

**EMPIRICAL STUDY ON EMPLOYEE ENGAGEMENT, INCREASED  
PRODUCTIVITY, HAPPINESS AND JOB SATISFACTION  
RESULTING THROUGH PROPER P-J FIT AND P-O FIT AMONG  
BPO PROFESSIONALS IN CHENNAI, INDIAN SCENARIO**

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**ABSTRACT**

The main objective of this research is to determine the employee engagement, increased productivity, happiness and job satisfaction resulting through proper PJ fit and PO fit among BPO professionals in Chennai, Indian scenario. The nature of the research is Descriptive method, and the sample size is 850 respondents from various locations in Chennai, India and data collection method used in the research is "Questionnaire Method". Data was analyzed by using SPSS 16.0. Findings, suggestions and conclusions were made by keeping an eye on the objectives. The result of the study which indicates that BPO Sector employees are likely to relate to remuneration and promotion, One third of employees are neither happy non unhappy indicating that there is needed to address the issue of happiness as it may be one of the causes of attrition that requiring further study. Well-balanced, commitment and involvement; enjoy being in control; empathy; self fulfilling&alertness; and optimism are the factors considered to be structure of happiness. There is a statistically significant relationship between employee happiness, employee engagement and job characteristics.

***Key Words:*** *Employee Engagement, Job characteristics and Happiness.*

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## 1. INTRODUCTION

The Information Technology Industry is the fastest growing sectors in India creating several jobs in economies across the world (Scott, 2011). Chandrasekhar (2003) stated that, the Industry's technological intensity, work intensity in the context of demographic changes at the intersection of globalization and liberalization provide challenging opportunities for research. Russel (2008) posited that information technology organizations have garnered attention attributable to their novel means of organizing particular type of work and as the venue to understand different managerial practices. Argyris (1973) described modern organizations as monolithic, rigid, mechanistic, hierarchical and soulless. The attributed their success for creation of a fit between individual profiles, psychological pre-disposition and organizational requirements. These observations are further confirmed by seminal work of Singh and Bhanadarker (2011). The interviews indicated that while employee engagement and work design are given utmost importance; happiness is assumed to be natural outcome of these interventions. It is believed that engaged employees with well designed job characteristics is likely to make them happy. However, voluntary attrition rates for these organizations range from 10.9% to 18.1% as reported in press indicating some other factors need to be considered. Further probing indicated that employees may not be happy and lack of happiness may be reason for attrition and it is not measured. The focus groups further pointed out that there is general lack of engagement and meaningfulness of work among employees. However, they observed that most of the employees are BPO Sector employees and educated in engineering, computer science and other related subjects and their expectation from jobs may be different from that of other generations. Thus the purpose of the study is to investigate; how the organization members harness themselves while performing roles physically, cognitively, and emotionally; the degree to which an information

technology job requires a multiplicity of different activities in carrying out the work which involved the use of skills and talents; and subjectively; and derive happiness.

## 2. RESEARCH GAP

**Rich et al (2010)** theorize that engagement, conceptualized as the investment of an individual's complete self into a role, provides a more comprehensive explanation of relationships with performance than do well-known concepts that reflect narrower aspects of the individual's self. To be cognitively engaged, employees are actually aware of their mission and role in their work environment, have what they need to do their work, opportunities to feel an impact and fulfillment in their work, and perceive chances to improve and develop (**Harter, Schmidt, and Keyer 2002; Luthan and Peterson 2002**). To be emotionally engaged is to form meaningful connections to others like co-workers, supervisors and customers, and to experience trust, empathy and concern for others' feelings (**Harter, Schmidt, and Keyer 2002; Luthan and Peterson 2002**).

## 3. RESEARCH METHODS

The purpose of this paper is to measure and relate Engagement, Job characteristics, and Happiness of BPO Sector employees working in Information Technology. Gallup Work Analysis (Q<sup>12</sup>) The GWA is a 12-item measure of employee engagement using instrument and its validity and reliability is well established after being administered to more than seven million employees in 112 countries across cultures (**Harter, Schmidt, Kallham and Asplund, 2006**).

