

Determinants which Enhance Employee Engagement to Increase
Organizational Effectiveness and Efficiency

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ABSTRACT:

Purpose: There is a concentration on employee engagement in the human resources department. It is a dilemma that employee engagement has been overlooked. The study looked at the influence of motivating management, peaceful work environment, constructive social media, effective recognition and flexible work time on employee engagement. Results obtained from the questionnaire show that employee engagement is influenced by motivating management, peaceful work environment, constructive social media, effective recognition, and flexible working hours.

Methodology and Design Approach: A secondary research approach framework was established based on the basis of past researches which focused on the same topic discussed. In addition, a questionnaire was designed and distributed among 330 respondents.

Results and Findings: A total of 5 Hypothesis were tested and the result revealed that employee engagement is influenced by motivating leadership, peaceful work environment, effective recognition, flexible work hours, and constructive social media

Key words: Employee Engagement, motivating management, peaceful work environment, constructive social media, effective recognition and flexible working hours

Declaration

The research has been conducted with the tireless efforts of the researcher. It is declared that the findings and the study has been done by the researcher himself and has not been used in the prior researches.

Acknowledgment

It gives me great pleasure to express my gratitude to the people who helped make this thesis a reality. My most sincere appreciation goes out to Allah, the Almighty, for providing me with the capacity to comprehend, learn, and finish this job. I would like to show my appreciation to everyone that assisted me over the entirety of my endeavor by writing this letter. I gratefully acknowledge the help of my supervisor, Ms. Faiza Murtaza, who has offered me valuable suggestions in the academic studies. Throughout the entirety of the completion of this project, she has devoted a significant amount of her time in assisting me and has offered me insightful guidance. The successful completion of this project would not have been feasible in the absence of her calm directions, perceptive criticisms, and knowledgeable direction. In the end, my gratitude also extends to my family and friends who have been assisting, supporting and caring for me all of my life.

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CHAPTER I

INTRODUCTION

Statement of the problem:

Employee engagement has been a most neglected factor in measuring job performance in the corporate sector. There aren't enough studies on the impact of employee engagement on intrinsic outcomes from a well-being standpoint. A lack of knowledge about how employee engagement affects productivity can prevent managers and employers from taking the necessary remedial action to improve the well-being and productivity of their workforce. The major factors influencing employee engagement include motivating leadership, work environment, work-life balance, and recognition, autonomy to work independently, organizational transparency, internal social media, and growth opportunities. If the mentioned factors are missing in an organization, it leads to employee disloyalty, job switching, lack of interest, low productivity, etc.

Employee Engagement

Employee engagement is employees' choice to willingly and fully indulge themselves physically, mentally, and emotionally in their work. It is a mechanism that has been neglected earlier, as employee engagement was given less importance in organizational performance. When an employee completes his given work with the appropriate amount of care, demonstrates an increased level of ownership of those activities, and promotes the interests of the business in an all-inclusive manner, that employee is demonstrating positive assertiveness. In order to achieve organizational effectiveness and efficiency, there are a number of factors that play an important

role. Some of these factors include: motivating management; a peaceful work environment; effective recognition; flexible working hours; job satisfaction; organizational transparency; constructive internal social media; organizational commitment; and so on. For businesses, the most essential task is to improve employee performance by engaging them in a suitable environment where their complex and emerging issues are dealt with carefully. It has been debated by many scholars that employee engagement has a direct impact on organizational performance. Therefore, managers need to take care of employee interests in order to achieve organizational efficiency and effectiveness.

A company whose employees are engaged and committed to the organization will surely bring in high performance and innovation. The goal of a worker to stay a fellow of concern is achieved through commitment, whereas engagement is a necessary aspiration to work in the best awareness of the workplace. (Rameshkumar M., 2019) Employees have a major role in determining performance of an organization because they are the ones who build strategies and plans to achieve business goals. It is a dilemma that management gives more attention to factors like the latest technology, strict management of operations, customer satisfaction, brand image, and vendor integration while neglecting employee engagement. As a result, the employees get frustrated, and eventually, their productivity and performance will start to deteriorate. It has a ripple effect leading to high turnover in the organization.

There are a number of constituents that play a vital role in effecting employee engagement in an organization including motivating leadership, a peaceful work environment, constructive internal social media, and effective recognition. If these factors are missing in an organization, it has negative impacts on the productivity of the employees. These factors will be discussed

thoroughly in this research to make it comprehensible how employee engagement can successfully be achieved in an organization.

Motivating Leadership

Leaders are the building block of an organization; they not only manage organizational operations but also set a culture in the company. It has led companies to invest highly in leadership courses in order to achieve a competitive edge and increase the productivity of their employees. It is a critical component of effective management to understand how to motivate organizational members. In the past, management approaches were only confined to relying on leveraging authority or organizational reward systems to influence worker behavior neglecting employee health and retention rate. The extent of employee motivation is just not predicted by their commitment and work efforts, but by their overall engagement in their job. Leaders and managers play a pivotal role in building motivation in the organization to bring in fruitful outcomes. (Anouk Decuypere, 2019)

As employee motivation is important, the task that has been charged should be completed in accordance with the operational requirements of the business. Motivation is the ability that enables someone to move in the direction of a goal. Similar results to this motivation include productivity, performance, and perseverance. When motivation exists in an organization, managers are attentive to every choice that will affect the well-being of their workforce. As a result, motivation is a requirement for organizational competency. (Maartje, 2020)

Peaceful Work Environment:

A peaceful work environment is an atmosphere where workers feel comfortable to work around. Environment greatly influences employees in accomplishing tasks assigned to them. It includes human resource tools and materials that one uses to assist one during their tasks. It is a fact that a comfortable workplace can uplift productivity as employees can work fearlessly and calmly. The workplace having facilities like good furniture, fewer communication borders, transparency, and a politics-free culture can prove to be a peaceful environment. A hostile work environment will lower productivity and may even make employees feel uncomfortable and drive them to seek employment at other organizations with more hospitable work environments. It would further reduce employee engagement as the workers feel uncomfortable during their working hours. Therefore, in order to achieve high employee engagement, a peaceful work environment is necessary.

Employee Recognition:

Employee recognition is the act of expressing gratitude and acknowledging staff members for their accomplishments to the organization that is consistent with its purpose, goal, and values. Employee appreciation is a concept that has numerous definitions. Some refer to it as a different sort of employee engagement, employee motivation, or employee appreciation. However, the true meaning of employee recognition is that acknowledgment is done right; it satisfies some of the most fundamental human needs, including a sense of fulfillment, accomplishment, and belonging. Therefore, constructive employee recognition has a direct impact on employee engagement in an organization.

Employee turnover is high if a business does not ensure employee recognition. Losing skilled employees has direct financial consequences. Some of the indirect costs include replacing an employee, separating an employee, downtime, recruiting, interviewing, onboarding, and

training and development of the new hire. Work disruptions, the loss of tacit or strategic knowledge that has been ingrained in the business, losses in productivity or customer service, lower diversity, and even turnover effects on remaining employees can result from losing people. Both the direct and indirect costs of employee turnover to the economy have an impact on an organization's performance and success.

Internal Social Media:

With the rise in technology, companies now have incorporated a number of social media platforms to internally and externally communicate and engage with employees. The digitized workforce brings a plethora of opportunities for an organization like promoting collaboration, knowledge sharing, organizational learning, and innovation which are essential for enhancing productivity and organizational performance. Though internal social media has many pros, yet, it has a number of cons as well. For example, the employees often become a victim of privacy breaches, cyberbullying, criticism and distraction through internal social media. However, many scholars have acknowledged the fact that internal social media can raise the trust of an organization's employees as they get a sense of trust and reliance, and as a result, they perform well in the organization. (Linjuan Rita Mena, 2020)

Internal social media may quickly build relationships, understanding, trust, and knowledge within the workforce. However, there hasn't been much study on how internal social media and communication channels improve employee engagement. The connection between social media and employee engagement is a topic of recent research. Numerous research projects on internal social media and employee engagement have so far used qualitative techniques like case studies and in-depth interviews. Internal social media can also enhance employee collaboration,

knowledge sharing, and creativity, all of which will help businesses become more productive and effective in the long run. (Linjuan Rita Mena, 2020)

Flexible Working Hours:

Employees and management can reach agreements that are beneficial to both parties in order to implement flexible working hours. The goal of this initiative is to increase employee productivity, which will ultimately lead to higher organizational profitability. Organizations are consistently put under pressure to produce goods and services that are of the desired quality, at the desired price, and at the desired time for customers. This indicates that innovative approaches to work must be developed in order to make the most efficient use of available personnel and other resources. Work arrangements that allow for greater employee satisfaction can be beneficial to businesses as a means of enhancing customer service. (Setyo, 2019)

Scope of the Study and Research Questions

The research questions devised to explore this study are as follows:

Table 1: Research questions for Employee Engagement

| | |
|-----|--|
| RQ1 | Do you think employee engagement is important for an organization? |
| RQ2 | Does your company take necessary steps flourish employee engagement? |
| RQ3 | Do you think employee engagement enhances productivity of an organization? |
| RQ4 | Does employee engagement bring innovation in an organization? |

| | |
|-----|--|
| RQ5 | Do you think companies focus on employee engagement? |
|-----|--|

Table 2: Research questions for Motivating Leadership

| | |
|------|--|
| RQ6 | Does your company's management motivate you at the workplace? |
| RQ7 | Do you think motivating leadership is necessary in an organization? |
| RQ8 | Does a motivating leadership bring innovation in an organization? |
| RQ9 | Does motivating leadership in an organization influence employee engagement? |
| RQ10 | In your opinion, is there is an influence of employee motivation on employee engagement? |

