A Comprehensive Review of Factors Influencing Employee Engagement

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Abstract:

Employee engagement has emerged as a critical global concern, with empirical reports indicating that the proportion of disengaged employees continues to exceed that of engaged employees worldwide. In response, this review paper examines key empirical findings on the factors influencing employee engagement. Prior studies consistently show that job characteristics, leadership style, organizational culture, training opportunities and workforce diversity have significant positive associations with engagement levels. Evidence from multiple organizational settings further highlights that well-structured induction programs, continuous training, professional certification and realistic job previews enhance employee commitment and reduce early attrition. By synthesizing these empirical insights, this paper provides a comprehensive understanding of engagement drivers at both organizational and individual levels. The findings offer practical implications for managers aiming to redesign work, strengthen engagement policies and cultivate a more satisfied and productive workforce. The study also emphasizing that implementing empirically supported engagement practices can effectively reduce employee turnover and improve overall organizational performance.

Keywords: Engagement, influencing factors, literature review,

INTRODUCTION:

In today's dynamic organizational environment, employee engagement has become a central leadership priority as manager strive to maintain a motivated workforce while navigating increasing rates of turnover and attrition. To address these challenges, HR professionals worldwide are conducting extensive surveys and studies to identify the factors- often referred to as drivers of engagement- that most strongly influence employee's attitudes and behaviors at work. Employee engagement is widely recognized as a critical construct because of its strong associations with performance, productivity, turnover intention and overall organizational success(Moletsane, Tefera & Migiro,2019; sun&Buchapattanasakda,2019).

Evidence from a large-scale study of 276 organizations across 96 countries shows that engagement significantly affects key outcomes such as employee well-being, patient safety, absenteeism, quality, client loyalty, safety incidents and productivity, while exhibiting weaker correlations with profitability, shrinkage, turnover and organizational citizenship behavior(Harter et al.,2020). Research also suggests that low engagement which can hinder organizational performance-may be improved by fulfilling basic human needs, including supportive workplace relationships, ongoing recognition, meaningful performance discussions and opportunities for personal development (Gallup, 2017).

However , there is no single universal model explaining how all engagement drivers operate across contexts. Employee differ in the importance they assign to various factors based on their individual characteristics, job roles, gender and cultural or ethnic backgrounds. Additionally, studies show notable overlap between leadership- related factors such as task orientation and relationship orientation, further complicating the understanding of engagement dynamics. Against this backdrop, this review explores the diverse drivers that influence employee engagement within organizations.

Review of Literature:

During the course of research conducted all over the world several factors have been found to affect the levels of engagement of an employee in an organisation. A few of them are discussed in the following work. The success of an organization depends on the efficiency and productivity of its employees and the worker's effort in the private sector is

higher than the public sector employees (Monte, 2017). As a result, the engagement of employees will increase the job satisfaction, retain talented workers and increase the productivity (Mamari, Busaidi, Balushi, & S.Porkodi, 2019).

Research methodology:

This study adopts a descriptive and analytical research design to examine the key organizational and personal factors influencing employee engagement. As the study relies on existing literature, reports and empirical studies, it aims to synthesize past findings and critically interpret patterns, relationships and theoretical perspectives presented by previous researchers.

Discussion :

Employee engagement is influenced by multiple organizational and personal factors, but their effects vary across contexts, making it difficult to explain comprehensively. Although linked to performance and reduced turnover, most studies examine drivers separately, overlooking their interdependent nature and cultural difference. Personal factors and work-life balance also matter, yet cross-sectional designs and measurement overlaps limit clarity. overall , inconsistent theories and sectoral bias highlight the need for integrated and longitudinal research.

