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**MANAGEMENT PRINCIPLES AND THE MANAGEMENT PROCESS: THE IMPACT  
ON EMPLOYEE ENGAGEMENT**

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## **MANAGEMENT PRINCIPLES AND THE MANAGEMENT PROCESS: THE IMPACT ON EMPLOYEE ENGAGEMENT**

### **Abstract**

Great management has always been about performance. Great managers get great performance from people. Over the past 100 years, countless approaches, practices, programs, ideas, strategies, fads, etc. have been developed and implemented by managers as ways to improve the performance of employees. During the past 15 years, few if any management topics or ideas have received more attention and discussion in the management literature than employee engagement. Countless number of articles or studies have been written or conducted regarding engagement. These range from attempts to explain the construct to providing evidence of the impact and benefits on enhancing or improving the level of engagement of workers. In addition, there have been numerous attempts to offer information regarding exactly how to improve employee engagement. This study attempts to add to this body of knowledge in this particular area. Specifically, the study examines the influence and impact that the basic principles of management, the management process, and organizational behavior modification have on employee engagement.

## **Introduction**

Principle of management and the management process—two topics that have been explored and discussed in the management literature for over a century. Modern approaches to effective management depend to some extent upon the foundation provided by these two concepts. Employee engagement, while much younger as a management concept, has probably received as much attention in the management literature over the past 15 years as any other single management approach to improving individual and organizational behavior. Building upon the research in the areas of job satisfaction and organizational commitment, employee engagement has been explored by both academicians and practitioners as a vital mechanism toward improved performance. This study looks at examines the impact of the first two concepts—adherence to the basic management principles and the management process—on employee engagement.

## **Engagement**

Since the Gallup Organization's development of the Q12 (a survey instrument to measure employee engagement) over a decade ago, articles in the area of employee engagement. These range from defining the concept to the benefits of increased employee engagement to ways to improve the level of engagement--has increased and intensified dramatically. The primary driver of this attention to engagement has undoubtedly been overwhelming evidence that high levels of employee engagement significantly impacts employee and organizational performance. Couple that with evidence that the workforce is heavily represented by employees who are not engaged or disengaged and it's easy to understand the increased focus on the construct. (Note: The 2009 Gallup Employee Engagement Index found that 33 percent of workers are engaged, 49 percent are not engaged, and 18 percent are actively disengaged; according to a Towers Perrin study, on

21 percent of the global workforce is engaged, while 38 percent are disengaged; data from the U.S. Merit Systems Protection Board indicated that 35 percent of U.S. workers are engaged, 47 percent somewhat engaged, and 18 percent not engaged.

Definitions of engagement have primarily been offered by consulting houses or in practitioner publications. Perhaps the most extensively used definition of an engaged worker was offered by the Gallup organization. They define an engaged employee as a worker who is fully involved in and enthusiastic about his or her work (Tritch, 2003). HR Magazine's February cover story (Bates, 2004) focused on employee engagement and its role in the workplace. Engagement was essentially defined as "an innate human desire to contribute something of value in workplace." Crawford (2006) defined engagement as a measure of the energy and passion workers have for their organization. The article stressed clearly that diminished individual performance was a consequence of lack of employee engagement. Gubman (2004) defined engagement as a heightened personal attachment to the organization. Harley, Lee, and Robinson (2005), while not specifically defining the term, did identify a profile of an "engaged work" and also listed various aspects of engagement that have been used within organizations to measure engagement. Konrad (2006), while not providing a definition, discussed engagement as having a cognitive, an emotional, and a behavioral aspect. Seijts and Crim (2006) defined an engaged worker as one who is "fully involved in, and enthusiastic about, his or her work." Shuck and Wollard (2010) defined engagement as "an individual employee's cognitive, emotional, and behavioral state directed toward desired organizational outcomes." In addition to articles offering definitions/explanations of engagement, the literature offers a plethora of information regarding ways to improve engagement (Fenci and Masarech, 2008; Jakobson, 2008; Cartwright and Holmes, 2006; Konrad, 2006; Robison, 2006; Seijts and Crim,

2006; Richman, 2006; Harley, et. al., 2005; Sensis, 2005; Erickson, 2004; Tritch, 2003). In addition, numerous studies have linked high levels of employee engagement to improved employee or organizational performance (Christian, et. al., 2011; Chalofsky, 2010; Shuck, Reio, and Rocco, 2011; Rich, LePine, and Crawford, 2010; Macey and Schneider, 2008; Smythe, 2008; Walters, 2008; Saks, 2006; Chang, 2006; Crawford, 2006; Echols, 2005; Tasker, 2004; Luthans and Peterson, 2003; Tritch, 2003; Harter, Schmidt, and Hayes, 2002; Maslach and Leiter, 2001). Figure 1 displays the theoretical model with the hypothesized relationships. Both the management principles and the management process are hypothesized as positively impacting employee engagement.

