



An Empirical Study of Employee Engagement Drivers and Their Impact on Employee Retention at HCL Tech, Hyderabad

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DOI - 10.5281/zenodo.21452816

Abstract:

Employee engagement has emerged as a critical factor influencing organizational performance and workforce stability, particularly in the fast-paced IT sector. This empirical study examines the key drivers of employee engagement and their impact on employee retention at HCL Tech, Hyderabad. Using a structured questionnaire, primary data was collected from a sample size of 100 employees across various departments and experience levels. The study focuses on major engagement drivers such as leadership support, work-life balance, career development opportunities, recognition and rewards, and organizational culture. The study also highlights that while compensation remains important, non-monetary factors play a more substantial role in sustaining long-term engagement. A moderate to strong positive correlation was observed between employee engagement levels and retention intentions, indicating that engaged employees are more likely to remain loyal to the organization.

The research concludes that organizations like HCL Tech must adopt a holistic approach to employee engagement by fostering supportive leadership, continuous learning opportunities, and a positive work environment. These strategies not only enhance employee satisfaction but also reduce turnover rates, leading to improved organizational performance and competitive advantage in the IT industry.

Keywords: Employee Engagement, Employee Retention, IT Sector, Organizational Culture.

Introduction:

In today's highly competitive IT industry, organizations are increasingly recognizing the importance of employee engagement as a key driver of productivity, innovation, and long-term success. Employee engagement refers to the emotional commitment and involvement an employee has toward their organization and its goals. Engaged employees are more motivated, perform better, and contribute positively to organizational growth. At companies like HCL Tech, where talent retention is critical, understanding the factors that influence engagement becomes essential. This study

explores the major drivers of employee engagement and examines their impact on employee retention in the Hyderabad location.

Organizations like HCL Tech, which operate in a highly competitive and dynamic environment, depend heavily on a skilled and motivated workforce to deliver consistent performance and innovation. Employee engagement in such organizations is influenced by multiple factors, including leadership style, communication practices, career development opportunities, organizational culture, recognition systems, and work-life balance. When employees feel valued, supported, and aligned with

organizational objectives, they are more likely to demonstrate higher productivity, creativity, and loyalty.

Need and Importance of the Study:

The importance of employee engagement has grown considerably in the last decade due to the increasing challenges associated with workforce management. In the IT sector, organizations face intense competition not only in terms of technology but also in attracting and retaining talent. High employee turnover has become a persistent issue, leading to increased operational costs, disruption in project continuity, and loss of organizational knowledge.

Research Problem:

Despite the growing recognition of employee engagement as a key determinant of organizational success, many companies continue to struggle with high attrition rates. This is especially true in the IT industry, where employees frequently switch jobs in search of better opportunities, higher compensation, or improved work environments. While organizations invest heavily in employee engagement initiatives, the effectiveness of these initiatives often remains unclear.

The central research problem addressed in this study is: *What are the key drivers of employee engagement, and how do they influence employee retention at HCL Tech in Hyderabad?*

Objectives of the Study:

The primary objective of this study is to examine the drivers of employee engagement and their impact on employee retention. The specific objectives are as follows:

1. To identify the key factors influencing employee engagement in the IT sector.
2. To analyze the level of employee engagement among employees at HCLTech in Hyderabad.
3. To examine the relationship between employee engagement and employee retention.

Scope of the Study:

The research is based on primary data collected through a structured questionnaire from a sample size of 100 employees. It adopts a quantitative approach to analyze the relationship between engagement variables and retention outcomes. While the findings provide valuable insights, they are specific to the selected organization and location.

Research Methodology:

Introduction to Research Methodology:

Research methodology forms the backbone of any empirical study, providing a systematic framework for collecting, analyzing, and interpreting data. It ensures that the research is conducted in a structured, logical, and scientifically valid manner. In the context of this study—“*An Empirical Study of Employee Engagement Drivers and Their Impact on Employee Retention at HCL Tech, Hyderabad*”—the methodology is designed to examine the relationship between engagement factors and employee retention using quantitative techniques.

This chapter outlines the research design, population, sampling strategy, data collection methods, and statistical tools used in the study. The approach adopted ensures reliability, validity, and generalizability within the defined scope.

Research Design:

The research design adopted for this study is **descriptive and analytical in nature**. A descriptive design is appropriate as it helps in understanding the characteristics of employee engagement and retention, while the analytical aspect allows examination of relationships between variables.

