

## **A STUDY OF EMPLOYEE PERCEPTION ON HUMAN RESOURCES KEY DRIVERS AND IT'S IMPACT ON EMPLOYEE ENGAGEMENT AND WORKFORCE DIVERSITY AMONG IT PRODUCT EMPLOYEES IN KANCHIPURAM DISTRICT**

**SANGEETHA PUNNEN<sup>1</sup> & P. AMUTHALAKSHMI<sup>2</sup>**

<sup>1</sup>Research Scholar, Madras School of Social Work, Chennai, Tamil Nadu, India

<sup>2</sup>Assistant Professor, Madras School of Social Work, Chennai, Tamil Nadu, India

### **ABSTRACT**

The outsourcing boon that began in the 1990's in India with GE setting up its first captive unit in Gurgaon, gave birth to an employment revolution in India. The Global workforce with employees in the West supported by teams where the remaining workforce operated in a different time zone created a 24 hour workforce helping business optimize and succeed, at a lower cost. Organization size, has grown in some companies to 2 lac employees thus creating a need for Employee Engagement practices. The role of HR resources has become more significant as Strategic Interventions by HR are the need of the hour. Earlier studies were focused on the impact of Employee Engagement on employee health as part of welfare, Job Satisfaction etc. The aim of this study is to analyze the (1) Relationship between Employee Engagement and Employee Turnover Intention (2) The role of Workforce Diversity variables on Employee Engagement (3) The role of HR resources or Drivers on Employee Engagement. The findings indicated that employee Engagement and Employee Turnover Intention are significantly related. HR strategy plays a key role as a precursor to Employee Engagement levels in the organization. Recommendations for Employee Engagement practices that help organizations improve Retention practices have also been provided.

**KEYWORDS:** Human Resource Management, Employee Engagement

### **INTRODUCTION**

Employee Engagement is a relatively new concept which has received significant attention from research organizations especially human resource firms. Established HR constructs that are usually cited to similar to Employee Engagement are Job satisfaction, Job involvement and Commitment. In the following section, the concepts and definitions of these constructs are examined.

The research was undertaken in selected Product IT organizations in Kanchipuram District, which has a high density of IT industries. The primary purpose of this study is to describe and explore the role of antecedents specifically HR key drivers (INDEPENDENT VARIABLE) and its relationships with employee engagement (DEPENDENT VARIABLE) in IT product organizations.

The role of mediator variables referred to as Workforce Diversity (MEDIATOR VARIABLE) includes factors such as Gender, Income, Age on employee engagement (DEPENDENT VARIABLE) will also be evaluated.

The primary relationship between employee engagement (DEPENDENT VARIABLE) and EMPLOYEE TURNOVER (INDEPENDENT VARIABLE) was explored to further strengthen the theory that engagement drives a close

psychological identity with the job and organization that help to reduce hidden costs of disengagement caused by attrition or intention to leave the organization. This is because the costs of replacing trained resources with higher costs employees is to be managed well by replacing higher cost employees with low cost employees.

## OPERATIONAL DEFINITIONS

Schaufeli and Bakker (2004) defined Employee Engagement as a “**positive fulfilling work related state of mind that is characterized by vigor, dedication and absorption**. Vigor is willingness to invest effort in work and persistence when facing difficulties: Dedication is characterized by a sense of significance, enthusiasm and challenge and Absorption is the sense of being fully concentrated and happily engrossed in work. In short it can be defined as a positive psychological state leading to positive employee behavior or performance which benefits organizations.

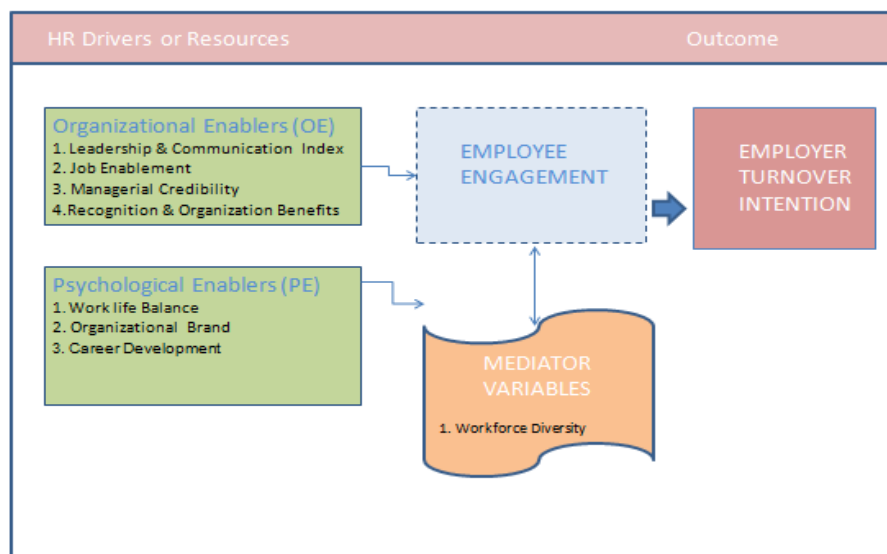
**Job Resources HR Drivers** refer to the physical, psychological, social or organizational aspects of the job that (a) are functional in achieving work goals (b) reduce the physical and psychological costs of (c) stimulate growth and development (Demerouti, et.al.'2001). In this study, the HR Drivers are classified into HR Job Engagement Drivers and HR Psychological Engagement Drivers.

