EMPLYEE ENGAGEMENT MODEL: A STUDY OF THAI HOTEL INDUSTRY

1SUPAPORN PRASONGTHAN, 2CHOKECHAI SUVEATWATANAKUL
1Faculty of Humanities, Kasetsart University, Thailand
2Graduate School of Tourism management, National Institute of Development Administration, Thailand

Email: 1's_prasongthan@hotmail.com, 2dr.choke@yahoo.com

Abstract: The employee engagement model for Thai hotel industry was developed based upon JD-R model of work engagement and grounded in Social Exchange Theory. A self-administered questionnaire was used as a research tool, a total of 429 hotel employees in Thailand were used as a sample. The structural equation modeling techniques was applied to develop suitable model for employee engagement. The findings indicated the goodness of fit among five driving factors (perceived organizational support, optimism, co-worker relations, conscientiousness and career opportunities and advancement) and four consequences (job performance, organizational citizenship behavior, job satisfaction and turnover intention) of employee engagement. The results suggested that perceived organizational support and optimism demonstrated powerful influences on employee engagement. Practical implication and limitation were also discussed in our study.

Keywords: Employee Engagement, Thai Hotel, Antecedent, Consequence.

I. INTRODUCTION

In the last two decades, the notion of engagement has been widespread and has obtained a level of curiosity and attentiveness. The term of “engagement” therefore has lately become one of the most popular terms among human resources practitioners, organizational psychologists, management consultants and academic scholars, as employee engagement has appeared to be a critical driving factors of organizational success (Lockwood, 2007). Various researches have examined the antecedents of employee engagement based on different fields of study including job characteristics, rewards and recognition, perceived organizational and supervisor support, co-worker support, organizational justice, and personal resources (Hakanen, Bakker and Schaufeli, 2006; Saks, 2006; Xanthopoulou, Bakker, Demerouti & Schaufeli, 2007; Bhattacharya & Mukherjee, 2009; and Karatepe, 2012). As for the consequences of employee engagement, the existing literature showed positive associations with employee turnover intention, employee productivity, financial performance, turnover, organizational performance, customer satisfaction, safety records, turnover intention and so forth (Schaufeli & Bakker, 2004; Vance, 2006; Richman, 2006; Bakker & Demerouti, 2008; Marcos & Sridevi, 2010; Gallup, 2010; Rich, Lepine & Crawford, 2010; Shuck, 2010; Hewitt, 2011; Lee, 2012). It clearly remarks that organizations with a high level of engaged employees may predict organizational success (Saks, 2006). Despite the above mentioned about positive consequences of engagement for both individual and organization, the level of engagement nationally were low (Kula et al, 2008). Aon Hewitt studied global employee engagement during 2008-2010 and discovered the global score of engagement in 2009 was at 60 percent and dropped to 56 percent in 2010 (Hewitt, 2011). Additionally, in 2010, Gallup Inc studied the level of employee engagement worldwide and only 11% of engaged workers worldwide, with the majority (62%) not engaged, while 27% were actively disengaged (Gallup, 2010). Focusing on Thailand, after reviewing a broad range of academic literature and HR consultant surveys, only one survey conducted in Thailand in 2005 by Gallup organization that revealed only 12 percent of Thailand’s employee population are engaged, 82 percent are actively disengaged and 6 percent disengaged (Kular et al., 2008). In addition, the report had estimated that “the lower productivity of disengaged workers costs the Thai economy as much as 98.8 billion Thai baht ($2.5 billion U.S.) each year” (Ratanjee, 2005). In order to sustain the competitive advantage and success, the organizations, practitioners and academic scholars have turned their attention to expand more understanding about employee engagement and focus on increasing the level of employee engagement. Thus, there is an essential focus on employee engagement in specific area and field of business, especially in hospitality research, whereas the studies are so limited (Kim, Shin & Swanger, 2009). From the searching about employee engagement in the hotel industry in Thailand, there is no academic researcher placing any interest in this area.

