



Examining Employees Perspectives about Employee Engagement and Psychological Contracts in Information Technology Companies

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Abstract

Employee engagement is the buzz word term for employee communication. It is a positive attitude held by the employees towards the organization and its values. It is rapidly gaining popularity, use and importance in the workplace and impacts organization in many ways. Employee engagement emphasizes the importance of communication on the success of business. An organization should thus recognize employees more than any other variable, as powerful contributors to a company's competitive position. Therefore employee engagement should be a continuous process of learning, improvement, measurement and action. The researcher therefore in this paper aims at measuring the various employee engagement practices prevalent for middle level employees at IT companies in Ahmedabad and Gandhinagar. Further with the help of descriptive statistics the researcher has made an attempt to check the effectiveness of employee engagement practices for middle level employees as well as whether psychological contract practices are prevalent for middle level employees at IT companies in Ahmedabad and Gandhinagar.

Key Words: Employee Engagement, Psychological Contracts, Information Technology Companies, Ahmedabad, Gandhinagar

Introduction

Engagement is important for managers to cultivate, given that disengagement or alienation is central to the problem of worker's lack of commitment and motivation. Meaningless work is often associated with apathy and detachment from ones works (Thomas & Velthouse). In such conditions, individuals are thought to be estranged from their selves. An organization's capacity to manage employee engagement is closely related to its ability to achieve high performance levels and superior business results. In the workplace research on employee engagement (Harter, Schmidt &

Hayes,2002) have repeatedly asked employee whether they have the opportunity to do what they do best every day. While one in five employees strongly agree with this statement. These work units scoring higher on this perception have substantially higher performance. Thus, employee engagement is critical to any organization that seeks to retain valued employees. As organizations globalize and become more dependent on technology in a virtual working environment, there is a greater need to connect and engage with employees to provide them with an organizational identity. Engaged employees are more likely to stay and be an advocate of the company's product and services. They contribute to the overall success of the organization. A greater number of loyal employees ensure low recruitment and training costs, in effect enhancing the productivity of the organization. They are also more willing to put in extra effort when the organization needs it. Their impact on the working environment is also significant as they are more focused on organizational benefit than personal goals. This consequently reduces feelings of acrimony and internal rivalries. They also project a positive image to new recruits and this motivates the latter to perform better and assimilate themselves in the office culture. Research also shows that engaged employees in customer-facing roles are more likely to treat customers in ways that positively influences customer satisfaction.

Literature Review

Robinson.et.al (2004) studied that engagement is an positive attitude held by an employee towards the organization and its values. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. The organization must work to nurture, maintain and grow engagement, which requires a two-way relationship between employer and employee.

Bernthal (2004), Seijitis & Crim (2006) studied that employees will feel engaged when they find motivation and personal meaning in their work, get positive interpersonal support and also operate in a work environment that is efficient. Employers are highly engaged when they are performing roles that are non-job. Many employees have a sense of fairness even if they are treated unfairly in the work place and therefore many usually do their job role. However, employees just coming to work and performing their roles do not bring long term competitiveness for the employer.

Aggrawal et.al (2007) studied that employee psychological contract, engagement and human resource practices need to be looked at as an integrative whole, which concluded that HRP strategic tools for talent utilization and retention.

Papalexandris N. (2008) studied that "Good Manager/Mentor", for both entrepreneurs and professional CEO"s and "Articulation of Vision", only for entrepreneurs. In addition to that, a moderating effect of the type of CEO was found to exist on the effect of CEO leadership dimension on subordinate engagement.

Langford. P (2009) studied that the construct of employee engagement has developed a strong practitioner following, despite a significant lack of understanding and agreement regarding its nature and how it can be measured. At the time of writing of this paper there were no widely accepted measures of employee engagement freely available to researchers.

Ramdas. K (2009) studied that in a major Indian IT services company, rolled out a radical new strategy, “employee first, customer second (EFCS) in 2005. The strategic goals for EFCS were to create a unique employee organization, drive an inverted organizational structure, create transparency and accountability within the organization, and encourage a value-driven culture.

Aburub. B (2010) studied that employee engagement involves the relationship between the employer and the conditions, teamwork, proper treatment of employees, increasing growth opportunities and flexible working practices. Employee engagement is very vital for the success of any organization as it enables it to find and retain its talented employees who may be an easy target by other organizations. This would be catastrophic to the organization because it would reduce its profitability and innovation.

Rehman et.al (2011) studied that the findings of the study can help banks management to learn effective application of HR practices which makes employee more engaged and also the human resource department to formulate strategies for the organization which encourage employee engagement to drive optimal performance level. This study can provide help to higher management while drafting strategic decision relating to HR policies.

Thiagarajan, Renugadevi (2011) studied that employee engagement should be a continuous process of learning, improvement, measurement and action. Though practically it is not possible to engage employee fully towards the organization but we can make the employee to have active participation in their job by means of proper guidance (in job, career development, performance appraisal, motivation, and competency). An organization should thus recognize employees, more than any other variable, as powerful contributors to a company’s competitive position.

