

## A Study on Factors Affecting Employee Engagement in Indian IT Industry

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### Abstract

The objective of this article is to clarify what is meant by employee engagement and why it is important (particularly with respect to its effect on employee retention and performance), as well as to identify factors that are critical to its effective implementation. For this study, researchers have used review method. Under the process of review around thirty academic and popular research papers/ literature in the area of employee engagement, researchers have come up with different factors which are mostly commonly mentioned in these research papers. The review process aims at strengthening existing literature. After studying all the factors in each research paper, authors have taken the findings.

In this research paper, various factors have been discussed of engagements which are at macro i.e. at organisational level and micro level i.e. at individual level. These variations in factors may arise due to differences in individual and job characteristics, gender diversity; ethnic diversity etc. Suggestions presented in this paper include different employee engagement approaches for new employees like

strong induction programs, rigorous training and development programme, certification programme and giving them a realistic job preview. The findings of this study will be useful to any organisation, irrespective of the type of business, to construct strong employee engagement policy with mix of all these factors of employee engagement. Managers can redesign the work and policy on the basis of the factors presented in this paper would lead to happy workforce. This article will be of value to anyone seeking better understanding in employee engagement to improve organisation performance. Study results has scope of future reference where by implementing various engagement factors and there by reduction in employee turnover and improved productivity.

**Key Words:**Engagement, Human Resource Strategies, Organisation, Performance, Retention

## 1 Introduction

In this review we study about the various factors that impact employee engagement in an organization. These are also popularly known as drivers of engagement. Today employee engagement has become a leadership priority as they constantly seek for different methods to keep their work-force engaged. The management is finding itself being tested every day on its capabilities to keep its employee engaged while also implementing the policies defined. Employee turnover has taken different sectors in the industry by a storm, as employees are found to be constantly switching jobs thus causing high attrition rates. Hence employee retention and engagement has become a daunting task in these unstable economic times. Many surveys and studies are being conducted all around the world by several HR professionals to derive at conclusions about the factors responsible for influencing the engagement.

Employee engagement can be defined in different ways. An engaged employee is one who produces results, does not change job frequently and more importantly is the ambassador of the company at all times. The performance of an engaged employee as defined by Hay group is as follows a result achieved by stimulating an employees enthusiasm for work and redirecting it towards organization success. This result can be achieved only when an employer offers

an implicit contract to the employees that demonstrate specific positive behaviours which are aligned with organizations goals.

An employee could also be found to be experiencing three different levels of engagement. He could be engaged, not engaged or disengaged. Engaged employees are those who work with passion towards the organizations goals. An employee who is not engaged is one who is seen to be participating but not with passion and energy towards the organizations common goal. Disengaged employees are those who are unhappy at their work and act out of their unhappiness. Engagement is also found to have three different facets, Intellectual engagement that refers to dedication towards performing better at ones job, affective engagement or feeling positive after performing ones job and lastly social engagement which is involved in discussions with others about enhancing work related improvements.

## 2 Review of Literature

During the course of research conducted all over the world several factors have been found to affect the levels of engagement of an employee in an organisation. A few of them are discussed in the following work.

### 2.1 Career Development

Organisations with highly engaged employees provide their employees with ample opportunities to learn skills, develop abilities, acquire knowledge and reach their potential. Career development practises help organisations retain talented employees and also provide personal development opportunities. Employees tend to invest in companies that invest in them by planning for their career development. Career development is a global factor in employee engagement. Also, adequate level of employee development via training, skills and learning can result in making employees more engaged with respect to the job and the organisation.

## **2.2 Effective Management of talent**

Employee engagement-friendly culture appreciates the diversity related to talents and skills that come in with the employees and prompts the employees to aspire for and achieve the vision of future. A talent management strategy comprising of career planning, organisational support and incentives can result in high engagement and reduced attrition levels in the organisation. The Employee engagement is seen to be highly influenced by one factor, effective management amongst other factors. However, the findings also reveal that there is no one fixed model that shows the relevance and significance of the influence of all variables because different employees lay different emphasis on variables impacting engagement. These variations may arise due to variations in individual and job characteristics, gender diversity, and ethnic diversity etc. It was also found that the variance between engagement and leadership factors i.e., task orientation and relationship orientation showed considerable overlap.

