Determinants of Employee Happiness in an Information Technology Company in India

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Abstract

Happiness is the experience of pleasure, satisfaction, or affirmative well-being, pooled with a sense that one’s life is good, significant, and valuable. Happiness is a rational or emotional condition of comfort defined by optimistic or enjoyable emotions ranging from satisfaction to intense delight. The study had been carried out with the objectives to study the level of happiness of employees, to find out the determinants of employee happiness, to analyse the influence of demographic factors on employee happiness and to test how employee happiness is correlated with various factors like, attitude towards self, attitude towards job, career growth and development, organization culture and alignment, physical and mental well-being, work life balance, relationship with team, relationship with managers. The research is descriptive in nature. The size of the population for the IT vertical of the organization with associates in the experience range of 4-7 years is 6000 and the sample taken for study is 410 employees. Purposive sampling method was used for selecting samples from the population. The samples are chosen across different projects in the organization and a quota is assigned in each project for selecting the sample. The data analysis has been done using correlation, chi-square, one way ANOVA and Regression analysis. The results of the study could establish a moderate positive co-relation between the happiness and all eight constructs. The study had been concluded with a remark that the constructs like work life balance, physical and mental well-being, relationship with managers has a significant influence on employee happiness.

Keywords: Employee Happiness; Satisfaction; Determinants; Demography and Employee Happiness

1. Introduction

“Happiness lies in the joy of achievement and the thrill of creative effort.”

-Franklin D. Roosevelt

Happiness is the experience of pleasure, satisfaction, or affirmative well-being, pooled with a sense that one’s life is good, significant, and valuable. Happiness is a rational or emotional condition of comfort defined by optimistic or enjoyable emotions ranging from satisfaction to intense delight.

1.1. What Determines Employee Happiness?

As Steve Jobs rightly said, “Your work is going to fill a large part of your life, and the only way to be truly satisfied is to do what you believe is great work. And the only way to do great work is to love what you do.”

Happiness of employees can be determined from various organizational factors like working conditions, the nature of work (how interesting it is), the perceived productivity of the employee, etc. So, it is significant for top management to be conscious of workplace comfort of the employees, and keep away the discomforts that the employee feels.

2. Background of the Study

2.1 Gross National Happiness (Gnh) – A Bhutan Initiative

For the first time in the World, His Majesty Jigme Singye Wangchuck, the Fourth King of Bhutan, coined the term “Gross National Happiness” in the year 1970. From the practice of measuring only the “Gross Domestic Product” to measure the economic development of countries, the concept “Gross National Happiness” measured the non-economic aspects of wellbeing of people of the country to measure the development of the countries in a holistic approach.

The Gross National Happiness was measured using the four parameters of a country: Cultural Preservation, Good Governance, Sustainable Socio-Economic Development and Environmental Conservation. Off late, the four dimensions became nine including Good Governance, Community Vitality, Psychological wellbeing, Cultural diversity & Resilience, Health, Education, Ecological Diversity & Resilience, Time use, Living standards.

2.2. World Happiness Report – A UN Initiative

The United Nations Organization started measuring the Happiness Index of most of the countries in the World and the first World Happiness Report got published in the year 2012. The World
Happiness Report 2018\textsuperscript{[1]}, which ranks 156 countries by their happiness levels, was released recently. These reports review the happiness state of each country in the world today and show the personal and national variations in terms of happiness. It reflects a new universal demand for more awareness and attention towards happiness as an important criteria for forming Government Policies.

2.3 Global Employee Happiness Index:

Coming to the concept of Employee Happiness, Universum, a Sweden based organization which focuses on employer branding and analytics published a research report titled as "Universum Global Workforce Happiness Index 2016". The report measured the workers happiness in their job using the following parameters: the satisfaction of workers, workers willingness to recommend their current employer, and their possibility of switching jobs in the near future. Employee Happiness Index finds its roots from Bhutan’s GNH & UN’s World Happiness Index. In today’s dynamic business environment, the organizations need to understand the importance of keeping their employees happy and also need to emphasize on the importance of psychological well-being of the employees. At present, many organizations seek help of third party vendors/tools to measure their Employee’s Happiness Index.

