How Work Environment affects the Employee Engagement in a Telecommunication Company

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Abstract

http://dx.doi.org/10.15405/epsbs.2016.11.02.37

The purpose of this study is to explore the employee engagement which is predicted to be affected by rewards, work environment and work-life balance. This study also further investigates which factor (rewards, work environment and work-life balance) highly affects employee engagement. A quantitative survey questionnaire was developed which explores the behaviour, experiences, perspectives and feelings of respondents towards their engagement. Descriptive analysis, reliability analysis, Pearson's correlation analysis and multiple regression analysis were applied in this study to measure the relationships between independent and dependent variables. Based on data from the sample of 250 employees in a telecommunication organization in Klang Valley, work environment is the most influential factor that contributes towards employee engagement. This is followed by rewards and work-life balance consecutively.

Keywords: Employee engagement, work environment, work-life balance, reward, absenteeism, disengage workforce.

1. Introduction

Employees nowadays are engaged with the organization and their job due to some reason such as compensation or rewards, working environment and work-life balance. According to Hewitt Associates there are 21 key drivers or components to enhance employee engagement including career opportunities, benefits, and corporate responsibility, co-workers, employee health and well-being, intrinsic motivation, manager, managing performance, middle management, organizational reputation, pay, people or HR practices, physical work environment, recognition, resources, retirement savings, senior leadership, work-life balance, work processes and work tasks (Mishra, Boynton & Mishra, 2014). Organizations, on the other hand, also try to figure out the ways to increase the level of employee

engagement. This is to curb the disengagement of employees on their job and organization. According to Bakker (2011) total production is affected by the engagement of employees. If an employee is disengaged, a lower output will be produced. Therefore, managers and the whole organization must make the effort to ensure that employees in the organization are engaged with the environment of the work, the activities that organized by the organization and their scope of job. It is also important for the top management to ensure that each employee is in the right position and job. The vision and mission are also to be delivered to employees, and each effort contributed by employees need to be compensated, thus creating opportunities for employees to be promoted (Yu , 2013). Macey & Schneider (2008) and Saks (2006) stated that research on employee engagement are still lacking which means that more research on employee engagement needs to be done. Therefore, this study aims to explore employee engagement which are predicted to be affected by rewards, work environment and work-life balance.

2. Literature Review

2.1 Employee Engagement

Employee engagement is one of the main problems that each organization tries to maintain among their employees and trying to ensure that employees put their hundred percent of effort in their tasks. Employee engagement is of great interest in each organization in order to successfully compete with their competitors. Previous studies have stated that prediction can be made on the outcomes of employees' performance, financial flow and stability, and also the achievement of organizational success (Bates, 2004; Harter et al.,2002; and Richman,2006). However, a study by Bates (2004) and Richman (2006) stated that once employee enter an organization, they need to get involved in each activity that organization provides for them such as induction, training and development program, and so on.

The level of employee engagement depends on certain factors or determinants. Saks (2006) suggested job characteristics, perceived organisational support, perceived supervisor support, rewards and recognition, procedural justice and distributive justice. However, according to Joshi and Sodhi (2011),   the determinants that influence the employee engagement are job content related to autonomy and challenging opportunities, the compensation and benefits that employee gain for contributing their skills, knowledge and abilities to the organization, the work-life balance that can enable employees to balance thier personal needs and career needs, the relationship between employer and employee, the advancement for career growth, and lastly,   teamwork or groupwork.

In a more recent study by Bakker and Bal (2010) employees tend to perform better in their jobs especially those who are engaged. Anitha (2014) describes employee engagement as the level of commitment and involvement of an employee that impacts on the organization and its values. Employees that have a high involvement in the organization can lead to outstanding performance in their jobs. Furthermore, the positive attitude of employees towards their organization and its value

system would be called the positive connection between the emotional aspect and the work that the employee does; meaning that, employees are able to manage their emotions while performing their jobs which shows that the employee actually has a good attitude towards their relationship with the organization. Besides that, employees perform their work beyond the standard of excellence when they are fully engaged with their jobs.

2.2 Rewards

"The reward system defines the relationship between the organization and the individual member by specifying the terms of exchange (Kerr & Slocum, 2005). Reward and compensation is an essential element to employee engagement that encourages an employee to attain more and hence, focus more on work and individual growth. It does not only motivate employees to perform well, but encourages employees into giving more attention to career and personal development.

Other researchers contend that the rewards system has become one of the important factors that will heavily affect how employees will engage in their work (Taufek, Zulkifle, & Sharif, 2016; Srivastava & Bansal, 2016; Anitha, 2014). It is further explained that, each effort contributed by the employee must be compensated by employers whether it is in terms of tangible or intangible rewards. Employers also should provide the opportunity for enhancement and promotion for employees. Through the opportunity given to employees, they can improve themselves to be more efficient and effective and also more engaged with the organization and job.

