The effect of engagement on the relationship between high-involvement work systems (HIWS) and sales employees’ attitudes and performance: A mediation model for future research

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ABSTRACT

Retaining talent and maximising sales performance are everyday themes in the management literature, as well as the boardroom. Achieving this objective is difficult in light of the fact that sales employees are increasingly being viewed as independent contractors. Their growing responsibilities for customer relationship management require comprehensive empowerment strategies to be implemented and a shift to regaining employee involvement within the organisation. To achieve this, the structure of sales organisations requires a transformation. This paper presents a review of the literatures on high-involvement work systems (HIWS) and engagement. The aim is to channel HIWS into the sales context and introduce the construct of work engagement. This synergy enhances the utility of models of salesperson performance since a greater picture of involvement at work, the motivational potential of sales jobs, as well as job attitudes, turnover intentions and performance can be observed. A mediation model linking HIWS through work engagement on sales employees’ attitudes and performance is introduced as a necessary inclusion to the research agenda.

Keywords: Human Resource Management and Organisational Performance, Employee involvement, Personnel Psychology, Human Resource Development
To achieve the responsiveness needed to succeed in a hypercompetitive business world organisations are seeing the need to actively involve their employees and create a competitive advantage through their human capital (Lawler, 1996; Riordan, et al., 2005). It is increasingly being recognised that creating a culture of commitment and participation, where employees are recognised and rewarded for their efforts, as well as offered support, training and development, can have beneficial outcomes for both the organisation and the employee (Konrad, 2006). In the sections that follow, the literatures on high-involvement work systems (HIWS) (Lawler, 1992) and engagement are reviewed, and a model linking HIWS, engagement and sales employees’ attitudes and performance is introduced.

In recent times there has been an upsurge of interest in the concept of employee engagement (e.g. Harter, Schmidt, & Keyes; 2003; Saks, 2006; Mauno, Kinnunen, & Ruokolainen, 2007; Schaufeli & Bakker, 2004). Employee engagement refers broadly to employees’ positive peak experiences of inspiration, dedication and attentiveness at work (Schaufeli & Bakker, 2004). Engaged employees are arguably more satisfied and committed to their work, are superior performers, and are less likely to turnover (Harter, Schmidt, & Hayes, 2002). The engagement construct will be considered for its utility in examining how employees interact with their work environment to achieve optimal levels of performance. A conceptual model is introduced as a means to explain the way in which HIWS facilitates employee engagement, which in turn influences the development of positive work-related attitudes (job satisfaction, organisational commitment, turnover intention), and increased sales performance.

HIWS: THEORETICAL BACKGROUND

Recent years have seen an emerging interest in systems of human resource practices and their relationship with firm level outcomes (e.g. Becker & Huselid, 2006; Edwards & Wright, 2001; Guthrie, 2001), as well as their impact on the individual employee (Riordan, Vandenberg, & Richardson, 2005; Vandenberg, Richardson, & Eastman, 1999). Variously called ‘high involvement’ (Lawler, 1992, 1996), ‘high-commitment’ (Arthur, 1992), or ‘high-performance’ (Huselid, 1995) work practices, the common theme in the developing literature is an emphasis on utilising a system of management practices to give employees skills, information, motivation and autonomy (Wood, 1999). Due to the growing evidence of their ability to produce enduring economic gains over traditional management methods; these organisational forms are steadily held to be most appropriate for modern competitive conditions (e.g. Arthur, 1994; MacDuffie, 1995; Wood, 1999).

HIWS: Gaps and Inconsistencies

There is consensus among researchers and practitioners that the use of systems of HR practices represents a significant investment in human capital and produce positive individual and organisational level
outcomes (Guthrie, 2001). However, there is little agreement as to what practices specifically relate to each type of system. Many researchers argue that ‘high-involvement’ is synonymous with ‘high-performance’ (Wood, 1999). Upon reviewing the literature, one notable distinction must be drawn. Research on high-performance work systems tends to emphasise total quality management, lean management, and extrinsic motivation. The outcomes assessed are commonly quantifiable and focus on efficiency and maximum output (e.g. Neal & Tromley, 1995). This is in contrast to research on high-involvement work systems that frequently investigates practices such as participative decision making, communication systems, team-working and ongoing training and development (e.g. Vandenberg et al., 1999). These practices align best with the empowerment literature. With the focus on the intrinsic motivational potential of employee involvement, outcomes of interest to researchers are often job-related attitudes and turnover intentions (Edwards & Wright, 2001; Riordan et al., 2005). A second issue with the literature is that most studies are cross-sectional by design. This mitigates the confidence with which causality can be claimed. It is equally as plausible that the reported relationships between HIWS and attitudinal or performance outcomes are at a minimum reciprocal. Further to this point, organisations experiencing positive outcomes are in a greater position to implement HIWS (Edwards & Wright, 2001).

