

FACTORS INFLUENCING EMPLOYEE ENGAGEMENT IN IT AND ITES INDUSTRIES– A STUDY

With special reference to the Chennai city in the state of Tamil Nadu

B. Chinna Muthu

Assistant Professor

Department of Commerce (Shift-II), Madras Christian College.
East Tambaram, Chennai – 600 059, Tamil Nadu, India.

M. Liya Elsa Stephen

Assistant Professor

Department of Commerce (Shift-II), Madras Christian College.
East Tambaram, Chennai – 600 059, Tamil Nadu, India.

Abstract : *Employee Engagement is acknowledged as a key factor for any successful organisation across the globe. The multinational corporate append extensive value to their business by increasing the level of engagement among their workforce. The international organisations are robustly working on the varied issues of employee engagement with practical and futuristic approach. The present research paper attempts to explore the factors influencing the employee engagement of the IT and ITES industries. The primary data of the study were collected through a structured questionnaire by incorporating judgment sampling technique. However, books, journals and web sources contribute to the secondary data of the research work. Suitable statistical techniques such as one-way analysis of variance (ANOVA) and structural equation modeling (SEM) were used for the analysis of collected data. The present research revealed the significant factors that are prominently influencing the employee engagement of IT and ITES industries. The outcome of the study helps the top management of the organisations to inculcate appropriate measures for the success of the undertaken business.*

Key Words - *Employee engagement, Organisations, IT and ITES industries, Successful business*

INTRODUCTION

Employees who have an appropriate level of Employee Engagement can have a good job performance and help to increase the efficiency. Job performance is defined as organizational values and behaviors of employees in different positions. It is important to understand the culture, management and other factors that influence employee engagement. The importance of employee engagement is clear when looking at the differences in performance between work teams with high and low levels of employee engagement. Organisation should recruit right person to the right job, because Engaged employees are challenged in a positive way, allowed to have some autonomy, feel valued and respected. So it creates a direct link to performance and by providing more commitment, satisfaction, and motivation for the employees leads to overall performance.

REVIEW OF LITERATURE

Sayyed Mohsen Allameh, Ali Shaemi Barzoki et al (2014) has examined the effect of employee engagement on job performance, it reveals that performance have positive impact towards employee engagement and make employees to work enthusiastically and also develops career interest, it is related to both task and contextual performance of employees. Abdulwahab S. Bin Shmailan (2016) reveals the roles of the organization and individual in employee satisfaction and examines the link between satisfaction and performance. Employees, who are having satisfaction and high performance it's a great advantage for profitability and contribute to organisational success.

Paluku Kazimoto (2016) has investigated the factors of employee engagement and performance. The level of performance must be increased only when Employees are committed and satisfied. It is responsible for the leaders to motivate their employees in order to enhance organisational performance. Saloni Devi (2017) analysed the relationship between Employee Engagement and Organizational Performance. Employee Engagement helps to improve the skills of the employees, it promotes proficiency on the job, contributes to meet or exceeding performance standards and develops engaged workforce.

OBJECTIVES OF THE STUDY

1. To study the demographic profile of the employees in IT and ITES industries.
2. To identify the factors influencing employee engagement in the IT and ITES industries.
3. To suggest measures to overcome the problems of employee engagement.

HYPOTHESES OF THE STUDY

1. There is no significant difference between the designation of the employees and the factors influencing employee engagement.
2. There is no significant difference between the salary of the employees and the factors influencing employee engagement.

RESEARCH METHODOLOGY

The present study is descriptive and analytical in nature. Primary data of the research work is procured through a well structured questionnaire from the sample of 220 respondents in the top ten IT and ITES industries of Chennai city in the state of Tamil Nadu. Objective type questions and five-point Likert's scale statements were included in the questionnaire tool. Judgment sampling technique was employed for the data collection from the selected sample. Secondary data of the study were obtained from the books, journals and web sources.

