



## The influence of employee engagement on retention strategies in IT Sector

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### Abstract

This study investigates employee engagement, retention, and work-life balance in the IT sector, focusing on organizational culture, HRM practices, and leadership. Using descriptive and analytical research, Analysis revealed that employee engagement is characterized by loyalty and involvement, with salary satisfaction being significant. Fun events and technical skill development were most effective engagement activities, while continuous learning and team collaboration drove sustained engagement. However, perceptions about alignment of engagement initiatives with retention goals were divided, indicating need for better integration. The findings highlight the importance of multifaceted engagement strategies combining social, developmental, and organizational support elements to enhance retention in the IT industry.

**Keywords:** Employee engagement, retention, and work-life balance and organizational culture

### Introduction

Employee engagement, retention, and work-life balance have become critical focal points for organizations, particularly within the dynamic and competitive IT sector. Recent shifts in workforce expectations, accelerated by events such as the COVID-19 pandemic and the resulting "Great Resignation," have underscored the need for organizations to reassess traditional human resource management (HRM) strategies. This evolving landscape highlights the importance of organizational culture, managerial support, psychological safety, and alignment with organizational values in shaping employees' motivation to utilize flexible work arrangements (FWAs) and maintain commitment to their employers.

Extensive research reveals that employee engagement acts as a pivotal mediator linking organizational culture, job satisfaction, and retention, with HRM practices such as training, recognition, leadership support, and employer branding playing significant roles in fostering a committed workforce. Trust, both cognitive and affective, emerges as a key factor in reducing stress and burnout, thereby enhancing productivity and tenure. Additionally, work-life balance initiatives and flexible policies are consistently identified as essential for employee well-being and retention.

Tailored talent development programs, job security, psychological capital (PsyCap), and transformational leadership further contribute to sustaining high engagement and reducing turnover in IT organizations. Collectively, these factors underscore a multifaceted approach that integrates supportive organizational culture, strategic HRM practices, and adaptive leadership to improve job satisfaction, reduce attrition, and enhance overall organizational performance in the IT sector. This study builds upon these insights to explore the interplay of these determinants within the contemporary IT work environment.

### Literature review

The literature review synthesizes research on employee engagement, retention, and work-life balance primarily within the IT sector, highlighting key factors influencing

these outcomes. Studies emphasize the critical role of organizational culture, managerial support, psychological safety, and alignment with organizational values in motivating employees to utilize flexible work arrangements (Munjal & Sarkar, 2023; Kundu, 2023). Employee engagement emerges as a central mediator linking organizational culture, job satisfaction, and retention (Fathima & Basha, 2023; Mehta & Verma, 2022). HRM practices, including training, recognition, leadership support, and employer branding, significantly enhance engagement and retention, with sustained efforts in these areas proving most effective (Kumari & Patil, 2023; Dey *et al.*, 2023; Chen *et al.*, 2024; Patel *et al.*, 2024). Trust—both cognitive and affective—reduces stress and burnout, positively affecting productivity and tenure (Orlovic *et al.*, 2023). Work-life balance and flexible policies are repeatedly identified as crucial to employee well-being and retention (Medina-Garrido *et al.*, 2023; Chaudhary *et al.*, 2023).

The importance of job security and tailored talent development programs, such as mentoring and career progression, is also highlighted as vital for retaining IT professionals (Sharma & Gupta, 2023; Kumar & Sharma, 2023). Psychological capital (PsyCap), encompassing self-efficacy and optimism, strongly correlates with engagement (Kaur & Singh, 2023). Leadership style, particularly transformational leadership, is influential in sustaining high engagement over time (Srivastava & Patnaik, 2025).

Overall, the reviewed studies collectively underscore a multifaceted approach to employee retention and engagement involving flexible work arrangements, supportive organizational culture, strategic HRM practices, psychological safety, and adaptive leadership. These factors collectively contribute to improved job satisfaction, reduced turnover, and enhanced organizational performance in the IT sector.

### Research methodology

The research methodology is descriptive and analytical in nature, utilizing both primary and secondary data. Primary

data will be collected through structured questionnaires distributed to employees in selected IT companies, while secondary data will be sourced from company reports, industry publications, journals, and previous studies. The sampling method will be either simple random sampling or convenience sampling based on accessibility, with a sample size of 104 respondents. Data analysis will involve percentage analysis, correlation, and other relevant statistical tools to test the hypotheses.

Limitations include geographical restriction to selected companies in Whitefield, Bengaluru, a limited sample size affecting generalizability, time constraints preventing in-depth analysis, potential response bias due to social desirability, and the dynamic nature of the IT industry possibly impacting the study's long-term relevance.

**Data analysis and Interpretation**

**Table 1:** Which of the following best describes employee engagement?

Criteria	No. of Respondents	No. of % Respondents
Salary satisfaction	32	30.8%
Employee loyalty and involvement	41	39.4%
Vacation policies	18	17.3%
Time spent at work	13	12.5%
Total	104	100%

The table 1 presents respondents' perceptions of what best describes employee engagement. The majority (39.4%) identify employee engagement as "employee loyalty and involvement," indicating that engagement is primarily seen as a behavioral and emotional commitment to the organization. The second-largest group (30.8%) associates it with "salary satisfaction," reflecting the importance of

financial rewards in engagement. "Vacation policies" and "time spent at work" are considered less representative of engagement, with 17.3% and 12.5% of respondents selecting these options, respectively. This suggests that while work-life balance and presence at work are factors, they are not the primary indicators of employee engagement according to the surveyed group.

