

CHAPTER II

LITERATURE REVIEW

This chapter will discuss the definition of each variable in this study. Before that, writer would like to briefly explain the correlation of personality with behavior and work engagement. According Fincham and Rhodes (2005) personality is a relatively unchanging trait that make a person unique and produces consistence thoughts and behavioral actions. There are three factors that can affect employee engagement, namely organizational factors, work factors and individual factors. And one of the individual factors that have an effect on employee engagement is personality (Li 2019).

2.1. Employee Engagement Definitions

There are many different definitions of employee engagement among scholars and organizations. Khan (1990) was the first scholar that proposed the concept of employee engagement. Since Khan proposed this concept, many scholars have proposed different definitions which show different understanding about the employee engagement.

William Kahn (1990) defines engagement in term of a psychological state as “the harnessing of organization members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively and emotionally during role performances”. Some scholars have defined employee engagement as emotional

and intellectual commitment to the organization (Baumruk 2004; Richman 2006; Shaw 2005) or simply passion for work which encompassed the three dimensions of engagement discussed by Kahn (Truss et al., 2006). Other definition that commonly used defined employee engagement as a positive, fulfilling, work-related stated state of mind that is characterized by vigor, dedication and absorption (Schaufeli et al., 2002).

2.1.2 Employee Engagement Definitions from Different Scholars

Harter, Schmidt and Hayes (2002) defined employee engagement as employee involvement, satisfaction and enthusiasm for work. The International Survey Research (“ISR,” n.d.) definition described employee engagement as, “a process by which an organization increases commitment and continuation of its employees to the achievement of superior results.” The ISR separates commitment into three parts; cognitive commitment, affective commitment, and behavioral commitment or think, feel and act. Sharma Baldey R and Raine Anupama (2011) defined employee engagement as how far the workforce is committed to the vision, mission and goal of the organization.

2.1.3 Group the Definition of Employee Engagement into Three Categories

1. Employee Engagement as a Combination of several Components

Wellins and Concelman (2005) stated that engagement is a mixture of commitment, loyalty, productivity, and ownership. Saks (2006) defined employee engagement as a “different and unique concept” which is composed of knowledge,

emotion and behavior. Macey and Schneider (2008) suggested to regard employee engagement as a wide-ranging term which contains different types of engagement (traits engagement, psychological state engagement, behavioral engagement), and each one needs different conceptualizations, such as proactive personality (traits engagement), involvement (psychological state engagement) and organizational citizenship behavior (behavioral engagement). Bakker (2011) summed the engagement as a positive, highly awakened emotional state with two features: energy, and involvement. Soane et al. (2012) developed a model of employee engagement that has three requirements: a work-role focus, activation and positive affect. Xu et al. (2013) divided employee engagement into four dimensions: organizational identity, work attitude, mental state, responsibility effectiveness. Xiao and Duan (2014) stated that employee engagement was a conceptualization including five dimensions: initiative, loyalty, effectiveness, identity and commitment. Liu (2016) stated that employee engagement of knowledge worker was composed of five dimensions: organizational identity, dedication, absorption, vigor, pleasant harmony.

2. Employee Engagement as a Willingness to be Dedicated

Hewitt Organization (2001) described employee engagement as the employees willingness to stay and work hard for the company, reflected in 3 aspect:

1) “Say”: employees use a positive language to describe their company, colleagues, and their jobs.

2) “Stay”: employees strongly hope to be a member of the company, want to stay in the company for a long time, instead of using existing jobs as a temporary transition.

3) “Strive”: employees are willing to devote extra effort to work for the success of the company.

Xie (2006) pointed out that employee engagement as the employee dedication to a profession, including hard work, loyal to the boss, dedicated to the company, and self-confidence.

3. Employee Engagement as a Positive State of Mind

Schaufeli et al. (2002) defined engagement as a positive, fulfilling, work-related state of mind, which is characterized by full of energy, dedication and persistent.

Zeng and Han (2005) referred to employee engagement as having a long-lasting, positive emotional and motivational state of awakening their work, ready to devote themselves to work at any time, and are accompanied by pleasant, proud, and encouraging experiences during work.

