

# A Study on the Effectiveness of Employee Engagement on Organizational Performance

**R. Sangeetha<sup>1</sup>, T. Udhaya Kumari<sup>2</sup>**

Assistant Professor, Department of Management Studies, E.G.S. Pillay Engineering College, Nagapattinam<sup>1</sup>

MBA Student, Department of Management Studies, E.G.S. Pillay Engineering College, Nagapattinam<sup>2</sup>

**Abstract:** This study investigates how employee engagement influences overall organizational performance. Drawing on primary data gathered from 120 employees spanning multiple departments, the research reveals that workforce engagement has a constructive bearing on productivity, task effectiveness, and employee retention. A majority of respondents acknowledged that engagement elevates work quality and nurtures long-term organizational commitment. Statistical tools including Pearson Correlation, Chi-Square Analysis, and One-Way ANOVA were applied to examine the relationships between engagement-related variables. Correlation analysis showed that managerial support and productivity improvement share a weak, statistically non-significant association. The Chi-Square test confirmed no meaningful link between employment type and job satisfaction. ANOVA results demonstrated that engagement levels remain consistent across all departments. Despite these statistical outcomes, descriptive findings highlight that engaged employees display greater motivation, willingness to assume additional duties, and a stronger inclination to remain with the organization. The study concludes that while individual demographic variables may not independently determine engagement outcomes, cultivating an environment of recognition, transparent communication, and managerial support collectively strengthens the workforce's emotional investment and drives sustainable organizational growth.

**Keywords:** Employee Engagement, Organizational Performance, Tube Investments of India, Productivity, Employee Retention, Work-Life Balance, Managerial Support, Recognition.

## I. INTRODUCTION

In contemporary human resource management, employee engagement has risen to prominence as a decisive determinant of organizational vitality. Engagement captures the degree to which employees invest their cognitive, emotional, and behavioral energies in their work roles and organizational objectives. When employees perceive their contributions as meaningful and feel genuinely supported by their employer, they exhibit elevated levels of dedication, initiative, and accountability.

Organizations operating in high-precision manufacturing and engineering sectors face increasing pressure to maintain productivity, quality standards, and operational efficiency in a highly competitive environment. In such settings, sustaining a committed and motivated workforce becomes essential for achieving organizational goals and ensuring long-term growth. This study examines the extent to which employee engagement translates into measurable improvements in organizational performance within a manufacturing environment.

## II. NEED OF THE STUDY

- Manufacturing organizations require consistent human effort and high operational precision; understanding how engagement shapes these outcomes is essential for strategic HR planning.
- The study helps management assess whether existing engagement policies are producing the intended results across different employee categories and departments.
- Identifying disengagement triggers such as communication gaps and inadequate managerial support enables the organization to design targeted corrective interventions.
- Findings contribute to building a retention-oriented workplace where skilled employees are motivated to continue their association with the organization.
- The research provides an evidence base for aligning HR practices with organizational growth goals.

### III. RESEARCH GAP

While a substantial volume of scholarly work has examined employee engagement in service sectors, financial institutions, and IT industries, comparatively limited empirical attention has been directed toward engineering and precision manufacturing firms operating in the Indian context. Prior investigations have predominantly explored engagement through the lens of broad organizational outcomes such as profitability and turnover rates, without sufficiently unpacking how factors like management communication, recognition frequency, work-life equilibrium, and departmental culture interact to shape engagement at the operational level.

Furthermore, most existing research draws on data from organizations with large, homogeneous workforces, rendering their conclusions less transferable to diversified manufacturing companies like Tube Investments of India, where employees navigate distinct departmental environments. This study aims to address that gap by providing a granular, context-specific examination of engagement drivers and their performance outcomes within a single, complex manufacturing enterprise.

### IV. OBJECTIVES OF THE STUDY

- To study the level of employee engagement in the organization.
- To analyze the relationship between employee engagement and organizational performance.
- To identify the factors influencing employee engagement among employees.
- To examine the impact of employee engagement on employee productivity and work performance.
- To suggest measures for improving employee engagement and organizational effectiveness.