2.3 Work life Balance

Employees and organization need to balance their work and non-work life. Work-life balance (WLB) practices are organizational efforts created to minimize work-life conflict for employees. This also enables employees to be more efficient and effective at work (Lazar, Osoian and Ratiu,2010).

Over the years, work-life balance has been defined in various ways. According to Scholarios (2004) work-life balance is important role in shaping the employee's attitude for their organization and also their life. Clark (2000), Ungerson & Yeandle (2005) defined work-life balance as the thought of employees on job, personal and family time that are sustained and integrated by minimizing the conflict that might happen. Deery (2008) defined the meaning of work-life balance as a concept of simple task as it can be viewed from each definition from word "work", "life" and "balance". However, Guest (2002) argued that it is possible to discover work-life balance trend and growth as it influences the employees' well-being and job outcomes. From another perceptive, Dundas (2008) argued that work-life balance is about managing and manipulating efficiently between the job and all personal aspects. Many researchers have created their own definition and of work-life balance and conceptualised it.

In recent years, companies are increasingly becoming aware of the need to embrace the concept of work–life balance as an important tool to facilitate sustainable human resources, which is found to be

very important to attract and retain talents (Ruth Eikhof, Warhurst & Haunschild, 2007;Ojo, Salau &Falola, 2014) This is supported by Ahuja (2014) where work-life balance impacts on absenteeism, productivity and work satisfaction thus influencing employee engagement.

2.4 Work Environment

According to Anitha (2014), there is a significant relationship between work environment and employee engagement. Conditions of the workplace play an important role to employees in whether they want to keep working in the organization. A safe work environment can attract new candidates into the pool to apply for the positions that still need to be fulfilled. The work environment plays an important role as people want to work in a safe workplace. Earlier studies have shown that the work environment is a factor that can be used to determine the level of engagement for each employee working in the organization. Studies by Miles (2001) and Harter et al. (2001) found that various aspects of work environment can result in various levels of employee engagement. This is supported by Holbeche & Springett (2003), May et al. (2004) and Rich et al. (2010). Organizations that play their roles and show their concern about employees' needs and feelings, provide positive feedback and allow employees to make known their concerns, develop new skills and solve work-related problems are characterised as management that fosters a supportive working environment (Deci & Ryan, 1987).

In fact, Kahn (1990) found that supportive and trusting interpersonal relationships as well as supportive management promoted psychological safety. Organizational members felt safe in work environments that were characterized by openness and supportiveness. Supportive environments allow members to experiment and to try out new things and even fail without fear of the consequences (Kahn, 1990). The working environment impacts on employee engagement. Recent studies also show that meaningful workplace environment is considered a key determinant of employee engagement (Popli & Rizvi, 2016; Anitha, 2014).

Based on the review of literature, the hypotheses developed in the study include:

H1 There is a relationship between reward and employee engagement.
H1 There is a relationship between work-life-balance and employee engagement.
H1 There is a relationship between work environment and employee engagement.

3. Methodology

For this study, researchers chose a quantitative approach in order to identify the relationship between reward, work-life-balance, work environment and employee engagement. A descriptive (frequency analysis) study was undertaken to describe the characteristics of respondents (age, gender, education, year of employment, and so on). The unit of analysis for this study were the individual employees in a Malaysian telecommunication company. For the purpose of this study, the researcher chose a non-probability sampling design of convenience sampling. The total sample size was 100. The

researcher used an interval scale also known as Likert scale for all variables in this study ranging from 1 = 'Strongly Disagree' until to 4 = 'Strongly Agree'.

4. Findings and Discussions

Based on the survey conducted, the respondents consisted of 56% female and 44% male. 30.7% of the respondents were 43 years old and above followed by 26.7% of the respondents aged between 23 to 27 years old, and the lowest percentage (4%) were respondents aged between 38 to 42 years old. Most of the respondents were married (61.3%) as compared to single (38.7%). The majority of respondents highest education level was bachelor degree (61.3%), followed by diploma with 20%, certificate (4%) and a fair number of respondents with post graduate degree (Masters 6% and PhD 1.3%). Most respondents earned between RM3000 to RM5999 monthly (34.7%) and had worked for 6 to 10 years (25.3%).

