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Employee Engagement: An Empirical Analysis of Select IT Sector Companies

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Abstract;

In the conditions of economic volatility, employee engagement is extremely critical—arguably more so than in normal state of affairs. A one-size fits-all strategy for engagement will not work for MNCs operating across the globe. The industry or the region in which one operates may vary the employee engagement dynamics and outcomes. Regardless, one thing is certain—employees and their behavior are at the center of business success or failure. Engaged employees ensures the business results even in conditions of recession, stagnation, or rapid growth. The survey has been undertaken for Information technology Sector in India. A structured questionnaire was framed consisting of 38 statements classified under 6 variables (Leadership & Planning; Culture & Communication; Role in the organization; Relationship with the supervisor; Training & Development; and Compensation & Benefits) having an impact on employee engagement. 100 employees from IT sector responded to the questionnaire. The analysis reveals that none of the demographic variables studied impacts the level of any of the six variables and thus, the demographics does not play any role in the employee engagement levels.

Key words: Employee engagement, Training, Communication, Information technology

1. Introduction

In today's modern era of competition, employee engagement has developed as one of the key drivers in determining organizations competitive edge. Engaged employees contribute effectively towards the business strategy and thus business success. Striving to maintain a higher level of employee engagement contributes to short-term survival during economic downturns, and also as a key factor for long-term business performance and better positioning when market conditions become favourable.

The CIPD has defined employee engagement as “being positively present during the performance of work by willingly contributing intellectual effort, experiencing positive emotions and meaningful connections to other”.

This definition gives three dimensions to employee engagement:

- **Intellectual engagement** – thinking hard about the job and how to do it better
- **Affective engagement** – feeling positively about doing a good job
- **Social engagement** – actively taking opportunities to discuss work-related improvements with others at work.

Engagement is demonstrated when people display behaviours associated with speaking positively about the organization (Say), having a desire to be a part of the organization (Stay), and willingness to make the extra effort that contributes to organizational success (Strive).



Figure 1

Source: (Aon Hewitt, 2012)

In today's competitive scenario, employee engagement has emerged as one of the key drivers in determining business success. Engaged employees contribute effectively towards the business strategy, are highly committed to the organization, are more involved, and strive to give their best. Striving to maintain a higher level of employee engagement not only contributes to short-term survival during economic volatility, but is also a key factor for long-term business performance and better positioning when market conditions become favourable.

Employee engagement is influenced by the opportunities employees have for personal growth and development, liking towards their work, being excited about their work and support from the organizations for maintaining work-life balance.

2. Objectives and Hypotheses of the Study

To identify various variables having an impact on employee engagement levels.

To study the impact of various demographics on the identified variables (Leadership & Planning; Culture & Communication; Role in the organization; Relationship with the supervisor; Training & Development; and Compensation & Benefits).

- Ho1: There is no significant difference in the means of identified variables on the basis of gender.
- Ha1: There is a significant difference in the means of identified variables on the basis of gender.
- Ho2: There is no significant difference in the means of identified variables on the basis of age.
- Ha2: There is a significant difference in the means of identified variables on the basis of age.
- Ho3: There is no significant difference in the means of identified variables on the basis of duration of service in present organization.
- Ha3: There is a significant difference in the means of identified variables on the basis of duration of service in present organization.
- Ho4: There is no significant difference in the means of identified variables on the basis of salary.
- Ha4: There is a significant difference in the means of identified variables on the basis of salary.

3. Research Methodology

The study is based on both primary and secondary data. Various research papers were studied in order to identify various variables impacting the levels of employee engagement. On the basis of literature review six major variables were identified and a closed-ended structured questionnaire was framed consisting of 38 statements catering to these six variables.

The primary data were obtained from 100 employees working in IT sector. The responses to the 38 statements were obtained on a 5-point Likert scale ranging from "strongly disagree (1)" to "strongly agree (5)." Additionally, the information related to demographic variables including gender, age, duration of service in present organization, and the salary was obtained.

