to consider include individual aspects, occupational aspects and organizational aspects. With the employee engagement, then individual outcome such as satisfaction, commitment, performance, and organizational citizenship behavior can be improved and consequently, it will provide a positive impact on organizational outcomes.

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