

# Employee Engagement and Social Exchange Theory: Are They Related or Not?

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## ABSTRACT

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Employee engagement has become a hot point in recent years among practitioners and researchers. This study reviewed the construct of engagement. Based on Social Exchange Theory, the present study examined the moderating effect of employee exchange ideology in relationships to perceived organizational support and employee engagement.

A survey was completed by 57 employees working in Nova Scotia Biotech companies, among which 6 responses were uncompleted. The final study sample ( $N = 51$ ) consisted of 15 males (29.4%) and 36 females (70.6%). Participants' mean age was 42.3 years ( $SD = 9.5$ ) and their mean organizational tenure was 7.5 years ( $SD = 6.2$ ). As predicated, the perceived organizational support were significantly positively correlated ( $r = 0.67$ ,  $p < 0.0001$ ) with employee engagement (Hypothesis 1). The power for formal statistic effect for moderate effect test is not significant due to the small sample size. However, individuals with high exchange ideology ( $>$  the medium value, 3.25) showed a strong correlation ( $r = 7.60$ ) between perceived organizational support and employee engagement; while individuals with low exchange ideology ( $\leq$  the medium value, 3.25) showed a moderate low correlation ( $r = 3.12$ ) between POS and engagement. It is concluded that compared to individuals with low exchange ideology, individuals with strong exchange ideology are more likely to reciprocate the POS with employee engagement. This study provides one of the first tests of the moderating role of employee exchange ideology in the relationships of perceived organizational support with employee engagement.

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## **1. Introduction**

Modern globalization creates an increasingly competitive economic environment that requires workplaces to change at an accelerated pace. Organizations react to globalization and international competition with different forms of restructuring, such as mergers, acquisitions, delayering and downsizing, even though they have negative impacts on employees in terms of job losses, job uncertainty, ambiguity, and anxiety (Cartwright & Holmes, 2006). These changes have resulted in a shift of relationship between employees and employers: from “relational contracts” to “transactional contracts” (Hendry & Jenkins, 1997). Historically, this relationship could be described as “an exchange of loyalty for security” (Hendry & Jenkins, 1997), where employees offered loyalty and commitment in exchange for job security. However, the layoffs that occurred during economic downturns taught employees a hard lesson - loyalty was no longer rewarded (Welbourne, 2007). Instead of skill development for advancement within their organization, individuals expected the chance to increase their “employability” and pursue their self-managed or boundary-less careers (Arthur & Rousseau, 1996). According to Welbourne (2007), the new employment contract has resulted in productivity slowing down creating the need for an “employee engagement” initiative. In essence, employee engagement is a means to “get more out of less” (Welbourne 2007, p. 46).

Over the past decade, there has been a great deal of interest in employee engagement (Avery, McKay, & Wilson, 2007; Kahn, 1990; Langford, 2009; Luthans & Peterson, 2002; Shuck, Rocco, & Albornoz, 2011). However, there is a lack of a

universal definition. The construct of engagement was first defined by Kahn (1990) as “the harnessing of organization members’ selves to their work role; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performance” (p. 692); it refers to the psychological presence when occupying and performing an organizational role. Rothbard (2001) also defined engagement as psychological presence; however, she expanded the definition and included attention and absorption. According to burnout researchers, engagement referred to the opposite or positive antithesis of burnout (Maslach, Schaufeli, & Leiter, 2001). Research on burnout and engagement also showed that the core dimensions of burnout (exhaustion and cynicism) are opposites to those of engagement (vigor and dedication) (Gonzalez-Roma, Schaufeli, Bakker, & Lloret, 2006). Schaufeli and his colleagues proposed a three-factor structure of engagement (Schaufeli, Salanova, Gonzalez-Roma, & Bakker, 2002). Based on their research, engagement is characterized as a positive, fulfilling, work-related state of mind that is characterized by vigour, dedication, and absorption (Schaufeli et al., 2002). They further clarified that engagement is not a momentary and specific state, but rather, a more persistent and pervasive affective-cognitive state. Towers Perrin (2003) described engagement as “the extent to which employees put discretionary effort into their work, in the form of extra time, brainpower and energy” (p. 2), and many practitioners agreed on this construct (Frank, Finnegan, & Taylor, 2004; Macey & Schneider, 2008). According to Robinson, Perryman, and Hayday (2004), engagement is one step up from commitment. They argued that engagement was



different from commitment and organizational citizenship behavior (OCB). Robinson et al. (2004) suggested, “engagement contains many of the elements of both commitment and OCB but is by no means a perfect match with either” (p. 8), and they also stressed that neither commitment nor OCB reflect sufficiently two aspects of engagement- its two-way nature, and employees’ business awareness. Human resource development (HRD) scholars (Shuck & Wollard, 2010) adopted a similar definition of employee engagement, “an individual employee’s cognitive, emotional, and behavioral state directed toward desired organizational outcomes” (p. 103). The recent HRD article, *The employee engagement landscape and HRD: How do we link theory and scholarship to current practice?*, also applied such a definition (Shuck & Reio Jr., 2011). It is still not clear whether engagement is an attitude or a behavior and what the relationship is between engagement and other well-known and accepted constructs (Little & Little, 2006). Without a clear definition, researchers question if employee engagement is a distinct construct or an “old wine in the new bottle” (Kular, Gatenby, Rees, Soane, & Truss, 2008; Robinson, et al., 2004; Saks, 2006; Shuck & Reio Jr., 2011).

Engaged employees also positively affect business outcomes and customer experiences. Harter, Schmidt and Hyes’ (2002) study with a meta-analysis of 7,939 business units in 36 companies, suggested that, “employee satisfaction and engagement are related to meaningful business outcomes at a magnitude that is important to many organizations and that these correlations generalize across companies” (p. 276). Their study also showed that work engagement negatively

correlated with employee turnover, which is consistent with the empirical study performed by Hallberg and Schaufeli (2006). Data collected from employees of fast-food companies supported the link between job resources, work engagement, and financial returns (Xanthopoulou, Bakker, Demerouti, & Schaufeli, 2009). According to Salanova, Agut and Peiró (2005), employee engagement predicts employee performance and customer loyalty. This conclusion is in accordance with Gallup's report that employee engagement is associated with customer loyalty, business growth, and profitability (Harter, Schmidt, Killham, & Agrawal, 2009). Moreover, employee engagement was found to connect two job performance dimensions - task performance and organizational citizenship behavior (Rich, LePine, & Crawford, 2010). Although the importance of employee engagement for organizational performance and business outcome has been discussed extensively, there is limited empirical evidence to back up these claims (Saks, 2006). In addition, researchers suggested that only a relatively small portion of employees, roughly 30%, were highly engaged (e.g. Aselstine & Alletson, 2006; Fleming, Coffman, & Harter, 2005; Towers Perrin, 2003). Gallup defined three levels of engaged: engaged, not engaged, and actively disengaged (Sanford, 2002). The *engaged* employees are those who perform at consistently high levels, drive innovation, and move their organization forward. The *not engaged* employees take a wait-and-see attitude toward their job, their employer, and their coworkers; they do not commit themselves, and they are neither negative nor positive about their company. The "actively disengaged" employees are "consistently against virtually

everything." They are just unhappy at work and act out that unhappiness. Kular, et al. (2008) indicated that only 12 percent of Thailand's employees are "engaged", 82 percent are "actively disengaged" and 6 percent "disengaged" and similar levels of engagement have been found in Australia, China, Japan, New Zealand and Singapore. It seems that employee engagement is somehow translated into business outcomes in a "black box" and the process and mechanism remain unclear.

In order to understand the mechanisms of engagement, the antecedents and consequences have been examined. According to Saks (2006), an antecedent variable refers to a specific condition or factor that influences or predicts a particular behavior to emerge in practice; whereas, a consequence variable refers to the resulting effect of a specific activity or condition. Kahn (1990) and Maslach et al. (2001) indicated that psychological conditions or antecedents are necessary for engagement. Research also suggested that relationships in the work place (Avery et al, 2007; Shuck, Rocco, & Albornoz, 2011), meaningful work (Fairlie, 2011), and job resources (Schaufeli & Bakker, 2004) relate to engagement. Saks (2006) differentiated job engagement from organization engagement, and found "the relationships between job and organization engagement with the antecedents and consequences differed in a number of ways suggesting that the psychological conditions that lead to job and organization engagements as well as the consequences are not the same" (p. 613). However, Saks's (2006) study was only able to show that job and organization engagement partially mediated the antecedent variables and the consequences. A structured literature review performed by Wollard & Shuck

(2011) has identified 42 antecedents at either the individual or the organization level, but only 24 of them have been empirically researched. Although many studies reviewed the antecedents and consequences of employee engagement, as Kular et al. (2008) stated, “the existence of different definitions makes the state of knowledge of employee engagement difficult to determine as each study examines employee engagement under a different protocol” (p. 3). Most studies are based on employee surveys, and they are based on employees’ own description of their attitudes; it is unclear how these employee attitudes lead to changed behaviors or what specific actions drive performance (Welbourne, 2007).

