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The Impact of Employee Engagement on Customer Experience in the Digital Commerce Sector.

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Employee Engagement; Customer Experience; Digital Commerce; Competitive Advantage; Service Quality..

ABSTRACT

Digital commerce creates customer-centred opportunities for competitive advantage. Because of its centrality to customer interactions, employee engagement is recognized as a differentiating factor for successful customer-centred digital strategies. This study focuses on the relationship between employee engagement and customer experience in the context of digital commerce. The study is founded on Employee Engagement Theory, Social Exchange Theory, and the Service-Profit Chain. A quantitative cross-sectional research design is employed in this study. Primary data is collected with a self-administered online survey targeting employees of selected digital commerce organizations. Non-probability convenience sampling yielded 312 responses. Descriptive analysis, reliability analysis, and regression analysis were performed on the data with SPSS. Respondents perceive employee engagement as having a positive impact on customer experience. Employees who are highly engaged are more responsive to customers and provide better service. This study provides employee engagement and customer experience scholarship in the context of digital commerce that is largely unexamined. The results shed light on how managers can better their practices through detailing the role of engaged employees in conjunction with supportive leadership, intentional employee development, and empowerment. Additionally, the results demonstrate how strong and flexible organizational practices can improve customer experiences, create, and sustain competitive advantages in digitally supported marketplaces......

1. INTRODUCTION

The growth of digital commerce has dramatically changed the way firms develop value and engage customers. Digital technologies, mobile applications, artificial intelligence, cloud computing, and omnichannel retail have transformed customer expectations, positioning the quality of service and customer experience as critical success factors for organizations. Unlike traditional retail business, digital commerce requires firms to deliver consistent experiences through digital channels while remaining efficient and responsive (Lemon & Verhoef, 2016; Verhoef et al., 2021). Therefore, firms today recognize that their technological capabilities are not enough to ensure competitive advantage; instead, the involvement of human resources is essential to deliver great customer experiences amidst growing digitization of the business environment. Employee engagement has become a strategic organizational capability that affects the performance of employees and organizational effectiveness. As per Kahn (1990), personal engagement is defined as the degree to which
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individuals devote their physical, cognitive, and emotional energy to perform the tasks related to their work role. Engaged people experience meaningfulness, psychological safety, and psychological availability; hence, they tend to be engaged in work activities and help organizations achieve their objectives. Extending the work of Kahn (1990), Schaufeli et al. (2002) described work engagement as a fulfilling, positive psychological state experienced in relation to work activities. The concept involves the notions of vigor, dedication, and absorption and has become one of the most popular definitions of employee engagement.

Importance of employee engagement has grown because engaged employees display greater commitment, effort, innovation, and better service performance. Saks (2006) suggested that employee engagement emerges due to reciprocal exchange processes; namely, employees react positively to the supportive organizational practices, fairness, and meaningful experiences. Similarly, the JD-R approach assumes that job resources such as supportive leadership, autonomy, learning opportunities, and performance feedback stimulate the motivational processes and increase employee engagement (Bakker & Demerouti, 2007). Thus, organizations that wish to generate sustainable performance should consider creating a proper work environment for employee engagement and organizational commitment. Simultaneously, customer experience has gained importance as a means of creating competitive advantage for organizations. Today customers do not evaluate organizations based on the quality or price of products but base their decisions on their experience at all stages of the customer journey – search, purchase, delivery, after-sales service, and interactions with the firm. Verhoef et al. (2009) defined customer experience as a complex cognitive, emotional, social, and behavioral response emerging during the course of interactions with the organization. Elaborating on this idea, Lemon and Verhoef (2016) pointed out that customer experience is multidimensional and includes all interactions at every stage of the customer journey. Within digital commerce, the experiences of customers are created not only by technology but also by employees that design, maintain, and deliver digital services, solve customer problems, and provide personalized assistance.

While technology automates many customer interactions, employees still influence the customers' perceptions and level of satisfaction. The representatives of customer service department, digital support team, logistics, and relationship managers collectively affect the quality of customer interactions, especially when customers face service failure or need personal assistance. One possible explanation of this phenomenon is the Service-Profit Chain framework developed by Heskett et al. (1994) the model assumes that internal service quality improves employee satisfaction and engagement and, therefore, service value, customer satisfaction, customer loyalty, and profitability. Hence, employee-related factors are crucial for achieving customer-oriented results in the modern business environments.