Therefore, this research objective was to develop the causal relationships model among the predicted antecedent variables and the consequences of employee engagement for the Thai hotel industry by testing with structural equation modeling. First, we extracted antecedents and outcomes of employee engagement in service industry using the secondary data from several sources including literature review, academic books and related dissertations. Antecedents in this study comprised of nine variables separating into six job resources (Perceived...
supervisory support, Autonomy, Career opportunities and advancement, Benefit and Financial rewards, Co-worker relations, Perceived organizational support) and three personal resources (Conscientiousness, Core self-evaluation, and Optimism). Job Satisfaction, Job Performance, Organizational citizenship behavior and Turnover Intention were considered as consequences of employee engagement in service industry. Second, structural equation modeling and confirmatory factor analysis were used to test hypothesis and construct employee engagement model. Result of this study benefits to all stakeholders in order to understand about antecedents and consequences of employee engagement.

II. THEORETICAL BACKGROUND AND CONCEPTUAL FRAMEWORK

2.1. Theoretical Background

This study therefore, attempts to contribute empirical knowledge regarding the perceptions of hotel employees toward employee engagement. We begin by briefly reviewing the literature on engagement, the social exchange theory, and the job demands resources model. Then, we examined the antecedents and consequences of employee engagement in service industry and constructs conceptual framework with hypothesis.

Employee engagement had been introduced since the 1990s by William A. Kahn who was the first leading psychological scholar placed the groundwork theory of personal engagement as the psychological presence of an employee when performing his/her organizational task. Many of the contemporary academic researchers had built a stronger foundation on Kahn’s personal engagement construct (Luthans & Peterson, 2002, May, Gilson & Harter, 2004; Saks, 2006; Wilson, 2009; Slatten & Mehmetoglu, 2011; Lee, 2012). Followed by a group of researchers including Schaufeli, Salanova, Gonzalez-Roma & Bakker in 2002 introduced work engagement as a positive, fulfilling affective motivational state of work-related well-being and characterized into three aspects: vigor, dedication, and absorption (Schaufeli et al., 2002; Bakker & Leiter, 2010). At the same time, the idea of engagement has clearly captured the attention of many HR practitioners, organizational and consultants across the globe. Harter et al., 2002 from Gallup organization were the first to explore employee engagement and identified as “an individual’s involvement and satisfaction with as well as enthusiasm for work” (Harter et al., 2002). In 2006, Alan M. Saks was the first academic research who conducted antecedents and the consequences of employee engagement. Saks adopted the Kahn and Schaufeli et al. definition and stated employee engagement as a distinctive construct that is related with individual role performance consisting of three main components; cognitive, emotional component, and behavioral component. In this study, the researchers defines employee engagement from the business point of view and adopted the definition from Kahn, Schaufeli et al., Macey & Schneider, and Rich et al. as employees’ experience during their role performance with a positive, fulfilling, enthusiasm, passion, inspiration, pride, excitement and challenge. Engaged employees immerse themselves into work without noticing that time goes by quickly. Engaged employees have an affirmative connection to their organization, thus they will talk positively about the organization and work to improve performance within the job for the benefit of the organization.

The Social Exchange Theory (SET) aimed to determine behavior among human behavior, relationship and social structure complexity. The theory proposed that individuals will evaluate the social relationship to maximize their profits and minimize costs. An individuals’ behavior with seeing a reward or to avoid punishment is based on their individual satisfaction level relationship. Individuals usually are content if they notice that they are receiving more than they are giving. SET was extended to the organizational context in order to understand the relationship of two interacting partners individual vs. organization.

The general assumption of the relationship varies from supervisors, coworkers, employing organizations, and customers. The distinct relationships influenced behavior based on how employee evaluated their cost-benefit relationship. Whenever employees feel that their goodwill and value are matched with the organization, they would behave and respond positively to their organization that liked employee engagement. Additionally, when employees receive economic and socio emotional resources from their organization, they feel obliged and are likely to act in kind and offer to repay the organization. In other words, employees will choose to engage themselves to varying degrees and in response to what they receive from their organization (Kular et al., 2008).

