

A STUDY ON DETERMINANTS OF EMPLOYEE ENGAGEMENT AND ITS IMPACT ON EMPLOYEE PERFORMANCE AT TECH MAHINDRA

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ABSTRACT

Employee engagement plays a crucial role in enhancing organizational performance, productivity, and sustainability. This study focuses on identifying the determinants of employee engagement and examining its impact on employee performance at Tech Mahindra Limited. The research investigates key factors such as compensation and benefits, job security, work environment, role clarity, communication, empowerment, performance management, learning and development, and peer relationships.

A descriptive research design was adopted, and primary data were collected from 161 employees through a structured questionnaire using convenience sampling. The study period was from January to March 2026. Statistical tools such as percentage analysis, chi-square analysis, and correlation analysis were used.

The findings reveal that most employees have a positive perception of engagement factors. Role clarity, learning opportunities, fair compensation, and supportive supervision significantly influence engagement. The study concludes that employee engagement has a strong positive impact on performance and recommends enhancing communication, compensation transparency, and employee development initiatives.

KEYWORDS

- Employee Engagement
- Employee Performance
- Job Satisfaction
- Work Environment
- Learning and Development

- Organizational Communication
- IT Industry

INTRODUCTION

Employee engagement has emerged as one of the most researched and debated constructs in contemporary human resource management. In an era characterised by rapid technological change, intense global competition, and evolving workforce expectations, organisations increasingly recognise that engaged employees are a critical source of competitive advantage. Engaged employees exhibit higher levels of commitment, discretionary effort, and organisational citizenship behaviour, all of which contribute directly to enhanced performance and organisational effectiveness.

The information technology (IT) sector in India represents one of the most dynamic and talent-intensive industries globally. India's IT-BPM sector employs over five million professionals and contributes significantly to the country's GDP and export earnings. Within this context, employee engagement is particularly critical, as knowledge-intensive work demands motivated, skilled, and committed employees who can continuously adapt to new technologies and client requirements.

Tech Mahindra Ltd, a leading global IT services provider and a part of the USD 21 billion Mahindra Group, serves as the organisational context for this study. With a workforce exceeding 150,000 professionals across more than 90 countries, Tech Mahindra offers an ideal setting for examining how multiple engagement determinants interact to influence employee performance. The company has implemented various HR initiatives focused on career development, learning, performance management, and culture — yet the empirical relationship between these initiatives and actual engagement and performance outcomes warrants systematic investigation.

THEORETICAL BACKGROUND OF THE STUDY

The theoretical background of the study includes the Job Demands-Resources (JD-R) Model, Kahn's Psychological Conditions Theory, and the Job Characteristics Model. These theories help in explaining employee engagement based on how organizations support and motivate their employees through effective HR policies, work design, and management practices.

The Job Demands-Resources (JD-R) Model, proposed by Bakker and Demerouti (2008), implies that organizations must provide sufficient job resources such as autonomy, feedback, and learning opportunities to balance the demands placed on employees. When job resources adequately offset job demands, employees experience higher levels of motivation and engagement. In IT environments like Tech Mahindra, employees perform better when they are supported with proper tools, training, and empowerment to carry out their roles effectively.

The Psychological Conditions Theory by Kahn (1990) suggests that employees become fully engaged when three conditions are fulfilled — meaningfulness, safety, and availability. It emphasizes that both management

and employees must work together to create an environment where individuals feel valued, psychologically secure, and emotionally invested in their work.

The Job Characteristics Model by Hackman and Oldham (1976) further explains that five core job dimensions — skill variety, task identity, task significance, autonomy, and feedback — directly influence employee motivation and performance. This model highlights that when employees are given meaningful tasks, clear role expectations, and regular performance feedback, their engagement and overall performance improve significantly. Together, these three theories provide a strong foundation for understanding the determinants of employee engagement and their impact on employee performance at Tech Mahindra Ltd.

REVIEW OF LITERATURE

Kahn (1990)

Kahn (1990) introduced the concept of employee engagement and explained that it is influenced by psychological conditions such as meaningfulness, safety, and availability. He stated that when employees find their work meaningful and feel safe in their environment, they are more likely to be engaged and perform better.

Saks (2006)

Saks (2006) found that employee engagement is strongly influenced by job characteristics and organizational support. Factors like fair treatment, recognition, and supervisor support play a significant role in improving engagement and job satisfaction.

Bakker & Demerouti (2008)

Bakker and Demerouti (2008) developed the Job Demands-Resources (JD-R) model, stating that employee engagement is driven by the balance between job demands and job resources. Adequate resources such as support, autonomy, and growth opportunities increase engagement and reduce burnout.

Harter et al. (2002)

Harter et al. (2002) stated that employee engagement has a direct impact on business outcomes such as productivity, profitability, and customer satisfaction. Engaged employees contribute positively to organizational success.

Anitha (2014)

Anitha (2014) identified key determinants of employee engagement in the Indian context, including work environment, leadership, compensation, and training. The study emphasized that these factors significantly influence employee performance and retention.

RESEARCH METHODOLOGY

The present study has adopted a descriptive research design to analyze the determinants of employee engagement and its impact on employee performance at Tech Mahindra Limited. The descriptive research design helps the researcher to understand employee opinions, level of engagement, and their perception towards various engagement factors within the organization.

