A Model of Employee Engagement for Service Organisations

Chathuni B. Jayasinghe
Department of Human Resource Management, University of Kelaniya, Sri Lanka
chathuni@kln.ac.lk

Pavithra Kailasapathy
Department of Human Resources Management, University of Colombo, Sri Lanka
pavithra@fmf.cmb.ac.lk

Abstract
This paper aims to develop a model of the recently introduced concept of employee engagement for service organizations. By introducing the concept of employee engagement for service organizations, this article proposes that employee engagement is more likely to be sustainable when employee psychological well-being is high for service agents who are called as ‘emotional labour’. The stress theory and conservation of resources theory are used to justify the relationship between emotional labour and employee engagement. Personality and job resources are proposed as moderators when developing this model and the social exchange theory provides the rationale for using job resources in this model.

Key words: Employee Engagement, Emotional Labour, and Psychological Well-being

Introduction
In an increasingly competitive environment that continues to become more dynamic, organisations have almost universally come to the conclusion that their people hold great, if not the greatest, potential for generating and maintaining business success. This recognition has emerged among both practitioners and researchers in the field of strategic human resource management largely because of the ability of the workforce and human resource systems to produce firm-level competencies that create sustainable competitive advantage—that is, those assets and capabilities that are valuable, rare, inimitable, and non-substitutable (Barney, 1991).
In order to meet these criteria, organisations use different ways and in recent years, employee engagement has become one of the hottest topic in the field of Human Resource Management. Although the concept employee engagement has been present for approximately twenty years, relatively little research has been completed to truly qualify or quantify the concept’s distinct existence (Bakker & Demerouti, 2008).

Increased competition among service providers, along with overall growth in the service economy, has forced organisations to focus greater attention on the nature and quality of services provided to customers and clients (Morris & Feldman, 1996), because the perceived quality of the service often depends on the customer's interaction with the service provider. In the service organisations increasing attention has been given to how workers express emotions in a variety of work settings. According to Hochschild (1983), organisations are increasingly willing to direct and control how employees present themselves to others. In other words, the images employees create for customers and the quality of interactions between employees and customers have come increasingly under the control of management. As a consequence, a key component of the work performed by many workers has become the presentation of emotions that are specified and desired by their organisations (Morris & Feldman, 1996). An employee who is supposed to display organisationally desired emotions during an encounter is called as ‘Emotional Labour’ (Hochschild, 1979).

The current study will focus on developing a model to identify the relationship between two different constructs, ‘Emotional Labour’ and ‘Employee Engagement’ with the mediating effect of psychological well-being. Then the model will be further developed with personality and job resources as moderators on the relationship between emotional labour and psychological well-being and on the relationship between psychological well-being and employee engagement respectively.

**Employee Engagement**

Employee engagement has become a widely used and popular term (Robinson, Perryman, & Hayday, 2004). But, it has a relatively short historical timeline. When organisations started achieving competitive advantage through people within the organisation they had to look out of the box for answers. As a result of that The Gallup Organisation conducted studies on employee engagement from mid to late 1980s and they published the very famous book “First, Break All the Rules” based on
the results they found from their studies. In 1990, W. A. Kahn was one of the first in the field of psychology to discuss employee engagement and related it to the concept of disengagement. Employee engagement has been defined in many different ways and definitions and measures often sound like other better known and established constructs like organisational commitment and organisational citizenship behavior (Robinson et al., 2004). In the academic literature, number of different definitions can be found for employee engagement given by various scholars.

Kahn (1990) defines employee engagement as “the harnessing of organisation members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances” (p. 694). According to Kahn (1990), employees should be psychologically present when occupying and performing an organizational role to be considered that they are engaging with their roles. Rothbard (2001) adds two more critical components when defining engagement as psychological presence; they are attention and absorption. Schaufeli, Salanova, Gonzalez-Roma, and Bakker (2002) define engagement “as a positive, fulfilling, work-related state of mind that is characterised by vigor, dedication, and absorption” (p. 74). They further state that engagement is not a momentary and specific state, but rather, it is “a more persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behavior” (p. 74).

