ORIGINAL RESEARCH PAPER

Management

EMPLOYEE ENGAGEMENT – MISSING PIECE IN TODAY'S IT & ITES SECTORS

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ABSTRACT

Effective employee engagement enhances the performance of an employee leading to achieve the desired goals of an organization. However, performance is a combination of three factors - desirable knowledge, procedural knowledge and motivation

Leaders and managers in an organization across the globe are always concerned with the employee engagement which they recognized as a vital element affecting organizational effectiveness. Employee is an inseparable component of the organization, an imbalance in either would disrupt the total system. Hence, it is necessary to maintain a balance among two which would facilitate and lead to optimum efficiency and productivity. Employee engagement is the degree to which individuals make use of their cognitive, emotional and physical resources to perform role – related work

The paper aims at looking in to the factors that constitute employee engagement and also analyze the effect of demographic variables on employee engagement. The study was done on the employees of Software and BPO industry. A sample of 315 employees from 10 Software and 10 BPO companies from in and around Madras and Pondicherry was studied.

An employee can be engaged to an organization provide employee gains a trust and confidence in the organization that employee could rely on it.

Introduction

To survive in the current world of rapid economic change and globalization, companies increasingly see the need to engage their employees. The current aim of management is to attract, train, motivate, retain and engaging human capital to produce more output with less input. Nevertheless, there is a large discrepancy between practitioners 'interest in work engagement and the amount of academic research on these issues, research in the area of work engagement is needed.

The notion of employee engagement has attracted considerable interest from business and consultancy firms since the 1990s and has more recently begun to attract wider academic attention.

Employees are often reluctant to share information of a negative nature with their managers, undermining organizational decision-making and error-correction. Many managers find themselves in a position where they are unable to make informed decisions because much of the organizational information is withheld.

Leaders and managers in an organization across the globe are always concerned with the employee engagement which they recognized as a vital element affecting organizational effectiveness. Employee is an inseparable component of the organization, an imbalance in either would disrupt the total system. Hence, it is necessary to maintain a balance among two which would facilitate and lead to optimum efficiency and productivity. Employee engagement is the degree to which individuals make use of their cognitive, emotional and physical resources to perform role – related work (Kahn, 1990; May et al 2004). According to Macey, W.H. and Schneider, B. (2008) employees who are engaged in their work have a bouncy, pleasant and effective connection with their work. Other than humanistic reasons for pursuing engagement, there are commercial incentives bounded as well. High levels of employee engagement lead to higher return on assets, earning per employee, better performance, higher sales, low absenteeism and employee turnover.

According to Shuck and Wollard (2010, p 103), Employee engagement is an individual employee's cognitive, emotional and behavioural state directed towards desired organizational outcomes. Employee engagement concept was put forward by Kahn (1990) "it is a purposeful use of a person's whole self in his or her role performance. It overlaps with other concepts that depict a cognitive, affective and behavioral connection of the individual employee with the role and organization".

With the advent of technology and globalization the nature of work has become more complex. IT's impact has made a drastic change in the working culture of the organization. In the current global scenario, organizations are in the race of increasing their market share, with minimum consideration on employees. Organizations focus has taken a new face ie., to enhance the number of customers and increase their profitability. It has started operating in transactional mode than transformational mode. They have been hiring the employees like a product and using them till they are able to generate revenue for the organization or the contract is done and ignored once the work is completed.

According to Elton Mayo (1932), human relations play a vital role in the growth and development of the organization. Informal relations pave way for the employees to get closer to the manager whereby he could express his thoughts and emotions. With equal reciprocation employees develop the level of trust and confidence in the organization.

Effective employee engagement enhances the performance of an employee leading to achieve the desired goals of an organization. However, performance is a combination of three factors - desirable knowledge, procedural knowledge and motivation. Absence of any one can hamper the effectiveness of the employee's productivity. Hence, merely hiring an employee on the basis of the first two factors would help in getting the results for a short term but in the long run, the productivity and efficiency comes down. Hence, engagement is vital for any organizational growth. Though most of the organizations have been trying to make a balance of the three, however mismatch among the three may lead to undesirable outcome.

Review of Literature:

Employee's productivity level enhances when there exists a real engagement of the employee with the organization. The word employee engagement was coined by Kahn (1990) in his ethnographic work at an architecture firm. According to him employee engagement is the process of harnessing of the organization members, selves to their work roles; in engagement, people employ themselves, physically, cognitively and emotionally during role performance. Engaged employees productivity level is high as compared to a normal employee for three reasons. Firstly he possesses the desired knowledge and procedural knowledge. Secondly, he has clarity of what is being performed by him and his

involvement in the organizational growth. Though the first two features may be present among all the employees but the most important one is the third feature. Thirdly, psychologically the employee has a feeling that he is taken care by the organization from every aspect.   He gains confidence and trust in the organization and this leads to emotional attachment. Which is the most crucial thing?   These conditions are called psychological safety, psychological availability and psychological meaningfulness respectively.

