

# EMPLOYEE ENGAGEMENT, LEADERSHIP AND ORGANISATIONAL PERFORMANCE – A STUDY OF CEMENT INDUSTRY IN C.G

<sup>1</sup>Navdeep Singh Arora, <sup>2</sup>Dr. Vivek Bajpai, <sup>3</sup>Dr. Manjeet Kaur Bal

<sup>1</sup>Research Scholar (Management), <sup>2</sup>Associate Professor, <sup>3</sup>Project Coordinator

<sup>12</sup>Department of Management Studies, <sup>12</sup>Faculty of Commerce & Management, <sup>3</sup>TISS-NUSSDCG,

<sup>12</sup>Dr. C. V. Raman University, Kargiroad, Kota, Bilaspur (C.G), India

**Abstract:** An attempt has been made through this research paper to understand the concept of employee engagement and to find out the impact of employee engagement practices at cement factories over organizational performance. This paper also examines the impact of leadership over organization performance of cement factories. Today, employee engagement is given utmost importance by the HRs all over the world so as to keep their employees motivated and thus enhance their productivity and performance. Cement industry is one the major industry in Chhattisgarh and employee engagement practices becomes necessity for such companies to maintain and enhance the performance of the employees and thus succeed in increasing the performance of the organization so as to remain ahead in the competition. Employee engagement is a workplace approach resulting in the right conditions for all members of an organization to give of their best each day, committed to their organization's goals and values, motivated to contribute to organizational success, with an enhanced sense of their own well-being. A sample of 300 respondents has been selected from six cement factories operating in Chhattisgarh using convenience sampling technique to conduct the study. The results show that employee engagement practices and leadership at cement factories has a strong impact on the organizational performance.

**Index Terms -** Workplace, Environment, Commitment, Employee Engagement, Motivation, Performance, Job Satisfaction, Leadership

## I. INTRODUCTION

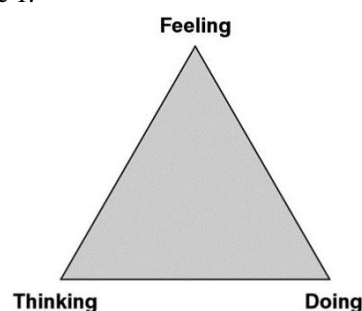
In order to stay competitive, organizations today need to be both proactive and reactive. Schumpeter (1942) asserted that innovation ensures economic success. Organizations need to pursue relentless problem-solving. They also need to commit to continual innovation. Morse and Babcock (2010) point out numerous ways in which individuals in an organization are instrumental in endeavors like creativity, problem solving, invention, innovation, and subsequent deployment and implementation.

Employee engagement is the passion, motivation and energy that influence the employee's effort in their work-related activities. It can be seen in the effort they put forth to serve their customers or by how far they go outside their role for the organization. An engaged employee gives their best each day and is committed to the organization's values and goals. Engagement is an emotional connection; the employees choose the extent they are willing to go for the company with a sense of their own well-being (Cook 2008).

Engagement is not limited to emotional connection with the company, but is also about feeling mentally stimulated, and knowing there is opportunity to grow in the company. For engagement to develop there has to be trust and communication between the employees and management. For the employee to obtain engagement, they must be able to see the meaning in their work and how it contributes to the company (Business Dictionary 2017). According to Cook (2008), employee engagement can be summed up to how positively the employee:

- Feels about the organization
- Thinks about the organization
- Is proactive in helping the organization to reach goals for the customers, colleagues, and other stakeholder's (Cook 2008)

These three dimensions are illustrated in figure 1.



**Figure 1: Employee Engagement (Cook 2008)**

Employee engagement was defined as a "heightened emotional connection that an employee feels for his or her organization, that influences him or her to exert greater discretionary effort to his or her work" (Gibbons, 2006). Soldati (2007) analyzed Gibbons's work to conclude that eight drivers of employee engagement included

- Trust and integrity – how well managers communicate and walk the talk?
- Nature of the job –Is it mentally stimulating day-to-day?

- Line of sight between employee performance and company performance – Does the employee understand how his work contributes to the company's performance?
- Career Growth opportunities – Are there future opportunities for growth?
- Pride about the company – How much self-esteem does the employee feel by being associated with the company?
- Coworkers/team members – How do they significantly influence one's level of engagement?
- Employee development – Is the company making an effort to develop the employee's skills?
- Relationship with one's manager – Does the employee value his or her relationship with his or her manager? (Soldati, 2007)

## II. LEADERSHIP

When talking about the elements of leadership, *communication and collaboration* are bound concepts as modern workplaces become more collaborative by new social technologies. Communication is the essence of keeping collaboration and organizations together (Schermerhorn et al. 2012). It is a process of information between a sender and receiver where communicators are linked together with a potential of feedback through various communication channels (Kalla 2005). Ayuso et al. (2006) recommend a two-way communication process where opinions and views are shared mutually that enriches the relationships between employees. Sinclair (2010) emphasizes the importance of communication, listening and transparency for information exchange to be open and honest. Good communication gains trust between employees and builds supportive collaboration including teamwork that drives employee engagement (May et al. 2004: 16). Two-way communication is part of an organizational environment of trust, accountability and responsibility (Towers Perrin 2003) that promotes good relationships, building teamwork and collaboration between employees in the organization. Thus, employee engagement is driven by good communication and collaboration between employees and employer achieving better outcomes and share ideas together (Wellins and Concelman 2005). Related topic to communication and collaboration is teamwork. Schermerhorn et al. (2012) in Figure 2 below, illustrate the open systems model of teams method.

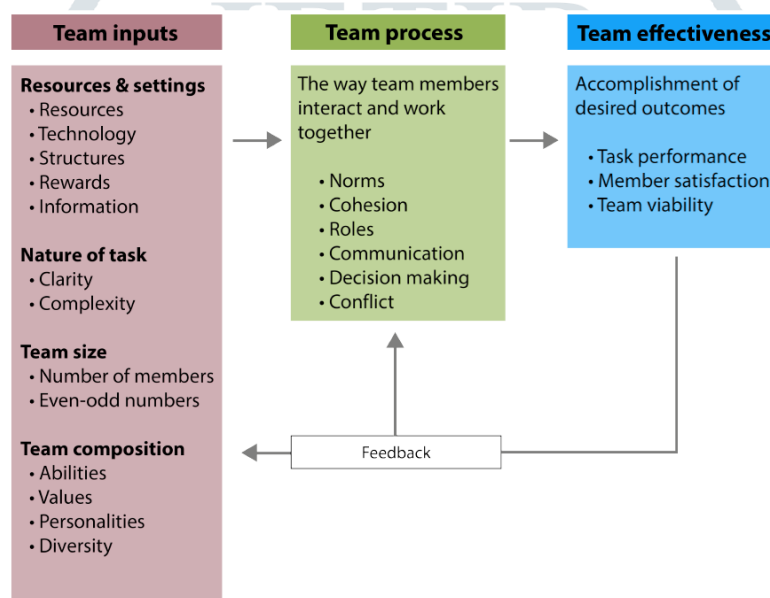


Figure 2: Open systems model of teams (Schermerhorn et al. 2012: 158).

Figure 2 above shows a method aiming for team effectiveness that is being affected by team inputs and team process. Team inputs include (1) resources and setting, (2) nature of task, (3) team size and (4) team composition with sub attributes describing that 'right workers are in the right places'. Team process includes (1) norms, (2) cohesion, (3) roles, (4) communication, (5) decision making and (6) conflict, which are team dynamics that describes that the team members are 'on the same bus, heading in the same direction'. It is an on-going process to gain team effectiveness that is affected by the described attributes how the team operates internally and externally by depending on the quality and style of feedback the team is receiving from the organization. Team effectiveness is also depending on team development and performance level.

*Leadership* itself is a major driver of employee engagement with communication and collaboration interacting with work and organization groups, described in this section, to an entity where leadership helps to ensure a positive organizational environment where employees are engaged achieving organizational objectives (Castellano 2015). Leadership influences to the attitudes, beliefs, behaviours and feelings of employees (Spector 2003) and plays a vital role defining and communicating the organization vision, purpose and goals (Castellano 2015) Thus, the vital component in a successful organization is good leadership that is responsible for the collaboration between the employees and the organization, and has a significant influence on employee ability to commit to their work, collaboration and organization (MacLeod and Clarke 2009: 88).

The concept of leadership includes the term leadership described as people driven to inspire people to do their best achieving a desired result, and the term management that is more task driven deciding on what to do and then getting it done through the use of resources (Armstrong 2014: 329). There are several styles of leadership such as Autocratic, Bureaucratic, Democratic and Laissez-Faire, Transformational, Transactional (Burns 1978), Commanding, Visionary, Affiliate Democratic, Pacesetter, Coaching, Creative, Corrective, Change, Intelligence, Participative, Pedagogical, Servant, Bridging, Purposeful (Armstrong 2014: 641-646). Different styles are required for different working situations and environments where leadership needs to recognize what type of leadership style to use and when to merge a certain leadership approach.

Different leadership styles differ and at the same time overlap with certain features (Armstrong 2014: 641-646). Thus, several researchers have found features that when leader is engaged and committed to the organization (Welbourne 2007: 45-50), shows

trust and resilience (Kahn 1990) and provides opportunities for development and career advancement, will engage the employees (Harter et al. 2002: 268-279). Employee engagement is also promoted when leadership has a clear vision about the future success and articulates organizational goals (Towers Perrin 2003), provides employee care and supports (Kahn 1990), gives autonomy, relevant training and systematic feedback sessions for the employees and cares for employee wellbeing and recognition (Towers Perrin 2003). Therefore, communication and collaboration with open and transparent leadership acts as the core factor affecting employee engagement (Macleod and Clarke 2009).

### III. ORGANISATIONAL PERFORMANCE

Organizational performance is probably the most frequently used dependent variable in organizational research today. Yet, at the same time, it remains one of the most vague and loosely defined constructs. A major challenge for performance research is to establish a clear, coherent and consistent construct for organizational performance (Rogers and Wright 1998). Due to the economic considerations, organizational performance has become an important variable of study that has implications not only for organization level processes but also for how individual and group level processes are modeled. Performance can be defined in varying ways. For behavioral scientists, performance usually refers to subjective measures of individual-level and organization-level performance, or variables like individual motivation, commitment, and Organizational Citizenship Behaviors (OCB). For finance, economics and strategy researchers, organizational performance means firm performance, profits and sales, return-on-investment (ROI), return-on-asset (ROA) and other financial parameters (Singh & Gupta, 2016).

Managers has understood that an organization is successful if it accomplishes its goals (effectiveness) using a minimum of resources (efficiency). Thus, organizational theories that followed supported the idea of an organization that achieves its performance objectives based on the constraints imposed by the limited resources (Lusthaus & Adrien, 1998 after Campbell, 1970). In this context, profit became one of the many indicators of performance. The authors Lebens & Euske (2006) provide a set of definitions to illustrate the concept of organizational performance:

- Performance is a set of financial and nonfinancial indicators which offer information on the degree of achievement of objectives and results (Lebens & Euske 2006 after Kaplan & Norton, 1992).
- Performance is dynamic, requiring judgment and interpretation.
- Performance may be illustrated by using a causal model that describes how current actions may affect future results.
- Performance may be understood differently depending on the person involved in the assessment of the organizational performance (e.g. performance can be understood differently from a person within the organization compared to one from outside).
- To define the concept of performance is necessary to know its elements characteristic to each area of responsibility.
- To report an organization's performance level, it is necessary to be able to quantify the results.

### IV. OBJECTIVE OF THE STUDY

Following are the objectives of the study:

- To study the concept and phenomenon of employee engagement practices.
- To assess the impact of employee engagement practices on organizational performance in cement industries of Chhattisgarh
- To assess the impact of leadership style on organizational performance in cement industries of Chhattisgarh

### V. METHODOLOGY ADOPTED

This paper aims to understand the concept of employee engagement and knowing the impact of employee engagement and leadership of the company over the performance of the organization. Cement industry of Chhattisgarh is selected to conduct the study. A sample of 50 respondents were selected from 6 major cement companies i.e. Ultratech cement factory, Century cement factory, ACC cement factory, Larsen and Toubro, Raymond cement factory & Ambuja cement factory, through convenience sampling technique making the sample size of 300 samples for the study. A self-administered and structured questionnaire is prepared on the basis of prior studies done in the field of employee engagement, organizational performance and leadership and modified slightly to suit the requirement and objective of this study. Personal interviews among the employees of these 6 cement factories have been conducted to collect the primary data. The collect data is filled in SPSS 21.0 for the analysis.

### VI. DATA ANALYSIS & DISCUSSION

Demographic details of the sampled respondents are presented in table 1. It was observed that majority of the sampled respondents were males at 87% followed by female respondents at 12% which shows that the cement industries were dominated by the male employees. The sample consists of the largest group of respondents belonging from the age group of 25-35 years (37.3%) showing that more number of youngsters showing fresh talent joining the organisation followed by employees of age group of 36-45 (32.3%) and above 45 years (20%) showing the experience of the employees. About 10.3% of the employees are below 25 years. This shows that cement industries has a combination of energetic young peoples and experienced employees which will be good for the future of the organization. It was also found that majority of sampled respondents are married (57.7%) whereas some are unmarried (42.3%) as they were quite young. In terms of education of the people, it was found that majority of employees were qualified having education level of graduation (42%) or Post Graduation (30.3%) with very few employees with less educational qualification at 12<sup>th</sup> or below (4%) whereas around 23% sampled respondents holds diploma as qualification. In terms of position in the organization, it was found that majority of sampled respondents belongs to worker/Staff level (46.7%) followed by Supervisor/Clerk level (33.7%) and Junior Management level (16%). Only 3.7% of respondents were found from Senior Management.

Table 1: Demographic profile of the sampled respondents (n=300)

Demographic	Frequency	%
<b>Gender</b>		
Male	263	87.7
Female	37	12.3
<b>Age</b>		
Upto 25 Yr	31	10.3
25-35 Yr	112	37.3
36-45 Yr	97	32.3
Above 45 Yr	60	20.0
<b>Marital Status</b>		
Married	173	57.7
Unmarried	127	42.3
<b>Education</b>		
Upto 12th	14	4.7
Diploma	69	23.0
Graduate	126	42.0
Post Graduate & Above	91	30.3
<b>Organizational Position</b>		
Senior Management	11	3.7
Junior Management	48	16.0
Supervisor/Clerk Level	101	33.7
Workers/Staff	140	46.7
<b>Tenure</b>		
Upto 2 Years	43	14.3
2 - 5 Years	113	37.3
6 - 10 Years	87	29.0
Above 10 Years	57	19.0
<b>Income</b>		
Upto 15 Thousand	88	29.3
16-30 Thousand	119	39.7
31-45 Thousand	71	23.7
Above 45 Thousand	22	7.3

It was found that majority of the respondent employees has good level of experience in working in cement company and were working from more than 5 years (48%) whereas some were working from 2-5 years (37.3%) and about 14% of the respondent employees have recently joined the organization having tenure of less than 2 years. With respect to the monthly income status, majority of employees were earning in the range of 16-30 thousand (39.7%) whereas 29% of the respondent employees has a monthly income below 15 thousand. Some of the employees were earning well with the monthly income in the range of above 30 thousand (31%). Overall the sample is diverse and should be fair representation of the actual population.

Table 2: Employee engagement (n = 100)

Particulars	SD	D	UD	A	SA
At my work, I feel full of energy	18	26	54	135	67
I can continue working for very long periods at a time	54	92	74	46	34
At my job, I am very resilient, mentally	28	33	67	101	71
I find the work that I do full of meaning and purpose	31	41	61	93	74
My job inspires me	12	33	77	117	61
I am proud of the work that I do	45	103	69	65	18
To me, my job is challenging	35	41	55	119	50
Time moves very fast when I am working	33	37	25	141	64
When I am working, I forget everything else around me	67	73	68	71	21
I feel happy when I am working intensely	71	107	59	47	16

Responses of sampled respondents with respect to employee engagement practices at selected cement factories are presented in table 2. It was found that majority of employees feel energetic (67.3%), resilient mentally (57.3%), and find their work meaningful and purposeful for the organization (55.7%) but do not wish to continue their work for longer period of time (48.7%) and do not feel much proud with the work they do (49.3%). It was also found that employees were get inspired by their job (59.3%), find their job challenging (56.3%), and time passes very fast when they were working (68.3%) but they do not forget everything else happening around them (46.7%) and employees were also not feel good about working intensely too (59.3%). This shows that though employees enjoy their work still they do not wanted to work for longer time or more intensely and also cares about what is happening around them while working.

**Table 3: Leadership in Cement Industry (n = 300)**

STATEMENTS	SD	D	N	A	SA
Manager/supervisors are good leaders	47	56	57	93	47
My closest supervisor supports and cares for me	41	44	82	89	44
Comprehensive feedback and recognition is given from my supervisor	39	69	77	92	23
Employees are treated evenly and fairly by the supervisor	18	38	74	117	53
My closest supervisor is open and honest	29	42	69	113	47
Communication is good with my supervisor	21	35	64	103	77

Opinion of the sampled employees on leadership of organization of selected cement factories is presented in table 3. It was found that majority of people find their manager/supervisor as a good leader (46.7%), supportive & caring (44.3%) who gives comprehensive feedback and recognition for work done (38.3%). Employees opined that supervisors treat their employees fairly without any discrimination (56.7%) as they are open and honest (53.33%) and there is a good communication of employees with supervisors (60%).

**Table 4: Organizational Performance**

		Male	Female	%
Work assignment	<i>Satisfactory</i>	189	23	70.7
	<i>Not Satisfactory</i>	74	14	29.3
Relationship with peers/colleagues	<i>Satisfactory</i>	233	31	88.0
	<i>Not Satisfactory</i>	30	6	12.0
Work related stress	<i>Satisfactory</i>	197	25	74.0
	<i>Not Satisfactory</i>	66	12	26.0
Work life balance	<i>Satisfactory</i>	202	16	72.7
	<i>Not Satisfactory</i>	61	21	27.3
Job satisfaction	<i>Satisfactory</i>	211	19	76.7
	<i>Not Satisfactory</i>	52	18	23.3

Opinion of employees of cement factories on aspects related to organizational performance with respect to male and female employees is presented in table 3. It was reported by 70% of the sampled respondents that work assignment was satisfactory for the organization performance and only 29% of them indicated that it was not satisfactory for the organization performance. On the side of relationship with peers and colleagues, 88% of responses showed satisfactory with organization performance and only 12% were not satisfactory. Regarding work stress, about three fourth (74%) of the respondents indicated satisfactory with the organization performance and only 26% were opined it as not satisfactory. Whereby, around 72% of the respondents stated that balance of work and the lives of employees were satisfactory with the organization performance and around 27% were not satisfactory. It was also observed that more than three fourth (76.7%) of the respondents showed satisfactory for job satisfaction in relation to the organization performance and only 23% were found not satisfied. As compared to male, female employees were found more issues related to work life balance where majority of female employees were not satisfied with it (56%) and around half of the female employees were not found satisfied with the job (48.6%).

**Table 5: Regression model summary (Employee engagement \* Organisational sum)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.915 <sup>a</sup>	.837	.828	3.65915

a. Predictors: (Constant), Feel energy, Long periods, Resilient mentally, Work meaningful, Job inspires, Proud of work, Job challenging, Time moves fast, Forget everything else, Feel happy.

**Table 6: One way Anova (Employee engagement \* Organisational sum)**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	25976.981	22	1180.772	88.187	.000 <sup>b</sup>
1 Residual	5047.809	377	13.389		
Total	31024.790	399			

a. Dependent Variable: Organisational\_Sum

b. Predictors: (Constant), Feel energy, Long periods, Resilient mentally, Work meaningful, Job inspires, Proud of work, Job challenging, Time moves fast, Forget everything else, Feel happy.

A set of regression analysis was carried out to assess the impact of employee engagement over organizational performance. All attributes of employee engagement were taken as predictor being sum total of all the dimensions of organizational performance as dependent variable. As given by the R Square score, the degree of explanation of the dependent variable by the independent variables is very high at 83.7%. The model is statistically valid as given by the F score ( $F = 88.187$ ). However based on the R Square value it can be summarized that aspects of employee engagement practices at cement factories create a variance of about 83% on the organizational performance.

**Table 7: Regression model summary (Leadership \* Organisational sum)**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.834 <sup>a</sup>	.696	.695	4.87124

a. Predictors: (Constant), Managers are good leaders, Supports and cares, Comprehensive feedback and recognition, Employees are treated evenly and fairly, Open and honest, Communication is good

**Table 5: One way Anova (Leadership \* Organisational sum)**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21580.652	1	21580.652	909.464	.000 <sup>b</sup>
	Residual	9444.138	398	23.729		
	Total	31024.790	399			

a. Dependent Variable: Organisational\_Sum

b. Predictors: (Constant), Managers are good leaders, Supports and cares, Comprehensive feedback and recognition, Employees are treated evenly and fairly, Open and honest, Communication is good

A separate set of regression analysis was carried out to assess the impact of leadership of organization on performance of organization. All attributes of leadership at cement factories were taken as predictor being sum total of all the dimensions of organizational performance as dependent variable. As given by the R Square score, the degree of explanation of the dependent variable by the independent variables is high at 69.6%. The model is statistically valid as given by the F score ( $F = 909.464$ ). However based on the R Square value it can be summarized that aspects of leadership at cement factories create a variance of about 69% on the organizational performance.

