



A STUDY ON EMPLOYEE ENGAGEMENT STRATEGIES IN INFORMATION TECHNOLOGY COMPANIES

Smt.Dr.U.HOMIGA¹, Ms.G.KIRUBASREE²

¹MBA, MPhil, PhD., NET, CTFC, PGDCBM, Faculty NICM CHENNAI

²B.COM, MBA., NICM CHENNAI

ABSTRACT:

The study titled "A STUDY ON EMPLOYEE ENGAGEMENT STRATEGIES IN INFORMATION TECHNOLOGY COMPANIES" aimed to investigate the key factors influencing employee engagement in IT firms. The research utilized a questionnaire administered to 109 employees from various IT companies to gather their perspectives on employee engagement. The study found that the key determinants of employee engagement in IT firms are compensation and benefits packages, flexibility in work arrangements, recognition and rewards programs, and communication channels and transparency within the organization. It also explored the role of organizational communication, leadership, fair compensation, and growth opportunities in shaping employee engagement. The study concluded that IT companies should prioritize these factors to improve employee engagement and organizational performance.

INTRODUCTION:

Employee Engagement is a crucial workplace strategy that fosters optimal conditions for all members of an organization to perform at their best. It is built on principles of trust, integrity, mutual commitment, and effective communication between the organization and its members. This approach is known to enhance business success, contributing to both organizational and individual performance, productivity, and well-being. From the employer's perspective, employee engagement entails implementing measures and initiatives to boost positive emotional attachment, thereby increasing productivity and overall business success. Engaged employees are perceived as integral to an organization's brand, with their positive impact extending to customer retention, talent acquisition, and customer attraction. Today's millennial workforce values personal growth, learning opportunities, and equity more than just monetary compensation. Adapting to these changing needs is imperative for fostering engaged employees in the contemporary business landscape. However, critics question the compatibility of employee engagement with the competitive business environment, the correlation between positive emotional attachment and increased productivity, and the return on investment of employee engagement initiatives. Employee engagement encompasses various aspects, including the nature of the job, mental stimulation, trust and communication with management, understanding of individual contribution to company performance, growth opportunities, and pride in association with the company. The emotional connection an employee has with the organization significantly influences their behaviors and level of effort in work-related activities. A higher level of engagement corresponds to increased effort and commitment from the employee.

REVIEW OF LITERATURE:

1. **Markos and Sridevi (2010)** have stated that employee engagement is a strong predictor of positive organizational performance and clearly shows the two-way relationship between employees and employee compared to the three earlier constructs, employee commitment, job satisfaction and organizational citizenship behaviour.
2. **Osbone and Hammoud (2016)** write that US corporations lose around \$350 billion annually due to disengaged employees recognition and rewards, employees empowerment, and leaders are employee engagement strategies that organizations should follow.
3. **Kumar and Pansari (2015)** think that the attitude of the employees toward the organization has a significant impact on how they treat customers and how they approach their jobs but recent research also points out that high levels of employee engagement are related to higher rates of profitability growth.
4. **Sundaray (2011)** writes that attention to engagement strategies will increase organizational efficiency and effectiveness in higher profits, productivity, customer satisfaction, quality, employee retention and increased adaptability.
5. **Shuck and Wollard (2009)** Believe that employee engagement has earned considerable popularity in the past 20 years yet it is inconsistently defined and not well conceptualized even though much has been written on the subject, very little rigorous academic research has been done.
6. **Shuck and Ruo (2011)** have pointed out that employee engagement strategies are widely used in practice. However the construct remains underdeveloped in the human resource management literature.

7. **Mathews (2016)** has highlighted the limitation of approaches in a large number of organizations and propose a series of strategic choices that organizations should make to help ensure their future approach is more efficient and effective.
8. **Truss Et Al (2013)** have written that interest has been shown late in the parallel stream of research on the linkage between employee engagement and performance, bringing the two together to show that engagement may constitute the mechanism though which HRM practices influence organizational and individual performance.
9. **Trahant (2009)** has stated that for the white house administration to succeed in the discharged of its roles and responsibilities, the employees should be engaged enough in their work to support tht new administration.
10. **Tanja Et Al (2015)** write that employee engagement should be viewed as a long-term commitment between the organization and the employees, each complementing the other in an era of engagement is a major strategy for long-term organizational sustainability in global markets.

