EMPLOYEE ENGAGEMENT ISSUES IN GLOBAL SCENARIO: EMPLOYEE ENGAGEMENT FACTORS

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Abstract

Attrition in IT industry is greater when compared to other industries. This is due to the very nature of the IT industry. It is not only people oriented but also knowledge based. To retain the IT Gen Y employees in the organization they have to be engaged and their engagement levels should be at peak. The Information Technology industry has brought in a paradigm shift towards work culture and confusion in coping with convergence of technology and workforce. Managing workforce by retaining and getting them engaged to achieve the organization goals has become a very slippery mosaic. It is a challenging task for any IT organization to motivate and develop the employees in order to retain them. The present research paper is an attempt to address the employee engagement issues in the IT industry in the global scenario by recognizing the factors contributing to employee engagement.

Keywords: Employee engagement factors, employee engagement, retention.

1.1INTRODUCTION

The global competitiveness forces a change in the hr practices being followed. To meet the change the human resource function faces the challenge of creating a global mind set and creating practices that will be consistently applied in different locations while also maintaining the various local cultures and practices. To meet these challenges organizations need to consider the hr function not as just an administrative service but as a strategic business engaging the employees across the entire organization which also becomes very important.

The hr function has typically lagged behind in developing policies and structure that support globalization.

The top challenges hr faces in the globalization process include:

- Coordination of activities in many different locations
- Understanding the continual change of globally competitive environment
- Building a global awareness in all hr departments/divisions creating a multicultural hr team.

Employee retention is a top concern for both international and domestic companies in the midst of globalisation.HR function faces many challenges during the globalization process including engaging employees. Organisations not able to engage the employees are not able to address the need patern of Gen Y employees.

The present research paper is an attempt to address the employee engagement issues in the IT industry in the global scenario by recognizing the factors contributing to employee engagement.

Employee engagement also called work engagement or worker engagement is a business management concept. An engaged employee is one who is fully involved in and enthusiastic about his or her work and thus will act in a way that furthers their organisations interests. Empirical research on "employee engagement" is relatively new. "Employee retention" has received the lion's share on the spotlight. This focus on retention however has spawned several studies on engagement since retaining employees is dependent upon the need to "engage" them. Hence engagement studies are beginning to take centre stage. Although employee engagement is a psychological construct it is hard to define and measure, it is generally about how employee feels, the intentions behind actions and the extra efforts exerted.

A term was needed to describe an individual's emotional attachment to the organisation, fellow associates and the job. Thus, the birth of the term "Employee Engagement" which is an individual emotional phenomenon. Whereas, morale is a group emotional phenomenon of similar characteristics.

Employee engagement is therefore a fairly recent development of older theories of motivation and communication which originate from social psychology (Smythe, 2007, p.179).Frank et al. (2004) noted that classic theories of employee motivation such as McGregor (1960), Hertzberg (1966) and Alderfer (1969) are seen as providing the roots for employee engagement, with the most notable dating back to 1943 with Maslow's hierarchy of needs.

One of the most significant threads in the current research is the discovery that employee engagement is linked to customer satisfaction which is linked to organisational financial success. Employee engagement/satisfaction distinctly affects the bottom line.

Engagement at work was conceptualised by William A. Khan (1990) as the 'harnessing of organisational members' selves to their work roles. In engagement people employ and express themselves physically, cognitively and emotionally during role performances. The second related construct to engagement in Organisation Behaviour is the notion of flow advanced by Csikszentmihalyi (1975). Engagement was described in the academic literature by Schmidt et al. (1993) using data from Gallup's Q 12 engagement survey, a modernized version of job satisfaction. Schmidt et al influential definition of engagement was "an employee's involvement with commitment to and satisfaction with work". This integrates the classic constructs of job satisfaction (Smith et al., 1969) and organisational commitment (Meyer and Allen 1991). Harter and Schmidt's (2003) most recent meta-analysis can be useful for understanding the impact of engagement.

A holistic outlook towards building employee engagement includes attracting, developing and retaining the employee. According to the IES 2007 year studies the two most important and highly correlated drivers of engagement are 'feeling valued and involved' and job satisfaction. Engagement is a key leading indicator for high performance workplaces, improved employee productivity and subsequent turnover. Regardless of the state of the economy the best people are always needed. Competing for top talent as well as motivating, engaging and retaining them will

be one of the greatest challenges for human resource professionals in upcoming years. According to towers Perrin research the factors that attract people to join an organization are different from factors that keep them there. Identifying, recognizing and rewarding high performers engages these employees in the business and encourages them to become and remain successful. High performing companies can gain competitive advantage by motivating, engaging and retaining high performers through understanding their needs.

An empirical study was conducted to identify the factors of employee engagement in IT sector.

1.2. Factors of employee engagement

Attrition in IT industry is greater when compared to other industries. This is due to the very nature of the IT industry. It is not only people oriented but also knowledge based.

To make best use of the existing talent IT organizations have to engage their employees across multiple organizational and cultural boundaries and address the need pattern of employees.

Twenty seven variables contributing to engagement of employees have been identified and respondent employees have been asked to rate the extent to which the practices of organizations have contributed to their engagement. The responses are rated on a 1 to 5 scale, which ranges from greater extent to no extent. The ratings are greater extent-1, great extent-2, moderate extent-3, little exent-4 and no extent-5.

The primary data was analyzed using exploratory factor analysis to identify the variables contributing to employee engagement and KMO Bartlettt's significance test was conducted to test the sample adequacy. KMO greater than 0.6 was considered.

Factor analysis was carried to simplify and reduce the data. It was carried with Principal Component Analysis along with rotation procedure of varimax for summarizing the original information with minimum factors and optimal coverage.

