

## A study on Employee Engagement Practices in IT Industry

<sup>a</sup>G Nalini, <sup>b</sup>Khyser Mohd

<sup>a</sup>Research Scholar, Dept. of Business Management Telangana University, India

<sup>b</sup>Principal, University college of Commerce and Business Management Head, Dept. of Business Management Telangana University, India

### Abstract

Modern organizations suppose their employees to be full of enthusiasm, excitement and express initiative at work, they want them to take concern for their own development, try for high quality and performance, be robust and dedicated to what they do and in other words companies want their employees be engaged. Engagement is achieved when people consider that their organization respects their work, their work contributes to the organizational goals and more importantly their personal aspirations of growth, rewards and pay are met. The study deals with the Employee Engagement concept, Employee engagement levels in IT companies. The study focuses on relationship between organizational practices and Employee Engagement. This study includes both primary and secondary data. Primary data is collected through a Questionnaire and secondary data is collected through referring journals and websites.

**KEYWORDS:** Employee Engagement, Engagement Levels, Organizational Practices

### Introduction:

All modern companies are putting a constant effort to increase their performance in order to place their company ahead of the competitors. At some point, satisfied employees, content with their work experience, were a good formula for success, as a satisfied employee, who wanted to stay with a company, contributed to the workforce stability and productivity. But the situation is not like that anymore. Due to global business environment and increasing competition, having satisfied and stable employees are not enough to bring necessary business results. Satisfied employees may just meet the work demands, but this may not necessarily lead to higher performance. In order to compete effectively, employers need to divert their attention beyond satisfaction - employers must do their best to inspire their employees to apply their full potential and competences to their work, if they do not, company might lose part of the valuable employees. Therefore, modern organizations expect their employees to be full of enthusiasm, excitement and show creativity at work, they want them to accept challenges for their own development, strive for high quality and performance, be energetic and dedicated to what they do. The engagement is achieved when people consider that their organization respects their work, their work contributes to the organizational goals and more importantly their personal aspirations of growth, rewards and pay are met.

### Need for the study

Information Technology industry plays a significant role in Indian Economy. Millions of jobs have been created by IT, and more turnovers of employees are there in IT Industry. Employee Engagement leads to better performance through fewer quality defects, less turnover and absenteeism. These elements lead to higher productivity and profitability. This study will help in identification of various practices that are directed towards employee engagement. It will also helpful in identifying the drivers

of employee engagement. This study will be useful in identifying the engagement levels of various categories of employees in IT companies

### **Statement of the Problem:**

Many Researchers have identified the organizational practices to achieve Employee Engagement, .However According to the changing working environment new practices and drivers are evolving and their impact on turnover, productivity and profitability also changes.

### **Literature Review:**

The prominence of engagement is proven by the literature on engagement, which shows that an engaging environment pays off. Employee engagement supports organizational performance and success which has been proven by the researches from various studies. . The academicians along with corporate research agencies defined the concept of employee engagement in many ways.

**Conference Board of USA (2006)** describes employee engagement as a heightened emotional connection that an employee feels for his or her organization that influences him or her to exert more discretionary effort to his or her work.

According to the **Institute of Employment Studies (IES)**, employee engagement is defined as a positive attitude held by employees towards the organization and its values.

The **Corporate Leadership Council (CLC)** defines engagement as the extent of employees' commitment, work effort, and desire to stay in an organization.

**Hewitt Associates** defines 'employee engagement' as 'the state in which the individuals are emotionally and intellectually committed to the organization's goals.

Apart from these above mentioned definitions an attempt has been made to include some of the academic researcher oriented definitions also. Accordingly,

Engagement at work was characterized by **Kahn, (1990)** as 'the harnessing of organizational members' selves to their work roles, people employ and express themselves physically, cognitively and emotionally during role performances in employee engagement.

Miles (2001) labelled it as intensively involving all employees in high-engagement cascades that create understanding, dialogue, feedback and accountability, empower people to creatively align their subunits, teams and individual jobs with the major transformation of the whole enterprise.It is making employees not to just work with only their minds and body but also with 'hearts'.

**Stockley (2006)** defined 'engagement' as an extent that the employee believes in the mission, purpose and values of the organization and demonstrates their commitment through their actions as an employee and their commitment towards the employer and the customers.

**A Thiagarajan B & Renugadevi V (2011)** According to his study on "An empirical investigation on Employee Engagement Practices in Indian BPO Industries", Career development, and motivation factors and performance appraisal are associated to employee engagement. The consequences are that leaders should be cultured on engagement, career development opportunities which are most important and that performance improvement should champion work life balance, these practices are useful to rise engagement levels

**NP Myilswamy, Dr.R.Gayatri (2014):** According to their research “A study on Employee Engagement: Role of Employee Engagement in organizational Effectiveness”, it is concluded that the level of Engagement determines employees productivity and their intention to stay in the organization. Employee Engagement drives organizational effectiveness by improving loyalty, retention, safety, productivity and profitability. And the employees who are highly involved in work are more engaged.

