

EMPLOYEE ENGAGEMENT - AN EMPIRICAL STUDY ON IMPLICATIONS FOR PSYCHOLOGICAL WELL BEING

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ABSTRACT

Past few decades have seen a surge of interest among researchers and practitioners on the two previously distinct constructs of employee engagement and psychological well being. The term employee engagement has entered into the common parlance of organizational context and extensive researches are carried out to find out the relationship between the construct and positive organizational outcomes. Information from 500 employees working in 25 software firms was collected using email questionnaires. Individuals with less than two years of experience in their respective domain were excluded from the study because of its implication toward the two main constructs. Multiple regression analysis was carried out with the help of SPSS software. It was found that employee engagement has a positive impact on the overall psychological well being of employees. Further analysis proved that there is a positive relationship between pleasure and purpose dimensions of psychological well being of employees. It was also found that employee engagement has a higher level of impact on pleasure dimension of psychological well being compared to purpose dimension.

Key words: Employee Engagement, Psychological Well Being, Software Industry

INTRODUCTION

The past two decades have seen a surge of research done in the areas of employee engagement and psychological well being. From a detailed review of literature regarding the construct of engagement, it is very evident that the current perspectives regarding engagement is pretty narrow and is very heavily dependent on commitment, attachment and citizenship. The important concept of psychological well being and its relationship with engagement is widely ignored. Studies regarding employee engagement carried across the globe have given shocking figures on lower levels of engagements. A survey carried out in China showed that 34% of the total workforce is partly or fully disengaged leading to severe disruption on organizational work flow. Similarly, lots of researchers are venturing into investigating the concept of psychological well being because of its relevance to organizational success. For example, Chartered Institute of Personnel and Development (CIPD) found out a 27-43% increase in the number of organizations adopting employee well being strategies (CIPD, 2007).

Apart from the undue interest showed by private organizations on psychological wellbeing, it has been observed that there is a similar phenomenon happening at the national governmental level. For example, different UK government sponsored working groupers and studies have concentrated on psychological wellbeing and found that there is a significant impact that well being has on economy of the country. Statistics shows that the expenses to business of stress and other mental illness accounts to an estimated 3.8 billion Euros a year (CIPD, 2007). While taking into consideration the implications of psychological well being of employees, stress and poor mental health represents the tip of the iceberg. It is a proven fact that organizations can achieve potential economic and long term market gains through improving positive well being (Robertson, 2007).

LITERATURE REVIEW EMPLOYEE ENGAGEMENT

According to the definition given by Robinson et al., (2004), engagement can be referred to as a

positive attitude held by an individual toward the firm and its values. An engaged employee is well informed about the business environment and works in unison with the coworkers for the betterment of performance within the job for the benefit of the firm. Majority of engagement surveys include aspects such as positive work behaviors and psychological constructs such as organizational citizenship (Organ & Paine, 1999). While Utrecht work engagement survey focused on factors such as vigor, dedication and absorption (Schaufeli et al., 2006), the Gallup workplace audit concentrated on elements such as clarity and control (Harter et al., 2002). Most of the researchers have reached a consensus regarding the concepts involved in engagement and they are attachment, commitment and organizational citizenship. These constructs reflect a focus on the dimensions of engagement that are more directly involved in desirable employee behaviors. This study adopted a narrow engagement approach which considers commitment and citizenship of employees as important factors for organizational success.

PSYCHOLOGICAL WELL BEING

Usually, researchers adopt two different approaches toward the concept of psychological well being. The first broad approach is the pleasure aspect of the construct. It is associated with the experience of positive feelings and factors such as overall life satisfaction. In short, this approach says that well being is all about feeling good. The major limitation of this aspect of well being is that it does not take into account the importance of life experiences having a purpose. The second approach to well being considers the importance of purpose in well being. Recent trends in the area of positive psychology support the idea of purpose driven well being as a major contributor towards organizational well being (Fredrickson, 1998; Seligman et al., 2005). There are two factors that lead to the development of psychological well being. The first important factor is the impact that positive emotional experiences have on the development of psychological well being. The second significant finding is that a general sense of purpose that gives meaning to individual's actions increases the impact that positive emotion can have on psychological well being. All these arguments point towards the fact that the complete concept of well being has a pleasure and purpose aspect. Therefore, a desirable perspective of psychological well being at work needs to encompass both the degree to which individuals experience positive emotions at work and the degree to which they experience meaning and purpose in their work. To sum up, Robertson and Flint-Taylor defined psychological well being at work as the mental state with emotional and meaningfulness dimension that individuals experience while they are at work settings.

RESEARCH METHODOLOGY

Descriptive method is adopted in the current study since the researcher tries to describe the impact of employee engagement on psychological well being of employees working in information technology sector. The 12 item scale developed by Robinson et al., (2004) was used to collect data regarding engagement level of employees. The tool introduced by Robertson and Flint-Taylor (2008) was employed to measure the psychological well being of employees. NASSCOM directory served as the major source of data regarding employees working in software companies. Responses were collected from 500 professionals working in 25 software firms with more than two years of work experience in that respective firm.

