How Motivational Factors Affect Employee Engagement? Evidence from a Selected IT Company in Sri Lanka

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ABSTRACT

Motivation and employee engagement are critical factors for long-term success and growth of organizations in the IT industry. Motivated employees promote creativity and quality, whereas engaged employees increase productivity and foster a positive work atmosphere. This study is aimed at identifying the impact of motivation on employee engagement at a leading advance technology solution provider in Sri Lanka . Currently the company is facing several issues such as less productivity, higher employee turnover and withdrawal of some important projects due to the observable reduced employee engagement. The research adopts a quantitative approach followed by a positivistic philosophy and the sample of the study was 108 employees representing all divisions of the company. The sample technique adopted for the study was stratified sampling method. A self-administered questionnaire on a five-point Likert scale was used to gather the data. The study employs descriptive statistics, correlation analysis, and linear regression to achieve the research objectives. According to the descriptive statistical results, a significant dissatisfaction among the employees is depicted regarding their motivational factors and overall employee engagement level. The results of the correlation analysis reveal a positive association between the dimensions of motivation and employee engagement. Notably, job security, recognition, working conditions, and job characteristics all exhibit strong relationships, with job security appearing as the most influential aspect. Salary and benefits have a minor impact on employee engagement at the selected company compared to the other motivational factors. These findings are further strengthened by the results of the regression analysis showing a significant positive impact of motivation dimensions on employee engagement. Based on the findings of the study, the research suggests to improve motivational factors, hence increasing employee engagement. These suggestions include building clear communication channels about the company's stability and goals, adopting formal recognition programmes, and fostering a supportive work environment through worker associations and flexible work arrangements. However, since the study findings are limited to a single organization, the researcher suggests increasing the sample size from diversified companies to get more effective insights about the association between motivation and employee engagement.

Keywords: **Motivation, Employee Engagement, IT Industry, Job Security, Recognition**

1. INTRODUCTION

Employee motivation is a critical aspect for the success of any organization. Motivational factors serve as an important function for cultivating a work environment where individuals are eager to work with passion, interest, enthusiasm, and innovation. Employees who work in such an environment feel highly satisfied both individually as well as a group. They are also loyal, responsible, and confident in their ability to achieve both personal and organizational goals (Shaaban, 2017).

Engaged employees have a deep emotional attachment to their organization and they are enthusiastic to witness their employer's success without limiting to their contractual obligations (Kompaso & Sridevi, 2010). With the ever-changing volatile nature of the business environment and the increased diversity in labour force and their expectations, the organizations are currently facing a lot of issues in ensuring employee engagement to enhance the overall organizational performance.

Over the last few years, technology has recreated the connectedness between individuals, businesses, consumers, and governments via the Internet and related sources. The significance of information technology (IT) in this change is evident, and it has evolved as the most complicated strategic component within this process (Joseph et al., 2018). Increasing demand in this industry is observed through consumer and corporate demands, as well as economies of scale that contribute to increased growth in the sector. However, there are still a few incidents of IT services or projects failing owing to bad quality, unfulfilled needs, dissatisfied customers, budget concerns, and so on. One of the causes of the failure is the presence of inadequately engaged staff in the initiatives (Pandita & Singhal, 2017).

Xanthopoulou et al., (2009) has emphasized that employee engagement is a major determinant of a company's overall revenue, profit, and growth. On the other hand, negative employee engagement can result in adverse employee related outcomes such as job dissatisfaction, reduced organizational commitment and increased employee turnover (Saks, 2006; Saks, 2019). As per the findings of Engidaw (2021) and Hanif et al. (2015), employee motivation plays a special role in shaping employee engagement at the workplace. This is supported by the findings of the studies conducted by Christian et al., (2011), which suggests that employee engagement plays a motivational role that is influenced by both personal and environmental factors.

Even though different studies have indicated an association between motivation and employee engagement (Khan, 2011; Engidaw, 2021; Tan et al, 2021), yet there exists a variation in the degree of relationship and impact on employee engagement between intrinsic and extrinsic motivational factors (Khan and Iqbal, 2013). Thus, it is challenging for organizations to identify to which factors of motivation they should give priority when formulating policies and strategies.