- **Leadership and Communication Index:** This is a multidimensional higher order construct. The task of leadership is to ensure that employees perceive how their specific task contributes to the overall business objectives and its achievement. Authentic and supportive leadership is theorized to impact the engagement levels of employees in the sense of increasing the level of involvement, satisfaction and enthusiasm for work (Gardner et al., 2005)
- **Job Enablement:** The term describes a sum of the procedures, structures and systems that decide the extent to which the employees are engaged in an organization. Use of Job descriptions to ensure that employees have a good job fit between skills and abilities resulting in role clarity. The distribution of authority, accountability and responsibility to help execution and decision making is a key attribute for Job Enablement.
- **Managerial Credibility:** People Management is definitely one of the most difficult roles to play and some play the role with greater credibility. From performance managing the employees, to taking responsibility for their growth, visibility along with the day to day management, the job is definitely not one of the easiest. The manager is the face of the organization to the employee. Managerial Support can often break or make engagement.
- **Recognition and Benefits:** Remuneration or salary is an indispensable attribute to employee engagement. It is the reward for the labour of effort that the employee has put into completion of the tasks. It is often a result of the job contract that is determined at the time of hire by both employer and employee. It involves financial and nonfinancial rewards.
- **Career Development:** Professional Growth is always a positive sign of a healthy work atmosphere. Providing opportunities for employees to upgrade their skills and take up additional responsibilities that match their skills along with higher Compensation Benefits and Job Titles is key to Job Engagement. Learning and Training Opportunities are additional costs to the organizations. They are fundamental to helping employees to grow in their professional careers by taking up additional responsibility to drive business growth.
- **Work life Balance:** HR policies like Telecommuting; Work from Home, availability of gym at the workplace is a

pleasant shock to anyone who joined the workforce 20 years ago. Workplace Wellbeing is one of the important measures that enhances employee engagement and finds a key place as part of employee engagement of Global workforce employees who are exposed to Well being concepts as a necessity.

- **Organization Brand:** The organization one works for carries a brand value. Brand values are an extension of market capitalization that attracts future employees to the organization. Higher the Brand value, higher the attractiveness potential of the company to help college graduates makes fundamental career choices. Some employees choose their organization as working for reputed brands add to their self esteem.

## LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK



The figure represents the various variables and the model proposed to define the relationship across the various variables which have been defined earlier. The Research Objectives can be broadly classified as

- To understand the antecedent relationship between Job Resources (Job Engagement & Psychological Engagement HR Drivers ) and Employee Engagement
- To understand the impact of mediator variables such as Age, Gender, Income and other Workforce Diversity Variables on Employee Engagement
- To understand the sources of Disengagement and its impact on Employee Turnover Intention

## RESEARCH METHODOLOGY

**Research Design:** The Study undertaken is Descriptive Case Study and the focus is a fact finding mission with adequate interpretation of observed phenomena. It is the simplest type of research and helps understand as is status as there is a strong need to understand the role of employee engagement on employee turnover intention and also identify any antecedent factors that heavily influence Employee Engagement practices.

**Area of Study:** Chennai is one of the leading locations for IT investment due the availability of the SIPCOT SEZ and the earlier STPI Policy of Tamil Nadu that encouraged investment in IT Industry. The Rajiv Gandhi Salai popularly referred to as OMR is dotted with IT industries on both sides of the road. It is considered a landmark and showcase of the

State, hence chosen as area of study.

**Universe:** The aggregate of all the units pertaining to the study is called population or the universe. Since the Universe of product IT company's runs in lakhs, three major Product IT companies were identified and considered as Universe. A total of 4565 were considered for the Universe.

**Sampling Procedure:** From the total population of 4565, 486 respondents were selected as sample. A total of 486 samples have been randomly selected by picking multiples of tenth name from the list. This a stratified random sampling technique to ensure that population across the three organizations are represented in the Sample in a structured manner.

**Table 1**

Company	Organization A	Organization B	Organization C	Total	Sample %
Population	1850	1250	1465	4565	100
Sample	198	135	153	486	10

**Sources of Data:** Primary data was collected from the organizations while secondary data was collected from Journals, interviews with HR Practitioners and other reports available in the library, internet resources etc.

Before the study was undertaken, the researcher spent considerable time discussing with HR Practitioners, Academicians to gain a conceptual knowledge of the practical application of Employee Engagement and the significant role in IT industry. Rather than a mere academic approach data was analyzed across various IT firms. The Researcher being a HR Professional had to face various limitations with regards to confidentiality of data and access to data initially.

The researcher had to spend considerable time explaining to respondents on the academic nature of the study and how it could benefit the field of HR. At all times, researcher ensured that data shared remained confidential. Confidentiality was assured and maintained at all times during the course of the study.