DATA ANALYSIS

Impact of employee engagement on psychological well being

Multiple regression analysis was used to find out the positive impact that employee engagement has on psychological well being.

H₁ – Employee engagement has a positive impact on psychological well being.

The null hypothesis that employee engagement has no positive impact on psychological well being was statistically tested.

Table 1 Multiple regression analysis results for relationship between employee engagement and psychological well being

Variable	Beta value	Std Error	P value	Average Collinearity VIF	Full R ²
EE	0.385	0.036	0.002*	1.281	0.363

It is evident from the analysis that employee engagement has a positive impact on psychological well being of the employee working in software industry with a beta value of 0.385 and R² value of 0.363. Analyzed data support the hypothesis that employee engagement has a positive impact on psychological well being of employees working in software industry. Hence H₁ is accepted

Impact of employee engagement on pleasure dimension of psychological well being

Multiple regression analysis was used to find out the positive impact that employee engagement has on pleasure dimension of psychological well being.

H₂ – Employee engagement has a positive impact on pleasure dimension of psychological well being.

The null hypothesis that employee engagement has no positive impact on pleasure dimension of psychological well being was statistically tested.

Table 2 Multiple regression analysis results for relationship between employee engagement and pleasure dimension of psychological well being

Variable	Beta value	Std Error	P value	Average Collinearity VIF	Full R ²
EE	0.422	0.041	0.000*	1.321	0.391

It is evident from the analysis that employee engagement has a positive impact on pleasure dimension of psychological well being of the employee working in software industry with a beta value of 0.422 and R on pleasure dimension of psychological well being of employees working in software industry. Hence H₂ is accepted

Impact of employee engagement on purpose dimension of psychological well being

Multiple regression analysis was used to find out the positive impact that employee engagement has on purpose dimension of psychological well being.

H₃ – Employee engagement has a positive impact on purpose dimension of psychological well being.

The null hypothesis that employee engagement has no positive impact on purpose dimension of psychological well being was statistically tested.

Table 3 Multiple regression analysis results for relationship between employee engagement and purpose dimension of psychological well being

Variable	Beta value	Std Error	P value	Average Collinearity VIF	Full R ²
EE	0.374	0.049	0.000*	1.393	0.433

It is evident from the analysis that employee engagement has a positive impact on purpose dimension of psychological well being of the employee working in software industry with a beta value of 0.374 and R² value of 0.433. Analyzed data support the hypothesis that employee engagement has a positive impact on purpose dimension of psychological well being of employees working in software industry. Hence H₃ is accepted

FINDINGS AND DISCUSSION

The above results show that employee engagement is having a strong positive impact on psychological wellbeing exhibited by employees working in software industry. Separate in-depth analysis has shown that employee engagement has a positive impact on pleasure and purpose dimension of psychological well being. It was also found that employee engagement has a stronger relationship with pleasure dimension of psychological well being compared to that of purpose dimension of the construct. The hypothesized relationship between dependent and independent variables were well supported by data analysis. Therefore, the primary assumption put forward by the researcher stating the strong impact that employee engagement has on psychological well being as a whole was proved statistically.

Literature is rife with evidence proving the positive connection between employee engagement and psychological well being. Many studies have proved the fact that high levels of employee engagement and psychological well being leads to desirable organizational outcomes. Research done by Wright & Cropanzano (2000) found out positive relationships between psychological well being and job performance and claimed the well being is a stronger antecedent of work performance compared to job satisfaction. Apart from this, a study done among 16,000 professionals found that almost one fourth of the variance in the reported levels of employee efficiency was predicted by psychological well being. Another research done by Harter et al., (2002) employing meta analysis tools analyzed data from almost 8500 distinct business units in 40 companies and found that there is an important relationship between scores on an employee survey and business unit level outcomes such as satisfaction of customer, financial performance and attrition levels. It was also found that lower levels of psychological well being caused by work environment factors is a major cause of health risks for employees (Cohen et al., 2006).

CONCLUSION

The attempt to integrate the concepts of employee engagement and psychological well being may provide a practically useful approach to enhance organizational productivity. Studies have shown that both constructs are linked to desirable firm level outcomes and it is conceptually quite viable that the combined effect of these concepts is greater than each one alone. Some research support the view that inclusion² value of 0.391. Analyzed data support the hypothesis that employee engagement has a positive psychological well being improves the relationship between engagement and desirable outcomes. The assumption that psychological well being is important for building long term employee engagement appears to be in alignment with the

conceptual expectations and literature review. More research is required in future to investigate the relationship between engagement and well being. The integration and interpretation of these research into a pool of knowledge will be significantly improved if researchers and practitioners could move closer to an agreed definition and measurement methodology for both concepts.

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