Statistical tools like t-test and ANOVA through SPSS software have been applied to test the various hypotheses.

4. Analysis & Results

On the basis of literature review, it was found that the following 6 variables majorly impact the level of employee engagement:

- **Leadership and planning:** This parameter aims at quantifying the state of leadership in the organization and how employees are being involved in the whole planning process. It tries to measure the level of inclusion of employees in the planning and setting of organizational objectives, plans and future targets.
- **Culture and communication:** This parameter aims at quantifying the strength of communication network in the organization as well as measuring the level of positivity or negativity in terms of organizational culture. It tries to measure how employees are treated in the organization.
- **Role in organization:** This parameter aims at understanding if the employee has complete understanding of his job role and is it in conformity to his job profile.

- **Relation with immediate superior:** This parameter aims at measuring the level of comfort, understanding, and cordial relationship between the employee and his/her immediate supervisor.
- **Training and development:** This parameter reflects the degree to which the management concerns about the training, development and the overall growth of the employees and how effective and beneficial are they proving to them.
- **Compensation and benefits:** This factors aims at measuring the employee’s level of satisfaction with the compensation and other incentives given by the organization.

4.1. Reliability

Inter-consistency of the six scale items were assessed by computing cronbach’s alpha. All the reliability coefficients were found to be satisfactory.

| | CRONBACH'S ALPHA | N OF ITEMS |
|---------------------------|------------------|------------|
| Leadership And Planning | .771 | 4 |
| Communication And Culture | .832 | 8 |
| Role In Organization | .875 | 10 |
| Relation With Supervisor | .824 | 7 |
| Training And Development | .776 | 5 |
| Pay And Benefits | .812 | 4 |

Table 1: Reliability Statistics

4.2. Hypotheses Testing

In order to test the first hypothesis, t-test was applied. Table 2 shows the results.

| | | Levene’s test for equality of variances | | t-test for equality of means | | |
|--------------------------|-----------------------------|---|------|------------------------------|--------|-----------------|
| | | Levene Statistic | Sig. | t | df | Sig. (2-tailed) |
| Leadership & Planning | Equal variances assumed | .213 | .646 | -1.073 | 98 | .286 |
| | Equal variances not assumed | | | -1.059 | 83.907 | .293 |
| Culture & Communication | Equal variances assumed | 2.681 | .105 | .248 | 98 | .805 |
| | Equal variances not assumed | | | .262 | 97.927 | .794 |
| Role in Organization | Equal variances assumed | 2.335 | .130 | .337 | 98 | .737 |
| | Equal variances not assumed | | | .351 | 97.641 | .726 |
| Relation with Supervisor | Equal variances assumed | .942 | .334 | .933 | 98 | .353 |
| | Equal variances not assumed | | | .966 | 96.907 | .336 |
| Training & Development | Equal variances assumed | .234 | .630 | -1.143 | 98 | .256 |
| | Equal variances not assumed | | | -1.151 | 90.566 | .253 |
| Pay & Benefits | Equal variances assumed | 1.932 | .168 | -.601 | 98 | .549 |
| | Equal variances not assumed | | | -.627 | 97.664 | .532 |

Table 2: T-Test For Gender and Various Scale Variables

As the results show there is no significant difference in any of the variables on the basis of gender of the respondents. Thus, we fail to reject the null hypothesis Ho1.

For the testing of second hypothesis, i.e. to test if there is any significant difference in any of the variables on the basis of age group, ANOVA was applied. Table 3 reveals that the respondents’ age group does not lead to any difference in any of the variables. Thus, we fail to reject the null hypothesis, Ho2.

