

Examining The Role of Employee Experience in Fostering Employee Engagement

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Abstract

India is the world's largest sourcing destination for the Information Technology (IT) Industry, accounting for approximately 67 percent of the US\$ 124-130 billion market. The Industry employees about 10 million workforces. Most of the IT projects fail not because of technology but because of people. As Human resources are considered as key for the success of any business. It is essential to nurture them regularly. Sound Employee experience plays a vital role in retaining employees and helps in achieving overall development of organisation by increasing in employee productivity and employee morale. Employee engagement determines the sustainability. This study helps in understanding employee experience considering organisational climate, internal policies and leadership as main antecedents for employee experience and role of employee experience in building employee engagement. This survey is conducted considering employees perspective in IT companies in Bangalore.

Keywords: Employee experience, employee engagement, IT sector etc.

1. Introduction

“Engagement is an outcome of a healthy culture” (Denison Consultancy survey 2016). The organisation is made up of individuals with different talents, personalities, and goals, the organisation will have a distinct culture. Employee engagement determines the association of person with the organisation. It is degree of how much an employee is involved, empowered, motivated, and committed towards his job and organisation. Engaged employees are more concerned about the future of the organisation and willing to invest more efforts for development of organisation.

Employee experience is defined as cognitive experiences of employees in organisation, measured in relation to organisational climate, internal policies and leadership in this study.

The proposed conceptual framework for this paper is as indicated in figure 2.1.

“Engaged employees are not just committed but passionate about their work. Engaged employees are more profitable, productive, focused, have fun and less likely to live company because they are engaged” (Gallup organisation USA 1990).

According to IES (Institute of Employee Studies), Employees engagement is a positive attitude held by the employee towards the organisation and its values”.

The Organisation always looks for people who are generally enthusiastic to come to work every day and are highly passionate about their work. To strengthen the bond with employees one must invest in the development of their employees.

Organisation climate is regarded as the shared perceptions employees have regarding the events, practices, and procedures of their organisation (Patterson West, Shckleton, Dawson, Lawthom, Maitlis, Roinson and Wallance 2005). Researchers have consistently evidenced the influence of a resource- rich organisational climate on employee outcomes that, in turn, enhance an organisation's productivity and competitiveness (Kuenzi and Schminke 2009).

Engaged workers are positive about their work and feel that they are performing their job well (Bakker and Leiter 2010). Job engagement has been found to increase individual job and organisational performance (Bakker and chafeli 2008). The majority of research on organisational climate has examined its direct relations with employee outcomes”.

When organisations put sound HR practice in place, they are likely to discover that employees feel satisfied, safe and will work to their full potential.

India is the world's largest sourcing destination for the information technology (IT) Industry, accounting for approximately 67 percent of the US\$ 124-130 billion market. The Industry employees about 10 million workforces. Most of the IT projects fail not because of technology but because of people. The Indian IT and IT services industry is divided into 4 segments. IT services, Business Processing Management, Software products and engineering services and hardware.

2. Literature Review:

Organisation Climate:

Timothy C Koch (2013) examined the relationship between an integrative organisational climate and job engagement and family focused integrative climate and job engagement. The study extends such research by examining the mediating role of job satisfaction between climate and job engagement. The organisations in identifying strategies to faster resource-rich climate that can contribute to enhance job and organisational performance.

P Permarupan, at al (2013), examined the impact of organisational climate on employee work passion and organisational commitment, considering clarity standards, responsibility, flexibility and rewards and team commitment as dimensions for organisational climate. Organisation climate is deemed to be important for higher productivity, greater passion for the business and a deeper engagement with customers. A positive climate encourages employee's productivity and decreases turnover. Organisation climate induces work of passion and a passionate employee will be able to contribute more effectively towards the growth of the organization. An excellent organisation will enable enhanced economic development.

Lars Putter, Delft (2010), this study revealed relationship between organisational climate, employee engagement and organisational performance in multinational companies. The management support and organisation unit size will have an impact on organisational climate and organisational culture has impact

on financial performance, employee engagement and operational performance. This study highlights that the perception of organisational climate is more positive for employees higher up in the organisation, that is, top managements climate perception is more positive than middle managements climate perception.

