AN EMPIRICAL STUDY ON EMPLOYEE ENGAGEMENT AND ITS EFFECT ON JOB PERFORMANCE AND RETENTION IN MID-LEVEL IT COMPANIES IN CHENNAI

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ABSTRACT

BACKGROUND
This research titled “An Empirical study on Employee Engagement and its effect on job performance and retention in three mid-level IT companies in Chennai”, was done where optimal situation prevailed to conduct the study in employee engagement area. Incidentally a strong support was obtained from management, it was possible to conduct a sample study from all level of employees except executives. The researcher uses descriptive research design to carry out this research as it is merely a fact finding study about existing engagement programs of the organisation. As very limited number of employees are working in these concerns, small size of sample survey is undertaken to collect data from employees. Collected data was analysed using statistical tools like chi-square, weighted average method and percentage method. Suggestions are put forward to the organisations from substantial findings known through this research.

KEYWORDS
Engagement, Commitment, Perceptions, Performances, Retentions.


BACKGROUND
Employee engagement is the extent to which an employee is committed to his work and his organisation and the extent to which this commitment impacts his performance and intent to stay with the organisation. Engaged employees are the productive members of an organisation who are psychologically committed to their role in the organisation. They are likely to stay longer in their organisation, advocate its products and services and contribute to the overall success of an organisation. The organisation must work to develop and nurture engagement, which requires a two-way relationship between the employer and the employee. Thus, employee engagement is a barometer that determines the association of a person with the organisation.

Employee engagement refers to a situation where all the employees are engaged in their own work and take keen interest in the organisation’s activities. An engaged employee is one who is focused, enjoys his work and learns something new each day. An engaged employee is satisfied with his work and would never think of quitting his job. He is the one who willingly accepts responsibilities and looks forward towards a longterm association with the organisation.

According to William Kahn (1990), employee engagement is defined as “the harnessing of organisation members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances”.

Literature Review
The companies need to focus on employee engagement more because retention and engagement of generation is difficult. The employee engagement leads to increase in productivity, retention, safety, turnovers. On the positive note, we can say that in future the companies will be taking more initiatives for employee engagement and contribute more. (Swathi. S Dec, 2014, International conference on managing human resources at work place). Employee engagement emphasises the importance of an employee. Engagement should be a continuous process of learning, improvement, measurement and action. Hence, the raising and maintaining employee engagement lies in the hands of an organisation and requires a perfect blend of time, effort, commitment and investment to craft a successful endeavour. (Suruchi Goyal, Feb, 23, 2011.)

People need to feel engaged with the job they do, colleagues they work with and the company they work for, to give their best. An Employee's engagement levels depend not just on his work but also the work and attitude of his subordinates, peers and superiors as well as various processes and environment in the organisation. (Gujan Thakur Nov-2012, IJRME Volume 2, and Issue 11 ISSN: 2250-057X. Employee Engagement: “A Global Challenge in the Current Economic Scenario”).

The probability of employee engagement is directly proportional to when there is an alignment of job satisfaction and job contribution. For achieving sustainable employee engagement, it is required by the management to identify the best methods to align employee's value goals, and aspirations with those of the organisation. Engaged employees are not just committed, passionate and proud; they have a line of sight and their own future aligned with the organisation mission and goal. (Anita Singh, Timira Shukla October -2012, published in the Journal ‘Asian Journal of Management Sciences and Education’, Vol. 1, No. 3, Institute of Management Studies, Ghaziabad, India).
Objectives of the Study
- To ascertain the engagement programs practised in mid-level IT companies.
- To ascertain the employee perceptions towards engagement programs.
- To assess the effect of employee engagement in job performances.
- To assess the effect of engagement programs in employee retention.

Methodology
Descriptive survey method was used to find out employee engagement and its effect on job performances and employee retention. A structured questionnaire was designed with rating scale questions at five-point scale. For collecting data, 70 employees were selected on the basis of convenience sampling method from three mid-level IT companies in Chennai. Analysis of data was done with the help of Chi-square Analysis.

<table>
<thead>
<tr>
<th>Age/ Motivation Level</th>
<th>21 to 25 Years</th>
<th>26 to 30 Years</th>
<th>31 to 35 Years</th>
<th>36 to 40 Years</th>
<th>Above 40 Years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
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<td>5</td>
<td>8</td>
<td>1</td>
<td>1</td>
<td>19</td>
</tr>
<tr>
<td>Agree</td>
<td>7</td>
<td>12</td>
<td>8</td>
<td>3</td>
<td>3</td>
<td>33</td>
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<tr>
<td>Neutral</td>
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<td>6</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>18</td>
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<tr>
<td>Disagree</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>23</td>
<td>18</td>
<td>7</td>
<td>6</td>
<td>70</td>
</tr>
</tbody>
</table>

Table 1

Calculated value of Chi-square ($\chi^2$) = 5.777
Degrees of freedom = (r-1) (c-1) = (5-1) (5-1) = (4) (4) = 16
Level of significance = 0.05 (5%)
Tabulated value for 16 DGF and 5% Level of significance=26.296
The calculated value (5.777) is less than (<) tabulated value (26.296)
Hence the Null hypothesis (H0) is accepted.

Inference
Since the calculated value (5.777) is less than the table value (26.296), the null hypothesis (H0) is accepted. Therefore, there is no significant relationship between the age of the respondents and their motivation level to work towards the organisational goals.

Chi-Square Analysis -2
Relationship between experience of the employees and their willingness to stay in the organisation to improve their skills.

Hypothesis
Null hypothesis (H0)
There is no significant relationship between experience of the employees and their willingness to stay in the organisation to improve their skills.

