

## **Organizational Climate and Employee Engagement among the IT Professionals**

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### **Abstract:**

The concept of organisational climate has been described as 'fuzzy.' By and large, organisational climate refers to employees' "climate" or "perception" of their organisation. It is seen as the organization's "personality" as viewed by its employees. The following are the primary aspects of climate: leadership style, communication pattern, decision-making process, motivating forces, policies, procedures, organisational structure, goal-setting process, goal-setting training, and other internal and external elements. Employee engagement is defined as "an individual's sense of purpose and concentrated energy manifested to others through the demonstration of personal initiative, adaptability, effort, and tenacity oriented toward corporate goals." The purpose of this study is to determine the association between organisational atmosphere and employee engagement among IT professionals in Chennai. The independent variable is Organizational climate, and its sub variable is as follows. Clarity Regarding Roles, Respect, Reward System, Career Advancement, Organization and Decision Making, Relationships, Morale and Commitment, Education and Training Employee engagement is a dependent variable, and its sub variables include compensation management, motivation, the employee's personality, and training. This is a descriptive study, and data will be gathered using a questionnaire distributed to 409 employees of IT Professionals in Chennai. Multiple regression analysis will be employed to conduct the analysis in this study. We concluded from the outcomes of this study that there is a favourable correlation and considerable influence between organisational climate and employee engagement among IT professionals in Chennai.

**Key Words: Organizational climate, Employee engagement, IT professionals**

### **Introduction:**

In India, the information technology (IT) industry is divided into two distinct sectors: IT services and business process outsourcing (BPO). The sector's contribution to India's growth has increased. Mr. Narendra Modi, India's Prime Minister, has launched the 'Digital India' initiative to safeguard IT position both within and beyond the country. In India, information technology has played a significant part in transforming the country's image from one of a slow-moving bureaucratic economy to one of innovation. It directly employs 2.5 million people. India has developed into one of the world's largest IT capitals, with all of the key players in the global IT sector headquartered in the country.

**Lewin et al. (1939)** brought the term 'climate' into social psychology's lexicon, using it to refer to the attitudes, feelings, and social processes that transpired. A favourable climate is critical to an organization's success. Within a company, organisational climate is inextricably linked to a number of

aspects. The elements include employee mood and motivation, organisational culture as a whole and managerial behavioural efficacy. It is seen as a critical organisational construct.

Employee engagement emerged as a concept in management theory in the 1990s and gained popularity in management practise in the 2000s, but it remains a contentious issue. It is related to preceding constructs such as morale and work satisfaction in an unclear way. Schmidt et al. offered the following description in 1993 as a bridge between the pre-existing idea of 'job satisfaction' and employee engagement: "the degree to which an employee is invested in, committed to, and satisfied with his or her work. Employee retention is a function of employee engagement." This definition incorporates the well-known work satisfaction (**Smith et al., 1969**) and organisational commitment elements (**Meyer & Allen, 1991**).

### **Review of Literature;**

**Mathew, Kallarakkal, Selvi, and Thomas (2011)** conducted a study on organisational climate titled "climate of the Information Technology Industry in India" and discovered that organisational climate is critical for IT organisations; they should strive to create a harmonious organisational climate atmosphere in their organisations to support ability pool performance and improved skill set and efficiency. There is a noticeable differential between married and unmarried women, which contributes to a more favourable organisational climate. The analysis reveals a significant differential in terms of emotionally supportive networks for female employees, married representatives, and more experienced representatives. Representatives should not be segregated by gender, and there should be procedures in place to deal with obscene behaviour. The high rate of deterioration is one of the major concerns confronting the IT industry. It has been demonstrated that IT organisations with a positive organisational climate environment experience decreased risk of sustained loss.

**Patterson, Warr, and West (2004)** conducted an investigation titled "Organizational Climate and Business Productivity - The Role of Employee Affect and Employee Level." The data was gathered from 42 fabricators throughout the United Kingdom. Examples were drawn primarily from metal items, mechanical construction, and plastic and elastic components. The investigation's findings indicated that organisational climate environment viewpoints such as concern for employee welfare, aptitude development, reflexivity, development and adaptation, and performance criticism were all positively associated with organisational efficiency. The overall assessment discovered that "organisation efficiency was more definitely 34 linked with those portions of the atmosphere with more grounded fulfilment loadings." Through an examination of the organisational climate of general insurance businesses in the Thiruvananthapuram region

**Fleming et al. (2005)** classified employee engagement into the following categories: The first is the "Engaged Employee," who is devoted to his job and has a strong feeling of personal responsibility and obligation to the organisation. The second type of employee is "Non Engaged Employees," who lack energy while completing their job. The third and last group is "Actively Disengaged Employees," who are dissatisfied with their jobs and are always attempting to disengage those who are engaged.