Although employee engagement has a relatively short historical timeline, it has emerged as a critical driver of business success in today’s competitive marketplace. Further, employee engagement can be a deciding factor in organisational success. Not only does engagement have the potential to significantly affect employee retention, productivity and loyalty, it is also a key link to customer satisfaction, company reputation and overall stakeholder value (Bakker & Demerouti, 2008). Thus, to gain a competitive edge, organisations are turning to human resource (HR) to set the agenda for employee engagement and commitment (Lockwood, 2007). But that is a great challenge for HR practitioners, because employees are not fully engaged with their jobs. Gallup Organisation (1999) research reveals that first year on the job is their best and the longer an employee stays with a company, the less engaged he or she becomes. Depending the way employees engage in their roles, Gallup Organisation categorise employees into 3 levels: Engaged employees, Not-engaged employees and actively disengaged employees.
Emotional Labour

Emotions in person-related jobs are displayed to influence other people’s attitudes and behaviors, usually by influencing their moods or emotions. The fact that service quality is largely determined by employees’ interactions with customers requires that employees continuously manage and monitor their emotional responses during service transactions with clients. In the past, emotions were ignored in the study of organisational behaviour (Watson, 1998). But employees’ emotions are receiving a lot more attention these days. Because the customers are very keen about the quality of the service they are receiving. Employees who are working for service organisations and specially who are directly dealing with customers are supposed to display emotions expected by their employers, but not what they really feel. Hochschild (1979) labeled these employees as ‘Emotional Labour’. Morris and Feldman (1996) define emotional labour as “the effort, planning, and control needed to express organizational desired emotion during interpersonal transaction” (p. 987). The general definition of emotional labour is that the act of expressing organisationally desired emotions during service transactions. Although employers have high expectations and provide trainings, employees fail to display desired emotions in certain situations.

Organisations manage emotions by imposing structures on their workforce (Cropanzano, Weiss, & Elias, 2004). Rafaeli and Sutton (1987) referred to these as display rules. A service provider performs emotional labour, complying with display rules through surface acting and deep acting (Ashforth & Humphrey, 1993). In this present study, Mann’s (1999) three-dimensional conceptualisation of emotional labour is utilised. These three components are rules for emotional display, emotional suppression and emotional faking.

Emotional Labour and Psychological Well-being

According to Robertson and Flint-Taylor (2008), a complete concept of well-being should include both ‘pleasure’ and ‘purpose’. A workable view of psychological well-being at work therefore needs to encompass both the degree to which employees experience positive emotions at work and the extent to which they experience meaning and purpose in their work (Robertson & Cooper, 2009).

Hochschild (1979, 1983) introduced three mechanisms by which emotional labour harms employee well-being. Those mechanisms are first, emotional labour
may lead to worker alienation; second, emotional regulation takes energy, and third, display rules could produce a conflict of discourse such that individuals have no suitable guide for their actions. Hochschild (1983) described various psychological consequences of emotion work and posited that emotion work is a special far reaching form of human exploitation which even affects the workers’ personalities. Based on qualitative empirical findings she maintained that showing emotions not felt at that moment would lead to the alienation of one’s feelings which would cause psychological ill health.

Morris and Feldman (1996) identified emotional exhaustion and job satisfaction as the two dimensions of psychological well-being and they argued that these two dimensions are positively related with emotional labour. Ashforth and Humphrey (1993) suggested that emotional labour provides an opportunity to “act out” one’s identification, that is, to express one’s fidelity to the valued identity. The more strongly one identifies with the role, the greater the positive impact that fulfilling those expectations has on one’s psychological well-being. Kinman (2007) found a positive relationship between the three dimensions of emotional labour introduced by Mann (1999) and psychological distress. Also he suggested that the degree of emotional labour undertaken by service sector employees may have negative implication for their well-being that extends beyond the work context. Hochschild (1983) argued that service agents are expected to experience and express certain feelings or emotions during service interactions, but that attempting to conform to those expectations causes certain destructive psychological effects among the agents. Therefore, it is clear that emotional labour is related to the psychological well-being of service employees. This study focuses on Conservation Resources Theory to justify the relationship between emotional labour and psychological well-being.