The study uses a **quantitative research approach**, as it involves the collection of numerical data through structured questionnaires. This approach facilitates statistical analysis and objective interpretation of results.

Sample Size:

A **sample size of 100 employees** was selected for the study. The sample size is considered adequate for conducting statistical analysis and drawing meaningful conclusions within the given constraints of time and resources.

The respondents were chosen to represent different departments and hierarchical levels, ensuring diversity and reducing bias. The sample includes:

- Entry-level employees
- Mid-level professionals
- Senior employees

Sampling Technique:

The study employs a **convenience sampling technique**, a type of non-probability sampling method. In this approach, respondents are selected based on their availability and willingness to participate.

Review of Literature:

A review of literature provides a theoretical foundation for the study by analyzing previous research related to employee engagement and employee retention. It helps in identifying key variables, research gaps, and methodological approaches used in earlier studies. For this research on employee engagement drivers and retention, relevant studies from both international and national journals have been reviewed.

1. Antonius & Meria (2025) This study published in the *International Journal of*

Economics examined the relationship between work motivation, job satisfaction, and employee engagement. Using SEM-PLS with 200 respondents, the study found that motivation and job satisfaction positively influence employee engagement, which in turn enhances employee performance.

2. Syahrian (2025) Published in the *International Journal of Economics, Business and Accounting Research*, this study explored the role of talent management and authentic leadership on employee engagement. It concluded that both leadership and talent practices significantly improve engagement, which further increases job satisfaction.

3. Swarnalatha & Prasanna (2013) Published in the *International Journal of Management Research and Development*, this study defined employee engagement as the level of commitment and involvement employees have toward their organization. It highlighted that engagement improves productivity, retention, and organizational effectiveness.

4. Ayyubi & Singh (2024) This literature review in the *International Journal for Multidisciplinary Research* emphasized the importance of recognition, communication, and employee participation in enhancing engagement.

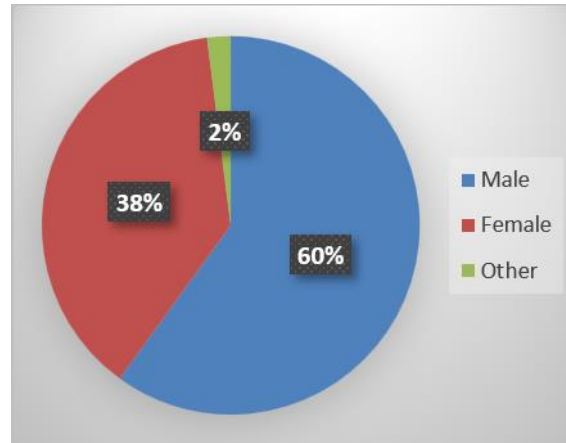
Data Analysis and Interpretation:**Sample Size: 100 Respondents**

Organization: HCL Tech

The demographic profile of respondents provides a clear understanding of the sample composition. It helps in interpreting how different employee groups perceive engagement and retention factors.

1. Gender Distribution:

Gender	No. of Respondents	Percentage (%)
Male	60	60%
Female	38	38%
Other	2	2%
Total	100	100%



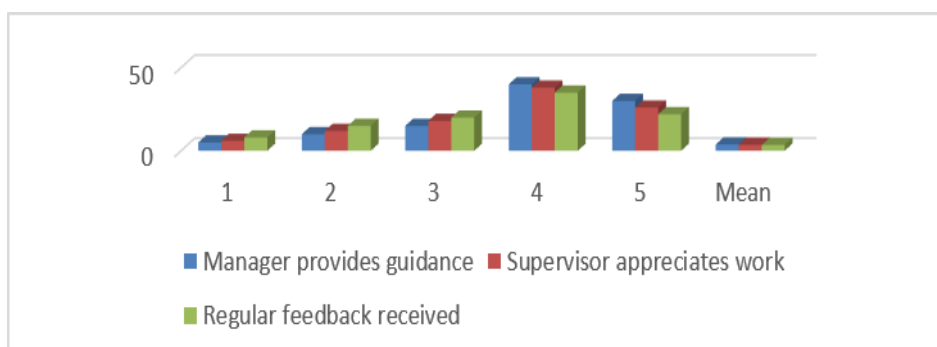
Interpretation:

The majority of respondents are male (60%), followed by female employees (38%), while a small percentage (2%) belong to other

gender categories. This indicates a relatively male-dominated workforce, which is common in the IT sector, though female participation is also significant.

