



# A Study on the impact of Employee Engagement on Employee's Performance

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## Abstract:

The employee engagement practices in an organization has increased as the companies tend to work with a global workforce. Organizations are on look for people who are generally enthusiastic about their work and to come to work regularly. The research focuses on the need for such employees and how their presence can improve the efficiency of employee and work efficiency of the organization as a whole. It also focus on the other aspects of employee engagement like benefits, key indicators and factors influencing employee engagement and their performance.

**Key words:** Employee engagement, Organizational commitment, Involvement, Efficiency, Performance and Productivity.

## 1.1 INTRODUCTION:

Employee Engagement is a fundamental concept in the effort to understand and describe, both qualitatively and quantitatively, the nature of the relationship between an organization and its employees. An "engaged employee" is defined as one who is fully absorbed by and enthusiastic about their work and so takes positive action to further the organization's reputation and interests. An engaged workforce produces better business results, the engaged employee also acts as an image of the organisation. This engagement is achieved when people consider their company respects their work, their work contributes to the company goals and more their personal aspirations of growth, rewards and pay is met. The purpose of the study is to know the importance of employee's engagement towards the performance of the employee and organisation for its development. Engaged employees are the organisation's ambassadors. Furthermore, engagement is a good factor of customer satisfaction, employee retention, productivity and profitability.

## 1.2 LITERATURE REVIEW

1. SahuGangadhar &SahooChandan Kumar (February 2009) says that Employee Engagement (EE) is a great mechanism for nurturing a high performance culture to drive the organization towards success. EE is about building a good relationship with the workforce. Employee is one of the key person of an organisation. So EE is linked with the company's growth and development and contribute towards the core competencies of a successful organization. 2. R.N. Misra (September 2009) has described employee engagement in detail with the example of US based company. He describes the inclusions of Employee Engagement, then categories of employees such as engaged employees, not engaged employee and actively disengaged employees. He explains about the drivers of Employee Engagement, types of Employee Engagement such as Emotional Engagement and Rational Engagement. He also discussed the reasons why an employee leaves an organization, why companies perform badly. And also about advantages of engaged employees.

3. Dutta, (2006) stated that product and processes cannot help organization sustain loyal customers they also need highly motivated, dedicated and involved employees who are very passionate about their work and organization i.e, they need "Engaged Employees".

4. Mahendru and Sharma, (2006) stated that a successful organization is built with its employees contribution – a contribution that will not effective unless its employee are engaged in strategic decision making and other initiatives.

5. Sangeetha, (2006) stressed that a business success is directly linked to the commitment of the employee and also stated that successful companies are those that recognize opportunities to foster and develop employee engagement.

## 1.3 OBJECTIVES OF THE RESEARCH:-

- To understand the impact of employees engagement in an organisation for employee development activity.
- To study the perception of employees with respect to the Employee Engagement practices.
- To know the importance of employee's engagement and employee's performance for the organizational development.
- To know about the opportunities that are provided to measure the performance of employees in order to improve the employee engagement.

## 1.4 LIMITATIONS OF THE STUDY

- The sample size is only 100 and the study is restricted on those samples.
- Time of study is limited.

## 1.5 DATA COLLECTION:-

The study incorporates the collection of both primary and secondary data for an in depth investigation.

### Primary data has been gathered through:-

- Structured unbiased questionnaire.
- Feedback from the sampled employees
- Interviews higher managers

Secondary data was gathered through, the information received from the journals and online sources.

**1.6 SAMPLE DESIGN**

A research sample design is considered as the framework or plan for the study that guides as well as helps the data collection and analysis of data. The study used in this research is Descriptive Research Design.

**SAMPLE SIZE:**

The information is gathered from 100 employees. Sample size consists of experienced and qualified people who would ensure that the data provided by them will be appropriate.

**1.7 HYPOTHESIS:-**

A Hypothesis is a supposition or proposed explanation made on the basis of limited evidence as a starting point for further investigation.

**H0:** There is no significant relationship between employee engagement and employee performance.

**H1:** There is a significant relationship between employee engagement and employee performance.

**1.8 ANALYSIS AND INTERPRETATION:-**

Analysis of data and testing of hypothesis done by using statistical tool contained in SPSS (Statistical Package for Social Scientists) by:-

- Mean
- Correlation test.

