



Investigating the Relationship between Employee engagement and Employee Performance

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Abstract:

The present investigation explores the complex relationship between employee engagement and organizational success with the goal of identifying and filling important research gaps in the body of current knowledge.

Although previous research has demonstrated links between employee engagement and various aspects of organizational success, including customer satisfaction and productivity, this investigation highlights the need for a nuanced, context-sensitive understanding of this relationship across a range of industry environments, organizational sizes, and cultural contexts. To adequately determine causation and temporal dynamics, it calls for longitudinal study approaches.

This paper's academic pursuits not only promote theoretical discussions but also provide useful information for companies looking to develop highly engaged workforces and sustain organizational success

Keywords:

Employee Engagement, Employee Performance, Job Satisfaction, Organizational Culture, Workforce.

Objectives of the study:

- 1.To examine the factors determining Employee Engagement.
- 2.To examine factors determining Organizational Performance.
- 3.To examine the Relationship between employee engagement and organization performance.

Introduction:

In the rapidly evolving realm of contemporary organizational management, an area of scholarly attention and practical importance focuses on the intricate connection between employee engagement and organizational performance. Employee engagement, characterized by employees' emotional commitment and active involvement in their work and the organization, has emerged as a pivotal factor that influences the overall well-being and success of an organization. The objective of this research paper is to delve into the complex dynamics that underlie

this relationship, with a particular emphasis on the mutually beneficial nature between engaged employees and enhanced organizational outcomes.

The organizations navigate the dynamic market conditions to maintain a competitive advantage, the recognition of the crucial role played by highly engaged employees has grown. The understanding that organizational performance, including dimensions such as productivity, innovation, customer satisfaction, and financial success, is significantly influenced by employee engagement underscores its importance. This paper builds upon previous studies, revealing that organizational factors contribute almost twice as much to profit rates as economic factors. The study explores the interdependence of factors that affect organizational performance, with a particular focus on Motivation, Ability, Roles, and Organizational Support. Acknowledging the need for a harmonious integration of these factors, the research underscores their collective role in driving sustainable growth. A comprehensive examination of existing literature serves as the foundation for understanding the multifaceted nature of the relationship between employee engagement and organizational performance. Furthermore, the paper aims to provide valuable insights for both researchers and practitioners by recognizing the significance of employee engagement as a vital component in enhancing organizational performance.

A critical area of emphasis pertains to comprehending the complex correlation between employee engagement and organizational performance. The present study delves into this pivotal connection, investigating how committed employees – those who are emotionally dedicated and actively engaged in their tasks – contribute to the overall success of an organization.

The multidimensional aspect of this association will be analyzed, underscoring the reciprocal advantageous impacts of employee engagement on pivotal performance metrics such as efficiency, creativity, and client satisfaction. Through leveraging existing literature and examining variables like drive, skills, responsibilities, and support from the organization, this manuscript aims to offer valuable insights for both scholars and professionals. In conclusion, this study aims to elucidate the route towards cultivating a favorable workplace atmosphere that prioritizes employee engagement, resulting in improved organizational performance and a sustainable competitive edge. The research underscores the need for organizations to prioritize employee engagement initiatives, with an emphasis on creating a positive work environment. The comprehensive review sheds light on key factors that influence employee engagement and organizational performance, addressing the challenges organizations may face in this domain. The paper highlights the positive relationship between employee engagement and organizational performance, elucidating that engaged employees contribute to increased productivity, improved customer satisfaction, heightened innovation, and a stronger organizational culture. Engaged employees, who are motivated, committed, and invested in their work, bring about tangible benefits such as higher profitability, lower turnover, and enhanced teamwork. In summary, this research aims to enhance the understanding of the intricate relationship between employee engagement and organizational performance. By recognizing the significance of these factors and implementing appropriate strategies, organizations can foster a positive work environment, enhance employee engagement, and ultimately improve their overall performance and success in the contemporary business landscape.

