



“Exploring the Influence of Employee Engagement on Organizational Performance”

¹Dr. Neena PC & ²Dr. M. Nalini

1. ¹Dr. Neena PC, Associate Professor, Faculty of Management Studies, CMS Business School, Jain Deemed to be University
2. ²Dr. M. Nalini - Assistant Professor, Faculty of Management Studies, CMS Business School, Jain Deemed to be University

ABSTRACT

Employee Engagement is the burning topic for any company during the globalized era. Engaged employees incline to contribute more of organizational productivity. It also supports in maintaining high level of commitment. It is the level of employee's commitment and participation towards their organization along with their values. Engagement of employee's is considered as a robust indicator of outcomes that are highly valued by any business in any sector of the industry. Therefore, employee engagement and effectiveness towards the organization could prove to be an excellent parameter for the purpose of assessing the health of the organization with regard to factors such as satisfaction, innovation, commitment, retention and productivity. Employees who are engaged to their job and committed to their firm gives a better competitive advantages to the firm as well as higher productivity so it has become essential for the firm to retain their highly skilled employees.

1.1 – INTRODUCTION

Employee engagement has become a critical driver of business success in today's competitive market place. Engagement not only have the potential to affect employee retention, productivity and loyalty but it is also a key factor to customer satisfaction and company reputation. The connection between an employee's work and organizational goals, including understanding the importance of the work to the firm's success, is the most important driver of employee engagement. Job satisfaction is a term used alternatively with employee engagement and is defined as how an employee feels about his or her job, work environment, pay, benefits, etc. The most common way of measuring the engagement level is the use of rating scales where employees report their reactions to their jobs.

Employee Engagement is a approach resulting in the right conditions for all employees of a firm to give their best each day. It is based on trust, integrity, a two-way commitment and communication between the firm and its

employees. It is an approach that increases the chances of success in the business, as a contribution for organizational and individual performance and productivity. Engaged employees will form a part of a firm's brand and an engaged happy workplace can have an effect on customer retention, hiring of key talent and the ability to attract new customers where a company's values are crucial to the consumers.

Employee Engagement is the devotion, passion of employees and effective leadership skills with support from the top management to the employees. Human resource leaders set the drive and creed of their company and spread that positive morale to the employees in the company. Employee engagement has become a very controversial topic in the recent years and garnered the interest of many due to its impact on organisational performance and long-term sustainability of the organisation. Employee engagement is integral in driving organisational success as engaged employees are motivated and strive to achieve organisational goals and objectives.

Employee engagement is defined in general as the level of commitment and involvement an employee has towards their organisation and its values. When an employee is engaged, he is aware of his responsibility in the business goals and motivates his colleagues alongside, for the success of the organisational goals. The positive attitude of the employee with his work place and its value system is otherwise called as the positive emotional connection of an employee towards his/her work. Engaged employees go beyond the call of duty to perform their role in excellence. Engagement at work was first conceptualised by Kahn (1990, p.

694) as the "harnessing of organizational members' selves to their work roles". He added that in engagement "people employ and express themselves physically, cognitively, and emotionally during role performances" . There are various factors that define an employee as an engaged employee. The concept has evolved taking into account the various behaviours exhibited by an employee that is positively productive.

1.2 – The Rationale for the Study and Motivation

The main objective and rationale behind this report is to get a clear cut and precise picture of what exactly is employee engagement and also as to what is the importance of this employee engagement in an organization as well as the impact that employee engagement creates on organizational performance and culture. Doing a study on the topic employee engagement would be of great benefit to me because a thorough study will definitely aid me in understanding every single bit of what is employee engagement from the scratch itself. Knowing about employee engagement as a HR student would definitely help me pave a smoother pathway ahead in my professional growth. Therefore, doing research on this particular topic is very essential for me.

1.3 – STATEMENT OF RESEARCH PROBLEM

The organization faces challenges such as low staff morale, poor communication, lack of transparency and reduced level of customer service. Majority percentage of staff generally feel that their organization lacks transparency and their instructions are not clearly stated and communicated in time.

