



**Research Article**

**A STUDY ON HUMAN RESOURCE MANAGEMENT WITH SPECIAL REFERENCE TO IMPACT OF EMPLOYEE ENGAGEMENT ON EMPLOYEES' PERFORMANCE WITH REFERENCE TO BEVERAGE INDUSTRY IN CHENNAI**

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**ABSTRACT**

Employee engagement is an emerging concept of today's corporate world that taps all areas of human resource management. The managers have to identify and find out each stage of human resources issues and have to solve it until the employees are able to engage effectively. The concept of employee performance is depends upon employee engagement and Organizational HR practices. Employee engagement is broader in scope and nature. Also it has the impact on employee's performance. The employees' performance is based on the skill, knowledge, involvement and rapport between management and employees. The engaged employees are sentimentally attached to their organization and involved with their job, and they show grand enthusiasm in their work and it leads to great success and gives best performances in their career. This study sample size is 342 employees from Beverage industry in Chennai. The authors used structured questionnaire to collect data based on the objectives of the research and the cronbach's alpha was calculated. It's value is (0.76) by the use of Statistical Package for Social Science (SPSS) version 21.0 the authors done the Correlation and regression analysis to this study.

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**INTRODUCTION**

Employee engagement is emotional based not rational. Unfair comparison, unfair remunerations are causes for disengagement. 80% engagement and performance depends on the organizational practices. Over few decades challenging task of HR is effective engagement as well as performance of employees. This task is not only physical, but also includes mentally and emotionally. During performances engaged people employ and express themselves physically, cognitively and emotionally. Employees are unique in skill, knowledge, attitude and aspirations. Performance is level of commitment and involvement of an employee towards their organizations and values. Engagement is closely associated with job involvement of the employees. Employee engagement strategies enable people to be the best at work, recognizing can only happen if they feel respected, involved, heard, and valued by their management. The real employee engagement is when the business values the employee and the employee values the business" Engaged employees have a sense of personal attachment to their work and organizations; they are self motivated and able to give of their best in performance and it will help them to succeed and through that flows a series of tangible benefits for organizations and individuals.

**Objectives**

1. To study about employee engagement practices in Beverage industry at Chennai.
2. To study the impact of employees' engagement on their performance.
3. To identify the key strategies to improve performance and Engagement in automobile industry at Chennai.

**REVIEW OF LITERATURE**

Kahn (1990) introduced the term "engagement" and argues that the employees can be considered engaged when they are psychologically present while occupying and performing role performances. The study refers to the engagement in three dimensions that include physical, cognitive and emotional. It explains personal engagement as simultaneous employment and expression and connected in a work role and personal disengagement as employees' withdrawal during role performances. The author propounds that employees will be more engaged when they find the work situation to be psychologically meaningful and safe when they are psychologically available. The author relates the engagement to the role performances based on two components that includes attention that denotes material resources that employees can employ in the work and absorption which denotes the employees' intrinsic motivation in a role.

Frank *et al* (2004) has done a research on "The race for talent: Retaining and engaging workers in the 21st century". The

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purpose of the study is to assess the relationship between employee engagement and performance. The results show the association between employee engagement and their performance. Management activities should be focused to improve productivity, satisfaction and profit of the organizational performance. The implementation of engagement needs effective organizational strategy and that involves the contribution and involvement of overall organizational members and support.

VishalGupta& Sushil Kumar (2012) has conducted a research on "Impact of Performance Appraisal Justice on Employee engagement: A Study of Indian Professionals". The purpose of the study is to analyze the association between performance appraisal and employee engagement in the Indian business context and study the factors influencing the employee engagement. The sample size is 323 Indian professionals and to find the relationships between performance and engagement was analyzed by zero-order correlations and hierarchical regression analysis. The findings show that there is positive association between professional's performance and employee engagement and that the employee engagement has strong impact on their performance. The authors suggests that the supervisors must ensure goodness of the outcome of performance appraisal of the people and all the information must be communicated to employees. The reward system must be executed with proper feedback. This study Concludes that performance appraisal and employee engagement is positively associated in the Indian context.

Dr. Padma Kumar Ram *et al* (2012) have done a research on The role of Employee Engagement in work related outcomes. The objectives of the study are to analyze the background and effect of employee engagement in Jordanian Industry and find out the factors influencing the employees' performance and their engagement. The study findings are, that there is positive association between Employee Engagement and Organizational Support and the involvement and job satisfaction of the employees are playing a vital role in the enhancement of employee engagement.