Table 3: Research questions for Peaceful Work Environment

| | |
|------|---|
| RQ11 | In your opinion, is a peaceful environment important for an organization? |
| RQ12 | Does your company have a peaceful work environment? |
| RQ13 | In your opinion, does a peaceful work environment of an organization enhance employee engagement? |
| RQ14 | In your opinion, does constructive training has a positive impact on employee engagement? |

Table 4: Research questions for Internal Social Media

| | |
|------|--|
| RQ15 | Do companies focus on incorporating internal social media for communication nowadays? |
| RQ16 | Does your company use internal social media (LinkedIn, Messenger, Facebook, etc.) to communicate with you? |
| RQ17 | “Internal social media of organization play a vital role in employee engagement |

Table 5: Research questions for flexible working hours

| | |
|----------|---|
| RQ1 8 | In your opinion is there an effect of flexible working hours on employee engagement? |
| RQ1 9 | In your opinion, is there an influence of work environment on employee engagement through employee motivation? |
| RQ2 0 | In your opinion, is there a positive relationship between Human Resource Management (HRM) practices and employee engagement in an organization? |
| RQ2 1 | In your opinion, does performance appraisal have a positive impact on employee engagement? |
| RQ2 2 | In your opinion, do reward and recognition have a positive impact on employee engagement? |

Assumption of the Study

1. It was expected that the respondents will answer to each question according to their knowledge.
2. It was believed that most of the phrases and fundamental ideas used in this research study would be familiar to the participants.
3. It was expected that the respondents will give trustworthy and impartial answers to the questions asked.

Organization of the Study

Chapter I include the introduction of this research, where all the variables including dependent and independent variables are defined and explained in detail. It further includes a statement of the problem and scope of study to give an overview of the study. In this chapter, the research questions and assumptions are incorporated.

Chapter II includes a conceptual characterization of the constructs used in this study as well as a summary of the theoretical study based on prior research studies to test our research questions. The Literature Review section is bifurcated in five dimensions: employee engagement, motivating leadership, peaceful work environment, effective recognition, flexible working hours and constructive internal social media. In addition, this chapter also involves theoretical framework on which the hypothesis is tested.

Chapter III incorporates research methodology where, research approach, quantitative research design, appropriate statistical techniques to test the hypotheses is discussed. The research method involves SEM, sampling and data collection, instrumentation with operational definitions, pilot testing, instrument reliability and validity.

Chapter IV comprises of results of the research. In addition, it also includes the detailed analysis of the results which validate the research study.

Chapter V pertains to discussion of the results and its relevance to the discussed topic. This section focuses on the reasoning and assessment of the results in reference to employee engagement and the factors affecting it.

Lastly, Chapter VI reports the summary, implications, future directions and limitations of the study.

CHAPTER II

LITERATURE REVIEW AND THEORETICAL MODEL

Related Literature Review:

This section will guide the reader through pertinent prior research and help them assess the theories that helped this study's theoretical model be built. It involves a detailed explanation for employee engagement, motivating leadership, peaceful work environment, effective recognition, flexible working hours and constructive internal social media.

Employee engagement

Employee involvement has been cited as a crucial element in the expansion of a firm. It greatly enhances competitive advantage, innovation, and organizational effectiveness. Given this reality, leaders and managers of firms place a high priority on maximizing employee engagement. Employee engagement is described as "the expertise to capture the heads, hearts, and souls of your employees to implant a fundamental aspiration and appetite for quality" by Fleming and Asplundh of Gallup. Additionally, they suggest that motivated employees care about the success of their company because they feel deeply connected to its mission, vision, and purpose on a social, spiritual, and emotional level. Due to their positive correlations with employees' behaviors, which impact organizational performance and profitability, organizational commitment and employee engagement have emerged as dynamic concepts in business research. There is a positive association between employee engagement and emotional commitment, according to numerous organizational commitment studies from various eras, although very few contemporary studies have focused specifically on engagement's impact. Organizational commitment has a significant

impact on employee engagement because it ensures good performance, satisfaction, learning, attendance, creativity, and motivation. (Rameshkumar, 2019)

Motivating Leadership:

Higher employee motivation will add to the employee's performance. Researchers and academicians have viewed motivation as the force to behave in a specific way. There is a dire need of motivating management that should ensure the development of employees to make them feel comfortable at the workplace. In addition, a pleasant workplace can result in higher productivity of employees as workers get a productive work environment that makes them feel to feel at home. A comfortable work environment is ensured through ease of communication and an inclusive work environment. The availability of sufficient room to work in, interior aesthetics of the workspace, comfort provided by suitable ventilation and air circulation, and inconspicuous noise levels are all examples of convenient facilities at the workplace. (Aris Setiyani, 2019) Companies need to provide such workspaces which are conducive to motivating and inspiring employees to bring productivity to the organization. (Anouk Decuyper, 2019)

Peaceful Work Environment:

Not only does a rewarding work environment contribute to the creation of a comfortable and pleasant working environment, but the ease with which one can communicate and collaborate with other members of the team also plays a role. The practical amenities include sufficient room to work, an appropriate interior design of the office, an appropriate lighting scheme, comfort through proper air circulation, inconspicuous noise levels, ergonomic visuals, and less instances of political interference. (Riyanto, 2019) The offices that workers work in need to be upgraded and provided with amenities that will help motivate and inspire them to work in a setting that is suitable

and productive. It has been shown that working in an environment that is supportive has a positive impact on job satisfaction as well as organizational commitment. As a consequence of this, if it is possible to achieve employee happiness as well as organizational commitment, then this becomes a constructive source that drives employee involvement in order to achieve the goals of the organization.

Effective Recognition:

Reward and recognition system is the policies, strategies, and functions incorporated in an organization for giving regard to its employees according to their performance, capacity, and dedication through acknowledgment, pay raises, and benefits. Through the use of the incentives system, employees are provided with motivation to strive toward the achievement of strategic goals. Management strategies such as corporate strategic management and human resource management offer support to businesses, allowing them to sustain growth even in an environment that is full of uncertainty. As a result, developing an efficient strategy is essential for creating a work environment that is sustainable, which would further boost the growth of businesses. When it comes to rewards for excellent work performance, the vast majority of employees place a high value on monetary compensation; nevertheless, many people are satisfied with merely receiving recognition as an individual or as a member of a group when they excel. An individual's or team's engagement, effort, or business result that promotes the organization's purposes and values and that has unquestionably gone above and beyond normal expectations to do this. Rewards and recognition have the power to drive individuals to change their behavior and encourage desired employee engagements, both of which can have a positive impact on overall performance. Reward and recognition programs are crucial tools used by successful companies as part of their strategy to boost employee engagement. (Vuong, 2021)

Flexible Working Hours:

Employers use flexible working hours to reduce employee stress and improve employee performance. The concept of flexible working hours is one of the most forward-thinking ideas in the field of human resource management and the business environment. This type of innovation can only come from effective and successful leaders who have a deep understanding of the dynamics of a global business environment that is constantly shifting and evolving. These challenges will be substantially reduced to a minimum if flexible working hour arrangements are treated as a priority by all human resource managers in order to lessen the workload of employees and strike a balance between the demands of work and the responsibilities of family. It's possible that offering flexible working hours can help you hire and keep the best employees. Companies are under a lot of pressure to create environments that are welcoming to families. The concept behind a family-friendly organization is that it will assist individuals in striking a healthy balance between their professional and personal responsibilities. (Idowu, 2022)

Constructive Internal Social Media:

As social technologies have become standard for corporations, an increasing number of businesses have begun integrating various social media platforms to interact and engage with their technologically savvy publics, both internally and externally. This can be done through both public and private channels. As a result of the dominance of the millennial generation in the workforce and the fact that this generation came of age during the rise of new media, the trend of digitalization in the workplace is becoming unavoidable. Because employees can easily share company content with their own networks, academics and public relations professionals are starting to realize that internal social media can strengthen employees' responsibilities as reliable brand ambassadors.

This is due to the fact that employees can easily share company content with their own networks. (Rita, 2019) Therefore, constructive social media in an organization can lead to high employee engagement.

More than a tool or platform, internal social media is a convergence between employee interpersonal communication habits and strategic communication management. Academics and industry professionals have made it a priority to investigate the benefits of internal social media for firms as a result of recent breakthroughs in the digitization of internal communication. Internal social media overcomes geographical obstacles to make horizontal and vertical communication within a business easier to do. Because of the fluid nature of the communication process, the use of internal social media can build social capital among employees by cultivating new ties and strengthening those that have already been established. (Linjuan Rita Mena, 2020).

