EMPLOYEE ENGAGEMENT AND PERFORMANCE: INVESTIGATING THE CATALYSTS FOR EMPLOYEE PRODUCTIVITY

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ABSTRACT

The success and performance of the organization are significantly influenced by employee engagement. The objective of the study is to identify the fundamental forces behind employee productivity in modern organizations. It uses two construct exploratory factor analysis to explore the intricate connection between employee engagement and perceived organizational support (POS). The results show that employee engagement is highly impacted by perceived organizational support, highlighting the critical role organizational support structures play in developing a motivated and dedicated workforce.

KEYWORDS

Employee Engagement, Perceived Organizational Support (POS), Productivity, Performance, Factor Analysis

1. INTRODUCTION

In today's rapidly changing world, organizations are starting to acknowledge the fact that employees are the key stakeholders and play a major role in contributing to organization's success. Human resources management team of every organization is keen towards formulating strategies to retain their talent as there is an increasing trend of employees shifting the organizations in no time. With tremendous developments of technology in the areas of Artificial Intelligence, Machine Learning and the increased demand for Data Analytics, Business Intelligence, it becomes challenging for the organizations to manage employees with such professional skills. The traditional management strategies no longer work effectively and hence there is a need for change in ideology and human resource management strategies. Employee engagement nowadays is an important concept as the employees in the organizations look for satisfaction they get from the job, recognition for their work, organizational support, growth

opportunities more than monetary benefits. The preferences and expectations of the employee are drastically changing day by day.

Employee Engagement is directly proportional to the productivity and performance of the employee. Employees in the organization can be engaged, disengaged, and not engaged. Engaged employees are the ones who are satisfied with their job role and whose objectives are aligned with the organizations vision and objectives. Disengaged employees are the employees who does not see any self-growth in the organization and would be the first to leave given an opportunity. Not Engaged employees are the ones who fulfils the roles and responsibilities of the job but lacks passion and energy for the role as their interests does not match to the organization's goal. Management team of every organization is working towards how to keep the employees engaged to achieve the collective growth which is both employee personal growth and the organizational growth. Many studies indicate that there is a positive correlation between employee engagement and performance of the organization. Employees working with a positive attitude and who are engaged in the work seems to produce high results that the average industry results which increases the customer satisfaction and in turn helps in the success of the organization. (Ellis C. M., 2007). Employee engagement influencing factors like productivity, absenteeism, attrition etc has to be reconsidered after covid due to the changing working models of the employees and the organization's expectation patterns (Wang, 2021). The demanding nature of work is making it difficult for some people to strike an appropriate balance between work and life, which is harming their mental health (Prasada, 2020), increasing stress, despair, and discomfort that likely to weaken Employee engagement (Pirzadeh, 2021). This paper examines the factors that the organization is looking for to increase employee productivity and engagement.

2. LITERATURE REVIEW

2.1 Employee Engagement

There are several definitions defined by various scholars. To consider one definition for employee engagement cited by Robinson et al. (Robinson D., 2004) "A positive attitude held by the employee towards the organization and its value. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. The organization must work to develop and nurture engagement, which requires a two-way relationship between employer and employee." The phrase employee engagement was never a part of academic researches or literature until 1990. This term was first introduced by (Kahn, 1990) in one of his academic research papers. The concept of employee engagement has gained importance from then which focuses mainly on integration of employee in to the organization. An analogous explanation can be given for employee engagement, which encourages individuals' incorporation by a sense of satisfaction and, by extension, dedication to the organisation by perpetual enhancement. This behaviour is strengthened through monetary incentives, which increases satisfaction with work, and the process continues (Chandel, 2018).

2.2 Motivation

The factors that motivate people to be engaged at work can be relationships between managers and employees, internal motivation, and assessment of performance are among the elements. It emphasises that although efficiency, respect, and loyalty constitute the basis of

employee engagement, involvement is perpetual and shifts throughout the life of an employee's employment (Dávila, 2014). The research study of (Luthans, 2002) indicated that the manager's self efficacy plays a partial role in the relationship between manager ratings and the employee engagement in an organization. It indicates that the demonstrate that manager self-assurance and employee engagement are both significant pre-factors that, when combined, may favourably affect managerial efficiency. Motivation factors play an extremely important role in the job performance of the employee in their respective roles and has a significant influence on employee engagement and productivity. (Hussain Almawali, 2021) Motivation of the employees can either be intrinsic or extrinsic which may generally depend on various internal factors of the organization like manager support, culture of the organization, peer interaction and external factors like stress, personal issues, health related factors, anxiety etc.

