"IS EMPLOYEE ENGAGEMENT THE SAME AS EMPLOYEE SATISFACTION? - A COMPLETE THEORETICAL PERSPECTIVE"

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Abstract

Employees are an integral component of successful functioning of an organization. They help drive a competitive edge, a growing competitive business environment. The human resources management help achieve an organization’s objectives by maximizing employee engagement and employee satisfaction. Although the concepts are popular in businesses, confusion still persists about their meaning and scope, affecting their applicability in the industry. This study aims to perform a critical evaluation of engagement and employee satisfaction to examine their similarities, differences, and relationship with each other through a theoretical review. The analysis revealed that while maximizing employee satisfaction rests on the organization, employee engagement is greatly dependent on the willingness of an employee to work by going extra mile in organization for productivity, competitiveness, and enhancing organizational performance. Employee satisfaction is thus a predecessor of employee engagement.

Keywords: Employee engagement, Employee satisfaction, Productivity, Organization performance.

I. INTRODUCTION

Employees form the backbone of a company and are integral to the fulfillment of its objectives and successful functioning. For decades organizations have been battling the problems of unproductive employees as well as loss of critical talent resulting in stunted growth. The advent of global competition has shifted the focus of Human Resources (HR) professionals in organizations towards increasing employee retention by motivating employees through enhanced engagement and satisfaction rates (Jose and Mampilly, 2012).

Employee engagement is regarded as the workplace practice of creating a conducive and harmonious environment in order to strive employees to their optimum capacity by boosting productivity and their overall well-being (Kaliannan and Adjovu, 2015). Engaged employees feel valued and are known to give their best at work with commitment towards fulfilment of organization’s goals and objectives and requisite motivation for ensuring organizational success. By contributing towards improved efficiency and productivity, job satisfaction, greater customer satisfaction, and reduced employee turnover, employee engagement strategy has proved to be a valuable strategy for the growth and management of human resources (Pansari and Kumar, 2015).

On the other hand, employee satisfaction, the second popular driver of sustainable businesses, refers to the extent of contentment, happiness or satisfaction shown by employees with respect to their jobs, irrespective of the fact, whether they like their nature of work or job profile within the organization (Almatrooshi, Singh and Farouk, 2016). Satisfied employees tend to work to their maximum potential leading to better workplace productivity and future organizational while dissatisfied employees exhibit less engagement and enthusiasm about their jobs leading to lower workplace productivity and higher employee turnover. Therefore employee satisfaction is regarded as the key ingredient for successful operation of business activities (Hurduzeu, 2015).

Employee engagement and employee satisfaction are vital concept for success of organization but are often used interchangeably considering their contribution in motivating employees. It has been often questioned if there is any difference in the meaning of the two measures. The consensus was divided between the concepts being
similar (Soon and Manikayasagam, 2015; Reynolds, 2016) and being related in some form (Reynolds, 2016; Vallikat, 2021). The diverse theoretical perspectives on employee engagement and employee satisfaction creates more confusion in the field of human resources management and its contribution in workforce productivity. Consequently, there is need of simplifying this uncertainty and enhancing the knowledge on both concepts in order to work towards human resource well-being and sustainable organization performance. Therefore, this study presents different perspectives on employee engagement and employee satisfaction and performs a critical evaluation of the theoretical knowledge towards addressing the disagreement in the scope and meaning of two terms.

II. DISCUSSION

In recent years, the relationship between the organization and employee in workplaces changed due to many dynamic factors such as market competition, technological advancement, and the quest for more work-life balance. As a result, there has been dramatic growth in the interest in the concepts of employee engagement and employee satisfaction, which are integral in organisation functioning in the long run. Both the concepts have different meanings and help regulate the workforce. The discussion below provides a synthesis of the literature on the two concepts, followed by a critical examination of the theoretical perspectives on their similarities.

a. Employee Engagement

The changing needs and expectations of employees is leading to increased employee turnover in recent years (Iqbal, 2010; Aguenza and Som, 2012; Mamun and Hasan, 2017). Employee turnover is detrimental to a firm as it raises costs and leads to large scale changes in organisational functioning. Enhancing employee engagement is seen as a critical contributor in reducing their turnover rate. It enables them to express themselves cognitively, emotionally, and physically during performing different roles in organization. Being a combination of physical, cognitive, and emotional energies, employees with perceived engagement could direct his energies simultaneously for having fulfilment of goals (Cucino et al., 2020).