The selected company for this study is an Advanced Technology Center located in Colombo, headquartered in San Jose California. The company is specialized in providing comprehensive technology

consulting and engineering services, including hardware and software to its digital solution seeking partners around the world. The company endeavours to establish a work environment that is diverse, inclusive, and prosperous for all its employees by fostering a culture of customer-centric innovation, professionalism, ongoing learning, self-care, and integrity.

1.1 Problem of the study

During the past financial year 2022/2023, the selected IT company has observed a drop in their employees' engagement level for their jobs and the company has lost several important projects they received due to the incapability of meeting project deadlines. In addition to that, the employee turnover of the company has also grown considerably compared to the previous years and many of the employees who performed well during the past years are among these leavers.

According to the company data (Annex 01), it was observed that the company is undergoing some critical issues related to its performance indicators and the major concern aroused by the management of the selected IT company was that employees are not emotionally committed and dedicated to their job even though the company incurs a considerable cost in providing different benefits for them.

Therefore, based on the available performance statistics, management opinions and the literature findings, this research attempts to address the problem of "Identifying the Impact of Motivation (IV) on the Employee Engagement (DV) at the selected IT company".

1.2 Objectives of the study

The objectives of this study can be discussed as general objectives and specific objectives as follows.

1.2.1 General Objective

The main objective of this study is to identify the Impact of Motivation (IV) on the Employee Engagement (DV) of employees at the selected IT company.

1.2.2 Specific Objectives

In addition to the above main objective, the researcher expects to achieve the following specific objectives through this study.

- To investigate the relationship between Motivation (IV) and the Employee Engagement (DV) of employees at the selected IT Company.

- To identify the most significant factors of motivation that contribute to Employee Engagement at the selected IT Company.

- To recommend practical solutions to enhance Employee Engagement at the selected IT Company by improving motivation factors.

1.3 Research Questions

To achieve the research aims mentioned above, this study seeks to answer the following research questions.

1. What is the Impact of Motivation (IV) on the Employee Engagement (DV) of employees at the selected IT Company?

2. What is the relationship between Motivation (IV) and the Employee Engagement (DV) of employees at the selected IT Company?

3. What are the most significant factors of motivation that contribute to Employee Engagement at the selected IT Company?

4. What are the practical solutions to improve the Motivational factors for enhancing Employee Engagement of employees at the selected IT Company?

1.4 Significance of the Study

The field of Information Technology is one of the most dynamic and constantly changing industries with unique challenges and opportunities inherent to it (Pandita & Singhal, 2017). Thus, it is essential for the companies in this industry to pay special attention to the key employee aspects that impact on their business in order to face the challenges directing from the industry as well as to maintain a good customer satisfaction level by meeting their expectations (Sanyal & Biswas, 2014).

The empirical findings of this research would be significant since it would broaden the research knowledge on employee motivation and employee engagement and empower the future researchers to conduct more comprehensive studies with a wider range of variables. The professionals in the industry of the same also could relate these results with their workplace situations to make effective strategic decisions on employee-related concerns regarding motivation and employee engagement in their organizations.

1.5 Scope and Limitations of the study

Since this study aims to investigate the impact of motivation on employee engagement at the selected IT company, this study considers all the non-managerial employees of the selected IT company, and the results of this study are specific to the context being addressed.

However, the present study is limited by its exclusive emphasis on the selected IT company, hence potentially limiting the applicability of its findings to other sectors or contexts. As the study uses employee self-reported data, response biases may be created compromising the validity of the findings. Further, the depth of research and the capacity to investigate additional contextual elements influencing motivation and engagement may be limited by time and resource constraints. External factors outside of the scope of this study, including general economic conditions or difficulties unique to a given industry, are not specifically addressed but could have an impact on the results.

1.6 Ethical Considerations

As per the request of the company management, the researcher has not specifically mentioned the name of the company selected for the study. Instead, it is named as ‘the selected company’.

Further the data collection for the study has been conducted anonymously and non for the data has been manipulated based on any biasness.

2. LITERATURE REVIEW

2.1 Motivation

Employee motivation is a critical concern for businesses and society since it significantly impacts individuals as well as organizations (Tan et al., 2021). According to Peters (2015), the term motivation has emerged from the Latin verb movere, with

the meaning "to move." In broad perspectives, motivation is understood as something that initiates, sustains, and assists us complete tasks. Robbins and Judge (2007) has explained motivation as "the processes that determine an intensity, direction, and persistence of the efforts of an individual towards achieving a specific goal."