It was observed that in spite of growing body of literature on investigating employee engagement, scholar have inferred that academic research lags behind practioners development (Macey and Schneider, 2008). While there has been initial research on the relationship of leadership dimensions with engagement, this literature is limited in that and measures of engagement have not been provided for scrutiny.

Alban-Metcalfe 2008 have assessed antecedents of engagement rather than engagement itself. Researchers have found both indirect relations and moderating effects of leadership on engagement (Bakker et al., 2007).

According to Ms. Indra Nooyi,   CEO of Pepsi Co, employee engagement plays a vital role in the success and growth of any organization. Employee engagement enhances employee's commitment level. Employee gains a confidence and trust in the organization and his performance won't be just completing the task allocated to him but beyond the level of expectations (Shambora 2012). When such is the environment, its easy get in change as employees would be willing to and accept without any insecurity feelings.

It was inferred from 2500 business, health care and education units, has empirically determined what it calls employee engagement to be a significant predictor of desirable organizational outcomes such as retention, productivity and profitability (Buckingham and Coffman, 1999).

According to Hochschild (1983) disengaged employees on the other hand, uncouple themselves from work roles and withdraw cognitively and emotionally.   These employees will display incomplete role performances and task behaviors would be effortless. They would be operating in a scenario of improvised management style. Such employees perform for mere existence of the institution than focusing on productivity.

According to Guy Millar (2012) for a successful employee engagement program, it is mandatory to have an employee who is engaged in their own life. Facilitating to grow employees self-awareness and personal accountability is an ideal place to start. In his model of development, self-awareness is defined as having a strong sense of self and the part you play in your world. It is the ability to respond in a positive and effective way to your environment. But the organization also has to step up and ensure all its behavior and actions are aligned with its stated values

Jessica (2011) states that three factors emerged from the JRA 360: supports team, performs effectively, and displays integrity. Correlation and regression results showed that supports team was the strongest predictor of engagement; semi-partial correlations showed that the three leadership factors overlapped in their relationships with engagement, with supports team predicting most unique variance within an organization undergoing cultural transformation, addressing the issues of monitoring and increasing levels of staff engagement over time. It follows a company through enormous organizational change, firstly towards a high performance culture and then to a culture of empowerment. The role of engagement and monitoring processes are highlighted as part of the transition.

Mohd Yasin (2013) analysis using structural equation modeling reveals that the transformational leadership style influences followers' attributes of work engagement. The direct relationship between transformational leadership and work engagement was

found to be partially mediated by employees' perceptions of meaning in work.

Deirdre Anderson (2009) studies show that flexible working has an impact on employee engagement through a positive relationship with organizational commitment, job satisfaction and employee discretionary behavior. Allowing employees a degree of choice over when, where and how much work they do has benefits for the organization. However, for these gains to be realized, support is needed for the implementation of a flexible working policy.

Though so many studies have been done to identify the factors leading to employee engagement, still the IT sectors continue to face this problem. Even though they pay good take home salary, still the level of commitment and engagement towards the organization remains to be minimal. Current study intends to find out how organization could make the employee get completely engagement to the organization. It was observed that the factors like conducive working climate, nurturing environment, potentials realization and work life balance and its impact on employee engagement was not studied. The present study intends to identify the missing link between these factors.

Research Methodology
The paper aims at looking in to the factors that constitute employee engagement and also analyze the effect of demographic variables on employee engagement. The study was done on the employees of Software and BPO industry. A sample of 315 employees from 10 Software and 10 BPO companies from in and around Madras and Pondicherry was studied. The sampling procedure was non probability convenience. The instrument used for data collections was a questionnaire which had two parts, first part was to measure employee engagement and the second part was on personal profile. A five point Likerts scale was constructed to measure employee engagement and the scale was tested for validity and reliability with data from pilot study which was done on a sample of 50 employees from Madras. Face validity was attempted for which a panel of 5 experts was identified from Industry (HR), Education (Professor) and Psychologist (Practitioner) and all the five were satisfied with the construct and the reliability was measured using cronbach's alpha and the value was found to be 0.731. The components were reduced to manageable items by applying Factor analysis and Discriminant analysis was applied to see which factor or item plays a very important role in identifying the Engaged and not so engaged employee in an organization. Univariate GLM was used to see the combined effect of all the demographic variables on employee engagement.