Organizational Factors:

Work Environment

The success of the organization depends on the performance of the engaged employees. Therefore, the organization has to pay attention on the influencing factors to develop the morale of employees and increase the level of engagement. To do so, the banking sector organizations provide good working environment with no barriers between the relationship of supervisor and co-worker as well as the opportunities for employee training and development (Nagesh, Kulenur, & Shetty, 2019). In the hospitality sector, service climate is a very important organizational aspect. When the employee feels that the work environment recognizes their work, rewarded and supported them, the employee provides a quality service for the customers which has a strong relationship with employee engagement which strongly mediated turnover intention (Kang & Busser, 2018). Hence a positive work environment that values communication, recognition and development greatly enhances employee engagement. When employees feel appreciated and supported their commitment increases and turnover intentions decrease.

Leadership

Managers are encouraged to engage staff through delegating the authority and responsibility down the hierarchy. This will motivate employees to take part in decision making, solving their problems by themselves, and enhance employee engagement. Managerial leadership style has shown significant positive association with employee engagement in the construction industry in Malaysia. This leadership style increases the engagement of workers in coordinating with multi corporations, while a fair and equitable payment mechanism motivates the level of engagement of staff (Othman et al. 2019). During Covid 19 pandemic in 2020 has drastically affected the tourism and hospitality industry in the world and made employees disengaged due to the uncertainty of their employment. Similarly, the tourism and hotel trade in collectivism country like China have shown that significant impact of leadership empowerment and collaborations on employee engagement which has positive significant influence on employee performance (Liu, Yu, Guo, & Li, 2022). Therefore, effective leadership enhances employee engagement by empowering staff, encouraging decision-making and promoting collaboration. Evidence from various industries shows that supportive and equitable leadership styles significantly boost employee motivation and performance.

Rewards and recognition

Fair and equitable payment mechanism motivates the level of engagement of staff which has strong power to change the attitudes of employees and has limitless impact on engagement (Othman et al., 2019). As explained in social exchange

theory, compensation is exchanged with the performance of the employee. If employees are not fairly rewarded and no proper recognition mechanism of their performances, this situation will lead to employee burnout (Liu, Yu, Guo, & Li, 2022). Organizations should establish fair and equitable rewards and recognition process to enhance employee satisfaction and the feeling of positive return on investment in order to increase the level of engagement. Sanaʻa University is one of the public universities in Yemen, which offers poor service delivery relative to the private universities in Yemen, identified the requirements of fair rewards and recognition, and transparent promotion policy to increase the level of engagement of their employees (Altehrebah, Yusr, & Salimon, 2019). Thus fair and transparent rewards and recognition systems are essential for strengthening employee engagement, as they reinforce positive performance and prevent burnout. When employees feel valued and fairly compensated, their motivation, satisfaction and commitment to the organization increase significantly.

Communication

Communication is one of the key factors that leads the engagement of the staff as it is required to provide information about the organizational objectives, activities and changes happening in the organization. As a result, the employees will engage in work efficiently with maximum usage of time, resources and funds (Altehrebah, Yusr, & Salimon, 2019). Moreover, an effective communivation system will increase the level of engagement of the staff. Moletsane, Tefera, and Migiro (2019) found that communication has a positive relationship with engagement of staff in a sugar factory in South-Africa. As a result effective communication strengthens employee engagement by aligning staff with organizational goals and enabling them to work more efficiently and confidently.

Image of the organization

This is an important characteristic that induces the inner feeling of an employee about the values, safety and stability of an organization and will lead to engagement and connect the employee to the organization (Dhir & Shukla, 2019). The management in HDFC bank in India has identified that image of the organization has a positive relationship with employee engagement (Nagesh, Kulenur, & Shetty, 2019). How employees are perceiving their organization, its products and services are critical in lean manufacturing organizations (Weerasooriya & Alwis, 2017). For this reason a strong organizational image enhance employee engagement by fostering trust, pride and a deeper emotional connection to the workplace.