**Table 2:** Which type of engagement activity do you find most effective?

Criteria	No. of Respondents	No. of % Respondents
Technical skill development	30	28.8%
Fun and recreational events	33	31.7%
Recognition programs	20	19.2%
Team projects	21	20.2%
Total	104	100%

The table 2 displays respondents' preferences regarding the most effective type of employee engagement activity. The largest proportion (31.7%) favors fun and recreational events, indicating that informal, social activities are perceived as highly effective in promoting engagement. Technical skill development is the next most preferred activity, selected by 28.8% of respondents, highlighting the value placed on opportunities for professional growth. Team

projects follow closely at 20.2%, suggesting that collaborative work is also seen as a meaningful engagement strategy. Recognition programs are considered the least effective among the given options, with 19.2% of respondents choosing this category. Overall, the data suggests a balanced appreciation for both social and developmental engagement activities within the surveyed group.

**Table 3:** Which aspect of your job keeps you most engaged?

Criteria	No. of Respondents	No. of % Respondents
Role clarity	19	18.3%
Team collaboration	22	21.2%
Autonomy	17	16.3%
Continuous learning	46	44.2%
Total	104	100%

The table 3 presents respondents' perceptions of which aspect of their job keeps them most engaged. Continuous learning is the most significant factor, with 44.2% of respondents identifying it as the key driver of their engagement. This indicates a strong preference for opportunities that foster skill development and personal growth. Team collaboration follows at 21.2%, highlighting the importance of working effectively with colleagues in maintaining engagement. Role clarity is noted by 18.3% of

respondents, suggesting that understanding job responsibilities contributes to engagement but is less influential than learning and collaboration. Autonomy accounts for 16.3%, indicating that while independence in work matters, it is the least prioritized among the listed factors. Overall, the findings suggest that IT employees value growth-oriented and collaborative work environments as primary engagement drivers.

**Table 4:** Do you feel that employee engagement initiatives are aligned with retention goals?

Criteria	No. of Respondents	No. of % Respondents
Strongly agree	17	16.3%
Agree	37	35.6%

Disagree	23	22.1%
Strongly disagree	27	26%
Total	104	100%

The table 4 reflects respondents' perceptions regarding the alignment of employee engagement initiatives with retention goals. A combined 51.9% of respondents either strongly agree (16.3%) or agree (35.6%) that engagement initiatives are aligned with retention objectives, indicating a moderate level of confidence in the effectiveness of these programs. However, a significant portion, 48.1%, disagrees (22.1%) or strongly disagrees (26%), revealing a notable skepticism or dissatisfaction with the current alignment. This split suggests that while some employees perceive engagement efforts as supportive of retention, nearly half feel that these initiatives do not adequately contribute to retaining talent. The findings highlight an area for potential improvement in ensuring that engagement strategies clearly and effectively support retention goals within the organization.

### Key Findings

- Employee engagement is primarily perceived as "employee loyalty and involvement" (39.4%), indicating that emotional and behavioral commitment is central to engagement in the IT sector. Salary satisfaction is also important (30.8%), but factors like vacation policies and time spent at work are less associated with engagement.
- Among engagement activities, fun and recreational events (31.7%) and technical skill development (28.8%) are viewed as the most effective, reflecting a balanced preference for social interaction and professional growth opportunities. Recognition programs are perceived as least effective (19.2%).
- Continuous learning (44.2%) is identified as the most significant job aspect driving engagement, followed by team collaboration (21.2%). Role clarity and autonomy have comparatively lower influence, suggesting that IT employees prioritize growth and teamwork over independence or mere role definition.
- There is a divided perception regarding the alignment of employee engagement initiatives with retention goals: 51.9% agree that these initiatives support retention, while 48.1% disagree, highlighting a need to improve the effectiveness and communication of engagement strategies in relation to retention.

### Suggestions

- Enhance employee engagement programs by integrating more fun and recreational activities alongside technical skill development to foster both social bonding and professional growth.
- Prioritize continuous learning opportunities and collaborative projects to align with employees' preferences for growth and teamwork, thereby increasing engagement levels.
- Reassess and strengthen the linkage between engagement initiatives and retention objectives, ensuring that employees clearly perceive how engagement efforts contribute to their job security and career progression.
- Improve communication about the purpose and expected outcomes of engagement initiatives to reduce

skepticism and increase employee buy-in regarding their role in retention.

- Incorporate feedback mechanisms to regularly evaluate the effectiveness of engagement activities and adjust them to better meet employee needs and organizational retention goals.

### Conclusion

The study reveals that employee engagement in the IT sector is multifaceted, with loyalty, involvement, and salary satisfaction being key components. Engagement activities that combine social interaction and skill development resonate most with employees, while continuous learning and team collaboration are critical drivers of sustained engagement. However, the mixed perceptions on the alignment of engagement initiatives with retention goals indicate room for improvement in strategy execution and communication. Addressing these gaps by tailoring engagement programs to employee preferences and clearly linking them to retention outcomes can enhance workforce stability and organizational performance in the IT industry.

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