With the strengthening of relationship between employee and organization, engaged employees tend to accept the values and goals of organization and work towards their potential contribution in the functioning (Patro, 2013; Stoyanova and Iliev, 2017; CDC, 2018). It motivates employees to willingly exert efforts on the organization’s behalf and maintain a strong relationship with organization. Thus, employee engagement tends to strengthen the connection between the employee and organization (Tzvetana and Ivaylo, 2017). Secondly, highly engaged employees are productive who work actively towards timely completion of work (Robinson, Perryman and Hayday, 2004; Vance, 2006; Chakraborty and Ganguly, 2019). It helps them see the bigger picture and builds a problem-solving attitude towards existing challenges, leading to a conducive work environment. (Albrech, 2011).

Moreover, employee engagement is a growth-oriented concept, empowering organizations to help employees go beyond the requirements of job (Osborne and Hammoud, 2017; Neerja, 2019). Under the right leadership, engaged employees can help create an innovative and constructive workplace (Saad, Sudin and Shamsuddin, 2018). The feeling of belongingness in the firm helps them participate actively in the job and work towards creation of opportunities for improving organizational performance (Yoerger, Michael; Crowe, John Allen; A., 2015). Further, an engaged employee gives equal importance to personal and professional growth (Saks and Gruman, 2011). This helps them to show more commitment towards organization leading to increased productivity and loyalty (Bhuvanaiah, Tejaswi; Raya, 2014). Thus, it helps make a workforce productive, growth oriented, actively participating, development focused, and connected with the organization, making it an important aspect of success for organizations.

Other important benefits offered by employee engagement include promotion of sustainable organizational growth and gaining competitive edge, create happy employees, increase employee retention, productivity of employees, create more advocacy towards organization, promote self-efficacy among employees, improve organizational performance, leads to successful organizational change, and earn bottom line profit (Robertson-smith and Markwick, 2009). It helps in harnessing intellectual capacity thus bringing in creativity and innovation at the workplace resulting in maximizing the returns on human capital investment (Albrech, 2011).

With time concept of employee engagement has evolved, but still some of the theories like William Kahn’s theory and David Zinger are among the most relevant theories of discussing employee engagement meaning and scope (CDC, 2018). Willian Kahn has been the person who introduced to the world with employee engagement concept and defined it collectively as a concept focusing on cognitive, physical, and emotional energies of an individual towards work. On the other hand, David Zinger’s 2009 theory focuses on building engagement from
In spite of the progress made in the concepts of employee engagement and satisfaction in academia, the theory model up to unifying company, boosting performance, and achieving results (Vrouva, 2021). As these theories in current organizational practices help in implementation of wellbeing strategies, developing active learning management program, and workshops for supporting values of staff, they are supremely applicable in today’s workplace to increase employee engagement and satisfaction (Terry, 2020; Kahn and Fellows, 2013; Samantaray and Sahu, 2018).

b. Employee Satisfaction

To retain key talent in a competitive firm, nurturing them and maximising their satisfaction is critical as it leads to honesty and commitment towards enhancing job performance (Sila and Širok, 2018). Employee satisfaction could be defined as the positive or pleasurable emotion state of employee from the appraisal of job experience (Sengupta, Sengupta and G. Srilakshminarayan, 2017). It depicts whether employees are contended, fulfilling their need and desires at work, and are happy or not (Sageer, Rafat and Agarwal, 2012).