Table 6: Proposed Hypothesis

| Sr. No. | PROPOSED HYPOTHESES |
|----------------------|--|
| H₁ | Employee engagement is directly influenced by motivational leadership. |
| H₂ | Employee engagement is directly influenced by a peaceful work environment. |
| H₃ | Employee engagement is directly influenced by effective recognition. |
| H₄ | Employee engagement is directly influenced by flexible working hours |
| H₅ | Employee engagement is directly influenced by constructive internal social media |

Table 7: Theoretical Framework

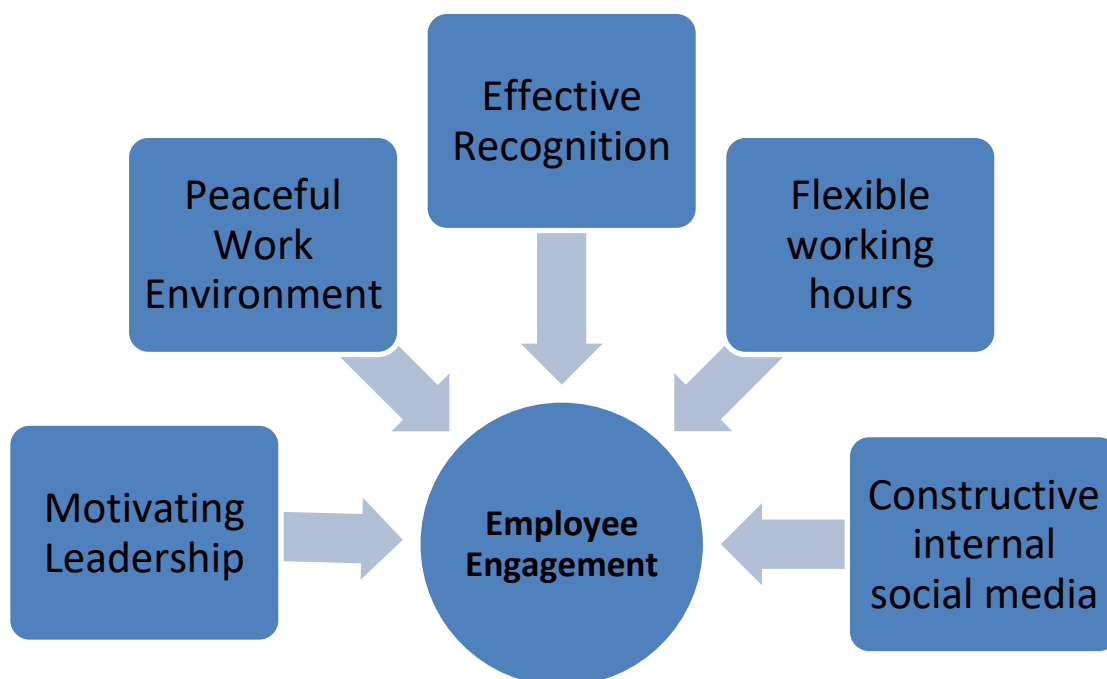


Table 8: Conceptual Definitions

| <u>CONSTRUCTS</u> | <u>DEFINITION</u> | <u>REFERENCE</u> |
|--|---|-------------------------|
| CONSTRUCTS OF EMPLOYEE ENGAGEMENT | | |
| Employee engagement | “Employee engagement is employee’s choice to willingly and fully indulge themselves physically, mentally and emotionally in their work.” | ((Rameshkumar M., 2019) |
| Motivating Leadership | “Managers pay attention to every decision that is meant to lead to the welfare of employees which ensures innovation and growth in the organization.” | (Maartje, 2020) |

| | | |
|---|--|-------------------------|
| Peaceful Work Environment | “A peaceful work environment is an atmosphere where workers feel comfortable to work around. Environment greatly influences employees in accomplishing tasks assigned to them.” | (Esty and Winston,2006) |
| Effective Recognition: | “Effective recognition includes the policies, strategies, and functions incorporated in an organization for giving regards to its employees according to their performance, capacity, and dedication through acknowledgement, pay raises, and benefits.” | (Vuong, 2021) |
| Flexible Working Hours | “Work environment determines social, psychological, and physical life in the company the work environment is very influential on the level of comfort of workers” | (Idowu, 2022) |
| Constructive Internal Social Media | “The use of social media platforms, such as Jira, for improved internal communication within the organization” | (Rita, 2019) |

CHAPTER III

RESEARCH METHODOLOGY

Research methodology represents the primary research tools used to gather data for testing the hypothesis. In addition, the research method makes it possible for this investigation to provide answers to research questions after establishing the dependability and validity of the questionnaire that was used to measure the latent components that were being investigated.

Research Approach:

Under the epistemological school of thought, this research study further trails the positivist approach keeping up that science can be operationalized in an objective way (Bryman,2004). Moreover, this study embraces deductive thinking as its research approach.

Questionnaire:

The questionnaire was created by using Google Forms as it is the most effective tool to gain responses. A combined questionnaire in two parts was drafted to measure how employee engagement gets impacted by motivating leadership, peaceful work environment, constructive internal social media, flexible working hours, and effective recognition. The study is based on a survey carried out through Google Forms sent to respondents working in various organizations. The Google Forms were distributed by using a number of channels including Gmail, Linked In, WhatsApp, Instagram, Snapchat and SMS. These platforms have been incorporated because many respondents now use social media for communication and it has a wide reach.

The questionnaire included 30 questions; 7 demographic questions and 23 item questions. (Rameshkumar, 2019) Likert scale ranging from 1 to 5 has been used in the questionnaire to examine the responses of the audience. In addition, the survey is designed for both genders male and female. The research requires 330 responses to test the relationship between dependent and

independent variables. It has taken 3 months to collect the responses from various respondents. It is hoped that the respondents shall give unbiased answers while attempting the questionnaire.

Operational definitions

Likert scale (where 1= Strongly Disagree and 5 = Strongly Agree) was used to measure the constructs. A number of questions were designed to test the hypothesis. These questions have been attached in Appendix 1.

Sample size Determination

Sample size is important for any quantitative empirical study that aims to draw conclusions about a population. Statistical techniques are often sample size sensitive. In order to get unbiased and true results 330 responses is the correct amount of answers. Therefore, we ensured that this number should be achieved.

CHAPTET IV

DATA ANALYSIS AND RESULTS

Pilot Test:

A link was generated through google forms to distribute the questionnaire. Initially, the questionnaire was floated in various organizations by using WhatsApp, LinkedIn and emails to gather as many responses as possible. With time other mediums including Instagram, Snapchat, QR Code and SMS were used to gather the maximum results.

Validity and Reliability Analysis

Due to the fact that all of the measurement scales had been pre-established and were derived from earlier research, it was considered that content validity was present. Composite reliability refers to the amount to which a group of measurable indicators of a latent construct have a share in the measurement of that particular construct. The results presented in Table 6 demonstrate that the reliability coefficients, also known as Cronbach Alpha and Composite Reliability values. For all of the latent constructs were satisfactory and exceeded the recommended level of 0.7. As a result, the survey questionnaire was reliable enough. Because of this, composite reliability as well as divergent validity has been demonstrated.

Table 9: Demographics

| <u>Gender</u> | <u>%age</u> | <u>Age</u> | <u>%age</u> |
|---------------|-------------|------------|-------------|
| Male | 51.2% | 20-24 | 18.8% |
| Female | 48.2% | 25-29 | 36.4% |

| | | | |
|---------------------------------|---------------|---------------------------------------|--------------|
| | | <u>30-34</u> | <u>32.5%</u> |
| | | <u>35 or above</u> | <u>9.7%</u> |
| | | <u>Total</u> | <u>100%</u> |
| <u>Occupation</u> | <u>%age</u> | <u>Qualification</u> | <u>%age</u> |
| <u>Entrepreneur</u> | <u>6.4%</u> | <u>OLevels/Matric</u> | <u>1.2%</u> |
| <u>Businessman</u> | <u>12.1%</u> | <u>Intermediate</u> | <u>5.2%</u> |
| <u>Employee</u> | <u>75.8 %</u> | <u>Graduate</u> | <u>62.7%</u> |
| <u>Intern</u> | <u>5.8%</u> | <u>Post Graduate</u> | <u>30.9%</u> |
| <u>Monthly household income</u> | <u>%age</u> | <u>No of years of work experience</u> | <u>%age</u> |
| <u>Less than 100,000</u> | <u>15.2%</u> | <u>(Less than one year)</u> | <u>22.4%</u> |
| <u>100,000 to 200,000</u> | <u>27.3%</u> | <u>(1-5 years)</u> | <u>51.5%</u> |
| <u>200,000 to 300,000</u> | <u>27.6%</u> | <u>(5 years or above)</u> | <u>26.1%</u> |
| <u>300,000 to 400,000</u> | <u>16.4%</u> | | |
| <u>400,000 to 500,000</u> | <u>9.1%</u> | | |
| <u>Above 500,000</u> | <u>4.5%</u> | | |

Table 9 reports the descriptive statistics of the characteristics of the respondents who answered the questionnaire. It shows that there were a high percentage of those respondents who have worked in organizations for more than one year (1 to 5 years) i.e. 51.1%. In addition, it can be observed that the highest number of respondents have given their profession as employees i.e. 75.8%. It is evident that highest number of respondents have a qualification of graduation i.e. 62.7%.

Further, the results given in Annex II, show that there is high chance of the factor that companies focus on employee engagement nowadays i.e. 56.4%. 60% people responded most likely when inquired that if their company takes necessary steps to flourish employee engagement. When asked that if employee engagement enhances productivity in an organization, 70.6% of the respondents answered that they highly agree and only 1.5% respondents said that they highly disagree. Similarly, when asked if employee engagement brings in innovation, 72.1% of respondents highly agreed with it and only 0.3% highly disagreed with it.

Analysis

Introduction

For the purpose of analysis, firstly we check the model fitness. Followed by the model fitness, we will proceed with the Collinearity Diagnostics. Then, the Reliability and Validity of the constructs will be measured. For reliability, we will see Cronbach's alpha and Composite Reliability. Then we will see the Discriminant Validity of the constructs.

Model Fitness

A value less than 0.10 or of 0.08 (in a more conservative version; see Hu and Bentler, 1999) are considered a good fit. Henseler et al. (2014) introduce the SRMR as a goodness of fit measure for PLS-SEM that can be used to avoid model misspecification. The Bentler-Bonett Normed Fit Index, or NFI, is an incremental measure of a statistical model's goodness of fit that is unaffected by the model's parameter or variable count. A model of entirely uncorrelated variables is compared to the one being studied in order to assess how well it fits the data (Ullman JB, 1996). The results in the table 10 shows that model is fulfilling both the criteria and is therefore fit for the analysis.

