

## **A Study on Correlation between Employee Engagement and Organizational Effectiveness wrt IT Industry in Pune city.**

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### **Abstract**

The purpose of this research study is to study the correlation between employee engagement and organizational effectiveness with special reference to IT industry in Pune city. The researcher has used survey method to collect the data from 300 employees in IT sector by using well-structured questionnaire. Descriptive research design and non-probability convenience sampling method is used for this study. The findings of this study will be helpful to IT companies to increase their organizations effectiveness by better managing their employees.

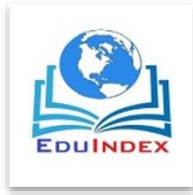
### **Introduction**

#### **Employee Engagement**

Employee engagement is the extent to which employees feel passionate about their jobs, are committed to the organization, and put discretionary effort into their work. In any organization where employee is engaged they are 21% more productive than other employees. Employee engagement, a by-product of leadership, is improved when the leader has a direct relationship with employees (Lowe, 2012).

#### **Organizational Effectiveness**

Organizational effectiveness is totally dependent on its employees. If organizations keep employees happy by implementing good HR practices it leads to effective organizational performance. Organizations have to develop training programs focusing on skills to influence employee performance and engagement. Kompasso and Sridevi (2010).

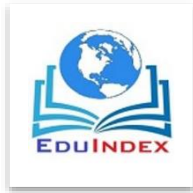


## **IT Industry**

Information Technology sector is increasing day by day in most other parts of the country. Pune city is third biggest hub for IT services after Bangalore and Hyderabad. Lots of employment opportunities are available in this sector in Pune.

## **Literature Review**

- Manish Gupta, Shirshendu Ganguli, and Abhilash Ponnampaloor (2015), “Factors Affecting Employee Engagement in India: A Study on off shoring of Financial Services” in this research paper it was found that there are few factors of employee engagement in an Indian company indulged in offshoring of financial services. These are namely implicit benefits, organizational culture and organizational policies.
- Arti Chandani (2016), in the research paper entitled “Employee Engagement: A Review Paper on Factors Affecting Employee Engagement” the researcher has discussed various of employee engagements which are at macro i.e. at organizational level and micro level i.e. at individual level.
- Dr. Pratima Sarangi, Dr. Bhagirathi Nayak (2016), “Employee Engagement and Its Impact on Organizational Success – A Study in Manufacturing Company, India” this article is basically individual work responses taken from employees in manufacturing companies. The employees are agreed with the studied parameters to improve the purpose of effective employee engagement in manufacturing companies.
- Schrita Osborne, Mohamad S. Hammoud (2017), in their research paper entitled “Effective Employee Engagement in the Workplace” the researchers identified that engaged employees deliver improved organizational and



individual performance and they also suggested that organizations must understand the need for independence, intrinsic rewards, and influence to achieve employee engagement.

### **Research Methodology**

The whole research process moves around the objectives. While designing objectives the researcher always has to keep in mind that the whole research is objective oriented which leads to results.

### **Objectives of the study**

1. To study the concept of employee engagement.
2. To study the influence of employee engagement on organizational effectiveness.

### **Hypothesis of the Study**

H1: There is positive relationship between employee engagement and organizational effectiveness.

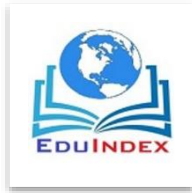
### **Scope of the study**

The scope of the study is limited to IT companies in Pune city.

The Major keywords identified for the detailed study are employee engagement, organizational effectiveness, influence etc.

### **Sampling**

Sampling is the process in which a sample is drawn from the overall population. The researcher has selected non probability convenience sampling method to collect the data from 300 employees in the IT sector. Convenience sampling is a process of choosing a sample from the population which is easily accessible for the research.



### Methods of Data collection

The important tool for conducting research is the availability of necessary, relevant and useful data. The researcher has collected primary data from the employees of IT companies in Pune city using the well-structured questionnaire. The researcher has visited employees in IT companies in different locations in the city (Hinjewadi, Magarpatta city, Nanded city, etc.) to collect the primary data from 300 respondents. The secondary data is collected from internet, books, magazines, and articles etc.

### Method of analysis and statistical tools

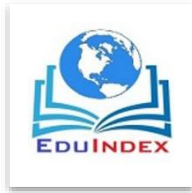
A well structured questionnaire is used to collect data and IBM SPSS-20 and Ms Excel-2007 has been used to analyse the data. The researcher has also used rating scale technique to get the responses from employees. The researcher has used statistical tools like Mean, Percentage and Std. Deviation for data analysis.

### Reliability and Validity

The researcher has carried out reliability test using SPSS. The Cronbach's Alpha observed is 0.845, which is more than 0.700, so the questionnaire is considered to be reliable. The measuring instrument is called as valid when it measures the things for which purpose it is developed. Content validity is used for the present research and identified the research instrument is suitable for the present research study.