2.4 Employee Happiness Index in India:

The culture of measuring the employee happiness is catching up in India in the recent years. When we consider the scenario in India, many IT companies don’t measure happiness index. Some companies have this component in their employee feedback reviews or during exit interviews. There are very few companies which are taking this initiative such as Google India, Microsoft, HCL Technologies, John Deere, Zensar Technologies, Persistent Systems and Brillo Technologies. Indian IT Industry as such does not have a measuring scale to evaluate the happiness of its employees.

3. Review of Literature and Research Gap

There are number of papers available on happiness of employees. Kemakorn Chaiprasit, Orapin Santithirakul, (2011)\textsuperscript{[2]} had done a study with the aim to study factors which are affecting the happiness of employees at work in SMEs and measured the level of happiness at work. A total of 300 employees were investigated by structured questionnaires. The results show that relationship, quality of work life and leadership was three factors that led to happiness at work. On the other hand, Sarah Chiumento, (2012)\textsuperscript{[3]} conducted a study to find out “Why Employees are not happy?” and “What makes employees happy?” He surveyed 1063 respondents (547 men and 516 women) aged from 18-65 years old who were working in full-time or part-time in the UK. The main findings revealed that relationship with colleagues as being the key factor in happiness at work and Lack of communication from the top was seen as one of the biggest causes of unhappiness. Christina Lee, (2015)\textsuperscript{[4]} found that respectful treatment of all employees at all levels, compensation/pay, benefits and job security lead to employee happiness. James et. al., (2006)\textsuperscript{[5]} studied the relationship between employee workplace perceptions and business-unit outcomes. From the results of the study, it was found that the employee engagement and satisfaction, leads to meaningful business outcomes. From all the above reviews, we can understand the significance of employee happiness in determining the organizational outcomes.

So far, many researches pertaining to employee happiness had been undertaken for a wide range of industries in western countries. Many European and Western organizations are also taking initiatives to measure how happy their employees are. But from the Indian context, only handful literature is available. Hence, this paper is one such initiative to measure the happiness of IT employees in India. It also endeavours to find the relationship between their demographic factors and happiness, thereby; an attempt has been made to bridge the gap that exists in the literature.

4. Objectives of the Study

The study had been carried out with the objectives to study the level of happiness of employees, factors determining the happiness of employees, to analyse the influence of demographic factors on employee happiness and to analyze how employee happiness is correlated with various factors like, attitude towards self, attitude towards job, career growth and development, organization culture and alignment, physical and mental well-being, work life balance, relationship with team, relationship with managers.

5. Scope and Limitations of the Study

• The index measured is limited to the IT industry alone and does not extend to any other industries.
• The survey was undertaken from April 2017- May 2017.
• The sample size is limited to only 410.
• In a rapidly evolving IT scenario, the business environment changes like US elections, increase in cost of H1B- VISA, are important to be considered in order to assimilate the findings.

6. Research Methodology

The research is descriptive in nature. The size of the population for the IT vertical of the organization with associates in the experience range of 4-7 years is 6000 and the sample taken for study is 410 employees. Purposive sampling method was used for selecting samples from the population. The samples are chosen across different projects in the organization and a quota is assigned in each project for selecting the sample.

A Questionnaire was employed to measure the happiness index of the employees of the organization and the factors used are Attitude towards self, Attitude towards Job, Career Growth and Development, Organization Culture & Alignment, Physical & Mental Well Being, Work Life Balance, Relationship with Team, Relationship with Managers. So to test the reliability of the responses under each construct, Cronbach’s alpha test was carried out and the results of the test are presented below:

<table>
<thead>
<tr>
<th>S.No</th>
<th>Scale</th>
<th>Cronbach’s Alpha</th>
<th>No. of Survey Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Attitude Towards Self</td>
<td>0.686</td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>Attitude Towards Job</td>
<td>0.808</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>Career Growth &amp; Development</td>
<td>0.714</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>Organizational Culture &amp; Alignment</td>
<td>0.816</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>Physical &amp; Mental Well-being</td>
<td>0.802</td>
<td>3</td>
</tr>
<tr>
<td>6</td>
<td>Work life Balance</td>
<td>0.839</td>
<td>3</td>
</tr>
<tr>
<td>7</td>
<td>Relationship with Team</td>
<td>0.866</td>
<td>5</td>
</tr>
<tr>
<td>8</td>
<td>Relationship with Managers</td>
<td>0.905</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: Primary Data