Table 10: Model Fit

| | Saturated model | Estimated model |
|--|------------------------|------------------------|
|--|------------------------|------------------------|

| | | |
|------|-------|-------|
| SRMR | 0.072 | 0.072 |
| NFI | 0.965 | 0.965 |

Variance Inflation Factor (Collinearity)

An indicator of the degree of multicollinearity in regression analysis is the variance inflation factor (VIF). In a multivariate regression model, multicollinearity occurs when there is a correlation between several independent variables. If VIF is 5 or higher, it indicates a potential issue with collinearity problem (Hair, Ringle & Sarstedt, 2011). Table 11 shows that there are no collinearity issues

Collinearity Diagnostics (VIF)

Table 11: VIF

| VIF | |
|-------|-------|
| CISM1 | 1.692 |
| CISM2 | 2.103 |
| CISM3 | 1.746 |
| CISM4 | 1.716 |
| EE1 | 2.239 |
| EE2 | 2.038 |
| EE3 | 2.378 |
| EE4 | 1.872 |
| EE5 | 1.731 |
| ER1 | 2.542 |
| ER2 | 2.2 |
| ER3 | 2.222 |
| FWH1 | 1.985 |
| FWH2 | 1.99 |
| FWH3 | 1.919 |
| ML1 | 1.557 |
| ML2 | 2.846 |
| ML3 | 2.343 |
| ML4 | 2.541 |
| ML5 | 2.095 |
| PWE1 | 2.124 |
| PWE2 | 1.723 |

| | |
|------|-------|
| PWE3 | 2.472 |
|------|-------|

Reliability

The internal consistency of a set of items, or how closely connected they are to one another as a group, is measured by Cronbach's alpha. It is regarded as a gauge of the stability of the scale. The measure is not necessarily unidimensional if alpha has a "high" value. The value of Cronbach's alpha should be greater than 0.7. Another measure of reliability is to check composite reliability. Similar to Cronbach's alpha, composite reliability (sometimes referred to as construct reliability) is a metric for scale components' internal consistency (Netemeyer, 2003). According to Brunner and Süß (2005), it is equal to the entire amount of actual score variance in proportion to the overall scale score variance. CR should be greater than 0.5. The criteria for average variance extracted are above 0.5 as well. The results in table 12 show that the reliability is therefore established.

Table 12: Reliability

| | Cronbach's alpha | Composite reliability (CR) | Average variance extracted (AVE) |
|-------------|-------------------------|-----------------------------------|---|
| CISM | 0.831 | 0.887 | 0.664 |
| EE | 0.844 | 0.889 | 0.617 |
| ER | 0.87 | 0.92 | 0.793 |
| FWH | 0.838 | 0.902 | 0.755 |
| ML | 0.882 | 0.914 | 0.681 |
| PWE | 0.838 | 0.903 | 0.756 |

1.1. Validity

A novel approach for assessing discriminant validity was introduced by Henseler, Ringle and Sarstedt (2015): the Hetrotrait-Monotrait ratio of correlations (HTMT). The HTMT is a measure of similarity between latent variables. The ratio should be less than 1 to avoid discriminant validity issues. The results in the table show that the data is valid and has lesser differentiation.

A measure of the degree to which two latent variables are same is provided by the HTMT. If the HTMT is demonstrably lower than one, then the discriminant validity of the test can be considered to have been demonstrated. In many real-world scenarios, a threshold of 0.85 reliably differentiates between those pairs of latent variables that are discriminant valid and those that are not valid to use as discriminant and those that are not valid to use.

Table 13: HTMT Ratio

| | CISM | EE | ER | FWH | ML | PWE |
|-------------|-------------|-----------|-----------|------------|-----------|------------|
| CISM | | | | | | |
| EE | 0.897 | | | | | |
| ER | 0.888 | 0.839 | | | | |
| FWH | 0.92 | 0.805 | 0.891 | | | |
| ML | 0.89 | 0.972 | 0.845 | 0.804 | | |
| PWE | 0.901 | 0.903 | 0.83 | 0.8 | 0.969 | |

CHAPTER V

DISCUSSION OF FINDINGS AND THEIR RELEVANCE TO EMPLOYEE ENGAGEMENT

Overview of the Study

The study suggests that employee engagement is an essential part of an organization, where the human resource feels comfortable and delivers its best to the organization. An engaged employee brings in innovation and growth, as he/ she is motivated to work without any bureaucratic pressure. Considering the fact that this study has been conducted in Pakistan, there are a number of reasons where employee engagement lacks. It is where they are not getting a suitable work environment, which leads to high turnovers and tarnished image of the company.

Companies which have a comfortable environment, freedom of speech and a relax atmosphere show high growth patterns and have high recognition in the industry. Therefore, it is important for every organization to take the necessary steps to ensure employee engagement at the workplace.

CHAPTER VI

CONCLUSION

Summary of the study

The Human Resources (HR) department, recognizing the paramount importance of fostering a motivated and engaged workforce, has strategically oriented its efforts toward the enhancement of employee engagement. Acknowledging that the value of employee engagement is dynamic and subject to change over time, this study endeavors to delve into the multifaceted factors that contribute to this pivotal organizational metric. Specifically, the research explores the impact of motivating management, the creation of a tranquil work environment, the constructive utilization of social media, the implementation of effective recognition mechanisms, and the provision of flexible working hours on the overall level of employee engagement.

To provide a comprehensive understanding of the subject, the researcher meticulously incorporated insights from historical research findings into the study. This inclusion of historical perspectives aims to contextualize the evolution of employee engagement practices and highlight key trends and patterns that may have influenced its trajectory over time.

Each variable under consideration in this research—motivating management, a peaceful work environment, constructive social media usage, effective recognition strategies, and flexibility in working hours—has been thoroughly examined through an exhaustive review of relevant literature. By drawing upon the existing body of knowledge, the researcher aims to establish a robust theoretical foundation and identify gaps or areas requiring further exploration within the current discourse on employee engagement.

In the pursuit of empirical evidence, a hypothesis was meticulously formulated to scrutinize the intricate relationships between the dependent variable (employee engagement) and the independent variables (motivating management, work environment, social media usage, recognition, and flexible working hours). To gather data for hypothesis testing, a meticulously crafted questionnaire was designed and disseminated through Google Forms, obtaining responses from a diverse sample of 330 participants primarily affiliated with a specific organizational context.

The respondents, representative of a cross-section of the workforce within the chosen organization, provided invaluable insights into their perceptions and experiences related to the variables under investigation. The subsequent phase of analysis involved the utilization of the Statistical Package for the Social Sciences (SPSS) to rigorously process and interpret the collected data.

Based on the empirical findings, it unequivocally emerges that employee engagement is significantly influenced by the interplay of motivating management practices, the establishment of a serene work environment, judicious use of social media for constructive engagement, effective recognition strategies, and the provision of flexibility in working hours. These results not only contribute to the existing body of knowledge on employee engagement but also offer actionable insights for organizational leaders and HR professionals seeking to optimize their workforce's engagement levels.

Limitations

There are a some limitations that could be addressed with future research:

- First, this study used a cross-sectional survey and SEM analysis to test a priori theoretical model; yet, it is difficult to establish true causality between the focal variables without an experimental or longitudinal design.
- Secondly, the future studies can use in-depth interviews and focus groups to gather data for more rich and comprehensive understanding of the factors affecting employee engagement.

APPENDIX 1: INSTRUMENT

Dear Respondent,

Please spare a few minutes to answer the following survey questionnaire. It is formulated for my ongoing MBA Thesis Project at Lahore School of Economics. All responses will remain anonymous and confidentiality will be maintained.

Your honorable response will be highly valuable towards my research. Thank you!

Sincerely,

Muhammad Ahsan

1. Gender
Male/ Female
2. Age
(20-24)
(25-29)
(30-34)
(35 or above)
3. Occupation:
Entrepreneur
Businessman
Employee
Intern
4. Qualification:
O Levels/Matric
Intermediate
Undergraduate
Graduate
Post Graduate
5. Monthly household Income:
Less than Rs.100,000
Rs.100,000 - Rs.200,000
Rs.200,000 - Rs.300,000
Rs.300,000 - Rs.400,000
Rs.400,000 - Rs.500,000
Greater than Rs.500,000
6. Have you ever worked in an organization? (as a permanent employee/owner/ intern)
Yes/ No

7. For how many years have you worked in corporate sector?

Less than one year

(1-2years)

(2-3years)

(3 years or above)

*For the following statements, consider this **Likert Scale** value(s) indicator;

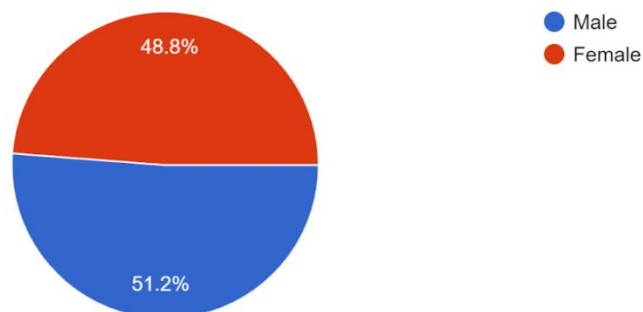
1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree

1. Do you think employee engagement is important for an organization?
1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree
2. Does your company take necessary steps flourish employee engagement?
1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree
3. Do you think employee engagement enhances productivity of an organization?
1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree
4. Does employee engagement bring innovation in an organization?
1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree
5. Do you think companies focus on employee engagement?
1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree
6. Does your company management motivate you at the workplace
1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree
7. Do you think motivating leadership is necessary in an organization?
1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree
8. Does a motivating leadership bring innovation in an organization?
1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree
9. Does motivating leadership in an organization influence employee engagement?
1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree
10. There is an influence of employee motivation on employee engagement.
1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree
11. In your opinion, is a peaceful environment important for an organization?
1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree
12. Does your company have a peaceful work environment?
1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree
13. In your opinion, does a peaceful work environment of an organization enhance employee engagement?
1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree
14. In your opinion does constructive training has a positive impact on employee engagement?
1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree
15. Do companies focus on incorporating internal social media for communication nowadays?
1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree

16. Does your company use internal social media (LinkedIn, Messenger, Facebook, etc.) to communicate with you?
 1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree
17. Internal social media of organization play a vital role in employee engagement
 1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree
18. In your opinion, is there an effect of flexible working hours on employee motivation?
 1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree
19. In your opinion is there an effect of flexible working hours on employee engagement?
 1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree
20. In your opinion, is there an influence of work environment on employee engagement through employee motivation?
 1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree
21. In your opinion, is there a positive relationship between Human Resource Management (HRM) practices and employee engagement in an organization?
 1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree
22. In your opinion, does performance appraisal have a positive impact on employee engagement?
 1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree
23. In your opinion, do reward and recognition have a positive impact on employee engagement?
 1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree

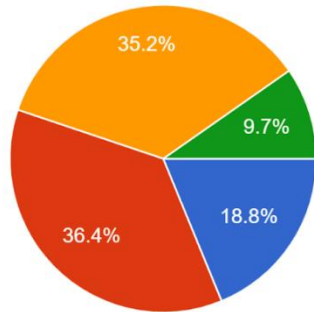
APPENDIX 2: RESULTS OF QUESTIONNAIRE

Gender
 330 responses



Age

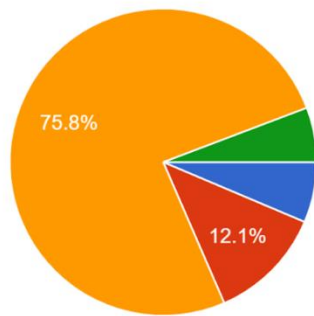
330 responses



- (20 – 24)
- (25 – 29)
- (30 – 34)
- (35 or above)

Occupation:

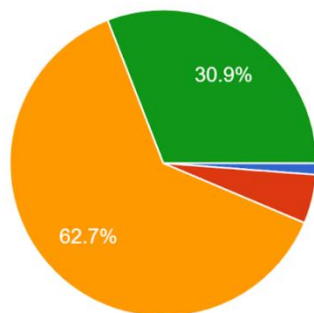
330 responses



- Entrepreneur
- Businessman
- Employee
- Intern

Qualification:

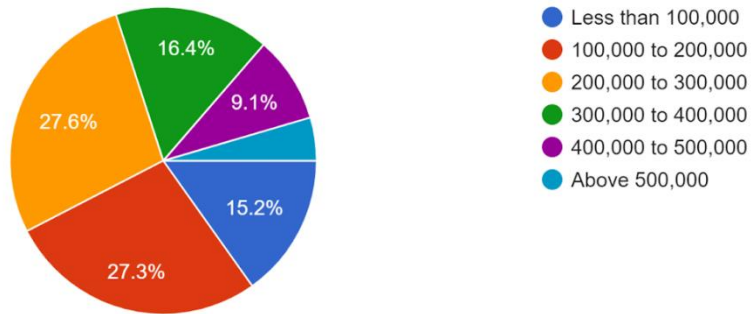
330 responses



- O Levels/ Matric
- Intermediate
- Graduate
- Post Graduate

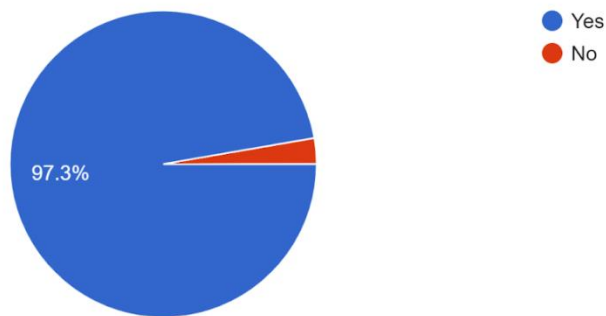
Monthly household Income:

330 responses



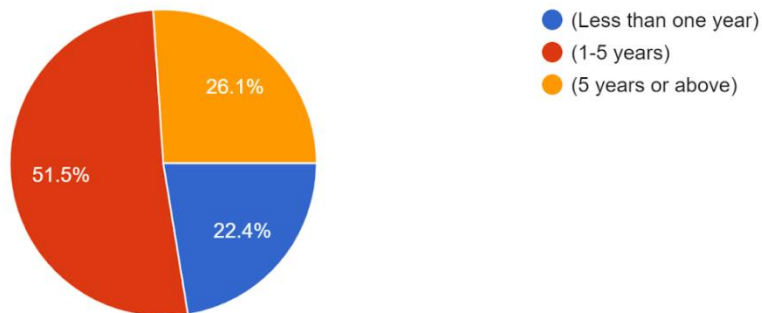
Have you ever worked in an organization? (as a permanent employee/owner/ intern)

330 responses



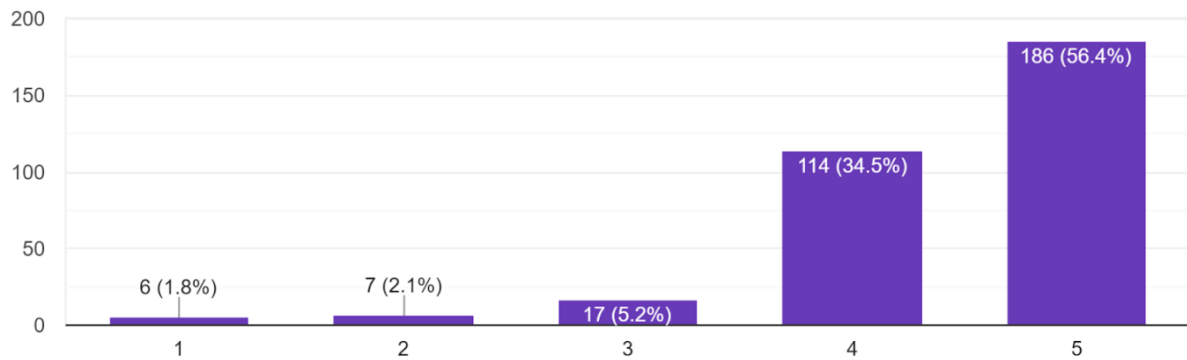
For how many years have you worked in corporate sector?

330 responses



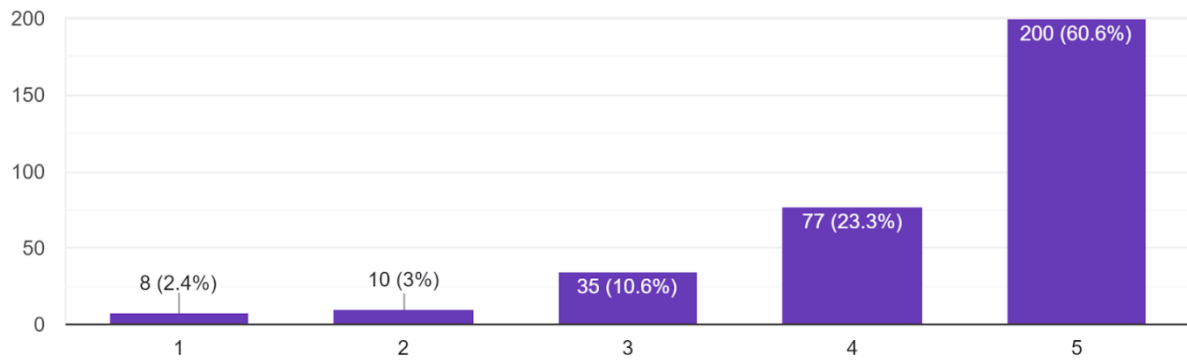
Do you think employee engagement is important for an organization?

330 responses



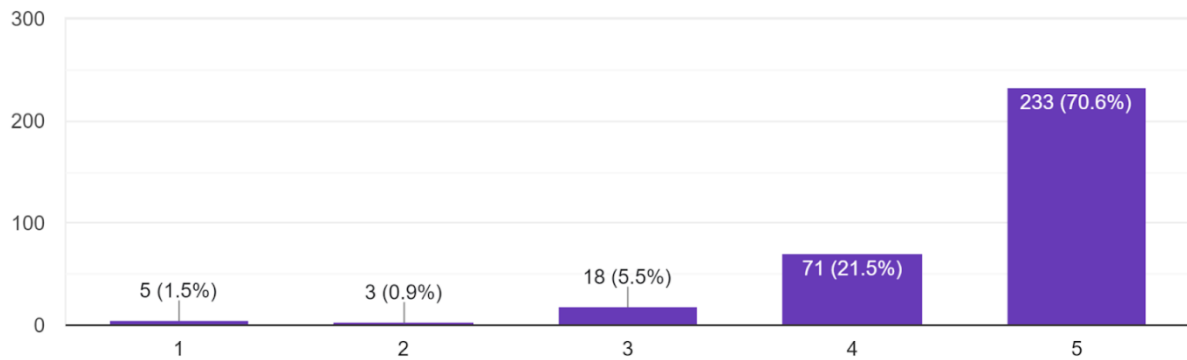
Does your company take necessary steps to flourish employee engagement?