Catherine Truss and Amanda Shantz *et al* (2013) have conducted a conceptual study on "Employee engagement, organizational performance and individual well-being: exploring the evidence, developing the theory". The aim of this study was to construct conceptual frame works to enhance employee engagement. Long years the HR people had research on enhancing performance of the employees, after many researches they found the employee engagement may acts as a mechanism to boost up employees performance. Then now employee engagement practiced everywhere, but still it is evolving with a new dimensions and enhance the employees performance.

Anitha J. (2014), has examined the "Determinants of employee engagement and their impact on employee performance". The purpose of this study is to identify the key factors which determines the employee engagement and study the impact of employee engagement on employee performance. A survey questionnaire was used and Simple random sampling was selected. The respondents are middle and lower management people of small-scale organizations and the sample size was 383. Regression and structural equation model were used to find the relationships between employee engagement and

performance. The findings of the study show that the employee engagement has big impact on working environment, team work and co-worker relationship. Employee engagement had a significant impact on employees' performance ( $r^2, 0.597$ ). The suggestions are great focus and effort has to give on the factors of working environment and team work to get impact on employee engagement and performance and the regression analysis shows that the independent variables influenced employee engagement.

Ms.SonaliSharma and Vaibhav Sharma (2014) have conducted a research on "Employee Engagement to Enhance Productivity in Current Scenario". The purpose of this study is to find out the impact of employee engagement factors on the performance of employees and to assess different kinds of employee engagement. The study is a descriptive based one. The authors classified the employees as engaged, not engaged and actively disengaged. This study explains the factors enhancing employee engagement and strategies to managing performance by employee engagement. This study concluded that employee engagement is an effective tool to achieve the organization's vision and mission and overall performance of employees.

#### ***Need for the study***

Many organizations are successful at managing the materials and machineries of the organization, but they are facing problems in managing human resources in their business. This research addresses and assesses the importance of Employee engagement initiatives and its effectiveness on performance. The study believes that the employees will perform better when they are fully engaged and allowed to use their full potential and skills. Also for the effective employee engagement they have to participate in management and decision makings. This approach will satisfy the employees not only in the economic needs, but also their social and psychological aspects. Thereby to satisfy the young generation employees, organization need to concentrate on job design and their work processes and Employee engagement. Further, today's work force has to realize the importance of Employee engagement and have to achieve both personal and organizational goals.

## **RESEARCH METHODOLOGY**

This paper concentrates on the impact of employee engagement on performance of employees working in automobile industry in Chennai. The researcher used both of the primary and secondary data. Random sampling used to collect the data. The sample was lower level employees working in Hyundai Motor India Limited in Chennai and the sample size is 342. The researcher used Correlation and Regression analysis to find the result.

#### ***Testing of Hypothesis***

- Ho – There is no significant relationship between engagement and Employee performance.
- H1 – There is significant relationship between engagement and Employee performance.

**Table 1** Correlation between selected determinants and Performance

Determinants	Performance	
	R – Value	P – Value
Leadership	-.084	.121
Attitude	.432*	.000
Career development	.552*	.000
Recognition	.188*	.000
Pay benefits	.244*	.000
Job satisfaction	.124*	.021
Values	.334*	.000
Involvement	.426*	.000
Engagement	.489*	.000

Source: Primary data, \*\* Significant at five percent level

To test the correlation between independent variables and dependent variable Pearson correlation was applied. The independent variables of the study were Leadership, Attitude, Career development, Recognition, Pay benefits, Job satisfaction, Values, Involvement and engagement and dependent variable is Performance. The following Hypothesis was formulated to test the relationship.

Ho: There is no relationship between the selected study variables and Performance.

From the result it was observed that there was a positive correlation between all dependent variables and Performance. It implies that all independent variables contribute to Performance. Some independent variables have lowest r-value ( $r < 0.40$ ) that is Leadership r value = -0.084, Attitude r value = 0.432, Career development r value = 0.552, Recognition r value = 0.188, Pay benefits r value = 0.244, Job satisfaction r value = 0.124, Values r value = 0.334, Involvement r value 0.426 and Engagement r value is 0.489. This implies that it contributes less to Performance. From the p-value in the correlation matrix, it was observed that the level of all independent variables was significant at 0.001 levels. Hence, the null hypothesis was rejected. So it is concluded that there is significant relationship between Leadership, Attitude, Career development, Recognition, Pay benefits, Job satisfaction, Values, Involvement and Engagement with Performance.