**1.9 MEAN AND STANDARD DEVIATION METHOD:-**

**Q1. Does the immediate supervisor sets ambitious goals and objectives for the team?**

**Table.1.Descriptive statistics**

		Listwise
N	Valid	100
	Mean	4.12

**Q2. Does the immediate supervisor explains about how performance is evaluated?**

**Table.2. Descriptive statistics**

		List wise
N	Valid	100
	Mean	4.24

**Q3. Does the immediate supervisor gives regular feedback on your performance?**

**Table.3. Descriptive statistics**

		List wise
N	Valid	100
	Mean	4.22

**Q4. Are the employees trained in their respective functional area?**

**Table.4.Descriptive statistics**

		List wise
N	Valid	100
	Mean	4.24

**Q5. Does employee engagement helps in employee's performance?**

**Table.5. Descriptive statistics**

		List wise
N	Valid	100
	Mean	4.61

**INTERPRETATION:-**

**Note:-**

Questions from 1-4 are related to employees performance. Question 5 is related to employee engagement.

**Table.6. From the above tables, the highest mean value from the questions Q1-Q4 has greater impact on the Q5.**

	Q1	Q2	Q3	Q4
Valid	100	100	100	100
Mean	4.12	4.24	4.22	4.24

Q1 has lowest mean score and Q2 and Q4 has highest mean score, hence to conclude that Q2 and Q4 have greater impact on Q5 and Q1 has lesser impact on Q5 when compared.

**1.10 TESTING OF HYPOTHESIS:-**

**Table.7. Correlations analysis**

		Q1	Q2	Q3	Q4	Q5
Q1	Pearson Correlation	1	.191 <sup>*</sup>	.028	.002	-.200 <sup>*</sup>
	Sig. (1-tailed)		.028	.390	.491	.023
	N	100	100	100	100	100
Q2	Pearson Correlation	.191 <sup>*</sup>	1	.018	-.085	.044
	Sig. (1-tailed)	.028		.431	.199	.332
	N	100	100	100	100	100
Q3	Pearson Correlation	.028	.018	1	-.006	-.045

	Sig. (1-tailed)	.390	.431		.475	.327
	N	100	100	100	100	100
Q4	Pearson Correlation	.002	-.085	-.006	1	.040
	Sig. (1-tailed)	.491	.199	.475		.346
	N	100	100	100	100	100
Q5	Pearson Correlation	-.200*	.044	-.045	.040	1
	Sig. (1-tailed)	.023	.332	.327	.346	
	N	100	100	100	100	100

\*. Correlation is significant at the 0.05 level (1-tailed).

### INTERPRETATION:-

Q1 comparing to Q5 it is negatively correlated.

Q2 comparing to Q5 it is positively correlated.

Q3 comparing to Q5 it is negatively correlated.

Q4 comparing to Q5 it is positively correlated.

Therefore the null hypothesis is rejected and alternative hypothesis is accepted, thereby to conclude that there is significant relationship between employee engagement practices and employee's performance.

### 1.11.FINDINGS AND SUGGESTIONS:-

There is no one fixed method or model that shows the relevance and significance of the influence of all these variables because different employees lay different emphasis on these variables impacting engagement. These variations may arise due to variations in individual and job characteristics, gender diversity, ethnic diversity etc. Some of the suggestions in this paper include different employee engagement approaches for new employees like strong induction programs, continuous training and development programme, certification programme and giving them a realistic job preview. Some employee engagement activities proposed for the existing employees were reward schemes, communication activities, team building and leadership activities. It is important for the organisation to invest in good leadership and management development programs, well designed communication based programs, sharing of vision and mission and lastly creating opportunities for interaction. Understanding the workforce profile is the foremost for the employees. Firstly organizations need to help create meaning for employees in their work. This can be attained by making the employee understand the link between his contribution of his work and the overall organisation goals and objectives. Working environment conditions like teamwork and support also create an engaged workforce. Ensuring a right job for right personnel leads to higher engagement levels. Adequate level of employee development through training, skills and learning can result in making employees more engaged with respect to the job and the organization. As per the study's findings, employees who are less focused on achieving organisation goals and objectives tend to receive less feedback on their performance which might create negative emotions which in turn could be responsible for hindering their growth along with learning & development. This could directly impact work engagement, which might result in negative job outcomes, lower organizational commitment and greater turnover intentions and productivity of the organisation.

### 1.12CONCLUSION:

Employee Engagement is the new trend for employee development. It is a positive attitude held by the employees

towards the organization and its values. It is rapidly gaining popularity, use and importance in the workplace and impacts company in many ways. Employee engagement emphasizes the importance of employee development on the success of a business. An organization should thus recognize employees, more than any other variable, as powerful contributors to a company's competitive position. Therefore employee engagement should be a continuous process of learning, improvement, measurement and action. I would hence conclude that raising and maintaining employee engagement lies in the hands of an organization and requires a perfect blend of time, effort, commitment, performance and investment to craft a successful organisation.

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