



Drivers of work engagement: An examination of core self-evaluations and psychological climate among hotel employees

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ABSTRACT

Many practitioners consider employee engagement a new human resource practice through which business can cope with uncertain and turbulent industry conditions. However, the hospitality academic community is still in need of finding predictors of employee engagement. The purpose of this study was to provide theory-based empirical evidence on whether employee evaluations of self (i.e., core self-evaluations) and perceptions of organizational work environment (i.e., psychological climate) affect employee engagement. Kahn's theory of three psychological conditions and Demerouti and her associates' job demands–resources model were used for theoretical frameworks. Data were collected from 394 hotel line-employees and managers in the United States. Results of hierarchical multiple regression analyses revealed that core self-evaluations and four components of psychological climate (i.e., customer orientation of the management, managerial support for service, internal service, and information-sharing communication) were positively associated with employee engagement. Managerial implications for human resource practice and future research directions are provided.

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1. Introduction

In today's complex business environment, hotel companies face increasing pressure to do more with fewer resources, necessitating innovative operational practices and strategies aligned with rapidly changing customer demands (Covey, 2004). The contemporary business environment requires more and more companies cut prices and costs by redesigning business processes, simplifying organization structures, and reducing the number of employees to try to do more with fewer resources (Cartwright and Holmes, 2006). Given this business environment, strategies that use human resources to become more efficient have become more important (Bassi and McMurrer, 2007; Nykiel, 2005). Thus, many human resource professionals and management have begun to recognize the concept of employee engagement.

Employee engagement refers to the positive, affective psychological work-related state of mind that leads employees to actively invest themselves emotionally, cognitively, and physically in their work (Schaufeli et al., 2002). Although defining employee engagement differs slightly from researcher to researcher (e.g., Harter

et al., 2002; Kahn, 1990; Maslach et al., 2001; May et al., 2004), the human resources academic literature agrees that employee engagement involves harnessing self to work role (Saks, 2006). Therefore, an engaged employee is described as someone who is strongly immersed in work, persistent while working, and involved in work (Gruman and Saks, 2011).

Since the early 2000s, when the recent economic recession began, employee engagement has become a critical driver for organizational success in a competitive business environment. Due to its possible links to an extensive range of individual and business outcomes like financial performance, productivity, retention, and even shareholder return, employee engagement has gained a tremendous impetus among industry practitioners (Bates, 2004; Baumruk, 2004; Harter et al., 2002; Richman, 2006; Shuck and Wollard, 2010). According to research by the Corporate Executive Board (2004), for example, a 10% increase in employee engagement can increase an employee's effort level by 6%, which may in turn increase an employee's performance by 2%. The research also showed that this 10% improvement in engagement can decrease an employee's probability of withdrawal by 9%; engaged employees are 87% less likely to leave a company. Macey et al.'s (2009) study revealed that among a sample of 65 firms in different industries, those in the top 25% of an engagement index showed a higher return on assets (ROA), more profitability, and shareholder values more than double the bottom 25%.

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While employee engagement has become popular in practitioner research because of its positive association with many benefits, it is still an emerging concept in academic organizational behavior research (Karatepe and Demir, 2014). Accordingly, studies about employee engagement have left important research voids in understanding employee engagement. First, previous employee engagement research focused mainly on the positive consequences of employee engagement at the level of the organization because business consultants and research firms in the practitioner communities were primarily leading the research (Kim et al., 2009a,b; Saks, 2006; Shuck and Wollard, 2010). Few academic studies have focused on employees themselves, particularly to highlight what may lead employees to become engaged in their jobs (Karatepe, 2013). The determinants of employee engagement identified to date are restricted to job characteristics, rewards and recognition, supervisor support, and organizational justice (Hackman and Oldham, 1980; Hakanen et al., 2006; Saks, 2006), and therefore knowing what best predicts employee engagement remains elusive. Second, although recent academic studies have begun to address predictors and mediators of employee engagement in the hospitality context (e.g., Karatepe, 2013; Karatepe and Demir, 2014; Karatepe et al., 2010; Karatepe and Olugbade, 2009), the effect of individual level resources and organizational work environment on employee engagement have been relatively neglected (Rich et al., 2010). Prior conceptual and empirical studies have argued that personal predispositions to self or organizational practice are also important determinants of how employees adapt to their work and work environments (e.g., Hobfoll, 1989; Judge et al., 1997; Karatepe and Demir, 2014; Schaufeli and Salanova, 2008). Finally, previous studies used consulting firms and operators to obtain opinion-based research (Kim et al., 2009a,b). Subsequently, among the studies that demonstrated relationships between employee engagement and its antecedents, many have linked those relationships without any theoretical underpinning (Macey and Schneider, 2008). Evidence-based empirical research within a theoretical framework is meager, and thus, claims in extant practitioner research are not fully validated.

