

Investigating the Influence of Employee Engagement and Supporting Factors Towards Organizational Performance: A Systematic Literature Review

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ABSTRACT

This study aims to find out the influence of employee engagement towards organizational performance. Many factors, such as work motivation and job engagement appear to strengthen employee engagement and affect organizational performance. The method used is through a comprehensive review of relevant literature and empirical studies. The results of the study indicate various factors, including employee engagement, work motivation, job engagement, and affecting the organization performance. The results indicate that cultivating a culture of participation must be a strategic focus for organizations seeking long-term success in a competitive global environment. In conclusion, improving employee engagement is crucial for organizational development and effectiveness.

Keywords: *Employee Engagement, Work Motivation, Job Engagement*

INTRODUCTION

One of the most fundamental worldwide economic challenges is the low level of employee engagement shown in the workplace (Kisi, 2023; Sutopo, et al., 2022). The Gallup State of the Global Workplace research, covering 96 nations, indicated that the global employee engagement rate of 21% is markedly low, incurring substantial costs to the global economy (Kisi, 2023). The analysis specifically stated that low engagement leads to a loss of USD 7.8 trillion, representing 11% of the world gross domestic product (GDP) (Kisi, 2023). This research highlights a significant correlation between engagement and key performance indicators such as productivity, profitability, safety, and retention (Kisi, 2023). Today's employees are required to be proactive, demonstrate initiative, work collaboratively, take part in professional development, and display devotion to high-performance standards (Knezović & Đilović, 2020; Bakker, et al., 2008). Energetic, dedicated, and fully engaged employees provide greater value to companies (Knezović & Đilović, 2020). Furthermore, employee engagement is described as an "emergent and operational condition", characterized by a "positive cognitive, emotional, and behavioral state aimed at achieving organizational outcomes" (Knezović & Đilović, 2020).

According to Sumathi et al. (2020), employee engagement refers to the emotional connection that employees have with their workplace, job responsibilities, organizational function, colleagues, and corporate culture, as well as the impact of this connection on their well-being and productivity. Employee engagement is regarded as a motivational factor in the achievement of an organization's objectives (Sumathi et al., 2020). It has garnered significant attention due to its positive impact on organizational metrics such as job satisfaction, commitment, performance, productivity, and profitability (Borst et al., 2019). Engagement has a positive relationship with affective commitment, organizational citizenship behavior towards individuals, and organizational citizenship behavior towards the organization, while showing a negative relationship with the intention to quit (Knezović & Đilović, 2020).

In the current dynamic economic landscape, employee engagement has emerged as a crucial priority for organizations seeking to sustain a competitive advantage. In response to this condition, this

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systematic literature study will examine the impact of employee engagement on organizational performance.

LITERATURE REVIEW

The focus of this literature review is on the key concepts, theories, and empirical studies that are related to enhancing employee engagement. The review is organized into three thematic sections: Employee Engagement, Work Motivation, and Job Satisfaction.

EMPLOYEE ENGAGEMENT

The literature on employee engagement offers diverse definitions and viewpoints. Gallup characterizes employee engagement as a favorable connection to the workplace or organization. Caterpillar characterizes it as an amalgamation of dedication, morale, and engagement. Employee engagement is regarded as the antithesis of job tiredness and arises from social exchanges in the workplace, contributing to enhanced organizational performance. Ahmed, et al. (2020) described employee engagement as the emotional, cognitive, and behavioral state of the employee, emphasizing the desired organizational outcome.

Psychological elements significantly influence engagement, as Margaretha et al. (2021) assert that a sense of psychological significance drives commitment to work. Engagement also transcends mere loyalty; it encompasses dedication and the readiness to exceed expectations for organizational success (Riyanto et al., 2021; Rai, 2012). Sumanthi et al. (2020) stated that from an employer's perspective, employee engagement pertains to the implementation of innovative strategies and activities aimed at enhancing the positive emotional connection, hence improving productivity and overall corporate success.

Riyanto et al., (2021) also underlines the need of clear communication for developing trust and cohesion among employees, as well as the role of technology and social media in increasing employee contact and collaboration. Organizations implementing engagement and talent management initiatives achieve enhanced staff retention, development, and overall employee community advancement (Riyanto et al., 2021).

WORK MOTIVATION

Riyanto et al. (2021) stated that work motivation can consciously or unconsciously drive individuals to pursue a specific goal. It is essential in job, education, and lifestyle, as motivating energy facilitates the completion of tasks more efficiently and swiftly (Riyanto, et al., 2021). Work performance exhibits a modest positive correlation with job motivation, whereas job performance is positively influenced by intrinsic motivation and negatively impacted by extrinsic incentive (Dede & Kuşakcı, 2022). Based on equity theory, motivation functions as a response to fairness in social exchanges: when employees perceive fairness, they engage more actively, but when they perceive injustice, their involvement decreases (Riyanto et al., 2021; Giauque et al., 2012).

Furthermore, work motivation, as a comprehensive concept under self-determination theory (SDT), is typically categorized into two primary constructs: intrinsic and extrinsic motivation (Ryan and Deci, 2000b; Shkoler & Kimura, 2020). Intrinsic motivation serves as an internal motivation. Employees are motivated by the exhilaration, sense of achievement, joy, and personal fulfillment they obtain from

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both the processes of work-related activities and their outcomes (Shkoler & Kimura, 2020; Legault, 2016; Bauer et al., 2016; Deci and Ryan, 1985). Conversely, extrinsic motivation believes that an individual's motivation to perform is shaped by the organization, the nature of the task, and the employee's surroundings (Shkoler & Kimura, 2020).