However, most of the research focused on analysis of 12 item measure. These items postulated to have constructs relating to mission of organization, association with peer groups, role of immediate supervisor and job fit, thus there is need to explore these dimensions. Job Diagnostic Survey based on Job Characteristics Model (JCM) of **Hackman and Oldham (1980)** with

revised items from **Idnszak and Drasgow (1987)** is adopted with fifteen statements to be ranked on a five point Likert scale. The scale is validated by different studies. The factor structure is questioned by different researcher and exploration of latent variables is undertaken for the present study. Happiness, which is a measure of subjective well-being, is measured by way of Oxford Happiness Questionnaire (OHQ) developed by **Hills and Argyle (2002)**. It is an improvement over its predecessor Oxford Happiness Inventory (**Argyle, Martin, & Crossland, 1989**) was devised as a broad measure of personal happiness and its properties were appraised by **Argyle, Martin, and Lu (1995)**. It consists of twenty nine items that may be responded on a six-point Likert scale with twelve items being given reverse rating. This is to reduce the probability of contextual and compliant answering. The scale has been found to perform consistently across different cultures especially in UK (**Furnham & Brewin, 1990**) and USA (**Valiant, 1993**). However, its validity in the context of Indian environment is yet to be tested. Cross sectional study is conducted by way of questionnaires is obtained from eight hundred and fifty employees. Cronbach's alpha reliability scores for Q<sup>12</sup> (0.83), job characteristics Scale (0.92) and happiness index (0.91) indicating that there is high reliability for the measurement.

#### 4. RESEARCH OBJECTIVES

1. Find demographic profile of BPO Sector employees working in six information technology majors.
2. Measure and find factor structure of employee engagement, job characteristics and happiness.
3. Relate happiness to job characteristics and employee engagement for BPO Sector employees.

## 5. DATA AND SAMPLING

The sample unit consists of the employees working on projects as Project manager, Technical leads, Senior software developer, Developer, Senior software engineer, Software engineer, Test manager, Test lead, Senior test engineer, Test engineer project associates and Project heads of information technology sector and residing in India. The promotion to higher levels is considered from this level and approximately 75% of the employee strength of any information technology organization is from this level. For the purpose of research, employees with a minimum of two years of experience in any of the IT majors in India are considered. List of employees from IT majors are obtained and employees more than 2 years service of selected and listed and 2800 employees are randomly selected based on simple random sampling. Total 1040 responses are collected and 850 are found to be complete. The non response rate is 69%. There were more men (55.4%) than women (44.6%). The mean age of respondents is 26.89 years and work experience ranged from 2 years to 8 years. Different statements in each of the instruments are rated with the lowest agreement anchored in 1 and higher in 5. **Bartlett, Kotrlik, and Higgins (2001)** suggested suitable sample size calculation for scaled variables.

## 6. ANALYSIS, INTERPRETATIONS AND RESULTS

### 6.1 Demographic Characteristics of Respondents

Demographic attributes indicate that majority of the respondents (79.6%) are below 29 years with qualified Engineering Graduates (49.6%) and MCA (25.8%) forming part of the large workforce. The average income levels range from 3 to 4 lakhs (43.2%). Majority of Respondents (53.8%) are having three or less than three years of experience and 18% of the respondents have more than 8 years of experience.

**Table 1 - Demographic Characteristic of Respondents**

<i>Location</i>	<i>Chennai (Tamilnadu)</i>	<b>850 (100%)</b>	
<i>Gender</i>	Male	471(55.4)	
	Female	379(44.6)	
<i>Age</i>	24-25	84(9.9)	
	26-27	319(37.5)	
	28-29	274 (32.2)	
	30-31	169(19.9)	
<i>Mean (26.89)</i>	34+	4 (.5)	
<i>Median (27.00)</i>	BE	422(49.6)	
<i>Standard Deviation (1.949)</i>	BBA	41 (4.8)	
	BBM	11 (1.3)	
	BSc	14 (1.6)	
	ME	79 (9.3)	
	MBA	12 (1.4)	
	MCA	219 (25.8)	
	MSc	52 (6.1)	
	<i>EducationalQualification</i>	Project Manager	3 (0.4)
		Technical Leads	230 (27.1)
Senior Software Developer		63 (7.4)	
Developer		226 (26.6)	
Senior Software Engineer		12 (1.4)	
Software Engineer		50 (5.9)	
Test Manager		7 (0.8)	
Test Leads		84 (9.9)	
Senior Test Engineer		142 (16.7)	
Test Engineer		33 (3.9)	
<i>Income</i>		3 lakhs – 4 lakhs	367 (43.2)
		4 lakhs – 5 lakhs	173 (20.4)
		5 lakhs – 6 lakhs	105 (12.4)
	More than 6 lakhs	205 (20.1)	
<i>Experience</i>	2 – 3 years	457 (53.8)	
	4 – 5 years	210 (24.7)	
	6 – 7 years	30 (3.5)	
	8 +	153 (18.0)	

## 6.2 Employee Engagement

The employee engagement is measure through Gallup Instrument using a 5 point scaling technique with five anchored to extremely satisfied while first anchor to extremely dissatisfied.

