



The Study of Employee Engagement Antecedents and the Effect on Employee Commitment: A Case Study of a Telecommunication Company in the People's Republic of China

Yating Hu¹, Sasithorn Suwandee², Suwat Vongsinsirikul³,
Mohammad Ariful Islam⁴, Sunthiti Soontornkate⁵

¹Graduate School, Kasem Bundit University, Bangkok, Thailand

²Business School, Kasem Bundit University, Bangkok, Thailand

³Graduate School, Kasem Bundit University, Bangkok, Thailand

⁴Business School, Kasem Bundit University, Bangkok, Thailand

⁵Business School, Kasem Bundit University, Bangkok, Thailand

Corresponding Author: 850343755@qq.com, Tel: (+66)0633717943

Abstract

Employees are valuable assets to the organization so management needs to motivate them through diverse reinforcement to improve employee outcome. The objectives of this research are to investigate the impact of antecedents of employee engagement and their impact on employee commitment. This study also aims to explore the role of perceived organizational support as well as reward and recognition. This study employs quantitative method to collect the data from 267 employees of a well-known telecommunication company in The People's Republic of China. This research hypothesizes that perceived organizational support as well as reward and recognition has positive impact on employee engagement while employee engagement has positive impact on employee commitment. This study found that enrichment of perceived organizational support and rewards and recognition lead to enhancement of employee engagement and employee commitment.

Keywords: Perceived organization support, Employee commitment, Employee engagement

Introduction

E-commerce is an important part of China's national economy. The development of e-commerce is a major measure to promote industrialization, transform economic growth, improve the quality and efficiency of the national economy, and take a new road to industrialization (UNCTAD, 2001). With the development of China's economy, the economic conditions of consumers have been greatly improved (Leung, 2019), which has boosted the



booming of the mobile phone industry (Wenyan, 2017). At present, China's mobile phone usage ranks first in the world and has become the world's major export; production base and consumer market (Workman, 2019). In addition to technology, a series of developments and advancements in this industry have employees as a major core. Employees are a core force for an organization. For an organization, employee engagement and effective commitment are essential. At the same time, various policies and behaviors of the organization are affecting employee engagement and employee commitment.

Lockwood (2007) suggested that the extent of employee engagement with organizational strategies and goals, the recognition of work, and the culture of learning and development contribute to a high level of employee commitment. Employee engagement and commitments are critical organizational requirements as organizations face globalization and recovering from the global recession (Albdour, 2017). Cartwright and Holmes (2006) asserted that if employees do not have a good workplace and benign employee engagement in the environment, it may lead to reduced efficiency, reduced customer loyalty, and lower stakeholder value which is not conducive to the success of the organization. Therefore, senior management should develop active and effective employees, and the balance of workplace policies and practices that focus on employee well-being of essential health, and work/life.

Prior researches have emphasized the significant role of rewards and recognition as well as perceived organization support on employee outcome. Wang and Suwandee (2018) asserted that job promotion as part of rewards and recognition significantly improve employee motivation. Consistently, Huang et al. (2018) found that perceived organization support has positive impact on employee performance.

This study explores the impact of organizational support, rewards and recognition on employee engagement and employee commitment. This study not only evaluates the impact of employee engagement on employee commitment, but also extends the concept of perceived organization support and rewards and recognition to telecommunication business.

Therefore, it can help the company to have a deep understanding of the influencing factors and attempt to increase employee engagement and employee commitment. At the same time, companies can use this information to develop human resource management strategies to improve the situation.



Related Literatures

Prior research found that perceived organizational support has strong relationship with employee engagement. Murthy (2017) proposed that organization should exceed the existing formalized contractual relationship between the employee and the organization through offering satisfied level of financial and psychological support toward their employee. This would enhance employee feelings that the organization concern for employee contribution and their well-being. Hence, it would develop perceived organizational support among the employees. Therefore, the organization should play a proactive role in evolving this perception among the employees (Strauss et al., 2009).