The gap between practitioner and academic researchers intrigued the researcher who developed the question for this study: how does employee engagement happen? Only when the process mechanism of employee engagement is clear, are organizations able to measure it accurately and to develop full employee engagement. Because employee engagement and work passion are based on human perceptions, researchers suggested social cognitive theory as an integrative framework to understand the relationships between some of the concepts and variables found in engagement literature (Zigarmi, Nimon, Houson, Witt, & Diehl, 2009). However, it is unclear how to connect this theory with various constructs of employee engagement. At this point, Saks’s (2006) application of social exchange theory (SET) seems to be the best theoretical rationale to explain why individuals will respond to antecedents with varying degrees of engagement. Thus, the purposes of this study are to: (1) review the research of employee engagement, (2) develop and

test proposed hypotheses, and (3) provide a theoretical basis for improving employee engagement. Chapter 2, which directly follows this chapter, summarizes the four main frameworks of employee engagement research and concludes with two hypotheses. Chapter 3 presents the methodology of this study. Chapter 4 shows the results of this study and its implications are discussed in chapter 5.

## **2. Literature Review**

### **2.1 Review of Employee Engagement Research**

Both practitioners and academic researchers have studied employee engagement. Shuck (2011) suggested four major approaches for employee engagement frameworks from the academic perspective: (1) Kahn's (1990) need-satisfying approach, (2) Maslach, Schaufeli, & Leiter's (2001) burnout-antithesis approach, (3) Harter et al.'s (2002) satisfaction-engagement approach, and (4) Saks's (2006) multidimensional approach.

#### **2.1.1 Kahn's (1990) need-satisfying approach**

Kahn's (1990) conceptual framework was grounded on the assumption that people's calibrations of self-in-role enables them to cope with both internal ambivalences and external conditions, and the calibration of self-in-role is described as personal engagement and personal disengagement. Kahn (1990) defined personal engagement 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" (p. 694), and personal disengagement as "the uncoupling of selves from work roles; in disengagement, people withdraw and defend themselves physically, cognitively, or emotionally during role performances" (p. 694).

Khan (1990) established the conceptual framework of engagement based on two premises: (1) the psychological experience of work drives people's attitudes and behaviors, and (2) individual, interpersonal, group, intergroup, and organizational factors simultaneously influence these experiences. Khan (1990) has highlighted that "generating a descriptive theory grounded in the behaviors, experiences, and perceptions of organization members required constant movement between theory and data: data suggested theoretical hypotheses and concepts, which suggested further data collection needs" (p. 695). Therefore, he developed the theoretical framework in the summer camp context first, and then, redeveloped it in the architecture firm context. In a summer camp context, Khan was both participant and observer, and he collected data by an assortment of qualitative methods including observation, document analysis, self-reflection, and in-depth interviewing. He generated hypotheses and interview questions based on the observation and informal conversations first; he then interviewed the camp staff with these questions. In the architecture firm context (E.S.B. and Associates), Khan was only an observer and he interviewed 16 individuals that represent all levels and positions in the firm. Data collection was structured around in-depth interviews which lasted between 40 to 90 minutes. Khan analyzed data collected from both contexts, and summarized three psychological conditions that influenced personal engagement or disengagement based on his research: (1) meaningfulness, (2) safety, and (3) availability. According to Kahn (1990), *psychological meaningfulness* was "a feeling that one is receiving a return on investments of one's self in a currency of physical, cognitive, or

emotional energy” (p. 703) and it was influenced by task characteristics, role characteristics and work interactions. *Psychological safety* was defined as “feeling able to show and employ one’s self without fear of negative consequences to self-image, status, or career” (p. 708), and was directly affected by interpersonal relationships, group and intergroup dynamics, management style and process, and organizational norms. *Psychological availability* is described as “the sense of having the physical, emotional, or psychological resources to personally engage at a particular moment” (p. 714), and data showed depletion of physical energy, depletion of emotional energy, individual insecurity and outside lives as four types of distractions that affect psychological availability. In other words, workers were more engaged at work in situations that offered them more psychological meaningfulness and psychological safety, and when they were more psychologically available. The conceptual model of personal engagement Kahn (1990) developed included a wide range of factors and covered individual, interpersonal, group, intergroup, and organizational influences. Later, Kahn (1992) differentiated the concept of psychological presence from personal engagement and concluded, “such (psychological) presence is manifested as personally engaged behaviors”.

May, Gilson, and Harter (2004) conducted an empirical study in which they investigated Kahn’s three psychological conditions of engagement. They prepared five sets of hypotheses and tested them by conducting a field study of 213 employees from an insurance company. May et al. used a 5-point agreement-disagreement Likert format with 1=strongly disagree and 5=strongly agree to measure the different



conditions: psychological engagement, psychological meaningfulness, psychological safety, psychological availability, job enrichment, work role fit, rewarding co-worker relations, supportive supervisor relations, co-worker norm adherence, resources, self-consciousness, and outside activities. May et al. examined both the antecedent and outcome sections of their model and performed path analysis to test their hypotheses and the overall model fit. Based on these data, they were able to establish a revised theoretical framework to reveal the relationship between psychological conditions and engagement.

They found that meaningfulness, safety, and availability had a positive relationship to engagement. The results also suggested that psychological meaningfulness was positively related to job enrichment and work role fit; psychological safety was positively correlated to rewarding co-worker and supportive supervisor relations, but negatively associated with adherence to co-worker norms and self-consciousness. In addition, this study also showed positive correlation between psychological availability and resources available; and negative correlation between psychological availability and participation in outside activities.

Many studies have been performed based on Kahn's framework. Avery et al. (2007) suggested that satisfaction with one's coworkers related significantly to engagement. This finding was consistent with Kahn's (1990) theoretical concepts, as interpersonal relationships promoted psychological safety and therefore connected to personal engagement. Rothmann and Rothmann (2010) surveyed two samples

taken from various South African organisations (n = 467 and n = 3775), and they concluded “Psychological meaningfulness, which was the strongest predictor of employee engagement, mediated the relationship between work role fit and employee engagement” (p. 10). In addition, they confirmed psychological availability was a predictor of employee engagement and suggested “job resources impacted strongly on employee engagement” (p. 10). In a recent empirical study, Shuck (2010) identified engagement as a predictor variable for discretionary effort and intention to turnover. He also found that job fit, affective commitment, and psychological climate were all significantly related to employee engagement (Shuck, 2010).

Rich et al. conducted one of the first modern studies to re-examine Khan’s original domains of engagement (Shuck, 2011). According to Rich et al. (2010), Khan’s conceptualization reflected two aspects of engagement: (1) the linkage between engagement and job performance, and (2) an inclusive view of the employee’s agentic self. However, it failed to account for the possibility that individuals can choose to invest their affective, cognitive, and physical energies simultaneously into role performances in a connected rather than fragmented manner. In an attempt to understand the role that engagement plays in relationships with job performance, Rich et al. (2010) surveyed 245 full-time firefighters and asked participants to rate their own job engagement, job involvement, job satisfaction, intrinsic motivation, value congruence, perceived organizational support, and core self-evaluations. They found:

...individuals reported they were more engaged in their jobs when they also reported higher levels of value congruence, perceived organizational support, and core self-evaluations. Also, individuals reporting higher levels of engagement tended to receive higher supervisor ratings of task performance and organizational citizenship behavior (p. 625).

Rich et al.'s (2010) research positioned engagement as a motivational concept and emphasised relationships with behavioral consequences. It provided the evidence to show that engagement fully accounts for the relationships between the antecedents and the performance outcomes.

#### 2.1.2 Maslach et al.'s (2001) burnout-antithesis approach

An alternative framework of engagement comes from the “burnout” literature. Burnout researchers argued that engagement and burnout are two opposite poles of a continuum and they can be measured by the Maslach Burnout Inventory (MBI) (Maslach, Schaufeli, & Leiter, Job burnout, 2001). MBI (Maslach & Jackson, 1981) is a scale designed to assess various aspects of the burnout syndrome among individuals who do ‘people-work’ of some kind. Later, the MBI-General Survey developed by Schaufeli, Leiter, Maslach, and Jackson (1996) made it possible to extend burnout research beyond the human services. Maslach et al. (2001) defined three-factor structure of engagement, and stated that *Vigor* refers to “high levels of energy and resilience, the willingness to invest effort in one’s job, the ability to not

be easily fatigued, and persistence in the face of difficulties” (p. 417). *Dedication* means “a strong involvement in one’s work, accompanied by feelings of enthusiasm and significance, and by a sense of pride and inspiration” (p. 417). Finally, *absorption* is characterized as “a pleasant state of total immersion in one’s work, which is characterized by time passing quickly and being unable to detach oneself from the job” (p. 417). They identified six areas of work life that lead to burnout and engagement: workload, control, reward, community, fairness, and values.