Literature review:

- In the realm of organizational performance, early perspectives often originated from conventional economic theories, which placed significant emphasis on market power and industry structure as crucial determinants. Scholars such as Caves, Porter, Chandler, Kogut, Rumelt, and Williamson focused their works on optimizing economies of scale, scope, and transaction costs. The research conducted by McGivern and Tvorik in 1997 made a substantial contribution to the understanding of firm performance. The objective of this paper is to build upon these foundational studies by examining the intricate dynamics of organizational performance, particularly the interplay between employee engagement and overall success.
- A comprehensive overview of the determinants of organizational performance, with a specific focus on Motivation, Ability, Roles, and Organizational Support, is provided in a study by Long Bunteng (Sep 2022). This paper underscores the interdependence of these factors, which are crucial for the success and growth of organizations. By synthesizing existing literature, this research offers insights into employee performance factors, trade organizations, management systems, key performance indicators, and job satisfaction.
- In his work (2023), Wang Hejin delves into the complex relationship between employee engagement and organizational performance, highlighting the importance of effective performance management strategies. The study acknowledges the significance of employee performance in attaining organizational goals, enhancing productivity, and ensuring high-quality work.
- Employing the European Company Survey framework, József-Sebastian Pap et al. (Sep 2022) utilize genetic algorithms and Bayesian additive regression trees to assess the impact of intra- and extra-organizational factors on firm performance and employee well-being. The study emphasizes the importance of work organization, innovation, collaboration, and job complexity in enhancing performance.
- Kahn (1990)- The harnessing of Organization members selves to their work roles; in engagement, people employ and express themselves during role performance. 2) Harter and Hays (2002)- Individuals involvement and satisfaction with as well enthusiasm for work. Employee Engagement (EE) is a distinct construct or like other related concepts such as Job Satisfaction, Organizational Commitment (OC), Job Involvement (JI), and Organizational Citizenship Behaviour (OCB)
- Employee engagement is a crucial component of organizational efficiency that extends beyond mere job satisfaction. By aligning with the mission of an organization, employee engagement positively influences attitudes, productivity, and the work environment. This paper explores the multifaceted aspects of employee engagement, emphasizing its impact on productivity, profitability, safety, customer satisfaction, and employee commitment.
- Surveys conducted by Watson Wyatt (2008), Gallup (2012), and Towers Watson (2014) reveal the significant influence of engaged employees on daily work environments, even in the face of economic challenges. Engaged employees demonstrate positive attitudes, a desire to remain with the organization, and a commitment to quality and continuous improvement.

- Different levels of engagement, categorized as Engaged, Almost Engaged, Honeymooners and Hamsters, Crash Burners, and Disengaged, reflect varying degrees of employee commitment and contribution to organizational success.
- The factors that influence employee engagement are multifaceted and include career development, talent management, leadership, company values, respectful treatment, ethical behavior's, empowerment, fair treatment, performance appraisal, and compensation and benefits. Recognizing and addressing these factors contribute to a workplace that fosters higher employee engagement.
- Studies conducted by Kazimoto (2016), Markos and Solomon (2010), Brenda Beryl Achieng Otieno et al. (2015), and Saxena and Srivastava (2015) provide valuable insights into the relationship between employee engagement and organizational performance. These findings highlight the importance of factors such as employee development, job satisfaction, organizational culture, and loyalty in driving organizational success.
- Gallup Meta-analysis (2012): Found that engaged employees' performance is remarkable even during tough economic times. Engaged employees exhibit positive attitudes towards peers, customers, and the organization. Showed that engaged employees have a strong desire to stay with the organization and strive for quality output and continuous improvement.
- Gallup Worldwide Poll (2013): Reported that 63% of employees are "Not engaged" due to a lack of motivation. Emphasized the need for organizations to genuinely address employee needs for physical, emotional, mental, and spiritual well-being.

Research Gap:

The existing body of academic research has extensively delved into examining the correlation between employee engagement and organizational performance, unveiling notable associations and underscoring the positive impact of engaged employees on various aspects of organizational success, encompassing productivity, profitability, and customer satisfaction. This body of literature highlights the importance of understanding how employee engagement contributes to overall organizational effectiveness. Nevertheless, within this expansive domain of inquiry, there exist several noteworthy research gaps that warrant further exploration and analysis. Despite the multitude of scholarly works that have elucidated the overarching link between employee engagement and organizational performance, there remains a need for additional research to gain a comprehensive understanding of the contextual nuances of this relationship across diverse industries, organizational sizes, cultural settings, and geographical locations. The development of effective strategies aimed at enhancing both organizational performance and employee engagement necessitates a nuanced comprehension of how various factors such as industry-specific dynamics, organizational structures, and cultural norms influence the strength and direction of this relationship. In order to establish causal relationships and dynamics over time, as well as to provide robust evidence of both causality and directionality, it is imperative to conduct longitudinal studies. Moreover, unraveling the underlying mechanisms of this correlation mandates the identification and examination of mediating and moderating variables such as employee demographics, organizational culture, and leadership styles. A more profound insight into the complexities of the interplay between employee engagement and