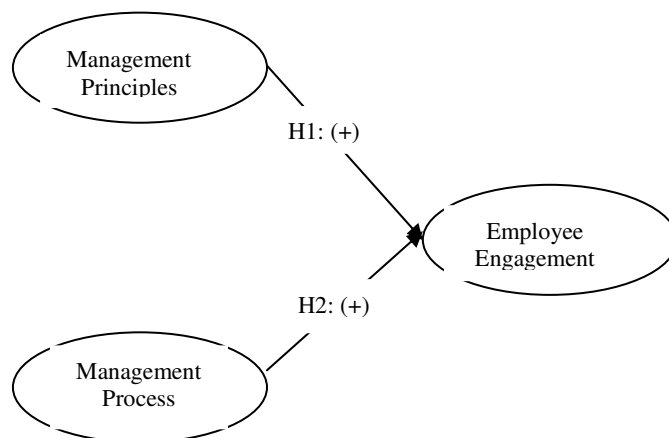


Figure 1  
Principles, Process, and Engagement Model  
with Hypotheses

### Management Principles

Principles of management have been perhaps the foundational underpinning of the study of management since the early 1900's—becoming almost synonymous with the term management. For the purpose of this study, the management principles under consideration are Henri Fayol's (1916) 14 basic principles (ranging from division of work to discipline to unity of

command to order to esprit de corps) plus two additional principles—distinction between line and staff and span of control—as developed by Lyndall Urwick (1938, 1944). (See the Appendix for a complete list and explanation of each principle). As pointed out in the previous section, employee engagement has been shown to be a vital element toward improving employee performance. A natural question to ask is this: will adherence to the principles of management serve to improve the engagement of employees?

H1. Adherence to the basic principles of management setting is a significant, positive predictor of employee engagement.

### **Management Process**

For the purpose of this study, the management process relates directly to the functions of management as described by Henri Fayol (planning, organizing, commanding, coordinating, and controlling). It also combines the work of Locke's goal setting theory and Drucker's MBO. The process essentially requires the completion of four distinct activities on a regular, on-ongoing basis. These steps essentially include subordinates meeting with supervisor to set discuss performance and set objectives; supervisor providing resources and support; supervisor and subordinate meet to discuss completion status for objectives and to provide any needed additional resources or support; and another meeting as described in step one to continue the ongoing process. (Complete explanation of each of the four steps is contained in the Appendix of the paper). Again, as managers try to improve the engagement of its employees, the question arises: will adherence to the management process serve to improve the engagement of employees?

H2. Adherence to the management process is a significant, positive predictor of employee engagement.

## **Methodology**

Data were collected from a sample of full-time employees in the southern United States. Students in a graduate research class and senior level business strategy classes were asked to identify potential respondents and have those respondents complete the study survey. Two hundred and forty-eight full-time employees responded to the survey. Thirty-one percent of the respondents are compensated on an hourly basis, 64% are compensated on a salaried basis, and 5% are compensated on a commission basis. They have been in their current positions an average of 6.2 years. The management principles scale was developed based on the work of Fayol (1916). The management process scale was developed based on the works of Fayol (1916), Drucker (1954), and Iacocca (1984). The employee engagement scale was previously developed and assessed by Buckingham and Coffman (1999). The study scales are displayed in the Appendix. The measurement scales are assessed for convergent and discriminant validity through confirmatory factor analysis, and scale reliability is assessed using alpha coefficients. The results of the confirmatory factor analysis indicate that the measurement scales exhibit sufficient convergent and discriminant validity. The alpha values for each of the scales exceed the .70 cutoff indicating that the scales are sufficiently reliable. Summary variables are computed by averaging the item values for each scale and descriptive statistics and correlations are provided. The structural model is assessed for fit and the individual hypotheses are tested following a structural equation modeling methodology.

## **Results**

Table 1 displays the descriptive statistics for the study variables and the correlations among the study variables. The skewness and kurtosis coefficients fall within the recommended

-2.00 to +2.00 range indicating that the variables are sufficiently normally distributed to support further analysis. The correlations are positive and significant at the .01 level.