Results
Table 1Explained Variance

Variables	Initial Eigen Values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.816	20.114	20.114	**2.235**	**15.962**	15.962
2	2.341	16.721	36.835	**1.986**	**14.185**	30.148
3	1.782	12.731	49.566	**1.904**	**13.603**	43.750
4	1.400	9.997	59.564	**1.828**	**13.061**	56.811
5	1.226	8.758	68.322	**1.549**	**11.066**	67.877
6	1.019	7.280	75.602	**1.082**	**7.725**	**75.602**
7	0.956	6.831	82.433			
8	0.781	5.582	88.015			
9	0.581	4.149	92.165			
10	0.555	3.961	96.126			
11	0.237	1.690	97.816			
12	0.193	1.376	99.192			
13	0.113	0.808	100.000			
14	2.380E-17	1.700E-16	100.000			

Results of factor analysis and rotated factor loading are in table 1, from which it can seen that the analysis has extracted 6 factors and together they explain 76% of the variance of employee engagement. From which it can be concluded that these 6 factors are good enough in understanding the employee engagement

from the original 14 statements/variables. First factor explains 16% of the variance, followed by 14% by the second, 14% by third, 13% by fourth, 11% by fifth and 8% by the sixth factor. The factors are names according to their respective loading in the next stage.

Table 2 Rotated Component Matrix

Variable	Factors					
	Learning Culture	Nurturing Environment	Work life balance	Motivation	Potentials	Conducive Work Environment
Skills / Talents					-0.794	
Decision making	0.933					
Ideas/Thoughts			-0.526			0.418
Learning Environment	0.963					
Guidance from the Superior	-0.533					
Empowerment					0.824	
Conducive Working environment						
Motivating team		0.923				
Career Growth				0.889		
Transparent appraisal			0.846			
Positive Culture		0.953				
Compensation				0.907		
Time with family			0.862			
Stress free Environment						0.792

The above table is the results of rotated factor loadings. The original scale had 14 statements which were grouped into 6 factors and the factors were named according to the grouping of the original statements. Decision making, Learning Environment and Guidance from the supervisor have been grouped into a factor and has been named as LEARNING CULTURE. Motivating team and Positive Culture have been grouped into one factor and has been named as NURTURING ENVIRONMENT. Idea, transparency and Time with family have been grouped into a factor and has been named as WORK LIFE BALANCE. Career growth and compensation has been named as MOTIVATION, Skills and Empowerment has been named as POTENTIAL and stress free environment is named as CONDUCTIVE WORK ENVIRONMENT.

Table 3 Univariate analysis

Source	Type III Sum of Squares	Df	Mean Square	F	Sig.
Corrected Model	901.795a	21	42.943	1.744	0.024
Intercept	348359.413	1	348359.413	1.415E4	0.000
Age	94.927	2	47.464	1.928	0.147
Gender	19.633	1	19.633	0.797	0.373
Education	162.088	1	162.088	6.583	**0.011**
Marriage	103.326	1	103.326	4.196	**0.041**
Experience	345.820	2	172.910	7.022	**0.001**
Salary	33.313	2	16.657	0.676	0.509
Error	7214.821	293	24.624		
Total	858733.000	315			
Corrected Total	8116.616	314			
a. R Squared = .111 (Adjusted R Squared = .047)					

Coming to the second objective of the paper, the effect of demographic variables on employee engagement, univariate GLM was applied on the data and the results are in table 3. It can be said that there is no effect of Age, Gender and Salary on employee engagement but there is an effect of Education, Marriage and Experience on Employee engagement. Less educated employees (UG) seem to be having more engagement than more (PG or more) educated employees. Married people are more engaged than unmarried ones. Lastly more experienced (10+ years) are more engaged than others. From this it can be said that people with

more commitment or responsibilities in life or those who are not in any position to change jobs or careers or who cannot change jobs or careers are the ones who are more engaged with the organizations. The more qualified or single or less experienced employees are not very committed to their organizations. From this organizations can take a clue on how to recruit the right candidate for their organization, who will be committed and engaged.

Table 4 Discriminat Structure Matrix

	Function 1
Nurturing Environment	**0.443**
Motivation	**0.395**
Potentials	**0.297**
Work life balance	**0.296**
Conducive Work Environment	**0.241**
Learning Culture	**0.103**

The last part of the analysis is on the discriminating effect of the Factors for which discriminant analysis was attempted. From the above table once can conclude that it is Nurturing Environment that plays a Major role in differentiating the engaged from the not so engaged employees. Motivation is the second factor followed by Potential to differentiate the employees. So for the employees of Software and BPO industries it is the nature of their team and the culture followed by compensation and growth that binds them and stay engaged in an organization. Therefore organization can take clue from this and make changes on these lines to make their employees more engaged towards their organization.