**V.Siva Kumar (2015):** This study describes that the high level of employee Engagement increases the growth of the organization and acts as a retention strategy. From this study it is observed that employee engagement in private banks is not satisfactory.

**V. Vijay Anand& C.vijay Banu (2016):** This study explains that Employee Engagement is the key factor for all organizations to sustain. Employee Engagement is positively influenced by job, Rewards and recognition, opportunities, team work and communication. It acts as a Retention tool.

**Objectives of the study:**

- To study the concept of Employee Engagement.
- To identify the organizational practices to improve Employee Engagement in IT companies.
- To study the impact of organizational practices on Employee engagement levels.

**Hypothesis**

H0: There is a significant relationship between Current Organizational practices and Employee Engagement.

H1: There is no significant relationship between Current Organizational practices and Employee Engagement.

**Research Methodology:**

Data is collected from both primary and secondary sources. Primary data is collected through questionnaire. The questionnaire consists of closed ended questions. Secondary data is collected by referring journals, magazines and websites.

A survey is conducted for sample of 50 employees of different IT companies. However 46 employees gave Responses.

**Scope of the Study:**

The study covers the concept of Employee Engagement and organizational practices .The study is based on employees of different IT companies in Hyderabad

**Data Analysis and Interpretation:**

Sno	Employee Engagement Practices	SA	A	N	DA	SDA	Mean
1	Organization encourages two way communication process	10	18	8	8	2	3.57

2	Manager gives employees opportunity and freedom to choose the best possible method of doing the job	10	20	10	4	2	3.70
3	Organization provides all the resources needed to complete the job efficiently	6	24	12	4	0	3.70
4	Organization offers training to the employees to update their technical skills	6	26	10	0	4	3.65
5	Organization provides financial and non - financial benefits to the employees who show more progress at work	4	16	20	0	6	3.26
6	Organization supports participation of employees in social development activities	8	16	16	6	0	3.57
7	Company provides annual bonus according to the term of completion of service	6	18	10	10	2	3.35
8	Organization cares for employees and provides wellness program	8	20	12	2	4	3.57
9	Manager gives regular and constructive feedback on the employee performance	8	20	12	4	2	3.61
10	Organization invests in employee health and safety	6	26	8	6	0	3.70
11	Company provides ESOPs (Employee stock option plans)	4	6	18	12	6	2.78

**Correlation between Employee Engagement and current organizational practices**

Total mean score of organizational practices is 3.52

Total mean score of employee engagement is 4.63

Sum of the product of deviation scores is 10.501

R Calculation

$$r = \frac{\sum((X - M_x)(Y - M_y))}{\sqrt{(\sum SS_x)(\sum SS_y)}}$$

$$r = 10.501 / \sqrt{(17.445)(29.845)} = 0.4602$$

From above it is observed that there is a positive correlation between current organizational practices and Employee Engagement. However the value is nearer to zero there is a weak positive relationship between current organization practices and Employee Engagement.

The value of R<sup>2</sup>, the coefficient of determination, is 0.2118.

## Conclusion:

In the present scenario organization expects the commitment, enthusiasm, excitement towards the work. An engaged employees produces better results and does not switch on to other jobs. Most of the organizational practices drive employee engagement. The Engagement levels of the employees are dependent on the organizational practices. Employee Engagement leads to increased employee performance, retention rate, productivity and profitability.

## References

Bakker, A.B. and Leiter M.P., 2010. Work engagement: a handbook of essential theory and research. New York, NY: Psychology Press.

- The relationship between Employee Engagement at work and organizational outcomes Gallup 2012 Q12 Meta analysis
- Employee Engagement: A Literature Review Dharmendra MEHTA, Naveen K. MEHTA, *Economia. Seria Management* Volume 16, Issue 2, 2013
- A study on Employee Engagement in select organization: Dr D Madan Mohan G Nalini, *ITI HAS The journal of Indian Management* Volume 6 Issue 3, 2016.pg 44-47.
- Employee Engagement: A Structured Theoretical Review the *International Journal of Business & Management* Vol 2 Issue 6 pg311
- Employee engagement: A key to improving performance, *International journal of Business management*, vol 5 no 12 December 2010
- The role of Employee engagement in work related outcomes –*Interdisciplinary journal of research in Business* volume 1, issue 3, March 2011(pp 47-61)
- Employee Engagement, Working Paper 05/07, SIES College of Management Studies Working Paper Series
- Managing Employee Engagement During Times of Change Aon Hewitt, June 2013
- The new rules of employee Engagement Hay Group
- The role of employee engagement in work-related outcomes, Dr. Padmakumar Ram, Dr. Gantasala V. Prabhakar *Interdisciplinary Journal of Research in Business* Vol. 1, Issue. 3, March 2011(pp.47-61)