Alternative hypothesis (H1)
There is significant relationship between experience of the employees and their willingness to stay in the organisation to improve their skills.

<table>
<thead>
<tr>
<th>Experience/ Staying with their Current Organisation</th>
<th>Below 1 year</th>
<th>1 to 3 years</th>
<th>3 to 7 years</th>
<th>7 to 15 years</th>
<th>Above 15 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>5</td>
<td>3</td>
<td>5</td>
<td>8</td>
<td>1</td>
<td>22</td>
</tr>
<tr>
<td>Agree</td>
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<td>4</td>
<td>13</td>
<td>14</td>
<td>1</td>
<td>33</td>
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<tr>
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<td>1</td>
<td>8</td>
<td>0</td>
<td>11</td>
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<tr>
<td>Disagree</td>
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<td>0</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Strongly disagree</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>7</td>
<td>9</td>
<td>21</td>
<td>31</td>
<td>2</td>
<td>70</td>
</tr>
</tbody>
</table>

Table 2
Calculated value of chi-square ($\chi^2$) = 14.782
Degrees of freedom = (r-1) (c-1) = (5-1) (1-1) = 4 = 16
Level of significance = 0.05
Tabulated value for 16 DGF and 5% Level of significance = 26.296
The calculated value (14.782) is less than the tabulated value (26.296)
Hence the Null hypothesis ($H_0$) is accepted.

Inference
Since the calculated value (14.782) is less than the table value (26.296), the null hypothesis ($H_0$) is accepted. Therefore, there is no significant relationship between experience of the employees and their willingness to stay in the organisation to improve their skills.

Findings of the Study
The following are the Findings of the Study on “Employee Engagement and its Effect on Job Performance and Retention” in Mid-size IT Companies:

- It is found that 72% of the respondents think that their organisation is adopting appropriate system to secure health and safety.
- It is found that 46% of the respondents have expressed as neutral with the administration of compensation benefits.
- It is found that 59% of the respondents think that the organisation acts immediately regarding the feedback.
- It is found that 77% of the respondents are satisfied with their working environment.
- It is found that 74% of the respondents agree that the employee engagement activities have been motivated to work towards the organisational goals.
- It is found that 43% of the respondents feel that the employee engagement activities boost their morale.
- It is found that 44% of the respondents have expressed as neutral for the appreciation of their work.
- It is found that 94% of the respondents agree that they are willing to put extra effort to get the job done.
- It is found that 74% of the respondents agree that they get increments and promotions in time for their performances.
- It is found that 89% of the respondents agree that their management is showing commitment for their continuous learning and development.
- It is found that 78% of the respondents agree that they are aware of the career opportunities in the organisation.
- It is found that 77% of the respondents have said that for developing their skills in the organisation, right now the best way is to stay with their current team.
- It is found that 91% of the respondents have said that for growth in this organisation, it is best to stay with their current project leader.
- It is found that 78% of the respondents have said that for growth in this organisation, it is best to stay with their current organisation.
- Chi-square test was applied to check whether there exists any significant relationship between the age of the respondents and their motivation level to work towards the organisational goals. The calculated value (5.777) of Chi-square was found to be less than the Table value at 5% significance level (26.296). Since the calculated value is less than the table value, we accept the null hypothesis ($H_0$) which tells that there is no significant relationship between the age of the respondents and their motivation levels to work towards the organisational goals.

- It is inferred from the Chi-square test analysis that the calculated value (14.782) is less than the table value (26.296). Hence, the null hypothesis ($H_0$) is accepted. Therefore, there is no significant relationship between experience of the employees and their willingness to stay in the organisation to improve their skills.

- It is inferred from the weighted average method that most of the respondents are satisfied with their working environment.

DISCUSSIONS AND RECOMMENDATIONS
The engaged workers are more actively present in the organisations. These employees work with passion and develop a profound connection to their companies. To retain the engaged workers the management must constantly motivate his employees. Cash prizes, trophies, gift vouchers, certificates are an effective way to motivate the employees and keep them engaged in their work. People who are actively engaged help to move the organisation forward.

The management may properly recognise their workers by giving timely promotion, reward and incentives to retain them. Training and growth opportunities contribute to totally engage employees and retaining them.

Managements can try to expedite action taken on feedback. Employee counselling and mentoring techniques can be used to get the feedback from the employee about his role and job performances. When employee issues are addressed immediately by management, employees will have more trust on management, show more involvement and they would come forward to give more ideas and suggestions about the work and it does not mean that employees always complain. It would be also better if management takes effort to improve work-life balance of employees.

CONCLUSION
In today’s competitive business world, employees are expecting more and more from the employers. The employers need to be cautious in choosing the right fit and giving a realistic job preview and engage the employees through their engagement activities to build passion, commitment and alignment with the organisation’s strategies and goals.

From the study on the employee engagement and its effect on job performance and retention in these mid-size IT companies, it was found that the most of the employees are highly engaged with their companies both intellectually and emotionally. Also the study infers that most of the employee engagement programs have produced good results on engaging the employees in accordance with organisation’s objectives and goals. Namely a few are health and safety,
To conclude, the organisations can still concentrate on specific areas which are evolved from this study in order to make the engagement programs more effective. Only if the employees are properly engaged they work well and only if they work well the organisation is going to benefit. An Employee’s Engagement levels depend not just on his work but also the work and attitude of his subordinates, peers and superiors as well as various processes and environment in the organisation. Some action needs to be taken to improve the conditions in future. The suggestions of this report may help in this direction.

REFERENCES