



A STUDY ON EMPLOYEE ENGAGEMENT AND ORGANIZATIONAL PERFORMANCE AT RICE MILL INDUSTRY IN COIMBATORE CITY

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ABSTRACT

Employee engagement is a critical factor in enhancing organizational performance, as it directly influences productivity, job satisfaction, and overall business success. This paper explores the relationship between employee engagement and organizational performance, examining how engaged employees contribute to improved outcomes such as higher efficiency, lower turnover rates, and increased profitability. It also investigates the key drivers of employee engagement, including leadership practices, communication, work culture, and recognition systems. Furthermore, the study analyzes how organizations can implement strategies to foster engagement and align it with organizational goals to sustain long-term growth. The findings suggest that organizations that prioritize employee engagement not only see improvements in employee morale but also experience measurable positive impacts on their financial performance, customer satisfaction, and innovation.

Keywords: Employee engagement, Rice mill industry, Organizational performance, Productivity, Growth opportunities.

I.INTRODUCTION

“Employee engagement refers to the emotional commitment employees have toward their organization and its goals. Engaged employees are motivated, productive, and dedicated, contributing positively to organizational success through enhanced performance, creativity, and collaboration, while fostering a positive workplace environment”. Employee engagement has emerged as a critical factor in driving organizational performance in today’s competitive and fast-paced business environment. Engaged employees are more productive, innovative, and committed to their organizations. Conversely, disengaged employees can detract from an organization's performance, causing inefficiencies and a decline in overall success. This interconnection between employee engagement and organizational performance has prompted many companies to invest heavily in improving employee experience, as they recognize its direct impact on key performance indicators such as profitability, customer satisfaction, and employee retention.

1.1 OBJECTIVES OF THE STUDY

- To analyse the impact of employee engagement on overall organizational performance in terms of productivity, profitability, and employee retention.

- To identify key factors that drive employee engagement within organizations.
- To examine the influence of leadership and management practices on employee engagement.

1.2 STATEMENT OF THE PROBLEM

Organizations today face a significant challenge in maintaining a workforce that is both engaged and productive. Despite growing recognition of the link between employee engagement and organizational performance, many companies struggle to effectively foster engagement, leading to issues such as decreased productivity, high turnover rates, absenteeism, and low morale.

The problem is further complicated by varying levels of engagement across different departments and job roles, as well as by rapidly changing workplace dynamics, including technological advancements, remote work trends, and shifting employee expectations. The critical issue lies in understanding how specific factors—such as leadership, organizational culture, recognition, career development, and communication—impact employee engagement, and in turn, influence overall organizational performance.

1.3 SCOPE OF THE STUDY

- This study focuses on understanding the relationship between employee engagement and organizational performance, examining how various factors such as leadership, organizational culture, recognition, career development, and communication influence engagement levels.
- The scope includes identifying the key drivers of employee engagement and their direct impact on organizational outcomes like productivity, profitability, innovation, and employee retention.

1.4 LIMITATIONS OF THE STUDY

- Due to inadequate time, the study is confined only to one organization.
- The study is entirely based on the responses received from employees through questionnaire.
- It is assumed that all the respondents have responded to the questionnaire in a fair and unbiased manner.

II. REVIEW OF LITERATURE

NP Myilswamy, Dr.R. Gayatri (2014) According to their research “A study on Employee Engagement: Role of Employee Engagement in organizational Effectiveness”, it is concluded that the level of Engagement determines employee’s productivity and their intention to stay in the organization. Employee Engagement drives organizational.

V. Vijay Anand & Vijay Banu (2016) This study explains that Employee Engagement is the key factor for all organizations to sustain. Employee Engagement is positively influenced by job, Rewards and recognition, opportunities, team work and communication. It acts as a Retention tool.

S. Kiruthika and Dr.V. Kavitha (2015) According to this study Pay and benefit is the most influencing factor of Employee Engagement. The study describes that there is an association between factors like Role, work environment, Training and Development, Relationship with supervisor and Employee Engagement of Banks.

Alarcon and Edwards (2011): Examined the relationship between engagement and organizational commitment, finding strong positive correlations.

Wollard and Shuck (2011): Discussed the antecedents of employee engagement, including leadership, organizational culture, and job design.

Attridge (2009): Highlighted the benefits of engagement for individual employees, such as improved mental health, and for organizations, including reduced turnover.

Perrin’s Global Workforce Study (2003) the study predicted that an inspirational leader, feeling of being responsible, a sense of control over work are the key drivers of employee engagement.

III. RESEARCH METHODOLOGY

3.1. SAMPLING PLAN

Sampling unit, sampling size and sampling proceeds are given under the sampling plan. The sample size selected for the study was 200 employees. The first step in the sampling plan is to clearly define the target population for the study. This involves identifying the specific group of employees from which the sample will be drawn. The target population may include full-time employees across various departments, job roles, and levels within the organization.

