

## Prioritizing Employee Engagement to Drive Organisational Performance in Automobile Sector

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### Abstract

*All professionally managed organisations in spite of complications have started deploying analytics to help them predict retention, identify the factors which have correlation with HR related aspects such as compensation and employee demographics in order to have an insight on as to why certain employees are more engaged as compared to others. This research attempts to review the advantage of prioritising employee engagement in order to drive organisational performance with respect to the automobile sector in Chennai. The results have shown that there exists a significant difference between the demographics of the sample and factors of employee engagement influencing organisational performance.*

**Key-words:** Employee Engagement, Meaningful Work, Positive Work Environment, Organisational Performance.

### 1. Introduction

In today's world employee-work related contracts have experienced vast changes which have made managements realise the need to ensure that organisations engage employees believing them to be passionate, sensitive and creative in helping the organisation achieve its objectives. It is no doubt that employees have today have gained bargaining power with the job market being more transparent in trying to attract highly skilled workers is a highly competitive environment.

Managements have also realised the need to invest in HR analytics to identify reasons behind attrition and which has highlighted three important reasons which include employee engagement, organisational culture and career development.

## **2. Need for the Study**

All professionally managed organisations in spite of complications have started deploying analytics to help them predict retention, identify the factors which have correlation with HR related aspects such as compensation and employee demographics in order to have an insight on as to why certain employees are more engaged as compared to others.

Technology oriented organisations also keep experimenting with aspects such as long vacation, free food, employee wellness programmes, parties, stock options, and other such activities in order to find out which are those activities which are better accepted and ultimately result in employee being emerged to a greater level. This helps them in creating and providing a work environment which is attracting resulting in higher levels of employee performance.

## **3. Review of Literature**

Researchers have given importance to the concept of employee engagement as they believe work engagement serves as the most important aspect influencing employee performance. (Lee et al., 2016). It is strongly believed that employee engagement would lead directly to work engagement which are interrelated with the demands placed on an individual at work (Bakker & Demerouti, 2007). However, Thus, it is strongly felt that employee engagement and work engagement are not significant different from each other and this has been proved with the research findings as undertaken by Bakker, Schaufeli, Leiter & Taris, 2008).

Employee engagement refers to aspects which exercise a positive impact on how an individual carries out his work. It indicates the individual's vigour, dedicated, and absorption (Schaufeli, Bakker, & Salanova, 2006) towards his work. Employee engagement is viewed as an attribute which is cognitive, emotional, and behaviour influenced condition of an employee which influences his performance at work (Farndale & Murrer, 2015; Shuck & Wollard, 2010). Employee engagement is considered as the positive attachment which an employee has towards his organisation which in turn deeply affects his commitment, loyalty to one or one line of work (Xiao & Duan, 2014) and could also affect the individual's positive psychological state regarding his work (Saks & Gruman, 2014).

## **4. Objective of the Research**

The objective of this research is to understand how prioritising employee engagement could drive organisational performance with special reference to the automobile sector in Chennai. In this

sense it attempts to identify the factors of employee engagement which influence organisational performance.

## 5. Research Methodology

The research design adopted for this study is descriptive in nature. The research tool used for the conduct of this research is a questionnaire. The sample size has been limited to 385 which has been arrived at with the help of Cochran's formula.

The reliability of the questionnaire has been verified with the help of Cronbach's Alpha and the same is found to be valid as all the factors have indicated a value of more than 0.70.

Table 1- Reliability Analysis - Cronbach's Alpha

<b>Factors</b>	<b>Cronbach's Alpha</b>
Meaningful work	0.813
Hands-on management	0.824
Positive work environment	0.793
Growth opportunity	0.829
Trust in leadership	0.816
Employee engagement	0.810
Organisational performance	0.822

## 6. Operational Definitions

In line with the study conducted by Deloitte it has been seen that the factors of employee engagement influencing organisational performance are as follows:

### Meaningful Work

Meaningful work refers to a situation wherein employees are able to enjoy autonomy at work, select the type of work which best fits them, work in small teams which are empowered and who are able to devote some time for slack.

### Hands-on Management

This would require employees to be have transparent and clearly spelt out objectives to achieve, ample scope for coaching, organisations willing to invest in management development programmes and employees being apprised using modern performance management techniques.