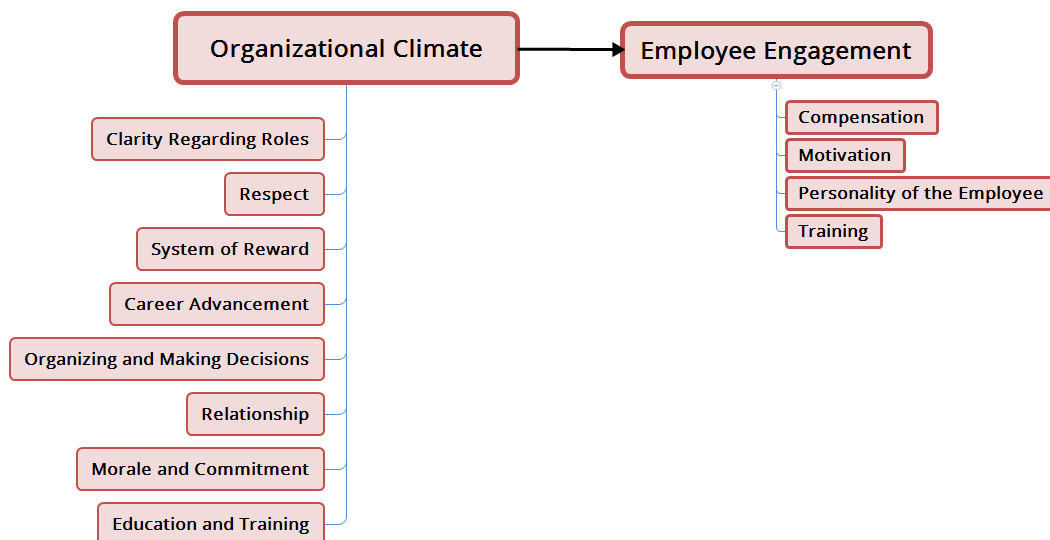
**Luthans and Peterson (2002)** emphasised the importance of engagement in predicting workplace outcomes like as retention, satisfaction, profitability, and productivity. Additionally, their study revealed that employees with a higher engagement level performed well in areas like as customer

service and shown an increase in sales. Additionally, the organization's turnover was determined to be lower.

## RESEARCH METHODOLOGY

### Research Design:

The study employs a research design that is guided by the investigation's aims and the outcome's focus. The researcher conducts the investigation using a descriptive research design. A descriptive research study seeks to describe the traits and characteristics of an individual or a group. The research design explains the current state of affairs. The study focuses on the organisational climate and employee engagement of IT professionals, with a particular emphasis on Chennai. The study assesses the current status of organisational climate and employee engagement among Chennai-based IT professionals.



**Figure 1: Framework of the research**

### Objectives of the Study:

- To conduct an investigation into the organizational climate of IT professionals in Chennai.
- To conduct a study on the employee engagement of IT Professionals in Chennai.
- To ascertain the disparities in attitudes on organizational climate and employee engagement among Chennai-based IT professionals.
- To ascertain the organizational climate's effect on employee engagement..

### Hypotheses of the Study:

- There is no statistically significant difference in the organizational climate of IT Women Professionals in Chennai based on demographic profile.
- There is no statistically significant variation in employee engagement between IT Professionals in Chennai based on their demographic profile.
- There is no substantial variation in viewpoint amongst IT Professionals employees in Chennai regarding organizational climate and employee engagement.
- The organizational climate has little effect on employee engagement.

**Data Collection:**

The researcher collected primary data from IT professionals by using a well-structured questionnaire. The questionnaire is divided into three sections; the first section contains a demographic profile of the personnel. The second section discusses organisational climate; the third section discusses employee engagement.

**Reliability Analysis:**

Additionally, reliability analysis was used to determine the reliability of the factors listed above. The reliability range of 0.81 to 0.85 should be at least 0.70 to be regarded satisfactory.

**Table 1: Reliability Analysis**

S.No.	Variable	Item	Cronbach's Alpha
I	Organizational Climate	53	0.85
II	Employee Engagement	19	0.81

**Sampling Technique:**

The study employed the sample process probability model. The questionnaire's receiver was chosen using a simple random sample. This data collection procedure is straightforward and affordable. The technique depended on equal opportunity in order to locate talented IT experts. This inspection procedure was developed expressly for this study to ensure the presence of IT professionals.