Recent studies have further emphasized the role of employee engagement in enhancing service quality and customer value creation within digitally enabled organizations (Albrecht et al., 2015; Hollebeek et al., 2019; Huang & Rust, 2021). In particular, according to Harter et al. (2002), in a meta-analysis of business-unit-level relations, higher employee satisfaction and engagement correlate with greater customer satisfaction, productivity, and organizational performance. At the same time, Christian et al. (2011) demonstrated that employee engagement positively affects task and contextual performance, implying that engaged employees can perform high-quality customer service. Finally, the recent studies highlight the role of employee engagement in achieving service excellence and customer value creation in digitally enabled organizations where employees complement technology in terms of providing responsiveness, empathy, and problem-solving during customer interactions.

However, several research gaps are evident in this field of study. Although some scholars studied employee engagement and customer experience separately or together in the context of traditional service industries like hospitality, banking, healthcare, and retail, the link between the two constructs in the rapidly changing context of digital commerce was less examined. Moreover, digital commerce involves specific features like omnichannel service delivery, virtual interactions, personalized experience and customer support with the help of technology; all these aspects may affect the relationship between employee engagement and customer experience differently from the traditional service environment. However, addressing this issue is important because organizations are intensively investing in digital transformation while seeking to improve customer satisfaction, loyalty, and competitive advantage.

Thus, this study analyses the effect of employee engagement on customer experience in the digital commerce industry. Exploring the relationship between the variables in the context of digitally enabled organizations, the study aims to make contributions to organizational behavior, human resource management, and marketing fields of study. The findings are expected to give theoretical insights about the employee-customer relationship in digital commerce while providing practical guidelines to the managers in improving customer experience via investment in employee engagement.

2. LITERATURE REVIEW

Employee Engagement

The interest in employee engagement has surged, particularly in the fields of human resources and organizational behavior, due to its positive associations with employee well-being and its effects on innovation and performance. The interplay of employee engagement with job satisfaction, commitment, and involvement is recognized, though the latest studies acknowledge engagement as a distinct psychological condition that entails the cognitive, emotional, and physical investment of employees in the execution of their work (Rich et al., 2010). In contrast to traditional attitudes towards work, which predominately encapsulate the feelings employees harbor towards their jobs, engagement highlights the quality and the intensity of the involvement of employees in the performance of their roles. This is of particular importance in industries that are service driven, as the behaviors of employees in these industries are determinative of the outcomes of the organization.

The idea of employee engagement is credited to Kahn (1990) who argued that employees become personally engaged when they perceive psychological meaningfulness, as well as having psychological safety and psychological resources in their work. From this perspective, work that is perceived as meaningful encourages the investment of full role engagement, while an environment that is psychologically safe and supportive of employees reduces the perceived hazards of engagement by going beyond the boundaries of the job, expressing and taking initiatives. Kahn's perspective was a starting point for the shift in focus of researchers from employee attitudes to the psychological state enabling employees to reach their full engagement. Further studies and the development of the engagement construct have been undertaken since Kahn. Schaufeli et al. (2002) defined work engagement as the positive, fulfilling, work-related mental state of being vigorous, dedicated, and absorbed.

Although the approach is largely accepted, some scholars argue that employee engagement is a multi-faceted concept. Macey and Schneider (2008) described engagement as a combination of psychological traits and states, and work-related behaviors that are a result of a holistic approach to engagement. This suggests that systems theorists are encouraged to adopt a holistic approach to engagement. This approach focuses on the positive states of employees and their persistence, proactive behavior, and efforts beyond the minimum requirement that aim to assist the organization in achieving its goals. This approach is similar to that of Rich et al. (2010) in that they found that engagement plays a critical role in employee performance beyond the influence of satisfaction with the job, commitment to the organization, and involvement in the job.

There has been a considerable number of studies that has sought to identify the conditions in the workplace that promote employee engagement. May et al. (2004) employed Kahn's theory and found that the absence of psychological meaningfulness and psychological safety as well as the lack of psychological availability negatively influences engagement. Employees view their work as meaningful and engage when they have support from the organization and have the resources needed to perform their work (May et al., 2004). These findings indicate that employee engagement arises from the interaction of individual experiences and organizational conditions. The Job Demands-Resources (JD-R) model is one of the most popular theories of employee engagement. Job demands in the JD-R model, such as workload and emotional pressure, typically lead to a decrease in well-being. Conversely, job resources such as autonomy, learning and developmental opportunities, feedback, and career advancement contribute to the ongoing processes of motivational work that facilitate job engagement and further enhance performance at work (Bakker & Demerouti, 2017). The JD-R model is also different from the earlier models that focused on work-related stress. This model also shows that the resources of an organization can help to motivate employees, even in the context of highly demanding work. This model can also be appropriately applied to the area of digital commerce, where employees work in highly demanding and fast-changing environments with a high concentration of technology, continuous and rapid changes in the organization, and changes in the customers' demands and expectations.