Conservation of Resources Theory. Conservation of Resources (COR) theory predicts that resource loss is the principal ingredient in the stress process (Hobfoll, 2001). COR theory has been successfully employed in predicting a range of stress outcomes in various organisational settings. According to Hobfoll (2001), the basic tenet of this theory is that individuals strive to obtain, retain, protect and foster those things that they value. They do so in a world that they see as innately threatening and requiring a constellation of their personal strengths, social attachments cultural belonging in order to survive (Greenberg, Pyszcznski &
Solomon, 1986 as cited in Hobfoll, 2001). These valued entities are termed as resources. In his study, Hobfoll (2001) has found 74 resources which are valued by individuals in their lives and most of them are personal resources or personal characteristics (sense of pride in myself, positively challenging routine, status, feeling that I have control over my life, understanding from my employer, etc.) than physical or financial resources. Thereby, he has clearly explained that individuals concern more about their personal resources than physical and financial resources and also he argues that psychological stress will occur when individuals’ resources are threatened with loss or are actually lost.

The first principle of COR theory is that resource loss is disproportionally more salient than resource gain (Hobfoll, 2001) and it leads to psychological stress. According to services management literature service encounters are in a threat of losing their personal resources. Hochschild (1979) argued that service agents or emotional labour are expected to experience and express certain feelings during service interactions, but that attempting to conform to those expectations causes certain pernicious psychological effects among the agents. When employers try to regulate employees’ emotions during service transactions, employees or emotional labour lose their personal resources such as ‘feeling that I have control over my life’, ‘understanding from my employer’, ‘feeling that I know who I am’, ‘positive feeling about myself’ and etc. which have been introduced by Hobfoll (2001) as personal resources which lead towards poor psychological well-being. COR theory also supports the argument that emotional labour affects the psychological well-being of employees.

Therefore, on the basis of COR theory, the current study identifies the relationship between emotional labour and psychological well-being in order to develop a model of employee engagement for service organisations.

**Psychological Well-being and Employee Engagement**

The researchers (Kahn, 1990; Rothbard, 2001; & Schaufeli et al., 2002) who initially defined the term employee engagement have given a significant place to the psychological component in their definitions. Accordingly, employees should be psychologically present when occupying and performing an organisational role to be considered that they are engaging with their roles. According to the existing literature
and empirical investigations, psychological well-being is highly related with the concept employee engagement.

*Psychological well-being* at work is the affective and purposive psychological state that people experience while they are at work (Robertson & Flint-Taylor, 2008). Wright and Cropanzano (2000) report two field studies which both demonstrate positive relationships between levels of psychological well-being and job performance. These studies show that people with higher levels of psychological well-being perform better at work than those with lower psychological well-being. Wright and Cropanzano (2000) through their studies show that well-being is a stronger predictor of job performance than job satisfaction. The concept of full engagement rests on the principle that the beneficial impact of narrow engagement is enhanced when psychological well-being is also high. Similarly the negative effects of low engagement would be exacerbated when psychological well-being is poor (Robertson & Cooper, 2009). Robertson and Birch (2010) suggest, attempts to enhance employee engagement will achieve only limited success if they focus narrowly on commitment and citizenship, without seeking to nurture employee psychological well-being. Thus, there is a potential relationship between psychological well-being and employee engagement (Donald et al., 2005; Harter et al., 2002 and Wright & Cropanzano, 2000). The stress theory is used further to justify the relationship between psychological well-being and employee engagement.