**Sample Size:**

Totally 438 questionnaires were distributed. 425 questionnaires were received. 13 questionnaires were not received. Out of 425 received questionnaires 409 were eligible and the remaining 16 were with flaws. Hence, the sample strength was 409

**Data Analysis:**

The path analysis technique is used to determine the independent variables that affect the dependent variable. Organizational Climate was used as an independent variable in this analysis. Employee engagement is a variable that is reliant on other variables.

**REGRESSION ANALYSIS**

**Table 2: Impact of dimensions of Organizational Climate on Compensation of Employee Engagement**

Independent Variable	Dependent Variable	R	R <sup>2</sup>	Adj. R <sup>2</sup>	F	p
Clarity Regarding Roles, Respect, System of Reward, Career Advancement, Organizing and Making Decisions, Relationship, Morale and Commitment, Education and Training	Compensation of Employee Engagement	0.980	0.961	0.960	1965	0.001

Source: primary data

The impact of organisational climate elements on employee engagement compensation is shown in Table 2. This table forecasts and specifies eight critical organisational climate characteristics, including Clarity Regarding Roles, Respect, System of Reward, Career Advancement, Organizing and Making Decisions, Relationship, Morale and Commitment, and Education and Training. Five organisational climate characteristics, such as Clarity Regarding Roles, respect, System of Reward and Career Advancement, Education and Training, are highly effective for eight IT professionals' employees, whereas organizing and Making Decisions, Relationship, Morale and Commitment are less effective. Indeed, the elements of Organizing and Making Decisions, Relationships, Morale and Commitment have little bearing on the compensation for employee engagement.

The coefficient of determination R<sup>2</sup> is the square of the product moment interactions. R<sup>2</sup> increases in proportion to the value of R. R<sup>2</sup> adjusted to be smaller than R<sup>2</sup> will always be less than R<sup>2</sup>. If the difference between adjusted and unadjusted R<sup>2</sup> is modest, the model is good. As a result, the following hypothesis was developed to corroborate this position.

**HO: Organizational climate considerations have no effect on compensation of employee engagement among IT experts.**

The factors of Clarity Regarding Roles, Respect, System of Reward, Career Advancement, Organizing and Making Decisions, Relationship, Morale and Commitment, and Education and Training have an R value of 0.980 and an R<sup>2</sup> value of 0.961, respectively, implying a 96.1 percent prediction of Employee Engagement Compensation. Because the difference is only 0.001, the adjusted R<sup>2</sup> 0.960 is very close to the R<sup>2</sup> value; that is, the sample size approaches the population size. 1965 has a substantial F-value at the 0.001 level of significance. As a result, the regression equation below was created.

**Table 3 Co-efficient table**

S.No.	Model	Un-standardized Coefficients		Standardized Coefficients	t	p
		B	Std. Error	Beta		
	Constant	-0.06281	0.04962		-1.266	0.206
1	Clarity Regarding Roles	0.18519	0.01328	0.19391	13.942	0.001
2	Respect	0.79830	0.01160	0.84320	68.792	0.001
3	System of Reward	0.18519	0.01328	0.19391	13.942	0.001
4	Career Advancement	0.18519	0.01328	0.19391	13.942	0.001
5	Organizing and Making Decisions	0.01660	0.01312	0.01587	1.265	0.207
6	Relationship	0.00192	0.00827	0.00264	0.232	0.817
7	Morale and Commitment	0.01315	0.01121	0.01390	1.173	0.241
8	Education and Training	0.79830	0.01160	0.84320	68.792	0.001

Source: primary data

Employee Engagement is compensated as follows: (-0.06281) + Clarity Regarding Roles (0.18519) + Respect (0.79830) + System of Reward (0.18519) + Career Advancement (0.18519) + Organizing and Making Decisions (0.01660) + Relationship (0.00192) + Morale and Commitment (0.01315) + Education and Training (0.79830)

The 'beta' value of Clarity Regarding Roles of Organizational Climate is 0.19391, which corresponds to a 19.391 percent effect of Clarity Regarding Roles of Organizational Climate on Employee Engagement Compensation. The t-value of 13.942 indicates that the standardised regression coefficient is significant at a p-value of 0.001. As a result, the Clarity Regarding Roles of Organizational Climate verifies the impact of employee engagement on compensation for IT professionals' employees.

Respect of Organizational Climate's 'beta' value of 0.84320, which reflects an 84.320 percent impact on the Compensation of Employee Engagement, falls on the slope of the regression line. The t-value of 68.792 indicates that the standardised regression coefficient is significant at a p-value of 0.001. As a result, the Impact of Organizational Climate on Compensation and Employee Engagement among IT professionals' employees is confirmed.

The 'beta' value of System of Reward of Organizational Climate is 0.19391, which corresponds to a 19.391 percent effect of System of Reward of Organizational Climate on Compensation of Employee Engagement. The t-value of 13.942 indicates that the standardised regression coefficient is significant at a p-value of 0.001. As a result, the System of Reward of Organizational Climate confirms the effect of employee engagement on compensation for IT professionals' employees.

The 'beta' value of Career Advancement of Organizational Climate is 0.19391, which corresponds to a 19.391 percent effect of Career Advancement of Organizational Climate on Compensation of Employee Engagement. The t-value of 13.942 indicates that the standardised regression coefficient is significant at a p-value of 0.001. As a result, the Career Advancement of Organizational Climate validates the impact on Compensation and Employee Engagement among information technology professionals' employees.

The 'beta' value of Organizing and Making Decisions of Organizational Climate is 0.01587, which corresponds to a 1.587 percent effect of Organizing and Making Decisions of Organizational Climate on Employee Engagement Compensation. The t-value of 1.265 indicates that the standardised regression coefficient is not significant at a p-value of 0.207. Thus, the Organizing and Making Decisions of Organizational Climate reveals that compensation does not have an effect on employee engagement among IT professionals' employees.

The 'beta' value of Relationship of Organizational Climate is 0.00264, which corresponds to a 0.264 percent influence on the Relationship of Organizational Climate on Compensation of Employee Engagement. The t-value of 0.232 indicates that the standardised regression coefficient is not significant at a p-value of 0.817. As a result, the relationship between organisational climate and compensation reveals that there is no effect on employee engagement among IT professionals' employees.

The 'beta' value of Morale and Commitment of Organizational Climate is 0.01390, which corresponds to a 1.390 percent effect of Morale and Commitment of Organizational Climate on Compensation of Employee Engagement. The t-value of 1.173 indicates that the standardised regression coefficient is not significant at a p-value of 0.241. As a result, the Morale and Commitment of Organizational Climate reveals that compensation for employee engagement has no effect on IT professionals' workers.

The 'beta' value of Education and Training of Organizational Climate is 0.84320, which indicates an 84.320 percent effect of Education and Training of Organizational Climate on Compensation and Employee Engagement. The t-value of 68.792 indicates that the standardised regression coefficient is significant at a p-value of 0.001. Thus, the impact of organisational climate

Education and Training on compensation and employee engagement among IT professionals' employees is confirmed.

**FINDINGS**

➤ The investigation revealed that Clarity Regarding Roles, respect, a System of Reward, and Career Advancement, Education and Training all have a favorable effect on employee engagement compensation. Markos, S., & Sridevi, S. M. (2010) discovered that school leaders demonstrated lower levels of Organizing and Making Decisions, relationship, Morale and Commitment. Additionally, they noticed a high frequency of collaborative and compromise styles, followed by forcing and smoothing. According to Padmavathi, G. (2011), only Clarity Regarding Roles, respect, a System of Reward, and Career Advancement, Education and Training act as a mediating factor in the relationship between distributive and procedural fairness and employee engagement compensation. Additionally, the investigation determined that Organizational Climate variables such as Organizing and Making Decisions, Relationships, Morale and Commitment have little effect on compensation for IT professionals' personnel. Mathew, J., Kallarakal, T. K., Selvi, U., & Thomas, K. A. (2011) and Misra, R 2011 identified a link between Organizational Climate and Employee Engagement.

**SUGGESTIONS:**

- There is no consensus among employees regarding the aspects of organizational climate, as many climate studies focused on the particular climate in which they were interested rather than trying a unified and central view of dimensions.
- A critical component of this Human Capital Management strategy is employee engagement, which is mediated by a variety of non-financial elements such as a great work environment, assessment, human behavior, exposure, superior trust and commitment, and healthy competition.

**CONCLUSION:**

The findings of this study represent a novel attempt to investigate an obvious yet overlooked relationship between organisational atmosphere and employee engagement among IT professionals in Chennai. As S. Markos and S. M. Sridevi (2010) demonstrate, a significant relationship exists between organisational atmosphere and employee engagement. While some authors define organisational climate as a function of an individual's interaction with the organisational environment, others define it as a dependent variable that is likely to be impacted by individual or subjective perspective. Employee engagement is another sensational occurrence that speaks to the success of a firm as a result of an employee's sincere and discretionary efforts. Because the concept of employee engagement encompasses both explicit and implicit engagement with the firm, it is quite comprehensive.

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