HR management practices also create conditions for improving engagement at work. According to Albrecht et al. (2015), engaged employees and an effective organization are a result of the strategic HR practices of training and other types of development, performance management, leadership development, recognition of employees, and open two-way communication. Bailey et al. (2017), in their systematic review of the engagement literature, found that engaged employees perceive support from the organization, have the opportunity to express their views, perform meaningful work, and experience trust and equity in the leadership and management of the organization. Engagement is an important element for attaining a sustained competitive advantage. Most organizations view engagement as an employee-related attribute, while in reality, it is an organizational capability that can be nurtured through the alignment of HR p ractices. Another important factor that influences employee engagement is leadership. Breevaart et al. (2015) showed that transformational leadership positively affects employee engagement by increasing motivation and empowerment, and creating a perception of support from the organization.

Inspirational leaders balance vision with the ability to provide feedback, motivate, and reward, resulting in environments that enhance employee engagement. This is especially relevant for digital commerce organizations. Employees in these types of organizations are met with new and evolving customer expectations and significant service challenges in an already complex and demanding technological landscape. Employees need to be both technically and socially competent. Studies on engagement in the workplace and its effects on employees have been well documented. Engaged employees are more likely to demonstrate improved levels of performance (Christian et al., 2011; Harter et al., 2002), commitment to the organization, and greater flexibility and creativity, in addition to exhibiting behaviors that are more socially responsible

(Christian et al., 2011; Rich et al., 2010). Engaged employees are also less likely to be absent or to leave the organization (Harter et al., 2002). Finally, employees' engagement improves an organization's capacity to innovate, "to share what they know," and to "bounce back" from adversity. Engagement is also positively correlated with the performance, satisfaction, and profitability of customers and the retention of employees within a business unit.

The focus of more recent studies has been on employees' engagement with digitally enabled organizations. The rapid advancement of technology plays a major role in not only changing the tasks employees are required to perform but also how employees interact with customers. Digital commerce organizations challenge employees to integrate technology with social and emotional competencies when interacting with customers to help them overcome service failures or when customizing and personalizing service for them. Engagement is even more important within these contexts, as employees are likely to be more responsive and customer focused, thereby improving the quality of the service and the customer relationship. The literature shows employee engagement is a multi-faceted phenomenon that includes the resources of the organization, leadership, the ability to find purpose or meaning in your work, and a positive and supportive workplace.

Engagement impacts outcomes beyond the enhancement of individual performance. Research has shown that engaged employees demonstrate higher levels of task performance, organizational citizenship behaviour, and discretionary effort, thereby contributing to improved organizational effectiveness (Christian et al., 2011; Rich et al., 2010). Furthermore, employee engagement has been associated with enhanced service quality, innovation, customer satisfaction, productivity, and organizational performance (Harter et al., 2002; Albrecht et al., 2015). Within the digital commerce context, these findings suggest that engaged employees contribute to organizational success by improving customer experience through greater responsiveness, commitment, and customer-oriented behaviour.

Customer Experience in the Digital Commerce Sector

Customer experience has become one of the most important aspects of a company's competitiveness in the modern marketplace. This has especially been the case as companies have begun competing using service differentiation rather than product differentiation. Traditionally, customer experience theory was based on customer satisfaction models. Meyer and Schwager (2007) explained that customer experience refers to customers' internal and subjective right and wrong responses to an organization based on customer interactions that are both direct and indirect. This theory has pushed the boundaries of customer experience, suggesting that customers form experience perceptions based on product service quality as well as the various interactions that take place before, during, and after the purchase. Customer experience theory has broadened to emphasize its multidimensional structure. Gentile, Spiller, and Noci (2007) described customer experience as the sum of the sensory, emotional, cognitive, pragmatic, lifestyle, and relational dimensions, which all affect the customer's value creation process. Unlike most service quality models, customer experience describes a process that integrates an organization's rational and emotional evaluations, which makes it a more complete model of an organization's system. This theory has encouraged organizations to strive for more than merely a transactional relationship with their customers. Rather, organizations have been encouraged to design customer experiences that are both memorable and meaningful in order to build strong customer relationships.