## **2.3 Leadership**

Employees show more engagement towards the organisation when they see themselves getting praised by their immediate managers, they have the leaderships attention (for example, one-on-one conversations). Leadership dimensions that are found to be most influential are making up a good mentor or manager and articulation of the vision. In case of entrepreneurial firms the leadership needs to be visionary, future oriented and should involve the employees in their vision in order to increase employee engagement. It was also found that a key driver to employee engagement is the employees thinking that their leadership is committed. The quality of leader member exchanges between supervisors and employees affect the engagement levels of the employees.

## **2.4 Clarity of Company Values, Policies and Practises**

HR practises and policies play an important role in defining the relationship between the employees and employers. It was found that

there is no direct connection between HR practices and policies and employee engagement. In fact, it was revealed that the relationship among HR practices and engagement is rather indirect. Two key factors are impacted by HR practises, the line manager behaviour and the personjob fit. The actual relationship exists between these two and employee engagement. Employees should be made to feel that their companies values are clear and unambiguous in order to generate higher engagement. Value fit amongst other was also found to be an antecedent to employee engagement.

## **2.5 Respectful Treatment of Employees**

Research shows that successful organizations tend to be respectful also to their employees contribution to the organisation and qualities, regardless of the employees job level. A culture wherein respect is valued results in better engaged employees. A managers attitude of respect towards the employee and fair treatment of the employees comprehends if a manager would listen to the ideas or suggestions of the employee, or whether makes the employees feel valued or whether they can communicate effectively with the employees. Involvements that come in contact with normal practice play the role of motivators and make the employees feel valued and thereby enhance engagement.

## **2.6 Companys Standards of Ethical Behaviours**

An organisations ethical standards contribute to engagement of an employee. The way employees are prepared to support the services and products of the company depends on their perception of quality of the services and goods. Higher employee engagement is also linked with higher levels of customer engagement. The image of the company as perceived by the employees also depicts the engagement levels of the employees. Organisational citizenship behaviour also positively impacts employee engagement.

## **2.7 Empowerment**

Employees feel that they should be able to express their views for decisions that might affect their functions. The leadership of highly

engaged workplaces makes a challenging and trusting environment, wherein employees are urged to disagree with prevailing orthodox practises, to innovate and help the organization grow. The ability of employees to give their views to the senior management also impacts engagement. It was also found that control along with rewards and recognition and value fit predicts employee engagement. It was also found that higher commitment to supervisor enhances an employees engagement levels which leads to higher learning and finally to innovation at the workplace. The employees feel empowered when they sense that their manager has an empowering style which in turn provides motivation and belongingness to the company thereby making him more engaged.

## **2.8 Fair Treatment**

The employees engagement tends to be higher when the boss or superior provides them with equal opportunity for advancement and growth for all employees. Egalitarian pay structures also impact employees engagement level in the organisation. Also, research done in the public sector indicates that fair and equal treatment of the employees impact engagement levels. The employees having greater sense of procedural justice have greater probability of reciprocating it with higher levels of organization engagement.

It was found that if the employees witnessed informational and distributive justice as part of their performance appraisals they exhibited a sense of better wellbeing and greater employee engagement. Greater amounts of informational justice lead to more behavioural and cognitive engagement towards work with symptoms of greater commitment and motivation, taking pride in work and feeling of excitement for it.

## **2.9 Performance Appraisal**

Another important criterion for evaluating the engagement level of an employee is the fair rating of the performance of the employee. An organisation following an appropriate appraisal technique, known to be unbiased and transparent, tends to show higher level of employee engagement. Communication between manager and employee regarding performance expectations and role clarity

with respect to the employees role also increase engagement levels. Goal setting has a positive influence on employee engagement which in turn positively impacts workplace optimism and lastly these results in positive impact on individual performance.

