

FACTORS INFLUENCING EMPLOYEE ENGAGEMENT ON ORGANISATIONAL PERFORMANCE IN CHEMICAL INDUSTRY

Dr. RAJENDRAN K

Assistant Professor, Department of Business Administration, Jawahar Science College, Neyveli

Abstract

In this research shows that the employees who are engaged with their place of work are more productive and less absenteeism and also reduces labor turnover ultimately generating more revenue. They will be for better advocates for their organization than disengaged employees and provide more in terms of customer service performance if their potentials are identified and reward. Management has to measure whether existing techniques are effective or any innovation has to be introduced for employee engagement and this paper is analyzed the factors influencing employee engagement on organizational performance in chemical industry, Cuddalore, Tamil Nadu.

Keywords: Employee, organization, performance and employee engagement.

1. INTRODUCTION

Today we are living in an era of globalization where change is certain and the management of human capital is important for the success of the organization. As the organizations are facing huge competitions have realized the importance of making their employees fully linked with the organizations and their job. Employee engagement is quite a new construct in human resource literature. Engaging employees is a key to satisfy organization's customers. Human resource consultants consider that the engagement is how employee feels about the work and how he or she is treated in the organization. Employee engagement is rightly viewed as the main aspect of productivity. A fully engaged employee brings enthusiasm and zeal to their work which is directly related to cohesive workplace culture and the extra efforts, better ideas and innovations that make organizations succeed. In recent years due to a slow economic recovery and uncertain economic conditions many organizations have limit their hiring processes, making employee engagement even more significant. Taking these things into consideration, it is important to understand the culture, management and other factors that influence employee engagement. The importance of employee engagement is clear when looking at the differences in performance between work teams with high and low levels of employee engagement.

2. STATEMENT OF PROBLEM

India economic growth is hinged on adoption of knowledge-based economy. Consequently, the critical role that research, technology and innovation are expected to play in moving the country to a middle-income status as well as the role of a well-trained public service in enhancing efficiency and effective service delivery have been aptly captured in the country's economic blue print, Vision 2030. However, the performance of the organization in general in particular has been a matter of great concern to the government and the general public.

In order for the country to achieve its developmental goals, these performance challenges need to be addressed. However, previous empirical studies on performance of organization in India have scarcely focused on the segment of state corporations in research and training while most of the studies have been done in a different context. For instance,

Kiiru (2015) focused on strategic human resource practices and performance of the organization; Ongeti (2014) investigated the relationship between employee engagement and organization performance while Wambua (2013) focused on performance contracting and performance. However, other than management practices, governance structures and performance management, employee's personality traits and their interaction with the work environment contributes enormously to the overall organizational performance.

There is empirical evidence that employee engagement influences organizational performance. However, the current empirical studies have not adequately addressed the moderation and mediation influences. Most of them have focused on the direct relationship; others have used tools that do not adequately measure the constructs while others have used small samples which are inappropriate for generalization.

3. REVIEW OF LITERATURE

Madhura Bedarkar and Deepika Pandita (2023) stated that employee Engagement is a concept gaining significant importance in the past 10 years. Organization today use engaged employees as a tool for strategic partner in the business. The concept of employee engagement has now gained even more importance, since many drivers have been identified, which impact employee performance and well-being at workplace. As companies across industries strive to survive and rise above the stiff competition, physical and mental well-being of employees will be one of the important aspects that human resource managers need to tend focus on. Hence, employee engagement is today seen as a powerful source of competitive advantage in the turbulent times. The study explores the concept of employee engagement and also throws light on key drivers of employee engagement by analyzing specifically three drivers, namely communication, work life balance and leadership.

Saks (2016) tested a model of the antecedents and consequences of job and organization engagements based on social exchange theory. He found that employees who were more likely to be engaged perceived they had higher levels of organizational support; had higher scores on job characteristics and had higher perceptions of procedural justice. Engaged employees were more likely to have a high-quality relationship with their supervisor which resulted in them having more positive attitudes, intentions and behavior. In other words, when employees believed that their organization (and their supervisor) was concerned about them and cared about their well-being, they were more likely to respond by attempting to fulfil their obligations to the organization by becoming more engaged. First-line supervisors in particular, were believed to be especially important for building engagement and to be the root of employee disengagement, because employees tend to view their supervisor's orientation toward them as indicative of the organization's support.