The Job Demands Resources Model (JD-R) was introduced by Demerouti and her colleagues in 2001, separating into two specific sets of working conditions: job demands and job resources. Job demand represents characteristics of the job that potentially evoke strain. Example of job demands are time and work pressure, the emotional demands of client, and an adverse physical work environment, work ambiguity, work-family conflict, a high work pressure, work conflicts, emotional dissonance and work overload. On the other hand, job resources refer to aspects of workplace conditions that provide resources to employees in achieving work goals and may reduce job demands. Job resources may be located at different levels including organizational level, interpersonal and social relations, organization of work and task (Bakker & Demerouti, 2007, 2008).
2.2. Conceptual Framework
In order to propose the employee engagement framework in the Thai hotel industry, the researcher investigated a variety of documents on the service industry and its concern on engagement. The secondary data from several sources including literature review, academic books and related dissertations were analyzed and extracted to find the statistical significant relationship factors related to antecedent and consequences of employee engagement in the service industry. Antecedents examined in this study are separated into 2 main categories; the job resources and personal resources factors. Nine variables were investigated separating into six job resources (Perceived supervisory support, Autonomy, Career opportunities and advancement, Benefit and financial rewards, Co-worker relations, Perceived organizational support) and three personal resources (Conscientiousness, Core self-evaluation, and Optimism). Job Satisfaction, Job Performance, Organizational citizenship behavior and Turnover Intention were considered as consequences of employee engagement in service industry.

Hypothesis: The nine employee engagement drivers including perceived supervisory support, autonomy, career opportunities and advancement, benefit and financial rewards, co-worker relations, perceived organizational support, conscientiousness, core self-evaluation, and optimism, influenced employee engagement outcomes as depicted in Fig.1.

Fig.1. Conceptual Model of Employee Engagement

III. METHODOLOGY
Cluster sampling technique was applied to separate the population into smaller sections. Thus, the sample was conducted among groups of hotel employees who have a thorough knowledge about the employee engagement, separate into 4 regions: the North, the South, the Central and the Northeastern. A self-administered questionnaire was used as a research tool to meet the purpose and objective of the study concerning the level of importance of antecedents toward employee engagement in the hotel industry and the consequences of employee engagement with a 5-points Likert scale. Questions in each construct were developed based on several research scholars including May et al, 2004; Sak, 2006; Hakanen et al, 2006; Mostert & Rathbone, 2007; O'reilly, 2007; Kgomo, 2010; Albrecht, 2012; Karatepe, 2012; Lee, 2012; Menguc et al, 2013; and Shuck, 2012. Since we utilized borrowed scales as well as adaptive scales for each of the construct, it is important to assess the degree of measurement error, the validity and reliability test. There are two methods to examine the validity of the instrument: construct validity and content validity. As a first step, the three experts were requested to evaluate the questionnaire on clarity of using the Thai language, the clarity of the instructions and questions, and the comprehensibility of the questionnaire. Apart from that, the construct validity was tested to assure a scale or set of test measures the concept or construct accurately represents the concept of interest.

A pretest and a pilot test survey were conducted to refine the research instrument with 30 hotel employees. The reliability of the construct items was evaluated using Cronbach’s coefficient alpha in which showed the Cronbach Alpha of each instrument was 0.70 or higher, demonstrating an acceptable level of internal consistency (Nunnally, 1978). Of the 966 questionnaires distributed, 429 completed and usable questionnaires separated based on each region as follows: the North was 113, the Central was 111, the Northeast was 100 and the South was 105. In order to predict the trustworthy results, there are some certain assumptions about the variables to rely upon. In this study, the research focuses on the assumption of the structural equation model which consisted of 5 basic assumptions that were tested including the assumption of normality, linearity, variables are measured without error, homoscedasticity, and multicollinearity in which results indicated all assumptions not robust to violation. Structural equation modeling and confirmatory factor analysis were chosen as the most appropriate methods because they offered the most appropriate and most efficient estimation technique that studies the causal relationship among constructs (Hair et al., 2010). Six fit indices were used to measure the model, including CMIN (Chi-square/DF), GFI (Goodness of fit index), RMSEA (root mean square error of approximation), CFI (comparative fit index), NFI (normed fit index), and AGFI (adjusted goodness of fit index).