Consistently, Caesens et al (2014) found that the development of perceived organizational support in employees will enhance their work engagement resulting in increased organizational effectiveness. Perceived organizational support affect job performance through investments of the self as reflected by engagement (Rich et al., 2010). Ghafoor et al (2011) suggested there is a positive association between organization support and employee engagement when organization support level increases the employee commitment increases as well. Therefore, this study proposed:

Hypothesis 1: Perceived organization support has positive impact on employee engagement.

Wayne et al. (2002) asserted that rewards and recognition can increase employee engagement and have a positive impact on the organization. At work, employees should be more involved in reward activities. Employee engagement allows employees to recognize their role performance when considering rewards and recognition. Kahn (1990) reported that people vary in their engagement as a function of their perceptions of the benefits they receive from a role. Maslow et al (1998) also shows that lack of reward and recognition may lead to burnout. The proper recognition and reward are very important for engagement. Saks (2006) suggested that in terms of social exchange theory, when employees receive rewards and recognition from their organizations, they feel obligated to respond with greater engagement. Therefore, this study proposed:

Hypothesis 2: Reward and recognition are the positive effect on employee engagement.

Dimitriades (2007) suggested that employee engagement and employee-organizational commitments are critical organizational requirements. Bakker (2008) asserted that engagements at



work, employee and organizational commitment have been areas of interest among many researchers and they have received huge recognitions among scholars and studies. The findings of previous research support the relationship between Employee engagement and employee commitment. Albdour and Altarawneh (2014) conducted regression analysis and found that employee engagement can predict emotional commitment. Markos (2010) studied found a positive relationship between employee engagement and employee commitment. The study also indicates that the more engaged employees are, the more likely their employer is to exceed the industry average in its revenue growth. Therefore, this study proposed:

Hypothesis 3: Employee engagement has positive impact on employee commitment.

Eisenberger et al. (2001) suggested that perceived organizational support is an antecedent of employee commitment. Armeli et al (1998) studied that such perceived organizational support reduces absenteeism and the strength of the relation between perceived organizational support and absenteeism is greater for employees with a strong exchange ideology than those with a weak exchange ideology. Therefore, this study proposed:

Hypothesis 4: Perceived organization support is the positive effect on employee commitment.

Ramdhani et al. (2017) suggested that employee commitment to the organization is one of the favorable organizational outcomes as it reflects the degree of employee recognition and is committed to achieving its goals. In addition, Hafiza (2011) believes that the commitment of all employees is based on rewards and recognition. Organization in today's environment seeks to determine the reasonable balance between commitment and performance of the organization. Danish and Usman (2010) suggested that the reward and recognition programs serve as the most contingent factor in keeping employee's self-esteem high and passionate. Therefore, this study proposed:

Hypothesis 5: Reward and recognition is positively impact on employee commitment.