| | | Levene’s test for equality of variances | | t-test for equality of means | | |
|--------------------------|----------------|---|------|------------------------------|----|-----------------|
| | | Levene Statistic | Sig. | F | df | Sig. (2-tailed) |
| Leadership & Planning | Between Groups | 3.031 | .053 | .454 | 3 | .715 |
| | Within Groups | | | | 96 | |
| | Total | | | | 99 | |
| Culture & Communication | Between Groups | 1.072 | .346 | .613 | 3 | .608 |
| | Within Groups | | | | 96 | |
| | Total | | | | 99 | |
| Role in Organization | Between Groups | 1.198 | .306 | 1.300 | 3 | .279 |
| | Within Groups | | | | 96 | |
| | Total | | | | 99 | |
| Relation with Supervisor | Between Groups | .842 | .434 | 1.233 | 3 | .302 |
| | Within Groups | | | | 96 | |
| | Total | | | | 99 | |
| Training & Development | Between Groups | .555 | .576 | .234 | 3 | .873 |
| | Within Groups | | | | 96 | |
| | Total | | | | 99 | |
| Pay & Benefits | Between Groups | .943 | .393 | .214 | 3 | .887 |
| | Within Groups | | | | 96 | |
| | Total | | | | 99 | |

Table 3: T-Test For Age and Various Scale Variables

Further, it was tested if there is any difference in any of the variables impacting employee engagement, on the basis of the duration of service in the present organization. As depicted by Table 4, duration of service does not create a difference in any of the variables. Thus, we fail to reject the null hypothesis, H03.

| | | Levene’s test for equality of variances | | t-test for equality of means | | |
|--------------------------|----------------|---|------|------------------------------|----|-----------------|
| | | Levene Statistic | Sig. | F | df | Sig. (2-tailed) |
| Leadership & Planning | Between Groups | 1.244 | .298 | 1.675 | 3 | .177 |
| | Within Groups | | | | 96 | |
| | Total | | | | 99 | |
| Culture & Communication | Between Groups | 1.583 | .198 | .307 | 3 | .820 |
| | Within Groups | | | | 96 | |
| | Total | | | | 99 | |
| Role in Organization | Between Groups | .675 | .569 | .648 | 3 | .586 |
| | Within Groups | | | | 96 | |
| | Total | | | | 99 | |
| Relation with Supervisor | Between Groups | 1.051 | .374 | 1.253 | 3 | .295 |
| | Within Groups | | | | 96 | |
| | Total | | | | 99 | |
| Training & Development | Between Groups | .373 | .773 | .248 | 3 | .863 |
| | Within Groups | | | | 96 | |
| | Total | | | | 99 | |
| Pay & Benefits | Between Groups | .561 | .642 | .318 | 3 | .812 |
| | Within Groups | | | | 96 | |
| | Total | | | | 99 | |

Table 4: T-Test For Duration of Service and Various Scale Variables

The last hypothesis was framed in order to assess if there is any difference in any of the scale variables, on the basis of salary levels.

| | | Levene's test for equality of variances | | t-test for equality of means | | |
|--------------------------|----------------|---|------|------------------------------|----|-----------------|
| | | Levene Statistic | Sig. | F | df | Sig. (2-tailed) |
| Leadership & Planning | Between Groups | .944 | .423 | 2.399 | 3 | .073 |
| | Within Groups | | | | 96 | |
| | Total | | | | 99 | |
| Culture & Communication | Between Groups | .216 | .885 | 1.107 | 3 | .350 |
| | Within Groups | | | | 96 | |
| | Total | | | | 99 | |
| Role in Organization | Between Groups | .374 | .772 | 1.677 | 3 | .177 |
| | Within Groups | | | | 96 | |
| | Total | | | | 99 | |
| Relation with Supervisor | Between Groups | .398 | .755 | .867 | 3 | .461 |
| | Within Groups | | | | 96 | |
| | Total | | | | 99 | |
| Training & Development | Between Groups | 1.992 | .120 | 1.959 | 3 | .125 |
| | Within Groups | | | | 96 | |
| | Total | | | | 99 | |
| Pay & Benefits | Between Groups | .743 | .529 | 1.143 | 3 | .336 |
| | Within Groups | | | | 96 | |
| | Total | | | | 99 | |

Table 5: T-Test For Salary Range and Various Scale Variables

The above table reveals that none of the variables demonstrates any difference on the basis of respondents' salary levels. Thus, we fail to reject the null hypothesis Ho4.