Type of Research Design	Descriptive Research Design
Sampling Technique	Non Probability Convenience Sampling
Sampling Area	Pune City
Sample Size	300
Primary Data	Well structured questionnaire
Secondary Data	Research papers, Articles, Books, Journals etc.

### Tabulation & Data Analysis



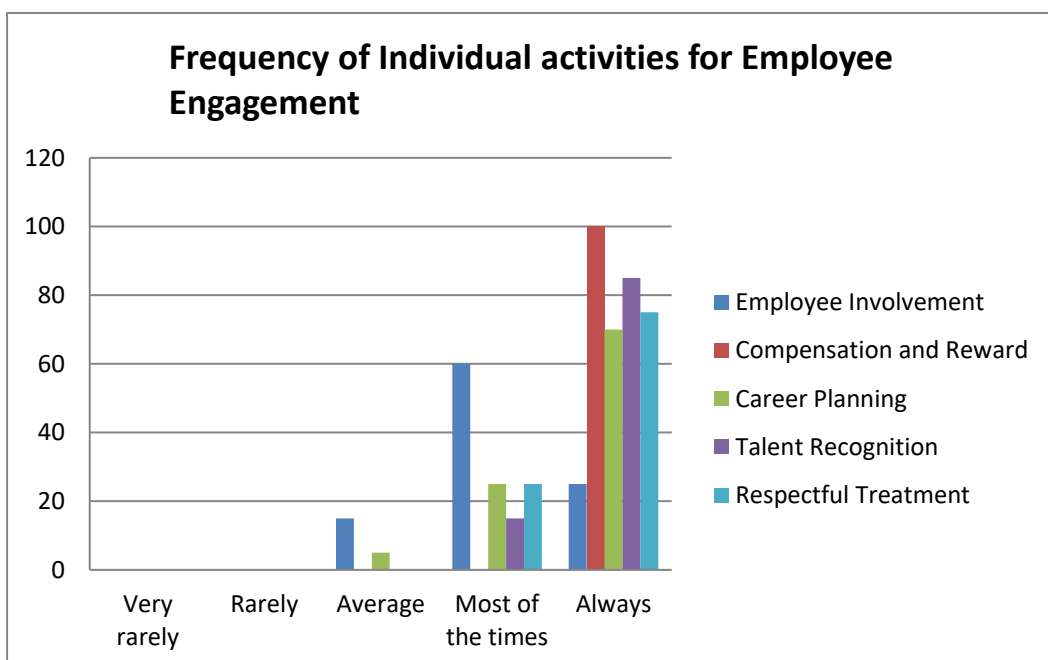
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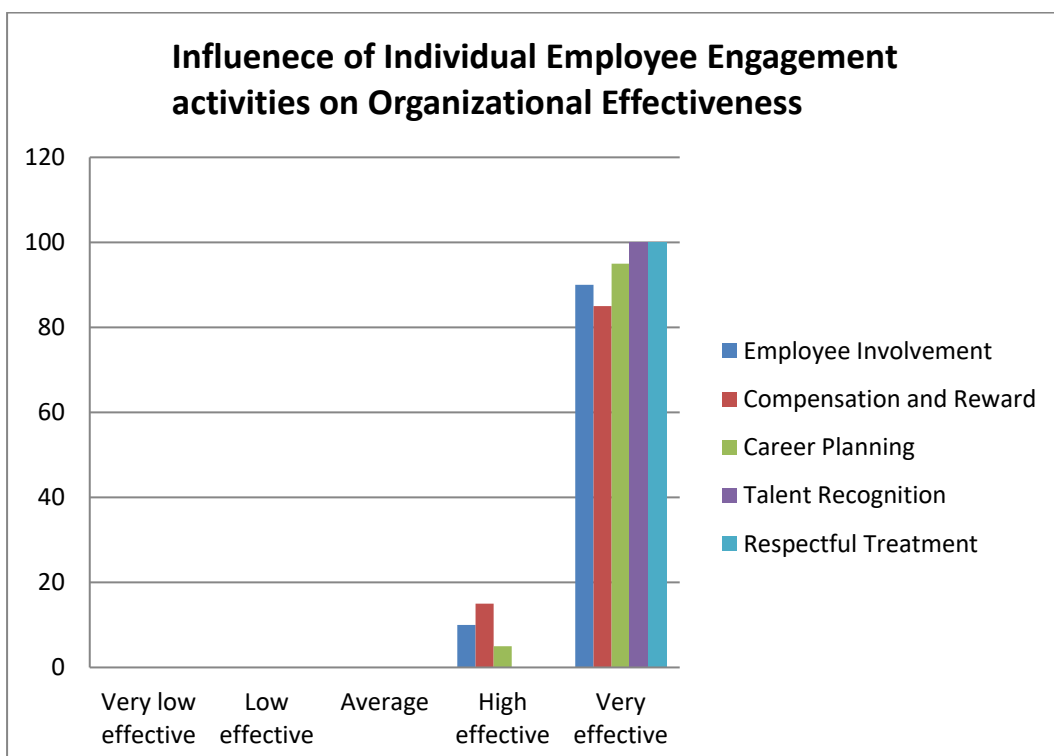
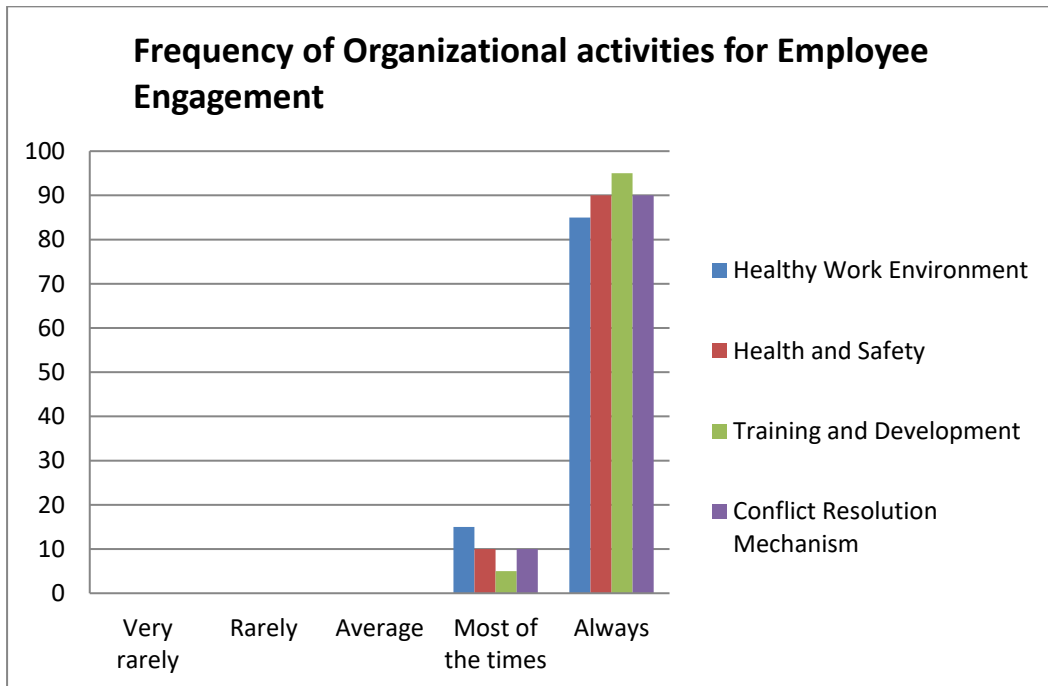
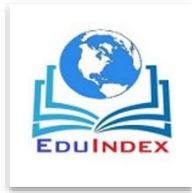