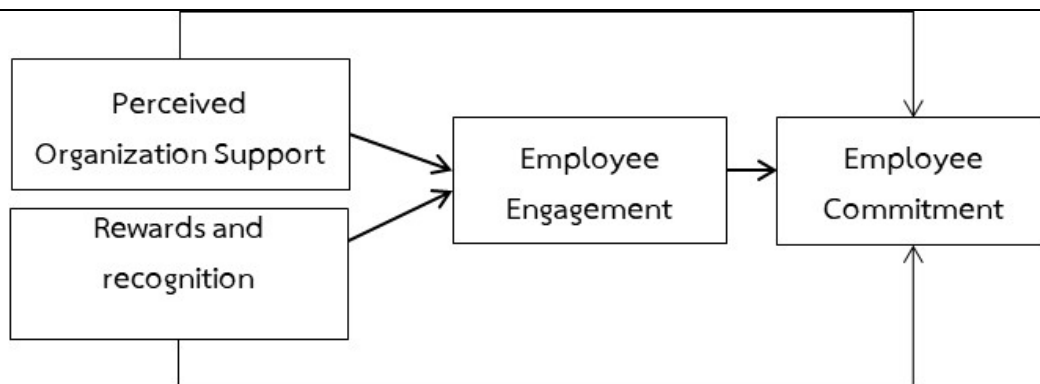


Figure 1: Conceptual Framework

Methodology

Research Design and sample

This study explores the impact of organizational support, rewards and recognition on employee engagement and employee commitment. This study uses a survey to conduct a quantitative study to collect data. The questionnaire was distributed online to employees of a well-known telecommunication company in Yunnan Province, the people's republic of China. 267 employees returned the questionnaire. Of those, 60% (161) are female and 40% (106) are male. 47% of participants are in the age of 26 to 35. 41% of participants have work experience for three to seven years. 41% of respondent obtained bachelor's degree. Most of respondents attend company activities at least once a month or less.

Measurement Items

All variables in this study used 5-point Likert scale (1 for strongly Disagree and 5 for strongly Agree). For perceived organization support, the study adopts six measurement items developed from Simpson (2009). For instance, "I am encouraged to look for ways to improve my work processes and productivity", "This organization take pride in my accomplishments". For rewards and recognition, the study used eight measurement items developed from Lin et al. (2014). Example of the items are "I am very satisfied with the company's reward system", "The company's method of selecting outstanding employees is very reasonable". For employee engagement, it is measured in six items developed from Simpson (2009). For example, "I am encouraged to look for ways to improve my work processes and productivity", "I am satisfied with my opportunities for career progression and promotion." For employee



commitment, it is measured in 6 items adopted from Turker, Duygu and Mowday (2009). For example, "I am willing to put in a great deal of effort beyond that normally expected in order to help this organization be successful", "I would accept almost any types of job assignment in order to keep working for this organization".

In order to confirm the reliability of each variable, this paper uses the Cronbach's Alpha to measure the reliability of each variable, as shown in Table 1. The values of Cronbach's Alpha for all variables is above 0.757, indicating that all variables have high internal consistency. In addition, the average variance extraction value of each variable is greater than 0.4, which verifies the validity of the measurements (Fornell & Larcker, 1981). Composite reliability value is also greater than 0.757.

Table 1: Validity and reliability test

	Loadings	Cronbach's Alpha	Composite Reliability	Average Variance Extracted	Number of Items
Perceived Organization Support	>0.66	0.821	0.825	0.543	4
Reward and Recognition	>0.548	0.872	0.873	0.463	8
Employee Engagement	>0.51	0.848	0.848	0.412	8
Employee Commitment	>0.638	0.757	0.757	0.438	4

Result

The average mean value of employee engagement ($M=3.889$), employee commitment ($M=3.71$), perceived organization support ($M=3.70$), reward and recognition ($M=3.72$) are above 3.5 out of 5-point Likert scale. All five hypotheses are supported. Hypothesis 1 states that perceived organization support has positive impact on employee engagement. The research found that there is significant positive relationship between perceived organization support and employee engagement at 95% confidence level ($p<0.05$). $F(1, 265) = 254.77$, $p = 0.000$, $\beta = 0.575$ Adjusted R-Square of the model is 0.488; hence, perceived organization support accounted for 48.8% of the explained variability in employee engagement. The effect size is medium level. Hence, hypothesis 1 is supported.



Table 2: ANOVA of H₁

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	52.609	1	52.609	254.770	.000 ^b
	Residual	54.721	265	.206		
	Total	107.330	266			

a. Dependent Variable: Engagement Mean

b. Predictors: (Constant), perceived organization support Mean

Hypothesis 2 states that reward and recognition have positive impact on employee engagement. The research found that there is significant relationship between reward and recognition and employee engagement at 95% confidence level ($p < 0.05$). $F(1, 265) = 250.183$, $p = 0.000$, $\beta = 0.647$. Adjusted R-Square of the model is 0.484; hence, rewards and recognition accounted for 48.4% of the explained variability in employee engagement. The effect size is medium level. Hence, hypothesis 2 is supported.