Human Resource Practices

Management has to pay attention to the Human Resource practices as they improve the job satisfaction of employees and in return increase the level of engagement as explained in Social Exchange Theory (Pradhan, Dash, & Jena, 2019). These practices include the provision of training to enhance employee capabilities, providing more career opportunities, ensuring job security and getting employees involved in the decisison making process make employee happy, energetic and enthusiastic in performing the job. These HR practices have significant positive associations with employee engagement in public-sector entitites in India and employee engagement acted as a mediator between human resource practices and job satisfaction (Pradhan, Dash, & Jena, 2019). Thus, effective HR practices that support development, security and involvement significantly boost employee engagement by enhancing satisfaction and motivation.

Personal Factors:

Personal Feelings

Individual feelings have significant impact on employee engagement as they feel that they are part of the organization (Moletsane, Tefera, & Migiro, 2019). Moreover, the employeeʻs personal feeling about the organization will increase if the organization praises and recognizes the employeeʻs work, listens and responds to the worker, provides the needs of the employee, and allows the employee to contribute in the decision making process. Moletsane et al. (2019) also found a positive relationship between engagement and the productivity and employee engagement influenced commitment and turnover intention of employees. The feelings of an employee influence the level of engagement as explained by Kahn

(1990) in relation to psychological state of mind (as cited in Anitha, 2014). Hence employees positive feelings – shaped by recognition, support and involvement- play a crucial role in strengthening their engagement.

Self-efficacy

Self-efficacy is one"s belief on his own abilities in performing assigned tasks well (Arifin, et al., 2021) and it has been identified as an individual resource in Job-Demand Resource theory (Albrecht & Marty, 2017). Similarly, Kahn (1990) has explained self-efficacy as the level of confidence on one"s ability to cope up with the work. According to Bandura (1977), people avoid threatenening situations if they do not believe with their coping skills while, on the other hand, they will involve with the work and behave confidently if they believe with their capabilities on managing situations. Self-efficacy has positive significant impact on engagement (Albrecht & Marty, 2017) while engagement positively mediated the self-efficacy and performance (Chhajer, Rose, & Joseph, 2018). Therefore, when employees believe in their abilities, they are more motivated, involved and likely to perform effectively,

Distributive justice and procedural justice

This concept was explained by Blau (1964) based on the Homan"s rule of distributive justice that reward is an expected propotion to the investment cost. Moreover, people compare the rewards they receive with others. If they do not receive a fair rate of return in this social exchange process as expected, they will be dissapointed. The rule of justice is a social acceptance that people must receive a fair retun on the service rendered and cost of investment should be propotionate with the rewards which will enhance the employee engagement. Procedural justice involves employee perception of fair and transparent policies and procedures in decision making process for distribution of resources and benefits which will increase employee engagement (as cited in Liu, Yu, Guo, & Li (2022). Hence, fair rewards and transparent procedures play a vital role in strengthening employee engagement.

Work-life Balance (WLB)

WLB is the psychological, emotional and cognitive state of an employee which needs to maintain balance between work and personal life (Jaharuddin & Zainol, 2019). If WLB is maintained well with the support of the organization, it will increase the level of enagement and employee performance. But poor WLB will cause stress and lead to employee turnover intention (Jaharuddin & Zainol, 2019). WLB is considered as a significant aspect in engagement which organization has to avoid employee stress by providing an adaptable work environment (NGUYEN & PHAM, 2020). Thus, when organizations support employees in balancing personal and professional demands, they reduce stress and lower turnover intentions.

Conclusion:

Employee engagement is influenced by a combination of organizational practices and personal factors, but their effects vary across sectors, cultures and employee characterisitics. The literature consistently shows that supportive leadership, fair rewards, effective communication, positive work environments and strong HR practices enhance engagement, while self-efficacy, justice perceptions and work-life balance further strengthen it. However, most studies examine these drivers separately and rely on cross- sectional data, making it difficult to establish clear causal relationships. The absence of an integrated theoretical framework also limits the development of a universal engagement model. Overall, organizations must adopt a holistic approach that addresses both structural and psychological needs to sustain employee engagement. Future research should use longitudinal designs to clarify how these factors interact over time.

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