

A factor Analytical Study: Organizational Climate and Employee Engagement in IT sector in National Capital Region

***Swati Bhatia, Assistant Professor, New Delhi Institute of Management, New Delhi, India.**

***Sushma, Assistant Professor, Starex University, Gurugram, India.**

Abstract

The purpose of the present paper is to identify the drivers of the employee engagement in the IT sector of National Capital Region. The responses were collected through self- structured questionnaire on five point likert scale rating. The present research attempts to study the key factors of organizational climate and its impact on employee engagement. The study concludes that organizational climate is the combination of creative, development oriented, reward, recognition, involvement and participation, communication, openness and trust oriented systems within an organization which impacts the commitment and engagement level of employees. The results depicts that there is significant relationship between Organizational climate and the employee engagement.

Keywords: Organizational Climate, Employee Engagement, Employee Commitment

1.1 Introduction

Corporations do recognize that a ‘happy’ employee isn't necessarily the ‘nice’ worker in phrases of loyalty and productivity in today’s’ competitive state of affairs. It is only an ‘Engaged worker’ who is intellectual cognitive and emotional with the organization, feels ardent about its dreams and is fervent to its values and beliefs. He travels the more miles past the basic activity obligation and is related to the moves that drive the commercial enterprise. So, employee engagement is the need of the hour but then organizations need to foster engagement of the employees through a distinctive and productive Organizational climate.

The key to success of Indian IT sector is the availability of trained, low cost IT professionals. The major trouble spot impeding its growth is the high rate of 'employee attrition' that is blamed for causing undue disruptions in project implementations and loss of skills. Given the dynamic scenario in the Indian IT industry coupled with a high rate of attrition, it is imperative that HR departments here invest time and energy on devising ways and means to increase the engagement levels.

So, in the context of IT companies, the HR needs to look into ways for providing a conducive Organizational Climate that can harness the skills and competence of its employees while keeping them engaged and also promoting their well being for long term retention in the organization.

1.2 Review of literature

Kahn (1990) was the initial researcher in academics to study employee engagement and he explained it in the context of vigor, willpower and absorption of the employees toward their enterprise. Most of the organizations and consultation companies recall employee / worker engagement as related to other job associated constructs like job satisfaction, job involvement, dedicated commitment towards organization and employee attitude and behaviour in the organization. Some current salient studies on this context are presented as follows:-

Agrawal, S. (2016) researched to distinguish the components impacting employee commitment and engagement: an investigation of workforce which is diversified .The analyst led a study on of 254 administrative representatives through an organized poll finished both either on the web or virtual or off-line by the informant. The result of the investigation demonstrated that the representatives like ideas of work which are allotted to them and which keep them exceptionally occupied in their work. The well engaged

employees fully recognize their roles and challenges; they consider work to be a wellspring of their identity, and a vehicle for self-articulation just as achievement of flawlessness throughout everyday life. The majority of the respondents thought about earnestness, diligent work, and trustworthiness as the brilliant keys to achievement in the quest for their vocation.

Chandani, A. et al. (2016) uncovered few components of employee engagement in the paper; on elements influencing representative commitment. The researchers portrayed the main considerations of representative commitment which were initiative, respect of workers and co-workers, successful administration of ability, strengthening with delegation of duty and authority, good compensation, fair and equitable treatment, correspondence, nature of employment, welfare, health and security, ability acknowledgment, lucidity of organization esteems and policies, organization's standard of moral conduct, hierarchical governmental issues and character factors and so on. The study uncovered the critical and positive connection between the employee commitment and engagement and employee performance regarding profitability, productivity, revenue and sales and satisfaction in job.

V., Siva Kumar (2015) endeavors an examination on employee engagement in private segment banks in India and founded that employee's commitment and sincere engagement in their work related areas upgrades the development of banks and assumes significant job in retaining skilled and hard working employees. Employee commitment and engagement in this manner, benefits both the association and the employees. The analysts presumed that, on the off chance that the representatives are not happy with workplace, at that point their commitment and engagement level will likewise be

generally less. In this way, the administration should focus on work culture components to build the degree of commitment and engagement in the team of employees.