This is the problem that results in low self - esteem and has also reduced the level of engagement and commitment by staff in achieving their organizational goals. The low levels of engagement affected the quality of work. Low level of engagement is a very big disturbance as it causes a lot of inconvenience in the functioning of an organization. For Example, Low level of employee engagement in a manufacturing industry would be a huge barrier as it would lead to the slowing down the pace of product manufacturing.

1.4 – REVIEW OF LITERATURE

Robinson 2006 has stated that Employee engagement can be achieved through a creation of an organizational environment where positive emotions such as involvement and pride are encouraged, resulting in improved organizational performance, lower employee turnover and better health. Hewitt believed that Employee engagement is the energy, passion, “fire in the belly” employees have for their work as they stay, say and strive to work. Wellins and Concelman 2004 mentioned that Employee engagement is the illusive force that motivates employees to higher levels of performance. This coveted energy is an amalgam of “commitment, Loyalty, productivity and ownership” and also further added it includes “feelings and attitudes employees have towards their jobs and their organization.

According to Robinson et al, Perryman and Hayday (2004) Engagement is a positive attitude held by the employee towards the organization and its employees and values. An engaged employee is a one who is aware of the business context and also works with colleagues to improve performance within the job for the benefit of the organization. In the opinion of Sivasubramanian and Rupa (2017) Employee commitment is evidenced by better reward programs, and approaches that will show interest in employee career development. Organizations also need to create ways of recognition of contribution by employees that would help defining what determines employee engagement in order to improve commitment levels. Swetha Reddy 2016 believes and has stated that The demographic profile of employees has an influence on employees engagement. and organizational inputs and support has an impact on engagement and that committed makes employees more engaged.

Two way communication and transparency across all levels of management are the ways to promote the trust and determine the degree of discretionary effort that comes with a higher level of engagement (Manjunath.S and Chandni M.C, 2018). (Preeti Thakur, 2014) identified that among the former work motivation could be improved through increased job authority and accountability and at the clerical level, rewards and recognitions are significantly associated with job involvement. Coffman 1999 affirmed that The right people in the right place with the right

managers is that which drives employee engagement. According to Kahn 1966 “The harnessing of organization members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances”

1.5 - IDENTIFICATION OF RESEARCH GAPS

There is a conceptual confusion with regard to the meaning of what exactly is employee engagement, the labels of employee engagement and also whether employee engagement is a behaviour or an attitude. Due to conceptual correspondence of employee engagement, in comparison with the other wellknown concepts such as job satisfaction, organisational commitment, and also job involvement. Therefore some researchers perceive employee engagement as “old wine in a new bottle”.

There are no theoretical arguments which indicate the linkage or relationship between employee engagement and religiosity. It reveals that the impact of religiosity on employee engagement has neither been theoretically argued nor empirically tested in context.

It reveals that the impact of High Performance Work Practices on employee engagement has not been empirically tested in context.

There is no empirical evidence on the relationship between employee engagement and organisational financial performance. Although scholars emphasize the importance of the relationship between organisational financial performance and employee engagement the association has not been empirically tested. There is no clear proof on employee job performance as an intervening factor for employee engagement and organisational performance. Clarity about High Performance Work Practices, Religiosity, Personal Character, leadership and work life balance that significantly affects employee engagement in a nomological network is not there.

II. RESEARCH METHODOLOGY

2.1 – SCOPE OF THE STUDY

The study has been conducted for the purpose of identifying the current level of employee engagement and also the work related aspects which needs to be improved for the purpose of benefit of engagement of employees in an organisation. The present research findings claim that it will help leaders to highlight the areas for improvement in human resource management. The results of the research also claim to provide help to give specific recommendations to the company regarding engaged employee in human resource management which areas to pay more attention. It continues to grow and set new standards for innovation and quality. The study will also help in identifying the factors that influence employee engagement and hence line management and HR

practitioners can improve the levels of employee engagement. From an academic perspective the study contributes to the extant literature in identifying the drivers of employee engagement in the insurance industry. Through this study there is an opportunity to be able to gain knowledge about the degree of engagement of employees in their skills. This will also give an opportunity to do more research on the various other methods to increase the engagement level in the organisation level which will definitely be of great help to the employer, employees as well as most importantly to the organisation. In Conclusion, this study helps in analysing and interpreting the impact of employee engagement on the success as well as the growth of the organisation.