The reliability of all the above factors are proved from the above table, since the Cronbach’s Alpha value is more than 6. The data analysis has been done using correlation, chi-square, one way ANOVA and Regression analysis.
6.1. Profile of the Sample:

Among the 410 respondents surveyed, 57% were male and 43% of respondents were female employees. In the total employees participated in the survey, 46 percent were in the age group of 24 to 26, another 46 percent were in the age group of 27 to 29 and the remaining 8 percent were in the age group of 30 to 32. Based on the Designation of employees, 10.7% of respondents were System Engineers (SE), 81% of associates who were IT – Analysts (ITA), and 8% were the Assistant Consultants (AST). When analyzing the grade of the employees surveyed, 11% of them fall under the category of C1 grade, 81% fall under C2 grade and the remaining 8% fall under C3 grade. Among the total respondents, 61% of respondents were having 4 to 5 years of experience and the remaining 49% of respondents were having experience between 6 to 7 years. In the total respondents, 48% of the respondents were deployed in Development Projects, 23% of them were in the Testing and 29% of them were in Production and Support.

7. Analysis and Interpretation

7.1 Overall Happiness of Employees

The following are the Null Hypotheses framed to test the association between Demographic Factors and Overall Happiness of Employees:

| H01: There is no significant association between gender and Happiness. |
| H02: There is no significant association between Age and Happiness. |
| H03: There is no significant association between Grade and Happiness. |
| H04: There is no significant association between Designation and Happiness. |
| H05: There is no significant association between Experience and Happiness. |
| H06: There is no significant association between Nature of Project and Happiness. |

7.2 Association between Demographic Factors and Overall Happiness of Employees

The following are the Null Hypotheses framed to test the association between various demographic factors and the Overall Happiness of the Employee:

| H01: There is no significant association between gender and Happiness. |
| H02: There is no significant association between Age and Happiness. |
| H03: There is no significant association between Grade and Happiness. |
| H04: There is no significant association between Designation and Happiness. |
| H05: There is no significant association between Experience and Happiness. |
| H06: There is no significant association between Nature of Project and Happiness. |

7.3 Chi-Square Test to Check the Association between Various Factors on Happiness

Chi Square is applied to the various factors to find out whether there is any association between those factors and happiness of the employees. The following are the Null Hypotheses framed:

H01: There is no significant association between attitude towards self and Happiness.
H02: There is no significant association between Attitude towards job and Happiness.
H03: There is no significant association between career growth and development and Happiness.
H04: There is no significant association between Organization Culture & Alignment and Happiness.
H05: There is no significant association between physical health & mental well-being and Happiness.
H06: There is no significant association between work-life balance and Happiness.
H07: There is no significant association between relationship with team and Happiness.
H08: There is no significant association between relationship with managers and Happiness.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Factors</th>
<th>Pearson Chi-square value</th>
<th>Degrees of freedom</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Attitude Towards Self</td>
<td>290.901</td>
<td>52</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>Attitude Towards Job</td>
<td>286.909</td>
<td>68</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>Career Growth &amp; Development</td>
<td>347.695</td>
<td>60</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>Organization Culture &amp; Alignment</td>
<td>360.47</td>
<td>56</td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td>Physical Health &amp; Mental Well Being</td>
<td>218.051</td>
<td>48</td>
<td>0</td>
</tr>
<tr>
<td>6</td>
<td>Work life Balance</td>
<td>242.268</td>
<td>48</td>
<td>0</td>
</tr>
<tr>
<td>7</td>
<td>Relationship with Team</td>
<td>217.41</td>
<td>68</td>
<td>0</td>
</tr>
<tr>
<td>8</td>
<td>Relationship with Managers</td>
<td>292.997</td>
<td>64</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Primary Data

7.3.1 Attitude towards Self vs. Happiness

The Chi-square value is 290.901 and the p value is 0.00 which is lesser than 0.05, so the null hypothesis H01 is rejected and alternative hypothesis Hα1 is accepted. From the observed value, it is found that attitude towards self has a happiness index of 8.14 and 55% of associates are happy in this factor. So it is inferred that there exists significant association between attitude towards self and happiness.

7.3.2 Attitude towards Job vs. Happiness

The Chi-square value is 286.909 and the p value is 0.00 which is lesser than 0.05, so the null hypothesis H02 is rejected and alternative hypothesis Hα2 is accepted. From the observed value, it is found that attitude towards job has a happiness index of 7.695 and 48% of associates are happy in this factor. So it is inferred that there exists significant association between attitude towards job and happiness.