Eldor, L. furthermore, Harpaz I. (2015) endeavored an examination on building up a procedure model construct of employee committed engagement which attempted to look at the knowledge atmosphere and its association with other job execution practices on an example of 625 workers in Israel in different jobs and associations. The investigation showed that there is a strong relationship between performance and engagement of employees. Further, it also concluded that the important drivers for employee engagement are learning atmosphere and workers' and co-workers relation, information sharing, innovativeness, and versatility. They likewise observed that relationship to be more careful and thorough than comparative ideas, for example, employee engagement and working environment. Their exploration bolstered that employee commitment intervenes the connection amongst the apparent knowledge atmosphere and these related job practices.

Orla, B. (2014) directed an exploration on examination concerning employee commitment and engagement in the West of Ireland' in the hotel sector and reasoned that employee committed behaviour and his engagement is an indicator of employees learning, their perceptions and proactivity. Employee's commitment brings about lower employee turnover, more elevated amounts of individual execution and optimistic assessment of the association. The study revealed that employee job commitment prompts compelling good performance.

1.3 Statement of the problem

Throughout the years as IT associations have developed and moved towards globalization, the significance of appropriately prepared and experienced workers has developed complex. This puts a colossal measure of weight on the association to guarantee that the representatives stay drew in and focused on the association. Associations need to develop better atmosphere that representatives see than be generous and in which they can accomplish their maximum capacity in an advocated way. Atmosphere has a stamped effect to an association's presentation since "it demonstrates how drawn in the workplace is for representatives". In spite of the fact that there are numerous surviving investigations inspecting the predecessors of Employee Engagement in the Indian segments, or surveying the degree of Employee Engagement in assembling parts and medical clinics, for the most part however there is not really any examination dissecting the job and impact of Organizational Climate on Employee Engagement in the IT division in National Capital Region.

1.4 Objective of the study

The primary aim and purpose of this research paper is:-

- Examining the Organizational Climate and its factors Impacting Employee Engagement

1.5 Research Methodology

The study is exploratory research design in nature. The sample size is 235 from National Capital Region comprising of employees from IT sector. Non-probability judgmental sampling technique is the most appropriate to meet the present study requirements. The present research study pertains to 10 top notches IT companies in the National Capital Region as per NASSCOM survey 2017. The data collection is done with the help of questionnaire. The questionnaire for this study comprises of both multiple choice and close ended question

options on the likert scale of 5 point rating. Organizational Climate factors were analyzed with the help of exploratory factor analysis.

1.5 Results & Discussions

An exploratory factor analysis was conducted using technique of Principal Component Analysis (PCA) with Varimax rotation for identifying the organizational climate factors that affect employees' engagement. To check the suitability of data set for factor analysis KMO and Bartlett's test of sphericity is undertaken. The results are presented in the table 1.1 below:-

Table 1.1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.887
Bartlett's Test of Sphericity	Approx. Chi-Square	9.175E3
	Df	595
	Sig.	.000

As per the Kaiser-Meyer-Olkin test sufficiency the proportion is .887 which is satisfactory and sufficient for the test as it ought to be more than .6. Therefore the informational index was proper for running a factor examination. As a choice model for Factor examination, those things were chosen with Eigen Value >1, for further investigation and wherein the factor stacking is >5; the rest were ignored.

The results of Rotation Component matrix revealed 6 key factors of Organizational Climate which explained 60.401 % of the total variance. The summary result of the Factor Analysis showing the Organizational Climate factors is represented in the table 1.2 below

Table 1.2: Summary of the Organizational Climate factors

Name of the dimension	Statements	Factor loading	% Variance	Reliability Cronbach Alpha Value
1)Employee Development	My Seniors urge me to consider my improvement and act toward that path	.850	13.854%	.887
	I am helped in doing my job to become competent rather than being left out	.843		
	It is believed that employee behavior can be changed at any stage of their life.	.866		
	My management invests considerable time and resources in my training and developmental activities	.906		
	I am given opportunities to put my knowledge and skills to the optimum	.836		
2)Innovative & Supportive systems	There is ample opportunity for inter-departmental and collateral job assignments for enhanced learning	.630	13.199%	.851
	I am urged to try different things with new techniques and evaluate imaginative thoughts	.634		
	My shortcoming is conveyed to me in a non-compromising manner	.764		
	When I am given a feedback, I take it seriously without any fear of misrepresentation	.701		
	Free cooperation among representatives, each regarding other's emotions, ability and feeling of judgment	.689		
3)Openness & Trust	There is lot of conformity between feeling and expressed behavior (i.e. minimum gap between what people state and do)	.597	9.613%	.841
	I go further as opposed to doing surface-level examination of relational issues	.595		
	Free and open communications/discussion between	.681		