There are 12 items the data is subjected to factor analysis for data reduction. The Kaisen-Meyer-Olkin and Bartlett's test indicate the p value is less than 0.05 and sample adequacy equals to 0.661 indicating that factor analysis is appropriate for present study. Factor analysis with varimax rotation having Eigen value more than 1 explained 77.72% of the variation in the data. Factor loading greater than 0.40 is selected for each factor and appropriate nomenclature is arrived.

**Table 2 - Identification of constructs of employee engagement using factor analysis**

Factor Loading	Factors	Factor Name	Cronbach's	Eigen	Percentage	Value	of variance
			Alpha				
<b>Factor 1</b>							
.857		There is someone at work who					
		Encourages my development	Self worth.702	.528	4.403		
.768		This last year, I have had opportunities realised through		.825	.073	.607	
		at work to learn and grow					
			peers and mission				
.731		The mission/purpose of my company of organization			.707	.277	2.307
		makes me feel my job is important.					
.725		At work my opinions seem to count.	.701	.405	3.373		
<b>Factor 2</b>							
.907		I have a best friend at work		Association with	.740	.189	1.575
.857		In the last six months, someone at work		quality conscious			
		has talked to me about my progress		peers	.722	.131	1.094
.801		My associates (fellow employees)are					
		Committed to doing quality work			.704	.247	2.062
<b>Factor 3</b>							
.853		My supervisor or someone at work		Consideration,			
		seems to care about me as a person		warmth and	.710	.823	6.857
.846		In the last seven days, I have received		recognition by			
		recognition or praise for doing good work		immediate	.722	1.094	9.114
.548		At work,do you have the opportunity to		supervisor			
		do what I do best every day?			.690	1.227	10.223
<b>Factor 4</b>							
.915		I know what is expected of me at					
		Work			.716	4.656	38.803
.841		I have the materials and equipment		Right fit			

I need to do my work right.	.708	2.350	19.582

Four constructs are identified and they are given the following nomenclature.

1. Self worth realized through peers and mission of organization
2. Association with high quality conscious peers.
3. Consideration and warmth and recognition by immediate supervisor.
4. Right Fit.

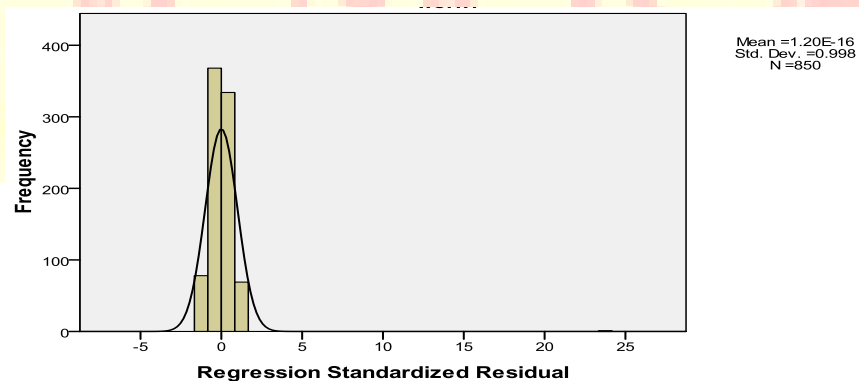
**Table 3 - Identification of factor for employee engagement using Regression analysis**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.636	.064		56.604	.000
Self worth realized through peers and mission of organization	.052	.064	.027	.809	.419
Association with quality conscious peers	.490	.064	.252	7.619	.000
Consideration warmth and recognition by immediate supervisor	-.068	.064	-.035	-1.064	.288
Right fit	.229	.064	.117	3.556	.000

The following two variables have been making higher impact or influence towards employee engagement in IT industries.

