

**FACTORS AFFECTING EMPLOYEE ENGAGEMENT:  
A STUDY WITH REFERENCE TO SOFTWARE COMPANIES**

**Dr. Kanagaluru Sai Kumar**, Professor,  
Department of Management, Narayana Engineering College,  
Nellore-524004 (AP), India  
**E-mail:** dr.k.saikumar@gmail.com

---

**ABSTRACT**

*The study has been designed to review the perceptions and the feelings of the software employees on specific factors and also their relationship with employee engagement. A sample of 150 respondents at different levels of perception is studied with reference to various factors that are responsible for employee engagement. The study attempted to identify the factors that were descriptive of the people. The determinants of employee engagement that have been examined under this study include job content, work relationships, job context, job outcomes, personal image, procedural justice, and job environment. The opinion of the sample respondents is also analyzed based on various factors. These results indicate that a large number of people in the sample have an agreement with the factors. Regression analyses of these factors indicate that job content and work relationships significantly affect the employee engagement.*

**Keywords:** *Employees, engagement, perception, job content, work relationships.*

---

**1. Introduction**

Employee engagement is one of the key drivers for the success of any organization. Employee engagement means a measurement of energy and passion that employees should have for their organizations. Engaged employees are individuals who take action to improve business results for their organizations. They stay, and strive-stay with and are committed to the organization, say positive things about their workplace, and strive to go above and beyond to deliver extraordinary work. (Opas Piansoongnern et al, 2011). Employee engagement is one of the primary management tools in human assets management (Cappelli, 2008). Because the significant resource for firms competing is no longer land, capital, and other tangible assets but the human capital necessary to adapt organizations to global competition and maximize the benefits associated with the current technological boom for effective employee engagement. (Ingham 2006, Ashton and Morton, 2005). Pradeep and Swetha (2012) opined that,

for the achievement of faster growth and the achievement of employee engagement in the organizations, HR leads the way in designing, measuring, and evaluating the proactive work place policies and practices that help attract and retaining the talent with skills and competencies necessary for growth and sustainability. In the views of Khan (1990), employee engagement is the harnessing of the organization members towards their work roles. He also added that, in engaged people employ and express themselves physically, cognitively and emotionally during role performances. Britt et al (2001), in their study on employee engagement found that engagement in meaningful work can lead to perceived benefits from the work. Another study made by Harter et al (2002) linked the employee engagement with variables such as employee turnover, employee satisfaction- turnover, safety, productivity and profitability criteria. Fleming et al (2005), in their study identified that about 20 percent of American employees are disengaged, 54 percent are neutral about their work and only 26 percent are actively engaged. The study made

by Gibbons (2006), stated that, an organization's talent management strategy should also contribute to employee engagement which refers to a heightened emotional and intellectual connection that an employee has for his/her job, organization, manager, or co-workers that in turn influences him/her to apply additional discretionary effort to his/her work.

It is a fact that highly engaged employees make wholehearted contribution and helps in achieving the organizational growth and at the same time disengagement leads to lower productivity and losses to the organization. An engaged workforce may provide a buffer against the costly efforts of disengagement and burnout, hence the present study has been taken up to find out the causative factors of employee engagement.

## **2. Significance of the Study**

The involvement of the employees plays an important role and is a key business driver in the success of any organization. It develops the state of healthy balance in the organization in which employees make their respective contributions to achieve the goals set by the top management. A high level of work engagement is possible when the employees are involved with, committed to, entrusted, and passionate about their work. Due to the rapid growth of technology in the software industry in the recent past and its corresponding increase in the job opportunities at different fields, it becomes highly difficult to retain the employees and to make them to work. As a result competition also started among the software companies. In a competitive environment each and every company is interested to improve its position by creating a strong base for its survival. The competition was developed in terms of attracting large number of skilled employees by satisfying their requirements. Highly engaged employees make significant contributions in achieving the organizational development, at the same time disengagement can affect the financial solidarity of the organization as well. As the engaged workforce may provide successful outcomes to the organizations, studies of these kinds are necessary to know the influence of

various causative factors. Hence the present study has been taken up with an intention to know the factors that influence the employee engagement.