Bates (2014) argued that the root of engagement is not in the cognitive (rational) realm, not about how much people are paid, but more about how they feel. He indicates that managing an employee's emotions is central to managing engagement and that ultimately engagement motivates people's desire to give discretionary effort and to stay in their jobs. However, most commentators in the field agree that engagement is in essence, a combination of cognitive and emotional needs.

May et al. (2004) replicated Kahn's findings and found that meaningfulness, safety, and availability were all significantly related to engagement. In particular, they found that rewarding co-worker and supportive supervisory relationships were positive predictors of psychological safety, while adherence to co-worker norms and self-consciousness were negative predictors. They also found that job enrichment and role fit were positive predictors of meaningfulness; and the availability of resources was a positive predictor of psychological availability.

Maslach, Schaufeli and Leiter (2001) determined that the antecedents of engagement were derived from a central tenant of social and emotional support as provided by the supervisor and the organization. In fact, a lack of support from supervisors was found to be an especially important factor linked to burnout. They found that recognition and reward was important for engagement and conversely, a lack of rewards and recognition could lead to burnout. Fairness and justice were also one of the significant work conditions in their engagement model. Where fairness was perceived to be low, burnout was exacerbated, while positive perceptions of fairness increased engagement. The workload and control

conditions from the engagement-burnout model also suggest the importance of job characteristics, especially feedback and autonomy, in promoting engagement.

4. OBJECTIVE OF THE STUDY

- To determine the effect of traits engagement on performance of research and training in the chemical industry.
- To assess the effect of psychological state engagement on performance of research and training in chemical industry.
- To assess the effect of behavioral engagement on performance of research and training in chemical industry.

5. SCOPE OF THE STUDY

The study sought to investigate the influence of employee engagement on performance of chemical industry in Cuddalore SIPCOT and how this relationship is moderated by demographic characteristic and mediated by organizational commitment. Data was collected from employees of chemical industry in Cuddalore SIPCOT using two strategies the researcher/trainers and the support staff.

The study was conducted within the SIPCOT chemical industry classified under research and training category. This segment of SIPCOT was selected based on the fact that very few previous studies have been based on it yet it has a critical role to play in achieving the organization performances. It has been established that the return on investment for research generally range between 20-40 percent, while increased life expectancy and increased production may be attributed to investment in research and hence the need to assess the effect of an engaged workforce on performance of such a chemical industry.

6. RESEARCH METHODOLOGY

6.1. Research Design

This research was used explanatory and descriptive research design method for analyzing demographic and another dimension. Also further to explain variables we used analytical research methods. This method is similar to the method used by (Kabethi 2013), who conducted employee engagement and employee performance that research focused on chemical industry. A descriptive research design describes or defines a subject, through creating a profile of a group of problems, people or events, through the collection of data, the tabulation of the frequencies on research variables and the analysis of their collaboration.

A cross-sectional description survey research design was adopted for this study because the Cross-sectional is cost and time effective. This research methodology was appropriate for this study based on the fact that the researcher intended to collect detailed and current information that would enable identifying and describing the current situation concerning chemical industry on employee performance in SIPCOT at Cuddalore. The survey allowed a reasonable analysis of the variation of employee engagement for chemical Companies in Cuddalore.

6.2. Sample Size

The target populations of this study were chemical company employee's populations are unknown. Therefore, the researcher was used literature review both population and sample. Since there are vast numbers of companies that as time and costs are cannot overcome, the researcher takes Some of Managers and employees who are working in the chemical industries at SIPCOT in Cuddalore. Because of required relevant information that can be leading the reliability of this study, researchers were used managers and employees as target populations and selected 430 employees who are included managers and employees; those are working chemical industry.

