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Employee Engagement and Visionary Leadership: Impact on Customer and Employee Satisfaction

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Abstract

In this study, there is examined the impact of employee engagement and visionary leadership (vision guiding, emotional commitment) on customer and employee satisfaction. The data was collected through questionnaire from sample of 22 restaurants (managers and employees response) and through customer response. The results showed the significant relationship of employee engagement, vision guiding and emotional commitment on customer and employee satisfaction. The results also supported the emotional commitment with employee satisfaction relationship significantly. Finally, the article identifies the strengths, weaknesses and directions for future research.

Keywords: Employee Engagement, Vision Guiding, Emotional Commitment, Customer Satisfaction, Employee Satisfaction.

Introduction

After three decades of research findings, researchers imposed that if an employee engages whole heartedly and work hard, it attracts more intelligent and skilled people towards the organization. Conversely, employees who are less engaged to their work will cost more to the organization and bring less profit to the firm(Andrew & Sofian, 2012). Globalization results in increased competition among firms which require new resolutions in order to survive in this time of economical downfall (Güngör, 2011).

As previous studies have shown that transformational leadership helps leaders to create friendly environment and also assist to improve the employee performance (M. Taylor, J. Cornelius, & Colvin, 2014).From the literature review, we find out that employee engagement variable was studied countless times with mostly two types of leadership styles i.e.

transformational leadership style and transactional leadership style. So there is no clear evidence link between visionary leadership style and employee engagement(M. Taylor et al., 2014). In fact, it was suggested that visionary leadership is a sub type of transformational leadership, it also adds the time factory and focus on the betterment of the future (M. Taylor et al., 2014)

Leadership plays an important role that how individuals react and handle themselves in different situations(Daft, 2005). Commonly, every person in an organization have a boss even individuals at high positions have supervisors or bosses they have to report, it is because most individuals tend to follow rather than lead(Kelly, 1988). In previous studies, mostly highlighted categories of leadership were the individual leadership and the strategic leadership (Avery, 2004). According to the fast changing industry requirements and to gain competitive advantage, organizations are advised to do research on vision-based leadership(Bass & Stogdill, 1990; Conger, 1991; Tichy, 1986). Furthermore, four attitudes were primarily aimed: advancement, clear expression, connection and application (Quigley, 1994; Robbins & Duncan, 1988; Sashkin, 1992; Wall, Solum, & Sobol, 1992; Westley & Mintzberg, 1989). In past researches, the role of the follower has been widely ignored by researchers (House & Aditya, 1997; Howell & Shamir, 2005; Kantabutra & Avery, 2003).

Literature Review
1. Employee Engagement

William Kahn was very first researcher to propose that employee engagement means psychological existence of the worker while performing their work for the organization. Kahn worked and did research for almost 25 years. He used observational techniques and also conduct interviews to develop a qualitative research(Andrew & Sofian, 2012). After 25 years of work and research; he provided the first academic definition of employee engagement, he conceptualized it as "The 'harnessing of organizational members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively and emotionally during role performances"(Andrew & Sofian, 2012). In past few years, the employee engagement has got the eye of many; particularly in the media and in the middle of the consulting associations. It has been considered as special element for contiuous improvement of organizations(Gruman & Saks, 2011). In early 20s researchers recommended that company analysts are challenged at the moment to develop and research new improved strategies for engagement enviroment; also to further find out the pros and cons of its outcome which is merely unknown (Shuck, Reio Jr, & Rocco, 2011). Researchers suggested that employee engagement can fully present in the work environment and employee will eager to work hard when these three conditions exist, when the workers feel safe to interact with each other; secondly if they have resources handy to accomplish their role performance; lastly when they find considerable amount of meaning and attachment to their work and feel worthwhile to do it (Xu & Cooper Thomas, 2011). Other researches also sugguest that job satisfaction is a part of engagement, but there is hardly any skin-deep connection, the relationship goes as far as the management manage to satisfy their employees with unexpected rewards and benefits. Engagement is a system in which employee get excited and enthusiastic towards their work and find value of individualization while performing their job (Kompaso & Sridevi, 2010). Previous studies implies employee engagement as a team work done by employee and employer to get the things done(Kompaso & Sridevi, 2010). Some describe employee engagenemet as a structure which bonds employees to perform their jobs better and more energetically,

this might be achieved if employees find their self beings worthy and meaningful while performing their role (Gruman & Saks, 2011). As the time passes , companies start to realize that people are the greatest assets for them; management ask human resource department to develop such strategies which enhances the agenda of employee engagement and increase their commitement level towards their work. Technology advantage is one of the driver force behind employee engagement; as it improves the work-life balance (Kompaso & Sridevi, 2010)The lack of knowledge often creates complexity for human resources researchers to establish an effective strategy for employee engagement (Shuck et al., 2011).