HR Practices:

Jani, et al (2016), say that employee engagement is vital now days to overcome turnover and retention issues. There are various drivers for employee engagement. Among them human resource practices is one of the strongest. This will lead to intrinsic motivation and psychological empowerment. This research reveals there is positive co-relation between human resources management practices and employee engagement.

Joseph Jakisa Owor (2016) investigated the relationship between human resources practices, employee engagement and organisational citizenship behaviours in select firms in Uganda. Five antecedent variables demonstrated a significant role in creating relationship between organisational culture and employee engagement. They are role clarity, collaboration, job security, compensation fairness and development. This study reveals that employee engagement is a significant mediator between the human resources practices and organisation citizenship behaviour.

Leadership:

Sakovska (2012), found the importance of employee engagement in business environment. Organisational culture, leadership style, autonomy, have influence on employee engagement and this leads to employee productivity, customer services, less turnover, organisational performance and profitability. Inter personal relationship with colleagues and supervisors are very essential for employee engagement.

Taran (2009), studied the influence of leadership styles on employee engagement in work place. Engagement is a challenging process and organisations should take more time for this. The study reveals that leadership behaviours are more conducive to increasing employee engagement at workplace. Leaders play a vital role in development of employee engagement by projecting ideals and characteristics that are tied to engagement variables such as supportive, providing a vision to employees so they can perform effectively. Disengaged workforce is costly to an organisation in this global market. An engaged workforce has higher levels of commitments to the organisation, lower intentions of to turnover and higher rates of satisfaction.

Employee Engagement:

Chandini (2016), in her study, tried to understand what employee engagement is and what the drivers of employee engagement are. This paper highlights about engagement at macro level and micro level, at individual level and at organisational level. And different approaches for new employees like strong induction programmes, rigorous training and developmental programmes, certification programme and giving them a realistic job preview. Employee engagement is key to improve organisational performance.

In this study David Vizzuso (2015), found that leaders design strategies to engage employees. Improving employee engagement may increase the likelihood of improving customer satisfaction, which directly influences financial stability of organisations while improving manager's ability to lead. The influence of

leadership on employee engagement plays an important role in increasing organisational productivity, efficiency and financial success.

Reward and Recognition:

Scott (2010), reveals encouraging employee engagement with rewards and policies and programs. The study confirms that rewards structures, programs and policies influence employee engagement. Organisations which encourage managers to engage employees by making it a performance criteria and rewarding engagement through incentive programs indicate that organisations are highly engaged.

Grey Bartomiejczuk (2015), states how recognition programs impact employee engagement. Recognition programs play a vital role in bringing positive change in the workplace. Recognition the key to achieve employee engagement. By making the programs strategic and peer to peer recognition helps in engaging employees.

Dr. Trent Kaufman (2013), found that reward and recognition has impact on employee engagement. Employees receiving strong recognition are much likely to generate innovations and increased efficiency at work. An employee states that recognition is more effective at increasing their engagement, performance and innovation. This study helps in understanding how performance recognition fuels employee innovation and output.

Job Demand and Resources:

Munish (2017) revealed that retention is constructing for employee engagement. The study reveals that in this competitive global market, retaining employees is a critical challenge in any organisations. Engaged and retained employees are motivated, highly dedicated, and ambitious, always lead by example, and align personal goals towards organisational goals. Employee engagement is highly co-related with nature of job, communication, leadership styles trust levels and job autonomy, levels of motivation, work involvement, support from organisation, performance appraisal, quality of work life, level of involvement in decision making, opportunity to grow are the strongest drivers of employee engagement.

Wilma. B Schaufeli (2004), found a relationship between job demand and job resources with employee engagement. It covers the stability of employees, autonomy given to employees to take decisions and retention of employees etc. This study helps in understanding how job demand and resources are linked with employee engagement.