According to Shantz and Latham (2011) and Lauby (2005), motivation is a psychological process that drives a person's behaviour and reactions in order to help them satisfy certain unmet needs, and it is what provides employees with the impulses and directions they require to fulfil their responsibilities. Employees are driven to perform better by motivation, which is intricately tied to desire and ambition; however, studies suggest that employees have both intrinsic and extrinsic motivations (Timoti, 2020).

2.1.1 Theories of Motivation

2.1.1.1 Maslow's Hierarchy of Needs Theory

Abraham Maslow's motivation theory suggests a hierarchy of human needs encompassing five levels of needs: physiological, safety, social, esteem, and self-actualization which a person needs to fulfil one after another (Robbins and Judge, 2016). Physiological needs, including food and shelter, are essential and provided by salary and a stable work environment. Safety needs include both physical and economic protection, which are met by benefits such as retirement plans. Social needs include a sense of belonging and positive interactions at work. Esteem needs involve acknowledgment and self-respect, but self-actualization indicates the desire for personal fulfilment. To effectively motivate employees, managers must recognize their present hierarchical level and meet their requirements accordingly (Maslow, 1954).

2.1.1.2 Herzberg's Two Factor Theory

Frederick Herzberg's Two-Factor Theory distinguishes between inherent and external variables that contribute to work satisfaction and discontent. Achievement, recognition, responsibility, and progress are all motivational variables that promote pleasant sentiments and self-actualization, hence improving performance (Robbins and Judge, 2016). However, simply being there does not ensure productivity. On the other hand, hygienic elements like business regulations, supervision, compensation, and relationships with coworkers contribute to a psychologically unhealthy work environment, lowering unhappiness when it exists. While hygiene elements are not very motivating, their absence or mismanagement can result in severe discontent. To successfully inspire people, managers should prioritize elements connected to the actual work, or the advantages obtained from it (Herzberg et al., 1968).

2.1.1.3 ERG Theory

ERG theory, developed by the psychologist Clayton Alderfer, is a human motivation theory that divides human needs into three layers as existence, relatedness, and growth. Alderfer introduced this idea putting one step forward to Abraham Maslow's Hierarchy of Needs, stating that needs are not rigidly hierarchical and can function concurrently and interactively (Arnolds &

Boshoff, 2002). Existence needs are Maslow's main requirements, which include food, shelter, safety, and physiological well-being. ERG theory defines existence requirements as the essentials for survival and physical well-being. Social interactions and interpersonal relationships are some examples for the relatedness needs. This encompasses a need for meaningful connections, love, affection, and a sense of belonging within groups, communities, or organizations. Feeling linked to people and having supportive social networks help to fulfil relatedness needs. Growth needs include the need for personal development, self-improvement, and the realization of one's full potential. It involves exploring challenges, looking for personal and professional growth opportunities, and participating in activities that promote creativity, success, and mastery (Yang et al., 2011).

2.1.1.4 Theory X and Theory Y

David McGregor offered two opposing management perspectives, known as Theory X and Theory Y (Latham, 2007). Theory X claims that employees are innately lazy, require coercion to be productive, eschew responsibility and ambition, and prioritize security. McGregor stated that these beliefs are the outcome of managerial methods rather than intrinsic human nature. Based on more realistic assumptions about human nature, Theory Y says that people like their jobs, perform effectively with less supervision, can take on responsibility, and excel at decision-making. McGregor proposed implementing Theory Y by expanding employment opportunities, encouraging responsibility, addressing social and egoistic demands, and involving employees in decision-making. Despite its conceptual merits, the theory was criticized for a lack of empirical proof (McGregor, 1969).

2.1.2 Factors Affecting Employee Motivation

2.1.2.1 Salary and Benefits

Asaari et al. (2019) has described salary as the form of payment made by an employer to an employee, either it is specifically mentioned or not in the contract of employment and it is the component that largely determines the income of a person. According to Tan et al. (20210), income is one of the crucial factors of human life that have a significant influence on employee motivation. Income in terms of salaries and wages enables workers to satisfy both their fundamental and more sophisticated requirements (Luthans, 2011).

