

# CHAPTER 1: INTRODUCTION

## 1.1 Background of the Research

Nearly three decades ago, the concept of employee engagement was introduced to academicians and practitioners by (Kahn, 1990) through his ethnographic study conducted in an architectural firm and in a summer camp. In this study EE is defined 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*”. Roughly two decades later Macey & Schneider (2008) offered a broad examination of all the significant components that inclusively define engagement. These components are trait engagement (such as, individual traits and characteristics), state engagement (such as, involvement, satisfaction, empowerment); and, behavioral engagement (such as, proactivity, extra-role behavior, role expansion).

Employee engagement has gathered a lot of attention from researchers in recent decades, probably because it is seen as a promising solution for service sector organizations (Huertas-Valdivia, Llorens-Montes, & Ruiz-Moreno, 2018). Research has proven that employees who are more engaged at work, are more vigorous and enthusiastic at work and are deeply engrossed in their work, thereby resulting in high job performance levels and improved customer service (Alfes, Shantz, Truss, & Soane, 2013; Karatepe & Demir, 2014; Menguc, Auh, Fisher, & Haddad, 2013; Paek, Schuckert, Kim, & Lee, 2015). For the same reason, many service industry organizations are laying higher emphasis on finding new ways to improve the levels of employee engagement in their work environments. However, a lot of contradiction exists when it comes to defining employee engagement.

Another construct holding high importance in the domain of organizations is employee creativity. Organizations, today, are in dire need of creative employees in order to achieve long-term sustainability. When defining creativity, in generic terms, people usually tend to contrast it with being productive or limit it to being unique (Khandwalla, 2004). There is more to creativity than just being unique. As explained by Khandwalla, for something or someone to be creative, 'it must be at least novel and appropriate to the context'. Employee creativity has been considered as one of the crucial and necessary condition of organizational innovation (Hon, 2012; Scott & Bruce, 1994) and organizational productivity.

We understand the term creativity as a "distinctive human capacity to generate new ideas, new approaches and new solutions" (Hennessey & Amabile, 2010). Employee creativity is a "human capacity" that is associated with individual's ingenuity and originality (Runco & Jaeger, 2012) and the outcome of this human capacity is what we call innovation (Bharadwaj & Menon, 2000). For instance, when novel idea(s) is proposed by an individual, we refer to them as creative and their idea(s) as innovative. Therefore, on nomenclatural basis employee creativity should be considered as a personal component rather than a job performance outcome. Additionally, since we comprehend that creativity is an individual's ability to deliver novel and useful ideas, we acknowledge the fact that people who possess the cognitive intelligence may or may not be engaged at their workplace but still be creative. Previous research suggests that creativity is an outcome of engaged behavior (Bakker & Xanthopoulou, 2013). Being engaged at work is "*a positive and fulfilling state of mind*" (Schaufeli, Salanova, Gon Alez-ro, & Bakker, 2002). But, even though higher intelligence results in better performance, it does not necessarily make people satisfied or happier with their jobs (Ganzach, 1998).

But EE and EC are highly and equally important to an organization's overall strategy and objectives. Both constructs are known to have a positive influence on individual and organizational performance. To survive in this extremely challenging and dynamic business environment, organizations are required to have an engaged as well as a creative workforce.

## **1.2 Context of our Research: Hospitality Industry**

The hospitality industry embraces the classical traits and characteristics of a service organization such as: service intangibility, constant and continuous cycle of production and consumption of services and high degree of interpersonal interface between service providers and customers (manifesting heterogeneity) (Kusluvan, Kusluvan, Ilhan, & Buyruk, 2010; Parasuraman, Zeithaml, & Berry, 1985). Since hotel organizations are a part of the services industry, they are more likely centered on the human resources.