### **2.10 Pay and Benefits**

An organisation should have proper salary systems in place so as to motivate the employees to work in the firm. So as to enhance the engagement level the employee has to be provided with specific compensation & benefits. The three high-rated monetary incentives namely increased base pay, cash bonuses, stocks or stock options. In order to use salary as an effective engager, the employer should attach it to jobs, performance, special or personal allowances, pensions, fringe benefits etc. Egalitarian pay structures impact employees engagement level. Incentives, intangible rewards and quality of leadership have stronger relationship with the organizations ability to produce highly engaged employees as compared to components like base pay and benefits. An employee understands of the strategies, programs and systems in place for compensation lead to greater level of engagement amongst them.

### **2.11 Health and Safety**

It has been found that the levels of engagement were correlated with the feeling of security while working. Therefore, all organizations must adopt suitable systems and methods for the safety and health of the employees. Working hours and health and safety amongst other factors were found to be precursors to employee engagement in case of the public sector as well.

### **2.12 Satisfaction**

Satisfaction is the stepping stone to engagement; therefore it is important for an organisation to match the goals of the job to the individual goals of the employee so that he can feel satisfied about his job Employees with higher levels of self-efficacy are more likely to be engaged when it comes to work as it leads to a higher temperament to spend extra efforts and energy completing tasks

and therefore greater absorption and involvement. Employees who are more efficacious are likely to govern their motivation by the means of setting ambitious goals and in turn likely to being more engaged. It was also indicated that the greater is the perceived similarity between the co-worker and employees age greater was the engagement when the satisfaction level were higher and the lesser was the engagement when satisfaction was less.

### **2.13 Family Friendliness**

It refers to an individuals families influence on his or her work. Engagement comes into the picture when the employee develops an emotional attachment with the organisation as a result of the benefits provided for his family by the organisation.

### **2.14 Talent Recognition**

Factors affecting job satisfaction and employee engagement were analyzed and in that it was found, in most sectors, few non-financial motivators are usually effective in building employee engagement in a long term. The antecedent rewards and recognition is correlated positively with organizational engagement. These findings imply that senior managers must design jobs in order to let their employees to take pride in working and thus giving them identity, autonomy constructive feedback and task significance, and to match the qualifications and the current skills of these employees who are trained and developed.

### **2.15 Communication**

A multinational organization in the field of energy, had undertaken a leadership excellence project to build a talent pipeline and manage capabilities that lead to highly engaged employees. Also in a study of how reward programs impact employee engagement it was found that employees understanding of the strategies , programs and systems in place for compensation lead to greater level of engagement among them. Long-term engagement starts with good communication between employer and employees as well as among co-workers.



### **2.16 Nature of Job**

In a study conducted to discover the Antecedents and Consequences of engagement of employees in the private sector companies using selected it is shown that job engagement and characteristics of a job are correlated positively to engagement. Perceived organizational and supervisor support, recognition and rewards are correlated positively to engagement measures in a significant manner. Employee customer identification is a forecaster of job engagement to link job engagement to employee customer identification and organizational, orientation to customers acts as a necessary intervening effect. Jobs can be made more satisfying by creating small wins for the employee so as to increase the levels of engagement. Between work engagement and job demands there is an existence of an inverted u-shaped relationship.

### **2.17 Organisation Politics**

The findings of the study on Perceptions of organizational politics and hotel employee outcomes showed that the perception of politics in the organisation impacts the employees engagement in a negative manner. Employees who worked in a political environment displayed strong negative emotions which in turn could be responsible for hindering their growth along with learning & development. This could directly impact work engagement, which might result in negative job outcomes, lower organizational commitment and greater turnover intentions.