**Table 2: Variables**

TYPES	OPERATION TERMS	INSTRUMENTS
INDEPENDENT	EMPLOYEE ENGAGEMENT HR DRIVERS	UWES Scale, Schaufeli & Bakker (2002) Self Structured
DEPENDENT	EMPLOYEE TURNOVER INTENTION	Chiu & Francesco (2003)
MEDIATOR	WORKFORCE DIVERSITY – GENDER, INCOME, EXPERIENCE GENERATIONAL DIVERSITY	Self Structured
	<b>Total Questions</b>	<b>100</b>

**Data Collection:** The Survey Method using a structured questionnaire was used to measure the perceptions of employees in an attempt to ensure quantification of data. This methodology was highly cost effective, efficient to track data and helped create an environment of confidentiality.

### Statistical Tool Used for Data Analysis

The data gathered from the survey was analyzed in SPSS (Statistical Packages for Social Science) version 20. The following analyses were conducted;

- Descriptive Statistics was used to summarize quantitative data.
- Chi-Square test was used to analyze the association between variables.
- Exploratory Factor Analysis was used to study the relationship between variables.
- Reliability tests were undertaken to reinforce the use of self structured questionnaires.

**FINDINGS:** During the Analysis, the HR Drivers Scale developed by Researcher was proved to be reliable with an Alpha score of .8592 and the Standardised item Alpha being .8611

**Table 3**

Variables	Mean	Std. Deviation
Leadership & Communication	3.6600	1.3032
Organization & Effectiveness	3.9400	1.2683
Managerial Credibility	3.8400	1.4049
Organizational Brand	4.2200	1.1119
Career Development	3.7600	1.4078
Recognition & Benefits	3.7400	1.4957
Work Life Balance	4.0800	1.0660

Through the mean value it can be concluded that Work Life balance and Organization Brand play a significant psychological role in employee identity alignments with the organization. Psychological needs seem to play a significant role engaging employees and the choices of job alignment more than Organizational Enablers

### Employee Engagement Has a Causal Effect on Employee Turnover Intention. (Chi-Square Test)

The results proved that there was a significant direct effect ( $p = < .05$ ) of Employee Engagement Levels on the intention of employee to start searching for a job outside the organization. Turnover Intention was measured using the scale from Chiu and Francesco (2003). "In the last few months, I have seriously started looking for a job. Presently, I am actively searching for another Job (Jenkins,1993), and "I intend to leave the organization in the near future (Kranz, 1995).

### Generational Diversity Has a Positive Correlation With Employee Engagement

The results from this research proved that there was indeed a significant direct effect from Generational Diversity ( $p = < .05$ ) on Employee Engagement. Employees amongst the older generations are experiencing high Job insecurity which is significant part of IT Industries careers. Younger generations are always on the lookout for opportunities and not necessarily Job Stability.

### Age Has a Direct Positive Effect on Employee Turnover Intention

The research found that there is a positive direct effect ( $p = < .05$ ) between Age and Employee Turnover Intention. The older workforce look for stability in Jobs and employees who have been more than 5 years in the organization remain rooted to the organization

### Gender Plays a Direct Correlation with Age and Employee Engagement

The research found that there could be a positive direct effect ( $p = < .05$ ) between Age and Gender through Employee Engagement. IT industries higher large number of women employees at lower levels but this number significantly drops as age increases in comparison to male employees. The IT industry hires more woman engineers than traditional manufacturing or core companies due to easy adaptability by women employees to desk jobs but Work Life balance opportunities play a role in determining their future careers.

**Summary:** Employee Engagement is a HR philosophy that helps employees to be in a positive state with regards to perception of the company and its impact drives positive outcomes. Research has already proved the positive contribution of Employee Engagement to Business results, Customer Satisfaction., Profits. A key HR metric that drives organization health from a HR perspective is attrition which if proactive can e measure by employee turnover intention.

As HR organizations move to a Shared Services Model, the ratio of HR staff to employees is reduced and balanced by Managers who take up a higher role accountability and responsibility to reduce attrition.

Managerial Credibility is a critical component that can predict Employee Turnover intention and Disengagement. Younger Workforce Generation are easily attracted by Organization Brand and Work Life Balance opportunities. Women Employees continue their struggle breaking the Glass ceiling as increase age is not supported with increased career growth opportunities. Job Insecurity is a huge concern for IT employees and is a leading contributor to disengagement.

### CONCLUSIONS

#As a HR Practioners, this study is highly valuable for the Researcher as it contributes to the growing academic knowledge of the field of Employee Engagement which is a critical measure for driving organizational identity and increased Job Fit.

#Engagement can be driven as a Business Outcome if there is sufficient training for Managers on the critical role they play in helping employees across various generations adapt to organizational life.

#Employees is the early 20's with low maturity levels need a lot of guidance on how to integrate with large organizations and programs that reduce this gap will play a significant role in bridging the gap between Engagement and Disengagement.

#Manager Score cards provide value to recognize and reward high performing managers who drive an employee engagement culture.

#Engagement has to be top driven and the Leadership must make a strong case to connect and communicate with employees.

#Work Life Balance can be a huge obstacle for career growth.

#Training and Learning opportunities cannot be always driven by the organization but can only supplement a career plan.

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