OBJECTIVE OF THE STUDY:

- To assess the impact of demographic profile of the employees on their engagement.
- To study the factors influencing employee engagement of IT firms.
- To examine the influence of compensation on employee engagement.
- To examine the influence of employee growth opportunities on employee engagement.
- To examine the influence of rewards and recognition of IT employees on their engagement.

LIMITATION OF THE STUDY:

1. The study might suffer from sample bias if it only includes IT companies from a specific region or those of a certain size. This could limit the generalizability of the findings.
2. Reliance on self-reported data for measuring employee engagement may introduce response biases, such as social desirability bias or recall bias, affecting the accuracy of the results.
3. A cross-sectional design might be used, which can only provide a snapshot of employee engagement at a particular time. Longitudinal studies would be more robust for understanding changes in engagement over time.
4. The study may not control for all possible confounding variables that could influence employee engagement, such as organizational culture, leadership styles, or external market factors.
5. The tools used to measure employee engagement might lack validity or reliability, leading to inaccuracies in assessing the true level of engagement among employees.
6. Findings from IT companies may not be directly applicable to other industries due to differences in organizational structures, work environments, and employee expectations.
7. Low response rates from employees in the survey or study could introduce selection bias and compromise the representativeness of the data.
8. Employee engagement strategies and trends in IT companies may evolve rapidly, making it challenging to capture the most current and relevant information.
9. Establishing causality between specific engagement strategies and outcomes can be challenging due to the complex interplay of multiple factors influencing employee engagement.
10. Insufficient involvement or input from key stakeholders, such as HR professionals, managers, and employees themselves, could impact the relevance and practicality of the study's findings and recommendations.

RESEARCH METHODOLOGY

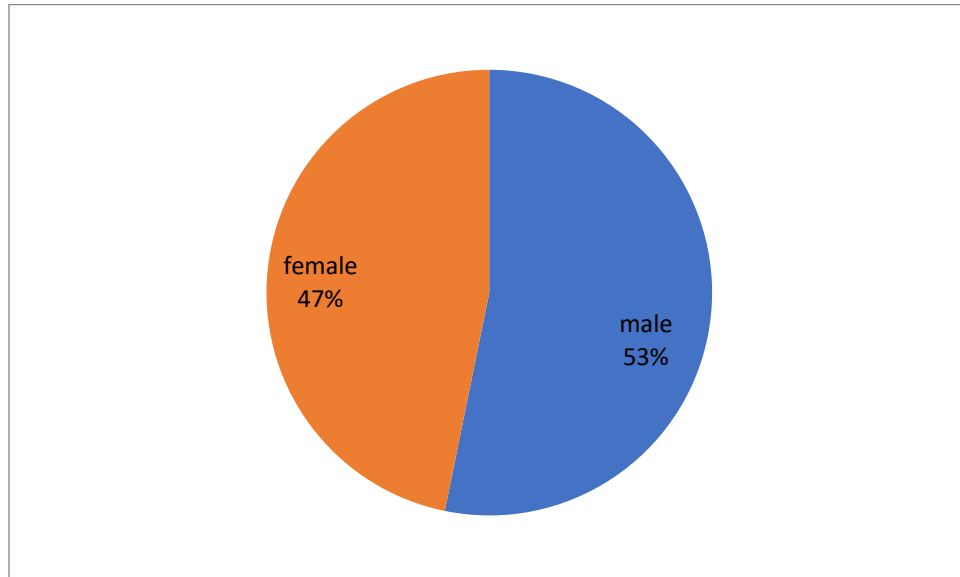
The research on strategies to engage employees in information technology companies examines the different factors that impact employee engagement in the IT sector. This includes compensation and benefits, leadership styles, organizational communication, and growth opportunities. The study collected data from 109 respondents through a questionnaire and used statistical tools like Chi-square and correlation analysis to gain insights. The research emphasizes the importance of fair compensation, transparent communication, supportive leadership, and growth opportunities in promoting employee engagement. Overall, it underscores the need for organizations to prioritize these factors to improve employee satisfaction, productivity, and retention in the IT industry.