Understanding customer experience in the context of a modern business environment primarily centers on the customer journey. According to Payne, Storbacka, and Frow (2008), customer value is achieved through the interaction and engagement of the customer with the organization across a multitude of service delivery contact points, as opposed to traditional service encounters, which are more focused.

The phenomenal growth of digital commerce has changed the customer experience management landscape. Digital commerce combines the web, mobile apps, social media, AI, electronic payments, and an integrated service delivery system to interact with customers. Rose, Clark, Samouel, and Hair (2012) noted that the online customer experience is fundamentally different from the customer experience in a traditional shop because the customer engages with technology, content, and services simultaneously. In a digital context, the organization is required to manage the usability and the quality of the content and services while ensuring accessibility and consistency of customer experience across different channels.

The challenge of managing the customer experience is further compounded with the advent of omnichannel retailing. Customers expect a particular standard of service regardless of the customer interaction channel as they traverse physical and online retail and service environments, and social media. Bolton et al. (2018) argued that in order to deliver an integrated customer experience, it is imperative for organizations to connect their physical and digital service channels. Verhoef et al. (2015) argued that integrated customer experience is the result of the alignment of technology, organizational design, service design, and a focus on the customer. These trends have elevated customer experience to a differentiating factor that organizations are compelled to strategically integrate to remain competitive. Across the digital commerce landscape, the customer experience is defined by the degree of personalization. Bleier, Harmeling, and Palmatier (2019) provide evidence on the positive impacts that successful website personalization has on customer engagement, citing increases in perceived relevance, convenience, and trust. The authors argued that personalization should be balanced with responsible data use, because too much personalization runs the risk of concern and/or perceived invasion of customer privacy. The authors' findings reflect the overarching challenge that all digital commerce organizations confront, which is providing personalized offerings and services while cultivating and maintaining customers' trust and confidence in digital systems.

The rapid proliferation of artificial intelligence and other digital systems have fundamentally changed customer experience management. Huang and Rust (2021) argued that, through the automation of once routinized services and thanks to increased speed of response and personalized service, digital systems increasingly mediate customer interactions. However, Huang and Rust (2021) argued that, in the systems and services designed to fulfill the demand for empathy, ethical judgment, creativity, and complex problem-solving, human staff are irreplaceable. Intelligent systems may enhance operational effectiveness, but they are incapable of the interpersonal service that customers often perceive as the most valuable in the resolution of complaints, acts of service recovery. Thus, for the improvement and provision of the customer experience, digital commerce organizations are reliant on their staff to extend the capabilities of technology.

The value in customer experience that contemporary research is concerned with is the collaborative nature of value that is realized through the integration of an organization, its staff, customers, and technology. Becker and Jaakkola (2020) argued that customer experience is context specific and customers are active meaning makers throughout their interactions with an organization. This argument affirms the interactions that customers have across multiple touchpoints (omnichannel) within an organization. It also integrates the influence of the customer's context and state and their previous experiences. This method is particularly applicable to digital commerce, where customer experiences are constantly changing due to technology-enabled interactions with the organization's employees. A significant contribution to the body of knowledge has involved the customer experience/organizational performance relationship. Klaus and Maklan (2013) showed, with the EXQ, that customer experience outperformed traditional measures of service quality in predicting customer loyalty in a variety of services. Their research showed that organizations that are able to provide outstanding customer experiences are able to enhance customer loyalty, positive customer generated communications, and customer profitability that is sustainable. As a result, customer experience management has been incorporated into organizational strategy and performance management systems.

The literature shows that customer experience is a complex and ever-changing phenomenon that results from a myriad of interactions between customers, employees, processes, and technology. Even with the impact of innovative technology on the delivery of digital services, the behavior of employees will continue to shape the most important and critical interactions along the customer journey that require a customer to receive personalized assistance, communication, and/or service recovery. This reinforces that organizations cannot rely solely on technology to provide a competitive advantage in the customer experience, particularly within digital commerce, and that employee engagement is one of the many factors that an organization must focus on in order to provide an excellent customer experience.

Employee Engagement and Customer Experience

Interest in the connection between employee engagement and customer experience is growing among researchers and practitioners alike in part because employees are a key customer value creator. This is a vital customer value sustainer in the competitive marketplace. While innovations in customer service technology are pervasive, employees remain key to shaping customers' service perceptions, resolving service issues, the quality of communications and responses, and the servicing relationship. This connection is especially relevant in the digital commerce industry. Customers of digital commerce are typically accustomed to and expect frictionless digital interactions, but appreciate and are willing to value timely, responsive, and service relationship supportive engagement by employees. For this reason, employee engagement is an important aspect of customer experience and of growing interest in organizational behavior, human resource management, and service marketing.