**Stress theory.** Stress theory generally holds that as major life events and chronic strains accumulate, the individual’s ability to readjust can be overwhelmed, resulting in greater vulnerability to physical or psychological disorders (Brown & Harris, 1978 as cited in Thoits, 1991). Proponents of the stress perspective argue that worker performance and quality of life are hindered by strain (too much challenge) or boredom (too little challenge) (Harter, Schmid, & Keyes, 2003 as cited in Robertson & Cooper, 2010). They argued that the presence of positive emotional states and positive appraisals of the worker and his or her relationship within the workplace accentuate worker performance and quality of life. Also the stress theory suggests that when employees are in a stress situation or they are psychologically weak, there is a tendency of withdrawing from work. Stress theory also supports the argument that the level of employee engagement can be varied based on the psychological well-being of employees. Therefore, on the basis of stress theory, the current study proposes that psychological well-being directly affect the employee engagement.
**Emotional Labour and Employee Engagement**

As mentioned earlier there are evidence to support relationships between emotional labour and psychological well-being and, psychological well-being and employee engagement. The rationale for the existing relationship between emotional labour and psychological well-being is explained in the stress theory while COR theory supports the relationship between psychological well-being and employee engagement. By merging these two relationships this study develops the relationship between emotional labour and employee engagement with psychological well-being as a mediator. Figure 1 shows the initial model of employee engagement.

![Figure 1: Initial model for Employee Engagement](image)

Dispositional variables have been of considerable interest to researchers exploring relationship between job-related stressors (such as excessive job demands, role conflict, role ambiguity) and levels of strain (both psychological and physical) (O’Driscoll & Dewe, 2001).

**Personality**

The possible roles of the characteristics in the job stress process have been outlined by Bolger and Zuckerman (1995), who suggested that personality may influence the person’s exposure to stressful events or his/her reactivity to these events or both, as well as affecting the choice of coping strategy. There are few personality models to identify individual personality and differentiate one person from another. Out of those models the Five-Factor Model (FFM) has received much attention in organisational sciences, especially for research on job performance outcomes (Meadows, Shreffler, & Mullins-Sweatt, 2011). Studies have generally supported the identification of five broad domains of personality: extraversion (urgency or positive...
affectivity) versus introversion, agreeableness versus antagonism, conscientiousness versus undependability, neuroticism (emotional instability or negative affectivity) versus emotional stability, and openness (intellect or unconventionality) versus closeness to experience (Ashton & Lee, 2001).

Out of these dimensions the current study will consider the emotional stability, because Meadow et al. (2011) argued that subjective well-being was related most strongly to low neuroticism, that is, low emotional instability. In the five-factor model of personality, for instance, positive and negative affectivity are referred to as emotional stability (Price, 1997). Price (1997) argued that positive and negative affectivity are the tendency to experience pleasant and unpleasant emotions respectively. An individual has degrees of positive affectivity and degrees of negative affectivity. Affectivity does not extend from positive at one end of a continuum to negative at the other end (Price, 1997). It is expected that a person with high positive affectivity is in a position to keep his psychological well-being high in a stressful situation or with higher expectations of employers, But a person has more negative affectivity is always fail to cope with higher emotional demands and, thus, it is expected that their psychological well-being would be low. Positive and negative affectivity are viewed as two distinct variables by Price (1997). Therefore, the current study uses personality as a moderator to the relationship between emotional labour and psychological well-being.

**Job resources**

Hakanen et al. (2005) found that job resources are most beneficial in maintaining employee engagement under conditions of high job demands. Previous studies have consistently shown that job resources such as social support from colleagues and supervisors, performance feedback, skill variety, autonomy, and learning opportunities are positively associated with work engagement (Bakker & Bala, 2007). Most of researchers have found a positive relationship between job resources, but few other researchers found that job resources act as buffers (Bakker et al., 2007). Schaufeli et al. (2002) argued that job demands (aspects of the job that require sustained physical or mental effort) could have a negative impact on work engagement, while job resources (aspects of the job that can help achieve work goals, reduce job demands, or stimulate personal growth) may moderate or buffer this relationship.
Social exchange theory has been used to rationalize the role job resources play as a moderator.