In response to these research gaps, this study aimed to identify additional important predictors of employee engagement at the individual level. More specifically, using Kahn's three psychological condition theory and the JD-R model as theoretical frameworks, this study examined how employees' individual appraisal of the self and of organizational work environment lead to employee engagement. We emphasized relationships between the two individual and organizational characteristics and employee engagement. We hypothesized that core self-evaluation (CSE) and psychological climate (PSC) among employees relate directly to employee engagement. We further hypothesized that PSC moderates the positive association between CSEs and employee engagement.

CSE refers to fundamental assumptions that individuals hold about their worthiness, functionality, and capability (Judge et al., 1997). PSC refers to an individual's own interpretations of organizational practices and procedure (James and Tetrick, 1986). Research indicates that these two concepts are positively associated with employee engagement. For example, employees with positive CSEs feel energetic and enthusiastic about their work (Karatepe et al., 2010). Also, positive PSC motivates employees to enhance their willingness to dedicate themselves to their work (Meijman and Mulder, 1998). Given that being enthusiastic about work and investing in work roles are important components of employee engagement, it seems intuitive that hospitality employees' CSE and PSC should be important drivers of employee engagement. For example, in constant, demanding, high-level interactions with customers, positive self-appraisals of capability, effectiveness, and worthiness may be a critical source of service-oriented attitudes and behaviors (Xanthopoulou et al., 2007). Especially, unlike

employees in non-service industries, employees within the hospitality field engage in emotional labor (Hochschild, 1983). They are required to push aside any personal emotions and focus positively toward the customer. They often face emotionally challenging service encounters as they have to deal with demanding, rude, or irate customers (Pizam, 2004). Consequently, hospitality employees are extremely susceptible to the adverse effects of emotional labor like job dissatisfaction, burnout, and service misbehavior (Brotheridge and Grandey, 2002; Kim, 2008; Lee and Ok, 2012, 2014). Given this challenging nature of hospitality service job, engagement in service may require high levels of positive evaluation of the self and work atmosphere in terms of efficacy, functionality, capability, and supportiveness (Harris et al., 2009; Yagil et al., 2008). Therefore, an employee's positive CSE and PSC may have remarkable significance as a resource for his/her service engagement. Simultaneously, given that the hospitality industry's relatively unfavorable work conditions, including long working hours and unstable shift work, working on weekends and holidays, low wages, and lack of employment stability, may negatively affect employee perceptions of their jobs (Pienaar and Willemse, 2008), the work environment itself may have substantial impact on job involvement, performance, and engagement, depending on how employees perceive and interpret the work environment in relation to their own well-being. Nevertheless, how CSE and PSC affect employee engagement is far less researched, and by implication, less well understood in the hospitality industry (Karatepe and Olugbade, 2009; Kim et al., 2009a,b; Karatepe et al., 2010). According to Simpson's (2009) review of literature on engagement at work, only two of the 32 scholarly articles about antecedents of work engagement were based on hospitality research.

Therefore, recognizing the research gaps and research need, this study contributes to the hospitality literature and management in several ways. First, the present study integrated Kahn's three psychological conditions theory, the JD-R model, and the COR theory as a theoretical framework; therefore, this study provides not only empirical evidence of how CSE and PSC lead to employee engagement but also an extended, solid, theoretical underpinning for future hospitality research into developing a more extensive and complete mechanism of employee engagement and its antecedents and consequences. Secondly, most extant empirical research on employee engagement centers on finding its outcomes at the organizational level. By incorporating both the personal perceptions of self and the work environment as individual-level predictors of employee engagement, this study provides those in the field with better criteria for selecting and maintaining engaged individuals in a competitive business.

Finally, the present study focused on two important variables that are particularly relevant to hospitality human resource management: CSE and PSC. Especially in the hospitality context, exploring the relationships between CSE, PSC, and employee engagement is particularly important and more meaningful than in other industries. In the hospitality industry as a service-oriented industry, providing quality products and services cannot be replaced by machines, so hospitality employees are the main actors in delivering service quality (Bettencourt and Brown, 2003; Chung and Schneider, 2002). Thus, employee attitudes, behaviors, and performance are critical to the quality of the core services and products that hospitality firms sell to the customers, and accordingly, tremendously influence customer satisfaction (Karatepe et al., 2010; Zeithaml et al., 2013; Schneider and Bowen, 1992). The unique nature of high human capital intensiveness and "moment of truth" service encounters (Grönroos, 1990) increase the importance of employee engagement and its drivers. Moreover, a recent employee engagement study by Gallup Inc. (2013) found that engagement levels among frontline customer-contact service employees are among the lowest of any occupation the

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