2.2 Outcomes of Engaged Employees

Research based on a survey of 342 employees in 114 hotels, concluded that employee engagement will have a positive effect on employee performance (Salanova et al., 2005). Bakker and Demerouti (2008) stated that employee engagement has a positive impact on employees' out-of-role performance. Research by Saks (2006) on 102 employees from different organizations indicated that employee engagement has a positive influence on organizational citizenship behavior. Salanova et al. (2005) through the study of the quality of restaurant services and hotels, found that the level of employee engagement can influence the organization service climate, therefore effect the performance of employees and customer loyalty.

Xanthopoulou et al. (2019) stated that employee engagement can have a positive impact on financial performance of an organization. Research by Wyatt consulting showed that employee engagement also have a close relationship with shareholder returns. The average return to shareholders by employees with lower engagement, medium engagement, high engagement within 3 years are 76%, 90% and 112%, respectively (Zhao & Sun, 2010).

After years of studied, Harter et al. (2002) proved that employee engagement is a soft index that influence organizational performance. Employee engagement is linked to five major indicators of organizational performance, which are: productivity, profitability, customer loyalty, employee retention and security.

2.3 Three Levels of Engagement

Meere (2005) described three levels of engagement:

1. Engaged - employees who work with passion and feel a profound connection to their organization. They drive innovation and move the organization forward.
2. Not engaged – employees who attend and participate at work but are timeserving and put no passion or energy into their work.
3. Disengaged – employees who are unhappy at work and who act out their unhappiness at work. According to Meere (2005), disengaged employees undermine the work of their engaged colleagues on a daily basis.

2.3.1 Engaged Employees

The Gallup Organization, one of the most widely known name associated with employee engagement defines engaged employees as those who “drive innovation and move the organization forward” and “work with a passion and feel a profound connection to their company” (GMJ, 2006).

Engaged employees see them themselves capable to deal with the demand of their job and have a sense of energetic and effective connection with their work activities (Schaufeli & Bakker, 2004).

Simone Meskelis and J. Lee Whittington (2020) described engaged employees as individuals who are passionate, enthusiastic and dedicated to their work. Engaged employees have better in-role and extra-role performance (Alfes and Shantz, 2011; Ariani, 2013), lower levels of absenteeism and less intention to leave the job (Shuck et al., 2011; Alfes and Shantz, 2011; Chughtai, 2013), higher effectiveness (Chaurasia and Shukla, 2013), more innovative behaviors (Chughtai, 2013). In a study of Dutch employees, it has been verified that engaged employees have more overtime than disengaged employees (Sonnentage, 2003).

2.3.2 Disengaged Employees

Gallup (2013) defined disengaged employees as employees that feeling unhappy and not being actively involved in their work. The low level of employee engagement can lead to counterproductive work behavior (Ariani, 2013), absenteeism (Soane et al., 2013) and turnover intention (Shusha, 2013).

In addition to the impact of employee attitudes and behaviors, the level of employee engagement is also associated with organizational-level outcomes including product quality, customer satisfaction and profitability (Harter et al., 2013).

2.4 Big Five Personality

In the last 30 years there have been an increase in personality research (Funder, 2001). Through factor analysis, researchers found five general personality traits that

are at the top of the trait hierarchy, then they developed a big five personality theory which has strong valid empirical support (McCrae and Costa, 1996). Big five personality theory became an important theory that has been frequently used in research related to employee work behavior (Mondak, 2010; McCrae & Costa, 2003), this theory has encouraged a lot of personality research for different application in industry, work and organization psychology.

Many scholars argue that big five personality best captures personality. Digman (1990), McCrae and John (1992), Gholipour et al. (2011), and Rammsted and Kemper (2011) claimed that big five personality best describes the structure of personality traits validated by personality theory and has psychological implications, this theory is also universally valid (McCrae and Costa, 1997). Moreover, according Rentflow and Swan (2003) the big five personality are highly consistent and stable personality model that is able to predict individual behavior (Mat 2008; Moss & Ngu 2006). Researchers also discovered that big five personality model have a genetic basis (Digman, 1989) and likely are inherited (Jang et al., 1996).