IV. RESULTS AND DISCUSSION
4.1. Results
The demographic data of the respondents indicated that the majority of respondents, 57.6 percent, were female and 44.5 percent were in the 31-40 year age group. The remaining respondents at 27 percent were in 20-30 year age group, 19.1 percent were in the 41-50 year age group, 7.7 percent were in 51-60 year age group and 0.7 percent was above 60 year age group.
The greater part of respondents, 54.1 percent reported to have a bachelor degree or equivalent. The majority, 57.3 percent, held positions as assistant managers or supervisors, followed by, 32.9 percent that were at executive and management level, and 9.8 percent, that held human resources manager positions. Finally, the data had shown the majority of the hotels that had individual ownership was at 75.5 percent, 20 percent were chain management, 3.3 percent were management contract and 1.2 percent were franchise management, respectively.

Confirmatory factor analysis (CFA) is used to identify how well the observed data fit the proposed model of the researcher and how well the theoretical specification of the factors matched the observed data. There are two construct measurement models that were formed as the structural model. The exogenous variable with nine factors including perceived supervisory support, autonomy, career opportunities and advancement, benefit and financial rewards, co-worker relations, perceived organizational support, conscientiousness, core self-evaluation, and optimism, and the endogenous variable with four factors, including job satisfaction, job performance, organizational citizenship behavior and turnover intention.

Measurement model for employee engagement driver (exogenous variable): The goodness of fit indices indicated a partial acceptable fit between the measurement model and data. As that the model re-specification was applied, in this case, the modification indices results, standardized residual covariances, and the factor loading scores were implemented. As the result, four factors: perceived supervisory support, autonomy, benefit and financial reward, and core self-evaluation, were deducted and then evaluated the re-specification measurement model of the employee engagement driver in Fig 2. The goodness of fit indices indicated a good fit between the measurement model and data in Table 1.

Measurement model for employee engagement outcomes (endogenous variable): The overall fit results provided the following overall fit indices: CMIN/DF = 2.792 which were below the guidelines. The value of the absolute fit measures was accepted as good fit, including the GFI was .962 and RMSEA was .065. Moving to incremental fit indices, NFI was .959 and CFI was .973 that exceeded the guidelines. The parsimony index of AGFI has a value of .934, which reflects a good model fit. The effect of employee engagement driver toward the employee engagement outcomes was 0.91 that showed the strong effects of the predictor power. Focusing on the employee engagement driver, the significant predictors of employee engagement, based on the highest factor loading scores were organizational support (loading = 0.719), optimism (loading = 0.715), co-worker relations (loading = 0.673), conscientiousness (loading = 0.672), and career opportunities and advancement (loading = 0.656). As for the consequences of employee engagement, the significant predictors of employee engagement, based on the highest factor loading scores were job performance (loading = 0.838), organizational citizenship behavior (loading = 0.817), job satisfaction (loading = 0.739), and turnover intention (loading = 0.578) in Fig 3.

Structural Model Assessment: The re-specification conceptual model, which included five factors/drivers that are recommended by the CFA were examined. The result of goodness of fit indices demonstrated as follows: CMIN/DF = 2.792 which were below the guidelines. The value of the absolute fit measures was accepted as good fit, including the GFI was .962 and RMSEA was .065. Moving to incremental fit indices, NFI was .959 and CFI was .973 that exceeded the guidelines. The parsimony index of AGFI has a value of .934, which reflects a good model fit. The effect of employee engagement driver toward the employee engagement outcomes was 0.91 that showed the strong effects of the predictor power. Focusing on the employee engagement driver, the significant predictors of employee engagement, based on the highest factor loading scores were organizational support (loading = 0.719), optimism (loading = 0.715), co-worker relations (loading = 0.673), conscientiousness (loading = 0.672), and career opportunities and advancement (loading = 0.656). As for the consequences of employee engagement, the significant predictors of employee engagement, based on the highest factor loading scores were job performance (loading = 0.838), organizational citizenship behavior (loading = 0.817), job satisfaction (loading = 0.739), and turnover intention (loading = 0.578) in Fig 3.