Maslach et al.’s (2001) work provided a theoretical foundation to understand burnout and its positive antipode - engagement.

Schaufeli et al. (2002) examined the factorial structure of the MBI-GS and the relationship between engagement and burnout. They used structural equation modeling to test various models simultaneously and confirmed the original three-factor structure of the MBI (exhaustion, cynicism, and professional efficacy) and the hypothesized three-factor structure of engagement (vigor, dedication, and absorption). Although Schaufeli et al. (2002) acknowledged that engagement is the positive antithesis of burnout; they argued that the opposite profile of MBI scores is not adequate to measure engagement. They found that a reduced burnout factor (with exhaustion and cynicism) and an extended engagement factor (three original engagement scales and efficacy) describes the structure of the data best. To a certain extent, Schaufeli et al.’s (2002) study seemed to confirm that burnout and engagement are antipodes. This conclusion was validated by a cross-national study of university students. MBI-Student Survey (MBI-SS) and the Utrecht Work

Engagement Scale –Student (UWES-S) was used to evaluate burnout and engagement, and data has shown that the burnout and engagement subscales were negatively correlated (Schaufeli, et al., 2002). Schaufeli & Bakker (2004) agreed with earlier findings. They also used the MBI-GS and UWES to assess burnout and engagement. In addition, they also included job demands, emotional demands, job resources, social support from colleagues, supervisory coaching, health problems and turnover intention in their study to understand the potential predictors and consequences of burnout and engagement. Using structural equation modeling, Schaufeli and Bakker (2004) were able to establish the research model. They showed that burnout was mainly predicated on job demands and lack of job resources, and it related to health problems and turnover intention, whereas, engagement was exclusively predicated by available job resources, and it only related to turnover intention.

In a cross-national study (10 different countries, n=14,521), Schaufeli & Bakker (2006) drew identical conclusions to those of Schaufeli et al.'s study (2002): a two-factor model with a reduced burnout factor and an expanded engagement factor fit best to the data. Gonzalez-Roma et al. (2006) tested the assumption that exhaustion-vigor and cynicism-dedication constitute two bipolar dimensions of burnout and engagement. Their research showed that the bivariate distributions of responses for pairs of exhaustion-vigor and cynicism-dedication items approached a roughly triangular shape instead of the diagonal form characteristic of a linear relationship. They recommended using the Mokken scaling methods to examine

the paired dimensions and concluded “the core burnout and engagement dimensions can be seen as opposites of each other along two distinct bipolar dimensions dubbed energy and identification” (p. 165). Langelaan, Bakker, van Doornen, and Schaufeli (2006) examined the influence of individual personality and temperament on burnout and work engagement, and showed that individual differences do matter when it comes to discriminating groups of employees who score high and low on burnout and work engagement. Later, Schaufeli and Salanova (2007) suggested an alternative three-factor burnout model that replaced efficacy with inefficacy since an inefficacy scale fits better to data than a reversed efficacy scale.

Demerouti, Bakker, Nachreiner, & Schaufeli (2001) recommended the job demands resources model (JD-R) which can be measured by the Oldenburg Burnout Inventory (OLBI). Based on the JD-R model, the work environment can be divided into demands and resources, and when demands are low and individuals have the necessary resources to perform their role and cope with demands, they will be more engaged. They argued that the items in each subscale of MBI-GS were all phrased in the same direction, and such one-sided scales could “lead to artificial factor solutions in which positively and negatively worded items are likely to cluster” (p. 500). Llorens, Bakker, Schaufeli, and Salanova (2006) tested the robustness of the JD-R model. They measured demands, burnout, engagement, organizational commitment, and job control. Their research provided partial evidence to support the hypothesis that burnout mediates the effect of job demands on organizational commitment and work engagement mediates the effect of job resources on

organizational commitment. Xanthopoulou, et al. (2007), expanded the JD-R model and concluded “ personal resources mediated the relationship between job resources and engagement/exhaustion and influenced the perception of job resources” (p. 121). The job demands-resources model has also been studied based on Finnish teachers (Bakker, Hakanen, Demerouti, & Xanthopoulou, 2007) and Finnish dentists (Hakanen, Schaufeli, & Ahola, 2008), and results suggested job resources influenced work engagement. Clearly, the JD-R provided a different perspective to help understand the relationship between engagement and burnout.

Referring to the work of Schaufeli and his colleague (Schaufeli & Bakker, 2006), Xanthopoulou et al. (2009) believed that the concept of work engagement can be reliably measured. Although there is limited empirical research on engagement, a number of studies have measured engagement with different instruments and tested engagement models and theories. All this research indicates that burnout and work engagement are independent states that are negatively, but not perfectly, related.

### 2.1.3 Harter et al.’s (2002) Satisfaction-Engagement Approach

Practitioners have focused more on the relationship between employee engagement and business performance. Harter et al.’s (2002) meta-analysis was considered one of the most widely read and cited pieces of literature on employee engagement (Shuck, 2011) and their work linked employee engagement with business-unit outcomes. Harter et al. (2002) defined the term employee engagement as “the individual’s involvement and satisfaction with as well as

enthusiasm for work” (p. 269). They examined the relationship between employee satisfaction-engagement and business outcomes at the business-unit level using data collected from 7,939 business units in 36 companies. The Gallup Workplace Audit (GWA), which is composed of an overall satisfaction item and 12 items that measure employee perceptions of work characteristics, was used as the instrument for this study. Results showed identical correlations of overall satisfaction and employee engagement with composite performance, and the correlation between overall satisfaction and employee engagement was 0.77 on business-unit-level. Therefore, Harter et al. (2002) concluded, “employee satisfaction and engagement are related to meaningful performance outcomes at a magnitude that is important to many organizations and that these correlations generalize across companies” (p. 276). A recent meta-analysis by Gallup (Harter et al., 2009) supported Harter’s (2002) conclusion. This study accumulated 199 research studies across 12 organizations in 44 industries and 26 countries (for a total of 32,394 business/work units and 955,905 employees). It suggested that the relationship between engagement and performance at the business/work unit level is substantial and highly generalizable across organizations (Harter et al., 2009).

Luthans and Peterson (2002) extended Harter et al.’s (2002) model. Based on their empirical investigation, they concluded that “both employee engagement and manager self-efficacy are important antecedents that together may more positively influence manager effectiveness than either predictor by itself” (p. 376, Luthans & Peterson, 2002). In addition, Luthans and Peterson (2002) found a conceptual fit



between GWA and Kahn's (1990) theoretically derived dimensions of engagement. Their work provided a theoretical foundation for measuring employee engagement through the GWA.

#### 2.1.4 Saks's (2006) Multidimensional Approach

As a critique of the Khan (1990) and Maslach et al. (2001) models, Saks (2006) stated, "although these models indicate the psychological conditions or antecedents that are necessary for engagement, they do not fully explain why an individual will respond to these conditions with varying degrees of engagement" (p. 603). Instead, he used social exchange theory (SET) to explain employee engagement, and suggested that one way for individuals to repay their organization is through their level of engagement (Saks, 2006). In the article, *Antecedents and consequences of employee engagement*, Saks (2006) defined engagement as "a distinct and unique construct that consists of cognitive, emotional, and behavioral components that are associated with individual role performance" (p. 642). He also pointed out that engagement is distinguishable from several related constructs, such as organizational commitment, organizational citizenship behavior and job involvement. This study provided one of the first empirical tests of the antecedents and consequences of employee engagement (Saks, 2006).

The core of Saks' (2006) model was based on the hypotheses that there were two types of employee engagement: job engagement and organization engagements. He was the first academic researcher to differentiate these two states of engagement

(Shuck, 2011). In order to test his model, Saks (2006) surveyed 102 employees working in a variety of jobs and organizations. Results indicated that although the two measures of engagement were related, they were different; and participants showed a significantly higher job engagement than organization engagement. He also found that the antecedent variables explained a significant amount of the variance between job engagement and organization engagement, most importantly, job characteristics for job engagement and organizational support for both states of engagement. Moreover, this study also showed the two states of engagement are positively correlated with job satisfaction, organizational commitment, organizational citizenship behavior, and intention to quit (Saks, 2006). Through regression analyses, Saks (2006) found that antecedents explained the variance. However, if the engagement measures were controlled, the antecedents accounted for much less of the variance. For example, the antecedents explained 42 percent of the variance of job satisfaction, but only 15 percent if the engagement measures were controlled. Therefore, Saks (2006) concluded that “the relationship between the antecedents variables and the consequences is partially mediated by job and organization engagement” (p. 612).