Fincham and Rhodes (2005) stated that the foundation of the big five personality theory is the idea that personality can be compressed into five critical factors and those five critical factors are Conscientiousness, Agreeableness, Neuroticism, Openness to experience and Extraversion (Costa & McCrae, 1992). It gives a very important basis for determining the connection between personality and job behaviours (Komarraju et al., 2011).

2.4.1 Openness to Experience

Openness to experience is described as philosophical, intellectual, imaginative, and autonomous (Judge et al., 1999). People who are open to experience have a higher preference for intellectual stimulation, demonstrate cleverness and they are curious (Woo et al., 2014). In many cases, openness to experience can be seen as a positive quality of an employee (Desimoni and Leone, 2014), research shows that employees who are high on openness to experience tend to be more engaging due to their adaptability to the working context (LePine, Colquitt, & Erez, 2000), these employees give more efforts for learning in the changing task context. However, employees that have a high level of openness to experience sometimes can be a ‘double-edge sword’, because those employees tend to switch jobs more easily and unhappy in conventional occupations (Judge et al., 2002).

2.4.2 Conscientiousness

According to Zhao and Seibert in 2016, conscientiousness individuals are hard working person with high motivation to achieve their established goals. Others scholars stated that conscientious individuals are responsible, motivated, achievement seeking, self-disciplined and deliberative (McCrae & Costa, 1997; McCrae & John, 1992). Therefore, because conscientious employees sense of responsibility and accomplishment, they are more willing to devote their energy to work (Barrick, Piotrowski and Stewart, 2002). Researchers also found conscientious employees

incline to work for a longer time (Akhtar et al., 2015; Kim et al., 2009), and have better focus by avoiding distraction (Beal et al., 2005). Furnham and Cheng (2015) found that females tend to have higher score in conscientiousness than males do. Not only that, conscientiousness also has been found as the most consistent personality predictor of success at work across all types of occupations and employment (Judge et al., 1999; Barrick et al., 2001).

2.4.3 Extraversion

Individuals with high extraversion are described to be active, energetic, dominant, enthusiastic and assertive, they also have high levels of activity and positive emotion (Costa & McCrae, 1992), Lischetzke and Eid in 2006 argue maybe it is because their strong capacity to regulate a positive affect balance.

Extraverts tend to put more energy into the social roles in the workplace, such as attending to social information, communicating with others, and engaging in behavior that draws attention or social rewards (Paunonen, Ashton, & Lee, 2002). Extravert also tend to be focus on the positive aspect of their experience, so they incline to be optimistic and can re-evaluate problems positively (Costa and McCrea, 1992). Connolly and Viswesvaran in 2000 found that because of the impact of positive thoughts, extroverts have higher job satisfaction than introverts and their also perform better. Judge (1999) stated extravert tend to be outgoing and gregarious, but also are ambitious, dominant, adventurous and assertive.

2.4.4 Agreeableness

Agreeableness means cooperation, caring, likeableness, cheerful and gentle (Judge et al., 1999). Organ and Lingl (1995) argue that agreeableness involves pleasant and satisfying relationships with others. People who are high in this trait incline to show positive experiences in social situations (Hayesa and Joseph, 2002). They also more likely to have higher life satisfaction and experience happiness because their love to have close interrelationship (Costa and McCrae, 1991). Judge (1999) claimed that agreeableness trait is a good predictor of employee performance of the jobs that need teamwork, these also supported by Wright and Neuman in 1999.

Employees who are high on agreeableness are kind, obedient (Digman, 1990; Costa & McCrae, 1992). They tend to devote significant attention to others (Wu et al., 2014), And, these employees have an hyperbolic sense of duty to social relationships and may have to give to much energy for fulfilling others requests (Schippers & Hogenes, 2011; ; Judge & LePine, 2007; Joseph, 2000).

2.4.5 Neuroticism

Neuroticism described as a lack of emotional stability and positive psychological adjustment (Judge et al., 1999). Joseph & Newman (2010) defined neuroticism as an inability to manage negative emotions, including depression, vulnerability, hostility, impulsivity and anxiety (Costa and McCrea, 1992), it is because

people with high level of neuroticism tend to put themselves into situations that foster negative impact (Emmons et al., 1985). These people might experience too little or too much external stimulation (Gardner and Cummings, 1998). They also highly reactive to daily stressors (Marco & Suls, 1993; Suls et al., 1998). Researchers found neuroticism incline to have a stronger link in women than in men (Dongers et al., 2015).

