

# The Effect of Employee Engagement and Empowerment towards Employee Motivation and Job Performance in Service Sector in Nepal

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**Abstract:** *Managers have the most enduring and slippery challenges and are one of the forces which make the employee to do the work in any circumstances. Manager must take actions for satisfying employee and increase their overall motivation as motivated workforce induce greater cooperate performance. Empowering and engaging employee will enhance them to succeed in the work with passion and one's commitment. Therefore, this study will focus on the role of employee empowerment and engagement towards employee performance. There were total 177 questionnaires of those who work in hotel in Nepal were collected in the study. The finding confirms that there is a significant relationship between employee empowerment and employee engagement as well as employee engagement and employee performance as well as employee motivation and employee empowerment as well as employee motivation employee engagement as well as employee motivation and employee performance and employee empowerment and employee performance.*

**Keywords:** *Employee Engagement, Employee Empowerment, Employee Motivation, Job Performance*

## 1. Introduction

Immediate managers (team leaders or supervisors) can significantly influence employees' work motivation and job performance[1]. Particularly, work engagement would mediate the relationship between the employee job performances. Motivation is the "willingness to exert high levels of effort toward organizational goals, conditioned by the effort's ability to satisfy some individual need." [2]The internal state helps that makes certain outcomes appears attractive. The unsatisfied need couldcreateslots of tension which might stimulates the drives within the individual. These drives could then generate a search behavior which will help finding particular goals. Which will satisfy the need and lead to the reduction of tension [2].

Motivated employees are in a state of tension and to relieve this tension, they exert effort. When there is great level of tension then there will great level of effort. Motivational theorists have different theories derived and where a particular person tries to fulfill it, but some believes that motivation requires an ability to act, desire to act and having an objective[2].

Empowerment can be conceptualized as a motivational construct: empowering others will help in motivating them. This will rather help in achievingand enabling them to work, rather than assigning responsibility and authority. Empowering essentially helps in encouraging employees to lead and manage ones selves. A truly exceptional individual not only built himself rather will help others in achieving their career goal for themselves as well as the organization.[3]

This research paper investigates the relationship between employees work motivation through employee engagement and empowerment towards job performance in the workplace. It explains the common motivational theories and different techniques to motivate the employees. The main aim is to find the correlation between work motivation through engagement and empowerment towards job performance in their business.

The objective of this research has threefold. This first objective is to identify employee motivation in the hotel industry. The second objective is to explore the application of the motivational theories toward empowering and engaging employees and improve business operation. This third objective is to examine the effects of motivation on job performance.

## **2. Literature Review**

Employee empowerment refers to an employee who is given a chance to enterprising, to achieving goals for the organization by taking risks, mission and visions. Empowerment allows making decision at all levels of the organizations. It allows decision to be made with unique views at all level of the organization where employees solve their problems and issues which is facing by the organization. By empowering the employees they are motivated and enthusiast to utilize their skills, abilities and creativity by accepting their works [3].Chalofsky& Krishna[4]studied on exploring the deeper level of intrinsic motivation, meaningfulness, and to discuss the connections between meaning of work and meaning at work, represented by the concepts of employee commitment and engagement. Properly empowered employee remains committed and loyal to the organization. Which will decrease the absenteeism, turnover and accidents. Manger and employee relationship improves.

The human resource (HR) consulting firmsthat has been heavily marketed is one the new idea of employee engagement which offer advice on how it can be created. Casual observation has show that how employee engagement can generate the bottom-line result for the organization. Various definitions of engagement can be derived. The common thing is that people can sense the particular leaders within the organizations, who are work motivated(Macey& Schneider, 2008).

Modern organizationsneed employees who are more into their workespecially in the service sector.They who are more active, initiative and who can deliver the best outcome for the organization.

### **2.1. Herzberg's Two Factor Theory**

The theory proposed a two-dimensional paradigm of factors affecting people's attitudes about work. The theory concluded that such factors as company policy, supervision, interpersonal relations, working conditions, and salary are hygiene factors rather than motivators. According to the theory, job dissatisfactioncan be createdby the absence of hygiene factors, but their presence does not motivate or create satisfaction. These motivators (satisfiers) arelong-term which has a positive impact on job performance where asthe hygiene factors (dissatisfiers) areshort-term changes in job attitudes and performance.[5]. Previous research also proposed intrinsic motivation and extrinsic motivation concept. Intrinsic motivation is self generated,job related. This makes the job challenging and meaningful.It will make the employee satisfy about the job well done.When the needs of the employees are being met,the individuals are more likely to engage in their work for personal enjoyment rather than because they feel that they have to work. Intrinsically motivated employee tends to work more and try achieving their goal rather than the employee who are less intrinsically motivated.[6].In contrast,extrinsically motivation depend how they are motivated either by tangible rewards or by punishment.The extrinsic motivation is generated externally and is money related. It consists of services, payrolls, benefits and incentives. Extrinsic motivation focuses of money rather than job satisfaction. Money is the important point is extrinsic motivation because it helps in fulfilling physiological and safety needs [6]

### **2.2. The Role of Employee Empowerment and Employee Engagement**

According to Byun, Dai, & Kang[6], the contribution of creativity to organizational survival and success has been increasingly recognized. When the employees are consider the main agents of the organizations ,the researchers have prioritized on employees creativity by putting into consideration about their abilities because empowering employees' behavior involves sharing power, and can, thus, increase employee motivation and commitment to work.Creativity has been identified as the most important factor which helps in empowering employees. Thus, the impact of empowering employees on employee creativity depends on how good the employees volunteer and control their works. The study,has also investigated that a combination of variables,

like, empowering employees, intrinsic motivation, and task visibility, can provide the employee with their creativity.

