The effects of organizational and personal resources on stress, engagement, and job outcomes

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ABSTRACT

Applying self-determination and conservation of resources theories, our study investigates the additive and interactive effects of management commitment to service quality, customer orientation, and hindrance and challenge stress in the employee engagement process. The role of employee engagement as a central intervening variable that transmits the effects of job resources and demands is critically evaluated. The current work assessed the aforesaid relationships based on data gathered from a time-lagged sample of frontline hotel employees and their direct supervisors using robust maximum likelihood estimation in MPlus 7.4. The findings reveal that management commitment to service quality and customer orientation exert significant impacts on job performance and turnover intentions through employee engagement and hindrance stress. The interaction between management commitment to service quality and customer orientation mitigates both challenge and hindrance stress. Our study provides discussions for theoretical and practical implications.

1. Introduction

The notion of "engagement" in management literature and in fields ranging from psychology to political science to organizational behavior is not new. While there is broad recognition of the importance of having engaged employees, studies regularly show "disengaged" employees outnumber "engaged" employees by a more than a 2:1 ratio (Gallup, 2016). Moreover, frontline service workers – those interacting most frequently with customers – tend to exhibit the lowest reported engagement levels of all (Gallup, 2013).

The unevenness of improvements in engagement suggests that the issue may be more complex than it might appear at first glance (Auh et al., 2016). For instance, mitigating factors may exist within the workplace that either hinders or channels intended performance gains. Or, it seems quite plausible that the impact of organizational resources directed by management toward improving engagement and performance may be effective only for employees who possess certain qualities or traits. One potential mitigating factor that may be hampering improved employee engagement could be the presence of workplace stress. According to a recent study, approximately half of all workers suffer from moderate to severe stress, with two-thirds reporting difficulty in focusing on job tasks due to stress (American Psychological Association, 2016). Anecdotally, it is difficult to imagine over-stressed

workers to be highly engaged with their jobs, and empirical research has historically supported the proposition that work stress negatively influences employee attitudes and behaviors (e.g., Babakus et al., 2009). However, there are studies which have acknowledged that work stressors can be either "good" or "bad" (e.g., LePine et al., 2005). Supporting this premise, Cavanaugh et al. (2000) identified two factors, labeled as *hindrance* and *challenge* stressors. While each places physical, emotional, and mental demands on the employee, challenges (hindrances) are appraised as stressors that have the potential to promote (thwart) mastery, personal growth, and future gains. Once presented with a job demand, this cognitive appraisal process influences subsequent emotions, cognitions, and coping behaviors. As appraisals of a given demand can vary by worker (e.g., Bakker and Sanz-Vergel, 2013), identifying nuances in the effects of hindrance and challenge stress can lead to useful new insights for improving employee engagement and job outcomes.

In addition, organizational resources, such as high-performance work practices, can serve as "leverage points" for reducing stress and enhancing employee engagement (Leiter et al., 2014; Rich et al., 2010). While it is broadly agreed that high-performance (or high-involvement) work practices-those involving systematic deployment of organizational resources such as training, selection, feedback, empowerment, autonomy, participation, and rewards/recognition-lead to organization-

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level performance gains, much less is known about their *individual employee-level* consequences (Jensen et al., 2013; Liao et al., 2009). Advocates claim that high-performance work practices strengthen engagement via improved employee knowledge, skills, and abilities (Kehoe and Wright, 2013). However, critics warn that these practices may have a "dark side" in the form of elevated stress and anxiety, and ultimately lead to lower levels of job engagement (Jensen et al., 2013). Better understanding of how organizational resources exert direct and indirect (via stress) influences on engagement is an important step in crafting initiatives aimed at improving employee engagement. In this context, we focus on management commitment to service quality (MCSQ), a multi-dimensional organizational resource composed of training, rewards/recognition, and empowerment (Babakus et al., 2003).

While organizational resources are typically formalized within the context of human resource programs, they are ultimately interpreted and utilized by individual workers. Thus, there is a need to investigate the potential synergistic effects of organizational and personal resources in understanding how they help employees cope with job stress, and ultimately influence their engagement (Babakus et al., 2009). A recent call by Schaufeli and Taris (2014) makes a strong case for the integration of personal resources into engagement models. In the context of frontline jobs, customer orientation (CO) has been identified as a particularly important personal resource (Zablah et al., 2012). Research has shown that CO, defined as "an employee's tendency or predisposition to meet customer needs in an on-the-job context" (Brown et al., 2002, p. 111), plays a significant role in employee engagement process (Zablah et al., 2012). However, little is known if its influence vanishes in the presence of 'bundles' of human resources and practices (cf. Moore, 2000).