**Social Exchange theory.** Researchers argue and indicate that psychological well-being or antecedents that are necessary for engagement, but they do not fully explain why individuals will respond to these conditions with varying degrees of engagement. A stronger theoretical rationale for explaining employee engagement can be found in social exchange theory (Saks, 2006). Social Exchange Theory (SET) argues that obligations are generated through a series of interactions between parties who are in a state of reciprocal interdependence. A basic tenet of SET is that relationships evolve over time into trusting, loyal, and mutual commitments as long as the parties abide by certain “rules” of exchange (Cropanzano & Mitchell, 2005 as cited in Saks, 2006). Rules of exchange usually involve reciprocity or repayment rules such that the actions of one party lead to a response or actions by the other party. For example, when individuals receive economic and socio-emotional resources from their organisation, they feel obliged to respond in kind and repay the organisation (Cropanzano & Mitchell, 2005 as cited in Saks, 2006). This is consistent with Robinson et al.’s (2004) description of engagement as a two-way relationship between the employer and employee.

In this study job resources will be considered as a moderator variable and perceived supervisory support, perceived organisational support, and rewards and recognition will be considered as job resources.

**Rewards and recognition.** Kahn (1990) reported that people vary in their engagement as a function of their perceptions of the benefits they receive from a role. Furthermore, a sense of return on investments can come from external rewards and recognition in addition to meaningful work. Therefore, one might expect that employees’ will be more likely to engage themselves at work to the extent that they perceive a greater amount of rewards and recognition for their role performances. Maslach et al. (2001) have also suggested that while a lack of rewards and recognition can lead to burnout, appropriate recognition and reward is important for engagement. In terms of SET, when employees receive rewards and recognition from their organisation, they will feel obliged to respond with higher levels of engagement.

**Perceived Organisational Support (POS):** POS refers to a general belief that one’s organisation values their contribution and cares about their well-being (Rhoades & Eisenberger, 2002 as cited in Bakker & Demerouti, 2008). The basic premise of
organisational support research is SET. In particular, POS creates an obligation on the part of employees to care about the organisation’s welfare and to help the organisation reach its objectives (Rhoades et al., 2001). Employees’ who have higher POS might become more engaged to their job and organisation as part of the reciprocity norm of SET in order to help the organisation reach its objectives. When employees believe that their organisation is concerned about them and cares about their well-being, they are likely to respond by attempting to fulfill their obligations to the organisation by becoming more engaged (Bakker et al., 2008).

**Perceived Supervisory Support (PSS):** PSS is also likely to be an important predictor of employee engagement. In fact, a lack of support from supervisors has been found to be an especially important factor linked to burnout (Maslach et al., 2001). In addition, first-line supervisors are believed to be especially important for building engagement and to be the root of employee disengagement (Bates, 2004).

**Overall model of Employee Engagement for service organisations**

The previous studies regarding antecedents of employee engagement, the facts available in the service management literature can be used in an overall model of employee engagement. In the current study, one relationship has been developed, between emotional labour and employee engagement with the mediator, psychological well-being in the relationship based on conservation of resources theory and the stress theory. The relationship between emotional labour and psychological well-being is moderated with personality. The second relationship has been developed between psychological well-being and employee engagement based on stress theory. That relationship is expected to be modified with the moderating effect of job resources: rewards and recognition, perceived organisational support and perceived supervisory support in order to have higher level of employee engagement even if the psychological well-being is very low. Figure 2 shows the overall model of employee engagement which has been developed for service organizations.
Figure 2: A model for employee engagement

References