organizational performance could be attained by adopting a multilevel approach to investigate how elements at different organizational levels interact with and influence one another. Lastly, there is a pressing need for research endeavors that delve into the impact of technological interventions like performance management systems and remote work tools on organizational outcomes, particularly in light of the increasing importance of technology in fostering employee engagement and enhancing organizational performance.

Research Methodology:

Research Philosophy:

This research is conducted within the framework of a positivist philosophy, a philosophical stance that places a strong emphasis on the use of objective and quantifiable data in order to gain a comprehensive understanding of the intricate relationship that exists between employee engagement and the overall success of an organization. The research design that is most probable to be utilized in this study is a systematic literature review, a methodological approach that involves a thorough examination and evaluation of existing research works with the primary aim of identifying prevalent trends and effectively synthesizing knowledge from various scholarly sources.

Research Purpose:

The main objective of this study is to comprehensively comprehend the magnitude and characteristics of the connection that exists between the level of involvement of employees and different facets of achievement within an organization, with a particular focus on the correlation with organizational success. This research endeavor necessitates a meticulous examination and measurement of the extent to which actively engaged employees positively impact and enhance critical performance indicators and metrics that are integral to the overall success and performance of the organization.

Research Approach:

This study utilized a quantitative methodology embedded within a positivist paradigm to investigate the cause-and-effect relationship between employee engagement and key performance indicators within organizations such as productivity and profitability. An exhaustive examination of existing literature across pertinent research databases was conducted to establish a solid theoretical foundation for the study. In addition, a prospective survey designed using the Google Form platform was implemented to corroborate the research findings and bolster the overall validity of the study. Through the integration of these two distinct methodologies, the primary objective was to capitalize on the wealth of existing knowledge while also potentially uncovering novel insights to gain a comprehensive understanding of how employee engagement influences the overall success of an organization.

Data Collection Methods:

The research conducted in this investigation involved the utilization of a dual-pronged methodology. Initially, an extensive review of existing literature was carried out, which encompassed an in-depth analysis of academic articles, industry publications, and case studies that specifically delved into the correlation between employee

engagement and organizational effectiveness within the realm of supply chain operations. Various reputable databases such as Scopus and Google Scholar were meticulously searched using targeted keywords like "organization," "performance management," "employees," and "transparency" to ensure a comprehensive scope. Moreover, strict inclusion criteria were applied to confine the search results to materials published within the preceding five years and those that had undergone rigorous peer review processes. Through the process of thematic analysis applied to the gathered literature, pivotal themes were discerned, and valuable insights pertaining to the advantages, obstacles, implementation methodologies, and practical illustrations from real-world scenarios were extracted.

Subsequently, in order to enhance the theoretical underpinning of the study and procure quantitative data reflecting the viewpoints of employees, an instrument in the form of a survey was meticulously devised and disseminated using the platform of Google Forms. This survey questionnaire was intricately crafted to elicit responses encompassing a wide array of dimensions related to employee engagement, employee performance, and the perceived nexus between the two constructs. The survey sample size was carefully determined to be around 200 participants, ensuring a sufficiently robust dataset for analysis and interpretation.

