A Study on Employee Engagement in IT Sector of Nepal

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Abstract

Employees can be considered to be the backbone of the organization. Keeping this view on focus the employee must connect to an organization in attribute to their behavior. The employee can be motivated through engagement in the organization. There are various impacts on employee engagement in the present day like communication, training & development, and work-life balance. The main purpose of this study is to find the impact of employee engagement in the organization in Nepal. This study will show the impact of employee engagement in the IT companies of Nepal (large & small organizations)

Keywords: employee engagement, organization behavior, work, employees, human resource

Introduction

In the realm of organizational dynamics, the commitment and engagement of employees play a pivotal role in shaping an organization's triumph. This introductory section underscores the paramount importance of fostering employee enthusiasm, passion, and innovation as essential drivers of organizational accomplishments. Delineating the multifaceted nature of employee engagement, we classify it into two distinct dimensions: job-related engagement and organizational engagement. Employees who possess character and talent can be transformative assets, propelling their companies to success through unwavering dedication.

A harmonious and fruitful relationship between employees and employers forms the bedrock of a thriving workplace. Drawing from the wisdom of Wikipedia, an engaged employee is one who not only immerses themselves in their work with zeal but also takes affirmative action to bolster the organization's reputation and interests.

Central to our exploration is the concept of employee engagement within team dynamics and interactions among colleagues. Effective leadership entails providing unwavering support to subordinates and co-workers within any organizational context, fostering an environment that inspires them to fulfill their tasks diligently. Employee engagement encapsulates an unwavering commitment to the organization's objectives, reflecting a harmonious convergence of personal and organizational growth.

Intriguingly, the subsequent sections of this study shall delve into the intricate tapestry of employee engagement in Nepal's IT sector—encompassing large corporations, nimble startups, and all scales in between. By embarking on this journey, we seek to unearth the nuanced impacts of employee engagement, offering valuable insights into the interconnectedness between engaged personnel and organizational vitality.

Literature review

Employee engagement, a critical facet of contemporary organizational research, reflects the emotional and intellectual commitment employees harbor toward their work and the organization's goals (Kruse, n.d.). This multidimensional construct has been variously conceptualized, making a uniform definition elusive (Kahn, 1990).

Kahn (1990) introduces engagement as "the harnessing of organization members' selves to their work roles." It encompasses both psychological and physical presence, involving cognitive, emotional, and physical expressions during role performances. From a cognitive perspective, engagement relates to beliefs about the organization, its leadership, and working conditions (Kahn, 1990).

Engagement's emotional dimension reflects employees' sentiments towards the organization and its leadership, encompassing positive or negative attitudes (Kahn, 1990). The physical aspect involves the energy expended by employees in fulfilling their responsibilities (Kahn, 1990). These facets collectively define engagement as a complex interplay of cognitive, emotional, and physical involvement (Kahn, 1990).

Scholars have characterized engagement as a fusion of emotional and intellectual commitment (Baumruk, 2004; Richman, 2006; Shaw, 2005). Truss et al. (2006) succinctly define it as 'passion for work,' which aligns with Kahn's dimensions and underscores its multi-faceted nature. However, this diversity in definitions poses challenges in evaluating engagement's nuances across studies.

Notably, engagement's parallels with well-established concepts such as 'organizational commitment' and 'organizational citizenship behavior' (OCB) warrant attention (Robinson et al., 2004). Robinson et al. (2004) suggest that engagement goes beyond commitment, positioning it as "one step above commitment," leading to the notion that engagement may be viewed as a novel lens for examining employee involvement. In this vein, Ferguson (2007) highlights the need for a comprehensive definition to effectively manage and measure engagement. The diversity in interpretations underscores the comparability challenges in empirical research. A deeper exploration of these definitions could illuminate nuances and promote a more unified understanding of engagement's essence.

Leadership's impact on engagement surfaces as a salient theme (Xu & Cooper, 2011). Leadership behaviors significantly influence employee engagement, with the organizational service environment shaping employees' psychological climate (Danish et al., 2014). This environment encompasses amenities that facilitate employee well-being and job satisfaction (Rath & Harter, 2010).