Table 1. Descriptive Statistics, Cronbach Alpha, and Pearson Correlation

Variables	Employee Engagement	Reward	Work-life Balance	Work Environment
Employee Engagement	*(0.946)* 1			
Reward	0.676**	*(0.930)* 1		
Work-life Balance	0.414**	0.459**	*(0.749)* 1	
Work Environment	0.711**	0.680**	0.363**	*(0.926)* 1
Mean	3.27	3.04	3.34	3.35

*Note: ** Correlation is significant at the 0.01 level (2-tailed); Entries in parenthesis indicate Conbrach Alpha value.*

Using Cronbach's Alpha, the reliability and validity analysis were conducted in order to examine the reliability of the each variable. The results demonstrated in table 1 shows that all values were above 0.7. According to Nunnaly (1978), any values above 0.7 and nearer to 1 are considered good. Therefore, the items tested in the study are reliable and valid (Nunnaly, 1978). Table 1 also shows a significant moderate positive relationship between employee engagement and rewards as r=.676, p= <0.05. The strength of the relationship between both variables is moderate. This is shows that the higher received rewards, the higher the engagement of the employee. This is in line with the findings by Taufek, Zulkifle, and Sharif (2016), Srivastava and Bansal (2016) and Anitha (2014) where rewards system is one of the important factors that strongly affect how the employee will engage in their work. Therefore, Hypothesis 1 is supported although the strength of the variable is moderate.

The second hypothesis is to see the relationship between work-life balance and employee engagement. Work-life balance and employee engagement have significant lowest positive relationship; (r=.414, p <0.05) which mean the work-life balance has a low impact on engagement of the employee.

There is a significant moderate relationship between work environment and employee engagement (r=.711, p < 0.05) which means the more conducive the work environment, the more the employee will

become engaged in their organization and jobs. The strength of employee engagement and work environment is moderate since the correlation between both is .711. This finding is supported by Anitha (2014), Miles (2001), Harter et al. (2001) , Holbeche & Springett (2003), May et al. (2004) and Rich et al. (2010). The work environment does impact on employee engagement. This is also in line with Popli and Rizvi (2016) where meaningful workplace environment is considered a key determinant of employee engagement.

Table 2. Multiple Regressions

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	6.870	9.097		.755	.453
Reward	.513	.178	.318	2.889	.005
Work-life balance	.331	.280	.102	1.179	.242
Work Environment	.861	.197	.458	4.362	.000
F value	32.996				
Sig	.000				
Adjusted R2	.565				
R2	.582				

Table 2 describes the result for multiple regression analysis performed for the framework proposed in this study. Based on table 2 above, all the variables involved (rewards, work environment and work-life balance) explained 58.2 % of the variance in the employee engagement. Based on the table above, work environment is found to be have a great impact on employee engagement as β .458. Another two variables; rewards and work-life balance are found to have moderate impact on employee engagement with β .318 and β .102 respectively. Rewards, work environment and work-life balance are found to have a positive relationship on employee engagement. This indicates the higher the rewards, work environment and work-life balance, the higher the level of employee engagement. This model is acceptable because significant value is 0.000 and F = 32.996 which is greater than 1.

5. Conclusion

This study proposed to identify the factors that influenced employee engagement among employees in a telecommunications company in Kuala Lumpur. The findings demonstrated that factors that influence employee engagement are rewards, work environment and work-life balance. Each independent variable impacts differently on employee engagement. Work environment is found to have a great impact on employee engagement where it shows that respondents feel that environment is more important to engagement of employees. Work environment does not only need to be conducive but also needs to be free for employee to contribute their effort towards the organization. This will result in employees feeling committed and passionate towards their job and organization. All three independents

variables posted a positive relationship on employee engagement as proven by this study. Looking at their regressions analysis, the greatest influence is work environment, followed by rewards and work-life balance. This indicates that the more the rewards, work environment and work-life balance, the higher the level of employee engagement. Based on the findings, the objectives of the study have been achieved and all the research questions have been answered. In conclusion, all hypotheses are accepted.

Based on this study, employees should develop more skills, knowledge and abilities in order to particpate in the activities that the organization organizes for them. They also need to find solutions to use all the skills, knowledge and abilities that they have in order to make a positive contribution to the success of the organization. Employers, on the other hand, need to understand their employees' needs and wants. Not only that, employers should also highlight the uniqueness of the working environment to sustain their employee engagement and motivate the employees to work harder and attract new employees to their organization. In terms of rewards, the employers should properly evaluate the performance of employees to ensure that employees get the right terms of compensation and benefits to rewards their efforts. As for future research, a study on other factors that contribute to employee engagement should be conducted which involves identifying the relationship between other factors and employee engagement. Last but not least, future research also needs to investigate in-depth the relationship of existing factors that affect employee engagement

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