The primary data for the study was collected using a structured questionnaire from the respondents. A total of 161 employees were selected for the study. Secondary data was collected from journals, books, company reports, and online sources.

The sampling technique used for the study is convenience sampling.

The research was carried out for a period of three months. Statistical tools such as percentage analysis, chi-square test, and correlation analysis were used to analyze the collected data. The data has been presented using tables for better understanding and interpretation.

DATA ANALYSIS AND INTERPRETATION

5.1 Percentage Analysis

Table 1: Gender Distribution of Respondents

Gender	No. of Respondents	Percentage (%)
Male	88	54.7
Female	73	45.3
Total	161	100.0

Source: Primary Data

The sample comprises 54.7% male and 45.3% female respondents, reflecting a broadly balanced gender distribution consistent with Tech Mahindra's active gender diversity agenda. The near-parity of representation enhances the generalisability of findings across the employee population.

Table 2: Age Distribution of Respondents

Age Group	No. of Respondents	Percentage (%)
18–25 Years	67	41.6
26–35 Years	62	38.5
36–45 Years	22	13.7
Above 45 Years	10	6.2
Total	161	100.0

Source: Primary Data

Over 80% of respondents belong to the 18–35 age bracket, confirming the predominantly young, millennial and early-career demographic profile of the IT sector. This demographic context underscores the importance of engagement determinants such as learning opportunities, career growth, and meaningful work, which are especially valued by younger employees.

Table 3: Summary of Positive Response Rates — Engagement Determinants

Engagement Determinant	Strongly Agree + Agree (%)	Rating
Role Clarity	77.6%	Highest
Career Skill Development (L&D)	77.6%	Highest
Fair Compensation	75.8%	High
Office Workspace Appropriateness	73.3%	High
Performance Reviews with Supervisor	69.0%	Moderate-High

Equipment Availability	69.6%	Moderate-High
Decision-Making Authority (Empowerment)	67.0%	Moderate
Benefits Package Satisfaction	66.5%	Moderate
Open Peer Communication	67.7%	Moderate
Monday Enthusiasm (Emotional Engagement)	63.3%	Moderate
Work Meaningfulness	62.1%	Moderate
Inter-Departmental Communication	68.9%	Moderate
Continuous Learning & Domain Expertise	60.9%	Moderate
Job Security	54.7%	Lowest

Source: Primary Data; Compiled from Tables 4.1.3–4.1.17S

Role clarity and career skill development opportunities jointly recorded the highest positive response rates (77.6%), confirming that Tech Mahindra's onboarding, goal-setting, and L&D programmes are well-received. Job security recorded the lowest positive sentiment (54.7%), with 26.7% partially agreeing and 18.6% disagreeing or strongly disagreeing — a pattern consistent with sector-wide concerns about restructuring and layoffs in the IT industry.

Table 4: Chi-Square Analysis — Work Environment and Employee Engagement

Chi-Square Test	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	142.318	144	0.523
Likelihood Ratio	131.204	144	0.762
Linear-by-Linear Association	5.214	1	0.022
N of Valid Cases	161	—	—

Source: Primary Data | Significance level: $p < 0.05$

The Pearson Chi-Square value of 142.318 ($p = 0.523 > 0.05$) indicates that the null hypothesis (H_0) is accepted — there is no statistically significant overall association between work environment and employee engagement at Tech Mahindra Ltd based on the cross-tabulation. However, the Linear-by-Linear Association statistic of 5.214 ($p = 0.022 < 0.05$) reveals a statistically significant directional linear trend between the two variables. This finding implies that while the gross categorical relationship is not significant, improvements in work environment are associated with incremental improvements in engagement in an ordered, linear fashion. This is consistent with Herzberg's two-factor theory, which classifies work environment as a hygiene factor that prevents dissatisfaction rather than directly driving engagement. The organisation should maintain its physical workspace standards while recognising that motivational factors exert a more direct influence on engagement.

Table 5: Pearson Correlation Analysis — Learning & Development and Employee Performance

Variable	Learning & Development	Employee Performance
Pearson Correlation (r)	1.000	0.412**
Sig. (2-tailed)	—	0.000
N	161	161

** Correlation is significant at the 0.01 level (2-tailed). Source: Primary Data

The Pearson correlation coefficient ($r = 0.412$, $p < 0.01$) indicates a moderate, statistically significant positive relationship between learning and development opportunities and employee performance. The null hypothesis (H_0) is therefore rejected. As L&D opportunities increase, employee performance improves correspondingly at Tech Mahindra Ltd. The moderate coefficient (0.412) signifies

that while L&D is a significant performance driver, other factors — including role clarity, supervisor support, and work meaningfulness — also contribute meaningfully to performance outcomes. This finding is consistent with Rana et al. (2014) and Anitha (2014), both of whom identified L&D as among the most powerful determinants of engagement and performance.

CONCLUSION

This study examined the determinants of employee engagement and their impact on performance at Tech Mahindra Limited. The findings show that most employees have a positive perception of engagement factors, with role clarity and learning and development opportunities emerging as key drivers of engagement and performance.

The analysis indicates that employee engagement has a positive relationship with performance, while areas such as job security and work meaningfulness require improvement. In conclusion, by strengthening communication, enhancing employee development programs, and addressing key gaps, the organization can further improve employee engagement, retention, and overall productivity.

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