Moreover, organizational culture emerges as a potent determinant of engagement (Pun et al., 2001; Richman, 2006; Saks, 2006; Danish et al., 2014; Chandani et al., 2016). A shared sense of destiny and purpose cultivates emotional connection and fosters engagement (Holbeche & Springett, 2003).

Robust engagement aligns with enhanced job satisfaction, productivity, profitability, and reduced turnover (Purcell et al., 2003). The role of employee involvement practices and distributive justice emerges as critical factors (Gichohi, 2014). However, the intricate interplay between engagement and these outcomes merits further investigation.

Objectives

This study is designed to achieve several distinct objectives that collectively contribute to a comprehensive understanding of employee engagement within Nepal's IT sector:

• To study how people in IT sector are engaging their organization.
• To find the factors for employee engagement within an organization.

• To examine the impact of demographic profile to employee engagement.

Problem Statement

In the dynamic landscape of modern workplaces, employee engagement stands as a cornerstone for organizational success (Macey & Schneider, 2008). Despite its significance, contemporary employees frequently grapple with the challenge of work overload, which has repercussions not only on individual performance but also on overall job satisfaction and engagement (Shah, 2011).

By investigating the impact of factors such as work environment, fairness, and evaluation criteria on employee engagement, this study aims to shed light on how work overload may hinder or mediate engagement levels. In doing so, we endeavor to provide actionable insights for organizations seeking to optimize engagement strategies.

This study strives to bridge the existing gap in knowledge by elucidating the relationship different factors and employee engagement, thus offering a comprehensive understanding of the mechanisms that drive engagement or hinder it. Through this exploration, we aspire to equip organizations in Nepal's IT sector with the tools to foster a work environment that nurtures employee engagement, even in the face of demanding workloads.

Research Gap

While the study of employee engagement has garnered substantial attention, certain aspects remain relatively underexplored, necessitating a more nuanced investigation. The extant literature has emphasized the significance of employee engagement in organizational success, underscoring its positive effects on productivity, job satisfaction, and retention (Pun et al., 2001; Richman, 2006). However, there persists a dearth of research concerning the interplay between employee engagement and work overload, particularly within the context of Nepal's burgeoning IT sector.
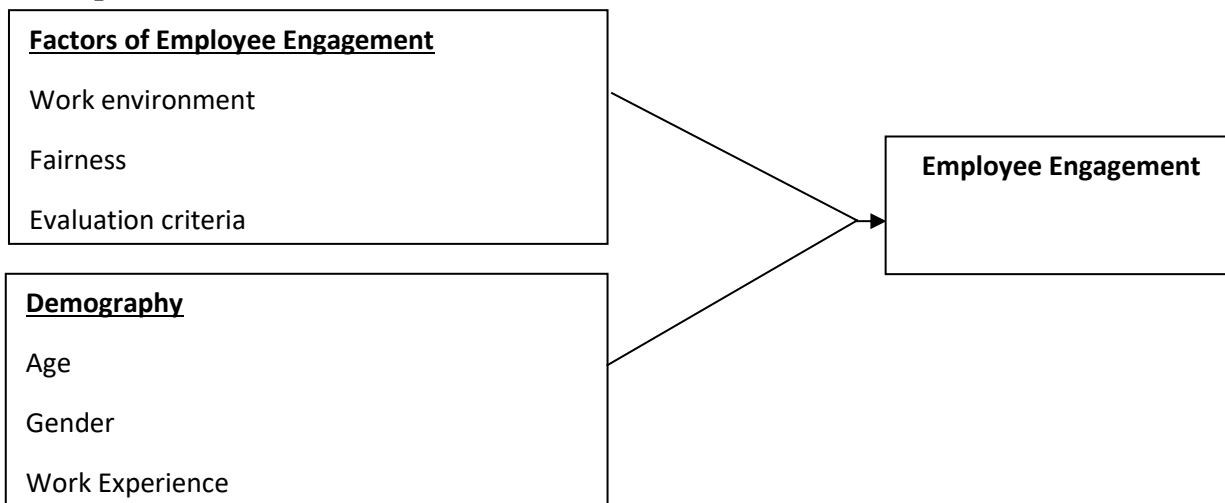
Previous research, such as that conducted by Bishokarma and Khanal (2015) and Shrestha (2019), offers valuable insights into the relationship between leadership styles and engagement, as well as the influence of employee engagement on organizational performance. Nevertheless, these studies primarily center on private commercial banks and the public sector, respectively, leaving a noteworthy gap in understanding the unique dynamics of employee engagement within Nepal's IT industry.