7.3.3 Career Growth & Development vs. Happiness

Chi square test is applied between career growth and happiness. The Chi-square value is 347.695 and the p value is 0.00 which is lesser than 0.05, so the null hypothesis H03 is rejected and alternative hypothesis Hα3 is accepted. From the observed value, it is found that career growth has a happiness index of 7.5 and 48% of associates are happy in this factor. So it is inferred that there exists significant association between career growth and happiness.

7.3.4 Organization Culture & Alignment vs. Happiness

The Chi-square value is 360.470 and the p value is 0.00 which is lesser than 0.05, so the null hypothesis H04 is rejected and alternative hypothesis Hα4 is accepted. From the observed value, it is found that organization culture has a happiness index of 7.68 and 53% of associates are happy in this factor. So it is inferred that there exists significant association between organization culture and happiness.

7.3.5 Physical and Mental Well Being vs. Happiness

The Chi-square value is 218.051 and the p value is 0.00 which is lesser than 0.05, so the null hypothesis H05 is rejected and alternative hypothesis Hα5 is accepted. From the observed value, it is found that physical and mental well-being has a happiness index of 6.73 and 44% of associates are happy in this factor. It is found that the happiness index in this factor is less when compared with other factors and when employees are not happy with a particular aspect the index value also decreases. So it is inferred that there exists significant association between physical and mental well-being and happiness.

7.3.6 Work Life Balance vs. Happiness

The Chi-square value is 242.268 and the p value is 0.00 which is lesser than 0.05, so the null hypothesis H06 is rejected and alternative hypothesis Hα6 is accepted. From the observed value, it is found that work life balance has a happiness index of 6.9 and 44% of associates are happy in this factor. It is found that the happiness index in this factor is less when compared with other factors and when employees are not happy with a particular aspect the index value also decreases. So it is inferred that there exists significant association between work life balance and happiness.

7.3.7 Relationship with Team vs. Happiness

The Chi-square value is 217.410 and the p value is 0.00 which is lesser than 0.05, so the null hypothesis H07 is rejected and alternative hypothesis Hα7 is accepted. From the observed value, it is found that relationship with team has a happiness index of 8.04 and 45% of associates are happy in this factor. So it is inferred that there exists significant association between relationship with team and happiness.

7.3.8 Relationship with Managers vs. Happiness

The Chi-square value is 292.997 and the p value is 0.00 which is lesser than 0.05, so the null hypothesis H08 is rejected and alternative hypothesis Hα8 is accepted. From the observed value, it is found that relationship with managers has a happiness index of 7.26 and 45% of associates are happy in this factor. The happiness index value is moderately low in this factor so employee happiness is influenced by this factor. So it is inferred that there exists significant association between relationship with managers and happiness.

7.4 Regression Analysis between Different Factors & Happiness

The Regression Coefficient is 0.698. The Adjusted R^2 value is 0.476, which states that 47.6% of the dependent variable is explained by the independent variable.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.698*</td>
<td>0.487</td>
<td>0.476</td>
<td>0.548</td>
</tr>
</tbody>
</table>

The Regression Coefficient is 0.698. The Adjusted R^2 value is 0.476, which states that 47.6% of the dependent variable is explained by the independent variable.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>114.071</td>
<td>8</td>
<td>14.259</td>
<td>47.517</td>
<td>.000*</td>
</tr>
<tr>
<td>Residual</td>
<td>120.331</td>
<td>401</td>
<td>0.3</td>
<td>1</td>
<td>234.402</td>
</tr>
</tbody>
</table>

Table 6: ANOVA

Source: Primary Data
The significance value, p = 0.000 in the ANOVA table. Hence at 95% confidence level we can conclude that there is significant relationship between the Happiness and the other factors.

Table 7: Regression Analysis between different Factors & Happiness

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant) 0.229 0.244</td>
<td>0.936 0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Attitude towards Self 0.24 0.082 0.158 2.938 0.003</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Attitude towards Current Job 0.073 0.065 0.066 1.124 0.262</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Career Growth and Development 0.058 0.077 0.045 0.756 0.45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Organization Culture alignment 0.245 0.058 0.222 4.251 0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Physical Mental Well Being 0.085 0.052 0.095 1.632 0.003</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Work Life Balance 0.155 0.051 0.18 3.067 0.002</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Relationship with Team Members -0.11 0.058 -0.093 -1.92 0.056</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Relationship with Managers 0.167 0.047 0.193 3.584 0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Dependent Variable: Overall, how happy are you with your workplace?

