

## GLOBAL AND INDIAN TRENDS, DRIVERS AND CHALLENGES IN EMPLOYEE ENGAGEMENT: A STUDY OF IT AND ITES SECTOR

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### ABSTRACT

Employee engagement is important for organizations and should not be complicated, companies should focus on right issues and take steps in right direction to create engaged environment for employees. Employee engagement is important for each and every organization for its success, the engaged employees are the assets of organizations. Employee Engagement is the progressive approach of employees towards its organization and values. The organizations should focus towards employee engagement; companies with highly engaged employees have reduced employee turnover or attrition. Employee engagement is dependent on various factors but the most important factor is employee- employer relationship, employee engagement is employee commitment and involvement in performing task. IT and ITES Sector is among the fast growing sector and as per the government support and initiatives many new startups are emerging thus it is becoming difficult for organizations to engage the employees. The research and reports say that IT and ITES Sector has important role in Indian Economy. This Sector has seen lot many changes as the generation changes the demand and need of employee's changes. Many organizations are still following traditional ways of engaging its employees, whereas employee engagement strategies should be framed and formed as per the need of current generation. Keeping in mind the aspirations of employee's, organizations should focus on developing employee engagement strategies.

**Keywords:** Employee engagement, commitment, values, employee involvement

### The impact of Employee Engagement on organization

Employee engagement leads to employee encouragement which in turn leads to good and higher service. Employee engagement helps in gaining customer satisfaction which in turn increases the profit and helps gaining employer branding.

Employee engagement reduces the employee absenteeism, increases the motivation and in turn helps in increasing productivity. Employee engagement helps the organization to prove Return on investment

The different studies done in past shows that effective employee engagement strategies have positive impact on organization culture, leadership, communication and overall organization productivity. Author Jyotsana Batnagar in her research has mentioned that high level of engagement can lead to employee retention but only for a specific time period in ITES sector. The requirement for more important drivers for engagement is indicated by the study.

The literature review has also focused on the fact that employee engagement is having impact not only on organization but also on customers, society and government regulations. The organizations should keep in mind these

aspects before designing the employee engagement strategies.

### Summary of Literature Review

Employee Engagement is one of the major aspects for the organizations. Employee Engagement is not only employee contentment or employee fulfillment, employee engagement is when employees are emotionally connected with the organization to achieve organizational goals. Organizations are trying hard to engage employees by different means. Employee engagement not only leads to employee retention it also leads to decrease the number of employees those who are disengaged. Engaging employees in IT and ITES sector is become very important. Employers are conducting survey to understand how they can engage the employees.

As the engaged employees feel connected to their workplace and work with passion. Engaged employees help to move the organization forward by driving innovation. On the other hand disengaged employees are putting time but with less passion they are busy acting out their unhappiness. The literature review has focused on various parameters of employee engagement, emerging models of employee engagement and relationship

between employee satisfaction, engagement and commitment. Based on the literature review organizations can design effective employee engagement

### **Global and Indian trends and drivers in employee engagement**

As per employee retention report by Work's Institute an approx. 42 million employees will change jobs in 2018, this shows that approx. 28.6% or more than one in four employees will switch their company and will start a new job somewhere else. This shows that there is a 11% increase over last year. If this ratio continues, by 2020 approx 48 million employee will shift their jobs. Increase in attrition rate will affect the organization to manage profits and grow revenues. Employers will have to bear a turnover costs \$600 billion in 2018 and can expect that number to change to \$ 680 billion by 2020

The top ten reasons employees leave their jobs as per Work Institute employee retention report:

- Career & Growth
- Pay and benefits
- Job Description
- Organization Culture
- Relocation
- Work life Balance
- Retirement
- Well being
- Involuntary
- Work Environment

As per the report 70% turnovers are preventable that means employers can prevent 3 in 4 employees from changing the organization.

More Preventable Reasons for leaving

**Career Development** –Employees try to leave the organizations which are not focusing on employee growth and development. The employers should try to appreciate the need, choices and aspirations of their employees and should provide them advancement and promotional opportunity.

**Work-Life Balance** – Employer should focus on more encouraging strategies to retain and attract employees. Employees leave the organization when the find the schedules are

very tight, no flexibility, travelling is more or work place is far from home. These points should be kept in mind while recruiting or engaging the employees.

**Manager Behavior** – Most of the employees leave organizations if there manager is not trained in their relationship skills , few of poor managerial behaviors are as poor employee treatment, unprofessionalism, poor communication, lack of support and lack of manager competence.

**Compensation & Benefits** – Employers should focus on compensation and benefits, they must understand the specific elements for pay.

**Job Characteristics**- Employees leave the organizations if they found the job is not well defined and resources are limited to complete the task and the training is not properly given for completing the specific task.

**Work Environment**- Employers should focus on positive work culture and strong mission and vision, employees leave the organization is they find the work culture is not good or unsafe environment employers should understand needs of employees and should focus on more to improve the working environment.

As per Global engagement report by AON in 2018 study is conducting on more than 1000 companies across the globe. The study was done using more than 8 million employee responses in 2016 and 2017 across globe. The study showed improvement in engagement in the Asia pacific region with two point improvement in largest economies if India and China, led by japan with two point. The increase in engagement has also shown result on economies in India and China continued to grow significantly in 2016 and 2017.