330 responses



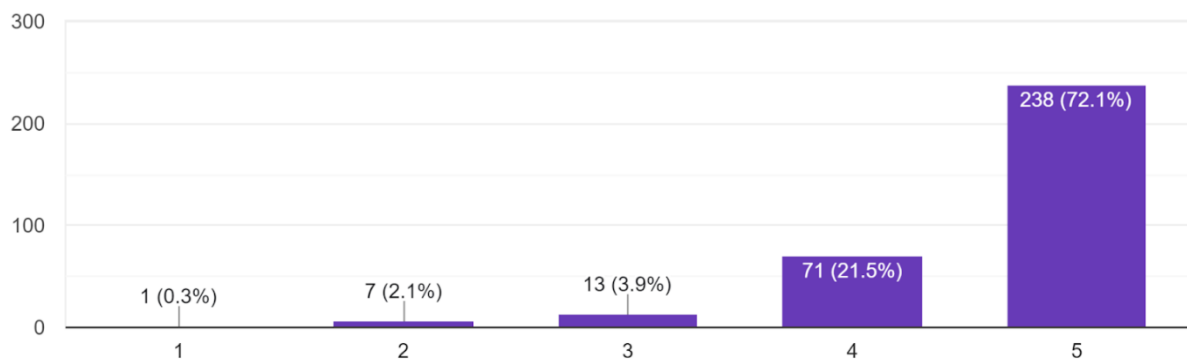
Do you think employee engagement enhances productivity of an organization?

330 responses



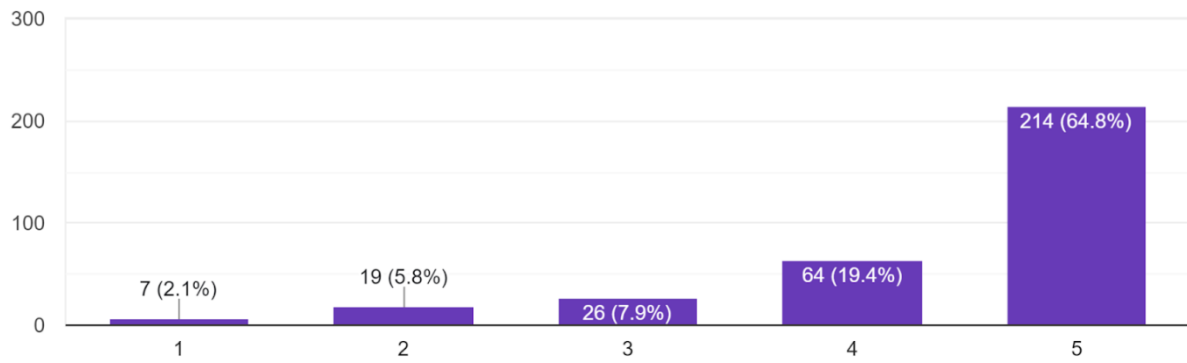
Does employee engagement bring innovation in an organization?

330 responses



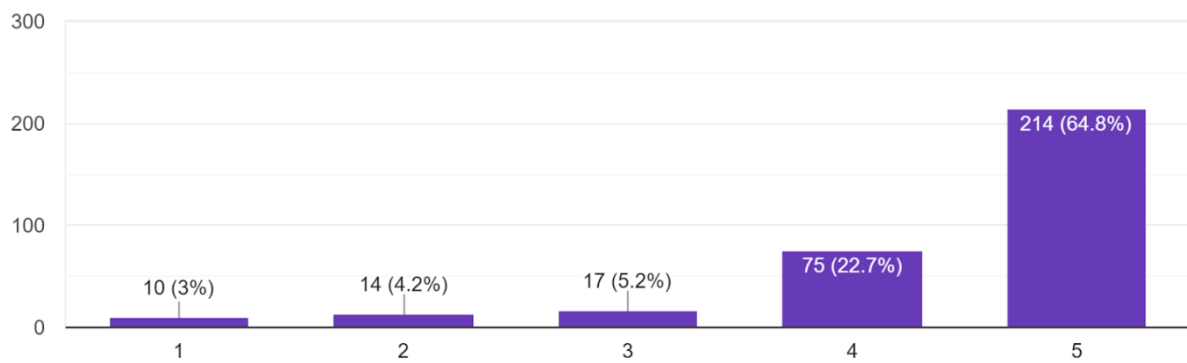
Do you think companies focus on employee engagement?

330 responses



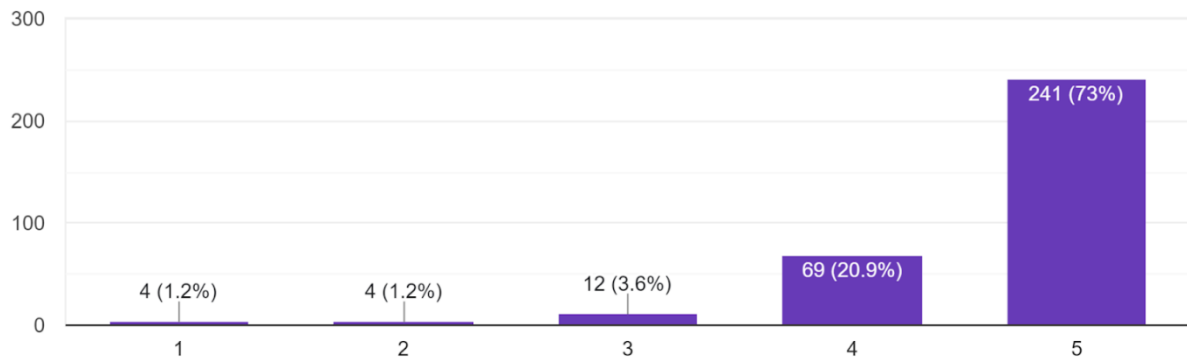
Does your company management motivate you at the workplace?

330 responses



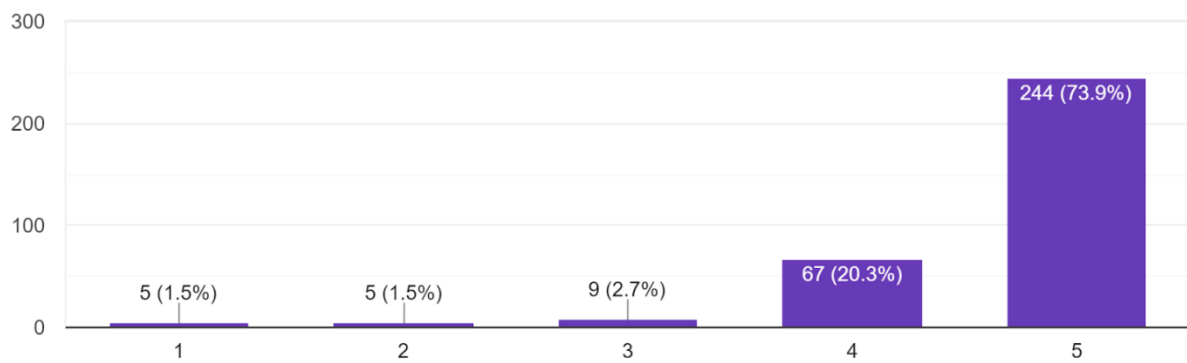
Do you think motivating leadership is necessary in an organization?

330 responses



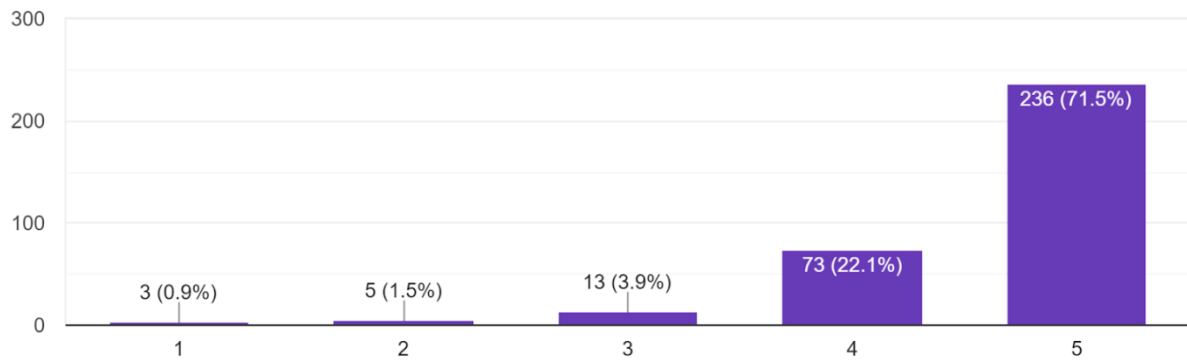
Does a motivating leadership bring innovation in an organization?

330 responses



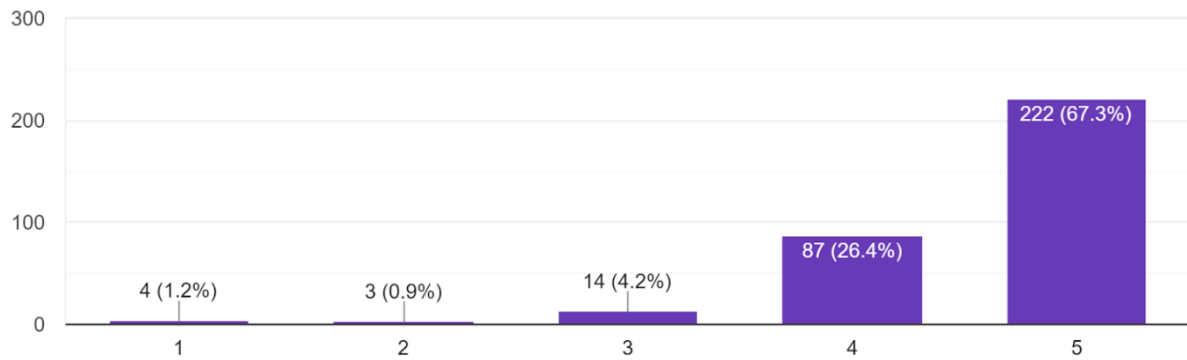
Does motivating leadership in an organization influence employee engagement?