International Survey research showed that employee engagemet is a scheme in which a company embellishes the eagerness and responsibilty of its human resource departement to achieve maximum profits(Andrew & Sofian, 2012). Furthermore, resources demand the researchers to create the strategies as well as training programs to prompt the positive employee engagement environment (Shuck et al., 2011). International Survey also implied that employee engagement is a combination of an employee's emotional, behavioral and intellectual commitment with their company (Andrew & Sofian, 2012).

2.Visionary Leadership

According to different researchers, the leaders who emphasize on vision are more successful (Çınar & Kaban, 2012). Management mostly aim on top leaders who can motivate and help their employee to engage in their work with care and dedication and thus support the vision of employee engagement(Kantabutra & Avery, 2011). Visionary leadership is considered as a type of transformational leadership, it has the ability to quickly achieve the task to meet the company standards (Breevaart et al., 2014).

A remarkable leader is always expected to engage employees to their work strongly, so the employee would feel motivated, emotionally attached ,committed to future and understand the future vision by contribution of corageous leaders (Kantabutra & Avery, 2011). Different researches concluded that "vision" leaders have a great role to move the needle of porfit towards success (Breevaart et al., 2014). Visionary leaders get their ability from many different sources; strong vision and motivated employees are two of the main sources to obtain power (Kantabutra & Avery, 2011).

In visionary leadership, main foucs of the leader is on the future mission and on the ongoing process to stay at its best in the business (Çınar & Kaban, 2012). Employee engagement to their leader's vision is very important in order to obtain the desired results of the future vision, the more the employee is motivated to his work and commited to the organization , the more he will get effective results (Kantabutra & Avery, 2011). A system or effective management can outwear conflict and can only outwear loss with proper direction of its good leadership(Kantabutra & Avery, 2011).

2.1 Vision Guiding

In order to succeed a visionary leader rely on its followers to promote its vision as well as willing to embrace it(Daft, 2005). These followers are usually not passive, they particitpate with great responsibility in the group, willing to put extra effort to achieve goals, and also help others to understand what is achieved(Avery, 2004).Hence, the business becomes more self-supporting when the followers accept and follows a vision of their leader(Daft, 2005). Even in the system everyone is working individually but working towards the same vision. In this process followers takes leader's vision for guidance. Also, leaders are important to keep employees motivated towards their

work(Conger & Kanungo, 1987; Lipton, 1996; Senge, 1990). One main objective of a vision is to help followers in decision-making, setting ambitions and understaning their responsibility(Yukl, 1998).

Visionary leaders know they can not work effectively on their own, they need the support of their followers to achieve targets(Kantabutra & Avery, 2002). They require commitment from their followers. Thus, visionary leaders entrust their followers by appointing assignments that will give positive outcome and boost their self-confidence. Hence, vision-based leaders enhannce the capabilites oftheir followers and develop an enviroment which is friendly and motivational(Lussier, 2000).

2.2 Emotional Commitment

Vision-based leaders can only work successfully if their followers are devoted towards leader's vision(Avery, 2004). Furthermore, the vision should be an aspiration for the followers. Previous researches also suggested that a good visionary leader understands the need of their followers(Gilmore & Shea, 1997). They collect their substantial power from different conncetions. Couple of these sources are their motivating vision and emotional commitment of followers(Howell & Shamir, 2005).

They motivate the followers towards a vision and also give indentification and signaficant meaning to their work. Emotional commitment of the followers is very essential for leader's vision to successed. As a result of emotional commitment the followers tend to put more effort towards their leader's vision.

3.Performance measures

 Customer satisfaction has been shown as a result of improved performance in various organizations(Bird, 1995; Gates, 2000; Sitzia, 1997). Similarly, employee satisfaction is also considered to improve performance and gain profits(Anderson, 1984; Babin & Boles, 1996; Tompkins, 1992; Van Dyck, 1996; Yeung & Berman, 1997). Hence, this is the reason to select these two (i.e. customer satisfaction and employee satisfaction) as a performance measure in this study. Additionally, these two factors are more influenced by leader's interaction in short period of time as compared to other variables like financial measures; and it can easily be achieved in small organizations(Atchison, 1999; Hausfeld et al., 1994; Medley & Larochelle, 1995). Customers satisfaction and dissatisfaction will develop after they interact with employees(Evans & Lindsay, 1999).