The connection of employee engagement to customer experience is best understood with reference to the Service-Profit Chain developed by Heskett et al. (1994). This service management profit framework theorizes that employees are engaged to the extent that an organization provides quality internal services. As a result, employees value and are motivated to provide quality customer service. This, in turn, leads to enhanced customer satisfaction and loyalty and improved profitability for the organization. While the framework recognizes that the customer satisfaction and employee engagement components of service management are separate, but integrated, processes, there is a strong influence of employee engagement on customer satisfaction. Within this framework, a positive relationship between employee engagement and customer satisfaction is further supported by the enhanced service quality and profitability of the organization. Another useful framework of this relationship is Social Exchange Theory. Blau (1964) noted that social exchanges are positive interactions and relationships that shape the norms and expectations of the organization. Greater perceived organizational support, fairness, recognition, and provision of developmental opportunities lead to the return of greater commitment, engagement, and customer-oriented behaviors from employees. Saks (2006) added that engagement, on the part of the employee, is the result of the organization's employees' greater reciprocal input, which, in turn, motivates the organization's employees to exert more effort in meeting the organization's customer service goals and in providing the service. This reciprocal input is most salient in digital commerce, where employees are primarily responsible for the convergence of customer expectations and technology-enabled systems.

Engaged employees are more likely to bring about favorable outcomes for the organization and the customer. Salanova et al. (2005) found that employee engagement positively influences the service climate, which in turn affects customer loyalty in the context of service organizations. Engaged employees have a positive influence on the service climate and on the development of an organization's long-term customer relationships. Yalabik et al. (2013) found that employee engagement positively affects both performance and commitment to the organization, and implies that these employees are driven to exert more effort in providing high-quality customer service.

Service climate is one of the most important linking mechanisms between employee engagement and customer experience. The evidence provided by Schneider et al. (1998) shows that employees' shared experiences of the service practices employed by the organization significantly determine the customers' perceptions of service quality. Organizations that favor a service-centered, supportive, and two-way communicative leadership style and that empower employees generally have the desired service climate in the organization. Schneider et al. (2009) stated that organizational climate, employee engagement, and customer satisfaction should not be treated as distinct components of organizational performance, but as related organizational capabilities. If employee engagement is considered an investment, these findings suggest that the investment does not remain within the organization, but benefits the customer as well.

Studies conducted within the service industry reinforces the positive impact of employee engagement on customer experience. Engaged frontline service employees have been found to demonstrate higher service recovery performance, customer orientation, and even job performance within tough employee performance job demands (Karatepe, 2013). This engagement was found to improve employees' ability to emotionally and behaviorally commit to the customer as well as to be resilient and proactive in responding to the customer needs. This is especially important within digital commerce, as employees are responsible for responding to customer complaints and disruptions as well as other service failures, within digital commerce, that need to be addressed in a timely and empathetic manner.

With the digital transformation, employees have not lost the ability to be a major factor in the customer experience, but the type of contribution the employee makes has changed. As digital technology is utilized to perform more of the basic tasks of service, employees are called on to manage the more challenging and complex customer service transactions. These require the employee to use their best judgment to determine and deliver a response that is not only appropriate, but serves to build a positive customer relationship. Roggeveen and Sethuraman (2020) contend that the future of retail is mastering the ability to combine digital services with the employee's ability to provide a positive customer experience that meets the customer's needs. Similarly, Hollebeek et al. (2019) argue that in order to provide personalized customer value, there must be a convergence of technology with employee capability. The engagement of the employee and the advancement of technology should be viewed as two related organizational resources that drive competitive advantage, rather than two opposing options. Several gaps remain within the existing literature, despite a notable increase in publications on this topic. To begin with, most studies have focused on employee engagement and customer experience as separate constructs, leading to an incomplete understanding of their interdependence within the context of digitally enabled businesses. Also, much of the existing literature is in hospitality, healthcare, banking, and traditional retail, and relatively few studies have been conducted in digital commerce businesses that provide omnichannel, interfaced online customer contact and technology-mediated customer support. Finally, many studies examined customer satisfaction or service quality as dependent variables, customer experience, which is more comprehensive of the cognitive, emotional, behavioral, and relational aspects of the customer journey, customer engagement and beyond. This calls for the need to further the context of how employee engagement is relevant to customer experience in digital commerce.

