

# A Study on Factors that contribute to Employee Engagement in I.T. Companies in Indore

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**Abstract:** Employee engagement first appeared as a concept in management theory in the 1990s, becoming widespread as a management practice in the 2000s. Employee engagement is the degree of commitment and involvement an employee has towards their organization and its vision, mission, objectives and values. An engaged employee is aware of business constructs and works with peers to enhance performance for the benefit of the organization. It is a positive attitude that employees carry towards the organization and its values. The paper focuses on how employee engagement is a precursor of job involvement and what I.T. Company's should do to create an atmosphere that keep employees engaged.

**Keywords:** Employee engagement, I.T. sector

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## I. INTRODUCTION

The concept of Employee engagement is a complex one as it involves an array of issues that determine the engagement level of employees. Employee engagement is a matter of concern for all the organizations in today's world as it helps in keeping the employees of the organization committed towards the organization. Employee engagement also leads to increase in productivity of the employees as it helps in building employee satisfaction. Employee engagement has enormous impact on various aspects of professional life like productivity, employee retention, employee's commitment to organization, employee satisfaction, positive environment of the organization and better communication within the organization. Retaining employees, engaging them fully and at various junctures in their careers is not only is pivotal in providing success and competitive advantage to organizations in today's business scenario.

Engaged employees are not only productive, loyal and dedicated but have tremendous impact on customer satisfaction levels and company's image. Committed and engaged manpower can propel a company in the direction of success and achievement of its desired goals and objectives.

## II. REVIEW OF LITERATURE

Wellins and Concelman (2004) define employee engagement as "the illusive force that motivates employees to higher levels of performance". They call it "feelings or attitudes employees have toward their jobs and organizations". According to Robinson et al (2004) employee engagement is "a positive attitude held by the employee towards the organization and its values. An engaged employee is aware of the business context, works with colleagues to improve performance within the job for the benefit of the organization. The organization must develop and nurture engagement, which is a two-way relationship between employer and employee".

## III. OBJECTIVE OF THE STUDY

To study the factors that contribute to Employee Engagement in I.T. Company's in Indore.

## IV. RESEARCH METHODOLOGY

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The study is descriptive in nature and survey method was used. Convenience sampling technique was undertaken for sampling. The study was conducted in Indore region via a self-designed questionnaire on the basis of literature review. The sample size comprised of 100 respondents and I.T. sector employees were contacted.

For analysing the data collected on primary basis, factor analysis was applied through the principal component and Varimax. The data analysis was done using SPSS.

## V. RESULTS AND INTERPRETATION

### Reliability

#### Reliability Statistics

Cronbach's Alpha	No of Items
.917	24

Reliability is the degree to which an assessment tool produces stable and consistent results. For research purposes, a minimum reliability of 0.60 is required. Here we have reliability of 0.917 therefore we can say that our research is reliable.

### KMO AND BARTLETT'S TEST:

Kaiser-Meyer- Olkin of Sampling Adequacy.		.862
Bartlett's Test	Approx. Chi-Square	1066.535
Df		276
	Sig.	.000

Initially the questionnaire had 28 questions and after applying factor analysis 4 factors were drawn.

### FACTORS ANALYSIS TABLE:

<b>Factor</b>	<b>Items</b>	<b>Item Loads</b>	<b>Factor Loads</b>	<b>Percentage of Variance</b>
<b>Well managed Organization</b>	My work place is well maintained and safe.	.753	5.393	18.695
	The image of the organization is good outside.	.752		
	The management team of my organization is transparent.	.738		
	The organization follows its ethics and value.	.723		
	Organization policies are clearly communicated in the organization.	.708		
	I got recognition for doing good work.	.613		
	My opinion counts at work.	.584		
	I know what is expected me at work.	.522		
<b>Supportive Culture</b>	My job is stress free.	.748	4.356	36.145
	I receive useful and constructive feedback from manager.	.745		
	The environment of the organization support work-life balance.	.656		
	My work is challenging, stimulating and rewarding.	.581		
	I feel valued at work.	.563		
	Pay and benefits of the organization are fair.	.535		
	I see myself continuing to work for this organization two years from now.	.528		
<b>Openness and Learning Culture</b>	I can freely communicate with my colleagues and superiors.	.664	3.53	48.356
	It is easy to make friends within the organization.	.645		
	Learning and Development programs are carried out to meet current and future needs.	.637		