Examining the presence or absence of high-involvement systems or practices provides a snapshot of program effectiveness if positive outcomes are observed. However, this presents another concern. It may not accurately represent the extent to which employees really are involved (Riordan, et al., 2005). Studies oriented towards this approach have been criticised for not assessing the impact of employee-level perceptions of supportive HR practices on outcomes (Riordan et al., 2005; Vandenberg et al., 1999).

**HIWS: Current Context**

There are many practices that have been differentially bundled into systems in previous research (Edwards & Wright, 2001). Arguably the most effective schemes promote: participative decision-making – practices that enable employee discretion and autonomy in decision making regarding issues related to their job, work tasks, and the manner in which work is conducted; teamworking – formally designated teams are developed (Edwards & Wright, 2001); training and development – ongoing training that enables employees to develop the knowledge required for effective performance (Lawler, 1992, 1996; Riordan, et al., 2005); communication systems – that allow for upward communication of employee suggestions, downward communication from management, and sideways communication between departments (Edwards & Wright, 2001); and merit-based pay/rewards – incentives that link employee behaviour to organisational outcomes such that employees clearly recognise that their performances determine their rewards.
Riordan and colleagues (2005) introduced the concept of a ‘climate for involvement’. This relates to the climate perceived by employees in relation to HIWS’s. These authors propose that the practices outlined above, with the exception of teamworking, are required to build a climate for involvement. It could be argued that practices regarding teamworking largely fall under the component of communication systems. A climate for involvement follows the notion that employees will produce desirable outcomes when they consistently recognise what behaviours are expected, have the knowledge and skills necessary to appropriately exhibit the behaviours, and are rewarded accordingly for positive behaviour (Riordan et al., 2005). The advantage of assessing perceptions of the employees when trying to understand their work attitudes and intentions to stay or leave is obvious. The inferential leap of linking the presence of a HR system with attitudes of employees is too great and estimated associations are likely to be invalid. It is the synergy among the many practices in the system that creates the impetus needed to facilitate positive frames of reference for the individual employee (Vandenberg et al., 1999), change their perceptions of supportive HR practices, and consequently, their attitudes and performance.

**HIWS: Job Attitudes and Sales Performance**

Despite the historical focus on individual difference variables (e.g. personality), situational variables (e.g. market forces) or salesperson demographic characteristics as predictors of sales performance, more recent literature has recognised the increasing importance of customer relationship management (CRM) responsibilities (Anderson & Huang, 2006). The basic premise of CRM is that customer relationships can be managed to create long-term customer loyalty and higher profits (e.g. Parasuraman & Grewal, 2000; Ryals & Knox, 2001). To further impact the sales employee, there are constant advancements in telecommunication technology, the internet and data management software. Consequently, salespeople are required to operate more independently of their sales managers (Anderson & Huang, 2006). They use their technological devices or services (i.e. laptop, pocket PC, or mobile phone) to obtain the latest information about new products, price changes, inventory levels, instead of interacting with sales management (Morgan & Inks, 2001).

It needs to be noted, however, that with these increasing responsibilities to manage customer relationships, as well as the independent use of high-speed technologies for information to perform; salespeople will need to feel attached and supported by their organisation and management. Indeed, Anderson and Huang (2006) argued that salespeople need to be comprehensively empowered, trained, motivated, and rewarded. Organisations that fail to offer a complete system of support and involvement to sales employees will not reap substantial rewards in profitability, or loyalty of both customers and sales staff. In an article that identifies the major strategic imperatives for the transformation of conventional sales organisations, Piercy and Lane (2005) noted involvement of sales in strategic decision making as
number one on the management agenda. Also, team-selling has been recognised as an important, yet under-investigated area that is likely to produce considerable gains for organisations dealing with large key accounts (Jones, Dixon, Chonko, & Cannon, 2005). The implementation of HIWS may therefore enable organisations to maximise the profits from key-client relationships. Finally, salesperson job-involvement has been established in prior research as a trait of an organisation member rather than a consequence of management’s efforts (Ingram, Kuen, & Lucas, 1991; Lassk, Marshall, Cravens, & Moncrief, 2001). However, if management utilise a HIWS, sales employees are likely to feel supported and valued. They will observe that management are committed to their involvement, ongoing development, and recognition for performance. These positive factors are likely to increase sales performance and enhance employee job related attitudes. Figure 1 below provides a pictorial representation of expected relationships between HIWS’s and employee-level outcomes.