2.5 Research Hypothesis

Engagement levels have been linked to individual personality. Over the years, several personality traits have been researched to figure out which types of people are more likely to have a higher engagement level at workplace. Several researched show that individual differences, such as personality have influence on engagement (Khan 1990; Wildermuth 2008). Big five personality have been dominated in the studied of the role of personality in the workplace (Zapata and Judge, 2015). Big five personality model perhaps is a good tool to determine engagement. (McCrae & Costa 1997).

Few researches have concentrated on the impact of big five personality on the employee engagement. Based on the researched done by Kim et al. (2009) on big five personality traits, they discovered that conscientiousness was most significantly related to engagement, while extraversion was not. However, research in 2013 by Makikangas et al. found that extraversion and conscientious personality were both correlated with high levels of engagement, these result supported by the research done by Gulati and Handa (2014) among frontline employee in retail industry in India. Another research

by Inceoglu and Warr (2011) discovered that high levels of extraversion and low levels of neuroticism predicted employee engagement.

2.5.1 Openness to Experience

Warr and Inceoglu (2011) found a facet of openness which is creative thinking styles to be a significant predictor of engagement. Another reasearch by Akhtar et al. (2015) showed that openness to experience, conscientiousness and extraversion were all predictors of engagement.

Therefore, based on the theoretical framework and the research questions, following hypothesis is formulated:

Hypothesis 1. Openness to experience is positively related to employee engagement.

2.5.2 Conscientiousness

Ashton (2013) stated that individuals with high levels of conscientiousness tend to be more stable, responsible and organized, these individuals are actively engage in task-related project and more likely to put their energy into work. Kim et al. (2009) in a research of quick-service restaurant employees found that conscientiousness is the most dominant trait influencing engagement. Further research by Handa and Gulita (2014) in India frontline retail employees also supported these finding.

Consistently, in a survey of 1794 South African police officers by Mostert and Rothmann (2006), they found conscientiousness to be a predictor of engagement. Another research by Rich (2016) found that conscientiousness predicted employee engagement among firefighters.

Halbesleben, Bolino and Harvey (2009) through their exploratory investigations of conscientiousness and engagement claim that conscientious employees show high levels of work engagement because they experience lower levels of work interference with their family.

Therefore, based on the theoretical framework and the research questions, following hypothesis is formulated:

Hypothesis 2. Conscientiousness is positively related to employee engagement.

2.5.3 Extraversion

Extraversion individuals has been described as proactively in influencing other people and strongly desiring social interaction (DeYoung, Peterson & Quilty 2007). Through Handa and Gulati (2014) field study of retail employees, they found a positive relationship between extraversion and engagement. Another researches (Akhtars et al. 2014; Zaidi et al. 2013; Inceoglu 2012) also found a significant link between extraversion and employee engagement.

Therefore, based on the theoretical framework and the research questions, following hypothesis is formulated:

Hypothesis 3. Extraversion is positively related to employee engagement.

2.5.4 Agreeableness

Wildermuth (2008) stated agreeableness is a trait that related to harmony-seeking and service orientation. Reichard, Wefard and Serrano (2011) found that agreeableness predicted engagement. Research among public sector university teachers in Lahore also shows agreeableness had a significant and positive relationship with employee engagement (Zaidi et al. 2013).

Therefore, based on the theoretical framework and the research questions, following hypothesis is formulated:

Hypothesis 4. Agreeableness is positively related to employee engagement.

2.5.5 Neuroticism

Individuals with high levels of neuroticism are associated with high levels of hostility and nervousness. Sulea et al. (2015) have found that neurotic people tend to be stressful as they are more easy to perceive their environment as threatening. It has

also been found that neuroticism had a significant negative relationship with employee engagement Kim et al. (2009).

Therefore, based on the theoretical framework and the research questions, following hypothesis is formulated:

Hypothesis 5. Neuroticism is negatively related to employee engagement.