**Model 1: employee engagement and visionary leadership– performance measure.
 Tested model showing all the variables**
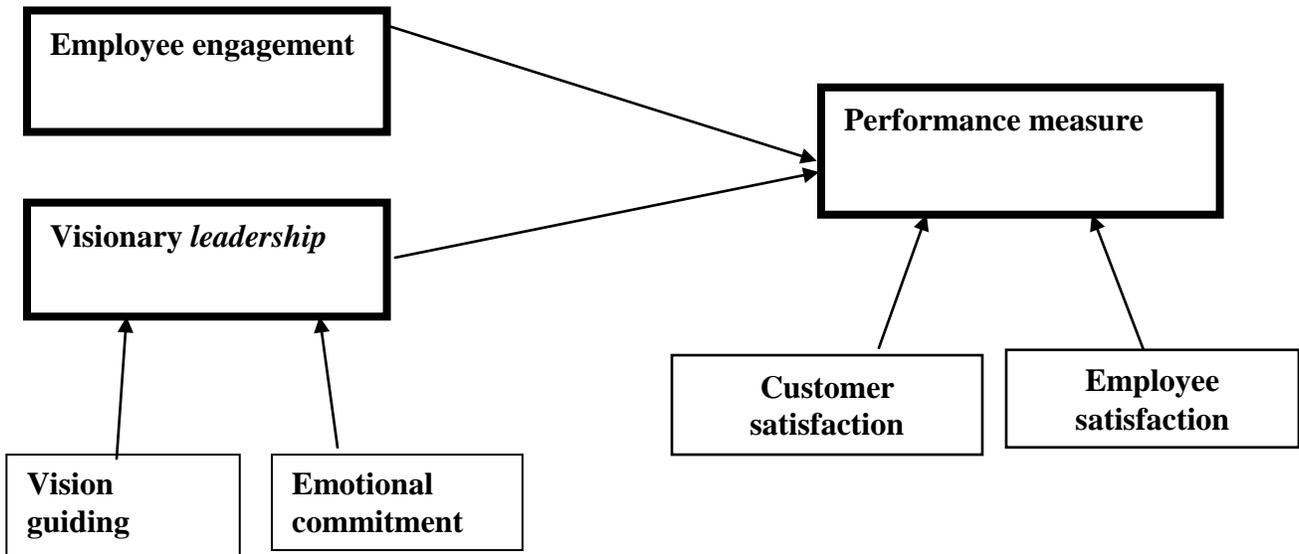
Hypotheses
How visionary leadership, employee engagement and performance measures are related with each other but not clearly understood. The model explains which has been tested in this study. It suggests a link between visionary leadership, employee engagement and performance measures. In this paper, customer and employee satisfaction are positively correlated. Moreover, we tested employee vision guiding and employee emotional commitment with all performance measures for validity of all items.

H1: There is a positive relationship between employee engagement and customer satisfaction.
H2: There is a positive relationship between employee engagement and employee satisfaction.
H3: There is a positive relationship between employee vision guiding and customer satisfaction.
H4: There is a positive relationship between employee vision guiding and employee satisfaction.
H5: There is a positive relationship between employee emotional commitment and customer satisfaction.
H6: There is a positive relationship between employee emotional commitment and employee satisfaction.
H7: Employee vision guiding and employee emotional commitment have positive relationship with customer satisfaction.
H8: Employee vision guiding and employee emotional commitment have positive relationship with employee satisfaction.

Methodology
In this research, there was drawn the sample from 26 restaurants in Faisalabad, Pakistan. All were having their own identity, 3 restaurants were multi-national chains and 19 restaurants were local but having their well-known identity and demand. Among all these 82% were agreed to

participate in this research. Finally, we gathered the data from 22 restaurants. There were including manager and 3 waiters as well with 3 customers in each restaurant. Thus, 22 managers and 66 waiters plus 66 customers were included in this interview. Some customers denied to participate in this interview. We took the interview from other customers in that same restaurants. At the end of interview, send all the restaurants managers special thanks letter for participation. We interviewed the waiters during their breaks and off time. Customers participated in this research were those who had visit at-least 3 times there.

Data collection and analysis
There were made three types of questionnaire that were for Managers, employees (waiters), and customers. A five point Likert scale was tested.The impact of employee engagement, employee vision guiding and emotional commitment were tested on customer and employee satisfaction. Three researchers interviewed individually to managers first, then waiters and in last customers. There was added in the questionnaire demographically information, on employee vision guiding and emotional commitment to employee's vision. There was explained vision guiding as the employee keep its restaurant's vision to guide routine actions. In the same way, employee emotional commitment was defined as the term in which an employee considers to its manager's vision for accomplishing the vision. According to few researchers , employee also act in response to six elements of employee satisfaction: Pay(dollar remuneration, fringe benefits), autonomy (job related independence, initiative, freedom), task requirements(employee activities and actions), organizational policies, interaction (casual, formal, socially and professionally during job), and in last professional status (work importance and value overall through others and itself)(Slavitt, Stamps, Piedmont, & Hasse, 1986). There was taken 14 item scale for customer information in questionnaire that tested using their method (Hackl, Scharitzer, & Zuba, 2000). All these measures were included employee availability, information, advice, employee friendliness, restaurant decoration, presentation of stuff, neatness of restaurant, quality of food, choice richness, checkout of waiting time, payment method, price, special deals offer, timing hours, outer layout.
Adding all scores of items for each measure were identified positive due to converging and discriminant validity of sub-variables significantly that showed ($p<0.05$). Even few sub-variables were set to design one measure correlated to other sub-variables. That is attainable due to converging validity make it prove the design validity of a variable item (Stangor, 1998). According to few researchers, for employee emotional commitment and customer satisfaction plus employee satisfaction, the related measures were uni-dimensional (coefficient value > 0.3). Measures were showed near to 0.8 that were indicated reliability of items(Fornell & Wernerfelt, 1987). There was not measure vision guiding due to a single item and therefore, not measure for uni-dimensionality and reliability. For all hypothesis, 5% significance level was tested on all items.