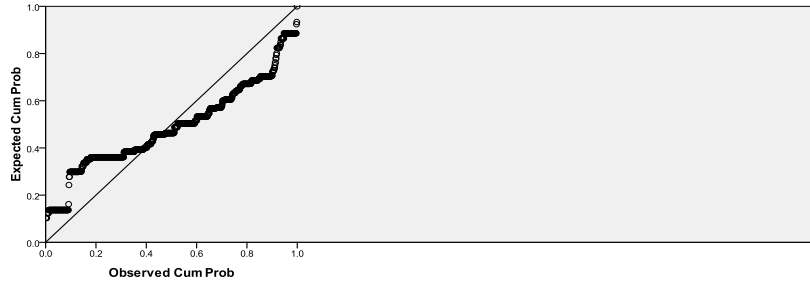
1. Association with high quality conscious peers.
2. Right Fit.

**Figure 1 - Identification of factor for employee engagement using Regression analysis (Histogram)**



**Figure 2 - Identification of factor for employee engagement using Regression analysis (Normal P- Plot of regression standardized residual)**





Ho: The employee engagement groups and employee happiness groups are independent.

H<sub>1</sub>: The employee engagement groups and job characteristics groups are independent.

**Table 11 - Employee happiness groups and employee engagement groups among respondents**

Happiness Profile	Low engaged	Moderately engaged having resources and opportunity to learn	Moderately engaged	Total
Not happy	3	0	0	3
Somewhat unhappy	7	8	4	19
Not particularly happy or unhappy	93	146	61	300
Rather happy, Pretty happy	48	82	286	416
Very happy	0	52	35	87
Very happy	0	25	0	25
Total	151	313	386	850

5 cells (27.8%) have expected count less than 5. The minimum expected count is .53.

Chi-square test indicate  $\chi^2$  (df = 8, N=850 P=.000 at .05 significance level) the rejection of null hypothesis. It may be considered that happiness and employee engagement are associated.

**Table 12 - Job Characteristics groups and Happiness profile of respondents**

Job characteristics Profile	Not happy	Somewhat unhappy	Not Particularly happy or unhappy	Rather happy: Pretty happy	Very happy	Too happy	Total	Percentage
Lower Job characteristics Group 1	3	4	147	221	39	0	414	49
Higher job characteristics Group 2	0	15	153	195	48	25	436	51
Total	3	19	300	416	87	25	850	100

a. 2 cells (16.7%) have expected count less than 5. The minimum expected count is 1.46

Chi-square test indicate  $\chi^2$  (df = 8, N=850 P=.000 at .05 significance level) the rejection of null hypothesis. It may be considered that happiness and employee Job characteristics are associated. It may be discerned that happiness and job characteristics are statistically dependent.

## 7. DISCUSSION AND CONCLUSION

This study is an exploratory study on measures of engagement, job characteristics and happiness and explores their relationship among BPO Sector employees in major information technology organizations. The Indian IT industry is on a high momentum path. Growth, however, has come with its own set of challenges. Chief among them relates to attrition of skilled manpower resources. Employee engagement of BPO Sector employees indicates; selfworth being nurtured by organization mission is to be acknowledged by the peers; wish to associate with high quality peers is uniquely dimension; role of immediate supervisor to be considerate, show warmth and recognition and right fit to the job are the key aspects. These inferences are supported by (Gilson and Harter, 2004; Piccolo and Colquitt, 2006) and appropriate job fit (Kristof, 1996). Association with quality conscious peers is one of the key finding that is unique to BPO Sector employees, indicating that the association is likely to improve engagement and human resource policies need to create an environment where employees with lower quality conscious may not only perform poorly and impede performance of others. The expectation of job fit that takes into consideration the requirements and provide resources for effective performance of job is likely to improve engagement. However, high employee engagement is absent indicating need for improvement. Opportunity to learn and grow and having resources to perform tasks distinguishing factors the higher employee engagement. Gender and qualification are found to have no impact on the employee engagement. However, age, marital status, designation and salary are found to be that are likely to impact employee engagement. Higher income is likely to lead to higher employee engagement. Regarding job characteristics while the original model suggested has five core job dimensions, BPO Sector employees job characteristics are illustrated by autonomy, mastery and purpose anchored in material benefits. The purpose of BPO Sector employees is likely to relate to remuneration and promotion. One third of employees are neither happy non unhappy indicating that there is needed to address the issue of happiness as it may be one of the causes of attrition that requiring further study. Well-balanced, commitment and Involvement; enjoy being in control; empathy; self fulfilling & alertness; and optimism are the factors considered to be

structure of happiness. There is a statistically significant relationship between employee happiness, employee engagement and job characteristics.

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