The hospitality and tourism industry accounts for more than 30% of the total services transactions internationally resulting in its rapid growth (ILO, 2010). Tourism in India has substantial potential owing to the historical heritage and rich cultural, diversity in terrains, ecology and places of natural beauty all around the country. The consumption behavior in the industry has evolved considerably ever since the importance ascribed to leisure time hobbies has increased (Williams, 2006). This is evident by the fact that, foreign tourist arrivals are increasing at a rate of 6.20% in India, every year. This industry contributes approximately 6-7% to employment pertaining to the overall number of both indirect and direct jobs worldwide. The hospitality & tourism industry in India accounted for 12.38% of the total job opportunities created in India in 2017-18, employing around 81.1 million people (IBEF, 2019).

An essential approach to dodging services intangibility in the hotel organizations is by executing operational indications facilitated by the attitude, personality disposition, behavior and external aspects, and body language of its frontline associates (Hartline & Jones, 1996). Therefore, human resources have a fundamental role to play in services industries such as hospitality. These employees are “a piece of the whole pie” in the service product and offer influential indications in crafting the reputation of the organization. Additionally, labor intensiveness in the industry can be credited to “*the irreplaceable role of personal service in service delivery*”, due to the inseparability of services’ production and consumption (Kusluvan, 2003, p. 5). This industry is extremely dependent on its workforce because of its human-centric nature. Employees’ role in delivering good quality service is very important in hospitality firms as they always try to match customers’ expectations and requirements

Therefore, employees are “*the key determinants of service quality, customer satisfaction and loyalty, competitive advantage and organizational performance*” (Kusluvan, Kusluvan, Ilhan, & Buyruk, 2010, p. 172) and managing and developing their talent becomes operationally and strategically important in the success of hotel organizations.

The rationale for this study is to understand the relationship between employee engagement (EE), employee creativity (EC) and their antecedents. We positioned employee creativity as an individual’s personal component rather than a job performance outcome resulting from engaged work behavior.

### **1.3. Research Questions**

1. What is the extent of overlap in the antecedents of employee engagement (EE) and employee creativity (EC)?

2. Is employee engagement an imperative for employee creativity or vice versa?
3. Can the structure of relationship between the antecedents and the constructs of employee engagement and employee creativity be modelled?

#### **1.4. Research Objectives**

- To examine the extent to which the antecedents of employee engagement and employee creativity overlap.
- To propose and validate a model depicting the relationship among employee engagement, employee creativity and their antecedents.

#### **1.5. Thesis Structure and Overview**

This thesis comprises of six chapters. The summary for each of the chapters is as follows:

##### Chapter 1: Introduction

In this chapter, we discuss the importance of employee engagement and employee creativity and the need for conducting this research, followed by a summary of the thesis structure.

##### Chapter 2: Literature Review

In this chapter, we thoroughly review the literature on employee engagement, employee creativity and their antecedents.

##### Chapter 3: Research Framework & Hypotheses

In this chapter we discuss the theory development for our conceptual model. This proposed model depicts the hypothesized relationships between employee engagement, employee

creativity and their antecedents. We further discuss the rationale to examine the impact of personality on these antecedents related to work and individuals

#### Chapter 4: Research Methodology

In this chapter, we provide a detailed account of the methodology followed for the purpose of conducting this research. We discuss the scope of this study, research design, scales and measures used for collecting data, data collection experience and challenges faced during fieldwork and an overview of the statistical techniques used for analyzing the data.

#### Chapter 5: Data Analysis

In this chapter, we describe the details of statistical analysis that was conducted for this study. This comprises of the steps we followed after collecting data i.e. starting from data preparation and preliminary analysis. We then discuss the results derived from data analysis I (Canonical Correlation), data analysis II (Exploratory Factor Analysis, Confirmatory Factor Analysis and Structural Equation Modeling) and data analysis III (Moderation Analysis)

#### Chapter 6: Discussions & Implications

In this chapter, we provide a detail account of the results derived from statistical analysis used in this study, followed by major findings from our research. Further, we mention the limitations of this study and the scope for future research.