## **3. Statement of the Problem**

Every organization has its own policies for the accomplishment of objectives. Continuous updating and monitoring of these policies is essential to keep the pace with change in time and to avoid any dissatisfaction of the employees. To study the engagement of the employees, various factors which are directly or indirectly related to employees and software companies have been considered. These factors include job content, work relationships, job context, job outcomes, personal image, procedural justice, and job environment etc.,. The study is based on the opinion of the employees working in various software companies. The need for the study is to ascertain various factors which are related to employee engagement. This study will help the managements of the software companies to develop more appropriate policies for their better management.

## **4. Objectives of the Study**

The purpose of the present study is aimed to identify the impact of various causative factors that influence the employee engagement in the software companies. The following are the research objectives formulated to guide the study.

1. To study the overall opinion of the respondents about employee engagement;
2. To identify the relative importance of various factors that influence the employee engagement; and
3. To suggest suitable measures, to minimize the problems related employee engagement.

## **5. Development of Research Model**

A theoretical frame work for the employee engagement is developed based on the objectives and previous literature available on this field. The model is developed in consistence with the various factors that represent employee

engagement as shown in fig.1. The development of this model will provide a sound base and will help in further examination as to what extent can these factors influence the satisfaction of students.

## **6. Research Methodology**

### ***Instrument Used***

The Instrument in the name of structured questionnaire is framed to collect the primary data from the sample respondents. It consists of the demographic characteristics of respondents such as gender, age, educational background, length of experience etc. Employee engagement was measured by a questionnaire prepared on the basis of the earlier studies done by Pradeep and Swetha (2012). The questionnaire is included with seven factors, namely, Job content, Work relationships, Job context, Job outcome, Personal image, Procedural justice, and Job environment. Each of the factor in the questionnaire is measured on a four point Likert's scale, in which, 1 indicated "strongly disagree", 2 indicated "disagree", 3 indicated "agree", and 4 indicated 'strongly agree'. Contents and validity of the statements were established by experts consisting of top officials and other important persons working with the software companies. Each of the experts on the panel was asked to verify the instrument for clarity, wording, overall appearance and meaning in addition to content and validity. The instrument was pilot tested with a group of people, not included in the sample.

### ***Data Collection***

A survey Instrument in the form of close ended questionnaire was developed for the purpose of collecting the main data for the study. This study was conducted with the employees working at different software companies located in and around Chennai. Various factors such as precision, accuracy, time and cost constraints were taken into consideration in selecting the respondents. Using non-probability sampling technique, a total of 150 respondents were selected as a sample for the study. Proper care has been taken in selecting the respondents in order to maintain uniformity and to improve the

generalization of the result. The actual field survey was conducted over a period of one month between March 2016 and April 2016, wherein personal interviews were employed to obtain the required information from the selected respondents.

### ***Data Analysis***

The primary data collected have been sorted, classified and tabulated in a format and analyzed by using statistical package for social sciences (SPSS16.0). An appropriate statistical procedure like multiple regression analysis has been used for inference. The multiple regression analysis allows for simultaneous investigation of the effect of two or more independent variables on a dependent variable. The dependent variable for this study is the employee engagement.

## **7. Results and Analysis**

### ***Profile of the Respondents***

The table1 reveals that 71.34 percent of respondents were male and the rest 28.66 percent were female employees. An analysis of the age of the respondents indicates that 6 percent were with less than 30 years, 20.66 percent were with 30-35 years of age, 43.34 percent were with 35-45 years of age and the remaining 30 percent were with above 45 years of age. An analysis of the length of experience of the respondents indicates that 13.34 percent were with less than 5 years, 30 percent were with 5-10 years of experience, 40 percent were with 10-15 years of experience and the remaining 16.66 percent were with above 15 years of experience. The analysis further shows that, with respect to gender, the employees are male dominated also with respect to age; most of them are in the age group of 35-45 years of age with 10-15 years of experience.

