

## Employee Engagement and Its Impact on An Organization Performance

DR. B. BHAVYA <sup>1</sup>

POOJA. A <sup>2</sup>

<sup>1</sup> Research Guide & Professor, MBA Department in School of Management Studies, Sathyabama University, Chennai, Tamil Nadu.

<sup>2</sup> Research Student, MBA Department in School of Management Studies, Sathyabama University, Chennai, Tamil Nadu.

### **ABSTRACT**

Employee engagement stands as the key ingredient for modern organization success because competition shows no signs of slowing down. This research evaluates employee involvement effects on workplace outcomes by measuring productivity improvements together with business enhancements in revenue and favorable customer feedback and innovative suggestions. Through theoretical concepts and practical institution examples the research presents functional business strategies which help organizations evolve employee engagement to become a strategic asset for sustainable growth and market leadership.

### **Keywords**

- Employee engagement
- Organizational Performance
- Productivity
- Profitability
- Customer Feedback
- Organizational strategies
- Theoretical knowledge
- Real-world examples
- Sustainable development

### **INTRODUCTION**

Organizations throughout modern business environments encounter numerous difficulties while seeking continued success and competitive superiority. Organizational performance depends heavily on employee engagement since this concept has developed into a key concern for organizations managing business complexity while pursuing growth. Employee engagement represents the emotional level of commitment that workers demonstrate for both their work tasks and organizational objectives as well as the entire organization itself. Employee engagement transcends job satisfaction because engaged workers demonstrate complete organizational dedication along with work-related emotional commitment.

Employee dedication involves active involvement of their abilities and creative capacity to help reach common organizational goals. Organizations benefit substantially from employee engagement because it creates significant impacts on their performance metrics. The body of research proves that when employees demonstrate engagement toward their work it leads to increased levels of productivity as well as innovation and superior performance delivery. The workforce maintains a fundamental function in building organizational culture and develops team cooperation which drives better workplace spirit. Consequently,

Organizations maintain superior performance compared to their competitors because they have high employee engagement levels. This leads to better profits as well as satisfied customers combined with improved employee loyalty. The attainment and preservation of superior employee

The maintenance of high employee engagement continues to be an obstacle which many businesses face. Employee engagement efforts encounter challenges from defendants such as poor leadership together with inadequate communication systems and deficient recognition practices and limited career advancement potential.

## **REVIEW OF LITERATURE**

- Robertson and Smith (2019) investigated the fields of employee engagement and its effects on organizational culture and performance through their study "The Impact of Employee Engagement on Organizational Culture and Performance." The research demonstrates that engagement shapes cultural norms, values and practices inside organizations and thus shows positive work conditions drive employee engagement to achieve organizational success. The research shows the need to link employee engagement initiatives directly toward established cultural targets in organization. Organizations should integrate broader cultural goals with their initiatives to optimize performance results.
- The paper on "Employee Engagement and Well-being: A Review of the Literature" by Jones and Robinson published in year 2018 has provided a conceptual paper that integrates the current studies that had investigated the relationship between the two phenomena: employee engagement and well-being. It examines how engagement beneficial as it promotes employee's psychological, emotional, and even physical state and in the same way being positively affected by employees. The study also a relationship between the two and underlines the fact that organizations need to encourage employees' engagement and, at the same time, care for their health and wellbeing. Thus, the results imply that organizations should employ practices that promote performance and increase staff retention alongside each other.
- This paper titled "Linking Employee Engagement and Customer Satisfaction: Evidence from the Life Insurance Industry" by Hui, Lee, and Bruvol (2017) seeks to establish the correlation between employee engagement and customer satisfaction in the life insurance industry. Conveying the linkage between the loyal employees and the satisfied customers, this research enlightens on the merits of enhancing the levels of engagement in organizations.
- The article by Wayne Lunn titled 'The Drivers of Employee Engagement' published in Towers Watson in 2012 enlighten the option on the factors that would fuel engagement among organizations. This study attempts to examine motivation based on the strategies and plans which are normally put in place. effectiveness in delivering organizational goals, staff productivity and organizational commitment leading to improvement of organizational performance.

## **OBJECTIVES OF THE STUDY**

1. A study has been conducted to determine staff motivational levels present in workplace environments.
2. This goal checks the degree to which employees take part in their organization's activities.
3. This research evaluates the relationship between workplace acknowledgment and performance incentives for staff engagement.
4. The research aims to understand how employee engagement drives both the likeliness of employee retention as well as their work performance levels.

## **SCOPE OF THE STUDY**

1. The research examines diverse employee engagement dimensions throughout its investigation insights into multiple aspects of workplace culture and dynamics.
2. The research goal centers on analyzing the effects which employee engagement produces on organizational performance.
3. The research explores multiple methods that enhance staff engagement together with employee welfare improvement.
4. Evaluation of performance indicators like productivity, retention rate, and finally the study encompasses absenteeism in relation to engagement scores.

### **LIMITATIONS OF THE STUDY**

The research examines only a small number of employees who might not reflect organizational views.

the views of the entire organization.

Due to limited time for data collection and analysis, in-depth exploration of all

Some essential details of engagement assessment might prove impossible to achieve.

Members of the workforce tend to choose answers that make them look positively instead of showing their genuine beliefs.

The test results became less accurate because of this factor.

Researchers conduct the study in the Loyal Textile Mills Pvt context.

The study was conducted at Loyal Textile Mills Pvt Ltd which prevents results from being useful for other organizations or industries.

### **RESEARCH METHODOLOGY**

The steps to investigate a problem along with their fundamental explanations are defined through research methodology. This study designing itself using a descriptive approach focuses on collecting surveys and conducting fact-based inquiries to examine real-world phenomena. The practice of monitoring events for documentation instead of implementing variable management sits under exactly the same name in business and social science research fields. The main objective of analysis sscenters on both past occurrences and existing circumstances.