2.2 Organization Citizenship Behaviour

(Ed Snape, 2009) Research identifies there is a positive impact of Human resource management practices on organizational behaviour of the employees with an influence of perceived job discretion. It approves the idea of the impacts of HRM on employee behaviours and mindsets. The impact of managerial practises on organisational results like employee attrition, efficiency, monetary and perceptual indicators of company success have been investigated with an emphasis on the organisational level of assessment. (Becker, 1996) (Youndt, 1996). Michael Cardus has mentioned that often managers do not understand the engagement of the employee not just depends upon the attitude or behaviours of the employee but also the organizational culture. (Cardus, 2013). Research by Kataria suggests (Kataria, Garg, & Rastogi, 2013) that the companies are becoming more reliant on employees' efforts and the findings show that the employee engagement is higher when the organizational effectiveness is higher which makes the employees perform better due to increased organizational citizenship behaviour.

2.3 Job Satisfaction

Job Satisfaction is the feeling that is subjective to the employees which is about their current job. It is often related with motivation but they both are not similar terms. Job satisfaction is an internal feeling while motivation is a factor that is derived due to internal or external factors such as work environment (Mullins, 2005). The implications of job dissatisfaction can lead to increased absenteeism, attrition rate of the employees rises, employee disengagement. Because of which organizations started t o realize the importance of job satisfaction and the factors that improves it. (Spector, 1997) suggests that there are three underlying drivers which enhances job satisfaction of the employees, they are being considerate with the employees and have human values. Behaviour of the employees drastically changes if the employee is satisfied with their job which can in turn improves the business. This also acts as a driver for increased employee productivity and boosts employee efficiency.

2.4 Perceived Organizational Support

(Eisenberger, 1986) explains that the individuals prefer to "form global beliefs concerning the extent to which the organization values their contributions and cares about their well-being." Individuals assess how organisational representatives behave towards them and extrapolate the overarching purpose behind it. The classifications that are deemed crucial differ significantly

across individuals and organisations. Some people might attribute their perception of organisational support (POS) on things like the company's employees' readiness to lend them specific tools or help to finish a job. Others might establish an intense sense of POS because of the company's members' readiness to give them repeated chances to receive training in a subject which truly piqued their attention. Employees are typically mindful of any pertinent environmental and organisational restrictions that could render it more difficult to offer them the incentives they want. (Eisenberger R. C., 1997) Research has shown that POS is favourably associated to job adherence and indicators of performance at work, which lends credence to this social exchange approach. (Eisenberger R. F.-L., 1990) the ability to support colleagues the propensity to provide ideas that would help the organisation progress as well as effective organisational commitment. (Shore, 1993)

3. RESEARCH METHODOLOGY

For the purpose of research to understand the factors that impact employee engagement in the organizations we have conducted a survey by collecting responses from 832 employees working for various organizations. The questionnaire that was used for the survey has 34 variables accounting to questions related to demographics of the employee and the specific questions related to their employment, personal growth, job satisfaction and the organization. The responses were scaled on a Likert scale on the scale of 1 to 5 where 1 indicates 'strongly disagree' and 5 indicates 'strongly agree.' As we have large number of variables , in order to reduce them into fewer number of factors we are using the method of Factor Analysis. To analyse only the factors relevant to our study we have considered only few factors. Our study uses Principal Component Analysis which identifies the maximum variance and group into factors and does it to all the corresponding factors.

To draw results and conclusions from the data collected, we have used two construct exploratory factor analysis to assess construct structure and criterion validity in a survey by considering 7 questions. The seven variables considered from the questionnaire out of 34 variables are mentioned in the below table.

I share the values of this organization (Values)
I am proud of this organization (Pride)
This organization is a big part of who I am (Self-Awareness)
I would recommend this organization as a place to work (Recommendation)
This organization cares about my well-being (Cares)
This organization is interested in my contribution (Interest)
This organization is there for me when I need help (Support)

These questions taken from the questionnaire are related to aspects of Employee Engagement and Perceived organizational support to the employees in the organization. These are now considered as factors. With the results obtained, we have conducted factor analysis using SPSS. We have used Dimension Reduction technique and further rotated the seven factors into the best possible

position. Varimax method is used to force the factors to be independent rather than allowing correlation between the factors. This method is usually recommended as the most versatile and helps us to identify different factors where they exist.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.458	49.406	49.406	3.458	49.406	49.406	3.120	44.569	44.569
2	1.767	25.244	74.651	1.767	25.244	74.651	2.106	30.082	74.651
3	.637	9.104	83.754						
4	.424	6.058	89.812						
5	.272	3.888	93.700						
6	.231	3.297	96.997						
7	.210	3.003	100.000						

Extraction Method: Principal Component Analysis.

SPSS has generated seven factors which are called Components to generally group the question items together in various combinations to try to find if any of them seem to be measuring the same underlying construct. The Total Variance Explained table shows eigen values which determines which components has to be included by calculating the square of the factor loadings and adds them together. Generally, when the eigen value is greater than one then the factor can be used, where as when the eigen value is less than one then the grouping of items does not correspond to a meaningful construct. From the Total Variance Explained table we can see that SPSS has calculated eigen values for each of the seven factors considered in the study.

4. FINDINGS:

The Total Variance Explained table gives the information about which components can be grouped together to identify what factors have more impact.