Furthermore, existing literature has predominantly focused on Western contexts, potentially limiting the generalizability of findings to Nepal's distinct cultural and organizational milieu. A comprehensive examination of the impact of work overload on employee engagement, coupled with an exploration of factors such as work environment, fairness, and evaluation criteria, remains conspicuously absent in the current body of research.

This research seeks to address these gaps by delving into the intricate to employee engagement within Nepal's IT sector. By scrutinizing the multifaceted dynamics at play and unearthing actionable insights, this study aims to contribute to the growing literature on employee engagement, while concurrently providing relevant and context-specific recommendations for organizations operating in Nepal's evolving IT landscape.

This study endeavors to enrich the discourse on employee engagement by offering a comprehensive perspective that is grounded in the unique socio-cultural context of Nepal's IT sector, thereby bridging the existing research gap and advancing our understanding of this crucial facet of organizational behavior.

Conceptual Framework

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┌─────────────────────────────────────┐
│ Factors of Employee Engagement      │
│                                     │
│ Work environment                    │
│                                     │
│ Fairness                            │──────┐
│                                     │       ╲
│ Evaluation criteria                 │        ╲      ┌──────────────────────┐
└─────────────────────────────────────┘         ╲     │                      │
                                                  ──►  │ Employee Engagement  │
┌─────────────────────────────────────┐         ╱     │                      │
│ Demography                          │        ╱      └──────────────────────┘
│                                     │       ╱
│ Age                                 │──────┘
│                                     │
│ Gender                              │
│                                     │
│ Work Experience                     │
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Population and Sample: The study focuses on employees within the IT sector working in Kathmandu, Nepal. This population was chosen due to its relevance to the research objectives and the study's geographical scope. The sampling size of 50 and convenience sampling was adopted.

Data Collection and Tools: To gather relevant data, a structured questionnaire was employed. The questionnaire draws inspiration from a previous study (Hong, Hamid, & Salleh, 2013), and relevant adjustments were made to ensure its alignment with the specific context of the study.

Research Design and Approach: The study adopts a quantitative research approach, specifically utilizing a correlational survey design. This approach allows for the examination of relationships between organizational culture and employee engagement within the context of Nepal's IT sector. By quantifying these relationships, the study aims to make informed predictions and draw meaningful insights.

Data Analysis

The collected data underwent rigorous analysis using SPSS 17. Several statistical techniques were employed to assess the validity and reliability of the questionnaire measures, as well as to explore the relationships between variables.

Reliability Analysis (Cronbach's Alpha): Cronbach's alpha was employed to evaluate the internal consistency and reliability of the questionnaire items. This assessment ensures that the selected questionnaire measures reliably capture the intended constructs with value of .886, which shows 88.6% reliable.

Regression Analysis: Both simple and multiple regression analyses were conducted. The multiple regression analysis enables the assessment of the collective impact of multiple predictor variables (power culture, role culture, achievement culture, and support culture) on the outcome variable (employee engagement). Meanwhile, the simple regression analysis focuses on understanding the effect of the composite variable (organizational culture) on employee engagement.