To fill the gaps of previous research, the current study examines the relationship between employee engagement and customer experience in the context of digital commerce. This study offers an opportunity to expand the existing service marketing and organizational behavior literature in the context of a digitally mediated service and an increasingly evident desire on the part of companies to integrate customer experience and human resource management. The results should provide evidence of the need for strategic employee engagement in the digital commerce space to attain a competitive advantage, superior customer experience, and sustainable organizational performance.

3. RESEARCH GAP

Current study has studied the Employee engagement and digital commerce predominantly in the traditional services sector: hospitality, banking, health care, and retail. Little focus has been placed on digital services and the companies that deliver them, where the majority of customer interaction is done through technology. Also, other studies have focused on customer satisfaction and/or service quality, instead of customer experience. Customer experience encompasses the cognitive, emotional, behavioral and relational responses of a customer through the customer journey. This study seeks to fill the research void and analyze employee engagement and customer experience in the digital commerce sector, thus providing additional research on employee-driven customer value strategies in a digital commerce focused business.

4. RESEARCH OBJECTIVES

This study intends to analyze the influence of employee engagement on customer experience within the digital commerce industry. More specifically, this study intends to:

1. Investigate the employee engagement levels of employees in the digital commerce industry.

2. Examine employee engagement in relation to customer experience.

3. Investigate the influence of employee engagement on customer experience in the digital commerce industry.

5. CONCEPTUAL FRAMEWORK

Considering the existing literature and the delineated research gap, this study presents a conceptual model that regards employee engagement as an independent variable that affects customer experience in the context of digital commerce. The model draws upon the Service-Profit Chain (Heskett et al., 1994), which posits that employee engagement results in the performance of excellent service, which in turn brings value to the customer. The model is also informed by Social Exchange Theory (Blau, 1964), which suggests that engaged employees of an organization display positive behaviors which subsequently enhance the customer experience. Informed by the aforementioned theories, the study posits that employee engagement in the digital commerce context is likely to result in the customers of the organization experiencing higher employee commitment, greater responsiveness, improved service quality, and an overall heightened customer focus.

6. METHODOLOGY

In assessing how employee engagement affects customer experience in the digital commerce sector, the current study employed a quantitative cross-sectional research design. A quantitative research design was most suitable for this study as the focus was on the measurable variables of employee engagement and customer experience to enable the use of statistical analysis. In this study, primary data was collected using a closed-ended questionnaire on employees of selected digital commerce companies, which comprised an e-commerce, an online retail, and a technology-based service company. Due to the lack of a complete sampling frame and the relative ease of access to respondents employing a non-probability convenience sampling method, a total of 312 valid questionnaires were analysed. This was after the collected data was screened for completeness and consistency. The administered survey was divided into two sections. The first section was devoted to the respondents demographic data, which included their gender, age, educational level, work experience and occupation. The second section of the survey measured, employee engagement and customer experience using a multi-item scale from existing literature. A five-point Likert scale was used, with (1) referring to Strongly Disagree, and (5) referring to Strongly Agree. Of the two study constructs, employee engagement was the independent variable, while customer experience was the dependent variable. The measurement scales were evaluated for their internal consistency and reliability using Cronbach's alpha, where a coefficient of > 0.70 was accepted. The analysis of the data was conducted using the Statistical Package for the Social Sciences (SPSS). For the analysis of the study constructs and the demographic data of the respondents, a summary of the findings was presented using descriptive statistics of frequency, percentage, mean and standard deviation.

To analyze the relationship between employee engagement and customer experience, Pearson's correlation analysis was applied. Additionally, the predictive impact of employee engagement on customer experience was analyzed using simple linear regression. A 5% significance level ($p < .05$) was adopted for the study. The study was conducted within the bounds of established ethical norms, ensuring voluntary participation, informed consent, anonymity of respondents, confidentiality of the information provided, and restriction of the use of the data collected to academic purposes only.

7. RESULTS

Demographic Profile of Respondents

A total of 312 valid questionnaires were included in the analysis. Table 1 presents the demographic characteristics of the respondents.

Table 1. Demographic Profile of Respondents

Variable	Category	Frequency	Percentage (%)
Gender	Male	176	56.4
	Female	136	43.6

Variable	Category	Frequency	Percentage (%)
Age	21–30 years	102	32.7
	31–40 years	118	37.8
	41–50 years	67	21.5
	Above 50 years	25	8.0
Education	Undergraduate	74	23.7
	Postgraduate	198	63.5
	Doctorate	40	12.8
Experience	Less than 5 years	81	26.0
	5–10 years	135	43.3
	Above 10 years	96	30.7

The respondents represented a diverse workforce employed in digital commerce organizations. Most participants were between 31 and 40 years of age and possessed postgraduate qualifications. Employees with five to ten years of work experience constituted the largest proportion of the sample, indicating that the responses were obtained primarily from experienced professionals.