ANALYSIS AND INTERPRETATION

An extensive data analysis were done by exhausting a popular statistical tools viz. Statistical package for social science research (SPSS version 15.0) and Analysis of moment structure (AMOS version 18.0). In order to check the reliability of the data, Cronbach's Alpha test was conducted and the value stood at 0.879 (87.9%) for 25 variables which ensures that the reliability of the data is commendable as it exceeds the expected bench mark value of 0.75 (75%). Appropriate statistical tools like simple percentage analysis, one way analysis of variance and structural equation modeling were used to analyse the data and the results are presented as follows:

Table 1: Socio- Demographic Profile of the Employees in IT and ITES industries

Socio-Demographic Factors	Classification	Frequency	Percent
Age	20-30 years	121	55%
	30-40 years	65	30%
	Above 40 years	34	15%
Gender	Male	141	64%
	Female	79	36%
Educational Qualification	Diploma	44	20%
	Under Graduate	82	37%
	Post Graduate	45	20%
	Professional	49	22%
Work Experience	Fresher	32	15%
	1-3 years	60	27%
	3-6 years	61	28%
	6-10 years	38	17%
	Above 10 years	29	13%
Designation	Operational level	137	62%
	Supervisory level	58	26%
	Managerial level	25	11%

Source: Primary Data

From the above table it is inferred that 55% of the respondents hail from the age group of 20-30 years, 64% of the sample is male and majority of the respondents (37%) possess under graduate degree as their educational qualification. 28% of the respondents have 3-6 years of work experience in the IT and ITES industries and majority of the sample contributing 62% belong to operational level of the management with regards to their designation. Hence, it can be concluded that young male who are undergraduates with work experience of three to six years in the operation level of management is dominating the distributed sample.

Table 2: One-way analysis of variance among the designation of the employees and the factors influencing employee engagement

H_0 – There is no significant difference between the designation of the employees and the factors influencing employee engagement.

ANOVA						
Designation and Employee Engagement Factors		Sum of Squares	df	Mean Square	F	Sig.
Motivation	Between Groups	2.080	2	1.040	2.750	.066
	Within Groups	82.049	217	.378		
Compensation	Between Groups	2.225	2	1.112	1.591	.206
	Within Groups	151.690	217	.699		
Leadership	Between Groups	5.013	2	2.506	4.043	.019*
	Within Groups	134.533	217	.620		
Training and Development	Between Groups	3.617	2	1.809	3.213	.042*
	Within Groups	122.139	217	.563		
Communication	Between Groups	5.723	2	2.861	4.433	.013*
	Within Groups	140.064	217	.645		

* 5% Level of Significance

Source: Computed Data

It is inferred from the above table that the p-value for the factors viz. Communication (0.013), Leadership (0.019), Training and Development (0.042) is less than table value at 5% level of significance and the p-value for the factors such as Compensation (0.206), Motivation (0.066) is greater than the table value at 5% level of significance, Hence, the null hypotheses is rejected, Therefore, there is significant difference between the designation of the employees and the factors influencing employee engagement except Compensation and Motivation.

Table 3: One-way analysis of variance among the salary of the employees and the factors influencing employee engagement.

H_0 – There is no significant difference between the salary of the employees and the factors influencing employee engagement.

ANOVA						
Salary and Employee Engagement Factors		Sum of Squares	df	Mean Square	F	Sig.
Motivation	Between Groups	.831	4	.208	.536	.709
	Within Groups	83.298	215	.387		
Compensation	Between Groups	4.355	4	1.089	1.565	.185
	Within Groups	149.560	215	.696		
Leadership	Between Groups	5.799	4	1.450	2.330	.057
	Within Groups	133.746	215	.622		
Training and Development	Between Groups	9.174	4	2.293	4.230	.003*
	Within Groups	116.583	215	.542		
Communication	Between Groups	7.033	4	1.758	2.724	.030*
	Within Groups	138.754	215	.645		