Murlis & Watson (2012) studied engaged performance and concluded it as a result that is achieved by stimulating employees’ enthusiasm for their work and directing it towards organizational success.

Emmott (2013) studied that engaged employees those who feel positive about their jobs perform better for their employers and can promote their organization as “an employer of choice”.

Research Objectives

1. To know the perspectives of employees with respect to employee engagement and psychological contract.
2. To know the various employee engagement practices prevalent for middle level employees at IT companies in Ahmedabad and Gandhinagar.

3. To check the effectiveness of employee engagement practices for middle level employees at IT companies in Ahmedabad and Gandhinagar.
4. To know whether psychological contract practices are prevalent for middle level employees at IT companies in Ahmedabad and Gandhinagar.

Methodology

The data collections are derived from the research objectives. Their determination rests mainly on the researcher, to translate what the decision maker wants into a specific description of the needed data. The data for the study has been collected from both Primary and Secondary Sources.

Primary Data: The primary data has been collected through Interviews of customers using Questionnaire.

Secondary Data: The secondary data has been collected from Annual Reports, Health Insurance Journals, Books and Research websites.

Sampling: A number of the task involved in the sampling and to understand them we need to orient them within the total sampling process.

Step 1 Define population from the sample is to be drawn

Step 2 Establish a frame of that population

Step 3 Choose the method of selection the sample

Step 4 Determine the size of sample that is needed

Step 5 Write instructions for identifying and selecting actual member of sample

Sample design for primary data

Target Population : Ahmedabad & Gandhinagar City

Sampling Unit : Employees of IT Companies

Sampling Technique : Non Probability Convenience Sampling Method

Sample Size : 157

Research Tool : Questionnaire

Questionnaire Design : Open and Close-ended Questions

Analytical Tools

In order to analyze the variables covered under the Questionnaire for justifying the objectives the likert scale based statements as well as descriptive statistics were used.

Analysis & Interpretation

It includes the details about the sample characteristics, likert scale based statements to know the perspectives of employees with respect to employee engagement and psychological contract, measurement of various employee engagement practices prevalent for middle level employees at IT companies in Ahmedabad and Gandhinagar, measurement of effectiveness of employee engagement practices for

middle level employees at IT companies in Ahmedabad and Gandhinagar and identifying whether psychological contract practices are prevalent for middle level employees at IT companies in Ahmedabad and Gandhinagar on the basis of descriptive statistics (mean score)

Sample Characteristics

Table No.1: Demographic Detailing

Sr. No.	Characteristics	No. of Employees
1	Gender	
	Male	116
	Female	41
	Total	157
2	Age Group	
	20 – 25 years	58
	26-30 years	92
	31-35 years	07
	Total	157
3	Educational Qualifications	
	Diploma Holders	01
	Graduate	52
	Post Graduate	104
	Total	157

Source: Primary Survey

Objective 1:

To know the perspectives of employees with respect to employee engagement and psychological contract. (Likert Scale Statements)

Table No.2: Employee Perspectives with respect to employee engagement and psychological contract.

Sr. No.	Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I am very satisfied with the work I do.	0	2	14	103	38
2	My Job is very interesting	0	1	14	103	39
3	I know exactly what I am expected to do.	0	4	9	106	38
4	I am prepared to put myself out to do work	1	2	8	113	34
5	My job is not very challenging	25	120	06	06	00
6	I am given plenty of freedom to decide how to do my work.	0	3	16	107	31
7	I get plenty of opportunities to learn and develop.	0	2	13	109	32
8	The facilities/ tools/equipment provided are excellent.	1	4	8	101	33
9	I do not get adequate support from my boss	23	114	10	8	0
10	My contribution is fully recognised	0	1	11	102	33
11	I am treated fairly at work	0	1	10	117	29
12	I find it difficult to keep up with the demands of my job	22	116	10	7	2
13	I have no problems in achieving a balance between my work and my private life.	1	3	11	136	6
14	I like working for my boss.	0	8	15	106	28
15	I get on well with my work colleagues.	0	2	5	114	36
16	I think this organization is a great place in which to work.	0	3	17	106	31
17	I believe I have good future in this organization.	0	2	16	107	32
18	I intend to go on working for this organization	0	3	14	107	34
19	I am not happy about the values of this organization: the ways in which it conducts its business.	22	123	7	3	2
20	I believe that the products/ services provided by this organization are excellent.	0	0	9	121	27
21	I would like to put abnormal effort beyond capacity for my organization's success.	0	5	14	111	27
22	Any kind of job assignment will be welcome by me to work in this organization.	0	4	8	117	27
23	My Value is aligning with my organization's value.	0	2	16	122	28
24	I am proud to tell others that I am part of this organization.	0	2	5	114	36
25	I could just as well be working for a different organization as long as the type of work was similar.	19	110	11	16	34
26	It would take very little changes in my present circumstances to cause me to leave this organization.	20	117	04	16	01
27	I am extremely glad that I chose this organization over others at the time when I joined.	0	2	14	109	32
28	There is not much gained by sticking with this organization indefinitely.	18	118	13	8	32
29	Often I find it difficult to agree with my organization's policies on important matters relating to its employees.	19	116	12	10	0
30	I really care about the fate of my organization.	0	0	11	117	29