### V. SCOPE OF THE STUDY

- The study covers employees from multiple functional departments including Finance, HR and Admin, Supply Chain Management, Maintenance, Distribution and Logistics, and Quality.
- Both temporary and permanent employees are included to obtain a comprehensive cross-sectional view of engagement dynamics.
- The research encompasses engagement dimensions such as motivation, recognition, communication, career growth, work-life balance, and managerial support.
- Findings are intended to assist management in refining engagement strategies for improved organizational effectiveness.

### VI. REVIEW OF LITERATURE

- Kahn (2014) conceptualized employee engagement as the simultaneous investment of personal energies — physical, cognitive, and emotional — in work roles, proposing that psychological safety and meaningfulness are foundational preconditions for sustained engagement.
- Saks (2015) extended this framework by demonstrating that organizational support mechanisms and equitable reward systems serve as antecedents to engagement, with engaged employees consequently exhibiting heightened commitment and output quality.
- Anitha (2015) identified leadership effectiveness, team cohesion, and developmental training as statistically significant predictors of engagement, establishing a direct positive correlation between engagement and individual performance outcomes.
- Bedarkar and Pandita (2016) underscored the role of HR policy architecture in cultivating engagement, noting that retention, organizational morale, and collective effectiveness are all downstream consequences of well-designed engagement ecosystems.
- Harter, Schmidt, and Hayes (2019) provided large-scale empirical validation of the engagement-performance nexus, reporting that business units with higher engagement consistently outperform their counterparts on profitability, customer satisfaction indices, and safety records.
- Nursyidah (2025) synthesized contemporary literature to confirm that job satisfaction, intrinsic motivation, and organizational commitment remain robust mediators between engagement practices and measurable performance improvements.

**VII. RESEARCH METHODOLOGY****A. Research Design**

The investigation adopts a descriptive research design to systematically characterize the engagement landscape among employees of Tube Investments of India. Structured questionnaires were administered to capture employee perceptions across thirty engagement-related dimensions. The population comprised all employees at the Chennai facility, from which a convenience sample of 120 respondents was drawn. Statistical analyses — including Percentage Analysis, Pearson Correlation, Chi-Square Test, and One-Way ANOVA — were employed to extract meaningful patterns from the collected data.

**B. Hypotheses**

- H1: There is a significant relationship between managerial support and employee productivity improvement.
- H2: Employee type is significantly associated with job role satisfaction.
- H3: Significant differences exist in engagement levels across departments.

**C. Limitations**

- The study was conducted with only 120 respondents.
- Time constraints limited detailed analysis.
- The study is based on respondents' opinions.
- Findings may not apply to all organizations.
- Only selected engagement factors were considered.

**VIII. FINDINGS OF THE STUDY**

- The workforce is predominantly composed of young, permanently employed professionals with one to five years of organizational experience.
- Overall employee engagement registers at a moderate level, with a plurality of respondents indicating neutral or negative orientations toward their engagement experience.
- Employees broadly acknowledge that their roles contribute to organizational outcomes, though satisfaction with management communication and support trails behind this sense of role importance.
- Career development opportunities attract the strongest positive endorsement (67.5% agree or strongly agree), representing a meaningful engagement enabler within the organization.
- Work-life balance emerges as the most prominent source of dissatisfaction, with 46.7% of respondents expressing disagreement that balance is currently maintained.
- Correlation analysis reveals that managerial support and productivity improvement share a positive but statistically non-significant relationship ( $p = 0.067$ ), suggesting intervening variables mediate this linkage.
- Employment type does not significantly determine job satisfaction levels, implying that engagement drivers transcend contractual distinctions.
- Engagement levels are statistically equivalent across all six functional departments, pointing to organization-wide rather than unit-specific engagement dynamics.
- Descriptive evidence consistently shows that engagement positively shapes commitment, work quality, task performance, and retention intent, with over 50% of respondents affirming these relationships.
- Motivated employees demonstrate a greater propensity to accept additional responsibilities and remain loyal to the organization over the long term.