Quality of work Life:

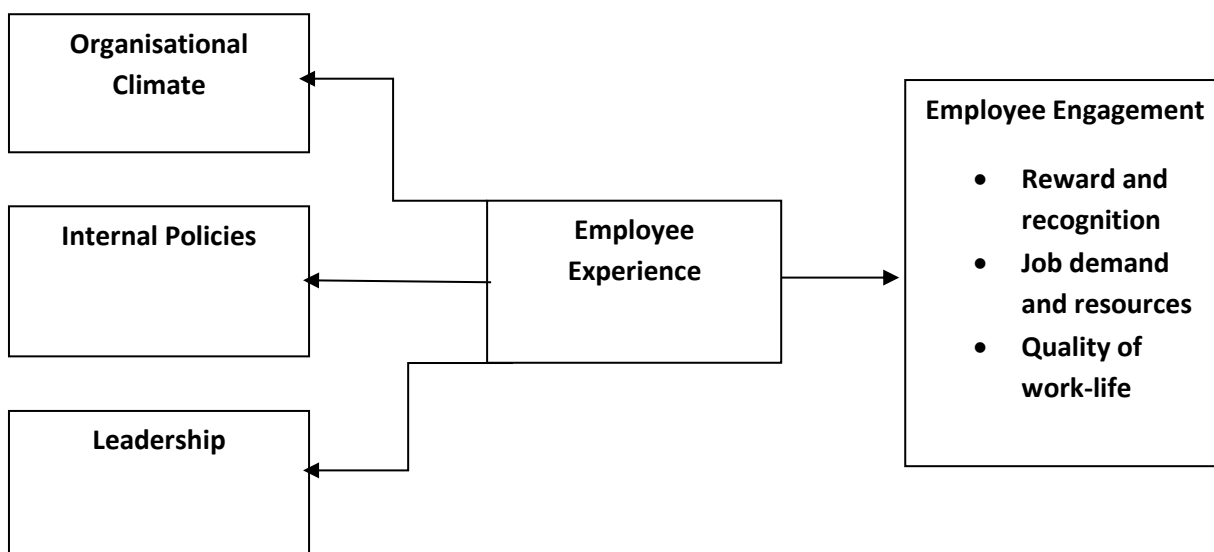
Selahattin Kante(2012), found the relationship between quality of work life with work engagement. Blue collar and white collar employees perceived different aspects of their quality of work life and blue collar and white collar employees have different work engagement levels. Quality of work life enhances organisational performance and commitment. Quality of work life also helps employees to manage their personal life.

A study by Dr. Saleh Ali Y Alquari (2016) reveals that quality of work life as a antecedent of work engagement “development of human capabilities and social relevance” were the only key antecedent of work engagement.

A conceptual study by Sumrit Yipyintum (2012) helps in understanding quality of work life and employee engagement. Health, safety needs economic needs, family needs, social needs, esteem needs, actualisation needs, knowledge needs, aesthetic needs leads to cognitive engagement, emotional engagement and behavioural engagement. These variables showed sound relationship between quality of work life and employee engagement.

Figure 2.1: Proposed conceptual model based on literature review

Based on literature reviewed figure 2.1 is drawn to understand the influence of employee experience in building employee engagement.



Source: Conceptual model of this study based on literature review

Problem Statement:

IT sector is booming after the Liberalisation, Privatization, and Globalisation (LPG) era. 10, 000 million workforces are employed in IT sector and Human Resources is an essential tool for success and development of business. 83% of the companies face challenges in terms of organisation culture and employee engagement (Deloitte 2017). “Happy workers are productive workers.” Employee experience plays a vital role in keeping employees happy and in engagement of employees (Deloitte 2017). Organisation climate, internal policies and leadership will have huge influence in building employee engagement. Sound Employee experience will have affect on employee performance, employee productivity, and employee morale and involvement of employees at work. Hence it is very essential to know how employee experience will influence employee engagement considering organisational climate, internal policies and leadership as major influences of employee experience. This study helps in understanding variables influencing employee engagement considering employee experience as antecedent.

Scope of the study:

The study was confined to identification of the drivers of employee engagement taking employee experience as major variable for employee engagement in the IT sector in Bangalore.

The three drivers of employee experience leading to employee engagement are organisational climate, internal policies and leadership. The study is confined to the IT sector in Bangalore.

Research Questions: it specify the specific concern of the study and helps in understanding topic in detail.

1. What are the factors influencing employee experience?
2. Does employee experience have any impact on employee engagement?

Objectives of study:

1. To identify the drivers of employee experience.
2. To access and analysing the variables of employee engagement
3. To evaluate the relationship between employee experience and employee engagement

Hypothesis:

1. H_1 organisation climate has significant influence on Employee engagement

H_0 organisation climate has no significant influence on Employee engagement

2. H_1 Internal policies has significant influence on Employee engagement

H_0 Internal Policies has no significant influence on Employee engagement

3. H_1 Leadership has significant influence on Employee engagement

H_0 Leadership has no significant influence on Employee engagement

3. Methodology:

This study is descriptive in nature. Type of research design is exploratory in research. Both primary and secondary data is used as sources of data. Purposive sampling technique is used to collect data through questionnaire. It tends to describe the influence of employee experience to employee engagement among respondents.