This study has showed different drivers of engagement but that topped the list are mentioned as below:

- Senior Leadership dimension
- Rewards & Recognition
- Career Development

Africa and Europe has shown five point and two point improvements respectively, Recruitment and retention was the top engagement driver last year for Africa and is the 4<sup>th</sup> strongest driver this year as well.

Companies in these regions are focusing in attracting, promoting and retaining the right talent.

Latin America has shown 75% employee engagement as per Aon 2018 report, Latin America and Europe are the 2 regions showing top leadership as the strongest employee engagement driver, it shows clearly that employees need open and clear communication with immediate leaders at all levels, few other engagement drivers in Latin America are mentioned as below:

Career & Development  
 Rewards & Recognition  
 Talent & Staffing  
 Enabling Infrastructure

North America stayed flat at and 64% respectively, the key employee engagement drivers in where Customer Focus, Diversity & Inclusion and Rewards & Recognition.

The summary shows the engagement drivers vary from industry to industry and country to country but still if the organizations implement one or two drivers effectively the employee engagement can have boost year by year. As per the Aon's Report and article there is a shift in understanding employee engagement and organizations should focus on few key trends for better employee engagement

Collaboration  
 Diversity and Inclusion  
 Advanced Performance Management Tools  
 Rewards and Recognition  
 Work-Life Balance  
 Quality of Senior Leadership

### **Challenges of implementing employee engagement**

Over the past years employee engagement has become important role of HR managers as low employee engagement effects organization overall performance and organizations are totally aware that they need to focus on other employee engagement drivers as well apart from compensation and benefits. As per the annual study commissioned by CASCADE HR has focused on few topics which are keeping HR professional awake at night in 2019, the list showed Employee Engagement on top with 40 percent. Recruitment and retention were on second and third position with 37% & 36%

respectively, which was followed by absence management and wellbeing with 29% and 22% respectively.

Major organizations are facing challenges in implementing employee engagement strategies as organizations are not focusing on key problems as mentioned below:

Advancement and development opportunities are less in many organizations, employees want to work on advance technology and need regular training for the same. The organizations are not focusing on creating growth opportunities for its employees. Most of the organizations don't focus on employees expectations for what the employees are associated with the organization weather it is product, policy, people or customers. The organization should take continuous feedback about how employees are adapting new technology, new opportunities. Organizations should be aware of employee capabilities so that they can focus on developing strategic plan to upgrade his or her skills for future advancement.

Organizations should review the strategies frequently to understand what employees are actually engaged to, what the exact drivers of engagement are and how the employees are feeling it in every day experience.

Organizations should focus on consistent communication habits, the employees should be aware of the information about organizations success, challenges etc. In all the organization should focus on clear communication.

Leadership plays important role in employee engagement; the leaders should be strong and capable enough to understand what motivates and drives employees in an organization.

Try to understand the bonding between leaders and team, focus on strengthening the bond between employees and leaders. Focus on building strong team and employees should be motivated to work as a team to create connectivity and accountability.

Organizations should focus on employees consider them assets for organization and focus on what is right for its employees , the mission, vision and policy should be aligned to strengthen the organization. All employees should focus on achieving targets by keeping in mind the organization core strengths.

Employee engagement is important for organizations and should not be complicated, companies should focus on right issues and take steps in right direction to create engaged environment for employees.

### Employee engagement drivers

It has been observed that respondent has given maximum emphasis to Career and Growth Development (maximum average 3.85), followed by social engagement (average 3.37), Leadership (average 2.98), organizational culture (2.90) and communication (2.85). As per the respondents, the first very important Employee Engagement Driver is Career and growth Development. Respondents have given more weightage to their Career and Growth development which is very obvious. Career and Growth Development is the most motivating factors for employees and act as Engagement Drivers.

As per the analysis of the data 51% respondents were agreed to the statement compared to 23% respondents who see this as a low or very low importance in employee engagement. 25% respondents were neutral to this statement.

Majority of respondents agreed that social engagement / activity has high importance for employee engagement in IT & ITES. It gives a platform to employee through employer to connect to society and motivate themselves from off routine exercise.

Most of the employees have felt organization culture should be challenging and comfortable

at the same time. The findings have also shown quiet positive response on employee's career growth and development, employees have mentioned that organizations should focus more on CSR activities, there should be emotional engagement involved in organizations. The role of leader is always found to be an important engagement driver though being the old one.

### Conclusion

In this technology era organizations should focus on employee's success and growth, the employees should be given ample opportunities to work on new technology or new concept so that they feel organization is thinking for their career development and growth.

Employee engagement is important aspect of organizational success and growth. Engaging the employees can help in reducing various cost like recruitment cost, training new employees cost etc. Organization should focus more on employee engagement strategies or they can also form a team or outsource the whole process.

The study conclude that the employee engagement strategies designed by the IT / ITES organization helps in gaining better employee engagement score and this influence to increase the level of satisfaction. However few areas of improvement are still there that can help to establish to integrate the talent management with overall organizational corporate strategies.

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