Vu Minh Hung (2017) has suggested that Employee motivation is affected not only by the amount of pay given to employees, but also by their perceptions regarding the pay equity and the pay processes utilized to distribute earnings among employees. Jeha et al. (2022) has further emphasized that salary and bonuses have the greatest effect on employee motivation, and it addresses how expectations of personal life affect employee motivation at work. Employees typically consider salary as a measure of their contribution and the value of them to their organization, thus in fact this affects their level of motivation at work (Asaari et al., 2019).

2.1.2.2 Job Security

According to the Maslow's Hierarchy of Needs theory (Maslow, 1943) and two factor theory discovered by Herzberg (1987), job security is one of the important aspects among employee motivation. Kovach (1987) has emphasized that stability of the job, less volatility, and absence of fear for losing a job are supportive in boosting employee motivation, especially among blue-collar workers, and it is the most important prominent need among white-collar workers as well.

As per the findings of Zopiatis and Constanti (2007), job stability is a key motivator and the position of an individual within the organizational structure influences his or her level of motivation. Miller et al. (2001) has further suggested that job security of employees has a major impact on worker performance levels and low job security leads to lower employee motivation. Altinay et al. (2019) has emphasized that work engagement is closely related to job security and the employees are motivated to work if their jobs are secured.

2.1.2.3 Job Characteristics

Hackman & Oldham (1976) has discovered that a well-designed work model may inspire people, increase job satisfaction, and improve productivity. Koskinen (1995) suggests that employee motivation is linked to the diversity at workplace. The employees who execute a variety of tasks are more likely to be motivated to work than those who conduct repetitive tasks. As per the findings of Quyen (2015), interesting work leads to increased enthusiasm and attentiveness among employees. Hadi and Adil (2010) have identified job characteristics as a major determinant of intrinsic motivation, and job satisfaction and similar results has been presented by the studies conducted by Sultan and Sarwat (2012) demonstrating that employee motivation and work characteristics are deeply related.

2.1.2.4 Recognition

According to Brun & Dugas (2008), most employees seek recognition from their superiors, colleagues, and consumers. Employees recognize this as a critical demand in the workplace, as well as in organizational settings and the society (Brun & Dugas, 2008). Asaari et al. (2019) has stated that recognition is effective in companies that have a strong supportive culture, psychological expertise, and apply sound incentive systems to employees, enhancing their work ethic and helping them achieve several key milestones in their careers. Krishnaveni and Monica (2018) has further pointed out that employee recognition has increased its importance as a component of an organization's HR strategy, and it plays a key role in enhancing productivity and workplace cohesion. Engidaw (2021) on the other hand highlights that giving recognition to employees on their performance is crucial for enhancing employee commitment and participation.

2.1.2.5 Working Environment

Working environment is the context within which workers carry out their job responsibilities (Hanaysha, 2016). Studies have shown that in order for people to perform successfully and stay motivated in organizations, they require a creative,

challenging, and enjoyable work environment (Setiyani et al., 2019; Judeh, 2021; Korzynski, 2013). Workplace environmental conditions have an impact on employee engagement and motivation. Setiyani et al. (2019) claim that a positive and supportive work environment could improve employee motivation and engagement among the Generation Y millennials. A favourable work environment that promotes opportunities for progression, recognition, and a sense of belonging is a powerful motivator, that is beneficial to increase employee engagement at workplace (Saks, 2006).

2.2 Employee Engagement

Joseph et al. (2018) has defined Employee engagement as a discrete and independent concept which consists of cognitive, emotional, and behavioural elements associated with the individuals' role performance. It has a beneficial effect on employees and increases their interest in their employment. Further employee engagement is essential for achieving employee satisfaction (Abraham, 2012). Employee engagement is defined by Iddagoda et al. (2016) as the degree to which an employee becomes cognitively, emotionally, and behaviorally interested in the job and the organization.

According to Kahn (1990) as cited in Saks (2006), employee engagement requires workers to be mentally available while performing their organizational roles. Employee engagement is crucial for the organizations as they rely entirely on them. Employee engagement leads to effective operations by fostering mutual commitment between organizations and their employees (Andrew and Sofian, 2012). Employee engagement promotes great performance, resulting in superior services and more client attraction. An engaged employee is the most precious asset for any organization since such employees are the key drivers of success in business activities (Tharika et al., 2021). Engaged staff leads to increased dedication and productivity for the organization and such employees create value for organizations. Therefore, organizations should focus on enhancing employee engagement. Otherwise, it might pose the greatest danger to the organization's success (Engidaw, 2021).