Organizations with the objective of obtaining and maintaining their status quo tend to focus on maximising employee satisfaction. Appreciation and recognition at work addresses employees’ needs, creating a satisfied workforce (Chapman and White, 2019). The scenario of having opportunities of professional and personal growth tend to create possibility of having career development and upgradation of skillset making an employee more satisfied with his job (Aziri, 2011). Availability of good leadership practices helps in supporting working of employee thus creating a positive and satisfying working experience, job security which makes them feel valued, paving their potential career development path (Mansour and Hassan, 2018). Having a flexible workplace also helps employers imbibe trust and commitment from the employees leading to a better work-life balance. Such, satisfied employees increase productivity at work (Cooper and Norgate, 2020). Further, the personality of an employee i.e. presence of agreeableness, openness to experience, extraversion, and conscientiousness depicts that employee is connected with company and happy with the current work thus contributing towards having satisfied employees (Hanly, 2021). Lastly, presence of healthy internal relationship with other employees and supervisor develop a positive teamwork based environment thus fostering support and mutual respect to encourage job satisfaction (Redmond, 2016). Hence, presence of satisfied employee creates harmonious work atmosphere which generates a positive vibe and increased workplace productivity possibility (Abun et al., 2019).

Keeping employees happy and satisfied workforce results in lower labour turnover and higher employee retention (Mamun and Hasan, 2017; Reukauf, 2018; Irabor and Okolie, 2019). Retaining talent leads to better productivity and is cost-effective for the organisation as involves savings in training new employees (Shmailan, 2016). It creates a harmonious work culture by building in relationship or teamwork, which in turn leads to higher workplace productivity (Ukil, 2016). Even presence of adaptability nature in satisfied employees helps them in meeting changing business requirements, participating in learning and development programs for upgrading their skills, delivery quality work, having work better under pressure and handling challenging situations constructively. Further, satisfied employees also lead to higher revenues and profitability opportunity for the company along with deriving competitive advantage (Rueda-Armengot, Alvarez-Garcia and Peris-Ortiz, 2015).

The concept evolved in scope to be identified as multi-dimension aspect comprising of communication, fringe benefits, appreciation, co-workers, nature of work, job conditions, personal growth, organization, promotion opportunities, policies and procedure, supervision, security and recognition aspects (Sengupta, Sengupta and G. Srilakshminarayan, 2017). Many researchers have defined different theories to explain human satisfaction. However, among all theories Maslow’s Needs Hierarchy theory and Locke’s Value theory are part of some most prominent models. Maslow Need theory is one of the first theories in field of employee satisfaction which has stated human needs not just about liking but having a hierarchical relevance-based needs wherein based on priority and necessity an employee seeks for their fulfillment (Hassard, Teoh and Cox, 2018). Locke model with origin of organizational psychology focused on understanding the perspective of an employee to determine people valuation process of different job aspects. The theory helps in simplifying the understanding of employee satisfaction concept (Oliver, 2020). Hence, both theories support organizations in evaluating employee satisfaction along with providing a multi-dimensional perspective that is applicable in today’s complex business ecosystem.

c. Critical evaluation of the relationship between employee engagement and satisfaction

In spite of the progress made in the concepts of employee engagement and satisfaction in academia, the perspectives on their meaning, scope, and relevance face huge asymmetry. Many researchers due to their
contribution in organizational performance identified them as same concepts(Hurduzeu, 2015; Lynn Barden, 2018). But some other researchers have stated both concepts as completely different i.e. employee satisfaction is one-way street with focus on desires and need of employees (Chandani et al. 2016) while employee engagement is two-way street with consciousness about both employer and employee(Aburn et al. 2019). Some other researchers discussed about relationship between the concepts, stating that employee satisfaction contributes in increasing employee engagement(ABU-Shamaa, Al-Rabayah and Khasawneh 2016; Vorina, Simonic and Vlasova, 2017; Jones 2018). These difference in opinion add confusion and prevent concept clarity, thus, below section critically evaluates different researchers’ perspective to formulate a theoretical base to employee engagement and employee satisfaction.