## Positive Work Environment

Positive work environment would include employees enjoying a flexible work environment which is humanistic in nature, organisation having a culture of being recognised for good work and above all have an inclusive and diverse work environment.

## Growth Opportunity

Growth opportunity should include opportunities for being provided with support and ample training opportunities with respect to the work being carried out scope for mobility with respect to career development, self-directed and learning environment along with an environment where the impact of learning is high.

## Trust in Management

Trust in management would result in employees accepting the mission and purpose of the organisation whole-heartedly, organisation continuously investing in people related activities and being transparent and honest in their dealing towards employees which in turn could become motivating and an inspiration for the people at large.

Table 2- t test for Significant difference Gender and Level of Agreement on Factors of Employee Engagement Influencing Organisational Performance

Factors	Gender				t value	P value
	Male		Female			
	Mean	SD	Mean	SD		
Meaningful work	32.04	6.32	33.40	7.16	4.104	0.002**
Hands-on management	36.86	5.95	40.61	6.42	8.698	0.003**
Positive work environment	34.73	5.51	37.46	5.72	2.790	0.005**
Growth opportunity	24.26	5.89	28.80	5.57	0.315	0.007**
Trust in leadership	22.46	4.75	24.46	4.99	5.663	0.008**
Employee engagement	21.37	4.04	24.14	4.02	0.557	0.004**
Organisational performance	26.01	5.41	30.70	5.12	0.877	0.004**

Note: \*\* Denotes significant at 1% level

As the value of P is found to be  $<0.01$  it is seen that there is significant difference between gender and level of agreement on factors employee engagement influencing organisational

performance Based on mean score, it is females have indicated a higher level of agreement with respect to factors of employee engagement influencing organisational performance.

Table 3- ANOVA for Significant difference between Age and Level of Agreement on Factors of Employee Engagement Influencing Organisational Performance

Factors	Age Group in years				F value	P value
	Less than 20	21 – 35	36 - 50	50 - 65		
Meaningful work	14.02b (12.24)	15.27b (9.26)	16.05b (5.84)	16.65a (8.21)	2.064	<0.001**
Hands-on management	15.47b (3.34)	15.57b (3.20)	15.88b (2.36)	16.18a (3.59)	1.138	<0.001**
Positive work environment	18.00b (3.95)	18.84b (3.85)	18.67b (2.74)	19.68a (3.34)	1.083	<0.001**
Growth opportunity	18.17b (3.78)	18.17b (3.54)	18.50b (3.16)	19.64a (3.89)	4.416	<0.001**
Trust in leadership	19.73b (4.60)	18.83b (4.20)	20.54b (3.98)	21.79a (3.90)	3.186	<0.001**
Employee engagement	12.30b (2.90)	13.38b (2.95)	13.71b (2.20)	13.54a (2.99)	1.023	<0.001**
Organisational performance	16.91b (9.36)	17.23b (8.60)	19.70b (6.73)	20.80a (7.43)	2.104	<0.001**

Note: 1. The value within bracket refers to SD

2. \*\* denotes significant at 1% level.

3. Different alphabet among age denotes significant at 5% level using Duncan Multiple Range Test (DMRT)

As the value of P is found to be <0.01 it is seen that there is significant difference between age and level of agreement on factors of employee engagement influencing organisational performance.

Employees who are in the age group of 50 – 65 years of age have indicated a higher level of agreement with respect to the factors of employee engagement influencing organisational performance.

Duncan Multiple Range Test (DMRT), also shows that employees in the age group of 50 - 65 years have indicated a level of agreement which is significantly different from other age groups with respect to the factors of employee engagement influencing organisational performance.

