

The Mediating Effect of Employee Engagement on the Relationship between Work and Organizational Factors and Employee Satisfaction at Selected Hotels

Abdul Kadir Othman, Siti Noraini Yusof

Faculty of Business and Management, Universiti Teknologi MARA, Shah Alam, Selangor, Malaysia

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ABSTRACT

Employee satisfaction is the most commonly addressed construct by researchers and practitioners because of its significant contribution to the field of organizational psychology. Similarly, employee engagement has gradually attracted the attention of researchers and practitioners due to its prevalent impact on employee behavior. The objective of the study is to investigate the role of employee engagement in affecting the relationship between work and organizational factors and employee satisfaction. Analyzing 126 data collected from employees using a mediated regression analysis reveals that employee engagement significantly mediates the relationship between three work and organizational factors (teams, communication and rewards) and employee satisfaction. The results indicate that organizations should ensure that the employees are engaged in their work by emphasizing on a team, communication and rewards so that they become highly satisfied with their jobs. The implications of the study are further discussed in the paper.

KEYWORDS: Employee Engagement, Satisfaction, Work Environment.

INTRODUCTION

The issue of employee satisfaction has long been discussed by academics and practitioners. It is vital for organizations to keep their employees satisfied as those who are satisfied can exert extra effort for the benefit of the organization. Satisfied employees can ensure customer satisfaction because satisfaction is a type of emotion that is contagious. That is why organizations need to ensure that employees are highly satisfied with their work, relationship, and the environment where they are working.

There are 50 definitions of employee engagement as reported by [1]. A few common definitions of employee engagement will be highlighted in the paper in order to clearly grasp the concept. Employee engagement refers to a psychological state (involvement, commitment, attachment and mood, performance construct, disposition or a combination of these) [2]. In [3] define employee engagement as an individual's involvement and satisfaction with, as well as their own enthusiasm for work. Another definition of employee engagement is a positive fulfilling work-related state of mind which is characterized by vigor, dedication and absorption [4, 5]. The Chartered Institute of Personnel and Development of the United Kingdom (CIPD) provides a more comprehensive definition of employee engagement as being positively present during the performance of work by willingly contributing intellectual effort, experiencing positive emotions and meaningful connections to others [6].

Several models have been suggested by the experts in organizational psychology pertaining to the drivers or factors that might contribute to employee engagement. In [7] suggested that there are 4 distinct drivers of engagement which are "connection, support, voice and scope". Connection is a sense of identity for the organization, whereas support reflects the feeling of employees when they are valued and appreciated. Voice reflects the attention given to employees to share problems and suggest ideas for improvement and scope means the authority given to employees in making decisions. In [1] have also suggested 4 drivers of employee engagement, comprising voice, engaging leadership, engaging managers and organizations who live the values. In [8] outlined 4 aspects that are required for an individual to feel good about their work which include communication, growth and development, recognition and appreciation, trust and confidence.

A more cohesive model of work engagement was developed by [9] that includes job resources and personal resources as the predictor variables, job demands as the moderating variables and job performance as the outcome variable. Job resources comprise autonomy, performance feedback, social support and supervisory coaching. Personal resources reflect individual factors such as self-efficacy, optimism, resilience and self-esteem. Job demands on the other hand include work pressure, emotional demands, mental demands and physical demands. This model has been used by many authors in addressing the issue of work engagement in the organization. A qualitative study conducted by [10] involving employees in the hotel sector in Ireland found that

pride and encouragement, mission and objectives of the organization and opportunities to learn and grow contribute to employee engagement towards the organization.

Although there are various studies conducted on work engagement, they have come to a common agreement on the factors that might contribute to engagement (especially on work and organizational factors) namely team (connection and autonomy), communication (voice and performance feedback), rewards, leadership (scope and supervisory coaching), development (scope and performance feedback) and support (social support).