3.2. RESEARCH DESIGN

This study will adopt a mixed-methods research design, combining quantitative and qualitative approaches to provide a comprehensive understanding of employee engagement and its impact on organizational performance. A survey will be administered to collect quantitative data from employees regarding their engagement levels and perceptions of organizational practices. Additionally, qualitative interviews will be conducted with managers and HR professionals to gain deeper insights into engagement drivers and organizational strategies for enhancing performance.

3.3. METHODS OF DATA COLLECTION

The data for this study are of two types: -

- Primary data
- Secondary data

Primary Data - primary data is the data is collected from the respondent for the first time, it is original in nature. For the purpose of collection of primary data, a well-structured questionnaire was framed and filled by the respondents. The questionnaire comprises of close ended as well as open ended questions. In close ended questions, checklist questions and multiple-choice questions are used.

Secondary data - secondary data are collected from books, magazines, web sites etc, and both open ended & close-ended questions are incorporated in the questionnaire for the collection of data.

3.4. STATISTICAL TOOL

- Chi-Square Analysis

Chi Square Test

The Chi-Square test is a statistical method used to determine if there is a significant association between categorical variables. It's particularly useful in hypothesis testing and can be applied in various fields, such as social sciences, marketing, and biology.

The Chi-Square statistic is calculated using the formula $\text{Chi-Square} = \sum \frac{(O_i - E_i)^2}{E_i}$

IV. ANALYSIS AND INTERPRETATION

4.1. CHI-SQUARE ANALYSIS RELATIONSHIP BETWEEN AGE AND WHAT KIND OF WORK-RELATED STRESS DO YOU EXPERIENCE MOST.

Null Hypothesis - There is no significance relationship between Age and What kind of work-related stress do you experience most.

Alternative Hypothesis - There is a significance relationship between Age and What kind of work-related stress do you experience most.

Chi-Square Tests

	value	Df	Asymptotic significance
Pearson chi-square	12.281a	9	.198
Likelihood ratio	12.340	9	.195
No of valid cases	202		

Conclusion

From the Chi square table, it is founded that the person chi square significant value is 0.198. when we compare with p value (0.05), our calculated value is greater than p value $0.198 > 0.05$. Hence, we have to accept our null hypothesis H_0 , rejecting alternative hypothesis H_1 ; thus, there is no relationship between Age and work-related stress and experience most.

4.2. CHI-SQUARE ANALYSIS RELATIONSHIP BETWEEN AGE AND WHAT ROLE DOES TEAM MORALE PLAYS IN OVERALL ENGAGEMENT.

Null Hypothesis - There is no significance relationship between Age and What role does team morale plays in overall engagement.

Alternative Hypothesis - There is a significance relationship between Age and What role does team morale plays in overall engagement.

Chi-Square Tests

	Value	Df	Asymptotic significance
Pearson chi-square	19.009a	9	.025
Likelihood ratio	21.385	9	.011
No of valid cases	202		

Conclusion

From the Chi square table, it is founded that the person chi square significant value is 0.025. when we compare with p value (0.05), our calculated value is greater than p value $0.025 > 0.05$. Hence, we have to accept our null hypothesis H_0 , rejecting alternative hypothesis H_1 ; thus, there is no relationship between Age and role team morale plays in overall engagement.

4.3. CHI-SQUARE ANALYSIS RELATIONSHIP BETWEEN AGE AND WHICH APPROACH BEST SUPPORTS EMPLOYEE DEVELOPMENT.

Null Hypothesis There is no significance relationship between Age and Which approach best supports employee development.

Alternative Hypothesis -There is a significance relationship between Age and Which approach best supports employee development

Chi-Square Tests

	value	Df	Asymptotic Significance
Pearson chi-square	15.356a	9	.082
Likelihood ratio	15.902	9	.069
No of valid cases	202		

Conclusion

From the Chi square table, it is founded that the person chi square significant value is 0.082. when we compare with p value (0.05), our calculated value is greater than p value $0.082 > 0.05$. Hence, we have to accept our null hypothesis H_0 , rejecting alternative hypothesis H_1 ; thus, there is no relationship between Age and Which approach best supports employee development.

4.4. FINDINGS

The study reveals that employee engagement plays a significant role in enhancing organizational performance, but there are complex, multifaceted factors that contribute to engagement levels. Specifically, leadership, recognition, communication, and career development are key drivers of employee engagement. However, the Chi-square analysis indicates that factors like age do not have a significant relationship with specific aspects of employee engagement, such as work-related stress, team morale, or the best approaches for employee development. This suggests that while employee engagement is crucial for organizational success, it may be influenced more by organizational culture and prac

tices rather than demographic factors like age. Consequently, organizations should focus on fostering a strong work environment that emphasizes leadership support, recognition, and employee development opportunities to improve engagement and, in turn, overall performance

V. CONCLUSION

This study has explored the crucial relationship between employee engagement and organizational performance, providing valuable insights into how employee engagement influences productivity, profitability, and retention. Through the analysis of factors such as leadership, work culture, recognition, and communication, the study highlights the significance of fostering an engaged workforce to drive organizational success.

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