Macey and Schneider, (2008) suggested that employee engagement is a multidimensional construct that covers psychological state engagement, behavioral engagement and traits engagement. This was consistent with Mohapatra and Sharma’s (2010) framework that employee engagement is a multidimensional, multilayered construct. According to Mohapatra and Sharma (2010), employee

engagement is “an amalgam of employee attitudes, feelings and proneness to behave as well as actual behaviour” (p. 283). However, Saks (2008) argued that the aggregated multidimensional construct is, in fact, “a little bit of this, a little bit of that, some of this, and some of that” (p. 40), and this “cocktail construct” can be an umbrella term for whatever one wants it to be. Saks (2008) clarified that “if the engagement concept is unique, it requires a distinct meaning and needs to be role specific rather than a cocktail of related constructs” (p. 42). It is clear that although many researchers appear to agree with the multidimensional construct of employee engagement, the scope of the dimension is not necessarily the same.

Saks (2006) was the first person to have empirically tested the antecedents and consequences of employee engagement. His work provided an important bridge between previous early theories of employee engagement, practitioner literature, and the academic community (Shuck & Wollard, 2010). However, it is worth noting that although Saks (2006) empirically demonstrated perceived organizational support to be a predictor of job and organizational engagement, a recent study did not agree with his findings. The test results failed to support the argument that work engagement mediates the impact of perceived organization support on important work outcomes (Wefald, Reichard, & Serrano, 2011).

In summary, although the definition and meaning of engagement vary among different groups and are influenced by different factors, the author tends to agree with Saks (2006) and others (Bakker, 2011; Hallberg & Schaufeli, 2006; Kahn, 1990;

Rothbard, 2001; Schaufeli et al., 2002). Engagement is indeed a distinct and unique construct that consists of cognitive, emotional, and behavioral components that are associated with role performances. The cognitive and emotional components cover the “dedication” and “absorption” dimensions in burnout researcher’s terms. The behavioral component includes the “discretionary effort” (Towers Perrin, 2003). Moreover, Harter et al. (2002)’s definition of “the individual’s involvement and satisfaction with as well as enthusiasm for work” (p. 269) is also covered by the cognitive, emotional, and behavioral components of engagement. Thus, regardless of the different models and measurements, the construct of engagement appears to describe the same thing. It is like how people describe oranges in different terms, such as “a citrus fruit”, “a yellow fruit that grows on a tree”, “a fruit that is close to a mandarin, but bigger and more sour”, or “*Citrus reticulata*”, essentially, it refers to the same thing. As concluded by Saks (2008), “there are several theoretical models as well as a number of measures of engagement that have been developed. It remains for future research to further develop, refine, and integrate these measures and perspectives” (p. 42).

## **2.2 Social Exchange Theory and Employee Engagement**

Social exchange theory (SET) is considered to be one of the most influential conceptual paradigms for understanding workplace behavior (Cropanzano & Mitchell, 2005). The essence of SET is that obligations are generated through a series of interactions between the parties who are in state of reciprocal

interdependence. Cropanzano and Mitchell (2005) suggested three types of postures to another person: (1) independence, (2) dependence, and (3) interdependence, and they stressed that complete independence and complete dependence do not imply a social exchange. According to Cropanzano and Mitchell (2005), an exchange requires a bidirectional transaction- something has to be given and something returned, which was consistent with Robinson et al.'s (2004) description of engagement as a two-way relationship between the employer and employee. It is suggested that the basic tenet of SET is that relationships evolve over time into trusting, loyal, and mutual commitments as long as the parties abide by certain "rules" of change (Cropanzano & Mitchell, 2005). Xanthopoulou and her colleagues elaborated this tenet, as "advantageous and fair social exchanges lead to strong relationships that produce effective work behaviors and positive employee attitudes" (p. 241) and they believed that social exchange relationships involve a series of interactions that generate unspecified obligations (Xanthopoulou, Bakker, Demerouti, & Schaufeli, 2009). Individuals feel obliged to respond in kind and repay the organization, when they receive economic and socioemotional resources from their organization (Cropanzano & Mitchell, 2005). In this context, Saks explained, "One way for individuals to repay their organization is through their level of engagement. That is, employees will choose to engage themselves to varying degrees and in response to the resources they receive from their organization" (p. 603). Employees tend to exchange their engagement for resources and benefits provided by their employer (Saks, 2006). Therefore, when employees are

autonomous, receive support and have opportunities for development, they are likely to reciprocate by showing higher levels of engagement.

Saks (2006) considered the framework of engagement established by Kahn (1990) and Maslach et al (2001) as an exchange of economic and socioemotional resources. He explained how individuals respond to antecedents with varying degrees of engagement based on Kahn's (1990) model:

...employees feel obliged to bring themselves more deeply into their role performances as repayment for the resources they receive from their organization. When an organization fails to provide these resources, individuals are more likely to withdraw and disengage themselves from their roles. Thus, the amount of cognitive, emotional, and physical resources that an individual is prepared to devote in the performance of one's work roles is contingent on the economic and socioemotional resources received from the organization (p. 603).

Saks (2006) tested the model of the antecedents and consequences of job and organization engagement based on existing models of engagement (Khan, 1990; Maslach et al., 2001) and SET. He found that perceived organizational support (POS) predicts both job and organization engagement; job characteristics predicts job engagement; and procedural justice predicts organization engagement. Employees seem to reciprocate with greater levels of job and organization engagement because of the obligation created by the caring and concern associated with perceived

organizational support (Saks, 2006). Interestingly, POS has long been conceptualized in SET terms and it was considered as the “quality” of the social exchange (Cropanzano & Mitchell, 2005).

Saks’s (2006) research provided a rational explanation of employee engagement based on SET, and it was in accordance with many other studies. Maslach and Leiter (2008) concluded that a lack of reciprocity, or imbalanced social exchange processes, is predictive of burnout. Cartwright and Holmes (2006) also found that imbalanced social exchange, such as organizations expecting more from their employees and providing little in return other than a job or employability, resulted in increasing employee cynicism and mistrust. The social exchange was also found to be positively related to employees’ feeling of perceived organizational support and affective commitment, and contextual performance behaviors (Bakker & Schaufeli, 2008). Dollard and Bakker (2010) were able to interpret results based on SET, and they stated, “according to social exchange theory employees who perceived that the organization cares about their well-being through adequate resource allocation, are more likely to be motivated and engaged” (p. 582).

### **2.3 The Present Study**

In an attempt to answer the research question for this study: *how does employee engagement happen?*, the author first performed a comprehensive literature review of employee engagement research, which provided the definition for engagement : Engagement consists of cognitive, emotional, and behavioral components that are

associated with role performances. The author then reviewed social exchange theory (SET) since Saks (2006) recommended it as the theoretical rationale for explaining employee engagement.

Cropanzano and Mitchell (2005) stated, “Researchers have often conceptualized POS and the “quality” of the social exchange that takes place between an employee and the employer as a whole” (p. 883). One can argue that the higher the “quality” of the social exchanges is the more engaged employees are”. Therefore, the first hypothesis is formulated:

- **Hypothesis 1: Perceived organizational support is positively related to employee engagement.**

Exchange ideology is defined as a set of global beliefs that work effort should depend on treatment by the organisation, and as such, it strengthens people’s tendency to respond in reciprocity to support (Eisenberger, et al., 1986). The high exchange ideology reflects a tendency to contribute, due to “increased willingness to base affective commitment and work effort on the favorableness of treatment received from the organization” (Eisenberger, et, 2001, p. 43). The low exchange ideology reflects non-contingent willingness to contribute, regardless of treatment received and they continue to work hard even if they perceive themselves to be poorly treated. Eisenberger, et al., (2001) stated, “employee exchange ideology concerns employees’ application of the reciprocity norm to their relationship with the work organization” (p. 43).