* 5% Level of Significance

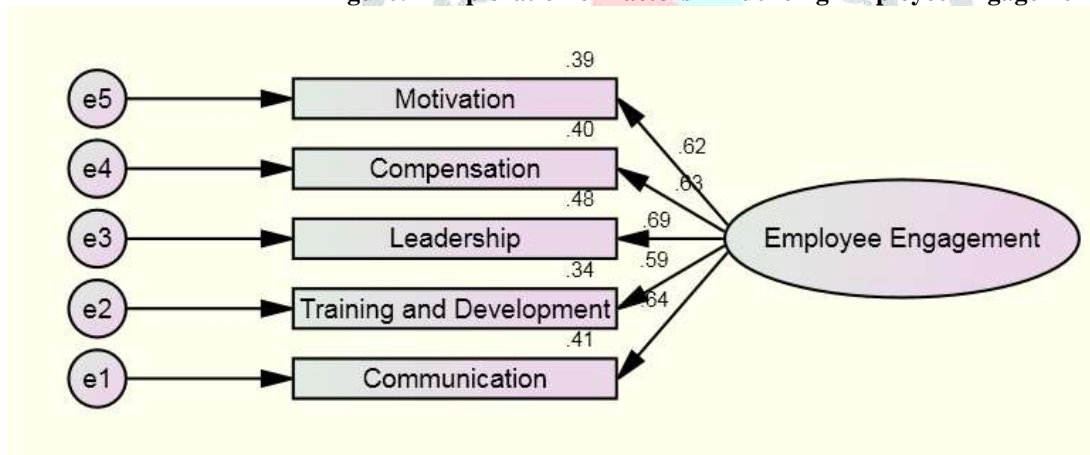
Source: Computed Data

From the above table it implies that p-value for Motivation (0.709), Compensation (0.185), Leadership (.057) is greater than the table value at 5% level of significance and the p-value for the factor Training and Development (0.003), Communication (0.030) is less than the table value at 5% level of significance, Hence, the null hypotheses is accepted, Therefore, there is no significant difference between the salary of the employees and the factors influencing employee engagement except Training and Development and Communication.

EXPLORATION OF FACTORS INFLUENCING EMPLOYEE ENGAGEMENT THROUGH STRUCTURAL EQUATION MODELING (SEM)

From the study, the researcher explored five significant factors viz. Motivation, Compensation, Leadership, Training and Development, Communication contributing to the employee engagement of IT and ITES industries of Chennai city in the state of Tamil Nadu. Structural equation modeling was employed to proceed with confirmatory factor analysis which revealed the relationship between the five factors of employee engagement of IT and ITES industries. The diagrammatic representation of the model has been projected as follows:

Figure: 1 Exploration of Factors Influencing Employee Engagement



Source: Computed Data

It is understood from the above figure that all the five prominent factors viz. Motivation (SMC=0.62), (SMC=0.63), Leadership (SMC=0.69), Training and Development (SMC=0.59) and Communication (SMC=.64) are contributing better weightage towards the employee engagement factors as it clearly revealed through the squared multiple correlation (SMC) values. It is also revealed that the identified five factors such as Motivation, Compensation, Leadership, Training & Development and Communication are with greater level of significance at 5% level. The model fit indices namely Chi-Square (CMIN value 13.211), P value .005, RMR= .021 (Root Mean Square Value), GFI= .977 (Goodness of Fit Index), AGFI=.931 (Aggregate Goodness of Fit Index), NFI=.948 (Normed Fit Index), CFI=.966 (Comparative Fit Index) and Root Mean Square error of Approximation=.087 indicates that the above represented model is technically fit. Hence, it is inferred that all the arrived five factors are significantly influencing the employee engagement of the IT and ITES industries.

FINDINGS OF THE STUDY

- 55% of the respondents hail from the age group of 20-30 years, 64% of the sample is male and majority of the respondents (37%) possess under graduate degree as their educational qualification. 28% of the respondents have 3-6 years of work experience in the IT and ITES industries and majority of the sample contributing 62% belong to operational level of the management with regards to their designation.
- There is significant difference between the designation of the employees and the factors influencing employee engagement except Compensation and Motivation.
- There is no significant difference between the salary of the employees and the factors influencing employee engagement except Training and Development and Communication.

4. The factors viz. motivation, leadership, compensation, training and development and communication are significantly influencing the employee engagement of the IT and ITES industries.

SUGGESTIONS

The study provides a scientific insight towards the varied significant factors strongly influencing the employee engagement of IT and ITES industries. Therefore, the top level management of the organisation has to consider all the enlisted factors namely motivation, leadership, compensation, training and development and communication in order to retain a higher level of engagement among their work force. The administrators and managers of the organisations are expected to follow customised techniques to motivate their workforce for better performance. No more traditional leadership styles at workplace are going to help the organization to achieve, instead innovative styles of leadership needs to be installed. The package of compensation to employees should possess a value to satiate their expectations. Organisations have to invest on modern training methodologies to have their employees well equipped and intellectually updated. In addition, by establishing effective communication pattern in the organisation, the employees shall be intrinsically activated to results in maximum outcome and desired performance.

CONCLUSION

Employees who are satisfied they perform better and contribute to the overall success of an organizations. On the other hand, employees who are not satisfied do not perform well and become a barrier to success. The present research work suggests that by focusing on the all five factors of employee engagement, organizations can be more successful. Engaged employees expects better communication and Motivation from the superiors, this leads to better results by increasing the morale and level of commitment among employees. Employee engagement is a process and organizations should ensure and increase it. Thus, organizations' need to understand how employees are affected by the engagement factors and they focus on it to improve in order to achieve the desired organisational goals.

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