Work or employee engagement is related to job satisfaction. A study was conducted by [11] to examine the relationship among tourism involvement, work engagement and job satisfaction in the hotel industry in Taiwan. The findings from the analysis of 336 data from frontline employees of 20 international hotels show that tourism involvement is associated with work engagement, while both tourism involvement and work engagement are associated with job satisfaction. Besides, work engagement partially mediates the relationship between tourism involvement and job satisfaction. Another study was conducted by [12] involving 161 data collected from new employees working in nine luxury hotels in China. The results indicate that newcomers' job satisfaction and work engagement are predicted by institutionalized socialization such as the one found in the team.

A lot of other studies have found a significant association between work engagement and employees' job performance, especially in the hotel industry as a result of high job satisfaction. A study conducted by [13] to investigate the mediating role of job embeddedness in the relationship between work engagement and 2 organizationally valued job outcomes (turnover intention and job performance) among full-time frontline hotel employees revealed that job embeddedness, partially mediates the impact of work engagement on turnover intentions and job performance. Another study conducted by [14] involving 298 employees and 54 supervisors in a large luxury hotel in southern China found that work engagement mediates the relationship between Leader-Member Exchange and employee job performance.

Based on the findings from previous studies, work or employee engagement is expected to mediate the relationship between work or organizational factor and job satisfaction. The following hypotheses are highlighted:

H1: Work engagement mediates the relationship between team and job satisfaction among hotel employees.

H2: Work engagement mediates the relationship between communication and job satisfaction among hotel employees.

H3: Work engagement mediates the relationship between rewards and job satisfaction among hotel employees.

H4: Work engagement mediates the relationship between leadership and job satisfaction among hotel employees.

H5: Work engagement mediates the relationship between development and job satisfaction among hotel employees.

H6: Work engagement mediates the relationship between support and job satisfaction among hotel employees.

METHODOLOGY

A correlational research design was used as the study is intended to examine the relationships among the factors involved. The subjects of the study were the employees of 5 selected hotels in Shah Alam, Selangor, Malaysia. The selected hotels were Concorde Hotel, Grand Blue Wave Hotel, Holiday Inn, De Palma Hotel and Saujana Hotel. A total of 200 sets of the questionnaire were distributed to the hotel employees with 40 sets for each hotel. A total of 124 sets of the questionnaire were returned, which recording the return rate of 62.5%. Employee engagement was assessed using 9-item Work and Well-being Survey [4]. This instrument measures 3 underlying dimensions of employee engagement; vigor, dedication and absorption. Respondents in this study rated each item on a 5-point Likert scale ranging from strongly disagree (1) to strongly agree (5). Items on job satisfaction and the factors that influence employee engagement were adapted and adopted from various studies based on their appropriateness to measure the intended variables. These items were also rated on a 5-point Likert scale ranging from strongly disagree (1) to strongly agree (5).

FINDINGS AND DISCUSSION

Table 1: Demographic profile

Variables	Descriptions	Frequencies	Percentages
Gender	Male	65	51.6
	Female	61	48.4
Age	18 years-25 years	52	41.3
	26 years-35 years	50	39.7
	36 years-above	24	19.1
Race	Malay	65	51.6
	Indian	35	27.8
	Chinese	23	18.3

Academic qualification	SPM	37	29.4
	STPM	15	11.9
	Diploma	47	37.3
	Bachelor and Master Degree	27	21.4
Working experience	Below 5 years	65	51.6
	6-10 years	48	38.1
	10-above	13	10.3
Department	Management	10	7.9
	Human resource	12	9.5
	Marketing	11	8.7
	Accounting	18	14.3
	Safety and security	15	11.9
	Rooms division	25	19.8
	Food and beverages	22	17.5
	Purchasing and receiving	13	10.3

Describing the participants involved in the study, 65 respondents or 51.6% are male and 61 respondents or 48.4% are female. Their age is categorized into 3 groups with 52 of them or 41.3% aged in the range of 18 to 25 years old, 50 respondents or 39.7% aged between 26 and 35 years old and 24 of them or 19.1% aged more than 35 years old. There is a good racial representation of respondents with Malays being the largest group represented by 65 respondents or 51.6%, followed by Indian with 35 respondents or 27.8% and Chinese with 23 respondents or 18.3%.