According to Molm (1994), interdependence, which involves mutual and complementary arrangements, is considered a defining characteristic of social exchange. Social exchange generates obligations through a series of interactions between the parties who are in a state of reciprocal interdependence, and individuals with a strong exchange ideology are more likely to feel obliged to reciprocate the benefit (Cropanzano & Mitchell, 2005; Eisenberger, Hutchison, & Sowa, 1986; Saks, 2006). Thus, the second hypothesis is below:

- **Hypothesis 2: Compared to individuals with low exchange ideology, individuals with strong exchange ideology are more likely to reciprocate the POS with employee engagement**

### **3. Methodology**

#### **3.1 Sample and Procedure**

We administered a survey assessing perceived organizational support, employee exchange ideology, and employee engagement. This online survey was designed using LimeSurvey, a Canada based survey tool. The survey includes an informed consent letter (Appendix 1) that informs participants of the purpose of the study. Participation was voluntary and participants were informed that their responses will remain anonymous and confidential. A letter of request was sent to different biotech companies in Nova Scotia in order obtain permission from these organizations to distribute the invitation through their internal email system. Once permission was granted, the online survey was distributed to each company's employees via internal email systems. A copy of the letter of request is attached (Appendix 2). Four weeks later, a reminder was distributed to participants through their companies' internal email system. A copy of the reminder is attached (Appendix 3).

Although 57 responses were obtained, 6 responses were not completed. The final study sample (N = 51) consisted of 15 males (29.4%) and 36 females (70.6%). Participants' mean age was 42.3 years (SD = 9.5) and their mean organizational tenure was 7.5 years (SD = 6.2), among whom, 28 were staff, 20 were managers who had direct reports, and three were unknown.

### 3.2 Measures

The online survey consists of six parts: (1) consent, (2) demographics, (3) perceived organizational support, (4) employee exchange ideology, (5) Utrecht Work Engagement Scale-vigor, and (6) Utrecht Work Engagement Scale-dedication. Questions with respect to consent and demographics were developed by the researcher of this study. The survey instrument for perceived organizational support and employee exchange ideology were developed by Dr. Robert Eisenberger, and permission was obtained to use them. The Utrecht Work Engagement Scale was developed by Dr. Wilmar B. Schaufeli, and permission was obtained to use this instrument. This Survey was approved by the Research Ethics Board, Saint Mary's University.

The perceived organizational support is measured by an eight-item short-form of survey (Rhoades, Eisenberger, & Armeli, 2001; Saks 2006) as shown in appendix 4. Participants responded using a 7-point Likert scale with anchors (1) strongly disagree to (7) strongly agree. A sample item is, "My organization really cares about my well-being."

Employee exchange ideology (EEI) was measured by an eight-item modified survey (Eisenberger, Armeli, Rexwinkel, Lynch, & Rhoades, 2001) based on the original Employee Exchange Ideology Questionnaire (Eisenberger, et al., 1986) as shown in Appendix 5. The respondents indicated the extent of their agreement with each item on a 7-point Likert scale with anchors (1) strongly disagree to (7) strongly

agree. A sample item is, “Employees should not care about the organization that employs them unless that organization shows that it cares about its employees.”

Employee engagement (EE) was measured with the Utrecht Work Engagement (Schaufeli et al., 2002) as shown in Appendix 6. The subscale vigor was measured with six items (e.g., “at my work, I feel bursting with energy.”). The subscale dedication was measured with five items (e.g., “I am enthusiastic about my job”). Participants responded using a 7-point Likert scale with anchors (0) never to (6) always. The reliability and the factorial validity of the UWES have been supported by Schaufeli et al. (2002) and Langelaan, et al. (2006).

### **3.3 Data Analysis**

Data analysis was carried out with the IBM® SPSS® Statistics 21. Although survey instruments were well established and validated, exploratory factor analyses were conducted to confirm that the measures were distinct from one another. All the variables were used in a principal factor analysis with Direct Oblimin of the oblique rotation methods as suggested by Kline (1994). The Kaiser-Meyer-Olkin (KMO) value is considered acceptable when it is above the cut-off point of 0.6 (Brace et al., 2009).

The reliability of the measuring instruments was assessed by means of Cronbach alpha coefficients. Descriptive statistics (means and standard deviations) were computed to describe the data. The averages of POS, EEI, and EE for each individual were calculated. Pearson correlation coefficients were used to specify

the relationships between the variables. The level of statistical significance was set at  $p < 0.05$ . A cut-off point of 0.30 (medium effect) (Cohen, 1988) was set for the practical significance of correlation coefficients.

The moderating role of employee exchange ideology in the relationships of perceived organizational support with employee engagement was tested. Data were split into two groups based on medium value of average EEI ( $>3.25$ , and  $\leq 3.25$ ) then analyzed.

Chapter 4, which follows, present the results of the data analyses.

## 4. Results

Exploratory factor analysis, usually referred as factor analysis, enables us to ensure that the questions asked relate to the construct that intend to be measured (Brace et al., 2009). Results of POS, EEI, EE are reported in the Table 1. All three KMO values were  $> 0.8$  which indicated that the data are highly structured and potentially a good candidate for factor analysis.

Factor analysis has been widely used in the behavioral sciences to assess the construct validity of a test or a scale (ACITS, The University of Texas at Austin, 1995). Factor Matrix results are shown in the Table 2. All questions exceeded the 0.33 loading criterion, indicating the solution had simple structure. The scree test was also performed and the maximum number of factors extracted was indicated by the point before a plot of eigenvalues flattens out (Bond University, n.d.). A scree plot of POS (Figure 1), EEI (Figure 2) and EE (Figure 3) showed that they were one-factor solutions. The descriptive statistics, alpha coefficients and Pearson correlations are reported in the Table 3. The alpha coefficients of all the scales were acceptable compared with the cut-off point of 0.70 (Nunnally & Bernstein, 1994). The combined result of *Vigor* and *Dedication* were used as the measurement of employee engagement. However, it is worth noting that there was a significant moderate correlation between *Vigor* and *Dedication* ( $r = 0.67, p < 0.0001$ ), and the result of a paired t-test indicated no significant differences ( $t = -1.94, p = 0.058$ ) which is in accordance with factor analysis.

Table 1: KMO and Bartlett's Test

<i>Item</i>		<i>POS</i>	<i>EEI</i>	<i>EE</i>
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.874	0.832	0.806
Bartlett's Test of Sphericity	Appro. Chi-Square	263.457	178.729	358.236
	Df	28	28	55
	Sig	0.000	0.000	0.000

Based on KMO value, data are factorable.

Table 2: Factor Matrix of Perceived Organizational Support, Employee Exchange Ideology, and Employee Engagement

<b>Factor Matrix<sup>a</sup> of POS</b>	<b>Factor 1</b>	<b>Factor Matrix<sup>a</sup> of EEI</b>	<b>Factor 1</b>	<b>Factor Matrix<sup>a</sup> of EE</b>	<b>Factor 1</b>
POS1	.846	EEI1	.664	VI1	.841
POS2	.930	EEI2	.839	VI2	.644
POS3R	.698	EEI3R	.668	VI3	.644
POS4	.867	EEI4R	.754	VI4	.396
POS5	.700	EEI5	.693	VI5	.398
POS6	.688	EEI6	.726	VI6	.695
POS7	.678	EEI7	.623	DE1	.412
POS8R	.527	EEI8R	.501	DE2	.921
				DE3	.927
				DE4	.642
				DE5	.669

Extraction Method: Principal Axis Factoring.

a. 1 factors extracted. 5 iterations required.



Table 3: Descriptive Statistics, Alpha Coefficients, and Pearson Corrections of the Scale

<i>Item</i>	<i>Mean</i>	<i>SD</i>	<i>α</i>	<i>1</i>	<i>2</i>
1. Perceived Organizational Support	43.90	7.664	0.899	-	-
2. Employee Exchange Ideology	27.20	9.146	0.872	-0.374**	-
3. Employee Engagement	45.18	8.685	0.891	0.675**	-0.281*