### **2.18 Emotional Factors**

Emotional aspects like rationality also come into the picture in the discussion about drivers of employee engagement as they are linked to personal satisfaction and sense of inspiration. Family stress, work related stress and personal relationships also impact how engaged employees are. Positive emotions have an affective impact on work engagement was found from a study conducted using psychology interventions positively to promote self-efficacy, positive emotions and engagement at work.

### **2.19 Productivity**

A positive relationship is found to exist between engagement of employees and organizational citizenship behaviour and a relationship of negative nature exists between engagement of employees and counterproductive work behaviour<sup>28</sup>. Engaged employees connect immensely with their tasks at work. They constantly work hard towards goals that are required of their roles and tasks. They also perform extra work out of their roles as they free-up resources as they accomplish their goals and efficiently perform tasks. However, when the employee possesses negative perceptions about his work he will more likely be engaged in counterproductive work behaviour.

### **2.20 Personality Factors**

High extroversion and low neuroticism leads to highly engaged employees. This was found by studying the relationship of perception of the support provided in organizations with employees affective organizational performance and commitment at his job. Factors like supervisors support and feedback can affect the subordinates determination and morale. The research sums up the features of engaging jobs, followed by reviewing individual personality traits that are exhibited by engaged employees which includes hardiness, high extraversion, internal locus of control, low neuroticism, high self-esteem and active coping style.

## **3 Discussion**

There is no one fixed model that shows the relevance and significance of the influence of all these variables because different employees lay different emphasis on these variables impacting engagement. These variations may arise due to variations in individual and job characteristics, gender diversity, ethnic diversity etc. Some of the suggestions in this paper include different employee engagement approaches for new employees like strong induction programs, rigorous training and development programme, certification programme and giving them a realistic job preview. Some employee engagement

activities proposed for the existing employees were reward schemes, communication activities, team building and leadership activities.

It is important for firms to invest in good leadership and management development programs, well designed communication-based programs, sharing of vision and mission and lastly creating opportunities for interaction. The study implied those individuals who were more in need or the ones who were exhausted at the baseline benefited more from a career management intervention. Hence the suggestions from the study derived were that positive psychology interventions can be used to target employees that are disengaged or facing low engagement levels. Understanding the workforce profile is the foremost. Secondly organizations need to help create meaning for employees in their work. This can be achieved by making the employee understand the link between his contribution of his work and the overall business goals. Working environment conditions like teamwork and support also create an engaged workforce. Ensuring a good job fit also leads to higher engagement levels. Adequate level of employee development via training, skills and learning can result in making employees more engaged with respect to the job and the organization. In other words, the more highly engaged the employee, the more likely he or she will be to say positive things about the organization. Management needs to pay attention to creating right jobs; managerial interventions can be conducted to create in individuals a sense of obligation further causing them to reciprocate with high level of engagement. Jobs should be redesigned by management to allow their subordinates to find pride in their work.

As per the study's findings, employees who worked in a political environment displayed strong negative emotions which in turn could be responsible for hindering their growth along with learning & development. This could directly impact work engagement, which might result in negative job outcomes, lower organizational commitment and greater turnover intentions. Leadership also has strong influence on employee engagement.

## 4 Conclusion

The research also shows that that employee engagement in turn results in decline in employees turnover intentions and increase in innovative work related behaviour . Engaging employees is a long term task and cannot be accomplished by one training program, no matter how good its quality is. Organisations can improve engagement by opportunity thinking, enhancing employee decision-making, and commitment. Organizations need to install a sense of involvement, positive emotions about their work and a sense of community in their employees. Emphasis should be given employee opinions and opportunities should be provided to them to be heard. Transparency from the senior leadership will also make the organization culture more open. Based on the above findings from the research it was suggested that organizations use appropriate training programmes to ensure supervisors build a supportive environment to empower their subordinates It was observed from the data across sites that innovation is stimulated in R&D-enabled sites and multicultural sites are outperformed by monoculture sites. The researchers studied an intervention wherein the plants were upgraded. It was observed from the data that each intervention led to changes in soft and hard creativity.

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