Regarding the academic qualification, majority of them were diploma holders that constitute 47 respondents or 37.3%, followed by SPM holders with 37 respondents or 29.4%, ensued by bachelor degree and masters holders with 27 respondents or 21.4%, and STPM holders with 15 respondents or 11.9%. Pertaining to working experience of the participants, majority of them (65 respondents or 51.6%) had been working with the company for less than five years. A total of 48 respondents or 38.1% had 6 to 10 years of working experience. The remaining respondents (13 of them or 10.3%) had more than 10 years of working experience.

The respondents participating in this study came from various departments. A total of 25 respondents or 19.8% were from Rooms Division, 22 respondents or 17.5% were from Food and Beverages Department, 18 respondents or 14.3% came from Accounting Department, 15 respondents or 11.9% represented Safety and Security Department, 13 respondents or 10.3% were from Purchasing and Receiving Department, 12 respondents or 9.5% came from Human Resource Department, 11 respondents or 8.7% represented Marketing Department and 10 respondents or 7.9% were from Management Department. There is a fair representation of respondents according to their backgrounds.

Factor Analysis

Principal Component Factor Analyses with varimax rotation were utilized to identify the underlying structure or dimensions in the independent and dependent variables in this study. Factor analysis can recognize whether a common factor or more than a single factor are present in the responses to the items. In essence, factor analysis was used to understand the underlying structure in the data matrix, to identify the most parsimonious set of variables, and to establish the goodness of measures for testing the hypotheses [15].

Conducting factor analysis, several statistical values are observed to establish whether the items are suitable to be factor analyzed. This is accomplished by examining the values of Measure of a Sampling Adequacy (MSA), Kaiser-Meyer-Olkin (KMO) and the Bartlett's test of Sphericity. The MSA value of the individual items was set to be above 0.50 and the KMO (overall items) value to be above 0.60. The Bartlett's test of Sphericity is observed to detect the presence of significant correlations among variables. It is appropriate to proceed with the factor analysis if the value of the test is large and significant ($p < 0.05$) [15].

Overall, 3 factor analyses were performed independently for each scale concerning work and organizational factors, work engagement and employees' job satisfaction. 2 criteria were used to determine the number of factors to be extracted: (1) the absolute magnitude of the eigenvalues of factors (eigenvalue greater than one criterion) and (2) the relative magnitude of the eigenvalues (scree test plot) [15]. The eigenvalue of a factor represents the amount of total variance accounted by the factor. The total amount of variance explained by the factor(s) was set at 60.0% and above [15]. In addition, the scree test plot was also inspected to find a point at which the shape of the curve changed direction and became horizontal. All factors above the elbow or a break in the plot were retained as these factors contributed the most to the variance in the data set. In interpreting the factors, only items with a loading of 0.50 or greater on one factor were considered. In the case of cross-loadings (an item that loads at 0.32 or higher) on two or more factors [16] or the difference between and among factors is less than 0.10 [17], the items were considered for deletion. The clean factors were then interpreted or named by examining the largest values linking the factors to the items in the rotated factor matrix. Reliability tests were subsequently carried out after factor analyses.

Table 2: Factor analysis of the independent variables

Variables	Component					
	1	2	3	4	5	6
Team						
My co-workers would be personally inclined to help me solve problems related to my work	0.853					
My team recognizes my potential	0.830					
My working relationship with my team is effective	0.790					
My team considers my suggestion for change	0.774					
My team understands my problems and needs	0.713					
Communication						
My supervisor is willing to listen to new ideas		0.811				
My supervisor actively seeks input from a diverse group of employees regarding decisions that affect staff		0.733				
My supervisor effectively communicates important issues that affect me		0.728				
My manager/supervisor provides clear direction and expectations to employees		0.722				
I believe I can influence decisions at my department		0.678				
My supervisor clearly communicates his/her expectations of my job performance		0.610				
Rewards						
The organization provides a pay raise for my good performance			0.790			
The organization offers job security for me			0.761			
There is a chance for promotion in this department			0.653			
Leadership						
I can count on my supervisor's support when addressing problems or issues				0.811		
I trust my supervisor to make good decisions for me				0.721		
I enjoy the professional relationship I have with my supervisor				0.580		
Development						
Training offered by management helps me to be effective in my job					0.765	
There are leadership opportunities for me within my department					0.592	
I have the education and training I need to perform my work at my department					0.584	
Support						
My organization is willing to help me if I need a special favor						0.721
My organization would not take advantage of me						0.632
Help is available from my organization when I have a problem						0.606
% variance explained (76.428)	18.373	17.912	10.860	10.793	9.741	8.750
Kaiser-Meyer-Olkin Measure of Sampling Adequacy						0.922
Bartlett's Test of Sphericity						Approx. Chi-Square
						2102.709
						Df
						253
						Sig.
						0.000
MSA						0.876-0.958