Note: \*\* P<0.01 and \* P<0.05

Figure 1: Scree Plot of Perceived Organizational Support

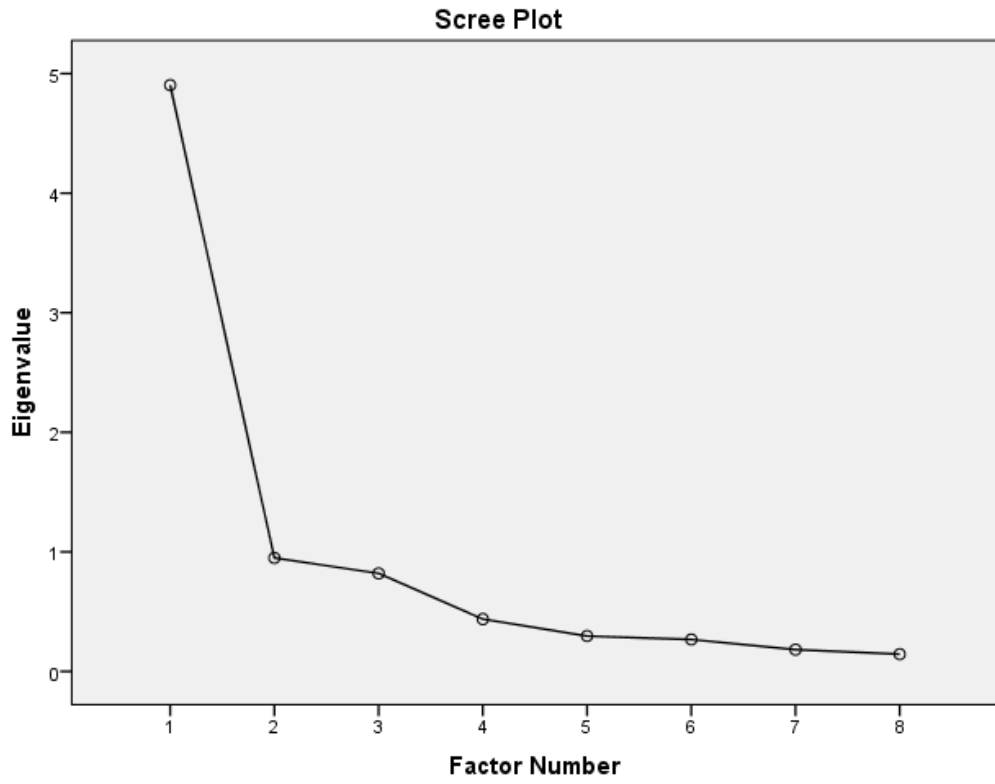


Figure 2: Scree Plot of Employee Exchange Ideology

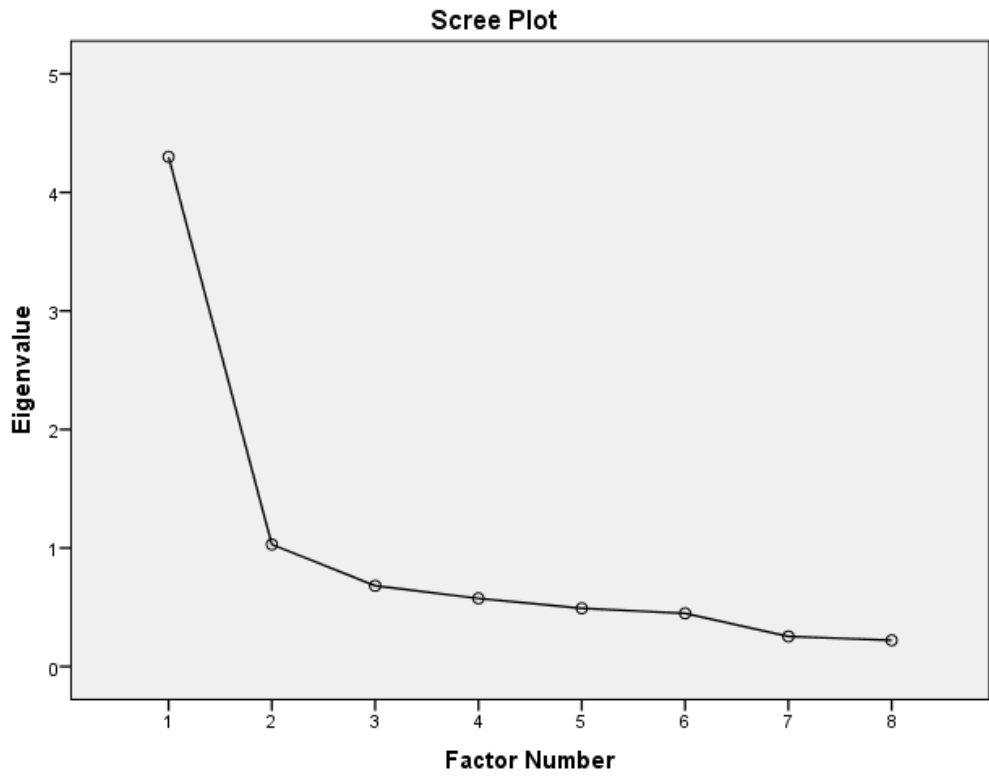
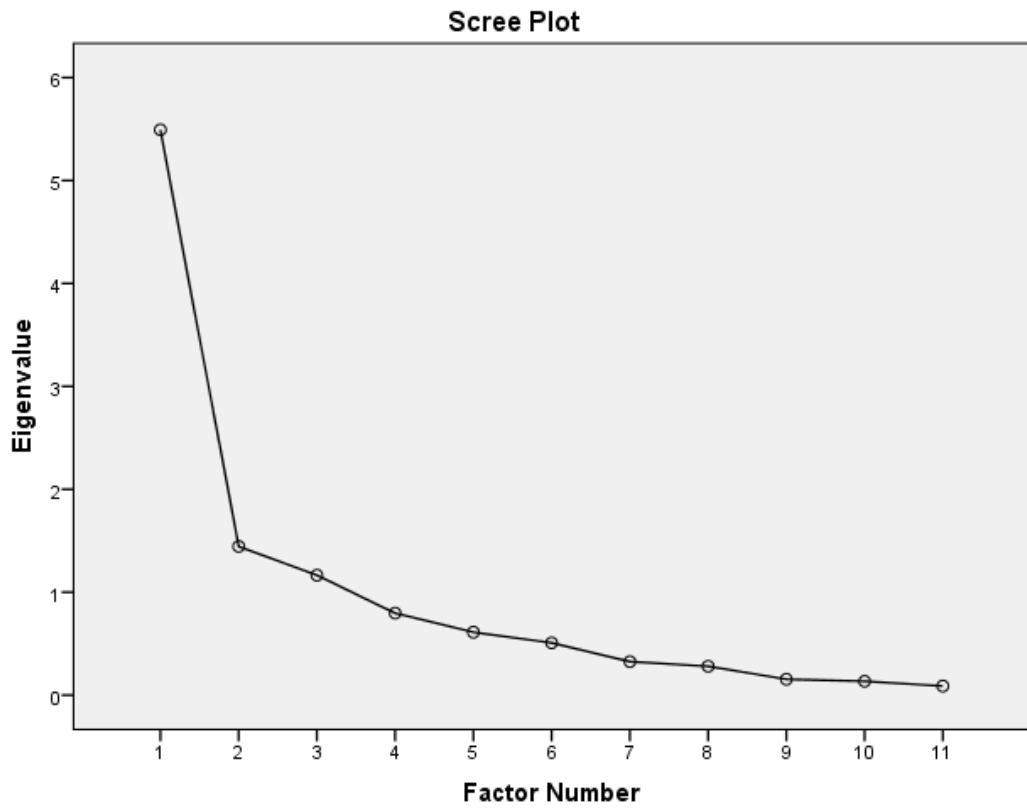


Figure 3: Scree Plot of Employee Engagement



As predicted, the perceived organizational support scores were significantly positively correlated ( $r = 0.67, p < 0.0001$ ) with employee engagement scores (Hypothesis 1). The employee exchange ideology's moderation effect of the POS-EE relationship (Hypothesis 2) was assessed. Based on the medium value of average EEI (3.25), respondents were split into two groups: individuals with high EEI ( $>3.25$ ) and low EEI ( $\leq 3.25$ ). The result of the analysis was reported in Table 4, Figure 4 and 5. Due to the small sample size, the power for formal statistic effect for moderate effect test is not significant. However, individuals with high EEI ( $>3.25$ ) showed a strong correlation ( $r = 7.60$ ) between POS and engagement. Individuals with low EEI ( $\leq 3.25$ ) showed a moderate low correlation ( $r = 3.12$ ) between POS and engagement. This conclusion supported hypothesis 2: compared to individuals with low exchange ideology, individuals with strong exchange ideology are more likely to reciprocate the POS with employee engagement.