The same way the researcher is collecting managers and employees for each company are selected; our primary choice is the managers, employees or whether the owner is, those are experienced with the chemical industry. Also, the researcher considered all the staff of line managers who have requirements in performance for each company.

6.3. Data Collecting and Instruments

Research Instrument is self-administered questionnaires were used to collect data from the owners or managers and employees in working finance department of the identified services companies. Also, the researcher is using a cross-sectional questionnaire. The survey used mainly the closed-ended questions with a few open-ended questions.

7. ANALYSIS OF THE STUDY

Employee engagement factor	Cognitive engagement	
	r- value	P-value
Meaningful Work	0.930	0.001*
Intrinsic Rewards	0.686	0.001*
Extrinsic Rewards	0.773	0.001*
Self-efficacy	0.758	0.001*
Perceived Organizational Support	0.882	0.001*
Supervisory Support	0.960	0.001*
Co-worker Support	0.903	0.001*
Job Autonomy	0.902	0.001*
Job Security	0.885	0.001*
Job Feedback	0.934	0.001*
Procedural Justice	0.863	0.001*
Distributive Justice	0.833	0.001*
Interpersonal Justice	0.887	0.001*
Informational Justice	0.913	0.001*
Showing Genuine Concern	0.901	0.001*
Enabling	0.859	0.001*
Being Open and Accessible	0.927	0.001*
Physical Environment	0.835	0.001*

Table 1. Relationship between employee engagement factors and cognitive engagement

Source: Primary data computed. *Significant at One percent level

H0: drivers of employee engagement factors such as meaningful work intrinsic rewards, extrinsic rewards, self-efficacy, perceived organizational support, supervisory support, co-worker support, job autonomy, job security, job feedback, procedural justice, distributive justice, interpersonal justice, informational justice, showing genuine concern, enabling, being open and accessible, physical environment are not having relationship with cognitive engagement factors of employees.

Pearson correlation test was applied to verify the above stated hypothesis. The result is posted in the table 1. The calculated R-values are between 0.686 and 0.960. The P-values are found to be 0.001, which are significant at one percent level. Hence, the stated hypothesis is rejected.

It is inferred that employee engagement factors are having the relationship with employee cognitive engagement factors. From R-values, it is observed that the supervisory support is having strong (0.960) and positive relationship with cognitive engagement in employee followed by, job feedback (0.934), meaningful work (0.930), being open and accessible (0.927), informational justice (0.913), co-worker support(0.903), job autonomy (0.902), showing genuine concern (0.901), interpersonal justice (0.887), job security(0.885), perceived organizational support (0.882), procedural justice (0.863), enabling (0.859), physical environment (0.835), distributive justice (0.833), extrinsic rewards (0.773), self-

efficacy (0.758) and intrinsic rewards (0.686). Here, supervisory support, job feedback, meaningful work and being open and accessible factors are having strong relationship with employee cognitive engagement factors. However, distributive justice, extrinsic rewards, self-efficacy and intrinsic rewards factors are having week relationship with employee cognitive engagement factors.

Employee engagement factor	Affective engagement	
	r- value	P-value
Meaningful Work	0.841	0.001*
Intrinsic Rewards	0.798	0.001*
Extrinsic Rewards	0.773	0.001*
Self-efficacy	0.772	0.001*
Perceived Organizational Support	0.947	0.001*
Supervisory Support	0.979	0.001*
Co - worker Support	0.895	0.001*
Job Autonomy	0.965	0.001*
Job security	0.892	0.001*
Job Feedback	0.976	0.001*
Procedural Justice	0.943	0.001*
Distributive Justice	0.833	0.001*
Interpersonal Justice	0.885	0.001*
Informational Justice	0.925	0.001*
Showing Genuine Concern	0.964	0.001*
Enabling	0.958	0.001*
Being Open and Accessible	0.952	0.001*
Physical Environment	0.872	0.001*

Table 2. Relationship between employee engagement factors and affective engagement

Source: Primary data computed.