ANALYSIS AND INTERPRETATION OF DATA

TABLE NO.: 1 GENDER WISE CLASSIFICATION

GENDER	NO. OF RESPONDENTS	% OF RESPONDENTS

Male	58	46.8
Female	51	53.2
Total	109	100

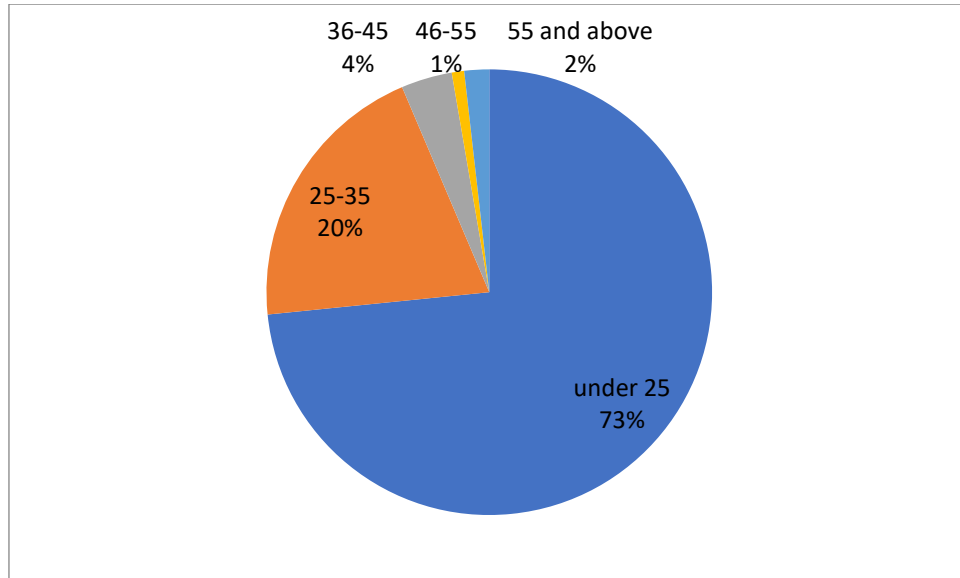


INTERPRETATION:

From above table the employees who engaged in IT firms in gender wise male are 53.2, and female are 46.8

TABLE NO.: 2 AGE WISE CLASSIFICATION

AGE	NO. OF RESPONDENTS	% OF RESPONDENTS
Under 25	80	73.4
25 – 35	22	20.2
36 – 45	04	3.7
46 – 55	01	0.9
Above 55	02	1.8
Total	109	100

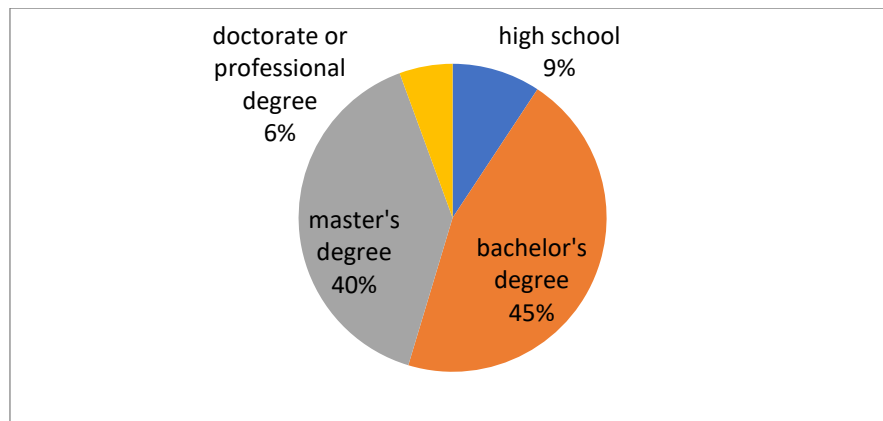


INTERPRETATION:

From above table employees who engaged in information technology companies in age group are under 25 is 73%, 25-35 is 20%, 36-45 is 4%, 46-55 is 1%, 55 and above 2%.