The above table depicts the relationship between the dependent variable (Overall, how happy are you with your organization?) and various other independent factors listed in the table. From the table, it is seen that the p value is less than 0.05 for these factors namely Attitude towards Self, Organization Culture & Alignment, Physical Mental Well-Being, Work life balance, Relationship between Managers and it is inferred that these factors have a strong influence and significant relationship on the dependent variable.

7.5 Correlation between Different Factors & Happiness

Table 8: Correlation between different Factors & Happiness

Correlation among overall employee happiness and various factors of happiness is studied and the inferred results are presented below.

7.5.1 Overall Happiness vs Attitude towards Self

When the correlation between overall happiness and attitude towards self is studied, it is found that there exists a moderate positive co-relation (0.513) between both. The p value is 0.000, less than 0.05 indicating that the relationship is significant.

7.5.2 Overall Happiness vs Attitude towards Job

When the correlation between overall happiness and attitude towards job is studied, it is found that there exists a moderate positive co-relation (0.536) between both. The p value is 0.000, less than 0.05 indicating that the relationship is significant.

7.5.3 Overall Happiness Vs Career Growth and Development

When the correlation between overall happiness and career growth and development is studied, it is found that there exists a moderate positive co-relation (0.559) between both. The p value is 0.000, less than 0.05 indicating that the relationship is significant.

7.5.4 Overall Happiness Vs Organization Culture and Alignment

When the correlation between overall happiness and organization culture and alignment is studied, it is found that there exists a moderate positive co-relation (0.578) between both. The p value is 0.000, less than 0.05 indicating that the relationship is significant.

7.5.5 Overall Happiness vs Physical and Mental Well Being

When the correlation between overall happiness and physical and mental well-being is studied, it is found that there exists a moderate positive co-relation (0.534) between both. The p value is 0.000, less than 0.05 indicating that the relationship is significant.

7.5.6 Overall Happiness vs Work Life Balance

When the correlation between overall happiness and work life balance is studied, it is found that there exists a moderate positive co-relation (0.540) between both. The p value is 0.000, less than 0.05 indicating that the relationship is significant.

7.5.7 Overall Happiness vs Relationship with Team

When the correlation between overall happiness and relationship with team is studied, it is found that there exists a moderate positive co-relation (0.401) between both. The p value is 0.000, less than 0.05 indicating that the relationship is significant.

7.5.8 Overall Happiness vs Relationship with Managers

When the correlation between overall happiness and relationship with managers is studied, it is found that there exists a moderate positive co-relation (0.549) between both. The p value is 0.000, less than 0.05 indicating that the relationship is significant.

8. Findings and Conclusion

It was found from the study that majority of the employees are happy with the organization, considerable employees are neither happy and nor unhappy and very few employees are not happy with the organization. It was found that employees with higher experience have recorded low happiness. Age, gender, nature of job, designation, and grade do not have significant association with happiness. It was also inferred that there exists significant association between attitude towards self, attitude towards job and happiness. There exists a significant association between career growth, organization culture, physical and mental well-being, work life balance and happiness. It was also inferred that there exists significant association between relationship with team, relationship with managers and happiness.

It was observed that the independent factors namely Attitude Towards Self, Organization Culture & Alignment, Work life balance, Relationship between Managers have a strong influence and significant relationship on the dependent variable overall happiness of the employees with the organization. The results of the study could establish a moderate positive co-relation between the happiness and all eight constructs.
Hence, we can conclude that the constructs like work life balance, physical and mental well-being, relationship with managers has a significant influence on happiness. There are lot of scope to conduct studies on this topic “Employee Happiness”. The researchers can use the employee happiness index to measure the happiness of employees in various sectors across the nation and world and comparative studies can be undertaken between industries and countries so that it will be an eye opener for many organizations and the governments for policy making related to Human Resource Development and Management.

With changing scenarios in Indian IT market, it is important for the organizations to keep their employees happy because happiness of employees influences the other factors such as productivity, cost for the organization, reputation, attrition rate and their overall business in the industry!

References


Source: Primary Data

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