*Significant at One percent level

H0: drivers of employee engagement factors such as meaningful work intrinsic rewards, extrinsic rewards, self-efficacy, perceived organizational support, supervisory support, co-worker support, job autonomy, job security, job feedback, procedural justice, distributive justice, interpersonal justice, informational justice, showing genuine concern, enabling, being open and accessible, physical environment are not having relationship with affective engagement factors of employees.

Pearson correlation test was applied to verify the above stated hypothesis. The result is posted in the table 2. The calculated R-values are between 0.772 and 0.979. The P-values are found to be 0.001, which are significant at one percent level. Hence, the stated hypothesis is rejected.

It is inferred that employee engagement factors are having the relationship with employee affective engagement factors. From R-values, it is observed that the supervisory support is having strong (0.979) and positive relationship with affective engagement in employee followed by, job feedback (0.976), showing genuine concern (0.964), job autonomy (0.965), showing genuine concern (0.964), enabling (0.958), being open and accessible (0.952), perceived organizational support (0.947), procedural justice (0.943), informational justice (0.925), co - worker support (0.895), interpersonal justice (0.885), physical environment (872), meaningful work (0.841), distributive justice (0.833), intrinsic rewards (0.798), extrinsic rewards (0.773) and self-efficacy (0.772). Here, supervisory support, job feedback, meaningful work and being open and accessible factors are having strong relationship with employee cognitive engagement factors. However, distributive

justice, extrinsic rewards, self-efficacy and intrinsic rewards factors are having weak relationship with employee affective engagement factors.

8. TEST OF HYPOTHESES

The study was based on the hypothesized assumption that employee engagement influences organizational performance and that the relationship is moderated by demographic characteristics and mediated by organizational commitment. To test the hypothesized relationship between the variables, multiple and hierarchical regression analysis were conducted and the results interpreted using adjusted R2 and corresponding P-values at $p < 0.05$ significance level.

9. TEST OF DIRECT RELATIONSHIP

The direct relationship between traits, psychological state and behavioral engagement and organizational performance was tested using multiple regressions as specified in the regression model. The regression test results are presented in Table 3.

Goodness of Fit	Test Statistics	P-value	
Adjusted R squared	0.426	0.001*	
R squared	0.433	0.001*	
F-statistics	61.86	0.000**	
Regression Results			
	Coefficient	t-statistics	P-value
Constant		3.62	
Traits Engagement	0.333	5.26	0.000**
Psychological State Engagement	0.233	3.72	0.000**
Behavioral Engagement	0.243	4.26	0.000**

Table 2. Relationship between employee engagement factors and affective engagement

Table 3 indicates that the adjusted R2 is 0.426. This implies that the three independent variables jointly explain 43 percent of the variance in the dependent variable while the rest are explained by the error term. The F statistic is 61.86 with a corresponding p-value of 0.000 which implies that the influence of the three independent variables on the dependent variable is significant; ($P < 0.05$), hence the null hypothesis was rejected.

Further, the coefficient for traits engagement is 0.33 with a corresponding p-value < 0.05 ; coefficient for psychological state engagement is 0.23 with a corresponding p-value < 0.05 and the coefficient for behavioral engagement is 0.24 with a corresponding p value < 0.05 . The result implies that each of the three independent variables is positively related to organizational performance. A unit increase in any of them would result in proportionate increase in performance of chemical industry.

10. CONCLUSION

Research and training in chemical industry are expected to play a major role in this endeavor by generating new ideas, informing policy decision and retraining the public service with new work values and ethics. This has resulted in increased interest in performance of chemical industry in research and training. These studies have mostly focused on the direct relationship between; employee engagement and organizational performance; organizational commitment and organizational performance. However rarely have both variables been used in the same study to link them with organizational performance.

The objective was to investigate the influence of traits engagement on performance of research and training SIPCOT chemical industry. The study concluded that traits engagement affects organizational performance and hence should be an important consideration in recruitment, promotion and assigning of responsibilities to employees in any organization.

The Employees who are commitment to an organization accept its norms and values and are willing to exert extra effort on behalf of the organization. State corporations and the public sector in general should develop human resource policies that not only promote employee engagement but also deepen levels of organizational commitment if they hope to improve performance.

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