Sampling Method:

To enhance the theoretical basis established in the literature review and acquire quantitative insights into the perspectives of employees, a non-probability convenience sampling technique was utilized for the purpose of conducting the employee survey. The development of a survey using Google Form was undertaken, encompassing a series of inquiries meticulously crafted to encompass a wide array of dimensions related to employee engagement, employee performance, and the perceived correlation between the two constructs. Subsequently, the distribution of the survey was carried out among employees readily accessible within the pertinent organization or network. The primary objective of this methodology was to secure a sample size comprising approximately 200 participants. Despite the expediency and efficiency that convenience sampling affords in terms of data collection, it is imperative to recognize the inherent constraints pertaining to the generalizability of findings due to the non-randomized nature of participant selection. It is crucial to acknowledge that the subset of employees who are readily available may not be fully representative of the entire population, especially considering factors such as a geographically dispersed workforce or shift workers who might be unavailable during the distribution period, thereby limiting the universal applicability of the conclusions drawn from the survey results to the broader organizational context.

Data Analysis:

The process of data analysis undertaken for the purpose of this research was a two-step approach characterized by a certain level of complexity and depth. The initial step involved subjecting the qualitative data obtained from the extensive literature review to a meticulous process of thematic analysis, which entailed the systematic coding and meticulous categorization of information extracted from a variety of scholarly articles, industry reports, and case studies. The primary objective of this phase was to discern and identify the fundamental themes that underpin

the intricate relationship between employee engagement and organizational performance. Subsequently, the second phase of the data analysis process focused on the quantitative data derived from the Google Form survey, which garnered responses from an approximate total of 200 participants. The analysis of this quantitative data entailed the application of descriptive statistical techniques to derive meaningful insights and conclusions. Specifically, this stage likely involved the computation of various statistical measures such as means, medians, and standard deviations to succinctly summarize the perceptions of employees regarding different aspects of engagement and their perceived impact on organizational performance metrics. By integrating and synthesizing the findings from both the qualitative and quantitative analysis methods, the overarching objective of the research was to cultivate a holistic and comprehensive understanding of the intricate interplay between employee engagement and organizational success, thereby offering insights from both a theoretical and employee-centric standpoint.

Findings:

Effective channels of communication inside the company have a major impact on employee engagement and happiness. For employees to comprehend organizational goals and initiatives, communication channels must promote transparency, clarity, and alignment.

Recognition and Rewards: When effort and contributions are consistently recognized, workers feel motivated and valued. Staff members' commitment to the organization and sense of value are greatly bolstered by rewards and recognition.

Possibilities for Professional Growth: Employee engagement increases the likelihood that they will feel inspired to pursue professional growth. By enhancing employees' skills and competences, investing in employee development shows an organization's commitment to long-term success.

Collaboration, creativity, and involvement are encouraged in a pleasant work atmosphere that is marked by a sense of belonging and camaraderie. It is more probable that engaged and effective workers will feel appreciated, respected, and included.

Leadership: Establishing trust, inspiring workers, and fostering a positive work atmosphere all depend on strong leadership. When it comes to increasing employee engagement, leadership characterized by empathy, communication, and empowerment works especially well.

Improvement possibilities: Although overall satisfaction is good, there is room to improve the feedback mechanisms, increase possibilities for professional development, and continuously promote a welcoming and encouraging environment.

Conclusion/Result:

Collecting information from many research studies highlights the complex interplay between worker engagement and organizational success. The overwhelming weight of data points to increased productivity, creativity, and customer satisfaction as benefits of involvement with performance.

Contextual elements like business culture and industry dynamics, however, have a big impact on how this

connection is shaped. Studies using a longitudinal design also highlight the necessity of continuous observation and modification of engagement tactics to maintain performance gains over time. Organizations may create customized interventions that promote an engaged culture, enhance performance, and maintain competitive advantage in the fast-paced business world of today by combining the results of several research.

By leveraging the collective wisdom gleaned from research endeavors, organizations can cultivate an environment conducive to employee engagement, driving sustained improvements in performance and fostering enduring competitive advantage.

This comprehensive approach, rooted in empirical evidence and informed by scholarly discourse, empowers organizations to navigate the complexities of the modern workplace landscape and unleash the full potential of their human capital.

Factors such as purpose-driven work, a communicative environment, interest in the job or industry, supportive work environments, passion, teamwork, ownership, regular engagement activities, and a positive work culture contribute significantly to employee engagement in various roles within an organization. These factors collectively create an environment where employees feel motivated, valued, and connected to their work and the organization's goals.

Based on this analysis, the organization can focus on enhancing support for mid-level employees, improving communication channels, and implementing recognition programs to further enhance employee engagement and job satisfaction.

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