Table 1: Responses for Leadership Support

Statement	1	2	3	4	5	Mean
Manager provides guidance	5	10	15	40	30	3.80
Supervisor appreciates work	6	12	18	38	26	3.66
Regular feedback received	8	15	20	35	22	3.48



Interpretation:

The mean values indicate that employees generally **agree** that leadership support is present. The highest mean (3.80) shows that managers

provide clear guidance. However, slightly lower scores for feedback (3.48) suggest room for improvement in performance communication.

2. Work-Life Balance:

Table 2: Responses for Work-Life Balance

Statement	1	2	3	4	5	Mean
Work-life balance maintained	10	15	20	35	20	3.40
Flexible working options	8	12	18	40	22	3.56
Workload manageable	12	18	22	30	18	3.24

Interpretation:

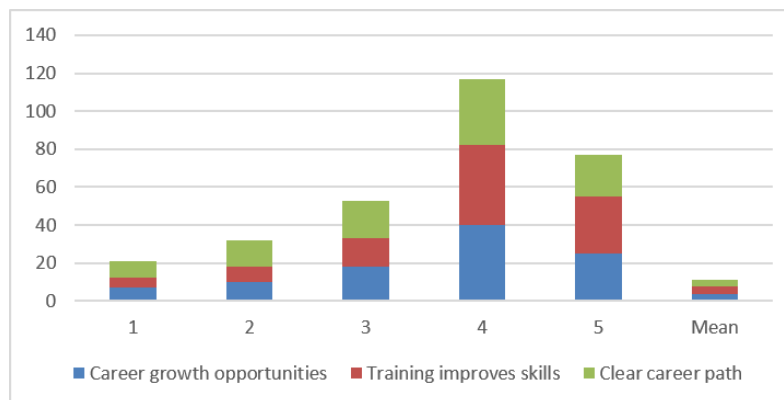
Employees show a **moderate level of satisfaction** with work-life balance. Flexible

working options are relatively well perceived (mean 3.56), but workload management (3.24) indicates some employees experience stress.

3. Career Development:

Table 3: Responses for Career Development

Statement	1	2	3	4	5	Mean
Career growth opportunities	7	10	18	40	25	3.66
Training improves skills	5	8	15	42	30	3.84
Clear career path	9	14	20	35	22	3.47



Interpretation:

Career development is perceived positively, especially training programs (mean 3.84). However, clarity in career path (3.47) shows that employees may need better guidance regarding future growth.

Findings of the Study:

The findings are categorized based on different sections of the questionnaire.

1. Findings from Demographic Analysis:

- The majority of respondents (60%) are male, indicating a male-dominated workforce, though female participation is also notable (38%).

- Most employees (40%) fall within the 25–30 age group, showing a young and dynamic workforce.
- A significant portion (45%) are postgraduates, reflecting a highly educated employee base.

Key Insight: The workforce is young, educated, and early in their careers, which influences expectations related to growth and recognition.

2. Findings from Employee Engagement Drivers:

Leadership Support:

- Employees generally agree that managers provide guidance and support.
- Feedback systems exist but need improvement.

Leadership is effective but can enhance communication and feedback.

Work-Life Balance:

- Employees show moderate satisfaction with work-life balance.
- Workload management is a concern for some employees.

Flexible work options are appreciated, but stress levels need attention.

Career Development:

- Training programs are highly valued.
- Lack of clarity in career progression is observed.

Employees seek structured growth paths.

Conclusion:

The study concludes that employee engagement plays a crucial role in influencing employee retention. In organizations like HCL Tech, where competition for talent is high, maintaining a highly engaged workforce is essential for long-term success. The findings reveal that while employees are generally engaged and satisfied, there are areas that require attention, particularly recognition systems, work-life balance, and career growth opportunities. Organizational culture and leadership are strong factors contributing to engagement, which positively impacts retention.

Final Conclusion:

- Employee engagement is a key driver of retention.

- Organizations must focus on both monetary and non-monetary factors.
- Continuous improvement in HR practices is essential.
- A holistic approach to employee well-being, growth, and recognition will lead to long-term organizational success.

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