### ***Reliability***

The internal reliability of various factors of the questionnaire was verified by calculating Cronbach's alpha. Cronbach's alpha is used to measure the reliability of the instrument that ranges from 0 to 1, with values of 0.6 as lower level of acceptability (Nunnallym 1978), .The Cronbachs alpha estimated in the present study

for computing satisfaction was 0.717, which is much higher than the acceptable level, the constructs were therefore deemed to have adequate reliability.

### ***Measuring the Overall Satisfaction of the Respondents***

Majority of the respondents have indicated that they were satisfied (73 percent) with the strategies of the companies for effective engagement of employees as seen from Table 2. An analysis of the total responses of the respondents reveals that 32 percent (48) respondents were highly satisfied and 41.34 percent (62) of the respondents were satisfied with the company strategies. It can also be seen from the table that 26.66 percent of the respondents were dissatisfied. When the percentage of disagreed respondents is compared with the total number of respondents, this will not be a sizeable number. In spite of much satisfaction by majority of respondents, the reasons for the dissatisfaction must be taken care of by the managements of the companies.

### ***Test of Multicollinearity***

To determine the presence of multicollinearity among the various independent variables in the study, two major methods have been used. These methods include the calculation of both a Tolerance test and a Variance Inflation Factor (VIF). The results of the multicollinearity test were shown in Table 3. It is evident from the table that none of the tolerance levels of the independent variables is less than or equal to 0.01 and all variance inflation factor values are well below 10. Further, the Durbin – Waston value for the present study was 2.134, which is at the acceptable range of 1.3 and 2.5 shows that there were no auto correlation problems in the data. Thus, the measures selected for assessing the independent variables in the study do not reach the levels indicating the multicollinearity problem.

### ***Factors Affecting Employee Engagement***

To satisfy one of the objectives of the study, the surveyed data were further used for regression

analysis with a view to understand the impact of various factors that will influence employee engagement. The set of factors such as job content, work relationships, job context, job outcomes, personal image, procedural justice, and job environment is taken as independent variables and employee engagement is taken as dependent variable. The statistical representation of the regression equation is as follows.

Employee engagement =  $b_0 + b_1$  (job content) +  $b_2$  (work relationships) +  $b_3$  (job context) +  $b_4$  (job outcomes) +  $b_5$  (personal image) +  $b_6$  (procedural justice) +  $b_7$  (job environment).

Where  $b_0$  = Constant (the value of dependent variable when the value of the independent variables is zero), also called the Intercept.  $b_1, b_2, b_3, \dots, b_7$  are known as regression coefficients, which represents the estimated change in the mean value of the dependent variable for each unit change of the seven independent variables. Regression results and analysis of variance are shown in the table 4 and table 5.

From the regression analysis, the above equation can be written as follows.

Employee Engagement =  $b_0 + 1.671$  (Job content) +  $1.331$  (Work relationships) +  $0.257$  (Job context) +  $0.396$  (Job outcome) +  $0.717$  (Personal image) +  $0.577$  (Procedural justice) +  $0.567$  (Job environment). The measure of strength of association in the regression analysis is given by the coefficient of determination denoted by  $R^2$ . The  $R^2$  value for the present study is 0.702, which shows that 70.2% of the variation in total employee engagement can be explained by the seven factors or independent variables. The model is statistically significant at a confidence level of 99 percent.

The factor job content (Beta = 0.322), and work relationships (Beta = 0.280), shows that the relationship between these factors and corruption is highly significant at 1 percent. These results indicate that these two factors are the important factors responsible for employee engagement. The study results also reveal that the other factors such as Job outcome, personal image, and procedural justice also influence the employee engagement and are significant at 5 percent,

while the other factors such as job context and job environment also influence the corruption factor, but the relationship of these factors with employee engagement is statistically not significant.