Table 1  
Descriptive Statistics and Correlations

| Variable         | Mean | St. Dev. | Skewness | Kurtosis | PRI   | PRO   |
|------------------|------|----------|----------|----------|-------|-------|
| Principles (PRI) | 4.83 | 1.21     | -.58     | -.21     |       |       |
| Process (PRO)    | 5.31 | 1.53     | -.95     | .16      | .71** |       |
| Engagement (EE)  | 5.81 | 1.33     | -1.48    | 2.17     | .64** | .69** |

\*\* Correlations significant at the .01 level

The structural equation modeling results are displayed in Figure 2. Model fit indices include a relative chi-square of 3.70, a GFI of .87, an NFI of .95, an NNFI of 0.95, an SRMR of .05, an IFI of .96, and a CFI of .96. Considering all of the model fit information, we conclude that the model fits the data relatively well. The results support the two study hypotheses. The standardized coefficient for the management principles to employee engagement link is .31 with an accompanying *t*-value of 2.77. The standardized coefficient for the management process to employee engagement link is .57 with a *t*-value of 5.02. The coefficients are positive and significant at the .01 level.

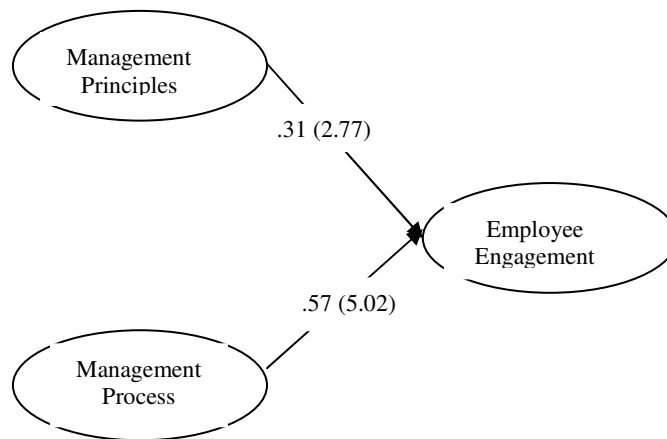


Figure 2  
Structural Results - Standardized Coefficients and (*t*-values)  
*Relative Chi-square* = 3.70, *RMSEA* = .11, *NFI* = .95,  
*NNFI* = .95, *CFI* = .96, *IFI* = .96, *SRMR* = .05, *GFI* = .87



## **Conclusion**

Managers continue to seek ways to improve the performance of their employees. Much has been written about engagement as a means to do accomplish this. Prescriptions abound regarding how managers and organizations can actively develop and implement programs and practices that will positively impact or influence the engagement of the work force. This study offers an additional mechanism—systematically apply adhere to apply the basic principles of management and the basic management process as part of the supervisor/subordinate relationship.

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Appendix  
Measurement Scales

Management Principles

| <i>Please indicate the extent to which you agree or disagree with each statement as it relates to your workplace (1= strongly disagree, 7 = strongly agree).</i> | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|---|---|
| 1. Workers in my organization specialize in particular tasks to produce more and better work with the same effort.                                               | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Disciplinary sanctions are fairly applied at work.                                                                                                            | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. I report directly to only one supervisor.                                                                                                                     | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Everybody in this organization is focused on the same mission.                                                                                                | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. In my organization, the interest of one employee or group of employees does not prevail over that of the organization.                                        | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. My co-workers and I are compensated fairly for the work that we do.                                                                                           | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. My co-workers and I have sufficient authority to effectively fulfill our responsibilities.                                                                    | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Management Process

| <i>Please indicate the extent to which you agree or disagree with each statement as it relates to your workplace (1= strongly disagree, 7 = strongly agree).</i> | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|---|---|
| 1. I meet periodically during the year with my supervisor to set my organizational objectives.                                                                   | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. My supervisor delegates the authority to me that is necessary for me to accomplish my organizational objectives.                                              | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. My supervisor provides resources and other support necessary for me to accomplish my organizational objectives.                                               | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. My supervisor periodically assesses my performance based on accomplishment of my organizational objectives.                                                   | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Employee Engagement

| <i>Please indicate the extent to which you agree or disagree with each statement as it relates to your workplace (1= strongly disagree, 7 = strongly agree).</i> | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|---|---|
| 1. I know what is expected of me at work.                                                                                                                        | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. I have the materials and equipment I need to do my work.                                                                                                      | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. At work, I have the opportunity to do what I do best every day.                                                                                               | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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