d. Similarities in Employee Engagement and Employee Satisfaction

- **Contribution in increasing employee workplace commitment:** The first school of thought on the concepts represent their similarities. Many researchers believe that employees who are engaged and satisfied at their jobs are more committed to have working procedure designed in a way that it supports fulfillment of broader goals and objectives of organization (Albrecht, Breidahl and Marty, 2018; Zikouridis, 2015; Mazeed et al., 2019). Bhuvanaiah, Tejaswi, Raya, (2014) stated that satisfied or engaged employees leads to commitment towards realization of common organization goals, then organizations should bring out strategies to increase employee satisfaction leading to employee engagement.Kazimoto (2016) made the information derivation more precise by stating that high employee engagement through proper assignment of jobs leads to higher employee commitment which in turn enable rise in workplace productivity and organization performance. However, although employee engagement and satisfaction as identified by Bhuvanaiah and Kazimoto increase organizational commitment, representing engagement and satisfaction on same scale is not true. Employee satisfaction is a part of employee engagement wherein employees’ needs or desires are fulfilled but this does not guarantee that they will function efficiently. Allotment of work as discussed by Kazimoto though ensure completion of work but it does not ensure presence of willingness to do it. Furthermore, Hashima et al., (2018) discussed that both concepts are similar with regard to higher employee commitment through quality services to clients. These aspects result in greater brand visibility, consumer satisfaction, revenues and profitability for the company ensuring continual potential growth traction. However, being satisfied and having commitment towards work does not ensure the presence of engagement (Chandani et al., 2016). An employee could be fundamentally happy with the job and even support the functioning, but it is not necessary that person is willing to take tasks and work towards organizational profit by going extra mile. Thus, employee satisfaction and employee engagement help in making workforce more committed but both concepts are different.

- **Support Improved Organization Performance:** One of the most common criteria based on which employee engagement and employee satisfaction is considered similar is their contribution in improving organization performance. Bhuvanaiah, Tejaswi, Raya, (2014)andGupta and Sharma (2016) supported this viewpoint by stating that an engaged or satisfied workforce helpsorganizations improve performance through increased productivity, lower labor turnover, cost-efficiency and by gaining competitive edge over their peers. However, employee satisfaction is a one-way street that decreases labor turnover but does not help gain a competitive edge. Thus, even though employee satisfaction and employee engagement help improve organizational performance, the contribution of employee satisfaction is much less thus, limiting their similarity.

- **Helps in having Loyalty and Mutual Trust presence:** Strengthening of relationship is an important feature of both employee engagement and employee satisfaction which helps in bringing loyalty and mutual trust; however, there is one major difference in the scope of both concepts. For employee satisfaction the aspect is limited to internal relationship i.e. among team members and with supervisor, but with employee engagement the focus is on building in the feeling of loyalty towards organisation and having mutual trust at each level of management. Biswas and Bhatnagar (2013) ignored the difference in concept of employee engagement and employee satisfaction with respect to scope and stated that when employees feel that when individual values are in tandem with the broader organizational values, it leads to more satisfied and engaged employees who feel a greater sense of commitment, trust and loyalty for the company benefitting the organization over time. Similarly De Beer, Tims and Bakker (2016) also ignored scope difference between both concepts and stated that ensuring sustainable employee satisfaction and engagement is a continual challenge faced by organizations which could also hamper mutual trust and continuing loyalty to the organization.Abbas' (2017)
results are similar to Beer et and Biswas as they also examined the relevance of satisfied and engaged employees in mutual trust and loyalty for the company by stating both aspects as similar. They identified that with application of engagement model, management can strive to create a conducive work environment where employees are treated as partners and given a role in decision making and are free to take up challenges leading to mutual trust and increased loyalty towards the employers. All the studies defined that through remuneration or involvement in decision making based activities would result in creating a sense of loyalty and mutual trust among employees. Though it's true that both aspects have contribution in mutual trust and loyalty but this contribution differs at the level i.e. employee engagement is more wider field while employee satisfaction just by promoting mutual trust with supervisor or other team members contribute in having just completion of work and now major organization level loyalty creation.