330 responses



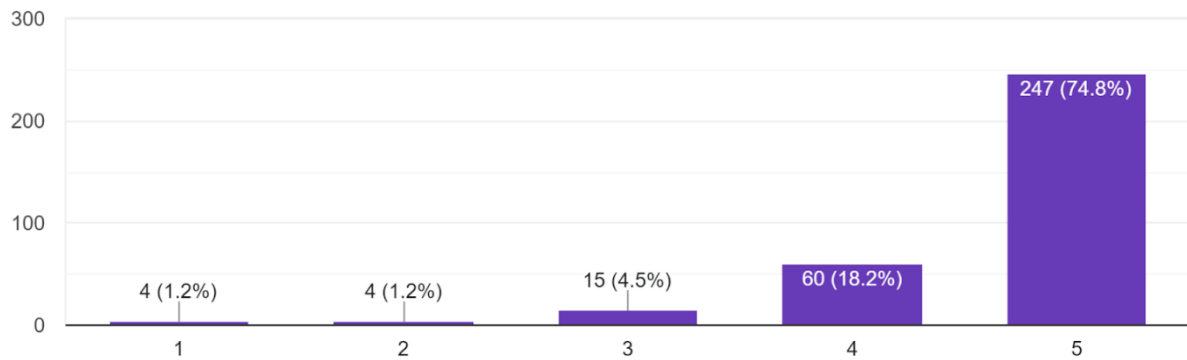
There is an influence of employee motivation on employee engagement.

330 responses



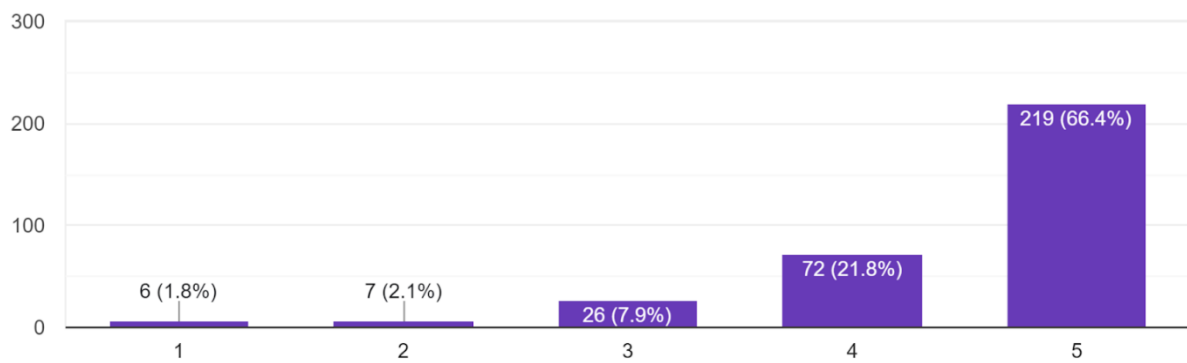
In your opinion, is a peaceful environment important for an organization?

330 responses



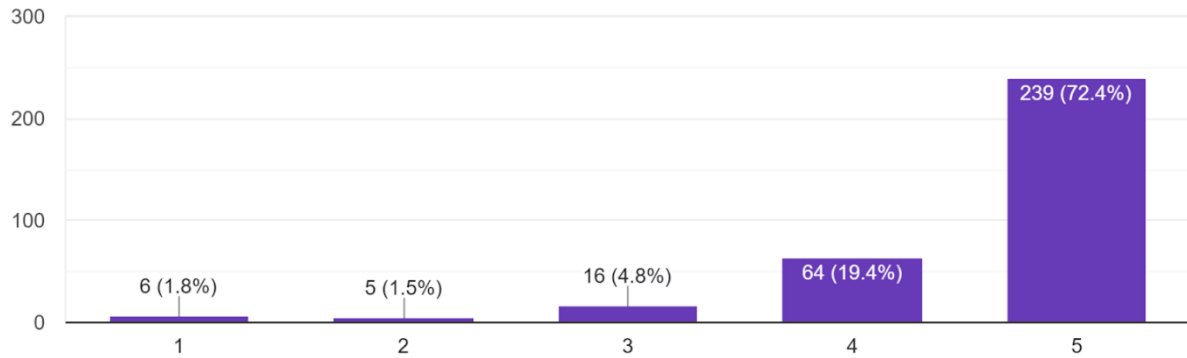
Does your company has a peaceful work environment?

330 responses



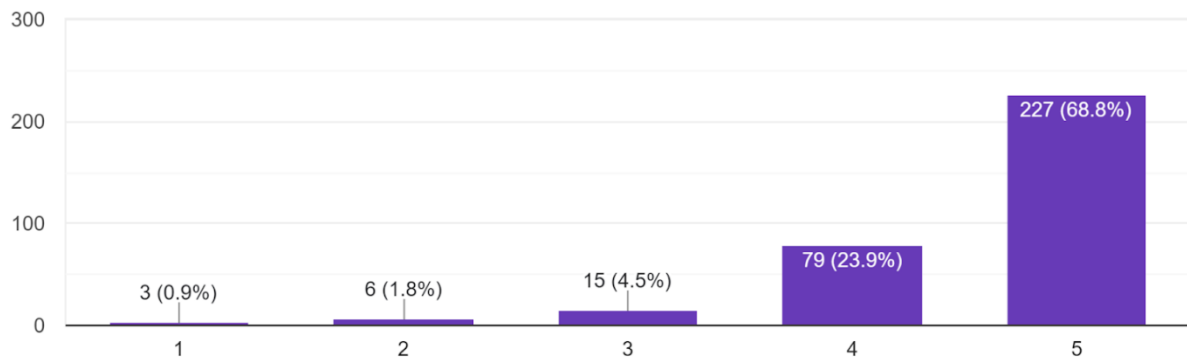
In your opinion, does a peaceful work environment of an organization enhance employee engagement?

330 responses



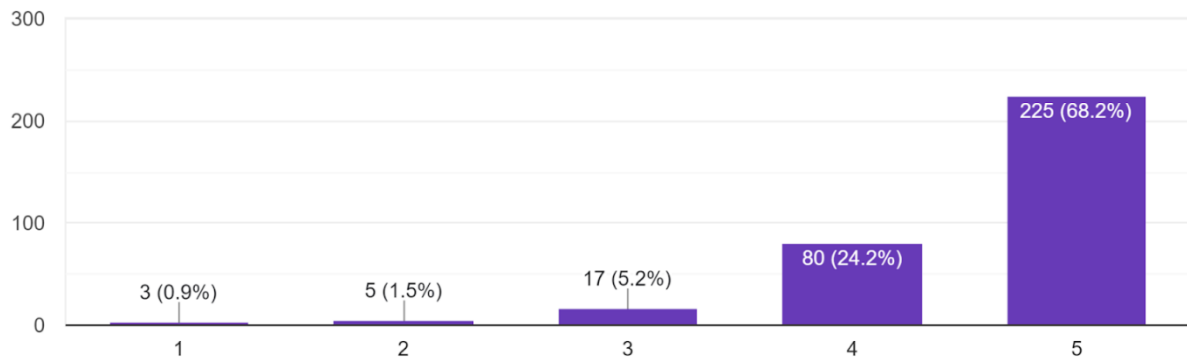
In your opinion does constructive training has a positive impact on employee engagement?

330 responses



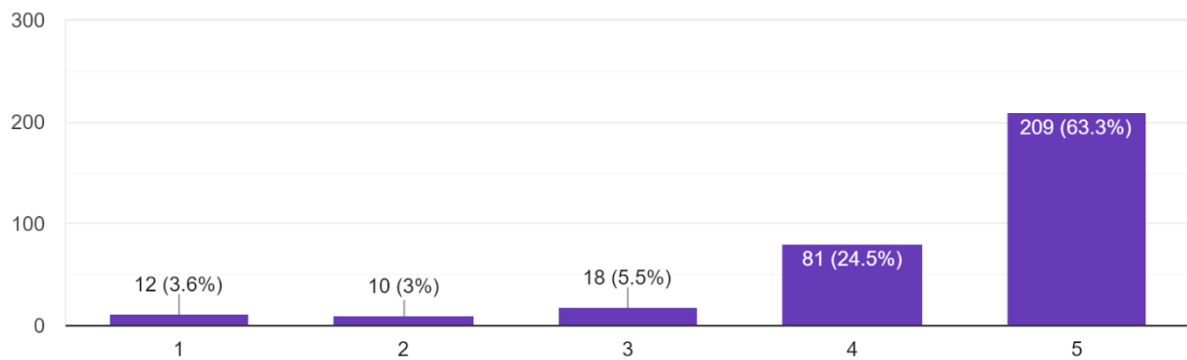
Do companies focus on incorporating internal social media for communication nowadays?