5. Findings and Conclusion

- On the basis of literature review, six major variables impacting employee engagement levels in the organization were identified. The variables are Leadership & Planning; Culture & Communication; Role in the organization; Relationship with the supervisor; Training & Development; and Compensation & Benefits.
- On the basis of responses obtained from 100 IT sector employees, it was found that the demographic variables such as age, gender, duration of service, and salary levels do not create any difference in the variables impacting employee engagement.

6. Recommendations

- The employees at all levels in the organization irrespective of their demographics must be made aware about the strategies of the organization.
- All the employees of the organization should be made a part of decision-making, specially in the areas having a direct impact on them.
- The transparency in the organization must be maintained through frequent and detailed corporate communications.
- Organizations must ensure that the employees irrespective of their demographics are clear with their job responsibilities and feel a sense of belongingness towards the organization.
- All employees should have cordial relationship with their supervisor, so that they can contribute effectively towards the organizational goals & would also help in better engagement of employees.
- The organizations should provide training to all its employees continuously. Even the experienced employees are required to be given training for their further development and in order to keep them up to date with the changing scenario.

7. References

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**Annexure A: Questionnaire
Employee Engagement Survey**

A. Personnel Information

1. **Age Group**
a) 18-29 years b) 30-39 years c) 40-49 years d) more than 50 years
2. **Gender**
a) Male b) Female
3. **Monthly Salary Range**
a) Less than 20000 b) 20000- 40000 c) 40000-60000 d) Above 60000
4. **Duration of service in present organization**
a) 0-1 year b) 1-3 years c) 3-6 years d) more than 6 years

**B. How do you feel about each of the following specific matters?
(Fill in a single response for each statement below by clicking the check box)**

| S.No. | Statements | Degree of agreeability | | | | |
|-------|---|--------------------------|--------------------------|----------------------------|--------------------------|--------------------------|
| | | Strongly agree | Agree | Neither agree nor disagree | Disagree | Strongly Disagree |
| 1. | I understand the long-term strategy of this organization | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. | I have confidence in the leadership of this organization | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. | The leaders of this organization care about their employees' well being | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. | The leaders of this organization are open to input from employees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. | This organization's corporate communications are frequent enough | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. | This organization's corporate communications are detailed enough | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. | I have a good understanding of how this organization is doing financially | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. | I can trust what this organization tells me | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. | I believe there is a spirit of cooperation within this organization | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. | Employees are treated fairly here regardless of race, gender, age, religion or sexual orientation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. | I like the people I work with at this organization | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. | Changes that may affect me are communicated to me prior to implementation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. | I like the type of work that I do | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. | I am given enough authority to make decisions I need to make | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. | I believe my job is secure | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16. | Deadlines at this organization are realistic | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. | I feel I am valued in this organization | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. | I feel part of a team working toward a shared goal | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. | I am able to maintain a reasonable balance between work and my personal life | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

| | | | | | | |
|-----|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 20. | My job makes good use of my skills and abilities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. | I have a clear understanding of my job role | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 22. | I understand the importance of my role to the success of the organization | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 23. | My supervisor treats me with respect | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 24. | My supervisor handles my work-related issues satisfactorily | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 25. | My supervisor handles my personal issues satisfactorily | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 26. | My supervisor acknowledges when I do my work well | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 27. | My supervisor tells me when my work needs improvement | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 28. | My supervisor is open to hearing my opinion or feedback | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 29. | I feel I can trust what my supervisor tells me | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 30. | This organization provided as much initial training as I needed | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 31. | This organization provides ongoing training as and when needed | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 32. | There is room for me to advance at this organization | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 33. | I trust that if I do good work, my company may increase my pay | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 34. | I trust that if I do good work, my company may consider me for a promotion | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 35. | Overall, I'm satisfied with this organization's benefits package | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 36. | I am satisfied with the payments | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 37. | I am getting my perk/incentives timely | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 38. | I am satisfied with the annual increment of my salary | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |