

Comparative Analysis of Employee Engagement and Retention Culture Between INFOSYS and TCS

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ABSTRACT:

In the context of rapid technological advancement and intensified global competition, employee engagement and retention have emerged as strategic imperatives within the Indian IT sector. Organizations increasingly recognize that human capital is not merely an operational resource but a critical driver of innovation, productivity, and long-term competitiveness. This study investigates the relationship between employee engagement and retention in two leading IT organizations through a comprehensive secondary data analysis. Data were sourced from academic journals, scholarly books, company reports, newspapers, and industry publications to ensure a broad and analytical understanding of the subject. Based on the findings, the study proposes the S.M.A.R.T. Workforce Model comprising Supportive Leadership, Meaningful Work, Autonomy and Alignment, Rewards and Recognition, and Talent Retention as a conceptual framework explaining the drivers of sustained employee engagement. The study concludes that sustainable organizational performance depends on the strategic alignment of human resource practices with employee expectations, thereby transforming human capital into a sustained competitive advantage in a dynamic and knowledge-driven economy.

Keywords:

Employee Engagement, Retention Culture, Infosys and TCS, Organizational Culture, Attrition Rate.

INTRODUCTION:

The contemporary business environment is characterized by rapid digital transformation, evolving workforce expectations, and high global competition. In such a dynamic setting, organizations are increasingly shifting their focus from treating employees as labour to assets. Within the Indian Information Technology (IT) sector, where knowledge, innovation, and client responsiveness determine market leadership, employees are given the term as the backbone of organizational success. Consequently, understanding how organizations foster employee commitment and ensure workforce stability has become an area of growing academic and managerial interest.

Employee engagement has gained prominence as a multidimensional concept reflecting the degree to which employees are psychologically invested in their work and organization. Engaged employees are more likely to demonstrate enthusiasm, flexible effort, and alignment with organizational goals. However, engagement alone does not guarantee long-term association with the organization. Retention of the employees is crucial for companies. The interplay between engagement and retention is therefore central to sustainable organizational performance.

The Indian IT industry provides a compelling context for examining these dimensions. As one of the largest contributors to India's economic development and global reputation, the sector operates in an environment marked by continuous technological disruption and intense competition for skilled professionals. Companies must constantly adapt to emerging technologies such as artificial intelligence, cloud computing, and digital platforms while managing large, diverse, and geographically dispersed workforces. These realities increase the importance of structured human resource practices that promote both employee involvement and long-term commitment.

Among the leading organizations in this sector are Infosys and Tata Consultancy Services (TCS). Both firms have established strong global footprints and are recognized for their comprehensive HR frameworks and workforce management strategies. Despite their similarities in scale and industry positioning, differences may exist in their organizational cultures, leadership styles, employee development practices, and retention approaches. A comparative

exploration of these two organizations can therefore provide meaningful insights into how engagement initiatives translate into sustained employee loyalty.

This study adopts a secondary research methodology, drawing upon academic literature, company disclosures, industry reports, and credible business publications. Secondary analysis enables the union of diverse perspectives and practical findings to build a comprehensive understanding of engagement and retention dynamics.

This research suggests that employee engagement is influenced by multiple organizational factors, including leadership effectiveness, clarity of communication, professional development opportunities, and equitable reward systems. Similarly, retention is shaped by both extrinsic incentives and intrinsic satisfaction derived from meaningful work, autonomy, and recognition. In knowledge-intensive industries like IT, employees often prioritize learning opportunities, career progression, and organizational culture alongside financial compensation. Therefore, organizations that successfully adopt these elements are more likely to cultivate a positive retention culture.

The significance of this research lies in its comparative perspective. While prior studies have examined engagement and retention independently, limited attention has been given to analysing how these constructs interact within major Indian IT firms. By focusing on Infosys and TCS, the study aims to highlight best practices, identify strategic differences, and contribute to a deeper understanding of workforce management in a competitive and knowledge-driven economy.

Ultimately, sustainable organizational growth depends not only on technological capabilities or market expansion but also on the ability to create an environment where employees feel valued, empowered, and aligned with corporate objectives. In an era where talent mobility is high and employee expectations are continuously evolving; organizations must move beyond traditional HR practices and adopt strategic approaches that reinforce both engagement and retention.

REVIEW OF LITERATURE:

1.Sudershana & Sadhna analysed the topic: “A Comparative Study on Disengagement of IT Employees in TCS and Infosys”. This review talks about disengagement among women IT professionals at Tata Consultancy Services and Infosys in Odisha. It finds that compensation, marital status, and career development significantly influence disengagement.

2.R. LIYAKATH ALI explored workforce diversity in the IT sector with reference to Infosys Limited. It highlights diversity as a driver of innovation and competitiveness, shaped by demographic, personality, and organizational factors.

3.Raskar & Sandeep Suresh examined flexible work arrangements (FWA) and their impact on organizational culture and performance in India’s IT and ITES sectors, particularly in Pune and Maharashtra. It highlights practices such as telecommuting, hybrid models, and flexible schedules as key drivers of job satisfaction, retention, and productivity.

4.Preetha.M examined the link between organizational culture, employer branding, and employee retention in Chennai’s IT sector. The study finds that career growth, rewards, leadership, and workplace culture significantly influence retention.

5.Vijaylaxmi.M examined International Human Resource Management and cross-cultural management challenges faced by IT and ITES employees in Chennai during international assignments. The findings emphasize the importance of cross-cultural training, repatriation support, monetary benefits, and structured HR strategies to improve expatriate success and organizational performance in global settings.

6. Ruhi Gupta analysed the relationship between employee engagement, job satisfaction, and productivity in India’s IT sector, with focus on Infosys Limited. It concludes that intrinsic motivation, career growth, and transparent communication are key to sustaining organizational performance and reducing attrition.

7. Jha & Rohini compared performance appraisal systems at Tata Consultancy Services and RBIN within the IT sector. The findings reveal concerns about biasness, poor communication, and implementation gaps, with RBIN receiving relatively more positive feedback. The study concludes that transparent, competency-based, and 360-degree evaluation systems are essential to enhance fairness, trust, and long-term organizational performance.

8.Tripathi & Aastha examined the relationship between organizational learning culture, learning agility, and employee retention in India’s IT sector. The findings suggest that fostering continuous learning and agile talent is essential for sustaining long-term competitive advantage and workforce stability.

9.Lad & Megha examined the impact of organisational culture on job satisfaction, commitment, and employee retention in India’s IT sector. It concludes that organisational commitment acts as a key mediator, making positive workplace culture essential for long-term workforce stability.

10.Rao & Geeta Kalyankar examined the relationship between employee engagement and retention in India’s IT and ITES sectors, with a focus on Pune. The findings suggest that improving emotional attachment and management practices is essential to reduce attrition and sustain competitive advantage.

Work Culture and Retention: Infosys vs TCS

1.1 Engagement and Retention Metrics in the IT Sector

Employee engagement and retention are key human resource performance indicators that reflect workforce stability and organizational culture. In the Indian IT sector, attrition and retention rates have become widely discussed metrics, especially for large service organizations such as Tata Consultancy Services (TCS) and Infosys. These companies regularly disclose attrition and retention details in their annual and quarterly reports, allowing comparative analysis.

As of recent industry disclosures, the attrition rate for Infosys stood at approximately 14.1 % in FY24, slightly higher than TCS’s attrition of around 13.3 % in the same period. These rates are notably lower than some competitors in the sector, where attrition can exceed 15 %.

A key retention metric retention rate describes the percentage of employees who remain with an organization over a specific period. Trend data across industry studies indicate that retention levels at both TCS and Infosys declined in the early post-pandemic years (e.g., 2021–22), but recovered significantly by 2024–25.

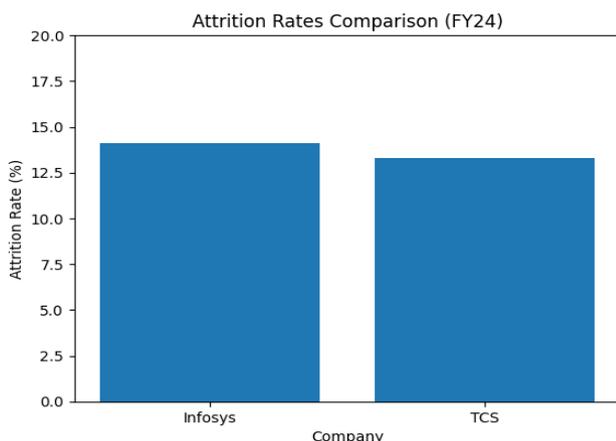
1.1.a Graph 1: Attrition Rates at Infosys and TCS (FY24–FY25)

Company Attrition Rate FY24 Attrition Rate FY25

Infosys	14.1 %	~14–14.4 %
TCS	13.3 %	~12.1 % (Q1 FY25)

Source: Public industry reporting on attrition trends at TCS and Infosys.

Using these figures, a bar chart can visually contrast how each company manages workforce stability. Lower attrition generally suggests stronger retention culture or more stable engagement strategies.



1.2 Retention Trends Over Time

More detailed trend analysis from industry research shows how retention rates at TCS and Infosys evolved between 2020 and 2025. At TCS, the overall retention trend remained relatively stable, with minimal year-on-year fluctuations from 97.4 % in 2020–21 to 93.8 % in 2024–25.

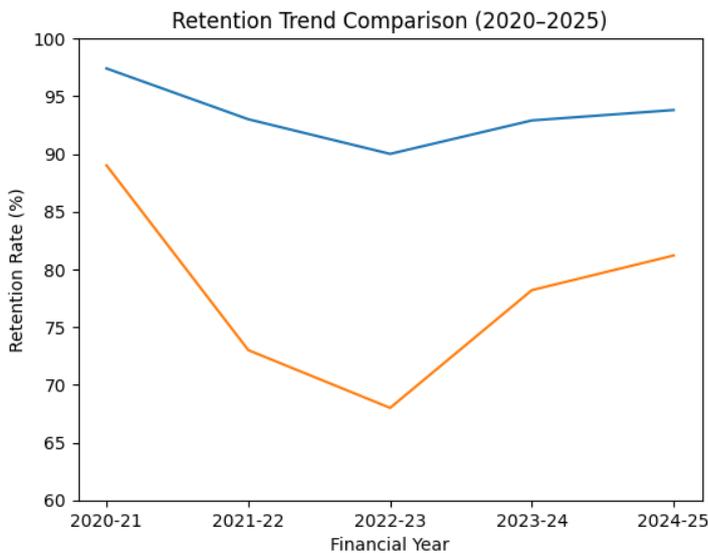
In contrast, Infosys experienced steeper initial declines in retention down to 68 % in 2022–23 before recovering to around 81.2 % in 2024–25. These patterns highlight how external pressures affected companies differently.

1.2.a Graph 2: Year-on-Year Retention Trend for TCS and Infosys (2020–2025)

Year	TCS Retention (%)	Infosys Retention (%)
2020–21	97.4	89.0
2021–22	93.0	73.0
2022–23	90.0	68.0
2023–24	92.9	78.2
2024–25	93.8	81.2

Source: Industry retention trends from Journal of Marketing & Social Research analysis.

This can be plotted as a line graph to illustrate workforce stability over time. The recovery trend at Infosys signals the impact of renewed HR efforts or engagement practices that may have mitigated earlier steep declines.



1.3 Employee Engagement Practices

Employee engagement reflects how invested employees are in their roles and environment. While retention measures long-term attachment, engagement supports daily performance and morale. Infosys emphasises several practices designed to enhance engagement and thereby retention.

For example, the company’s Zero Bench Program reduced idle time and promoted meaningful work experiences. It increased utilization and provided continuous on-project learning, which improves job satisfaction. Additionally, Infosys CompAz is designed to foster employee well-being through wellness events, feedback systems, and structured mentorship, which enhance workplace connection and motivation.

Infosys also highlights that reducing digital friction, supporting data-driven leadership, and investing in employee upskilling can improve engagement outcomes and, by extension, retention rates.

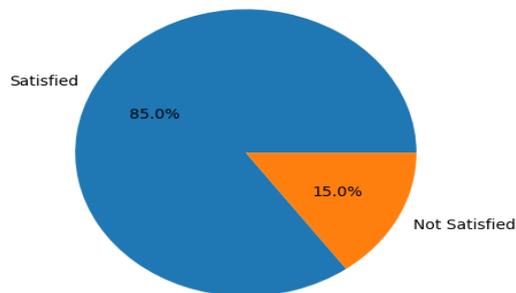
TCS places emphasis on continuous learning as well. In FY25, TCS employees completed 56 million learning hours, reflecting strong engagement with skill development an important factor in employee satisfaction and retention. The

company's use of modern HR metrics and flexible project allocations further supports engagement by matching employee competencies to meaningful work.

1.3.a. Pie Chart Concept: Engagement Investment Areas at Infosys and TCS

You can illustrate the different focus areas of engagement investment in a pie chart for each company:

Employee Satisfaction with Hybrid Work (Infosys)



Infosys Engagement Focus:

- Skill Development & Learning Programs
- Wellness & Employee Well-Being Initiatives
- Data-Driven Leadership Practices
- Career & Mentorship Programs

TCS Engagement Focus:

- Learning Hours & Certifications
- Project Mobility & Matching
- Employee Welfare Programs
- Continuous Performance Feedback

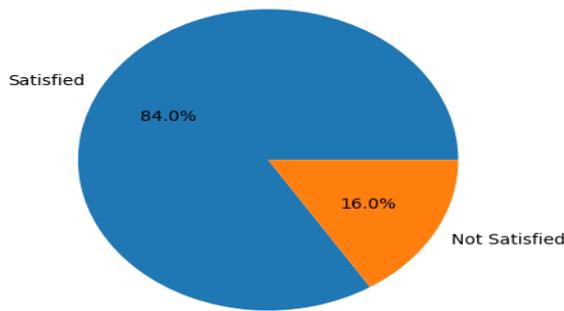
These categories can be quantified based on reported HR initiatives or proportion of HR budget allocated.

1.4 Work-Life Balance and Hybrid Work Models

Both companies have adopted hybrid work policies to support employee flexibility a key engagement factor. According to research, Infosys reported an 85 % employee satisfaction rate and a 12 % decrease in turnover attributed to supportive work-life balance policies under its hybrid framework. TCS similarly reported 84 % satisfaction and a 15 % reduction in turnover from its flexible work practices.

A simple pie chart could represent the proportion of employees satisfied with hybrid work at each company, reinforcing how this engagement practice supports retention outcomes.

Employee Satisfaction with Hybrid Work (TCS)



1.5 Interim Observations on Workforce Stability

Recent period data (e.g., Q1 FY26 reports) indicate that both Infosys and TCS experienced year-on-year increases in attrition rates, reflecting broader market trends in IT employment. For instance, Infosys's attrition rose to 14.4 % while TCS saw 13.8 % in Q1 FY26, indicating heightened workforce movement in the sector.

This suggests that even organizations with strong engagement and retention initiatives must continually adapt their HR strategies to shifting workforce expectations, competitive job markets, and evolving work patterns.

CONCLUSION:

The comparative analysis of employee engagement and retention practices between Tata Consultancy Services (TCS) and Infosys highlights that both organizations recognize employees as their most valuable assets and invest significantly in engagement and retention strategies. As leading IT companies in India, both firms focus on creating supportive work environments, continuous learning opportunities, leadership development, diversity initiatives, and employee well-being programs to maintain a motivated workforce.

The study shows that TCS emphasizes long-term employment stability, structured career progression, and strong internal mobility systems, which contribute to comparatively stable retention levels. Its large-scale workforce management and employee-friendly policies reflect a culture focused on consistency and long-term growth.

On the other hand, Infosys places strong emphasis on upskilling and future-ready talent development along with innovation-driven engagement, digital learning platforms, performance recognition, and global exposure opportunities.

While both companies experience challenges such as attrition due to competitive industry pressures, evolving employee expectations, and global market dynamics, their proactive HR strategies help them manage disengagement effectively. The comparison indicates that although their approaches may differ slightly in focus, both TCS and Infosys aim to foster a positive organizational culture that encourages employee involvement, loyalty, and long-term association.

In conclusion, strong employee engagement directly influences retention, and both TCS and Infosys demonstrate that strategic human resource practices are essential for sustaining competitive advantage in the IT industry.

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