2.3 Empirical Findings on Motivation and Employee Engagement

Brown (1996) has identified that employee engagement has a significant association with motivation, supervisor participation and consideration, career commitment, and work involvement. According to Hewitt (2013), the factors that influence engagement include quality of life, work, people, opportunity, overall rewards, and organizational practices. Swarnalatha & Prasanna (2013) identified several global drivers of employee engagement, including motivational factors such as career growth opportunities, safety, organizational support, knowledge, rewards, and recognition.

Both intrinsic and extrinsic motivation could be used to predict an employee's level of engagement at work. Intrinsic motivation is derived from extrinsic motivators such a positive work environment, demanding assignments, an adequate wage, and so forth (Putra et al., 2017). Both extrinsic and intrinsic motivation and employee

engagement were shown to be positively correlated in Khan and Iqbal's (2013) study. Moreover, it was shown that employee engagement was significantly enhanced by both intrinsic and extrinsic motivation by the studies conducted by Engidaw (2021). As per the findings of the study, employee engagement was more dependent on extrinsic motivational factors than by intrinsic motivational drives.

According to a study conducted by Rich et al. (2010) investigated the link between motivating factors and employee engagement. They discovered that intrinsic motivating elements including autonomy, mastery, and purpose were positively associated with employee engagement. The employees that reported higher levels of intrinsic motivation were more involved in their work, had better job satisfaction, and were more committed to their organizations. The same findings were revealed by the studies conducted by Saks (2006) depicting that motivational element such as job autonomy, opportunity for skill development, and recognition are important predictors of employee engagement. This study emphasized that the employees who perceived higher amounts of motivating elements in their workplace reported higher levels of engagement.

Furthermore, the studies conducted by Riyanto et al. (2021) regarding the mediating role of employee engagement on work motivation, job satisfaction and employee performance has discovered that in order to obtain enhanced work performance, organizations must actively engage employees by increasing motivation and ensuring their job satisfaction. According to the results of the studies conducted by Shkoler and Kimura (2020), both intrinsic and extrinsic motivation positively influence on employee engagement in industrial organizations.

Ewool et al. (2021) have found that competitive salaries and comprehensive benefits packages have enhanced employees' financial satisfaction, leading to higher emotional commitment and engagement. Firdaus et al. (2023) emphasized that job security is crucial, as employees who feel secure are more likely to have invested in their work. Job characteristics, such as autonomy and task variety, have also shown to play a key role, with Hidayat (2023) having noted that meaningful job design enhances intrinsic motivation and engagement. Recognition, as Presslee et al. (2023) have suggested, fosters a sense of belonging, while a positive working environment, as Sawir et al. (2021) have argued, has promoted trust and collaboration, further boosting employee engagement. These findings have indicated that a combination of financial, psychological, and environmental factors is essential for driving engagement in today’s workforce.

By referring to the above empirical findings it is seen that there is an association between motivation and employee engagement. However, the studies conducted by Shkoler and Kimura (2020) have suggested that these studies have further revealed that employee positions and the country differences influence the relationship between motivation factors and employee engagement.

Even though many studies have been conducted on the relationship between motivation and employee engagement in the foreign contexts (Shkoler and Kimura, 2020; Riyanto et al. (2021; Goel and Rashmi (2023); Engidaw, 2021; Kahn and Iqbal, 2013), only a few studies have been conducted in this regard in the IT sector of Sri Lanka (Mayuran & Kailasapathy, 2020). Hence this study aims to address that empirical gap by conducting a study on the impact of motivation on employee engagement at a selected IT Company in Sri Lanka.

3. METHODOLOGY

3.1 Conceptual Framework

The conceptual framework of the study is related to the research intent, objective, and problem statement. It also provides a strong basis for collecting relevant evidence to prove or disprove the argument presented with minimum expenditure of time, effort, and money, essential for a critical investigation (Sekaran and Bougie, 2009). The literature review presented in Chapter two provides meaningful insights for the researcher to develop a conceptual framework for this study that helps carry out this study efficiently.