## VII. CONCLUSION

An attempt has been made through this research paper to understand the concept of employee engagement and leadership in cement industry and impact of employee engagement practices and leadership over the performance of organization. The findings revealed that employee enjoyed their job, feels energetic but do not wishes to work for longer period of time and intense working. They also very much cares about the things happening around them. On the basis of the observation of the author, it is concluded that employees care about other things as it diverts their mind from hectic work and thus they take such things as break and refreshments. Employees found the leadership styles followed at cement factories as good. Supervisors are caring, honest, open, non-discriminative, gives proper feedback and recognition, and employees have good communication with their supervisors/managers. On the whole, employees were found satisfied with Work assignment, relationship with colleagues, work related stress, work life balance and job satisfaction but female employees were found with issues related to work life balance and job satisfaction as compared to male employees. The employee engagement practices do has a strong influence on the organizational performance by about 83% which means managers has to effectively work on the employee engagement practices whereas aspects of leadership also has strong influence over performance of organization by 69%. Good leadership and harmony with employees allows management to understand the issue and problems of the employees which could affect their work and with proper communication managers will able to solve the issues and problems, thus motivating the employees to contribute more resulting in greater and enhanced organizational performance. Management has to keep motivated to their employees through rewards, recognitions and other benefits. Work environment and relation between the employees should be checked and managers need to keep harmony for crafting good environment in the organization. Managers need to consider the staff and their job assignment to reduce stress and increase factors of motivation for employee engagement.

## REFERENCES

- [1] Amangara, T., (2013). The effect of demographic characteristics on organizational commitment: A study of the sales persons in the soft drink industry in Nigeria. *European Journal of Business and Management* Vol. 5, No.18
- [2] Babu, Dr. R. Suresh. (2013) A Study on Engagement and Involvement of Employees in Private Sectors Banks in Chennai - With Special Reference to ICICI Bank. *Indian Journal of Applied Research*, 3(4):76-78.

- [3] Dhanalakshmi, R. V. and Gurunathan, Dr. K. Balanaga. (2014) Talent Management as a Strategy to Influence Employee Engagement and its Affect on the Organizational Outcome. *International Journal of Business and Administration Research Review*, 2:183-186.
- [4] Harter, James K. and Schmidt, Frank L. (2002) Business-Unit-Level Relationship between Employee Satisfaction, Employee Engagement and Business Outcomes: A Meta-Analysis. *Journal of Applied Psychology*, V 87(2):268-279.
- [5] Jena, R., (2015). An assessment of demographic factors affecting organizational commitment among shift workers in India. *Management*, Vol, 20(1), pp59-77
- [6] Kahn, W.A. (1990) Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal*, 33: 692-724.
- [7] Kaliannan, Maniam and Adjovu, Samuel Narh. ( 2014) *Effective Employee Engagement and Organizational Success*. Social and Behavioral Sciences, 171:161-168.
- [8] Khan, I., Khan, F., Khan, H., Nawaz, A., & Yar, N., (2013). Determining the demographic impact of organisational commitment of academicians in the HEIS of DCs like Pakistan. *European Journal of Sustainable Development* 2, 4 pp117-130
- [9] Meyer, J. & Allen, N., (1991). A three component conceptualisation of organizational commitment. *Human Resource Management Review*, 1(1) pp61-89
- [10] Sridevi, M. Sandhya. (2010) *Employee Engagement: The Key to Improving Performance*. International Journal of Business and Management, 5(12):89-96.
- [11] Thakur, Preeti. (2014). *The Effect of Employee Engagement on Job Satisfaction in IT Sector*. Journal of Business Management & Social Sciences Research, 3(5):31-39,
- [12] Cook, S. 2008. Essential Guide to Employee Engagement: Better Business Performance through Staff Satisfaction. London, GB: Kogan Page.
- [13] Gibbons, J. M. (2006). *Employee engagement: A review of current research and its implications*. New York, NY: The Conference Board Inc.
- [14] Soldati, P. (2007, March 8). Employee engagement: What exactly is it? *Management - Issues*. Retrieved from <http://www.managementissues.com/2007/3/8/opinion/employee-engagement-what-exactly-is-it.asp>