********INSERT FIGURE 1 HERE********

Whereas results have consistently shown that HIWS lead to beneficial organisational and individual outcomes; many researchers have argued that the relationship is likely to be mediated by other factors (e.g. Edwards & Wright, 1999; Konrad, 2006). Investigation is required into the intervening variables that are likely to affect the relationship between HIWS and sales employee attitudes and performance.

EMPLOYEE ENGAGEMENT: THEORETICAL BACKGROUND

The trend of positive work psychology has been emerging in recent years with growing concern for employees’ health and well-being (Mauno et al., 2007). The underlying premise is a focus on the positive aspects of employees’ experiences and the constructive components within the work context (Seligman & Csikszentmihalyi, 2000). This contrasts with the preponderance of research that focuses on negativity and dysfunction (Schaufeli & Bakker, 2004). The concept of work engagement has emerged due to the focus on optimal functioning in the work context (Seligman & Csikszentmihalyi, 2000). Work engagement has been defined as “a positive, fulfilling, work-related state of mind characterised by three dimensions: vigour, dedication, and absorption” (Schaufeli, Salanova, Gonzalez-Roma, & Bakker, 2002, p. 465). Prior to the influence of the positive psychology movement, occupational health researchers extensively investigated burnout and exhaustion at work (see: Taris, 2006). The engagement construct grew from this line of inquiry with the assumption that being engaged is the positive antipode of burnout (Schaufeli & Bakker, 2004). The three dimensional conceptualisation of work engagement was therefore developed from the direct opposites of the three dimensions of burnout (Maslach & Leiter, 1997).
The absorption dimension refers to the complete concentration on and immersion in work. This experience is often characterised by time passing quickly and a difficult time detaching oneself from work tasks (Schaufeli et al., 2002). The vigour dimension refers to high levels of energy and mental resilience while working, an employee’s willingness to make appreciable efforts in his or her job, and persistence in difficult situations (Schaufeli et al., 2002). Feeling motivated, energised, and remaining persistent in the face of difficulties or hassles are characteristic of this dimension. The dimension of dedication is characterised by a strong psychological involvement in one’s work, characterised by a sense of significance, enthusiasm, inspiration, pride, and challenge (Schaufeli et al., 2002).

**Engagement: Gaps and Inconsistencies**

As with the literature on HIWS’s there has been disagreement as to what constitutes the construct of engagement (Mauno et al, 2007). Researchers have also reported considerable terminology overlap and conceptual similarity between engagement and other constructs. For example, the dedication dimension has been likened to the concept of commitment; with vigour argued to resemble intrinsic motivation (Hallberg & Schaufeli, 2006). Studies have observed that vigour and dedication seem to be the core dimensions of engagement owing to stronger relations with other constructs. This leads to another issue in the literature. Many studies have focused on these two dimensions to the exclusion of absorption (e.g. Llorens, Schaufeli, Bakker, & Salanova, 2007).

One reason for this omission comes from the position that the third engagement dimension, absorption, also appears to suffer from conceptual similarity. The concept of ‘flow’ (Csikszentmihalyi, 1990) has been likened to the absorption dimension. Although a main difference between the two concepts is consistently reported. Absorption is presumed to be a more persistent state of mind which takes place specifically in the work domain (Schaufeli & Bakker, 2004), whereas flow refers more to short-term peak experiences of total intense immersion in a task or hobby (Csikszentmihalyi, 1990). This leads to the second reason for omitting this dimension. The operationalisation of the dimension aims to tap into a somewhat prolonged psychological state of intense concentration. Respondents often report fewer experiences of absorption in comparison to the other two dimensions, and therefore, it is often excluded from investigations (Mauno et al, 2007).

The conceptual similarity issues have been investigated by Llorens and colleague (2007) with evidence discriminating the like constructs from the engagement dimensions. This debate was illuminated to highlight that the frequent omission of absorption, although it may have appeared to be for sound reasons, actually presents a rich area for future investigation (Mauno et al., 2007).
Engagement: Current Context

The Job-Demand-Resource (JD-R) model (Demerouti, Bakker, Nachreiner, & Schaufeli, 2001; Salanova et al., 2005; Schaufeli & Bakker, 2004) has been used in previous studies to assess antecedents of work engagement. A basic assumption of this model is that although people’s work environments differ, the characteristics of those environments can be divided into: 1) *job demands* – physical, psychological, social or organisational features of a job that require physical and/or psychological effort from an employee; and 2) *job resources* – physical, psychological, social or organisational features of the job that are functional in achieving work goals, reduce the physical or psychological impact of job demands, and stimulate personal growth and development (e.g., Bakker et al., 2003, 2005; Demerouti et al., 2001).