Extraction Method: Principal Component Analysis; Rotation Method: Varimax with Kaiser Normalization

Assessing the validity of work and organizational factors, a Principle Component Factor Analysis was conducted. There were initially 45 items in the scale with different number of items for the 8 dimensions; rewards (10 items), leadership (8 items), communication (8 items), development (6 items), support (8 items) and team (5 items). Factor analysis with varimax rotation was used to determine factors' dimensionality. The results of the analysis revealed that 23 items formed six structures equivalent to the original structures.

The results are shown in Table 2. The KMO measure of sampling adequacy for work and organizational factors is 0.922 indicating that the items were interrelated. Bartlett's Test of Sphericity shows a significant value (Approx. Chi-Square = 2102.709, $p < 0.01$) indicating the significance of the correlation matrix and appropriateness for factor analysis. Moreover, the individual MSA values range from 0.876 to 0.958, indicating that the data matrix was suitable to be factor analyzed. Results of factor analysis with varimax rotation indicated the existence of 4 factors with initial eigenvalues greater than one that explained 76.43% of total variance. The results of a scree test also provided support for a six-factor solution.

The first factor comprises 5 items with loadings which ranged from 0.713 to 0.853. This factor mainly gaugesteam factor; therefore, the original name was retained. None of the item was removed. The second factor was extracted with factor loadings ranging from 0.610 to 0.811. This factor consisted of 6 items which reflected communication factor, therefore the original name was retained. Two items were removed due to high cross loadings or they loaded differently from the original conceptualization. The third factor reflects rewards factor comprising 3 items with factor loadings which ranged from 0.653 to 0.790, thus, the original name was maintained. Seven items were removed due to high cross loadings or they loaded differently from the original

conceptualization. The fourth factor contains only 3 items with factor loadings ranging from 0.580 to 0.811. This factor relates to leadership factor, therefore the original name was used. Five items were removed due to high cross loadings or they loaded differently from the original conceptualization. The fifth factor comprises 3 items with loadings which ranged from 0.584 to 0.765. This factor mainly gauges development factor, therefore the original name was retained. Three items were removed due to high cross loadings or it loaded differently from the original conceptualization. The sixth factor was extracted with factor loadings ranging from 0.606 to 0.721. This factor consisted of 3 items which reflected support factor, therefore the original name was retained. Five items were removed due to high cross loadings or they loaded differently from the original conceptualization.

Table 3: Factor analysis of the dependent variable

Variables	Component 1
I am satisfied with the relations with others in the organization with whom I work	0.819
I am satisfied with my current job situation	0.816
I am satisfied with the nature of the work that I perform	0.791
I am satisfied with the opportunities that exist in this organization for advancement or promotion	0.778
I am satisfied with the pay I receive for my job	0.772
I am satisfied with the person who supervises me	0.737
% variance explained	61.754
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.854
Bartlett's Test of Sphericity	Approx. Chi-Square
	Df
	15
	Sig.
	0.000
MSA	0.804-0.914

Extraction Method: Principal Component Analysis

Determining the unidimensionality of the employees' job satisfaction variable, a Principle Component Factor Analysis was also performed. The results of factor analysis are displayed in Table 3. The KMO measure of sampling adequacy for job satisfaction is 0.854 indicating that the items were interrelated. Bartlett's Test of Sphericity shows a significant value (Approx. Chi-Square = 341.002, $p < 0.01$) indicating the significance of the correlation matrix and appropriateness for factor analysis. Moreover, the individual MSA values ranged from 0.804 to 0.914, which indicating that the data matrix was suitable to be factor analyzed. Results of factor analysis with varimax rotation indicated the existence of one factor with initial eigenvalues greater than one that explained 61.75% of total variance. The result of a scree test also provided support for one-factor solution with six items measuring the variable. The loadings for the items range from 0.737 to 0.819.