The assessment of work motivation entails evaluating goals, behavioral persistence, and the intensity of work effort in accordance with organizational objectives (Virgiawan et al., 2021). Theories include the significance of hope, expectation, and self-determination demonstrate that motivation may thrive under appropriate contextual circumstances (Riyanto et al., 2021; Setiyani et al., 2020).

JOB ENGAGEMENT

Job satisfaction possesses a comprehensive concept that cannot be encapsulated by one specific interpretation. Positive emotions or happiness derived from evaluating an individual's employment and work experience are referred to as job satisfaction (Permana et al., 2021; Valentine et al., 2011). The core of job happiness is a sense of ease. Job satisfaction fluctuates during work, driven by mood and emotions. Mood states often endure longer, possess a causal object, and are ephemeral. Work-related events that elicit emotions are more memorable than negative moods (Riyanto et al., 2020; Tabarsa & Nazari, 2016).

Job satisfaction affects organizational citizenship behavior, supporting the idea that increased employee job satisfaction correlates with improved worker behavior (Riyanto et al., 2020). Engaged employees are more inclined to advocate for the organization; they exhibit greater sensitivity towards assisting colleagues and demonstrate alignment with task-related decisions (Vizano et al., 2021; Husin & Nurwati, 2014). Employee involvement demonstrates constructive and proactive conduct in the workplace, characterized by a blend of motivational drive and emotional investment, while leaders exhibit a strong commitment to work that is conveyed to attain organizational objectives (Riyanto et al., 2020).

METHODOLOGY

This literature analysis compiles information from relevant theoretical sources regarding employee engagement from esteemed international journals and additional references from 2019 to 2023. The literature study highlights employee engagement, work motivation, and job satisfaction to address the research topic. This study focuses on finding how employee engagement with work motivation and job satisfaction factors could affect organizational performance.

RESULTS AND DISCUSSION

Many organizations worldwide experience changes because of the effect of employee engagement. Knezović & Đilović (2020) stated that employee engagement facilitates organizational growth and efficiency. They also explained that employees that are more engaged tend to cultivate high-quality, trusted relationships with their employers, fostering improved intentions and attitudes towards the firm. On the other hand, if the organization fails to allocate resources, the likelihood of employee withdrawal and disengagement from their duties increases.

The extent of cognitive, physical, and emotional resources that employees are willing to invest in their work performance is contingent upon the economic or socioemotional resources offered by the

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business (Saks, 2006; Andrew & Sofian, 2012; Kim et al., 2019). Empirical evidence demonstrated that the motivation component positively influences employee performance variables. Motivation and job satisfaction exert a favorable and considerable influence on employee performance.

To support employee engagement, researchers also stated that transformative leaders assist one another in fostering elevated morale and motivation, thereby engaging personnel inside the organization (Sahu et al., 2018; Yang et al., 2020). Affective commitment is a crucial outcome for organizations in retaining personnel. Affective commitment, one of the three principal notions of organizational commitment developed by Allen and Meyer (1990), is particularly significant for businesses as it pertains to the emotional connection employees have with their organization (Knezović & Đilović, 2020). Affective commitment fosters a sense of belonging, leading to increased engagement and retention within the organization.

The organization articulates expectations and promotes personnel conduct to attain critical objectives for the development program, enabling passionate employees to profit from performance outcomes (Riyanto et al., 2021). Encouraging active employee involvement is essential for ensuring job satisfaction and motivation in alignment with employee expectations, so fostering a strong passion for work and optimizing performance achievement (Riyanto et al., 2021). This study's findings offer recommendations for corporate management to enhance employee engagement. It is essential to foster employee motivation, promote active and innovative participation, and facilitate the attainment of desired outcomes to enhance employee engagement. Additionally, performance reviews generate feedback, and improvement plans assist employees in developing skills that optimize their potential.

CONCLUSION

This systematic literature review emphasizes the significance of employee engagement, strengthened by work motivation and job satisfaction, as important elements affecting organizational performance. The analysis indicates that globally reported low levels of employee engagement provide a substantial issue for firms, resulting in economic losses and diminished productivity. Engaged employees greatly boost corporate success by improving productivity, profitability, safety, and retention.

Job satisfaction, resulting from favorable work experience and emotional well-being, is closely correlated with employee engagement. Content employees typically exhibit enhanced organizational commitment and are more inclined to favorably influence team relationships and overall performance.

In conclusion, improving employee engagement is crucial for organizational development and effectiveness. Organizations that strategically invest in engagement, motivation, and job satisfaction should anticipate elevated employee performance, commitment, and retention. The results indicate that cultivating a culture of participation must be a strategic focus for organizations seeking long-term success in a competitive global environment.

This study's findings primarily derive from the analysis of existing literature and empirical research. While initiatives include a broad range of sources, the relevance of the findings may change across various educational settings. Future study may entail the acquisition of primary data from a larger sample of employee engagement to improve the generalizability of the results.

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