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## The impact of employee engagement on performance in select private and public electronic sectors in India

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### Abstract

Employee engagement is one of the significant issues in modern business world. The purpose of study is to identify the important dimensions in organizations which influence employee engagement, to overcome the difficulty while engaging employment and developing effective strategies by organizations. Through this study, the organizations not only can understand in depth the causes or effects of various influencing variables but also helps to refine current understanding and importance of employee engagement within an organization. Considerable attention has been given to the identification of driving force behind Employee Engagement and this study provide a new interpretation and dimension of variables influencing employee engagement for success of any organization in fruitful way. This study is an attempt to investigate the impact of important dimensions on employee engagement in organizations as well as the effects of organization on business outcome.

**Keywords:** Employee engagement, electronic sectors, variables influencing

### Introduction

One of the most discussed business concepts today is the concept of “employee engagement” The eminent scholars points out that an “engaged” employee is one who is satisfied about his work and because of his zeal, he works in a manner that serves the goals of an organization. Being willing to do more than expected for an employer is a key indicator of engagement and commitment of an employee If employees feel valued and have a sense of loyalty to their employer, they are more likely to deliver more than expected when necessary. Hereby, the motivation for employees to do this often comes from their level of commitment and satisfaction, assuming they feel inspired, appreciated, and if they believe they can make a worthwhile contribution Employee engagement is concerned with the emotional, cognitive and physical aspects of work and how these factors combine. The concept of employee engagement should not be considered just another fluffy HR initiative. However, fostering employee’s engagement is a long term process, as its success is inextricably linked to core aspects of the business such as, values, culture and managerial philosophy. To change core aspects of any business takes time effort and commitment from the employees as well as the senior management team.

### Definition of Employee Engagement

Employee engagement, also called work engagement or worker engagement, is a business management concept. An "engaged employee" is one who is fully involved in, and enthusiastic about his or her work, and thus will act in a way that furthers their organization's interests. According to Scarlett Surveys, "Employee Engagement is a measurable degree of an employee's positive or negative emotional attachment to their job, colleagues and organization which profoundly influences their willingness to learn and perform at work".

### Review of literature

Perrin’s Global Workforce Study (2003) uses the definition “employees’ willingness and ability to help their company succeed, largely by providing discretionary effort on a sustainable basis.” According to the study, engagement is affected by many factors which involve both emotional and rational factors relating to work and the overall work experience.

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Gallup organization defines employee engagement as the involvement with and enthusiasm for work. Gallup assisted by Dernovsek (2008) likens employee engagement to a positive employees' emotional attachment and employees' commitment.

Institute of Employment Studies gives a clear insight that employee engagement is the result of two-way relationship between employer and employee pointing out that there are things to be done by both sides.

**Statement of the problem**

Organizations today are inclining towards employee engagement and it is getting popularity all over the world thus, the question that arises now is what is the benefit of employee engagement is its only employee satisfaction and keeping the morale of employees high or does it serve other financial benefits also? Because surely resources are invested in obtaining high levels of employee engagement hence, there must be performance benefits to make the construct worthwhile. Studies show an affirmative correlation between employee engagement and higher performance outcomes: productivity, customer loyalty and safety, employee retention, profitability, customer satisfaction and employee satisfaction lower rates of employee turnover and absenteeism.

Employee engagement and performance outcomes are networked together, higher the employee engagement higher the feeling of belongingness, enthusiasm, passion, work knowledge, better employer-employee relations which leads to less confusion, less conflicts, less absenteeism, less employee turnover more role knowledge, which leads to effectiveness and efficiency in work and leading the employees to take up extra work or duties to further the performance and reputation of the organization which expedite the process of advancement of the organization.

Therefore, this research study has been undertaken to facilitate employee engagement within the wider community as it believes doing so will not only enhance their productivity and performance, but will also motive them to engage and commit more to the organization.

**Objectives of the study**

1. To correlate an interface between Employee Engagement and business outcomes and to show its impact on the organization
2. To determine the key indicators which drives towards sustainable Employee Engagement

**Scope of the study**

**Subject scope:** To get maximum productivity and excellent business outcome any organization should focus on their employees who maximize their value to the organization and hence our study focuses only on the intellectual and human capital and not any other factor such as finance, technology, materials etc.

**Geographical scope:** The area of the study includes selected electronics industries of private and public sector in India having branches at Bengaluru.

**Research method used:** The Research Program is done by using analytical, descriptive survey and empirical research, using a primary data with a structured questionnaires, observation, direct and indirect interview with all the levels of management of selected private and public sector electronics industries and Secondary data collected from reading journals, textbooks, previous research publications, magazines, reports and websites etc.