TABLE NO.: 3 EDUCATIONAL BACKGROUND WISE CLASSIFICATION

OCCUPATION	NO. OF RESPONDENETS	% OF RESPONDENTS
HIGH SCHOOL	10	9.3
BACHELOR’S DEGREE	50	45.4
MASTER’S DEGREE	43	39.8
DOCTORATE OR PROFESSIONAL DEGREE	06	5.6
Total	109	100

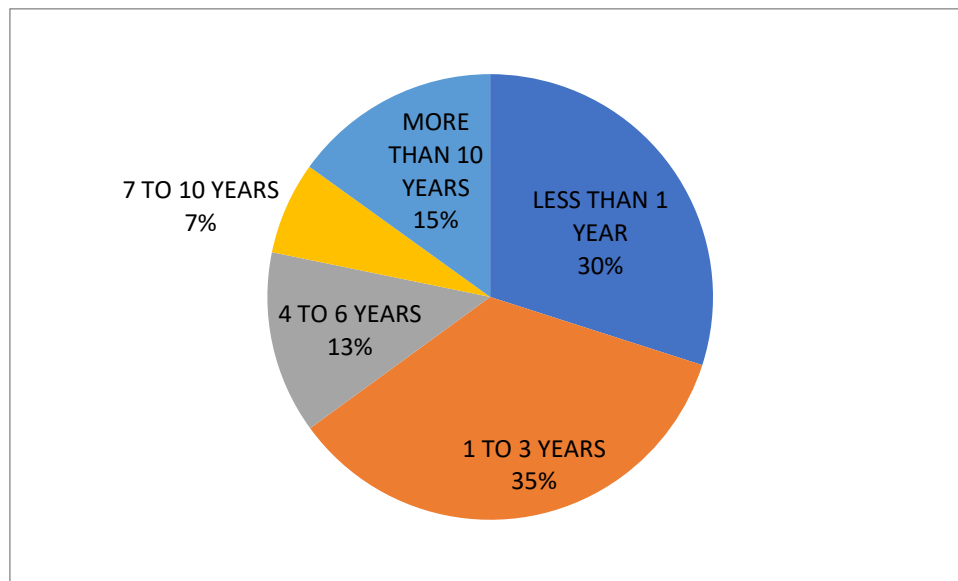


INTERPRETATION:

From above table employees who engaged in IT firms in education wise are high school is 9, bachelor's degree is 45, and master's degree 40, doctorate or professional degree is 5.6.

TABLE NO.: 4 YEARS OF EXPERIENCE WISE CLASSIFICATION

INCOME LEVEL	NO. OF RESPONDENTS	% OF RESPONDENTS
LESS THAN 1 YEAR	67	61.5
1 TO 3 YEARS	21	19.3
4 TO 6 YEARS	8	7.3
7 TO 10 YEARS	4	3.7
MORE THAN 10 YEARS	9	8.3
Total	109	100



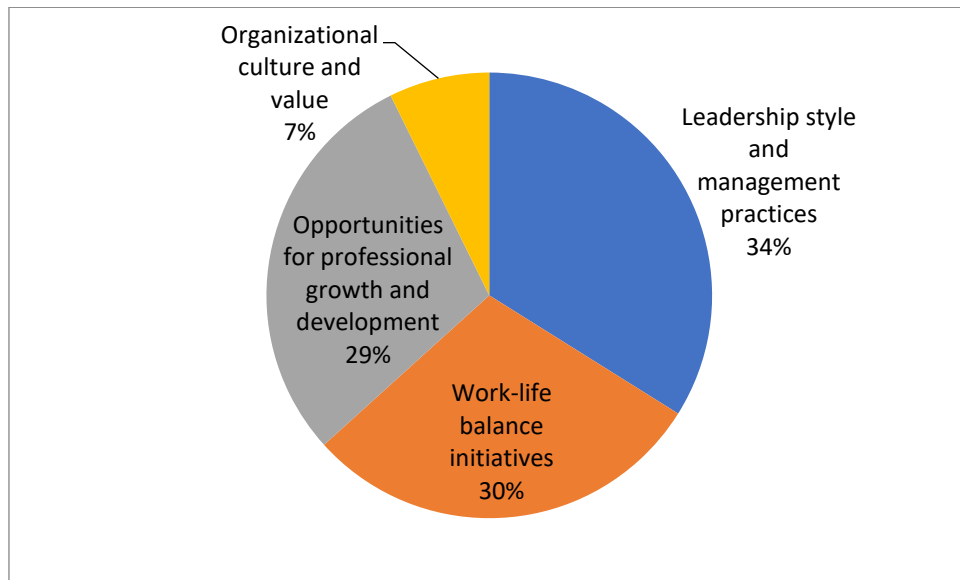
INTERPRETATION:

From above table year of experience employees who engaged in IT firms are less than 1 year is 30%, 1 to 3 years is 35%, 4 to 6 years is 13%, 7 to 10 years is 7%, more than 10 years is 15%.