Table 4: Factor analysis of the mediator variable

Variables	Component 1
At my work, I feel energetic	0.845
I am engrossed in my work	0.842
At my job, I feel strong and vigorous	0.837
Time flies when I am working	0.835
I am enthusiastic about my job	0.828
I feel happy when I am working intensely	0.826
I am proud of the work that I do	0.812
When I get up in the morning, I look forward to going to work	0.799
My job inspires me	0.778
% variance explained	67.684
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.941
Bartlett's Test of Sphericity	Approx. Chi-Square
	796.485
	Df
	36
	Sig.
	0.000
MSA	0.919-0.965

Extraction Method: Principal Component Analysis

Examining the unidimensionality of the employees' work engagement variable, a Principle Component Factor Analysis was also performed. The results of factor analysis are displayed in Table 4. The KMO measure of sampling adequacy for work engagement is 0.941 indicating that the items were interrelated. Bartlett's Test of Sphericity shows a significant value (Approx. Chi-Square = 796.485, $p < 0.01$), which indicating the significance of the correlation matrix and appropriateness for factor analysis. Moreover, the individual MSA values ranged from 0.919 to 0.965, indicating that the data matrix was suitable to be factor analyzed. Results of factor analysis with varimax rotation indicated the existence of one factor with initial eigenvalues greater than one that explained 67.68% of total variance. The result of a scree test also provided support for one-factor solution with nine items measuring the variable. The loadings for the items range from 0.778 to 0.845.

Table 5: Results of correlation analysis

No	Variables	Mean	SD	1	2	3	4	5	6	7	8
1	Team	3.52	0.70	(0.916)							
2	Communication	3.28	0.65	0.547**	(0.907)						
3	Rewards	3.30	0.64	0.463**	0.637**	(0.859)					
4	Leadership	3.40	0.66	0.593**	0.589**	0.628**	(0.836)				
5	Development	3.40	0.66	0.627**	0.638**	0.686**	0.618**	(0.834)			
6	Support	3.35	0.72	0.578**	0.698**	0.589**	0.677**	0.668**	(0.842)		
7	Engagement	3.36	0.66	0.739**	0.739**	0.700**	0.692**	0.703**	0.664**	(0.940)	
8	Satisfaction	3.37	0.63	0.733**	0.748**	0.702**	0.655**	0.763**	0.724**	0.885**	(0.875)

Notes: ** Correlation is significant at the 0.01 level (1-tailed), N=125. Cronbach's alphas in the parentheses along the diagonal

The results of correlation analysis reveal that the independent variables which consist of team, communication, rewards, leadership, development and support are moderately correlated (and a few of them are highly correlated) with each other with r values ranging from 0.463 ($p < 0.01$) to 0.698 ($p < 0.01$), which indicating that the independent variables are interrelated with each other (convergent validity). The moderating variable or employee engagement is highly correlated with all the independent variables with r values in the range between 0.739 ($p < 0.01$) and 0.692 ($p < 0.01$), which signifying concurrent validity of the constructs. Besides, employee engagement is also highly correlated with the dependent variable or employee satisfaction with r value of 0.664 ($p < 0.01$), which indicating concurrent validity. Furthermore, all independent variables and the mediating variable are significantly correlated with the dependent variable with r values ranging from 0.702 ($p < 0.01$) to 0.885 ($p < 0.01$), which signifying concurrent validity of the constructs. These correlation values indicate potential mediating effect of employee engagement on the relationship between the independent variables and the dependent variable.