**Sampling design:** Stratified random sampling is used in selecting respondents from the sample frame to ensure that each member of the target population has an equal and independent chance of being included in the sample of this study. To effectively study the statement of the problem, four electronic industries were selected from both public and private sector respectively.

**Framework of Analysis:** The data analysis has been carried out through appropriate statistical tools and conclusions arrived there by.

**Limitations of the study**

The information given by the respondents during the survey in the selected organizations is assumed to be correct and unbiased. The study is confined to Bangalore city only with limited sample size.

**Analysis & Interpretation**

The first objective is "To ascertain whether Employee Engagement correlates to crucial business outcomes". The variables taken into consideration varied upon the nature of the organization. The objectives were to see the difference in the Public sector and private sector undertaking.

The table indicates the value of the basic descriptive statistics in the form of Mean and standard deviation these parameters are considered to evaluate the strength of the organization.

The mean value of variables attributes "work goals" is 3.55 for private sector and 4.18 with standard deviation value is 0.926 & 0.749. The mean value of variables attributes "performance expectations" is 3.79 for private sector and 4.41 with standard deviation value is 0.892 & 0.655. The mean value of variables attributes "gaining competitive advantage" is 3.81 for private sector and 3.98 with standard deviation value is 0.891 & 0.724. The mean value of variables attributes "adopting to organizational changes" is 3.06 for private sector and 4.41 with standard deviation value is .795 & .655. The mean value of variables attributes "retention of exemplary employees" is 4.07 for private sector and 3.18 with standard deviation value is .795 & .958. The mean value of variables attributes "nurturing leadership talent" is 3.91 for private sector and 3.68 with standard deviation value is .578 & 1.084

Private			Public		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.886	.893	24	.764	.792	21

➤ The Cronbach's Alpha test for public sector dataset and private sector dataset shows consistence in the chosen scale for the set of variables. The significance level of 0.886 & 0.792 indicates a strong consistence from the

sample data collected following the normality assumptions. Questionnaire variables scales are consistence is closer to 1 which indicates the scales chosen for the variable are in tandem.

Hotelling's T-Squared Test		Hotelling's T-Squared Test	
Private	4635.242	Public	1070.354
F	186.704	F	50.117
df1	23	df1	20
df2	277	df2	280
Sig	.000	Sig	.000

➤ The Hotelling's  $T^2$ , the difference between the sample mean and the population mean is replaced with the difference between the sample mean vector and the

hypothesized mean vector population mean. The test is a multivariate statistic test to determine the null hypothesis is true

Private	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	Bartlett's Test of Sphericity			Public	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	Bartlett's Test of Sphericity		
		Approx. Chi-Square	Df	Sig.			Approx. Chi-Square	df	Sig.
	.604	8805.101	276	0.000		.729	4376.811	210	0.000

The p-value of your significance test can be interpreted as the probability of observing the value of the relevant

statistic as or more extreme than the value you actually observed, given that the null hypothesis is true.

Statistical Analysis --Objective 1		Private Sector	Public sector
Mean		3.722916667	3.892916667
SD		0.93125	0.960125
Cronbach's Alpha		0.886	0.764
Hotelling's T-Squared		4635.242	1070.354
F		186.704	50.117
df1		23	20
df2		277	280
Sig		0	0
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.604	0.729
Bartlett's Test of Sphericity			
Approx. Chi-Square		8805.101	4376.811
Df		276	210
Sig.		0	0
PCA (Component values)		7	6

The second objective is “To determine the key indicators which drive towards sustainable Employee engagement”. The variables taken into consideration varied upon the nature of the organization.

The objectives were to see the difference in the Public sector and private sector undertaking. The table indicates the value of the basic descriptive statistics in the form of Mean and standard deviation these parameters are considered to evaluate the strength of the organization.

The mean value of variables attributes “alignment with job & objective” is 4.06 for private sector and 4.26 with standard deviation value is 0.969 & 0.516. The mean value of variables attributes “productive work” is 3.98 for private sector and 4.19 with standard deviation value is .976 & .956. The mean value of variables attributes “proud about the company” is 4.01 for private sector and 3.93 with standard deviation value is .674 & .886. The mean value of variables attributes “inspiring company policies” is 3.97 for private

sector and 3.82 with standard deviation value is .925 & .653. The mean value of variables attributes “team building to leverage expertise” is 4.17 for private sector and 4.02 with standard deviation value is 0.900 & 0.836. The mean value of variables attributes “INSPIRING TO BRING NEW IDEAS” is 4.28 for private sector and 3.91 with standard deviation value is 0.742 & 1.043. The mean value of variables attributes “indicates performance objectives” is 4.16 for private sector and 3.89 with standard deviation value is 0.802 & 0.960. The mean value of variables attributes “coordination with other depts” is 3.94 for private sector and 4.15 with standard deviation value is 1.012 & 0.622. The mean value of variables attributes “empe recognition measures” is 4.49 for private sector and 4.03 with standard deviation value is 0.774 & 1.172. The mean value of variables attributes “managers to take decisions” is 4.38 for private sector and 4.13 with standard deviation value is 0.629 & 0.955.