TABLE NO.: 5 WHAT FACTORS INFLUENCE EMPLOYEE ENGAGEMENT IN IT FIRMS

PARTICULARS	NO. OF RESPONDENTS	% OF RESPONDENTS
Leadership style and management practices	37	33.9
Work-life balance initiatives	32	29.4

Opportunities for professional growth and development	32	29.4
Organizational culture and value	08	7.3
Total	109	100



INTERPRETATION:

From above table factors influence employee engagement in IT firms are leadership style and management practices is 34, work life balance initiatives is 30, opportunities for professional growth and development is 29, organizational culture and values is 7.

ANALYSIS PLAN

- **PERCENTAGE ANALYSIS:** It also known as ratio analysis, is a method used to analyse financial statements and other data by expressing individual items as a percentage of abase figure. It helps in comparing different components of financial statements over time or against competitors.
- **CHI-SQUARE:** The chi-square test is used to analyse categorical data and determine whether there is a significant association between two categorical variables. It is commonly used to test for independence in contingency tables and to compare observed frequencies with expected frequencies.
- **CORRELATION:** Correlation tools are used to find relationships between variables. By analyzing correlations, researchers can understand how changes in one variable may affect another. This helps in making informed decisions and predicting outcomes based on data patterns, aiding in strategic decision-making.

Chi-square

STEP 1:

CHI-SQUARE: The chi-square test is used to analyse categorical data and determine whether there is a significant association between two categorical variables. It is commonly used to test for independence in contingency tables and to compare observed frequencies with expected frequencies.

AIM: To test whether, there is significant relationship between gender of the respondents and aspect of compensation which impact employee engagement.

NULL HYPOTHESIS: There is no significant association between gender and aspects of compensation that impact employee engagement.

ALTERNATIVE HYPOTHESIS: There is a significant association between gender and aspects of compensation that impact employee engagement.

STEP 2:

PARTICULARS	MALE	FEMALE	TOTAL

Base Salary	20	13	33
Performance based Salary	20	20	40
Stock options and salary	6	6	12
Additional benefits such as healthcare and retirement plans	12	12	24
Total	58	51	109

STEP 3:

O	E	O-E	O - E ²	(O - E) ² /E
20	17.5	2.5	6.25	0.36
20	21.3	-1.3	1.69	0.1
6	6.4	-0.4	0.16	0.025
12	12.8	-0.8	0.64	0.05
13	15.4	-2.4	5.76	0.4
20	18.71	1.3	1.69	0.1
6	5.61	0.4	0.16	0.03
12	11.22	0.8	0.64	0.06
Calculated value				1.125

STEP: 4

DEGREE OF FREEDOM

$$d.f = (r-1) (c-1)$$

$$= (4-1) (2-1)$$

$$= 3*1$$

$$= 3$$

Level Of Significance: 0.05

Table Value: 7.81

Correlation

STEP: 1

CORRELATION: Correlation tools are used to find relationships between variables. By analyzing correlations, researchers can understand how changes in one variable may affect another. This helps in making informed decisions and predicting outcomes based on data patterns, aiding in strategic decision-making.

AIM: To test whether, there is a significant relationship between fair compensation contribute to employee engagement and growth opportunities is most to impact employee engagement.

NULL HYPOTHESIS H0: There is no significant relationship between fair compensation and growth opportunities in impacting employee engagement.

ALTERNATIVE HYPOTHESIS H1: Fair compensation contributes more significantly to employee engagement compared to growth opportunities.

STEP: 2

x = Fair compensation contribute to employee engagement.

y = Opportunities is most to impact employee engagement.

x	y	x ²	y ²	xy
16	32	256	1024	512
41	25	1687	625	1025
16	27	256	729	432
36	25	1296	625	900
109	109	3489	3003	2869