The following hypothetical model in Figure 3.1 is developed to analyze the impact of motivation on employee engagement at the selected IT company. According to this model, the dimensions of motivation; salary and benefits, job security, job characteristics, recognition and working environment are considered as independent variables (Tan et al., 2021), whereas employee engagement is taken as the dependent variable.

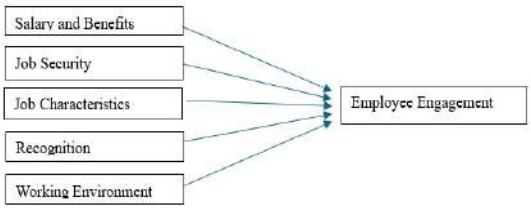


Figure 3. 1 : Conceptual Framework

Source: developed by Author

3.2 Hypotheses

Based on the findings of the reviewed literature, the researcher has developed the following hypotheses to achieve the objectives of the study.

H_1: Salary and benefits significantly impact on employee engagement at the selected IT Company

H_2: Job security significantly impact on employee engagement at the selected IT Company

H_3: Job characteristics significantly impact on employee engagement at the selected IT Company

H_4: Recognition significantly impact on employee engagement at the selected IT Company

H_5: Working environment significantly impact on employee engagement at the selected IT Company

3.3 Operationalization of Variables

The operationalization of the independent variables is done based on the Maslow's theory of Needs Hierarchy, Herzberg's Two Factor Theory and ERG theory (Tan et al., 2021) and the dependent variable which is the employee engagement is measured

through Gallups 12 standard questions for measuring employee engagement (Khan and Iqbal, 2013).

3.4 Research Design

The study uses a descriptive research design, with a cross-sectional method in a natural research environment. Hypotheses are developed based on the literature findings, with the objective of discovering the links between motivating factors and employee engagement. The population consists of 250 employees whereas the sample is composed of 152 employees (Krejcie & Morgan,1970) with a stratified sampling technique used to ensure representation of all the divisions of the company. The data is gathered using a self-administered questionnaire with a Likert scale and is analysed with SPSS software.

4. DISCUSSION OF THE FINDINGS

As per the results of the descriptive studies, when referring to the mean values and their standard deviation coefficients, it is revealed that that employees at the selected IT Company are generally not satisfied with level of motivational factors (salary and benefits, job security, job characteristics, recognition and working environment) and the level of employee engagement at the company is considerably low.

Further, the findings of this study have suggested that there is a strong positive relationship between the factors of motivation namely; salary and benefits, job security, job characteristics, recognition and working environment, and employee engagement at the selected IT Company and the findings are summarized in below Table 4.1.

Table 1: Pearson Correlation Coefficients

Dimension	Pearson Correlation Coefficient
Salary and Benefits	0.521
Job Security	0.902
Job Characteristics	0.793
Recognition	0.832
Working Environment	0.806

The results of the regression analysis have further revealed that the aforementioned factors of motivation have a significant impact on employee engagement at the selected IT Company through statistically significant results. Accordingly, all the hypotheses (H_1, H_2, H_3, H_4 and H_5) were accepted.

Based on the findings of the regression analysis, the researcher developed the following equation regarding the impact of motivation on employee engagement of the employees at the selected IT Company.

$$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \beta 4X5 + ei \quad [1]$$

$$\mathbf{EE = 0.139 + 0.186SB + 0.609JS + 0.232JC + 0.521R + 0.463WE + ei} \quad \mathbf{[2]}$$

EE - Employee Engagement

SB - Salary and Benefits

JS - Job Security

JC - Job Characteristics

R - Recognition

WE - Working Environment

The studies conducted by Anitha (2014) on the determinants of employee engagement has identified that the salary and benefits of employees play a vital role in employee engagement and the same results have been discovered by Hewitt (2013) and Khan and Iqbal's (2013) confirming the findings. However, according to this study, the salary and benefits have shown a moderate relationship towards employee engagement and the impact is not so strong (b = 0.186). This is basically due to employees of the selected company getting their salaries and benefits on time without delay and the increments are given annually on a regular basis.

