EMPLOYEE ENGAGEMENT AS TOOL FOR RETAINING THE TALENT IN IT COMPANIES-AN EMPIRICAL STUDY

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Abstract

Human resource executives in India continue to struggle with talent management issues, particularly retention. The quest to find the best way to retain employees has taken HR pundits through concepts such as employee review, employee satisfaction and employee delights. The latest idea is "Employee Engagement", a concept that holds that, it is the degree to which an employee is emotionally bonded to his organization and passionate about his work. Engagement is about motivating employees to do their best. An engaged employee gives his company his hundred percent. The quality of output and competitive advantage of a company depends upon the quality of its people.

Keywords: Retailing talent, Employee engagement, IT companies.

Introduction

Human resource executives in India continue to struggle with talent management issues, particularly retention. The quest to find the best way to retain employees has taken HR pundits through concepts such as employee review, employee satisfaction and employee delights. The latest idea is "Employee Engagement", a concept that holds that, it is the degree to which an employee is emotionally bonded to his organization and passionate about his work. Engagement is about motivating employees to do their best. An engaged employee gives his company his hundred percent. The quality of output and competitive advantage of a company depends upon the quality of its people.

Employee engagement is a powerful retention strategy. Employee engagement is a barometer that determines the association of a person with the organization. It is about creating the passion among associates to do things beyond what is expected from him. Employee Engagement starts right at the selection stage

- Choosing the right fit, giving a realistic job preview Strong induction and orientation programmed
- To keep up the morale of people and drive them towards excellent performance through recognition letters, profit sharing schemes, long performance awards etc.
- Regular feedback to all people

- Communication forums like the in-house magazine, and regular surveys and conferences
- By helping to maintain the quality of work-life and a balance between personal/professional lives, there are recreational activities like festivities, get-togethers, sports etc.
- An open and transparent culture to empower its people.

The result of these practices can be evident through the regular feedback from our employees collected through surveys.

Factors Contributing Higher Employee Engagement

- Understanding of corporate goals/mission
- Understanding of job and how it contributes to overall corporate goals
- Clear communication of goals, expectations, directions
- Job design
- Job fit
- Support and tools
- Independence & innovation
- Relationship with boss/direct reports
- Clear feedback on performance
- Recognition
- Learning and development opportunities
- Opportunities for advancement

Measuring the Impact of Employee Engagement
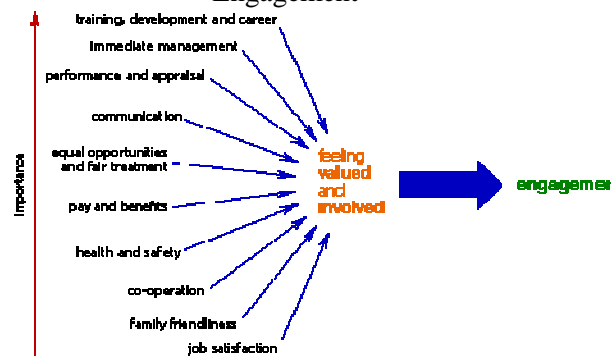
Statement of the Problem

Entire success of any organization depends on the Human resource. IT companies are in service industry, it is very important to take care of Human Resource. Companies are suffering major problems like High Attrition rate, Productivity, Global competition which affects the business as a whole. This sector though deals with the technical factors, people (i.e., machine and mind are considered to be different aspects.) and their contribution also has a major impact. Only if the employees are satisfied they will give good result which will ultimately achieve the organization goals and maximize the profit of the organization. Utilizing the 6 M's of management needs Men (Human Resource) Money (Capital), Machine, Material (Resources), Method, Marketing. IT companies facing lot of Men related problems while engaging their employees. For engaging employees in their actual work place HR managers are facing difficulties and challenges. This study covers How HR managers are taking the challenges and overcome the difficulties during the day to day practice.