330 responses



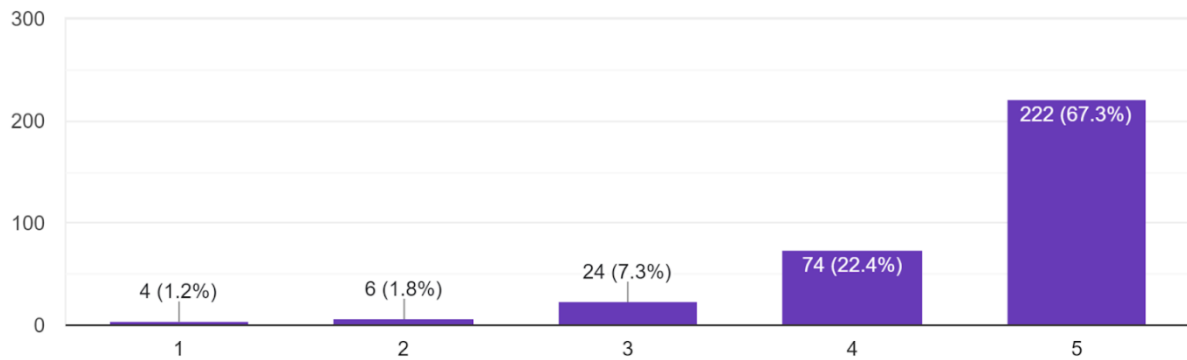
Does your company use internal social media (LinkedIn, Messenger, Facebook, etc.) to communicate with you?

330 responses



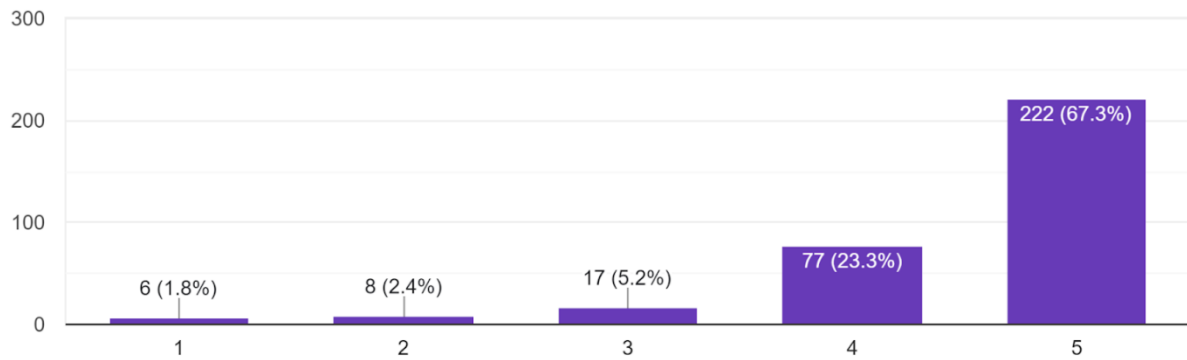
Internal social media of organization play a vital role in employee engagement

330 responses



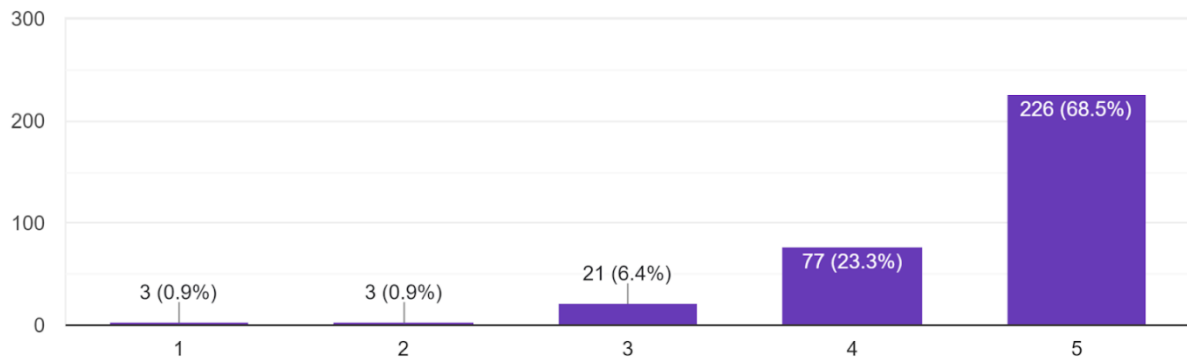
In your opinion, is there an effect of flexible working hours on employee motivation

330 responses



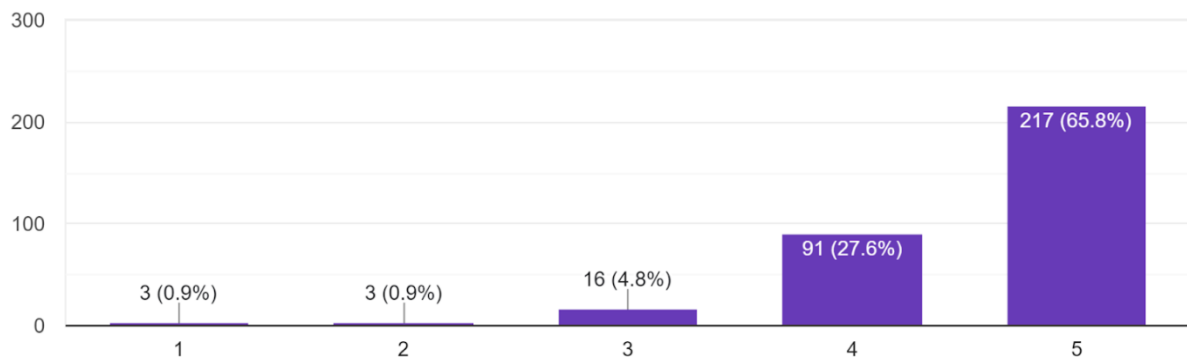
In your opinion is there an effect of flexible working hours on employee engagement?

330 responses



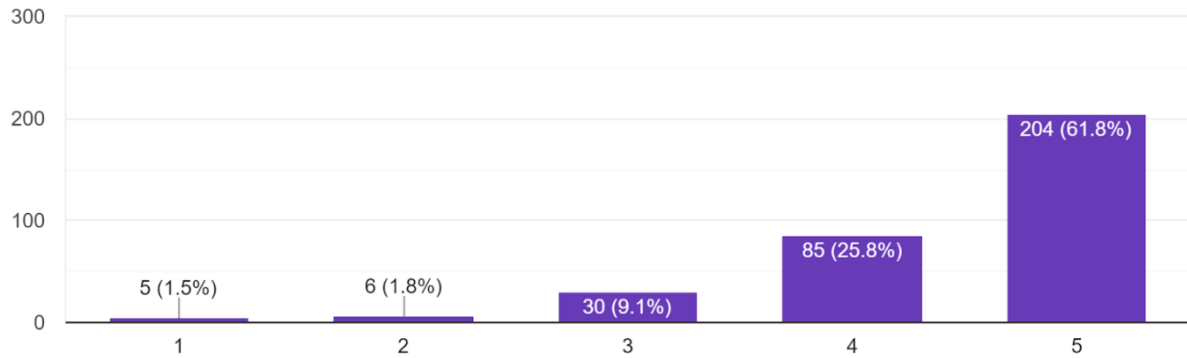
In your opinion, is there an influence of work environment on employee engagement through employee motivation

330 responses



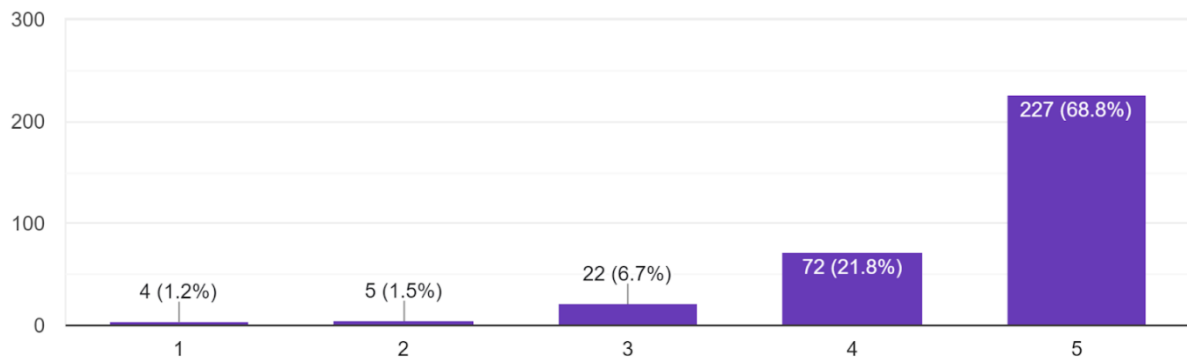
In your opinion, is there a positive relationship between Human Resource Management (HRM) practices and employee engagement in an organization?

330 responses



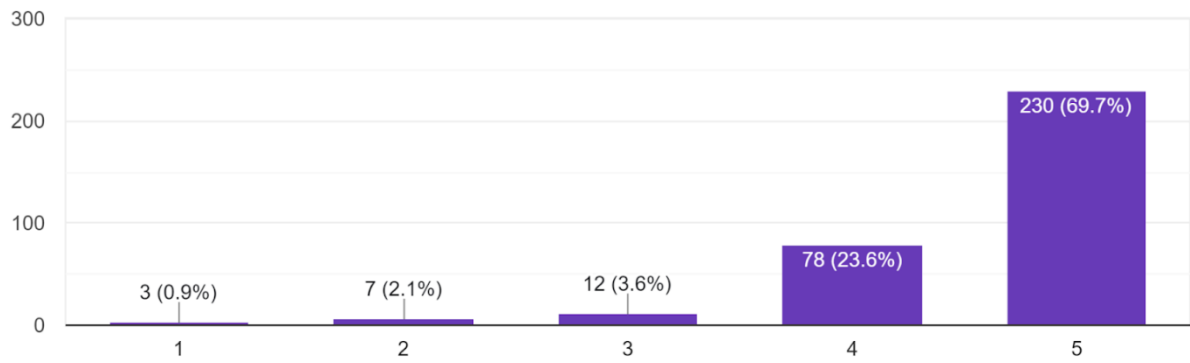
In your opinion, does performance appraisal have a positive impact on employee engagement?

330 responses



In your opinion, do reward and recognition have a positive impact on employee engagement?

330 responses



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