e. Difference in Employee Engagement and Employee Satisfaction

Employee engagement and employee satisfaction may both relate to employee happiness but still the two terms are not the same. Employee engagement drivers include meaning and value creation at work, potential career growth, leadership capabilities, workplace culture; whereas drivers for employee satisfaction include appreciation at the job, job flexibility, and job security. Though both the concepts are well-researched and even popular at major level in organizations, the key question remains if there any difference in employee engagement and employee satisfaction. Satisfied employees tend to be happier and more enthusiastic towards their roles and responsibilities in relation to the job on hand while engaged employees are seen to work more broadly by having improvement in workplace efficiency and productivity with contribution in innovation-based activities or major developments. Thus, focusing on all these aspects, below sub-sections would evaluate the difference between employee engagement and employee satisfaction.

- **Employee satisfaction is key to employee engagement:** Employee satisfaction is the concept which centers around employee feelings i.e. how satisfied or happy an employee is from working/ employment experience while employee engagement having focus on both employee and employers tend to identify how fully engaged employee by greater loyalty, higher morale, or progress in carrier support gain of employer via competitive advantage, reduced turnover, or organizational success. Thus, have narrow reach and limited applicability to just majorly employees, employee satisfaction is regarded as key to employee engagement. Abraham (2012b) supported the viewpoint by stating that job satisfaction is the precursor to employee engagement as factors which drive employee engagement are different and diverse from the drivers of employee satisfaction emphasizing that employee satisfaction is the initial ground for employee engagement to grow. Gupta and Sharma (2016) also support Abraham results by discussing wider reach of engaged employees with closely involvement in work via investing a considerable amount of time and energy on it. Chandani et al.(2016)supported previous researcher findings with by presenting a comparison of employee engagement and employee satisfaction of their concept level. As employee engagement is not something which is just content with the job-related criteria like pay or flexibility but have other major works like innovation, higher retention, productivity or quality maintenance work too while satisfied employees having employee level impact influence retention but not majorly support organization level activities. Abun et al.(2019) summarised previous researchers result by mentioning employee satisfaction as the starting criteria for meeting the larger requirements of employee engagement, which has to be considered by organizations while devising employee satisfaction and engagement strategies. Thus, employee satisfaction is like a minimum entry fee which need to be paid for deriving the full engaged employees in an organization.

- **Engaged employees ensure higher productivity than satisfied employees:** Majorly productivity is something which is considered to be related with satisfaction as well as engagement of employees. However, in reality productivity is an organization level impact which could not be just fulfilled by having work completion happy but instead it would need much more effort and willingness or passion to have work. Robertson, Birch and Cooper, (2012) examining this perspective determined that engaged employees show high motivation and enthusiasm, and look forward to get back to work on a daily basis, going beyond their job responsibilities to ensure the company’s broader goals and objectives are successfully met. But for satisfied employees, the scenario is different. Herein, state of satisfaction of an employee just describes employees desire to work but not the willingness to have active participation in each work. Abraham (2012a) supported the limited role of employee satisfaction identified by Robertson et. al by stating that management may provide the programs and processes leading to employee satisfaction but this does not necessarily always result in higher productivity, as satisfied employees may work according to the requirements
pertaining to their particular job only. Hanaysha (2016) further explored the engaged based aspect of Robertson et. al and supported their results by mentioning that engaged employees tend to be more focused on fulfilling company’s objectives and are more committed which in turn leads to higher productivity. Nazir and Islam (2017) summarizing the previous researchers’ findings and supporting them stated that it is important for organizations to work towards employee engagement enhancement through employee satisfaction for having productive work. Thus, employee satisfaction though has contribution in productivity, but its role is just to support functioning wherein with engagement rise, increased productivity could be witnessed.