Results

Table 1: Percentage Demographic profile of Respondents (Gender)

Gender	No of Respondents	Percentage
Male	27	54
Female	23	46
Total	**50**	**100**

Table 2: Percentage Demographic profile of Respondents (Age)

Age	No of Respondents	Percentage
18-24	12	24
25-30	23	46
31-35	10	20
36 and above	5	10
Total	**50**	**100**

Table 3: Percentage Demographic profile of Respondents (Years of experience)

Work Experience	No of Respondents	Percentage
Less than 2 Years	13	26
2-5	20	40
5-8	12	24
9 and above	5	10
Total	**50**	**100**

Hypothesis

Hypothesis 1: H_0: There is no significance between demographic factors and employee engagement.

Table 4: One-Way ANOVA

Null Hypothesis	Sig. Value	Result
H_0: There is no significance between gender and employee engagement	0.032	Rejected
H_0: There is no significance between age and employee engagement	0.029	Rejected
H_0: There is no significance between work experience and employee engagement	0.011	Rejected

The above Table shows that demographic variables (Gender, Age and Work Experience) influenced employee engagement. All null hypothesis were rejected and alternate hypothesis were accepted. So, there is significant association of demographic factors with employee engagement.

Hypothesis 2: H₀: There is no significance difference between different factors (Work environment, Fairness, Evaluation criteria) and employee Engagement.

Table 5: Table 7: Model summary of Employee Engagement, Work Environment, Fairness and Evaluation Criteria

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.730ª	.532	.531	.87903
a. Predictors: (Constant), Work Environment, Fairness, Evaluation Criteria				

The value of R square determines 53.2% of variance in the employee engagement.

Table 6: ANOVA table of Employee Engagement, Work Environment, Fairness and Evaluation Criteria

ANOVAª						
Model		Sum of Squares	DF	Mean Square	F	Sig
1	Regression	41.364	2	20.682	26.766	.001ᵇ
	Residual	36.316	47	.773		
a. Dependent Variable: Employee Engagement						
b. Predictors: (Constant), Work Environment, Fairness, Evaluation Criteria						

The ANOVA table shows a sig value p= 0.001 which is less than 0.05 which means the null hypothesis is rejected and the alternate is accepted.

Table 7: ANOVA table of Employee Engagement, Work Environment, Fairness and Evaluation Criteria

Coefficientsª						
		Unstandardized C0efficients		Standardized Coefficients		
	Model	B	Std. Error	Beta	t	Sig.
1	(Constant)	8.245	4.595		1.794	.079
	Work Environment	.736	.100	.727	7.338	.001
	Fairness	.974	.401	.963	2.429	.019
	Evaluation Criteria	.337	.547	.244	2.616	.001
a. Dependent Variable: Employee Engagement						

Conclusion

In summary, this study contributes to the existing body of literature on employee engagement by highlighting the influential role of demographic characteristics—such as age, years of work experience, and gender—in shaping levels of employee work engagement. These variables emerge as crucial factors for understanding the workforce's engagement levels. The analysis outcomes reveal an overall higher-than-average level of work engagement among employees in the selected industry.

The findings underscore the essential nature of engaged employees for organizational growth, emphasizing the need for a workforce whose commitment is intrinsic to the organization's success. The study demonstrates the significance of employee engagement and identifies specific factors, including working environment, fairness, and evaluation criteria, that significantly impact it.

Future Research

The future trajectory of research in this domain holds considerable potential. Further investigations could delve into strategies for retaining employees at elevated engagement levels for sustained organizational success. Conducting studies at various organizational levels, on a larger scale, would enhance the robustness of the model. A nuanced analysis of individual components could unravel the specific effects of each factor on employee engagement and subsequent performance. Additionally, comparative studies with previous models may provide insights into the evolving dynamics of employee engagement.

Limitations of the Research

- Lack of Implementation Strategies: The study doesn't provide clear strategies for immediate implementation, limiting its practical applicability.
- Narrow Data Scope: Limited data collection from a few organizations may restrict the generalizability of findings. A broader sample would enhance external validity.
- Age Group Bias: The study predominantly focuses on the 20-40 age group, potentially limiting the applicability of its conclusions. Future research should include a more diverse age range.
- Limited Exploration of Older Employees: Older employees with longer tenures are not extensively studied, suggesting a need for broader research on engagement across different age cohorts.

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