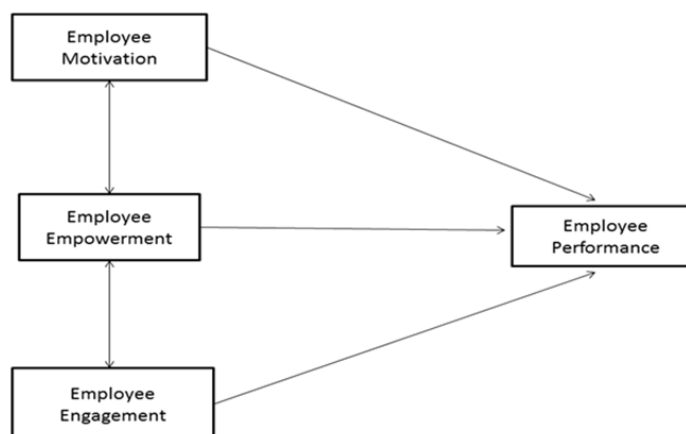
Shah & Beh[7] studied that employees are the backbone of any organization. The engaged and motivated employees help the organization to gain the competitive advantage. Nowadays retention plays an important role for the organization which is the main concern. Its main purpose was to examine the direct relationship of motivation and talent engagement (job engagement and organization engagement) among the managers in hotel industry. To sustain and energize the work behavior motivation has been enhancing many practices. Employee recognition, salary, perks, performance feedback, interesting work and appreciation, opportunities for advancement and development, job security and workload are the main motivational practices. For the motivation to be more developed and to enable the engagement HR plays a vital role. The intensity of engagement will help in revealing whether the workforce will stay and remain productive or they will become part of the competitors.

In this study the main two outcomes are examined namely, job performance and work engagement. There are at least two reasons for investigating these relationships. First, job performance is defined as “the level of productivity of an individual employee, relative to his or her peers, on several job-related behaviors and outcomes”[8]. Employees in frontline service jobs have to deal with the customer requests and also deal with their problems in a responsive manner, because customer satisfaction will largely depend on the employee working in the frontline service. The employees will successfully deliver high quality performance when they are willing engaged in their work.

Huselid[9] investigates the relationship between employee motivation and its performance. According to the study as cited employees will not perform as they want if they are not motivated properly. Therefore, HRM plays a vital role to make the employees work both effectively and smartly. It is the result of abilities and motivation. The accomplishment of assigned task helps the employee to perform. Employees who perform well are the productive employees. The performance of the employees is analyzed by most of the organizations. The better performance of the employees helps in delivering the future goals and future responsibilities. It is result based. Performance helps in planning the future for the organization.

Therefore, this research propose following hypotheses:

- H1: Employee empowerment positively impact on employee motivation.
- H2: Employee empowerment positively impact on employee engagement.
- H3: Employee engagement impact on employee motivation.
- H4: Employee empowerment impact on employee performance.
- H5: Employee motivation positively impact on employee performance.
- H6: Employee engagement positively impact on employee performance.



This research attempt to identify the type of motivation that is best suited for the better and higher productivity and the techniques usually adopted for measuring employees motivation putting in mind with their satisfaction and performance through engagement and empowerment in the workplace. The study also verifies different relationship between employee motivation, employee engagement and employee empowerment in their performance. This will lead in exploring the application of the motivational theories toward empowering and engaging employees and improve business operation. This will help in understanding and predicting the influence on employee performance and other outcomes. This study will help to examine the effects of motivation on job performance and to have an insight on the influence of motivation on job performance.

### **3. Research Methodology**

#### **3.1. Participants**

This is an empirical research where the primary data is collected from professional working in hotel in Nepal. There were 300 questionnaire distributed where we collected only 177 sample to analyze the data. The sample was collected based on the employees' age, gender, and education so the result could be generalized.

#### **3.2. Measures**

Unless otherwise indicated, all the variables were measured by participant responses to questions on a five-point Likert-type scale ranging from "strongly disagree" to "strongly agree."

#### **3.3. Employee Performance**

The instrument to measure employees' performance was taken from [10] and [8]. The scale contains 6 items from contextual performance and other 6 items from task performance. For example, the item contains of "The performance level of this employee is satisfactory", "This employee performs better than many other employees who perform the same job", "Takes initiative to orient new employees to the department even though not part of his/her job description".