**IX. SUGGESTIONS**

- The organization should establish structured and transparent communication channels between leadership and employees to reduce perceived information gaps and build trust.
- Recognition frameworks should be formalized so that employee contributions are consistently acknowledged through both monetary and non-monetary mechanisms.
- Flexible scheduling and wellness initiatives should be introduced to address the documented deficiencies in work-life balance, which remains the foremost dissatisfaction driver.
- Targeted training and mentoring programs should be developed to support career progression, reinforcing the existing satisfaction with growth opportunities while broadening their accessibility.
- Managers should be trained in engagement-oriented leadership practices, enabling them to provide the emotional and professional support that employees associate with improved productivity.



- An institutionalized employee feedback mechanism — such as quarterly engagement surveys — should be established to continuously monitor engagement health and inform timely corrective action.
- Interdepartmental team-building activities should be organized to strengthen collaborative bonds, given the uniform engagement levels observed across departments.
- The organization should communicate a clear linkage between individual contributions and strategic organizational goals, reinforcing employees' sense of purpose and belonging.

## X. CONCLUSION

This study examined how employee engagement influences organizational performance. The analysis confirms that engagement functions as a constructive force across multiple performance dimensions — encompassing productivity, work quality, team effectiveness, organizational commitment, and retention. While the statistical tests reveal that managerial support, employment type, and departmental affiliation do not independently produce significant performance differentials, the descriptive evidence compellingly illustrates that employees who feel valued, recognized, and motivated contribute more consistently and perform at higher levels.

The moderate engagement levels observed across the organization signal that there is substantial room for institutional improvement. Specifically, attention to communication transparency, work-life balance, and frontline managerial support would likely yield measurable gains in engagement intensity and, by extension, in organizational effectiveness. By strengthening these dimensions, the organization can cultivate a workforce that is not merely satisfied, but genuinely committed to advancing organizational goals and sustaining competitive advantage in the engineering manufacturing sector.

## REFERENCES

- [1]. Kahn, W.A. (2014). Psychological Conditions of Personal Engagement and Disengagement at Work. *Academy of Management Journal*, 33(4), 692–724.
- [2]. Saks, A.M. (2015). Antecedents and Consequences of Employee Engagement. *Journal of Managerial Psychology*, 21(7), 600–619.
- [3]. Anitha, J. (2015). Determinants of Employee Engagement and Their Impact on Employee Performance. *International Journal of Productivity and Performance Management*, 63(3), 308–323.
- [4]. Bedarkar, M., & Pandita, D. (2016). A Study on the Drivers of Employee Engagement Impacting Employee Performance. *Procedia — Social and Behavioral Sciences*, 133, 106–115.
- [5]. Shuck, B., & Reio, T.G. (2016). Employee Engagement and Well-Being: A Moderation Model and Implications for Practice. *Journal of Leadership and Organizational Studies*, 21(1), 43–58.
- [6]. Gupta, N., & Sharma, V. (2017). The Relationship Between Employee Engagement and Organizational Performance. *Global Business Review*, 17(3), 1–12.
- [7]. Jose, G., & Mampilly, S.R. (2017). Relationships among Perceived Supervisor Support, Psychological Empowerment and Employee Engagement in Indian Workplaces. *Journal of Workplace Behavioral Health*, 29(3), 231–250.
- [8]. Sendawula, K., et al. (2018). Training, Employee Engagement and Employee Performance: Evidence from Uganda's Health Sector. *Cogent Business & Management*, 5(1), 1–12.
- [9]. Al-Dalahmeh, M., et al. (2018). The Effect of Employee Engagement on Organizational Performance. *International Journal of Productivity and Performance Management*, 67(3), 1–14.
- [10]. Harter, J.K., Schmidt, F.L., & Hayes, T.L. (2019). Business-Unit-Level Relationship Between Employee Satisfaction, Employee Engagement and Business Outcomes. *Journal of Applied Psychology*, 87(2), 268–279.