Many previous studies conducted on the influence of job security on employee engagement has explained that there is a strong relation among these two variables (Wang et al., 2015; Swarnalatha & Prasanna, 2013; Rich et al., 2010; Khan and Iqbal's, 2013). These results have been confirmed by the findings of this study showing a very strong relationship among the two variables (r = 0.902) and a significant impact (b = 0.609) at the selected company.

According to the findings of Saks (2006), Shkoler and Kimura (2020) and Rich et al. (2010), the job characteristics are found to be antecedents of employee engagement and the same results have been identified by this study showing a positive relationship and impact. However, when the regression coefficient (b=0.232) of the study is concerned, it shows that the impact of job characteristics of the employees in the selected company is not so strong.

Recognition has been identified as a key factor that influences employee engagement in many studies (Krishnaveni and Monica, 2018; Riyanto et al., 2021; Shkoler and Kimura, 2020; Saks, 2006). These findings were confirmed by the results of this study depicting a strong relationship between the variables (r = 0.832) and a significantly positive impact of recognition on employee engagement (b=0.521).

In addition to the above factors of motivation, the working environment is found to be an effective element in enhancing employee engagement. The studies conducted by Setiyani et al. (2019), Putra et al. (2017), and Hanaysha (2016) have discovered this effect, and the results of this research study are also aligned with these showing a strong positive relationship (r=0.806) and an impact (b=0.463) among working environment and employee engagement at the selected IT Company.

Therefore, based on the findings of this study, it is clear that lack of job security, recognition and working environment conditions are found to be the most significant motivational factors that have result in the low level of employee engagement at the selected IT company while the job characteristics and salary and benefits have a considerably less influence on this issue.

5. CONCLUSION AND RECOMMENDATIONS

This study suggests that the companies should pay special attention on improving the sense of job security and trust on the future measures of the company among the employees, recognize and appreciate the good work of employees in a more sensible manner while improving a supportive

working environment in order to enhance employee engagement.

Hence it is the responsibility of the management to establish clear communication channels about their company's stability and future objectives. Regular updates on the organization's performance and direction can help to reduce ambiguity. Offering training and upskilling opportunities can also help employees gain confidence in their capacity to adjust to changing conditions (Wang et al., 2015). Furthermore, creating a supportive environment in which employees feel appreciated and heard can increase their commitment to the organization and build a sense of loyalty.

In addition to this, formal recognition schemes could help to recognize employees' efforts and successes. These initiatives could include monthly staff awards, performance bonuses, or public acknowledgment during team meetings. However, recognition should not be limited to official programmes. Thus, regular, genuine praise from managers and peers can have a significant impact on morale. Encouraging a culture of gratitude and peer appreciation can result in a healthy workplace environment in which employees feel valued and motivated to succeed (Krishnaveni and Monica, 2018).

Moreover, the HR departments can conduct surveys or focus groups to solicit direct feedback from employees about their workplace preferences and needs. Improvements that can be implemented based on this feedback include ergonomic furniture, sufficient lighting, comfortable break rooms, the formation of friendship clubs, and so on. Flexible work schedules such as flexible hours, remote working etc. can also contribute to a more welcoming workplace environment (Setiyani et al., 2019). Furthermore, encouraging open communication and collaboration can foster a welcoming and inclusive atmosphere in which employees feel supported and engaged (Hanaysha, 2016).

6. FUTURE RESEARCH DIRECTIONS

As this research study was conducted in the selected IT company, which is a single company in the IT sector of Sri Lanka and the sample size was confined to only 50 responses, the generalizability of the findings of this research is limited. Therefore, further research studies are suggested to increase the sample size and use a large and more diverse sample in different organizations within the same sector as well as in other industries to identify the impact of employee motivation on employee engagement.

Further, the researcher has only considered salary and benefits, job security, job characteristics, recognition and working environment as the dimension of motivation, but apart from these, there are many other dimensions of employee motivation. Therefore, it is suggested to include more dimensions of motivation for further studies and adopt a mixed method including both qualitative and quantitative approaches to get more reliable results.

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ANNEXURES

Annex 01

Table 1 : Performance Indicators for the Past Five Financial Years

Indicator	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Missed projects per year	3	6	2	4	8
Loss of income due to missed projects (in Mn.)	9.5	18	5.4	12.9	28.7
Employee Turnover Rate	4.5%	4.8%	5.4%	5.3%	12.5%