1.1. Study purpose

Closing the "engagement gap" is a significant managerial issue with broad economic implications, particularly for organizations with heavy service components in their offerings (Gruman and Saks, 2011). To improve understanding in this area, the present study examines:

(1) The proximal influence of *challenge* and *hindrance* stress upon employee engagement;
(2) The additive and synergistic impacts of organizational and individual job resources in shaping the development of engagement, challenge stress, and hindrance stress;
(3) The differential effects of engagement, challenge stress, and hindrance stress upon employee's subsequent role performance and turnover intentions.

We address the preceding research objectives by examining the impacts of MCSQ, CO, and stress as antecedents of employee engagement, role performance, and turnover intentions using time-lagged data gathered from frontline hotel employees and their direct supervisors in Northern Cyprus. Our study makes a significant contribution to the extant hospitality research by investigating CO as a moderator of the influence of MCSQ on engagement as well as hindrance and challenge stressors and examines the interrelationships of MCSQ, CO, hindrance and challenge stressors, engagement, and job outcomes (i.e., in- and extra-role performances and turnover intentions).

2. Background and conceptual framework

2.1. Nature of engagement

Despite prior work on engagement (Kahn, 1990; Maslach et al., 2001; Schaufeli et al., 2002), academic interest on the topic has increased dramatically since Macey and Schneider's (2008) provocative essay (Albrecht, 2010). Macey and Schneider (2008) placed the engagement construct in a rather broad domain consisting of trait, state and behavioral engagement. They define trait engagement as having "positive views of life," manifested by a proactive and autotelic personality, conscientiousness, and positive affectivity. State engagement manifests itself as "feelings of energy, absorption" with a state of positive affect towards one's job and organization. Macey and Schneider (2008) propose organizational commitment, affective job satisfaction, empowerment and involvement as viable indicators of state engagement. Finally, they argue that behavioral engagement can be defined with behaviors that entail extra-roles such as organizational citizenship, adaptive and proactive behaviors, and expanded roles.

Reactions to Macey and Schneider (2008) show a great deal of disagreement regarding the conceptual domain and operationalization of the construct (e.g., Meyer and Gagne, 2008; Newman et al., 2010; Saks, 2008; Schaufeli et al., 2002). For instance, there are those who argue that what has been defined as "state engagement" by Macey and Schneider (2008) is no more than repacking of well-established constructs such as job satisfaction, involvement and affective organizational commitment (Newman et al., 2010). Newman et al. (2010) suggest that these well-known constructs collectively represent a higher-order job attitude factor, the "A-factor", which is a viable predictor of employee work behavior.

Earlier, Schaufeli et al. (2002) defined engagement as "positive, fulfilling, work-related state of mind that is characterized by vigor, dedication and absorption" (p. 74). The three-dimensional conceptualization of engagement has received considerable attention in the extant (hospitality) research (e.g., Crawford et al., 2010; Li et al., 2016; Liang et al., 2017; Liu et al., 2017; Lyu et al., 2016). However, Newman et al. (2010) argue that this alternative three-dimensional conceptualization and measurement of engagement by Schaufeli et al. (2002) is redundant and that it may best be considered as an additional indicator of the "A-factor." This argument is also consistent with Cole et al. (2012) who, based on a meta-analytic review, concluded that the conceptualization of engagement advanced by Schaufeli et al. (2002) adds to unnecessary "construct proliferation." In the present study, we take the "A-factor" perspective advocated by Newman et al. (2010), which provides a holistic view of engagement without adding to construct proliferation.

We rely on the tenets of self-determination theory (SDT) as well as conservation of resources theory (COR), to derive our research hypotheses. As a general theory of human motivation, SDT posits that individuals strive to satisfy three universal needs – autonomy, competence, and relatedness, – and that social contexts catalyze differences in motivation and personal growth, resulting in people being more or less self-motivated and energized (Ryan and Deci, 2000). As such, SDT research seeks to identify environmental factors within the workplace that promote self-motivation and personal growth as well as those that are antagonistic toward these natural human tendencies.

Satisfaction of the need for autonomy, competence, and relatedness is associated with social contexts, which are supportive and consistent with an individual's true self (Chiniara and Bentein, 2016). The context that gives rise to need satisfaction fosters growth, functioning, and well-being. Training is expected to foster employees' competence levels. The presence of empowerment enables employees to respond to customer requests quickly by making decisions on the spot. This gives an opportunity to initiate an action and exercise their capacities (Chiniara and Bentein, 2016; Deci and Ryan, 2000). When this is followed by rewards, employees are energized into action (cf. Gagné and Deci, 2005). While empowerment meets the autonomy need of employees, both training and rewards meet the competence need of employees. The simultaneous practice of the indicators of MCSQ makes employees possess a stronger psychological contract and belongingness. In short, MCSQ in the form of training, empowerment, and rewards/recognition sends powerful signals to employees about the presence of a supportive environment where they can satisfy their needs for autonomy, competence, and relatedness.