Table 3: ANOVA of H₂

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	52.121	1	52.121	250.183	.00 ^b
	Residual	55.208	265	.208		
	Total	107.330	266			

a. Dependent Variable: Engagement Mean

Hypothesis 3 states that employee engagement has positive impact on employee commitment. The research found that there is significant relationship between employee engagement and employee commitment at 95% confidence level ($p < 0.05$). $F(1, 265) = 359.648$, $p = 0.000$, $\beta = 0.874$. Adjusted R-Square of the model is 0.574, hence, employee engagement accounted for 57.4% of the explained variability in employee commitment. The effect size is medium level. Hence, hypothesis 3 is supported.



Table 4: ANOVA of H₃

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	81.902	1	81.902	359.648	.000 ^b
	Residual	60.348	265	.228		
	Total	142.250	266			

a. Dependent Variable: Commitment Mean

b. Predictors: (Constant), Engagement Mean

Hypothesis 4 states that perceived organization support has positive impact on employee commitment. The research found that there is significant relationship perceived organizational support has a significant relationship to employee commitment at 95% confidence level ($p < 0.05$). $F(1, 266) = 324.706$, $p = 0.000$, $\beta = 0.702$. Adjusted R-Square of the model is 0.549; hence, independent variable perceived organization support accounted for 54.9% of the explained variability in employee engagement. The effect size is medium level. Hence, hypothesis 4 is supported.

Table 5: ANOVA of H₄

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	78.326	1	78.326	324.706	.000 ^b
	Residual	63.924	265	.241		
	Total	142.250	266			

a. Dependent Variable: Commitment Mean

The hypothesis 5 states that reward and recognition have positive impact on employee commitment. The research found that there is significant relationship reward and recognition has a significant relationship to employee commitment through employee engagement at 95% confidence level ($p < 0.05$). $F(1, 265) = 339.682$, $p = 0.000$, $\beta = 0.802$. Adjusted R-Square of the model is 0.56, hence, independent variable reward and recognition accounted for 56% of the explained variability in employee commitment. The effect size is medium level. Hence, hypothesis 5 is supported.



Table 6: ANOVA of H₅

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	79.910	1	79.910	339.682	.000 ^b
	Residual	62.341	265	.235		
	Total	142.250	266			

a. Dependent Variable: Commitment Mean

b. Predictors: (Constant), Reward Mean

Discussions and Recommendations

This research investigates the impact of antecedents of employee engagement on employee commitment. This study found that perceived organizational support and rewards and recognition can increase the level of employee engagement and employee commitment. This finding aligns with Caesens et al. (2014) that found perceived organizational support enhance employee engagement. A positive association between organization support and employee engagement suggested that when organization support level increases the employee commitment increases as well (Ghafoor et al, 2011). Meanwhile, the findings of current study is consistent with Wayne et al (2002) that asserted that rewards and recognition can increase employee engagement and have a positive impact on the organization.

This study suggested that rewards and recognition have stronger effect on employee engagement ($\beta = 0.647$) and employee commitment ($\beta = 0.802$) than those of perceived organization support ($\beta_{\text{engagement}} = 0.575$, $\beta_{\text{commitment}} = 0.702$). Therefore, the company should focus on elevating the rewards scheme as well as embrace the policy to raise the employee recognition. In addition, this study found that both perceived organization support as well as rewards and recognition have stronger impact on employee commitment than employee engagement while employee engagement has stronger impact on employee commitment compared to rewards and recognition as well as rewards and recognition. Thus, the company should ensure that the company impose the strategy that encourage their employee to engage in company decisions while using rewards and recognition to motivating them as this would lead to enhance employee commitment.



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