Data is gathered through primary data, a mail survey through questionnaire has been sent to 300 employees of various core IT companies in Bangalore. ANOVA and Multi variance regression tool used to understand the relations between variables and know the impact of employee experience on employee engagement.

The 39 questions of likert scale with (factors of employee experience - three variables such as organisational climate, internal policies and leadership influencing employee engagement) are given to respondents in Bangalore.

200 questionnaires have been sent to facilitate influence of employee experience to employee engagement. Received rate of responses is 126 that are 63 % received rate of responses. The Cranach's alpha is .868, which indicates a high level of internal consistency for our scale with this specific sample.

4. Data Analysis and Discussion: It tends to describe the influence of employee experience to employee engagement among respondents.

Demographics of Responses: This study considered gender, age, educational qualification, marital status and income level of responses for demographical analysis.

Figure 4.1 Table showing the Demogr*aphical Responses of respondents

Sl.No	Particulars	Responses	Percent
1	Male	54	42.8571
2	Female	72	57.1429
3	Other	0	0
4	Total	126	100

Source: Primary Data

From the figure 4.1 inference that 43 percent of responses are male and 57percent responses of this study are female.

Figure 4.2: Table showing Correlations between employee experience and employee engagement

		Employee Engagement	Organizational Climate	Internal Policies	Leadership
Employee Engagement	Pearson Correlation	1	.831**	.801**	.780**
	Sig. (2-tailed)		.000	.000	.000
	N	126	126	126	126
Organizational Culture	Pearson Correlation	.831**	1	.764**	.650**
	Sig. (2-tailed)	.000		.000	.000
	N	126	126	126	126
Internal Policies	Pearson Correlation	.801**	.764**	1	.649**
	Sig. (2-tailed)	.000	.000		.000
	N	126	126	126	126
Leadership Qualities	Pearson Correlation	.780**	.650**	.649**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	126	126	126	126

****.** Correlation is significant at the 0.01 level (2-tailed). Source : Primary data

The result from the SPSS indicates a strong interrelationship between the predictor variables Organizational Climate, Internal Policies, and Leadership Qualities, which is the essential quality for the data, for next level processing. Result of the figure 4.2 also indicates a difference strong correlation between each of the predictor variables with the dependent variable Employee Engagement which is a great sign for conduct of regression analysis provided by the fact that, the both the predictor and dependent variables are scale variables.

Figure 4. 3: Table showing Analysis of Variance against level of Employee Engagement amongst respondent's opinion on Organizational Climate.

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	61.903	3	20.634	93.394	.000
Within Groups	26.954	122	.221		
Total	88.857	125			

Source: Primary data

ANOVA of Variance Test was applied to test whether there is a difference in level of employee engagement amongst the different opinion categories of Organizational Climate. As the analysis of variance test has computed **F (93.394, 3)**, p value less than 0.05 the variable is inferred to have a significant difference, result of the same is presented in figure 4.3. This indicates that organisation culture as construct for employee experience has significance influence on employee engagement. It could also be inferred that, increase in positive inclination towards organizational climate is causes increase in Employee Engagement.

Figure 4.4 : Table showing Analysis of Variance against level of Employee Engagement amongst respondent's opinion on Internal Policies

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	58.246	3	19.415	77.379	.000
Within Groups	30.611	122	.251		
Total	88.857	125			

Source: Primary data

ANOVA of Variance Test was applied to test whether there is a Difference in Level of Employee Engagement amongst the different opinion category of Internal Policies. Tthe figure 4.4 inferences that there is significance relation between internal policies with employee engagement. That shows that employee experience in terms of internal polices has strong influence in building employee engagement.

Figure 4.5 : Table showing Analysis of Variance against level of Employee Engagement amongst respondent's opinion on Leadership

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	54.236	4	13.559	47.389	.000
Within Groups	34.621	121	.286		
Total	88.857	125			

Source: Primary data

Analysis of Variance Test was applied to test whether there is a Difference in Level of Employee Engagement amongst the different opinion category of Organizational Climate. The figure 4.5 indicates the strong influence between leadership and employee engagement. Employee experience in relation to leadership shows relations in building employee engagement.