f. Relationship between Employee Engagement and Employee Satisfaction

With the examination of the scope and meaning of employee engagement and employee satisfaction it is derived that both concepts are not similar but instead, employee satisfaction is the predecessor of employee engagement. Abraham (2012b) examined this perspective for understanding the impact of job satisfaction on employee engagement. Considering the factors like job, recognition by superiors, and teamwork of employee satisfaction, it is determined the management helps in creating a harmonious work culture based on trust, co-operation and encouragement of employees. These all aspects as contribute positively in employee satisfaction thus, with harmonious environment and the increase in willingness of employees to work, there is subsequent rise in employee engagement. Abu-Shamaa, Al-Rabyah and Khasawneh (2016) agreed with Abraham suggestion of creating harmonious work environment and added that along with work environment focus should be on providing adequate learning and development resources and constructive feedback for having satisfied employees as they would result in having better employee engagement. Vorina, Simonič and Vlasova (2017) results were similar to previous researchers as herein also employee engagement could be enhanced if employee satisfaction on a personal and job-related front could be increased through keeping employees updated about the organization's values, mission and objectives. This would help to derive engaged employees which having contribution in success of organization would support the overall organization’s objectives attainment in better manner. Jones (2018) also built relationship between employee engagement, employee satisfaction by mentioning that positive social changes resulted in increasing satisfaction and employee engagement leading to higher productivity and increased profitability. Ibrahim et al. (2020) created a concluding remark on the relationship between employee engagement and employee satisfaction by considering aspects like job satisfaction and turnover. As employees are more motivated when they are happy and tend to be more engaged due to this satisfaction, thus better work performance could be derived. Hence, employee satisfaction is an important driver of organization supporting employee’s performance but contributing in promotion of employee engagement for successful organizational working, productive results, and competitive edge derivation.

III. CONCLUSION

Employee engagement is the whole aspect of employee involvement at the workplace leading to better workplace productivity, profitability and the employee’s overall well-being whereas employee satisfaction is happiness and satisfaction which employees has with respect to completion of the specific job responsibilities. A happy and motivated employee who are satisfied at their jobs are known to be more engaged at their job leading to better work performance and productivity. For employees to be motivated, there should be continual positive interactions from their employers encouraging them to put better efforts in performance. Employers should ensure that employees are appreciated for good performance at their jobs through rewards and recognition for them to be more satisfied at the workplace. This would subsequently lead to them having more trust and confidence in the values of the organization adding more meaning in their jobs.

The terms employee engagement and employee satisfaction though sound to be similar and even many times by researchers treated as identical concept but still the two terms is different on their scope. Being a one-sided concept valuing just desires and need of an employee, satisfaction level contributes in personal changes in employee’s perspective along with just one contribution for organization i.e. to reduce employee turnover. However, employee engagement is much wider driver of organization describing willingness of employee to go extra mile for work and contribution in organization. Being a more inclusive concept, employee engagement supports employees by bringing in sense of loyalty, higher morale, or progressalong with creating opportunity for employer and organization to have innovative developments, reduce employee turnover, derive cost-efficiency, have highly productive working, and organizational success. Employee satisfaction can be said to complement employee engagement, implying the former is needed for the latter to work well. So, it becomes important for organizations to boost their employee engagement through employee satisfaction by correlating employee current
job with the potential career development. Thus, supporting the employee commitment, organizational performance, and mutual trust derivation; employee satisfaction helps in increasing engagement level of employees which in turn leads to derivation of competitive edge by organization. Employee engagement is more intrinsic in nature and is related to one’s direct fulfillment of job related needs giving an internal sense of satisfaction and meaning from the job. On the other hand, employee satisfaction is more extrinsic oriented and implies more happiness and satisfaction an employee receives by way of deriving fulfillment from factors and aspects which are extrinsic to the job but related to the organization’s various measures which encompass policies, procedures, benefits, team and cultural environment that an individual experiences and perceives.

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