### **ANALYSIS AND INTERPRETATION**

#### **I. PERCENTAGE ANALYSIS**

Percentage refers to a special kind of ratio in making comparison between two or more data and to describe relationships. Percentage can also be used to compare the relation terms in the distribution of two or more sources of data.

**TABLE NO .1**

<b>S. No</b>	<b>Determinants</b>	<b>No of Respondents (N=101)</b>	<b>Percentage (%)</b>
<b>1</b>	<b>Age</b>		
	▪ Under 18	10	9.9%
	▪ 18-24	37	36.6%
	▪ 25-34	14	13.9%
	▪ 35-44	29	28.7%
	▪ 40 above	11	10.9%
<b>2</b>	<b>Educational Qualification</b>		
	▪ High school or diploma	13	12.9%
	▪ Bachelor degree	40	43.6%
	▪ Master degree	40	39.6%
	▪ Uneducated	4	4%

3	<b>Marital Status</b>		
	▪ Unmarried	36	35.6%
	▪ Married	50	49.5%
	▪ Prefer not to say	15	14.9%
4	<b>Employment Status:</b>		
	• Student	16	15.8%
	• Employed (Full-time)	16	15.8%
	• Employed (Part-time)	29	28.7%
	• Self-employed	21	20.8%
	• Unemployed	13	12.9%
	• Retired	6	5.9%
5	<b>Annual income</b>		
	▪ Below 25000	44	43.6%
	▪ 25000-50000	33	32.7%
	▪ Above 50000	24	23.8%

## INTERPRETATION

- From the above table it is found that out of 101 respondents, Maximum 37 (36.6%) of the respondents are from the age group of 18-24. Maximum 40 (39.6%) of the respondent are educated Bachelor degree. It shows that minimum 4 (4%) of the respondents are Uneducated. Maximum 50 (49.5%) of the respondents are married. Maximum 29 (28.7%) of the respondents employed in Part time. It shows that minimum 6 (5.9%) of the respondents are retired. Maximum 44 (43.6%) of the respondent's annual income is between Below 25000 are from middle income group. It shows that minimum 24 (23.8%) of the respondent's annual income is between Above 50000.

## II. PEARSON CORRELATION COEFFICIENT

### Aim for the test:

To find the relationship between the form of role erosion is practiced and initiative for discussions or help, there is not much response from other role

**TABLE NO: 2 Relationship Between employee engagement and organizational Performance**

Descriptive Statistics			
	Mean	Std. Deviation	N
obj1	18.8416	4.57763	101
obj2	18.7327	4.67523	101

Correlations		
	obj1	obj2

<b>obj1</b>	<b>Pearson Correlation</b>	1	.560**
	<b>Sig. (2-tailed)</b>		<.001
	<b>N</b>	101	101
<b>obj2</b>	<b>Pearson Correlation</b>	.560**	1
	<b>Sig. (2-tailed)</b>	<.001	
	<b>N</b>	<b>101</b>	<b>101</b>
<b>** . Correlation is significant at the 0.01 level (2-tailed).</b>			

## INFERENCE

The Pearson correlation coefficient between employee engagement(obj1) and organizational Performance(obj2) is 0.560, and the p-value (Sig. 2-tailed) is < 0.001, which is less than the significance level of 0.01. Since the correlation coefficient ( $r = 0.560$ ) is positive and moderate, it indicates a moderate positive relationship between employee engagement and organizational Performance.

## CONCLUSIONS

1. Subjectivity in Measurement – On the measurement of employee engagement it is surprising to note that majority of questionnaires used are self- administered and therefore may contain biased opinions.
2. The results of an SMG study might have little bearing on other industries, firms, or locations.
3. Overall Factors – Other factors such as; the state of the current economy, organizational culture, change in management, and market competition to mention but a few might affect engagement levels hence making it a little difficult to determine the impact made towards performance.
4. Lack of temporal variation – CSE may take a long time to influence the different organizations' performance and short-term research may not give an accurate representation of this factor.
5. Lack of Standardized Metrics – Various firms employ different instruments, and mean diverse items when they talk of engagement, hence creating ambiguities in comparison.
6. Employee Turnover – This is where turnover rates are high; engagement levels may vary, and thus one may not determine the right trends.
7. Lack of Data – this is where some organizations volunteer little information on the level of employee engagement or performance hence limited information to work with.
8. It is therefore easier to attribute engagement to performance but, determining the causal relationship between engagement and performance is not always easy due to other contributing factors.

## REFERENCE

- \* **Society for Human Resource Management (SHRM). (2022).** Employee Engagement Survey. Gallup. (2022). Employee Engagement
- \* **The Conference Board. (2022).** Employee Engagement Research. Retrieved
- \* **Bersin, J. (2021).** Employee Engagement: A Guide for HR Leaders. Deloitte Retrieved

- \* **Corporate Leadership Council. (2022).** Driving Performance and Retention Through Employee Engagement: A Quantitative Analysis.
- \* **Harter, J. K., Schmidt, F. L., & Hayes, T. L. (2002).** Business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes: A meta-analysis. *Journal of Applied Psychology*
- \* **Towers Watson. (2022).** The Power of Employee Engagement: What Is Engagement and Why Does It Matter?
- \* **Corporate Leadership Council. (2022).** Maximizing the Impact of Employee Engagement: A Quantitative Approach.
- \* **Coffman, C., & Gonzalez-Molina, G. (2002).** Follow This Path: How the World's Greatest Organizations Drive Growth by Unleashing Human Potential. Gallup Press.