Objectives of the study

- To study the of employee engagement process of IT companies
- To understand engagement measure and the key drivers of employee engagement.
- To identify key result areas for intervention to enhance employee engagement.
- To provide valuable suggestions to improve employees engagement for retaining their key talented employees.

Scope of the study

The present study is an attempt to get the practical applications, methods and procedures of the employee engagement and understand their practical challenges and problems encountered in implementing employee engagement in real organization situation.

Need and Importance of the study

An organization's capacity to manage employee engagement is closely related to its ability to achieve high performance levels and superior business results. Engaged employees will stay with the company, be an advocate of the company and its products and services, and contribute to bottom line business success. Engaged employees also normally perform better and are more motivated. There is a significant link between employee engagement and profitability. Employee engagement is critical to any organization that seeks not only to retain valued employees, but also increase its level of performance. Most organizations today realize that a satisfied employee is not necessarily the best employee in terms of loyalty and productivity. It is only an Engaged employee who is intellectually and emotionally bound with the organization who feels passionate about its goals and is

committed towards its values thus he goes the extra mile beyond the basic job.

Review of Related Literature

1. Men (2015), study was concerned with how employees engagement is associated with other outcome variable of employee - organization relationships and how it is driven by organizational contextual factors of authentic leadership and transparent communication. This study looked at both direct and indirect effects of authentic leadership and transparent communication on engagement. The study found out that engagement is positively influenced by quality employee – organizations relationships (i.e. employee trust, control, mutuality, commitment and satisfaction). It also found out that the effects of transparent communication and authentic leadership on engagement were mediated by employee – organization relationships and internal reputation.

2. Internal communication is an organization practice, which effectively conveys organizational values to all employees and thus, obtains their support in reaching organizational goals (Pandita and Bedarkar, 2014). Ologbo and Saudah (2011) note that employees need clarifications if they are to do their work well while Hakanen et.al. (2006) indicate that availability of information was positively related to engagement, as access to information increases the chances that the task at hand will be completed successfully and that work goals will be achieved. However a study by Men (2015) revealed that contrary to expectation, transparent communication did not directly and significantly influence engagement. Such effects were fully mediated by employee-organization relationships and internal reputation. Men (2015) concluded that, by nurturing quality employee- relationships, transparent communication indirectly drives employee engagement.

3. The study by Bakar (2013) and Men (2015) imply that apart from factors that directly influenced engagement there are also other factors that influence engagement indirectly and therefore need to conduct studies which consider also moderating/mediating effects

4. Bakar (2013) study focused on three concepts i.e. empowering leaders' behavior, high performance work practices and role of religiosity on engagement. One important aspect of this study was its multi level approach on studying engagement that is studying it at individual, organizational and societal levels. The study was also interested in finding the whether religiosity plays a moderating role between empowering leadership behavior and employee engagement. The study found out that empowering leader's behavior has the highest effect on employee engagement. High performance work practices were positively related to engagement and religiosity particularly among Muslims had positive effect on engagement. The study also found out that religiosity moderated the relationship between empowering leadership behavior and engagement. The findings also revealed that religiosity does not moderate the relationship between high performance work practices and employee engagement.

5. Pandita and Bedarkar (2014) notes that one of the toughest challenges facing Chief Executive officers (C.E.Os), Human Resources (HR) and business leaders of many organizations is to ensure that when their employees reports to work every day they not only do it physically but mentally and emotionally. This means that organization must ensure that their employees are engaged so that they are able to contribute positively towards achieving the organizational goals.

6. According to Ram and Prabhakar (2011), two variables that are likely to capture the essence of social support are perceived organization support and perceived supervisor support. Perceived organizational support (POS) refers to the employees' beliefs that an organization values their contributions and cares about their well-being (Rhoades' and Eisenberger, 2002). Kahn (1990) asserts that the amount of support and care employees' perceive to receive from organization influences their psychological safety, and enables them to employ their selves without fear of negative consequences.