Source: Primary Survey

Objective 2:

To know the various employee engagement practices prevalent for middle level employees at IT companies in Ahmedabad and Gandhinagar. (Descriptive Statistics)

Table No. 3: Descriptive Statistics of various employee engagement practices

Variables	Mean Score
Work satisfaction	4.13
Job interest	4.13
Job knowledge	4.14
Cooperation with colleagues	4.10
Job challenges	4.04
Job freedom	4.06
Work opportunities	4.09
Infrastructure	4.08
Support from top management	3.96
Job recognition	4.12
Fair treatment	1.88
Skill adequacy in terms of job	3.95
Work life balance	3.99
Relation at senior level	3.98
Relation with peer	4.17
Organizational commitment	4.05
Career growth	4.07
Job stability	4.08
Ethos/values	4.12
Trust	4.11

Source: Spss Output

Interpretation: The overall mean is 3.96 which infers that employee engagement practices are prevalent for middle level employees at IT companies in Ahmedabad & Gandhinagar.

Objective 3:

To check the effectiveness of employee engagement practices for middle level employees at IT companies in Ahmedabad and Gandhinagar.

This objective is proved by descriptive statistics i.e Mean. The overall mean of Employee Engagement practices at IT companies is 3.65.

Interpretation:

The mean value was 3.65 which denotes positive connotation as Likert scale was used wherein 1 & 2 relates negative side, 3 relates to neutral and 4 & 5 relates to positive side. Therefore it infers that employee engagement practices are effective as goes towards positive side in Likert scale. Therefore employee engagement practices

are effective for middle level employees at IT companies in Ahmedabad & Gandhinagar.

Objective 4:

To know whether psychological contract practices are prevalent for middle level employees at IT companies in Ahmedabad and Gandhinagar. (Descriptive Statistics)

Table No. 4 Descriptive Statistics on psychological contract practices

Variables	Mean Score
Work dedication	4.02
Job Flexibility	4.08
Value Alignment	4.04
Organizational Pride	4.13
Job Change	2.17
Alternative Aspects	2.10
Company Selection	4.09
Monetary / Non Monetary Benefits	3.92
Supportive Policies	3.91
Growth Concern	4.12

Source: Spss Output

Interpretation: The overall mean is 3.66 so we can infer that Psychological contract is prevalent for middle level employees at IT companies in Ahmedabad and Gandhinagar.

Findings

1. Employee Engagement is prevalent in IT companies at Ahmedabad & Gandhinagar.
2. Psychological Contract is prevalent in IT companies at Ahmedabad & Gandhinagar.
3. Employee Engagement practices are effective in IT companies at Ahmedabad& Gandhinagar.
4. There is a significant impact of employee engagement practices on psychological contract.
5. Psychological contract do not differ among various qualification groups and it's neutral among various age groups.
6. Employee Engagement practices do significantly differ among various qualification groups.
7. Employee Engagement practices do not significantly differ among various age groups.
8. Most of the employees belonged to the age bracket of 20-25.
9. Among all the employees who were surveyed very less employees were graduates and under-graduates.

10. Most of the employees agreed that employee engagement activities are carried out in their organization.
11. Employees were able to balance their personal life as well as professional lives at the same time.
12. Employees were of the opinion that they were very well supported by the organization and so employee engagement activities do have an impact on their psychology.
13. Most of the employees did not find any difficulties in associating with their peers and so interpersonal relations also play an part on the psychology of employees.
14. Most of the employees are satisfied with their organization and so they feel proud about selecting their current organization in place of other organizations.
15. Even the seniors to whom the employees report support and help them whenever required.
16. The employees feel they are recognized for the work they perform.
17. Employees are fairly treated in their organization and no biasness is practiced in their organization.
18. Employees are provided with many job opportunities and the facilities and equipments are also excellent.

Suggestions

1. Those organizations who are conducting employee engagement activities should make sure that all employees get involved in those activities.
2. Organizations who do not conduct employee engagement activities should conduct such activities setting an example for other organisations.
3. Even though organizations conduct employee engagement activities it is possible that employees are not aware of such activities. So employee's participation in such activities is also important.
4. Employee engagement activities has a strong impact on the psychological contract of employees therefore it can serve as a way to retain the employees.

Conclusion

The findings relates that Employee Engagement has emerged as a new buzzword for fighting the war for talent. Employee Engagement makes an employee feel that they are part of an organization and thus in built in them the motivation aspect. By conducting employee engagement activities the employees feel that they are the part of the organization. Employee engagement activities helps to motivate and retain the employees in the organization. Employee engagement contribute to understand the unwritten contract between the employee and the employer (psychological contract). There is positive relationship between employee engagement and psychological contract (unwritten norms between the employer and the employee). More and more

employee engagement activities compel the level of psychological contract to increase. Therefore the study can be concluded by emphasizing on the fact that Employee Engagement should be made as mandatory function of an HR functioning in an organization as the resultant effect of it would be enhancing the psychological contract thus building a strong human capital base.

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