Private					Public				
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items				Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items			
.945	.943				.942	.939			
Private					Public				
Hotelling's T-	F	df1	df2	Sig	Hotelling's T-	F	df1	df2	Sig

Squared					Squared				
2959.802	53.286	47	253	.000	1477.183	26.594	47	253	.000

The Cronbach's Alpha test for public sector dataset and private sector dataset shows consistence in the chosen scale for the set of variables. The significance level of 0.943& 0.939 indicates a strong consistence from the sample data collected following the normality assumptions. Questionnaire variables scales are consistence is closer to 1 which indicates the scales chosen for the variable are in

tandem. The Hotelling's  $T^2$ , the difference between the sample mean and the population mean is replaced with the difference between the sample mean vector and the hypothesized mean vector population mean. The test is a multivariate statistic test to determine the null hypothesis is true.

Private			Public		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.754	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.884
Bartlett's Test of Sphericity	Approx. Chi-Square	20151.151	Bartlett's Test of Sphericity	Approx. Chi-Square	14408.569
	df	1128		df	1128
	Sig.	0.000		Sig.	0.000

The p-value of your significance test can be interpreted as the probability of observing the value of the relevant statistic as or more extreme than the value you actually observed, given that the null hypothesis is true. The Kaiser MSA value is .754 value indicates moderate for private sector and public sector is .884 value indicates laudable.

given in the table, the PCA is highlight the import factor that prevail in the dataset The total variance of the attributes of the variables can be explained by only 12 attributes as shown in table for private's sector respondents and 9 attributes for privates sector respondents.

Statistical Analysis --Objective 2	Private Sector	Public sector
Mean	4.031041667	3.962916667
SD	0.8866875	0.942083333
Cronbach's Alpha	0.945	0.942
Hotelling's T-Squared	2959.802	1477.183
F	53.286	26.594
df1	47	47
df2	253	253
Sig	0	0
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.754	0.884
Bartlett's Test of Sphericity		
Approx. Chi-Square	20151.151	14408.569
Df	1128	1128
Sig.	0	0
PCA (Component values)	12	9

**Findings**

1. The study found that the majority of the respondents agrees that Work goals can be achieved and performance expectations are fulfilled when employees are engaged.
2. Many of the respondents agree that they have a Gaining competitive advantage,if they are aligned with their job.
3. Most of them agree that they are proud about their job.
4. The study found that most of them are adopting to organizational changes
5. Many of the respondents agree that they Differential pay policies based on their performance.
6. The Majority of the respondents agree that nurturing leadership talent happens in their work place.
7. They agree that Retention of exemplary employees is implemented in their organisation.
8. The majority of the respondents agree that there is an opportunity for promotion and identification of competent employees who contribute consistently high performance.
9. Most of them agree that engagement Stimulates productivity and meets sales targets.
10. Many Sound financial health and constant high turnover can be maintained.

11. The majority of the respondents agree that their supervisors keep them well informed on their work.
12. Many of the respondents agree that they have a good working environment.
13. Some of the employees are of the opinion that they are accountable to customers and they deliver value to the customers.

**Suggestions**

1. The organization must provide care and support to the newly appointed people. This support helps in improving the retention and helps in reducing the recruitment of employees again.
2. Organizations have to look for a wide variety of suitable and effective strategies to retain the employees.
3. The organizations should aware the employees that they are important for the organization. Good recognition by the employer is the best motivation and morale. Identifying their weakness, putting forward their strengths and helping the employees to improve in their unskilled areas is necessary.
4. Proper training should be given by the organization and sharing sessions have to be conducted in order to know the ideas of the employees.

5. As work life balance is the most important. Flexible timing hours, providing health care for self, family are the most important for securing engagement.
6. Offering outstanding career growth programs and encourage employees to take up higher positions leads to employee engagement.

### **Conclusion**

As the findings of this study states that, overall performance, particularly the financial performance of the electronic sector is depending upon the level of employee engagement. This study explored that employee engagement has positive relationship with business outcome. Retention is the key challenge for electronic sector and it has to be maintained by keeping the employees in the organization for a long time by knowing the key indicators for engagement and providing them as priority. Most of the employees leave job due to job stress, lack of growth and low salary. The management should try to retain the employees by providing the needful upto their expectations. In this study the factors responsible for the employee engagement are found and if the management is ready to give all the facilities then employee engagement is possible which inturn leads to expected business outcome.

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