ABSTRACT

Interest in employee engagement has increased substantially over the last decade among HR practitioners and academicians. Supporters of employee engagement argue that there exists a strong positive relationship between engagement and success of a business (both at the individual and organizational levels). Despite the significant academic interest in empowerment, organizational climate, self efficacy and employee engagement, there is a relative shortage of academic literature examining the impacts of empowerment, organizational climate, and self efficacy on employee engagement in the Indian context. In this context, current study strived to render deep insights into the causal relationships among these constructs in Indian context across two big employers namely; IT and Manufacturing industries. The main objective of the study was to study the empowerment, organizational climate and self-efficacy as predictors of employee engagement across Information Technology and manufacturing sectors in an integrated model. Further, this study tested for the difference among IT and manufacturing sectors’ employees in terms of their perceptions with respect to employee engagement, empowerment, organizational climate and self-efficacy. Population for this study consisted of employees working in Manufacturing Industry and IT Sectors in National Capital Region of India. The National Capital Region of India comprised of Delhi, Gurgaon, Noida, Greater Noida, and Ghaziabad.

In this study, we have tested higher order structural equation model involving empowerment, organizational climate, self-efficacy and employee engagement. In the proposed model, empowerment was third order construct having psychological empowerment and leader empowering behaviour as second order construct. Further psychological empowerment as a second order construct comprised of four first order constructs namely; Meaning, Self Determination, Impact and Competence. Whereas, leader empowering behaviour as a second
order construct comprised of six first order constructs namely; Delegation of Authority, Accountability, Self Directed Decision Making, Information Sharing, Skill Development, and Coaching for innovative Performance.

Secondly organizational climate was second order construct with four first order constructs namely; Orientation, Supervision, Communication, and Reward Management.

Thirdly, self-efficacy was first order construct. Finally, employee engagement was second order construct comprised of three first order constructs namely; Vigor, Dedication, and Absorption.

The proposed study model was tested with empirical data collected from employees working both in IT and manufacturing sectors across National Capital Region of India by using judgemental sampling technique (non-probability sampling technique). The total sample size for the study was 447.

We have borrowed scales for our study from the literature. To ascertain suitability of the already developed scales in Indian context, we conducted pilot tests. We used reliability tests and exploratory factor analysis to finalize scales for our study. These analyses helped us to finalize the scales for our final study. Consequently, we deleted 11 items from the existing scales and arrived at 67 items covering all constructs of employee engagement (10 items), empowerment {26 items; 12 items of psychological empowerment and 14 items of leader empowering behaviour)}, organizational climate (11 items) and self-efficacy (10 items). We found high Cronbach’s alpha values for all the constructs ranging from 0.857 to 0.920.

The higher order Structural Equation Modelling results provided evidence that all three predictors (empowerment, organizational climate and self-efficacy) had significant positive impacts on employee engagement across both industries under study. In case of
manufacturing industry, we found the hierarchy of predictors in terms of importance based on magnitude of path coefficients as self-efficacy followed by organizational climate and empowerment.

Whereas, in case of IT industry, hierarchy of predictors in terms of importance was self-efficacy as most important followed by empowerment and organizational climate. Furthermore, study made comparison between two industries on the basis of employees’ perceptions about the three predictors of employee engagement. We used independent sample t-test to achieve this objective. Based on t-test results we concluded that there is difference in empowerment dimension as a predictor of employee engagement across IT and Manufacturing sectors and empowerment dimension was perceived higher by manufacturing sector employees (mean score = 4.5142) in comparison to IT sector employees (mean score = 4.1670) based on mean scores.

In case of organizational climate, t-test results showed that there is a difference across IT and Manufacturing sectors and organizational climate dimension was perceived higher by manufacturing sector employees (mean score = 5.2616) in comparison to IT sector employees (mean score = 4.3331) based on mean scores. Whether in case of self-efficacy, we didn’t find evidence of difference among IT and manufacturing sector employees in terms of their perceptions (t-test results are insignificant, t = -0.820, p = .413). Finally, in case of employee engagement, we didn’t find evidence of difference among IT and manufacturing sector employees in terms of their perceptions (t-test results are insignificant, t = -1.432, p = .153).

**Key Words:** employee engagement, empowerment, organizational climate, self efficacy, psychological empowerment, leadership empowerment