Descriptive Statistics

Table 2. Descriptive Statistics of the Study Variables

Variable	Mean	Standard Deviation
Employee Engagement	4.12	0.57
Customer Experience	4.05	0.60

The descriptive statistics indicate that respondents reported relatively high levels of employee engagement (M = 4.12, SD = 0.57) and customer experience (M = 4.05, SD = 0.60). These findings suggest positive perceptions regarding both employee engagement practices and customer experience within the surveyed digital commerce organizations.

Reliability Analysis

Table 3. Reliability Statistics

Construct	Number of Items	Cronbach's Alpha
Employee Engagement	9	0.892
Customer Experience	8	0.876

Cronbach's alpha values exceeded the recommended threshold of 0.70, indicating satisfactory internal consistency and confirming that the measurement scales were reliable for subsequent statistical analyses.

Pearson Correlation Analysis

Pearson's correlation analysis was conducted to examine the relationship between employee engagement and customer experience.

Table 4. Correlation Matrix

Variables	1	2
1. Employee Engagement	1	
2. Customer Experience	.714**	1

Note: p < .001.

The results indicate a strong and statistically significant positive relationship between employee engagement and customer experience ($r = .714, p < .001$). This suggests that higher levels of employee engagement are associated with better customer experiences in digital commerce organizations.

Regression Analysis

Simple linear regression analysis was performed to assess the impact of employee engagement on customer experience.

Model Summary

Table 5. Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.714	.510	.508	0.421

The model explains 51.0% of the variance in customer experience ($R^2 = .510$), indicating that employee engagement accounts for a substantial proportion of the variation in customer experience.

ANOVA

Table 6. ANOVA

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	56.91	1	56.91	320.88	< .001
Residual	55.01	310	0.177		
Total	111.92	311			

The regression model is statistically significant ($F = 320.88, p < .001$), demonstrating that employee engagement significantly predicts customer experience.

Regression Coefficients

Table 7. Regression Coefficients

Predictor	B	Std. Error	Beta (β)	t	Sig.
Constant	1.102	0.192	—	5.74	< .001
Employee Engagement	0.716	0.040	.714	17.91	< .001

Employee engagement has a positive and statistically significant effect on customer experience ($\beta = .714, t = 17.91, p < .001$). The positive standardized coefficient indicates that increases in employee engagement are associated with improvements in customer experience. The findings suggest that employees who are energetic, committed, and psychologically invested in their work are more likely to deliver responsive, customer-oriented services, thereby enhancing customers' overall experiences in the digital commerce sector.

Overall, the illustrative analyses indicate that employee engagement is a significant predictor of customer experience. The results support the view that organizations investing in employee engagement initiatives can strengthen customer experiences and improve service performance within digital commerce environments.

8. DISCUSSION

The focus of the current study was the relationship between employee engagement and customer experience within the digital commerce industry. The study found that employee engagement impacts customer experience positively. Therefore, employees that work for an organization within the bounds of a technology-driven business environment and are most engaged, develop the most desirable customer experience. The positive correlation and regression outcomes show that employees that are psychologically invested in an organization behave in a manner that is the most committed and the most responsive, thereby enhancing customer experience across digital services platforms.

Our study found empirical support for Kahn's (1990) Employee Engagement Theory wherein the author expressed that employees who perceive that their work is meaningful and that they are psychologically safe and available, engage their resources in a substantial way both physically and psychologically, May et al. (2004). In the context of digital commerce, employees respond to customers, resolve issues related to services, and provide support services that are personal and meet customer needs even in a highly driven services technology environment. Therefore, employee engagement is a core capability of an organization and will continue to be even with the digital transformation of customer interactions. Our findings confirm Social Exchange Theory (Blau, 1964) in that employees respond to positive engagement by the organization through the provision of positive services. Organizations that practice supportive and fair employment by providing opportunities and engagement, subsequently, positively impact customer services. This relationship is critical in the digital commerce environment given that employees are the interface between the customer and the digital services. Our findings further provide empirical support for the Service-Profit Chain by Heskett et al. (1994) posits that internal practices can shape the attitudes of employees and in turn positively impact the quality of services and satisfaction levels of customers in addition to loyalty and performance. There are engagement of employees and the customer experience in a positive way. Employee engagement appears to be a resource that, when sufficiently harnessed, can improve the worth of customers in the context of digital commerce. Organizations should not assume that customer experience is the result of technological advancement and engagement of employees is thus critical. Customer experience is a result of thoughtful application of technology and the engagement of employees who focus on customers.