Component Matrix[a]

	Component	
	1	2
I share the values of this organisation	.802	-.284
I am proud of this organisation	.827	-.342
This organisation is a big part of who I am	.845	-.257
I would recommend this organisation as a place to work	.876	-.255
This organisation cares about my well being	.476	.532
This organisation is interested in my contribution	.437	.761
This organisation is there for me when I need help	.482	.759

Extraction Method: Principal Component Analysis.
a. 2 components extracted.

The first component which is the Factor 1 has a total eigen value of 3.458 and accounts for 49.406 percent of the variance in the items. The second component which is the Factor 2 has an eigen value of 1.767 and accounts for 25.244 percent of the variance in the items. The cumulative percentage indicates the two values account for 74.651 of the variances of all the items. To analyse which variables out of the selected seven can be loaded together into which factors, we have to consider Rotated Component Matrix table of the SPSS output. This table displays the loadings of

each item one each component after they have been rotated. From the table it can be interpreted that possibly the first four questions have high factor loadings on component 1 which is above 0.6 and the rest three questions have high factor loadings on component 2 which is above 0.6. It seems like the first four questions are related to each other and the other three questions fall into one similar category.

Rotated Component Matrix^a

|	Component	
	1	2
I share the values of this organisation	.844	.105
I am proud of this organisation	.893	.064
This organisation is a big part of who I am	.871	.148
I would recommend this organisation as a place to work	.897	.164
This organisation cares about my well being	.188	.689
This organisation is interested in my contribution	.050	.876
This organisation is there for me when I need help	.092	.895

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

Factually, the first four questions are the ones that could be related to Organizational Employee Engagement, whilst the other three questions could be the questions related to Perceived Organizational Support (POS) measure.

Component Plot in Rotated Space
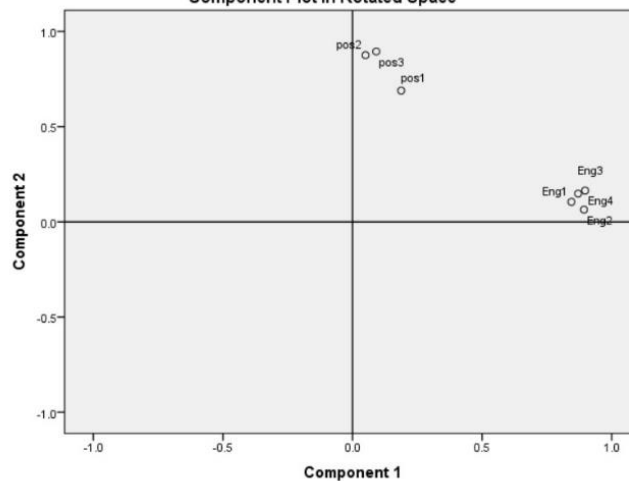
The questions that we considered for the study after dimension reduction methodology falls into two latent variables which are ideally measured, they are employee engagement and perceived organizational support. The results of the survey give an overall picture of these constructs as well as points towards the areas where the organization is doing well or not so well on these measures. This is represented in a diagrammatic form and is displayed in the below figure.
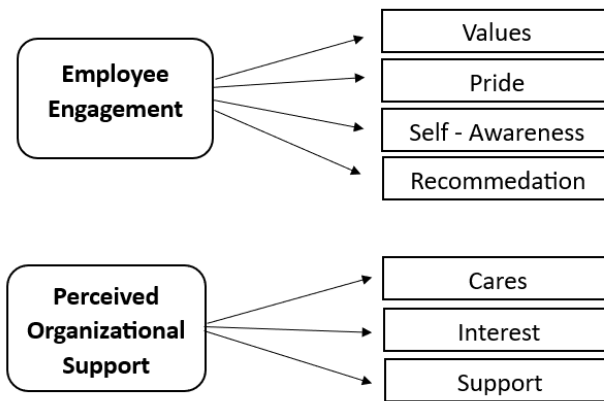
5. CONCLUSION:

The results indicates that the both constructs are related and indeed low perceived organizational support may contribute to low employee engagement and this information will be critical to decision making for taking action on specific areas to improve the overall level of employee engagement in the organization which in turn helps in increasing employee performance and productivity levels of the employee in the organization. Management team of the organizations can implement various strategies to enhance employee engagement. Some of which can be ensuring that the management adheres to fair and equal while developing, implementing, and evaluating them, setting reasonable expectations, and giving appropriate rewards, giving incentives and benefits to each of the employees, recognition of their work. These strategies will motivate individuals to believe that the company recognises their efforts and is concerned about their welfare. Companies profit from POS because it raises workforce's favourable views and opinions regarding the company. Employees are thus more inclined to feel strongly attached to the company, motivated to perform well, and less inclined to be absent or depart the company. Additionally, POS helps employees' mental well-being, bringing greater happiness and less stress. Our suggested methods for POS promotion are still under development and are based on the organisational support theory research that is being conducted at an increasing rate. According to the findings of current study, employee engagement in the corporate sector is strongly supported by perceived organisational support.

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