	seniors and myself takes place in this organization			
	There is true sharing of data, emotions and contemplations in gatherings	.787		
	I am supervised for work performance	.791		
4) Rewards & Recognition	The HR ensures that my appraisals is linked with my career prospects	.541	8.904%	.774
	There is fair remuneration based on the efforts and accomplishments of myself	.770		
	When I do great work, my directing officials take unique consideration to welcome it	.638		
	Accepting and appreciating help offered by other teams in joint projects	.563		
5) Autonomy	I am given autonomy to plan my work which keeps me motivates.	.807	8.000%	.795
	My Seniors direct me to plan for future obligations/jobs they are probably going to come my direction	.765		
6) Empowerment	Facing and not shying away from problems is valued here	.799	6.830%	.766
	Camaraderie/teamwork is of high request in this organization	.582		
	There is lot of emphasis on team work without overlooking individual accountability for the results	.730		

Overall Reliability= .843

Organizational Climate factors

Factor 1: Employee Development

Employee Development contains 5 items which explained 13.854% of the variance and emerged as the most important Organizational climate factor in the context of Employee Engagement. It includes aspects related to professional support and guidance extended to employees leading to effective performance and development in a holistic manner. So, Organizations should invariably develop employees in terms of knowledge and skill up gradation leading to their engagement in the long run.

Factor 2: Innovative and Supportive Systems

Innovative and Supportive Environment, the second important factor explained 13.199% of variance. It comprises of 5 items related to the provision of inter-departmental and collateral job assignments, and ample opportunities to employees for experimentation with new methods and creative ideas. This is an important aspect especially in the IT sector of employee committed engagement, where representatives/employees' work on project based assignments requiring lots of creativity, skills and dynamism.

Factor 3: Openness and Trust

Openness to Experience/Change/Trust and Honesty at workplace are important element of successful Organization. This factor of Organizational climate accounted for 9.613% of the variance and includes aspects related to provision/creation of a climate where there is free and open communications/discussions, authentic sharing of data, emotions and considerations in gatherings, and adequate supervision for viable work execution and performance.

Factor 4: Rewards and Recognition

Rewards and recognition, the fourth important factor explained 8.904% of variance. It comprises of items related to linking of appraisals with employees career prospects, fair remuneration, recognition and appreciation by supervisors and most importantly, acknowledging and appreciating help offered by other specially in team based projects as in the IT sector.

Factor 5: Autonomy

Autonomy is another distinctly important Organizational Climate factor in the IT sector which explained 8.000% of the variance. In the IT sector, since employees work mostly in teams and mostly performance based so, they must be granted ample autonomy to plan their work and perform accordingly. It is also essential that the seniors should beforehand guide

them and more importantly, prepare their team members to come to the forefront and undertake future role responsibilities

Factor 6: Empowerment

Empowerment is also one of the Organizational Climate factor in the IT sector, which explained 6.830% of the variance. Empowerment includes elements, like encouraging employees to handle problems, ensuring and building high team spirits and emphasizing team work but more importantly, according accountability for the results on each and every team member. In the IT division, representatives might be given the position to choose work routines, efficiency objectives, and even every day needs. The more the employees feel they have the power to decide, the more drew in and engaged they will feel.

1.7 Conclusion

It was found in this study that Organizational climate is constituted by Employee Development, Innovative and Supportive Systems, Empowerment, and Rewards and Recognition, Autonomy, Openness and Trust and Job role which effects the commitment level of the workers in the IT segment in National Capital Region. Along these lines, IT organizations must comprehend that high work practices go far in impacting engagement and commitment level through a strong and engaged workplace.

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