7. Rhoades' et.al. (as cited in Ram and Prabhakar 2011), note that POS make

employees feel obligated to help organization reach its objectives. This feeling of having an obligation towards the organization leads to increased engagement. However, they suggests that in order for the organization to benefit from this feeling of obligation then the organization needs to establish a context in which this obligation becomes a favorable relationship with the organization

8. Several studies have confirmed that there is actually a relationship between employee engagement and organization performance. For example study by Tower, Perin, USA (2003, 2007) linked the same to customer impact and financial results, Harter, Schmidt and Hayes (2002) showed a link to productivity and profitability while a recent Kroth and Boverie (2013) noted that engaged employees are passionate about their work which results to excitement ,enthusiasm and productivity.

9. Meyer and Gagne' (2008), note that SDT helps to explain not only engagement but also the psychological states and behavioral reactions that can result in the absence of engagement. This is because people often react to loss of autonomy by rebelling against the source (Koestner and Losier, 1996). Meyer and Gagne' (2008) posit that for many years, SDT has been used to guide the measurement of engagement relevant variables e.g. need satisfaction, motivation states, psychological and behavioral outcomes. They assert that SDT can be readily applied in the development of measures of the various facets of engagement identified by Macey and Schneider (2004), (i.e. trait, state, behavior,) as well as other foci of engagement (e.g. job, organization)

10. Employee engagement has become a heavily discussed topic in recent years. However, there is still ambiguity within the academic literature as to how employee engagement can be influenced by management. There has been significant interest in employee engagement, but this has been coupled with a good deal of misunderstanding. According to Kular et al (2008), this misunderstanding can be partly attributed to the fact that there is no definitive definition, resulting in engagement being operationalised and subsequently measured in varying ways.

11. Social support refers to support employee get from colleagues and supervisors. Social support from colleagues and supervisors has been found to have a positive association with engagement (Ologbo and Saudah, 2007, Schaufeli and Salonova, 2007). It has also been found that supportive colleagues and proper feedback from supervisors increases the likelihood of being successful in achieving work goals (Bakker and Demerouti, as cited in Sakovska, (2012). Schaufeli and Bakker (2004) assert that social support satisfies employees' need to belong

12. As a result of the immense impact employee engagement had on Sears, HR consultancy firms began to work with organisations to develop metrics in order to quantify employee attitudes and behaviours and there resulting impact on customer satisfaction and organisational performance. According to Jim Crawly, a principle at HR research and consultancy company Towers Perrin, "while previously anyone would intuitively have said there is a link between people being well disposed towards an organisation and the likelihood of that organisation being successful, now there is evidence to prove it" (De Vita, 2007).

13. Saks (2006) therefore suggests that one way for individuals to repay the organization is through engagement. That is employees' engagement levels will depend the resources they receive from the organization. Schaufeli (2006) posit that when the organization fails to provide these resources, individuals are more likely to withdraw and disengage themselves from their roles, which eventually might result in burn out.

Methodology of the study

Research in common parlance refers to a search for knowledge. Research can be defined as scientific and systematic search for pertinent information on a specific topic. It can also be defined as scientific investigation or a careful investigation, enquire specially through search for the new facts in any branch of knowledge or a voyage of discovery.

Research Design

Descriptive research was conducted to collect data. Descriptive research includes survey and fact enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present.

Data Sources

The study used both primary and secondary data.

Primary Data

For the purpose of study, the researcher prepared a structures and protested questionnaire which was administered to the cross section of supervisors and IT Companies The researcher conducted informal interviews with the employees to know the facts.

Secondary Data

The researcher collected the information about the topic and concept about the topic from books written by management journals and magazines related to management.

Methods of Data Collection

The data was collected through questionnaires

Sampling Design

Sample is the representative of the whole universe or population. Here the universe constitutes employees and the Sample is drawn though stratified Sampling Method where only possible to collected data from employee are considered.