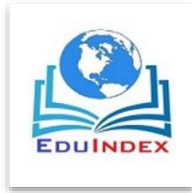
Rating Method

Parameter	Rating
Very low influence	1
Low influence	2
Average	3
High influence	4
Very high influence	5

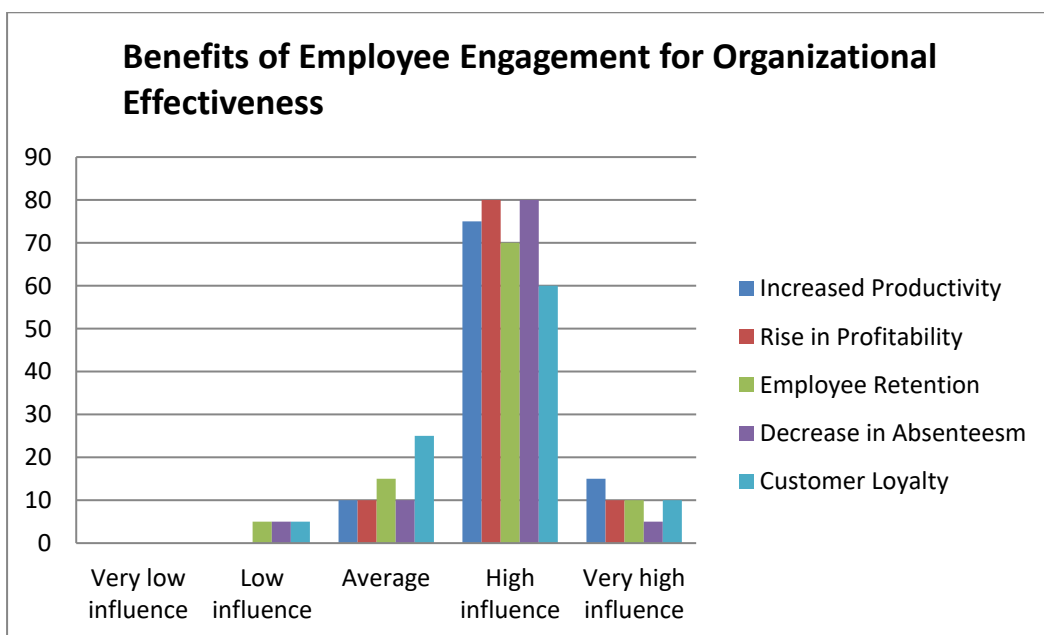
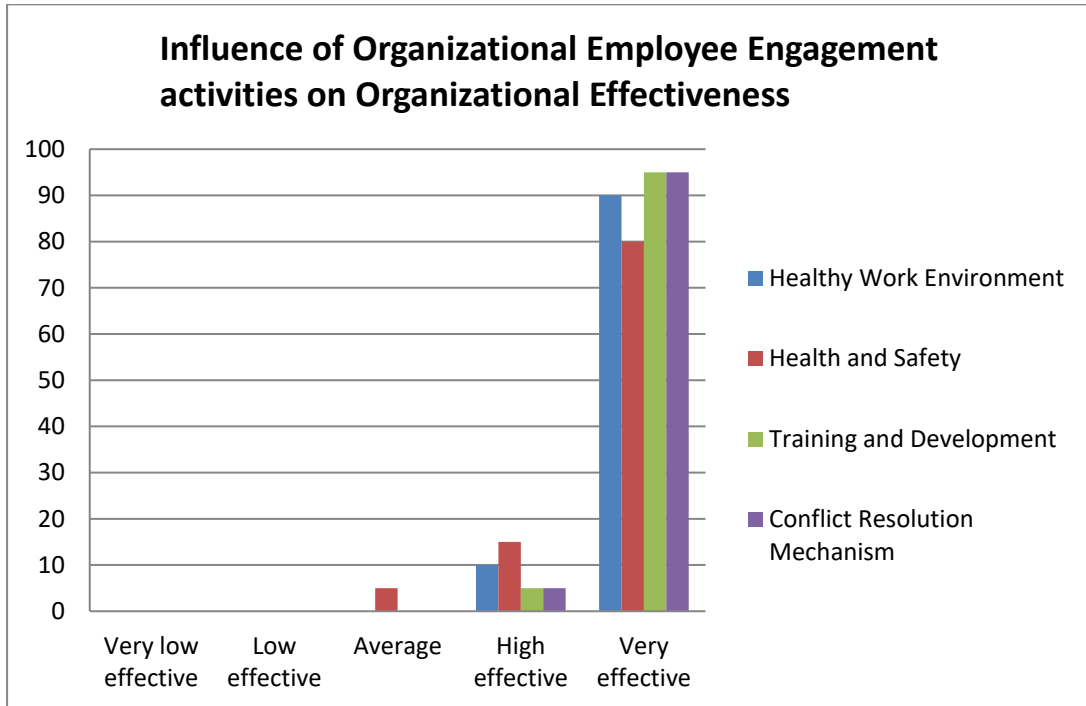
Parameter	Rating
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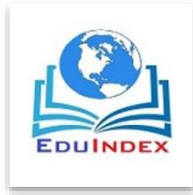






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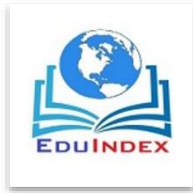
### **Hypothesis Testing**

- Null Hypothesis (H<sub>0</sub>): There is no relationship between employee engagement and organizational effectiveness.
- Alternative Hypothesis (H<sub>a</sub>): There is positive relationship between employee engagement and organizational effectiveness.
- The researcher has used Z test to check the null hypothesis with the help of SPSS 20, the P value observed is 0.02 which is less than 0.05 so the null hypothesis there is no relationship between employee engagement and organizational effectiveness is rejected and alternative hypothesis there is positive relationship between employee engagement and organizational effectiveness is accepted at 5% level of significance.

### **Findings**

- Almost all IT companies in Pune city follows various HRM practices to engage the employees in their organization. Compensation and rewards as well as talent recognition are the activities which are updated on regular intervals.
- Training and development related programs are always conducted in IT companies in Pune city.
- All employee engagement activities are highly effective for organizational development. As per employees opinion if their talent is utilized in proper way and if they get respectful treatment in the organization it will help in increasing productivity and overall performance of the organization.
- Conflict resolution mechanism and healthy work environment are also the prime concerns for organizations development.
- It is clearly observed from the present research study that employee engagement have strong correlation with organizational effectiveness.

### **Bibliography**



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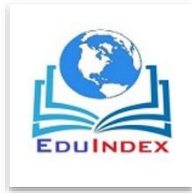
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