Table 6: Results of regression analysis with engagement as the dependent variable

Variables	Standardized Beta Values
Team	0.368**
Communication	0.281**
Rewards	0.234**
Leadership	0.133
Development	0.058
Support	-0.011
R	0.877
R ²	0.768
Adjusted R ²	0.757
F value	65.263
Sig. F value	0.000
Durbin Watson	1.961

A multiple regression analysis was conducted with employee engagement serving as the dependent variable. The R squared of 0.768 indicates that 76.8% of the variance in the model is explained by the independent variables. The regression model is significant ($F(6, 118) = 65.263, p = 0.000$). Durbin Watson of 1.961 signifies that there is no problem of autocorrelation in the model. Looking at the contribution of each independent variable to explaining the dependent variable or employee engagement, 3 factors are significant to predict employee engagement; team ($\beta = 0.368, p < 0.01$), communication ($\beta = 0.281, p < 0.01$) and rewards ($\beta = 0.234, p < 0.01$). The remaining 3 factors are not significant predictors of employee engagement; leadership ($\beta = 0.133, p > 0.05$), development ($\beta = 0.058, p > 0.05$) and support ($\beta = -0.011, p > 0.05$).

Table 7: Results of regression analysis on the mediating effect of engagement

Variables	Standardized Beta Values		Remarks
	Without Mediator	With Mediator	
Team	0.319**	0.132*	Complete mediation
Communication	0.234**	0.091	Complete mediation
Rewards	0.198**	0.079	Complete mediation
Leadership	-0.007	-0.074	No mediation effect
Development	0.191**	0.162	No mediation effect
Support	0.137	0.142	No mediation effect
Engagement		0.508**	Mediator is significant
R	0.888	0.921	
R ²	0.788	0.848	
Adjusted R ²	0.778	0.839	
F value	73.236	93.307	
Sig. F value	0.000	0.000	
Durbin Watson	1.985	1.985	

A hierarchical regression analysis was conducted to assess the mediating role of employee engagement on the relationship between work and organizational factors and employee satisfaction. The first step of the regression model was to run the analysis without employee engagement and the next step was conducted with the inclusion of employee engagement in the model. The results of the first model show the R squared of 0.788 denoting 78.8% of the variance explained. The model is significant ($F(6, 118) = 73.236, p = 0.000$) with Durbin Watson value of 1.985 indicating the absence of autocorrelation problem. The second model of regression analysis with the inclusion of employee engagement presents the increase in R squared to be 0.839, which indicating 83.9% of variance explained. The model is also significant ($F(7, 117) = 93.307, p = 0.000$). Pertaining to the relationship between the mediator and the dependent variable, employee engagement is significant to predict employee satisfaction ($\beta = 0.508, p < 0.01$).

From the first model, 4 independent variables are significant to influence employee satisfaction namely team ($\beta = 0.319, p < 0.01$), communication ($\beta = 0.234, p < 0.01$), rewards ($\beta = 0.198, p < 0.01$) and development ($\beta = 0.191, p < 0.01$). The remaining 2 factors are not significant which are leadership ($\beta = -0.007, p > 0.05$) and support ($\beta = 0.137, p > 0.05$). With the inclusion of employee engagement in the regression model, there is a significant reduction in β values denoting a complete mediation effect. Employee engagement is a complete mediator of the relationship between the team ($\beta = 0.132, p < 0.05$) and satisfaction, communication ($\beta = 0.091, p > 0.05$), satisfaction and the relationship between reward ($\beta = 0.079, p > 0.05$) and satisfaction. Although there is a significant reduction in the β value of development, there is no mediating effect of employee engagement on the relationship between development and satisfaction as the relationship between development and employee engagement is not significant.

The findings indicate that employee satisfaction is achieved when the employees are engaged in their jobs. Satisfied employees are more committed to their jobs compared to their less satisfied counterparts. The findings are similar to those found by [18] where there are positive associations between affective and normative organizational commitment, intrinsic and extrinsic job satisfaction. Previous studies also supported that satisfied employees perform better than their less satisfied colleagues. In [19] discovered that satisfied employees whose organizational citizenship behavior (OCB) is high will generate a higher ratio of revenue per employee. Similarly, studies have established that satisfied employees are also willing to remain with the current organization as compared to employees with lower levels of job satisfaction. A study conducted by [20] found that job satisfaction positively influences affective commitment, continuance commitment and normative commitment while it negatively impacts on turnover intention. All these present the benefits of having satisfied employees in the organization. One way of ensuring satisfied employees is through work engagement.