Table 4: Comparison of Low Employee Exchange Ideology with High Employee Exchange Ideology in Relationships to Perceived Organizational Support and Employee Engagement

EEI	Model	R	R Square	Change Statistics				
				R Square Change	F Change	df1	df2	Sig. F Change
Low	1	.312	.098	.098	2.594	1	24	.120
High	1	.760	.577	.577	31.375	1	23	.000

Figure 4: Correlation of Perceived Organizational Support and Employee Engagement with Individuals Who Has Low Employee Exchange Ideology

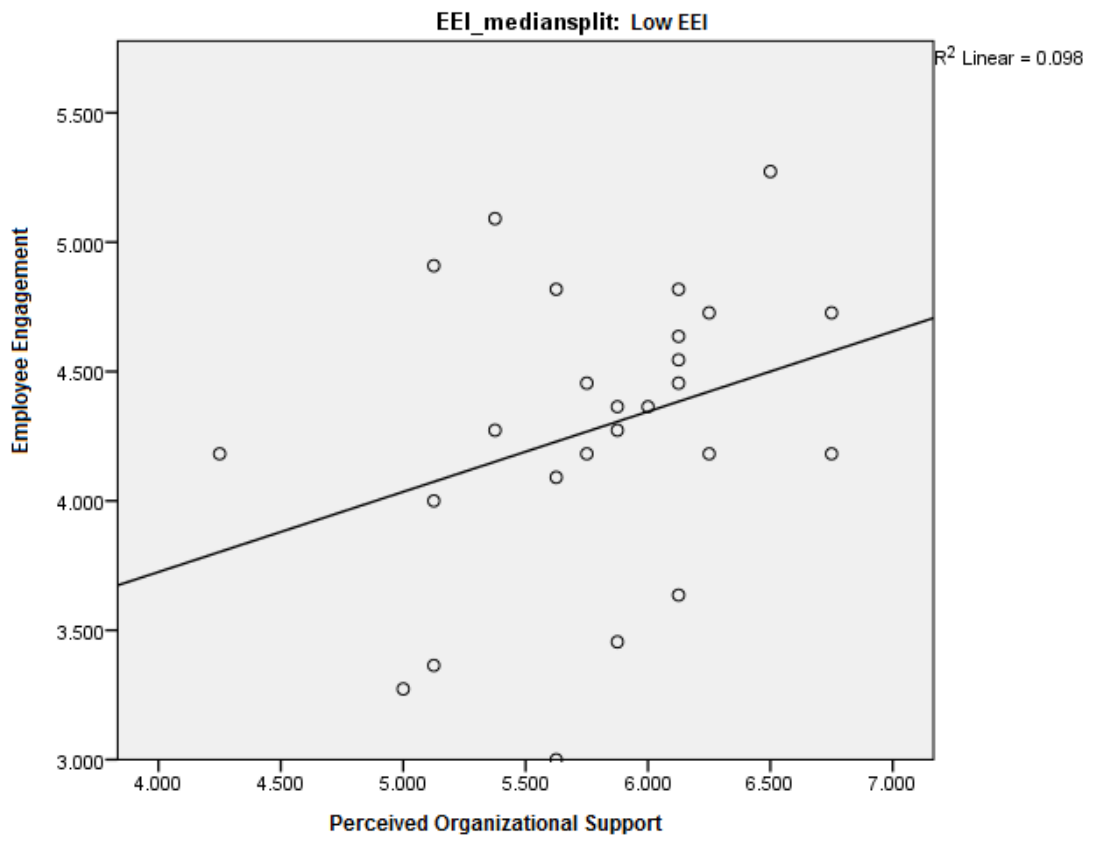
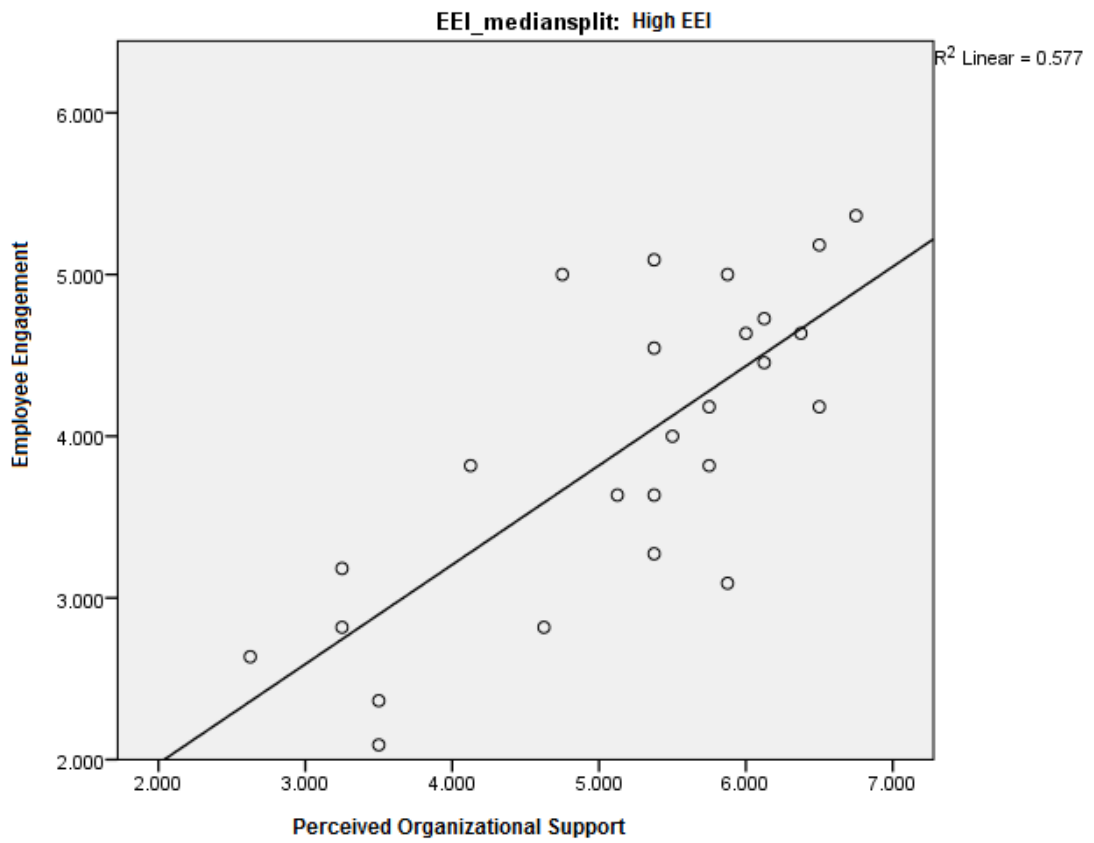


Figure 5: Correlation of Perceived Organizational Support and Employee Engagement with Individuals Who Has High Employee Exchange Ideology





## **5. Discussion**

The objective of this study was to investigate employee engagement in relation to social exchange theory and employee exchange ideology. The results of this study support the findings of Saks (2006), namely that employee engagement can be explained by SET and employees who perceive higher organizational support are more likely to reciprocate with greater levels of engagement. This study provides is one of the first to test the moderating role of employee exchange ideology in the relationships of perceived organizational support with employee engagement. As expected, this finding suggested that individuals with a strong exchange ideology are more likely to feel obliged to reciprocate a benefit (Cropanzano & Mitchell, 2005).

### **5.1 Implications for Practice and Research**

The results of this study have some practical implications, especially in regards to today's work environment. Although the samples size is small, the drastic contrast of reciprocating the perceived organizational support with engagement between two groups, individuals with a low exchange ideology and individuals with a high exchange ideology, is something the organization should take into consideration in today's workplace. From the organization's perspective, the organization expects employees to work hard regardless of their pay and how they get treated; they also felt that if they supported their employees and treated them well then employees should be engaged. The results of this study suggest that those two

things do not align in the same direction. High exchange ideology is considered as “a bad thing”, because people with high exchange ideology carefully track obligations (Cropanzano & Mitchell, 2005) and they tend to concentrate on immediate transactions and close monitoring of what one receives in the short term (Huseman, Haftfield, & Miles, 1987). However, this study suggested that, in fact, their sense of “obligation” is the reason why they reciprocate with the organization through engagement. Pazy and Ganzach (2010) pointed out that weak exchange ideology is relatively insensitive to situational variation, probably shaped by personality and or by value orientation. However, because individuals with weak exchange ideology lack sensitivity to external situations, they are less likely to respond to perceived organizational support. This explains the much lower correlation between perceived organizational support and employee engagement with the group who has low exchange ideology compared to the group who has high exchange ideology. This situation should be taken into consideration when organizations develop their HR practise. As Saks (2006) recommended, “manager should understand that employee engagement is a long-term and on-going process that requires continue interactions over time in order to generate obligations and a state of reciprocal interdependence” (p.614). The fair and consistent reciprocation will evolve over time into trusting, loyal, and mutual commitments.

Since there is some inherent risk that the benefits provided will not be returned, trust is required between the parties to social exchange (Cotterell, Eisenberger, & Speicher, 1992). Molm, Takahashi, and Peterson (2000) defined *trust* as

“expectations that an exchange partner will behave benignly, based on the attribution of positive dispositions and intentions to the partner in a situation of uncertainty and risk” (p. 1402). They suggested that trust is more likely to develop between parties where exchange occurs without explicit negotiations or binding agreements. Blau (1964) explained “since there is no way to assure an appropriate return for a favour, social exchange requires trusting others to discharge their obligations” (p. 94). Further research is needed to study the mediating effect of trust to perceived organizational support and employee engagement. Exchange ideology is not expected to vary with time, but perceived organizational support may vary due to the work conditions. It is valuable to track these two parameters with the time and how they influence employee engagement.

