Abstract:

There is a growing acceptance among both scholars and practitioners that ‘employee engagement’ is related to job performance. However, the inclusion of the variable, particularly, strategic leadership, within the employee engagement construct is still being speculated. Given the paucity of empirical data in the field, this study was undertaken to investigate the Job-Demands Resources model of employee engagement, with an additional variable, namely, strategic leadership, using structural equation modeling. This study is significant at this juncture because employee engagement is related to job performance, which in turn is critical for organizational success.

Based on the Job-Demands Resources model of employee engagement with an additional variable, namely, strategic leadership, this study, using structural equation modeling, developed a model to explain employee engagement for bank employees in Cavite, Philippines. The independent variables selected for the study were job demands, job resources, personal resources, and strategic leadership. A survey composed of 5 instruments was used to collect data for this study. A total of 232 employees from 42 branches of the top 10 banks (based on assets and capital) in Cavite, Philippines, completed the survey.
The employee engagement model developed in the present study explained 60.7% variance of employee engagement. Factors such as strategic leadership ($r = 0.479$, $p < 0.05$) and personal resources ($r = 0.375$, $p < 0.05$) had powerful direct contributions on employee engagement in the model. Another factor, namely, job resources, had a significant indirect contribution through employees’ personal resources on employee engagement.

Employee engagement requires the involvement of both organizations and employees towards it. However, in today’s competitive business context, organizations are expected to take voluntary initiative to provide employees with sufficient resources through strategic leadership. The study concludes that strategic leadership contributes significantly and importantly to employee engagement.