#### **3.4. Employee motivation**

The instrument to measure employee's motivation has been adopted from [11] and [12] it contains 9 items from intrinsic and 4 items from extrinsic. For example, in extrinsic, the item consists of "External incentives such as bonuses and provisions are essential for how well I perform my job", "If I am supposed to put in extra effort in my job, I need to get extra pay". In intrinsic, the item consists of "Sometimes I become so inspired by my job that I almost forget everything else around me", "The tasks that I do at work are themselves representing a driving power in my job".

#### **3.5. Employee Engagement**

The instrument contained 6 items. The instruments to measure has been adopted from [13]. For example, "I am encouraged to look for ways to improve my work processes and productivity", "The company communications I receive help me to understand their strategy, vision and direction", "My manager provides me with ongoing feedback that helps me improve my performance".

#### **3.6. Employee Empowerment**

This instrument contained 3 items from Expressing confidence in high performance, 3 items from Providing autonomy from bureaucratic constraints and other 3 are Competence items. The instruments to measure has been adopted [14]. For example, "My manager believes in my ability to improve even", "My manager makes it more efficient for me to do my job by keeping the rules and regulations simple", "I have mastered the skills necessary for my job".

## 4. Research Results

### 4.1. Descriptive Analysis

According to the finding, out of 177 likely respondents, gender distribution of the respondents contain 52% male and 46% female. In terms of age distribution, age 20 to 30 years old was with 25.1% age 31 to 40 years old with 47.5 %, followed by age 41 to 50 years old with 22.9%, and age above 51 years old with 6% %. In terms of highest academic level majority of the employees were of Bachelor's degree with 46.4% followed by master's degree with 23.5% and finally high school degree with 23.5% and the least was from doctoral degree with only 5%. The majority of salary for the employee is 15001-25000 Nepali Rupees with 38%. And most of the respondents (20.1%) are in Housekeeping department.

### 4.2. Reliability Test

The Cronbach's alpha reliability analysis test has been used to evaluate and construct reliability. According to Table 1, the values of Cronbach's Alpha is greater than 0.70 for all of the four tested variables. Therefore, it can be said that all the measurement scales for the constructs are reliable, stable and consistent.

TABLE I: Reliability Test

Construct	Cronbach's Alpha
Motivation	.954
Employee Engagement	.872
Employee Empowerment	.916
Employee Performance	.935

### 4.3. Validity Test

According to Table 2, factor loading for all the constructs were greater than 0.50. All the related items which has been measured the loading shows that it is more than 0.5. Thus, this can be said that the measurement scales have a higher degree of convergent validity.

TABLE II: Validity Test

Construct	KMO
Motivation	.941
Employee Engagement	.856
Employee Empowerment	.880
Employee Performance	.907

### 4.4. Regression Analysis

Linear regression analysis was performed to test proposed hypotheses. The research found that there is significant relationship between employee empowerment and employee motivation at 95% confidence level ( $p < .05$ ) as shown in table 3. Thus, hypothesis 1 is supported. The study also found that there is a significant relationship between employee empowerment and employee engagement at 95% confidence level ( $p < .05$ ). Thus, hypothesis 2 is supported. The study also found that there is a significant relationship between employee engagement and employee motivation at 95% confidence level ( $p < .05$ ). Thus, hypothesis 3 is supported. The study also found that there is a significant relationship between employee empowerment and employee performance at 95% confidence level ( $p < .05$ ). Thus, hypothesis 4 is supported. The study also found that there is a significant relationship between employee motivation and employee performance at 95% confidence level ( $p < .05$ ). Thus, hypothesis 5 is supported. The study also found that there is a significant relationship between employee engagement and employee performance at 95% confidence level ( $p < .05$ ). Thus, hypothesis 6 is supported.

TABLE III: Hypotheses Testing

Hypotheses	F	Sig.	Result
Hypothesis1	280.182	.000	Supported
Hypothesis2	476.558	.000	Supported
Hypothesis3	213.659	.000	Supported
Hypothesis4	537.308	.000	Supported
Hypothesis5	560.431	.000	Supported
Hypothesis6	407.052	.000	Supported

## 5. Discussion and Conclusion

### 5.1. Theoretical Implication

The study has theoretical contribution on Herzberg's Two Factor Theory. This study provides empirical evidence on the role of employee engagement and employee empowerment on employee performance from Herzberg two factor theory. This study also confirms the influence of motivation on employee performance.

### 5.2. Managerial Implication

The findings for the study provide some perception for the tourism industry. Firstly it gives the managerial contribution to this study. The study proposes how well the employee that are motivated, engaged and empowered will help in better employee performance. Hence, managers should keep in mind that they should improve employee motivation which will lead to better cooperate performance. Furthermore, managers should make sure that employee is motivated to work better while extending its employee engagement and empowerment to improve employee performance.

### 5.3. Limitations and Suggestion for Future Research

Outcomes from this study might be viewed with some limitations and some suggestion for future research. The research only focuses on the employee performance, while there could be other factors like employee commitment which may also impact on the organization. Furthermore, as previous research confirms that it leads to organization performance. The research should be further study on employee empowerment and employee engagement on employee performance.

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