The Impact of Employee Engagement on Job Insecurity by Moderating Role of Psychological Empowerment to Enhance Corporate Performance

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ABSTRACT

Human resources have had a strategic role in both sustainable and competitive business since it is inimitable element of business. The purpose of this research is to investigation the impact of employee engagement (independent variable) on job insecurity (dependent variable) and then moderating role of psychological empowerment of employees in oil and gas sector. These variables have the key significance for their employees and betterment of the organizations. It is a qualitative research, field study through survey methodology, 100 employees of 11 multinational oil and gas companies participated in the study from Pakistan. Cronbach alpha, Pearson correlation coefficient and hierarchal regression were used for various analyzes of this study. The findings of the research revealed that employee engagement is significant for reducing feelings of insecurity in a job, meanwhile if they are empowered psychologically, their commitment and loyalty is increased many times. Findings of this study will provide the insight to the benefits, challenges and issues related with it.

KEYWORDS

Corporate Performance, Employee Engagement, Ergonomics, Human Factor, Job insecurity, Management and Strategy, Psychological empowerment

1. INTRODUCTION

Organizations are mostly under the pressure to enhance their performance and gain a competitive edge in the market, to make possible their survival in the day by day changing world (Ndlovu & Parumasur, 2005; Van Schalkwyk, 2004). The changing world is taken as life time learning environment, taking risks in decisions, the speed of changes and measurement of outputs given by the organizations (Wentzel & Geldenhuis, 2005).

Strong winds of change have forced companies, which have been limited to local and national markets with their limited environmental conditions, to move to big arenas of Olympics where

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competition is at a global level. The competitors are numerous and competition is quite tough under the conditions of these new competition areas. (Karakoc and Yilmaz, 2009).

The “Human Resource” of company, different from components of others is of the type that cannot be copied / imitated. For this reason, it has a strategic role to be effective to gain differentiation competence of company and to differentiating. However, human resource in company has to meet the requirements for this role in terms of qualifications and power in order to take over such a role (Karakoc and Yilmaz, 2009).

Within this constantly changing context, organizations face continuous challenges that require ongoing flexibility, including mergers and acquisitions, downsizing, re-engineering, buy-outs, strategic refocusing and continuous improvement strategies (Van Tonder, 2005). The environments in which employees all over the world function, demand more of them than ever before. Employees have to cope with many such demands, often including limited resources and a lack of control (Rothmann, 2003). Attracting and retaining new managers will depend on the quality of the work environments that organizations can create (Laschinger, Purdy, Cho, & Almost, 2006). In the opinion of Laschinger and Finegan (2005) the empowerment of the employees in the organization is considered as an important element which is used to assess the health and wellbeing in these changing scenarios. Wilson, Deljoy, Healthy work environment by Vandenberg, Richardson, and McGrath (2004) is defined as, “as the one characterized by intentional, systematic, and collaborative efforts to maximize employee well-being and productivity by providing well-designed and meaningful jobs, a supportive social-organizational environment, and accessible and equitable opportunities for career and work - life enhancement”. Mok and Au-Yeung (2002) considered that there are many things that should be the part of organizational environment that enhance the sense of empowerment among employees e.g. these are support to the employees by the management, encouragement on performance, required information provided to the employees, required autonomy given to the employees., giving the opportunities for their development, in the meanwhile teamwork and leadership are also highly correlated with the empowerment of the employees inside the organization.

Chaudhary, Rangnekar, & Barua (2012) and Srivastava & Bhatnagar (2008) assess that emerging globalization, the markets that becoming competitive day by day, the organizations unseen war to grab talent, changing climate of economies, all these have become the foremost challenges that organization have to face to make them successful in economic world. Now it is the role of the human resource management and development department of the organization that they hire the most critical talent from the employment market, assess the psychological demands of their organization’s workforce, and give motivational instruments for performing better than past. The employee-employer relationship has become old story now. Company’s employee retentions policies and are no more attractive instrument as it was in the past. Scenario has changed, now employer want and expects that their employee remained completely engaged in their company tasks as long as they remain in the company’s employment.

Numerous things that reason representatives mean to escape the work environment, for example, sentiments of representatives who feel that the association is not any more ready to address their issues. They demonstrate signs of declining profitability levels will affect the interruption of corporate movement, for example, expanded non-appearance, less energized and prompted a decrease in execution, while high representative execution have a positive effect in accomplishing the objectives of the association (organization), as it mirrors the efficiency of the association which mirrors the capacity of workers to accomplish the targets as arranged (Nusair, 2013). Previous research shows that employment security involves a reduction in worry of losing one’s job (Berglund, Furäker and Vulkan, 2014).

Another impact is probably going to cause issues assurance of alternate representatives that fleeting trend have no goal to leave the organization. HR directors ought to have the capacity to stifle the representatives expectation to stop or leave the organization by making conditions that may urge workers to feel at home and need to stay in the association. Some examination uncovers that
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