Discussion:
From the analysis it was inferred that employee with the right education and experience would deliver the optimum if placed in right position. It would lead to the attainment of desired output and in turn pave way for recognition of their performance. This enhances their level of commitment and raises their self efficacy level.

Less educated employees would be more engaged with the organization according to Blanchard (1988) as the level of insecurity existing in them. They have a fear of losing the job if not performed and have no other place to go. With these in mind they consider this as their final destination and try to be engaged to the organization. On the other hand, employees with high education would try to explore new places unless and until they are contented with the existing institution. Hence, the level of engagement would be low if they are not able to feel contended with the organization.

It is further observed that married employees are more engaged to the organization since they have a commitment towards the family. They are in the phase of establishment according to W. J. Haga (2003), whereby they feel more attached to the organization as they would like to be there forever. The commitment towards the family makes them get engaged to the organization. On the other hand an employee not married, the level of engagement would be minimal mostly as the employee will be preferring to explore new avenues.

More the experience, more the expertise and more the productivity - higher the level of recognition and greater the level of engagement. As Hall's (2002) said individuals from the age of 32 – 38 is considered in the settlement phase. They identify their area of expertise and prefer to be engaged to the organization where they can contribute and develop on a continuous basis. Once they are recognized their level engagement with the organization enhances. Secondly, employee prefers to be established than exploring new avenues. On the other hand absence of recognition of experience leads to non engagement. It happens mostly when the organizations are not creative and prefer to continue with age old traditional practices.

Existence of nurturing environment helps in grooming of the employees attitude and behavior needed for the desired level of performance. Every position has an accepted behavior which is

measured using BARS (Behaviorally anchored rating scale). Nurturing process by the employer makes the employee in gaining trust and confidence with the employer. And in turn develops a feeling that they can count on the employer.　This leads to enhancement of employee's engagement towards the organization (Bakker, A. B., & Schaufeli, W. B. 2008). On the other hand if there is an absence of nurturing environment, metamorphic process will not be conducive.　In such a scenario employees feeling of attachment to transform the personal values of followers, to support the vision and goals of the organization by fostering an environment, where relationships can be formed and by establishing a climate of trust in which visions can be shared, towards the organization would be transactional in nature and their level of attachment would be minimal. In nurturing environment there will be transformational leaders. Transformational leaders transform the personal values of followers to support the vision and goals of the organization by fostering an environment where relationships can be formed and by establishing a climate of trust in which visions can be shared (Bass, 1985a).

It can be observed that employee with right potential would deliver the optimum if placed in right position. It would lead to the attainment of desired output and in turn pave way for recognition of their performance.　This enhances their level of commitment and raises their self efficacy level.　Ensley, M.D., (2006).

According to Shapira (1980) motivational factors will enhance the level of engagement among the employees on the basis of fulfillment of their needs and desires once their needs and desires are full filled their level of confidence with the organization increases.　This scenario raises the level of engagement with the organization. Engaged employees being motivated will further improve their performance, in order to meet their new desires, the wants and needs of employees are not limited.　According to Walton (1975) employees can be motivated provided there exist a fair compensation, reward and recognition policies, of which compensation is one of the element which indirectly help in driving the employee to get engaged.　On the other hand non motivated employees would be performing mere routine activity since their needs are scarcely fulfilled. Their level of confidence with regards to fulfilling of their needs and desires would be minimal.　This situation reduces the level of engagement of the employees with the organization.　According to Hersey and Blanchard (1988), organization will be operating in a improvised　way, where neither the management nor the employee is motivated and engaged in the organization.　They would be interested in mere existence of the organization in a symbolic manner.

An employee's effectiveness is realized on the basis of the potentials possessed.　Every employee does possess potential, but the level of application do varies on the basis of the employee's engagement with the organization.　An engaged employee uses the potentials to the optimum level at the work place by coming out with innovative ideas, excelling in work and contributing in the growth of the organization (Rarick and Baxter 1986).　On the other hand absence of engagement do makes an employee perform, but the level of commitment towards the organization would be minimal.　They are of the mindset that it is hardly going to makes any difference because whatever is their level of performance, the level of recognition will not be fulfilling their needs and desires. This type of situation widens the relationship between the employee and the employer.　.　In such environment the level of output, contribution, involvement in decision making, making the vision of the organization through would be minimal. In totality the level of engagement would be less and getting further worse as days pass by.

Conclusion:
An employee can be engaged to an organization provide employee gains a trust and confidence in the organization that employee could rely on it.　To facilitate such a scenario there is a need for creating a nurturing environment with a learning and positive culture where by employees could be groomed and molded according to the organizational culture and grow along

with the organization. Recognition motivates the employees and leads to enhance the level of engagement.

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