Results
There was collected data from 22 managers, 66 waiters and 66 customers. The average experience of a manager, waiter was 2 years and 3 years but the customers who participated in this survey were those, who did visit at-least 3 times in that restaurant and are aware their service and environmental climate. Waiters in survey included part time and full time that were 54% and 46% respectively. 16 managers (72%) revealed that they have a vision for their restaurant. Table 1 shows the average scores and standard deviation for all main independent and dependent variables. The higher the value, the high is the outcome in all results.

The results showed a significant relationship of employee engagement with customer and employee satisfaction in Hypothesis 1 (χ^2=35.17) and hypothesis 2 (χ^2=16.08) respectively with testing chi-squared values outcome. In hypothesis 2, there was found no significant relationship in employee vision guiding and customer satisfaction. However, in hypothesis 4 there was found a significance relationship between employee vision guiding and employee satisfaction (r=0.38). Further in hypothesis 5, there was found a significant positive relationship between employee emotional commitment and customer satisfaction(r=0.32). Hypothesis 6 showed a positive correlation between employee emotional commitment and employee satisfaction (r=0.5). For Hypothesis 7 there was applied regression analysis that showed a significant positive association of employee vision guiding and employee emotional commitment to customer satisfaction (β=0.38). Finally, hypothesis 8 showed a positive association with regression analysis between employee vision guiding and employee satisfaction (β=0.46). In addition, employee vision guiding and employee emotional commitment showed positive impact on employee satisfaction (r=0.37).

Table No: 1
Means, Standard Deviation for measuring variables
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Variable	Mean	Standard deviation
Employee engagement	16.37	16.7
Vision guiding	13.46	5.78
Emotional commitment	16.37	2.91
Customer satisfaction	94	14.38
Employee satisfaction.	74.8	14.08

Discussion and Conclusion

Backing up the pervious claims that embracing a vision build positive impacts on performance, restaurants with positive vision effects its customer and employee satisfaction, analyzing the results more clearly, employees who rely on their manager's vision for guidance in their daily work have reported enhance employee satisfaction, therefore (a) followers who follow their leader's vision for their daily guide is considered important for the performance of organization (Conger & Kanungo, 1988; Lipton, 1996; Senge, 1990; Sergiovanni, 1990) (b) a vision can help in decision making, in developing ambition and to gain attention by their followers(Yukl, 1998) .The findings indicate that when employees follows them restaurant manager's vision to help them through their daily work operations, it positively impacts on performance of the organization as measured by employee satisfaction. This is because employees clearly understand the long-term goals of the organization through vision and work towards them, therefore they follow their responsibilities to convert their leader's vision in to reality. Earlier studies have indicated that clarity is an important characteristic of vision(Kantabutra & Avery, 2003).

The question can be asked how performance and leader's vision are correlated. One can explain it by saying that if the employees are satisfied at their work and have a good understanding with their manager, then they are more willing to accept manager's vision as compared to those who don't have a very sound relationship with their manager(Howell & Shamir, 2005). Some employees get inspired by their manager's personality and eventually adapt manager's vision(Howell & Shamir, 2005) Emotional commitment of the followers is essential for a vision to effectively take place, when employees get more attached to their work then they are willing to work towards its betterment(Collins & Porras, 2005; Lipton, 1996).

Employee engagement indicated positive influence on performance, their involvement also has a positive relationship with employee commitment(Avolio, Zhu, Koh, & Bhatia, 2004). This shows that employee commitment thus results into high performance and further increases the employee engagement. Employees who are more committed towards their work are positively associated with performance, as it increases accountability and creates an environment of trust(Dose & Klimoski, 1995). This discussion indicates that employee engagement and visionary leadership both show positive relationship with performance measures. Findings of this research has shown that employee engagement and visionary leadership have positive relationship with performance measures

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