### 8. Conclusion & Suggestions

The major contribution expected from the study is to identify the influence of various factors of employee engagement and to assess their relative importance on the overall satisfaction of employees. Employee engagement is crucial for organizations, because when employees are involved with, committed to, enthusiastic, and passionate about their work, more productivity is possible. The study suggests that majority of the respondents are satisfied with the employee engagement practices that are being followed in the companies.

It is the responsibility of top managements to provide various facilities, for achieving the satisfaction of employees, otherwise, they get dissatisfaction and therefore they will not feel happy engaging with the work attached to them. Hence, the managements of the software companies must find out the reasons when the employees get dissatisfaction and unhappy. Also, they must investigate, identify and understand the factors that make them to feel happy and properly engaged in their work. Based on the findings of the study, a few key points can be developed to conclude this research paper. It is very much important that the managements of the software companies must understand the needs and wants of the employees and should provide what is suitable and best for them. Continuous monitoring and upgrading of various programs should be considered to reinstate and to feel the employees happy in their work. It is found that job content and work relationships are the most important key factors that affect and create strong level of employee satisfaction. Hence managements must consider task identity, giving proper feedback on the expectations and current performance of the employees, encouragement to exhibit the skills at work, providing ample opportunities and freedom to participate in decision making process along with maintaining

proper relations with the supervisors and fellow works in the organization.

### References

1. Aaker J L, Benet Martfnez V and Garolera J (2001), "Consumption Symbols as Carriers and Culture; A Study of Japanese and Spanish Brand Personality Constructs". *Journal of Personality and Social Psychology*, Vol-81, No 3, pp 492-508.
2. Alias Radam, Mimi Liana Abu and Rosli Yacob. (2010), "Consumers Perceptions and Attitudes towards Safety Beef Consumption" *The IUP Journal of Marketing Research*, Vol-9, No.4, pp29-50.
3. Ashton C, Morton L (2005). *Managing talent for competitive advantage*, Harvard Business Review, Vol. 4, No. 5, Pp. 28 – 31.
4. Britt T W, Adler A B, and Bartone P T (2001), *Deriving Benefits from Stressful Events, The role of Engagement in Meaningful work and Hardness*, *Journal of Occupational Health Psychology*, No.6, Pp.53-63.
5. Cappelli P (2008). *Talent management for the Twenty-First century*. Harvard Business Review, Pp.74 – 81.
6. Fleming J H, Coffman C, and Harter J K (2005), *Manage Your Human Sigma*, Harvard Business Review, No. 83, Pp. 106-114.
7. Gibbons J. (2006). *Employee engagement: A review of current research and its implications*. Confer. Board, pp.1 – 21.
8. Hair J F, Black W C, Babin B J, Anderson R E and Tatham R L(2006), *Multivariate Data Analysis*,6<sup>th</sup> Edition, Prentice –Hall, Englewood Cliffs, NJ.
9. Hair J F, Rolph E Anderson and Ronald LT (1998), "Multivariate Data Analysis",5th Edition, Prentice Hall, Upper Saddle River.
10. Harter J K, Schmidt F L and Hayes T L (2002), *Relationship between employee*

- satisfaction, employee engagement, and business customers: A Meta-Analysis, Journal of Applied Psychology, No.87, Pp.268-279.
11. Ingham J (2006). Closing the talent management gap, Strategic Human Resources Review, Vol .5, No.3, Pp. 20 – 23.
  12. Khan W A (1990), Psychological Conditions of Personal Engagement and Disengagement at work, Academy of Management Journal.Vol.33, No.6, Pp.692-724.
  13. Naresh Malhotra and Sathya Bhushan Dash. (2009),” Marketing Research”, 5th Edition, Pearson publications Limited, New Delhi, pp-615-617.
  14. Nargundkar R (2010), Marketing Research: An Applied Orientation, Pearson Education India Limited, New Delhi.
  15. Nunally Jam C (1978), Psychometric Theory, Mc Graw Hill Company, New York
  16. Opas Piansoongnern, Pacapol Anurit and Sureeporn Kuyawattananonta (2011), Talent Management in Thai Cement Companies: A Study of Strategies and Factors Influencing Employee Engagement, African Journal of Business Management Vol.5,No. 5, pp. 1578-1583,
  17. Pradeep Kumar D and Swetha G (2012), Comparison of Factors Influencing Employee Engagement among Indian Software Giants, Proceedings of the National Conference on Innovative Management Strategies, Paramount Publishing House, Hyderabad, Pp.116-119.