## **5.2 Study Limitations**

Despite obtaining interesting results, this study should be considered in light of its limitations. As pointed out by Xanthopoulou et al., (2009), data were based solely on self-reports, which might have inflated the relationships among the variables. In spite of that, it would be useful for future studies to incorporate additional objective ratings, particularly for engagement and exchange ideology. Another limitation of this study is that it is based on a small number of people working in the same industry, which limits the generalizability of the study. However, note that the sample was not strictly homogeneous since participants were from multiple organizations and had various job positions with different

responsibilities. Saks suggested that “it is possible that engaged employees have more positive perceptions of their work experiences or that some of the consequences cause engagement.” While this study’s findings are consistent with the literature on engagement and SET (Cropanzano & Mitchell, 2005; Saks, 2006), it cannot define the cause and consequences between perceived organizational support and employee engagement. Nevertheless, the correlation between engagement and perceived organizational support, and the moderating effect of exchange ideology still exists. Future studies should try to expand the sample size and diversity.

Notwithstanding these limitations, the results of this study still advance our knowledge of employee engagement in regard to social exchange theory and as such the results have certain practical implications.

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## Appendix 1: Informed Consent Form

### **INFORMED CONSENT FORM**

Employee Engagement and Social Exchange Theory (REB File # 12-302)

You are invited to take part in a study conducted by Yan Ni as part of her Executive Master's of Business Administration degree (EMBA) at Saint Mary's University. The purpose of this study is to gain more understanding of employee engagement, especially in regard to social exchange theory. This study will provide a theoretical basis for organizations to improve employee engagement and to enhance employee performance and satisfaction.

Participants in this study are employees from a variety of Nova Scotia Biotech companies. Participation in this study involves each participant completing an online survey, a process that takes about 15 – 20 minutes. This survey is focused on the areas of perceived organizational support, employee exchange ideology, and employee engagement. Survey instruments are well established and validated by Dr. Robert Eisenberger and Dr. Wilmar B. Schaufeli.

There are no foreseeable risks associated with participation in this study and participants of this survey can decide to withdraw from this study, without penalty, at any time by simply closing the internet browser and exiting the online survey. Taking part in this study is entirely voluntary. No individual responses will be shared. Each individual response will be kept confidential and there is no risk of associating individuals with their answers. No private personal information, such as name or associated organization, will be asked in the survey. Participants are encouraged to help ensure their own privacy by completing the survey in a private place at work or at home. However, participants should be mindful that participation in this study might raise negative feelings with respect to the organization and/or some of its members.

Survey results and associated data collected are stored on Saint Mary's servers, in accordance with FOIPOP regulations. The data will be made public but individual responses will be kept confidential. The research results may be published in academic journals or presented at conferences.

This research has been reviewed and approved by the Saint Mary's University Research Ethics Board. If you have any questions or concerns about ethical matters, you may contact the Chair of the Saint Mary's University Research Ethics Board at [ethics@smu.ca](mailto:ethics@smu.ca) or 420-5728.

Researcher: Yan Ni BSc, MSc, EMBA Candidate (class 2013). Sobey School of Business, Saint Mary's University, 923 Robie Street, Halifax, NS B3H 3C3, Tel: (902)-444-6055. Email: [yan.ni@smu.ca](mailto:yan.ni@smu.ca).

Research Supervisor: Dr. Jeff Young, [Jeff.Young@MSVU.CA](mailto:Jeff.Young@MSVU.CA) (902)-457-6361.

Clicking on the appropriate button in the box below will serve as your informed consent and will permit you to access the survey.

## Appendix 2: The Letter of Request

Dear Sir/Madam

My name is Yan Ni and I am currently enrolled in the Executive Master of Business Administration program. As part of the program, I am conducting a study under Dr. Jeff Young's supervision to understand employee engagement, especially in regards to social exchange theory. This study will provide a theoretical basis for organizations to improve employee engagement and to enhance employee performance and satisfaction. This research may be published in the appropriate academic journal.

I am only requesting that you forward this e-mail and the survey link, provided below, to your employees. I would like to invite employees from your company to take part in this study. The results of this study should help employers understand how to better engage their employees. It will also provide individuals an opportunity to express what really matters to them in a confidential way. I am happy to share my study results with interested participants. The overall survey results will be available; however, I won't be able to provide information associated with each company.

Participation in this study involves each participant completing an online survey, a process that takes about 15 – 20 minutes. Taking part in this study is entirely voluntary and participants can withdraw from the study at any point by simply closing the internet browser and exiting the online survey. This survey is focused on the areas of perceived organizational support, employee exchange ideology, and employee engagement. Survey instruments are well established and validated by Dr. Robert Eisenberger and Dr. Wilmar B. Schaufeli. No individual responses will be shared. Each individual response will be kept confidential and there is no risk of associating individuals with their answers. No private personal information, such as name or associated organization, will be asked in the survey.

**The survey link is below:**

<http://athena.smu.ca/survey/index.php?sid=14512&lang=en>

**Please forward this email to your employees if your organization gives permission for this study.**

This research has been reviewed and approved by the Saint Mary's University Research Ethics Board (REB File # 12-302). If you have any questions or concerns about ethical matters, you may contact the Chair of the Saint Mary's University Research Ethics Board at [ethics@smu.ca](mailto:ethics@smu.ca) or 420-5728. Should you have any questions, please feel free to contact me at [Yan.Ni@smu.ca](mailto:Yan.Ni@smu.ca) or (902)-444-6055

Sincerely,

Yan Ni BSc, MSc, EMBA candidate

[Yan.Ni@smu.ca](mailto:Yan.Ni@smu.ca)

(902)-444-6055

### Appendix 3: Reminder

Dear Sir/Madam

This is a reminder to invite you take in part of Yan Ni's study. Participation in this study involves each participant completing an online survey, a process that takes about 15 – 20 minutes.

Taking part in this study is entirely voluntary and participants can withdraw from the study at any point by simply closing the internet browser and exiting the online survey. No individual responses will be shared. Each individual response will be kept confidential and there is no risk of associating individuals with their answers. No private personal information, such as name or associated organization, will be asked in the survey.

**The survey link is below:**

<http://athena.smu.ca/survey/index.php?sid=14512&lang=en>

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This research has been reviewed and approved by the Saint Mary's University Research Ethics Board (REB File # 12-302). If you have any questions or concerns about ethical matters, you may contact the Chair of the Saint Mary's University Research Ethics Board at [ethics@smu.ca](mailto:ethics@smu.ca) or 420-5728. Should you have any questions, please feel free to contact me at [Yan.Ni@smu.ca](mailto:Yan.Ni@smu.ca) or (902)-444-6055

Sincerely,

Yan Ni BSc, MSc, EMBA candidate

[Yan.Ni@smu.ca](mailto:Yan.Ni@smu.ca)

(902)-444-6055

Appendix 4: Perceived Organizational Support (Rhoades, Eisenberger, & Armeli, 2001; Saks 2006)

1. My organization really cares about my well-being.
2. My organization strongly considers my goals and values.
3. My organization shows little concern for me.
4. My organization cares about my opinions.
5. My organization is willing to help me if I need a special favor.
6. Help is available from my organization when I have a problem.
7. My organization would forgive an honest mistake on my part.
8. If given the opportunity, my organization would take advantage of me.

Appendix 5: Employee Exchange Ideology (Eisenberger, et al., 2001)

1. Employees should not care about the organization that employs them unless that organization shows that it cares about its employees.
2. Employees should only go out of their way to help their organization if it goes out of its way to help them.
3. An employee should work as hard as possible no matter what the organization thinks of his or her efforts.
4. If an organization does not appreciate an employee's efforts, the employee should still work as hard as he or she can.
5. An employee who is treated badly by a company should work less hard.
6. An employee's work effort should depend partly on how well the organization deals with his or her desires and concerns.
7. An employee should only work hard if his or her efforts will lead to a pay increase, promotion, or other benefits.
8. An employee's work effort should not depend on the fairness of his or her pay.

Appendix 6: The Engagement Scales (Schaufeli, et al., 2002)

**Employee Version**

*Vigor (VI)*

1. When I get up in the morning, I feel like going to work
2. At my work, I feel bursting with energy.
3. At my work I always persevere, even when things do not go well.
4. I can continue working for very long periods at a time.
5. At my job, I am very resilient, mentally.
6. At my job I feel strong and vigorous.

*Dedication (DE)*

1. To me, my job is challenging.
2. My job inspires me.
3. I am enthusiastic about my job.
4. I am proud on the work that I do.
5. I find the work that I do full of meaning and purpose.