2.2 – RESEARCH OBJECTIVES

Research objectives are those that describe concisely what the research is aiming at and what it is trying to achieve. The objectives summarize the accomplishments a researcher wishes to achieve through the project and it also provides direction to the study. A research objective is that which must be achievable and must be framed keeping in mind the available time, infrastructure required for research and other resources. Before forming a research objective it is extremely essential that the individual must read about all the developments in the area of research and find the various gaps that may arise and address them too. A clearly defined objective directs a researcher in the right direction. Clearly defined objectives are important features of a good research study. For the purpose of acquiring a right solution clearly defined objectives are the most essential ones. Research objectives focus on the ways to measure the variables such as to identify or describe them. The objective of research is to summarize what is to be achieved by the study. Research objective should be relevant, feasible, logical, observable, and measurable. These are the specific accomplishments the researcher hopes to achieve by the study. The objectives include obtaining answers to research questions or testing the research hypothesis.

Primary Research objectives for employee engagement :-

- To Determine the level of employee engagement in the organisation.
- To analyse the crucial factors that affect employee engagement in an organisation.
- To determine the satisfaction level of employees within the organisation.

Secondary Research objectives

- To know the workplace involvement of employees.
- To be aware about the level of top management and employees

involvement towards their work.

- To analyse the satisfaction level of employees which leads to employee retention.
- To study the process of employee engagement in an organisation.
- To examine and understand the importance of employee engagement.
- To find the expectations of employers and employees.

To recommend employee engagement strategies that can help improve employee engagement in an organisation.

2.3 – FRAMING OF RESEARCH HYPOTHESIS

Research hypothesis is that which proposes a relationship between two variables or a set of variables which are generally dependent or independent variables. It is essential that the hypothesis should be specific and narrow. Another important aspect is that the hypothesis should confirm to the research questions. Hypothesis provides clarity to the research problem and the research objectives. It describes, explains and predicts the expected results or the outcome of the research. It also indicates the type of research design and directs the research study process as well. Further hypothesis facilitates data collection, data analysis and data interpretation.

2.4 – RESEARCH DESIGN

2.5 – METHODS FOR DATA COLLECTION & VARIABLES OF STUDY

Among the various methods that are available for data collection the method in this study is a qualitative method and it also falls under primary data collection which is questionnaire method.

Variables of study

The independent variables are work environment, image of the organisation, incentives and pay, supervisor and co-worker relationship, training and development, decision making and policies and procedures have 4 items each.

The dependent variable is employee engagement and it has 5 items. Demographics considered were gender, education level, year of experience, role in organization. All the variables are measured with 5-point Likert scale.

III. DATA ANALYSIS AND INTERPRETATION

DATA ANALYSIS PROCESS

3.2 – HYPOTHESIS TESTING AND METHODS

The various variables that constitute employee engagement are:-

- Awareness of their work.
- Ergonomics
- Recognition
- Participative Decision Making
- Sense of belongingness.

3.3 – Data Interpretation

Correlation Analysis was done using each of these as independent variables and the performance of the employees as a dependent variable. The outcome and the conclusion drawn is as follows:-

\emptyset 0.727 is what is obtained from the analysis between Awareness and Performance. This implies a positive correlation between the two variables. This also gives an inference that when the employees are thoroughly aware about the work that is assigned they will be able to contribute and work more efficiently which will result in increased performance.

\emptyset - 0.307 is what is obtained from the analysis between Ergonomics and Performance.

This implies a negative correlation between the two variables. Negative correlation gives an inference that both the variables are in the opposite direction. This also tells us that despite the employees working they are not able to perform well because of the environment in which they are working.

\emptyset 0.402 is what is obtained from the analysis between Recognition and Performance. This implies a positive correlation between the two variables. This also gives an inference that when the employees are given recognition for the work they do, it motivates them to push themselves towards achieving more which will altogether contribute towards increased performance.

\emptyset 0.670 is what is obtained from the analysis between Participative Decision Making and Performance. This implies a positive correlation between the two variables. This also gives an inference that when the employees opinions are taken into consideration they get motivated internally that their thoughts and work is benefitting the organisation which will urge them to work more and more efficiently which will result in increased productivity.