Table 4- ANOVA for Significant difference between Annual Income and Level of Agreement on Factors of Employee Engagement Influencing Organisational Performance

Factors	Annual Income in Rupees				F value	P value
	Below Rs. 5 Lakhs	Rs. 5 – 7.5 Lakhs	Rs, 7.5 – 10 Lakhs	Above Rs. 10 Lakhs		
Meaningful work	32.05c (8.39)	34.34b (8.13)	33.03bc (7.43)	39.20a (6.66)	22.639	<0.000**
Hands-on management	9.89c (2.46)	9.92b (2.44)	9.43b (2.62)	11.22a (2.50)	13.483	<0.000**
Positive work environment	9.72c (2.65)	9.79b (2.59)	9.54b (2.56)	11.34a (2.19)	15.656	<0.000**
Growth opportunity	9.25c (2.76)	10.45b (2.63)	10.07b (2.32)	11.24a (2.16)	11.945	<0.000**
Trust in leadership	8.89c (2.81)	9.44b (3.10)	9.63b (2.75)	10.57a (2.65)	6.638	<0.000**
Employee engagement	15.82c (6.65)	17.17b (5.04)	15.74c (4.48)	16.16a (4.20)	14.389	<0.000**
Organisational performance	15.06c (7.54)	17.11b (5.19)	15.93b (5.84)	17.88a (5.50)	15.371	<0.000**

Note: 1. The value within bracket refers to SD

2. \*\* denotes significant at 1% level.

3. Different alphabet among Educational Qualifications denotes significant at 5% level using Duncan Multiple Range Test (DMRT)

As the value of P value is found to be <0.01, it is found that there is significant difference between annual income and level of agreement on factors of employee engagement influencing organisational performance.

Employees who draw an annual income above Rs. 10 lakhs have indicated a higher level of agreement with respect to the factors of employee engagement influencing organisational performance.

Duncan Multiple Range Test (DMRT) also shows those who have an annual income of more than Rs. 10 lakhs have indicated a level of agreement which is significantly different from other age groups with respect to the factors of employee engagement influencing organisational performance.

Table 5- Correlation between the Factors of Employee Engagement

Factors influencing Investors' Behaviour	Meaningful work	Hands-on management	Positive work environment	Growth opportunity	Trust in leadership
Meaningful work	1	0.453**	0.340**	0.690**	0.781**
Hands-on management		1	0.455**	0.386**	0.514**
Positive work environment				0.373*	0.402**
Growth opportunity				1	0.558**
Trust in leadership					1

Note: Denotes significance at 1%

The coefficient of correlation which is shown in the above table makes it obvious that there is a strong positive correlation between meaning work and trust in management and growth opportunities. It can also be seen that the least positive correlation exists between meaningful work and positive work environment.

## 7. Multiple Regression Analysis

The details of the dependent variable and independent variables are as follows:

Dependent variable : Organisational Performance (Y)

Independent variables : Meaning work (X<sub>1</sub>)

Hands-on Management (X<sub>2</sub>)

Positive work environment AMC (X<sub>3</sub>)

Growth opportunity (X<sub>4</sub>)

Trust in Management (X<sub>5</sub>)

Multiple R value : 0.841

R Square value : 0.793

F value : 310.12

P value : <0.001\*\*

Table 6- Variables in the Multiple Regression Analysis

Variables	Unstandardized co-efficient	SE of B	Standardized co-efficient	t value	P value
Constant	9.322	1.832	-	5.469	<0.001**
X <sub>1</sub>	1.326	0.062	0.274	5.228	<0.001**
X <sub>2</sub>	1.067	0.018	0.168	3.728	<0.001**
X <sub>3</sub>	1.299	0.121	0.353	9.050	<0.001**
X <sub>4</sub>	1.173	0.125	0.345	8.581	<0.001**
X <sub>5</sub>	1.014	0.035	0.506	11.093	<0.001**

Note: \*\* Significant at 1% level

The multiple regression equation is:

$$Y = 9.322 + 1.326X_1 + 1.067X_2 + 1.299X_3 + 1.173X_4 + 1.014X_5$$

On the basis of the Based on standardized coefficient, meaningful work (1.326) is the most important factor to extract organisational performance followed by transparency of positive work environment (1.299),

## 8. Findings and Conclusion

It is basic for top management and HR to realise and develop a thorough understanding about the factors of employee engagement and their interrelatedness in order to know how these factors could influence organisational performance. This study has shown meaning work and positive work environment as the most important factors of employee engagement influencing organisational performance.

There could be no doubt that each and every management initiative is sure to influence employee engagement. Hence whenever the organisation is focussing attention on achieving better performance, higher growth, and looking forward to becoming more innovative in its approach to work, simultaneously attention should also be paid on the impact of each and every such strategic initiative on individual employees. Management should also understand the fact that feedback of employees could help them in improving the organisational performance.

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