Another assumption in the JD-R model represents the relations that underpin job demands/resources and job attitudes (Schaufeli & Bakker, 2004). Given the conceptual similarity between dimensions of engagement and other work-related attitudes and motivational constructs mentioned above, work engagement has been regarded as attitudinal construct. It has been suggested that job resources may be robust determinants of work engagement (e.g. Llorens et al., 2007; Mauno et al., 2007; Schaufeli & Bakker, 2004). Given their positive utility in facilitating personal development, the achievement of work goals, job resources are likely to lead to more optimal functioning and the alleviation of work stressors that cause poor job attitudes and intention to withdraw an organisation (Bakker et al., 2003, 2005).

Engagement: Job Attitudes and Sales Performance

Previous research has observed a positive relationship between work engagement and both organisational commitment and job satisfaction (e.g. Hallberg & Schaufeli, 2006; Harter et al., 2002; Harter et al, 2003). The more engaged one is with their work tasks, the more committed they will be to the organisation (Harter, et al., 2003). The greater the experiences of engagement from work, the higher the reported levels of job satisfaction (Harter et al., 2002). Further, the business-unit level analysis conducted by Harter and colleagues (2003) posited that increase performance (i.e. for profit – sales performance) can result from greater levels of employee engagement. Studies have also reported that engagement is associated with employees’ intentions to detach from their organisation (Schaufeli & Bakker, 2004). Therefore, the more engaged an individual is at work, the less likely they are to turnover. To put this into context, engaged employees’ energy, commitment and immersion in work will prove to be beneficial for reaching organisational objectives (i.e. increased sales and decreased turnover) as well as enhancing employees’ job attitudes. Figure 2 below presents the positive direct effects posited between engagement and job attitudes, as well as the inverse relationship with turnover intentions.
EMPLOYEE ENGAGEMENT AS A MEDIATOR BETWEEN HIWS AND OUTCOMES
In a recent paper, Alison Konrad (2006) presented the initial argument that HIWS’s develop the positive experiences associated with employee engagement, and that these practices can lead to enhanced attitudinal and behavioural outcomes. Therefore, employee engagement has been posited to mediate the relationship between HIWS and employee attitudes. To support this proposition, take the following summary of relationships that have been presented herein. Recent work on engagement using the JD-R model supports the notion that improving job resources will result in greater employee engagement (e.g. Llorens et al., 2007; Mauno et al., 2007; Schaufeli & Bakker, 2004). Additionally, greater employee engagement has been associated with positive employee attitudes such as job satisfaction and organisational commitment, as well as increased performance (i.e. sales) and lower turnover intentions (Hallberg & Schaufeli, 2006; Harter et al., 2002; Harter et al., 2003; Schaufeli & Bakker, 2004).

There is an important synergy between the concept of job resources in the JD-R model and HIWS’s. High-involvement work systems are a group of job resources that together improve job attitudes and performance and reduce the likelihood of employee turnover (Edwards & Wright, 2001). Many researchers in the areas of HIWS suggest that the relationship between the system of resources and employee and/or organisational outcomes may be intervened by other variables (Edwards & Wright, 2001; Guthrie, 2001). It is likely, therefore, that job resources in the form of HIWS facilitate the experience of engagement at work, which results in improved job satisfaction, commitment and sales performance, and lower intent to turnover. This provides further support to Konrad’s (2006) idea that engagement may mediate the relationship between HIWS’s and employee and organisational outcomes. Figure 3 presents the expected mediation path of HIWS through engagement on employee-related outcomes.

PRACTICAL IMPLICATIONS AND CONCLUSION
To summarise, the implementation of a HIWS requires that the entire system be comprehensively and consistently delivered for sales employees. To produce an optimal climate for involvement, employees must interact effectively with the system to enhance their motivation, engagement, and ability to take on the challenges of managing customer relationships to maximise profits. Management must clearly support the adoption of the system. It is up to organisational leaders to take the driving role in informing salespeople that their expanding responsibilities for managing customer relationships, as well as the increasingly autonomous nature of their work, are not going unrecognised. As a consequence, employees
will favourably perceive the climate for involvement. Employees will feel that the organisation is committed to providing processes that improve their involvement, training and development, and the rewards and recognition for their work. A direction for future research, therefore, is to assess the mediation model presented in Figure 3. The implementation of innovative and supportive human resource practices will enhance intrinsic motivation, increase levels of engagement, improve job attitudes, maximise performance, and reduce the likelihood that talented employees will walk out the door.
References


Figure 1. Direct associations between HIWS and employee outcomes.

Note: HIWS = High-involvement work system; D/M = Decision-making

Figure 2. Direct associations between engagement and employee outcomes.

Figure 3. Theoretical mediation model of HIWS through engagement onto employee outcomes.