\emptyset 0.840 is what is obtained from the analysis between Sense of Belongingness and Performance. This implies a positive correlation between the two variables. This also gives an inference that when the employees get a sense of belongingness for the company they tend to contribute the best of their efforts in order to obtain the most optimal outcome. They happen to believe that the work they are doing is for themselves which makes them do it in the best manner. This therefore will result in high productivity as well as increased performance in the organisation.

Data Analysis results

X	Y	XY	X ²	Y ²
5	5	25	25	25
4	3	12	16	9
3	4	12	9	16
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$\Sigma = 137$	$\Sigma = 110$	$\Sigma = 416$	$\Sigma = 539$	$\Sigma = 362$

Correlation analysis result of $\Sigma = 362$ the overall association between the factors “Employee engagement” and the other factors all taken together.

FINDINGS AND RECOMMENDATIONS

4.1 – RESEARCH OUTCOME AND FINDINGS

The findings from this research revealed that organizational culture had positive and substantial impact on employee engagement. Organisational culture consists of the awareness among the employees about their work, the

ergonomics then the recognition that is given to the employees and also the participative decision making as well as the sense of belongingness that the employees have. Organizational culture tends to develop a robust sense of purpose and commitment amongst employees. Organizations with achievement oriented cultures or those with collaborative cultures do not allow rules and regulations to impede the manner in which work is executed. As an outcome, employees within such organizations have the liberty to use their discretion while working. Findings from this research indicate that employees who are empowered to use their discretion within the workplace exhibit superior levels of enthusiasm which is an attribute of an employee who is engaged and lower degrees of fatigue. Therefore, it can be inferred that when an organization has a culture of collaboration or achievement, employees are facilitated to utilize their discretion that tends to augment their individual levels of engagement. Therefore, an organizational culture which is collaborative or achievement oriented can positively influence engagement within the employees.

This research also indicated that several diverse attributes pertaining to organizational culture can have substantial positive influence over employee engagement which in turn could impact organizational performance. Organizational culture is a system of approach which is rather open that has interactive as well as inter-dependent links with performance of the organization. The sophisticated and broad nature of this research could also extend value to studies pertaining to organizational culture and employee engagement by offering significant viewpoints in the realm of organizational culture, employee engagement and its overall impact while initiating extended discussion on the development of an effective framework between organizational culture, employee engagement and how it impacts organizational performance on the whole.

4.2 – RECOMMENDATIONS

The purpose of the study was to examine the impact of employee engagement on organisational performance. The organisation under study must improve employee engagement with the implementation of the following strategies:

- The managers and leaders in the organisation must encourage employee involvement. During quarterly meetings, weekly strategic sessions and team building sessions or interaction sessions, employees must be encouraged to address concerns relating to their jobs or share ideas on how to improve existing policies, practices and procedures that can improve performance levels. Secondly, employees must be included in planning: assessing important issues, identifying opportunities and sharing improvement ideas for the business strategy.
- The organisation must implement a broad organisational strategy that involves all levels of the organisation to ensure proper execution and completion of tasks with the aim of meeting the organisation's vision and mission. This can be achieved by re-addressing company policies and procedures. The organisation's leadership must include all employees in the action planning process of revising existing policies and procedures or creating new policies and procedure, thus ensuring buy-in from employees. This sense of involvement will motivate employees to map out and drive their work processes to achieve improved.

4.3 – CONCLUSION

The above study emphasises the importance of employee engagement and also identifies various aspects that have a significant effect on it. It also shows that there is a strong significant relationship between employee engagement and employee performance. From the analysis that has been done, the outcome that has been obtained is that the correlation between sense of belongingness and performance has the positive and the highest in comparison to the other variables. This implies that it is very essential for every organisation to ensure that every employee in the organisation has the sense of belongingness towards the work they do as it boosts up the productivity as well as improves the performance of the organisation as a whole.

The implications involve significant impact for organisations in terms of improvement in productivity and hence signify substantial economic impact for organisations. Apart from this, the determinants of employee engagement connote a healthy working atmosphere for employees. This reflects on the social impact that could be created with the measures taken by the organisation. Employees would enjoy considerable attention in terms of work place environment, healthy collegiality, workplace wellbeing and the methods taken by the organisation to enhance employee engagement. The model can be used by organisations to focus on key aspects that would result in both employee and employer benefits.

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