Principal component analysis method was used to determine the minimum number of factors that would account for maximum variance in the data for use in subsequent multivariate analysis.

The construction of meaningful indices was initiated by the use of principle component analysis with varimax rotation, factor analysis was deemed necessary since it was considered prudent statistically to ascertain whether the adopted list of variables pictured differing factors of employee engagement.

On using exploratory factor analysis 27 variables contributing to employee engagement were explored, out of the 27 variables six factors emerged.

Table.1.2.1 Showing six factors of employee engagement have the material and equipment to do work.

Table 1.2.1

Rotated Component Matrix for Employee engagement factors

	Component					
	1	2	3	4	5	6
When my input is sought in solving problems				0.72		
When i receive recognition or praise for doing good work				0.744		
When organization provides me with Competitive salary				0.609		
When i concentrate on accomplishing task rather than achieving outcome				0.51		
When i know what is expected of me at work		0.524				
When i have the opportunity to identify my potential		0.573				
When i have a best friend at work		0.682				
When i have the resources available to do work		0.604				
When my supervisor cares about me as a person						
When the mission of my company makes me feel my job is important	0.51					
When i receive feedback about my progress					0.758	
When learning capacity is developed by good mentoring		0.542				
When in the last year i had opportunities at work to learn and grow		0.608				
When i am emotionally bonded with the organization			0.709			
When new ideas are welcome			0.689			
When workload enables me to have a good work- life balance						0.768
When i perform at consistently high levels			0.501			
When i work with passion and use my talents and strengths at work everyday			0.684			
When i drive innovation and move my organization forward			0.582			
When i feel my contributions are not being overlooked and my potential is being tapped						
When i have productive relationships with my co-workers						

When my loyalty towards the organization enhanced Through good Quality line Management.	0.56					
When my job satisfaction increased over the years due to flexibility work schedules	0.72					
When i find work meaningful and challenging	0.77					
When my job is secure	0.64					
When my commitment levels are enhanced through individual development	0.7					
When i can handle difficult situations	0.6					

Table 2 *Table Showing six factors of employee engagement have the material and equipment to do work.*

Factors	Underlying statement
1. job *per se*	Job satisfaction increased over the years due to flexible work schedules
	I find work meaningful and challenging
	My job is secure
	My commitment levels are enhanced through individual development
	I can handle difficult situations
2. Supportive work environment	I have a best friend at work
	I have the resources available to do work
	In the last year I had opportunities at work to learn and grow
3. Work commitment	I am emotionally bonded with the organization

	New ideas are welcomed
	I work with passion and use my talents and strengths at work everyday
4. Recognition	My input is sought in solving problems
	I receive recognition or praise for doing work
	Organization provides me with competitive salaries
5. Feedback	I receive feedback about my progress
6. work-life balance	Work load enables me to have a good work life balance

Explanations of the above factors are as under:

1. *JOB per se***:**

This factor is important for Organizations to be successful as it involves investing in the talented employees and ensuring that the talents fit the demands of each role.

2. SUPPORTIVE WORK ENVIRONMENT:

This factor reflects the measures taken by the Organization in providing a supportive and caring work environment that equips the talents with all the knowledge, skills and resources that creates positive emotions to the talents.

*3. WORK COMMITMENT***:**

This factor reflects the importance that needs to be given in creating a great workplace to enhance the commitment of talents so as to enable them to produce positive business outcomes.

4. RECOGNITION: This factor emphasizes the importance given as to how the employee perceives the organization in work recognition and in creating a trustful environment with all the incentives and benefits to be a high engagement workplace.

5. FEEDBACK:

Feedback is a key factor for organizations in knowing the needs and interests related to work and helps in resolving any work issues and a means of properly evaluating talent to enhance work performance.

*6. WORK - LIFE BALANCE***:**

Work-life balance is a key factor which emphasizes the importance of having a workload which extracts the best efforts and enables talents to function more effectively in the organization contributing to creating a strong engaged workplace for talents.

2.1.Findings:

1. Job per se, supportive work environment, work commitment, recognition, feedback and work-life balance are the six factors contributing to employee engagement.

2. Increase in job satisfaction over the years , meaningful and challenging work, job security, enhanced commitment level through individual development, handling difficult situations are the variables of the job per se factor contributing to employee engagement.

3. In the supportive work environment factor- having a best friend at work, resources to do work, opportunities at work to learn and grow are the variables of employee engagement.

4. In the work commitment factor- being emotionally bonded with the Organization, welcoming new ideas, working with passion are the variables of this factor contributing to employee engagement.

5. In the recognition factor-input sought in solving problems, recognition or praise for doing good work, competitive salaries are the variables of this factor contributing to employee engagement.

6. In the feedback factor-feedback about progress is the only variable of this factor contributing to employee engagement.

7.   In the work-life balance factor - work life balance as a result of good workload is the only variable of this factor contributing to employee engagement.

8.   The recognition factor needs to be stressed more to retain the generation Y employees**.**

Conclusion

Global competition, maximization of wealth and creating competitive edge has become the order of the day. Human capital management has become more complicated and competitive due to erosion of value systems. Further, Human Resources Management becomes a real challenge due to the perception of employees towards work and living. The Information Technology industry has brought in a paradigm shift towards work culture and confusion in coping with convergence of technology and workforce.

Managing workforce by retaining and getting them engaged to achieve the organization goals has become a very slippery mosaic. It is a challenging task for any IT organization to motivate and develop the employees. More importance has to be laid on the recognition factor of employee engagement to meet the challenges in the global scenario.

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