	I am provided all the resources needed to do work right.	.617		
	I feel satisfied working with this organization.	.493		
	My superiors are helpful and supportive.	.474		
<b>Concern for Employees</b>	Someone at work seems to care about me as a person.	.793	1.922	56.524
	Organization conducts various activities for entertainment.	.606		
	I am proud to tell people that I work in this organization.	.523		

## VI. FACTORS:

1. **Well managed Organisation:** It is the first factor that comprises of eight items i.e work place, image, transparency, ethics and values, good communication in the organization, recognitions, involvement, clear expectations at work. The item loads are .753, .752, .738, .723, .708, .613, .584, .522 respectively and factor load is 5.393 with 18.695 % of variance. This is supported by CIPD (2006) which conducted a survey of 2000 employees across Great Britain. The findings show that communication is the first attribute that steers employees towards engagement. The findings of the report also recognizes the importance of being kept informed about what is going on in the organization and chances to communicate views and opinions to senior management as some of the important components that propel employees to be engaged.

This is further in sync with Vance (2006) who mentions that employee engagement is closely associated with employer practices.

2. **Supportive Culture:** It is the second factor that comprises of seven items i.e stress free job, constructive feedback, work-life balance, challenging and rewarding work, employee value, pay and benefits, continuity of work. The item loads are .748, .745, .656, .581, .563, .535, .528 respectively and factor load is 4.356 with 36.145% of variance. This is in tune with the The Towers Perrin Talent Report (2003) that spots the top ten work place characteristics that will culminate into employee engagement. The first three among the ten drivers are: Senior management's interest in employees' well-being, Challenging work and Decision making authority.
3. **Openness and Learning Culture:** It is the third factor that comprises of six items i.e ease in making friends and communication, Learning and development, availability of resources, helpful superior and satisfied working. The item loads are .664, .645, .637, .617, .493, .474 respectively and factor load is 3.53 with 48.356% of variance. The Blessing White (2006) research concurs with this factor as in that study almost two third's (60%) of the employees survey desire more opportunities to grow forward to remain satisfied in their jobs. Strong manager-employee relationship is a paramount for employee engagement and retention.
4. **Concern for Employees:** It is the last factor that comprises of three items i.e. care for employees, employee engagement activities, proud on organization. The item loads are .793, .606, .523 respectively and factor load is 1.922

with 56.524% of variance. This factor is further validated by a study conducted in Great Britain after surveying 10,000 NHS, Institute of Employment Studies (Robinson et al., 2004) highlight that a sense of feeling valued and involved was a major driving force behind employee engagement. The factors such as participation in decision making, the degree to which employees feel that they are able to voice their ideas, the chances of developing in their jobs and the degree to which the organization is concerned for employees' health and well-being.

## **VII. CONCLUSION**

The findings of the present study affirm the importance of employee engagement in the I.T. companies. Maintaining and enhancing employee engagement falls within the management realms. Employee engagement activities are necessary and currently most of the organizations are trying to provide good engagement measures to retain their employees and also develop their careers. Organizations are also providing recreational and participative measures. This culture is more prevalent in I.T. sector these days.

Henceforth due to these activities both employee and employer can be in win-win situation. Employees get extra benefits and perks and employer tends to get a committed and loyal workforce. Extra focus and effort is required specifically on the factors working-environment and team and relationships between co-workers and subordinates and superiors as they shown significantly higher impact on employee engagement and hence employee performance. Organizations should focus on creating a conducive environment for employees to work and promote programmes that would enhance peer relationships as such factors have a huge bearing on employee engagement.

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