4.2. Discussion
The results from the SEM presented a range of important factors necessary to develop employee engagement and in turn affected outcomes including the individual and organizational levels. Research findings reflected current conditions of employee engagement drivers and outcomes in the Thai hotel industry.
industry. Top three driving factors were explained separately as follows:

Perceived organizational support has the most significant role for developing employee engagement and in turn influenced outcomes including job satisfaction, job performance, organizational citizenship behavior and turnover intention. This finding was consistent with the Social Exchange Theory (SET), whenever employees feel that their goodwill and value are matched with an organization, they are more likely to exchange/repay their level of engagement for resources and benefits provided by their organization. In other words, employees will choose to engage themselves to varying degrees and in response that they receive from their organization (Kular et al., 2008). Moreover, the studies by Saks (2006), Rich (2010), Suthinee & Bartlett (2012), and Rasheed, Khan & Ramzan (2013) pointed out that employees’ who perceived organizational support might become more engaged to their job and the organization. Thereby, employees who perceive higher organizational support will in turn reciprocate with extra role behavior within the work context.

Another important factor emerging from this study is optimism. This finding also supported the study of Green Jr., Medlin & Whitten (2004). These scholars claimed that employees with higher levels of optimism do outperform those who are less optimistic and also there was a strong intuitive link between attitudinal optimism and employee performance (Green Jr., Medlin & Whitten, 2004). Associated with Demerouti, Bakker & Schaufeli (2010) mentioned about the PsyCap construct: optimism, hope, resilience and self-efficacy, had been found to predict work-related performance.

Results of this study have confirmed that co-worker relation is the third significant variable for the employee engagement driven in that affects four employee engagement outcomes. This finding was consistent with Andrew & Sofian, 2012 that co-worker relations significantly predicted employee engagement and in turn influenced work outcomes (job satisfaction, organizational commitment, intention to quit and organizational citizenship behavior). Therefore, the work environment with supporting and helping other employees definitely increased the level of engagement in the organization.

V. PRACTICAL IMPLICATIONS

The results of this study suggest that perceived organizational support and optimism demonstrated powerful influences on employee engagement. One of the important approaches recommended to hotel organizations was effective internal communication. Thus, it is recommended that hotels must manage communications effectively amongst internal stakeholder groups. Executive management should consider communicating organizational vision, goals and strategies through occasional town hall meetings, and executive meetings. The share vision and value alignment will influence the sense of belonging and engagement. Moreover, the day-to-day management that involved the supervisor, middle management, line manager and team leader should also pay a great deal of attention to the power of internal two-way communications because the capacity to engage concerns with motivation will come from them. Management, therefore, should maintain constant communication that is clear, supportive and caring to all in the internal stakeholder group. In essence, the communication channels should be a two-way process, formally, informally, and easily accessible.

The findings demonstrated that two specific personal resources, namely conscientiousness and optimism positively related to employee engagement and its outcomes. Tourism researchers and academic scholars should pay attention on the power of individual differences. Additional personal resources variables should be examined, such as resiliency, hope, organization-based self-esteem, and others. The recruitment and selection approaches, personality and attitude tests should be applied as part of the recruitment process. An imperative recommendation is to attract conscientious and optimistic workers and instill the organizational culture to them. Recruiting and selecting workers with these traits would be advantageous for all stakeholders, including co-workers, managers and customers.

VI. LIMITATION

The first limitation in this study is the usage of the research result. This study focuses on predicting only the hotel industry in Thailand, which has a different system related to organizational culture, beliefs, politics, socio-culture, value, management style and the economy from other countries. As a result, the employee engagement model would be acceptable only in Thailand.

Another limitation regarded the definition of employee engagement, from 2002 until now, there are up-to-date definitions and interpretations of the employee engagement concept that have come primarily from business, organizational psychology, and human resource management literature. Each definition represented unique viewpoints of the time and field. The definitions defined by HR consulting companies typically are shaped by the way they want to promote and to use a novel, catchy label, while academic researchers are influenced by their own disciplines and theoretical orientations (Albrecht, 2010). In this study, employee engagement concerns the individual level construct with the individual-organizational relationship. The researcher defines employee engagement from the business point of view and adopted the definition from Kahn, Schaufeli et al., Macey & Schneider, and Rich, Lepine et al. The definition of employee engagement may vary

from others, yet somehow it is suitable with hotel businesses in Thailand.

REFERENCES