Sampling Method - Simple Random Sampling – The population size is known specific numbers. Part of the employees is included in the data collection process. So Simple random sampling method is adopted to collect the data from the respondents.

Statistical tools to be used for analyzing the data

- Percentage analysis
- Chi-square analysis
- ANOVA

Designation of the Respondents

Designation	F	%
Manager	22	22
Supervisor	36	36
Software developer	22	22
Designer	20	20
Total	100	100.0

Opportu	Purpose			Tot
nity	Achieved	Not achieved	Someti mes	al
Utilised	10	14	12	36
Not utilised	9	17	13	39
Someti mes	6	13	6	25
Total	25	44	31	100

Chi-Square analysis
Cross Table on Opportunity Vs Purpose of Organisation goal
Chi-Square Tests Table

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.285^a	4	.864
Likelihood Ratio	1.301	4	.861
Linear-by-Linear Association	.053	1	.817
N of Valid Cases	100		

Inference

The above Chi-Square test table shows that Significance value 0.864 is greater than P=0.05 value. So Ho is accepted there is no relationship between opportunity and purpose of Organisation goal.

Results and Discussion

Most of the employees are belongs to less than 30 years age group, they are married, operations, supervisor and manager cadre, they have utilize the opportunity to do work learn and grow, get sufficient opportunities to improve skills, they are continuously updated on the developments taking place in the organization, they got proper platform to execute ideas, they satisfy with level of trust on team, they get regular feedback from superiors for improving performance and received recognition/praise for doing good work. Majority of the respondents are not encouraged to learn mistakes, don't have confidence in the senior managers, they are looking better opportunity, their supervisors provides feedback and guidance, they are satisfied with their present job assigned, understand the mission and purpose of their company, they are getting competitive salary package, the company take care of emplyees safety and welfare, they cooperate and coordinate each other department in their company, they are utilising their full potential. From the Chi-Square result, it is observed that the employees do not make use the

opportunity on the basis of purpose on employment. From the ANOVA result, it is observed that the employees are engaged into their organisational work based on competitiveness and their job satisfaction.

The respondents' satisfaction level and competitiveness both are similar responses.

Suggestions

- The 'suggestion box' programs can be sophisticatedly changed to 'employee involvement association' (EIA) because it is the keystone of organizational development, nurturing the engagement & empowerment of people.
- Employees have diverse needs so this diversity requires flexible and individually directed support. The priority must be to offer a customizable program that can be tailored to the specific needs of each individual.
- Benefit plans like cash balance plan which is a defined contribution plan specify the amount of contribution made by the employer towards an employees retirement account can be implemented.
- Health savings plan, HSAs paired with high deductible health plans, HDHPs help employers cope with rising health care premiums can be implemented.
- Incentive awards must be designed to reward employees' ideas, suggestions and solutions that results in cost savings and generate revenue.
- Cash awards or gift certificates can be awarded as per the policy and procedures governing recognition/incentive programs. * Examples of behavior to recognize- customer service, team support/team building, quality control, leadership, problem solving etc.
- Awards may be in the form of a gift card with a monetary value.

- Rewards and recognition should be fair, transparent, inclusive, timely and varied.
- The form of recognition should be appropriate to the contribution that was made.

Endnote

From the findings it is observed that Organization except few Employees who are not Engaged and few who are nearly engaged and can be changed to an Engaged Employee by their supervisors by proper planning. Employee Engagement is the buzz word term for employee communication. It is a positive attitude held by the employees towards the organization and its values. It is rapidly gaining popularity, use and importance in the workplace & impacts organizations in many ways. Employee engagement emphasizes the importance of employee communication on the success of a business. An organization should thus recognize employees, more than any other variable, as powerful contributors to a company's competitive position. Therefore employee engagement should be a continuous process of learning, improvement, measurement and action. It would be concluded that raising and maintaining employee engagement lies in the hands of an organization and requires a perfect blend of time, effort, commitment and investment to craft a successful endeavor.

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