STEP: 3

$$r = \frac{N\sum xy - (\sum x)(\sum y)}{\sqrt{N\sum x^2 - (\sum x)^2} \sqrt{N\sum y^2 - (\sum y)^2}}$$

$$= \frac{4 \cdot 2869 - 109 \cdot 109}{\sqrt{4 \cdot 3489 - (109)^2} \sqrt{4 \cdot 3003 - (109)^2}}$$

$$= \frac{11476 - 11881}{\sqrt{13956 - 11881} \sqrt{12012 - 11881}}$$

$$= \frac{-405}{\sqrt{2075} \sqrt{131}}$$

$$= \frac{-405}{45.55 \cdot 11.44}$$

$$= \frac{-405}{521.092}$$

$$r = -0.78$$

$$-1 = +1$$

Favorable**SUMMARY OF FINDINGS:**

- The majority of the respondents are male and age group of under 25.
- Leadership style and management practices influence employee engagement in IT firms.
- The key determinants of employee engagement in IT firms are compensation and benefits packages.
- The organizational communication affect employee engagement in IT firms are open and transparent communication fosters trust and engagement, lack of communication leads to disengagement and dissatisfaction, Effective feedback mechanisms encourage employee participation.
- Leadership play in shaping employee engagement in IT firms is supportive leadership fosters a positive work environment.
- Compensation influence employee engagement is recognition through compensation enhances employee motivation.
- Performance based bonuses of compensation is most likely to impact employee engagement.
- Employees feel valued and appreciated in fair compensation contribute to employee engagement.
- The transparencies of compensation policies affect employee engagement are trust and credibility, ambiguous policies lead to dissatisfaction, clarity compensation criteria encourages performance.
- Growth opportunities influence employee engagement is opportunities for advancement increase motivation and commitment.
- The growth opportunities impact employee engagement is opportunities for cross functional collaboration.
- The career paths contribute to employee engagement is career advancement opportunities motivates performance.
- Recognition relate to employee growth opportunities are Regular feedback helps employees identify areas for improvement.
- Recognition is most effective in boosting IT employee engagement by public recognition in team meetings or companywide announcements.
- The timeless of rewards and recognition impact employee engagement in reinforces desired behaviors and outcomes, delayed recognition diminishes the impact and effectiveness of rewards, immediate acknowledgement.

RECOMMENDATIONS:

1. Ensure that communication channels are open and transparent. Regularly share company updates, goals, and successes to keep employees informed and engaged with the company's mission.
2. Implement a system to recognize and reward employees for their hard work and achievements. This could include employee of the month awards, performance bonuses, or public recognition during team meetings.

3. Offer opportunities for skill development and career growth. Provide access to training programs, workshops, and certifications that help employees enhance their skills and advance in their careers.
4. Consider offering flexible work arrangements such as remote work or flexible hours. This can improve work-life balance and increase job satisfaction among employees.
5. Promote employee well-being by offering wellness programs such as gym memberships, mental health resources, or wellness challenges. Encourage a healthy work-life balance and support employees in managing stress.
6. Organize team-building activities and events to foster camaraderie and collaboration among employees. This could include team outings, virtual social events, or team-based projects.
7. Create opportunities for employees to provide feedback and suggestions. Implement regular surveys or feedback sessions to gather insights on employee satisfaction and areas for improvement.
8. Foster a culture of diversity and inclusion within the company. Encourage diverse perspectives and create a welcoming environment where all employees feel valued and respected.
9. Provide employees with autonomy and decision-making authority in their roles. Empower them to take ownership of projects and initiatives, which can boost motivation and engagement.
10. Regularly check in with employees to assess their engagement levels and address any concerns or challenges they may be facing. Open lines of communication build trust and demonstrate that their well-being is a priority.

By implementing these strategies, IT companies can create a positive and engaging work environment where employees feel motivated, valued, and empowered to contribute their best work.

CONCLUSION

Employee engagement is attracting a great deal of interest from employers across numerous sectors. In some respects it is a very old aspiration – the desire by employers to find ways to increase employee motivation and to win more commitment to the job and the organisation. In some ways it is 'new' in that the context within which engagement is being sought is different. One aspect of this difference is the greater penalty to be paid if workers are less engaged than the employees of competitors, given the state of international competition and the raising of the bar on efficiency standards. A second aspect is that the whole nature of the meaning of work and the ground rules for employment relations have shifted and there is an open space concerning the character of the relationship to work and to organisation which employers sense can be filled with more sophisticated approaches.

Employee engagement strategies are now very important for every size of organization. As it encourages a positive and enthusiastic work environment and boosts the morals of every staff member. However, in this competitive market, the organizations that follow the ideas for employee engagement strategies beat their challengers in terms of profitability and productivity.

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