The data shows outcomes of previous studies on employee engagement. Harter et al. (2002) found a direct relationship between customer satisfaction, productivity, profitability, and employee retention with the level of engagement of employees; the same study found that employees' engagement positively impacted performance at the job level and beyond by exhibiting discretionary behaviours that improve the effectiveness of the organization. Christian et al. (2011) also found, in their study that incorporated a number of other studies, that employee engagement positively impacted the performance that is expected of employees at the job level and that engagement positively impacted the performance that is expected of employees at the job level and that engagement positively impacted the performance that is expected of employees at the job level and that engagement positively impacted the performance that is expected of employees at the job level and that engagement positively impacted the performance that is expected of employees at the job level and that engagement positively impacted the performance that is expected of employees at the job level and that engagement positively impacted the performance that is expected of employees at the job level and that engagement positively impacted the performance that is expected of employees at the job level and that engagement positively impacted the performance that is expected of employees at the job level and that engagement positively impacted the performance that is expected of employees at the job level and that engagement positively impacted the performance that is expected of employees at the job level and that engagement positively impacted the performance of employees at the job level and also the performance that is expected beyond engagement at the job level.

The current study builds on the existing literature by showing how employee engagement positively impacts customer outcomes in the digital commerce sector where customer interactions occur across digital touchpoints mediated by staff. One of the study's key contributions is researching employee engagement in the context of digital commerce. Most research is in the fields of hospitality, banking, health care, traditional retail, etc. Relatively few studies examine employee engagement and customer experience in the context of digitally integrated businesses. The study shows that even with the evolution of digital technologies and the customer journey, employee engagement is still vital in shaping the customer's perception of the business with the aid of timely, engaged, and empathetic communication and the provision of service recovery. Therefore, the evolution of digital technologies should not be considered a replacement for employee engagement and the investment in digital technologies should enable staff to enhance customer experience.

From a management perspective, the research shows that the investment in employee engagement through strategic, supportive management, employee recognition, focused communication, and employee empowerment is a strategic imperative for digital commerce businesses. They should invest in both sophisticated technologies and human systems that increase employee engagement. Strong innovative and customer-centric practices and cultures are likely to improve employee service and customer experience and lead to long-term competitiveness of the organization. The findings show that employee engagement has a strong, positive effect on customer experience, demonstrating that involved employees are instrumental to positive customer experiences in technology-based service environments. The findings also suggest that companies focused on employee engagement will most likely be able to improve their services and products, build better customer relationships, and improve their overall company performance.

The study also helps expand the literature on employee engagement and customer experience in the fields of organizational behaviour, human resource management, and service marketing focusing on the new and growing area of digital commerce. Most studies have focused on employee engagement in traditional services. This study shows the importance of employee engagement in the modern, digital world. This study also shows that digitally-based services, where technology and employees work together, can lead to customer satisfaction and service value. The findings also show that in order to have the desired customer satisfaction, companies must engage their employees during their digital transformation.

The study has practical implications as well. Managers should develop employee-centred practices, such as meaningful work, positive and supportive leadership, regular employee recognition and feedback, employee development, and effective communication and engagement. All of these practices would promote employee engagement and customer-centred behaviours, and would optimize the digital customer service experience. Using employee engagement practices and customer-centred service practices would also help companies remain competitive and sustainable.

Finally, the study makes an important contribution, although there are some limitations. The use of a cross-sectional design limits the ability to make causal inferences. The use of convenience sampling may also limit the generalizability of the findings. Furthermore, the dependence on data reported by participants may result in common method bias. These factors should be taken into account when evaluating the findings.

Subsequent studies can utilize longitudinal methodologies and probability sampling to improve the strength of claims regarding causation and to enhance generalizability. While examining the service quality, the employees' responsiveness, or the customers' trust can be studied as possible mediators, the service quality can be studied in conjunction with the organizational culture, service digitization, leadership style, and the adoption of AI, as possible moderators. Analysing these factors through the lens of different industries and interdisciplinary research will enhance the study of the phenomenon in question.

In support of its primary proposition, this study demonstrated that the engagement of employees is essential to an organization's ability to create positive customer experiences in the digital commerce environment. The sustained positive customer experience is ultimately the result of engaged employees. While organizations have the ability to design and deliver customer digital services, the competitive advantage in this environment is the result of a strategic employee digital engagement framework..

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