**Figure 3: Factors Influence the Employee Engagement**

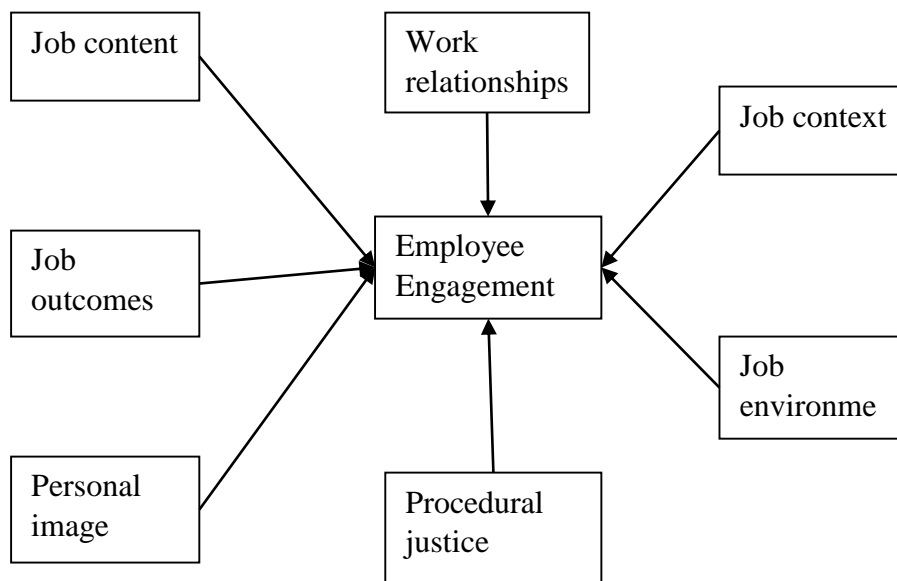


Table 1 - Demographic profile of respondents		
1.Gender	No of Respondents	Percentage
a) Male	107	71.34
b) Female	43	28.66
<b>Total</b>	<b>150</b>	<b>100.0</b>

<b>2.Age</b>		
(a) Less than 30 Years	09	6.00
(b) 30-35 Years	31	20.66
(c) 35-45 Years	65	43.34
(d) Above 45 Years.	45	30.00
<b>Total</b>	<b>150</b>	<b>100.0</b>
<b>3.Experience</b>		
(a) Up to 5 years	20	13.34
(b) 5 to 10 years	45	30.00
(c) 10-15 years	60	40.00
(b) Above 15 years	25	16.66
<b>Total</b>	<b>150</b>	<b>100.0</b>

Satisfaction Level	Frequency	Percentage
Strongly Disagree	15	10.00
Disagree	25	16.66
Agree	62	41.34
Strongly Agree	48	32.00
Total	150	100.0

Independent Variables	Collinearity Statistics	
	Tolerance	VIF
Job content	0.514	1.725
Work relationships.	0.412	1.526
Job context	0.542	1.594
Job outcome	0.352	1.258
Personal image	0.522	1.657
Procedural justice	0.364	1.568
Job environment	0.526	1.422

Variables	Un standardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
(Constant)	28.503	.704			40.491	.000
Job content	1.671	.289	.322		5.785	.000
Work relationships.	1.331	.298	.280		4.468	.000
Job context	.257	.328	.053		.785	.434
Job outcome	.396	.318	.084		1.246	.014
Personal image	.717	.295	.157		2.429	.016
Procedural justice	.577	.301	.123		1.916	.057
Job environment	.567	.746	.051		.760	.448

R	R Square	Adjusted R Square	df1	df2	Sig. F Change
.838	.702	.692	8	265	.000