To ensure that the employees are engaged in their jobs, organizations need to focus their efforts in ascertaining that work assignments are organized around team arrangement and not on individual basis [21, 22]. By working in teams, employees' affiliation or socialization needs are fulfilled. Besides, they can rely on each other to overcome their weaknesses. They are willing to share their experience and knowledge. To a certain extent, they are also willing to share their emotions which make them bonded. Consequently, they can experience synergistic work outcomes as a result of working together in teams.

Another factor that is significant in affecting employee engagement is communication, which similar to the findings by [23]. It is important to establish effective communication systems in the organization whether they are upward, downward or lateral or informal communication systems. Communication audit provides great help in ensuring effective communication systems are in place. When employees feel that they are well informed regarding work assignment, any changes that occur in the organization or any occasions organized by the organization; they become engaged in their work. Besides, effective communication systems warrant the employees' views, needs and grievances to be heard by the management. As a result, they become engaged in their jobs.

Reward is another factor that significantly contributes to employee engagement in the hotel industry. The findings are in line with those found by [24, 25]. Employees who feel that their efforts are fairly rewarded will be engaged in their work. The reward can be in the form of monetary or non-monetary rewards. Giving extra pay or bonus for an excellent job or meeting the target is an example of monetary reward whereas providing paid vacations, unrecorded leaves or even a pat on the back are examples of non-monetary reward. The objective of the reward systems is to motivate the employees, so that they are willing to continue with their exceptional efforts for the benefit of the organization as a whole. In this present study, it is proven that reward is a predictor of employee engagement.

Other factors including leadership, development and support are not significant to influence employee engagement. The most plausible reason for this occurrence is that the effect of these factors on employee work engagement has been accounted for by the 3 significant factors namely team, communication and reward. All aspects required by the employees can be found in these 3 factors. Therefore, leadership, development and support are not significant in affecting employee engagement.

CONCLUSION

Every organization is striving to ascertain that its employees are satisfied with their jobs. Based on the findings of the present study, employee engagement is one of the predictors of satisfaction. Examining 6 common factors of engagement, 3 factors namely team, communication and reward are discovered to be significant predictors of engagement. Leadership, development and support are not significant in influencing employee engagement. These findings provide insights for the management, as well the existing body of knowledge on the importance of these 3 factors in affecting employee engagement.

Managerial Implications

The findings indicate that team, communication and reward are significant in influencing employee engagement and engagement is the predictor of employee satisfaction. Therefore, organizations can have satisfied employees when the work assignments are allocated on a team basis rather than on an individual basis. However, extra caution should be exercised as team composition, knowledge, values, leadership and other dimensions are crucial in determining whether the team can be successful or otherwise. Similarly, the communication system is also important in ensuring that the employees are engaged in their work. Communication can be in varying types such as upward, downward, lateral or informal. To determine which communication channel is the most effective and favored by the employees, a communication audit is required. The reward is another significant predictor of employee engagement. Again, it is suggested that the organization needs to assess the reward systems in the organization in order to determine that the most effective and favorable reward systems are implemented in the organization. With these 3 factors in place, the organization is likely to experience success in today's turbulent business environment.

Suggestions for Future Research

This study was conducted in service companies therefore the findings may be applicable to this particular industry. Future studies should include employees from various companies so that the findings can be generalized to a bigger population. Future studies should consider having additional factors such as individual factors as these factors are believed to determine engagement. For example, active or proactive employees are easier to be engaged while the passive ones are more difficult to be engaged. Future studies are also recommended to get bigger data, so that structural equation modelling (SEM) can be applied in analyzing the mediating effect of employee engagement. Smaller sample size as in the present study might cause the analysis to be unstable if SEM is to be used. SEM is the most practical analysis when testing the mediating effect of a variable on certain relationships.

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