Multiple regression model for Employee Engagement

A multiple regression model for the analysing the level of Employee Engagement (dependant variable) is attempted keeping the variables, Organizational Culture (OC), Internal Policies (IP), and Leadership (L) as the independent or predictor variables.

The multiple Regression model is

$$EE = \beta_0 + \beta_1 OC + \beta_2 IP + \beta_3 LA$$

Where, EE is the Level of Employee Engagement, β_0 is the constant and β_1 , β_2 and β_3 are regression coefficients to be estimated from the analysis. Regression Model Summary generated using SPSS is presented in figure 4.5 and results of ANOVA for Regression Analysis (Results from SPSS) is presented in Table: 4.6

Figure 4.6 : Table showing Model Summary generated using SPSS

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.958 ^a	.918	.916	.24456

a. Predictors: (Constant), Organizational Climate, Internal Policies , Leadership

Figure 4.7 : Table Showing ANOVA for Opinion of Employee Engagement Against level of Organizational Climate

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	81.560	3	27.187	454.539	.000^b
	Residual	7.297	122	.060		
	Total	88.857	125			

a. Dependent Variable: Employee Engagement

a. Predictors: (Constant), Organizational Culture, Internal Policies , Leadership

The model was tested with 3 predictor variables and all the 20 variables met the entry requirement and were included in the model. The multiple correlation coefficient $R = 0.958$ shows a substantial correlation between the predictor variables and the dependant variable. The value of $R^2 = 0.918$ indicate that about 91.8% of the variance in the dependant variable is explained by the 3 predictor variables. The values of regression coefficients, reveals the relative influence of the independent variables on the dependant variable level of employee engagement. ANOVA test also indicates a significant influence of employee experience on the employee engagement, which is evident from Table no.6 which has got $F(454.539, 3)$ with p value 0.000, is significant at 1% significance level.

Figure 4.7: Table showing Beta Values of the employee experience

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.052	.095		.546	.586
Organizational Culture	.377	.052	.363	7.184	.000
Internal Policies	.329	.055	.312	5.928	.000
Leadership Qualities	.336	.043	.353	7.836	.000

a. Dependent Variable: Employee Engagement

Source: Primary data

The values of regression coefficients reveal the relative influence of the independent variables on the dependant variable Employee engagement. From the Table of coefficients, it is evident that the variable organisational climate (OC) has got the highest influence on the Employee Engagement (0.363). Next higher influencing factor on Employee Engagement is Leadership Qualities with 0.353 and Internal Policies Influences 0.312 over dependent variable. Regression coefficients of the employee experience have proved to be significant in this empirical model for Employee Engagement. Multiple regression models with computed regression coefficients are presented in figure 4.7.

Therefore the Regression equation will be,

$$EE = 0.052 + 0.363 (OC) + 0.312 (IP) + 0.353 (L)$$

The above beta values of the predictor variables, indicates a very positive influence on employee engagement, not providing the extraneous variable (Constant) the significant space to create an impact on the dependent variable Employee Engagement. Thus holds a strong proof towards a considered hypothesis. Hence, H_0 is rejected. That shows there is significance relationship between organisational climate, internal policies and leadership variables are in building employee engagement. Thus study indicates strong influence of employee experience in building employee engagement.

5. Future Research, Limitation and Conclusion

Future Research:

The similar study can be undertaken by considering other organisation with more responses. The different variables can be considered for future research which influences employee engagement.

Limitation of the study:

This study is limited to three variables such as organisational climate, internal policies and leadership influencing employee engagement. The study is limited to IT companies in Bangalore only and therefore, the findings of the study cannot be extended to other areas. All the findings and observation made in the study is purely based on the respondent's answer which may be biased.

Conclusion

This paper presented and tested relationship between employee experience with employee engagement using statistical tool correlation, ANOVA and regression analysis. Engaged employees are physically, cognitively, emotionally attached with their work roles. This study reveals that there is the strong significance relation relationship between organisational climate, internal policies and leadership as variables of employee experience in building employee engagement. As employee experience has huge influence on employee engagement. Human resources managers can do several things to facilitate work engagement among their employees.

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