**Regression**

**Table 2** Effect of Leadership, Attitude, Career Development, Recognition, Pay benefits, Job satisfaction, Involvement and Employee engagement on Employee performance

R	R Square	Adjusted R Square	Std. Error of the Estimate	F-value	P-value
.677	.458	.443	.49384	31.186	.000*

Source: Primary data, \* Significant at one percent level

**Table 3** Coefficient table

Variables	B	Std. Error	BETA	T – Value	P- Value
(Constant)	.955	.259		3.692	.000
Leadership	-.182	.052	-.176	-3.491	.001
Attitude	.357	.067	.273	5.325	.000
Career development	.350	.062	.337	5.606	.000
Recognition	-.245	.064	-.207	-3.829	.000
Pay Benefits	-.039	.034	-.060	-1.152	.250
Job satisfaction	.064	.072	.051	.881	.379
Involvement	.145	.060	.138	2.420	.016
Values	.050	.043	.053	1.156	.248
Engagement	.202	.059	.224	3.442	.001

Source: Primary data, \* Significant at one percent level, \*\* Significant at five percent level, NS-Not Significant.

There are many factors that influence the Employee performance. To test the influence of independent variables on dependent variable Regression analysis was applied. The independent variables taken up for the study are Leadership, Attitude, Career Development, Recognition, Pay benefits, Job satisfaction, Involvement, Values, Engagement and the dependent variable is Employee performance. Based on the variables taken up for the study the Regression equation and hypothesis were framed below.

$$Y (\text{Employee performance}) = b_0 + b_1 \text{Leadership} + b_2 \text{Attitude} + b_3 \text{Career Development} + b_4 \text{Recognition} + b_5 \text{Pay benefits} + b_6 \text{Job satisfaction} + b_7 \text{Involvement} + b_8 \text{Values} + b_9 \text{Engagement} + \text{Standard errors.}$$

**Ho2:** Leadership, Attitude, Career Development, Recognition, Pay benefits, Job satisfaction, Involvement Values and Engagement do not influence the Employee performance.

From the ANOVA table the R square value was .677. It implies that independent variables explain 67 percent of variance in Employee engagement. The value of “F” is found to be significant at 0.001 levels. So there is an influence of independent variables namely Leadership, Attitude, Career Development, Recognition, Pay benefits Job satisfaction, Involvement and Values and engagement on dependent variable Employee performance. So the Hypothesis is rejected at one percent level.

From the Beta value, it is further observed that Career development (.337) is found to be most significant related factor affecting the Employee performance. The Attitude (.273) is the second important factor; followed by Engagement, Involvement, Values, Job satisfaction, Pay benefits, Leadership and Recognition. So Career development and Attitude had a notable influence on the Employee performance. The Career development is highly influenced the Employee engagement and the Recognition influenced by least. From the significant value, it is found that six factors namely Career development, Attitude, Engagement, Involvement, Values and Job satisfaction are strongly significant at 0.001 percent level and three factors namely Pay benefits, Leadership and Recognition are not significant. The Employee performance of the respondents is expressed by the equation.

$$Y (\text{Employee performance}) = .955 + (.337) \text{Career Development} + (.273) \text{Attitude} + (.224) \text{Engagement} + (.138) \text{Involvement} + (.53) \text{Values} + (.51) \text{Job satisfaction} + (-.60) \text{Pay benefits} + (-.176) \text{Leadership} + \text{Recognition} (-.207) + (.259) \text{Standard error.}$$

From the equation it is observed that to have one unit increase in Employee performance, the following variables namely Career Development, Attitude, Engagement, Involvement, Values, Job satisfaction, Pay benefits, Leadership, Recognition are increased by 0.337, 0.273, 0.224, 0.138, 0.53, 0.51, -0.60, -0.176 and -0.207 respectively, while the other factors remains constant.

**Findings**

**Correlation:** Relationship among selected independent variables and Performance.

From the result it was observed that there was a positive correlation between all dependent variables and Performance. It implies that all independent variables contribute to

Performance. Some independent variables have lowest r-value ( $r < 0.40$ ) that is Leadership r value = -0.084, Attitude r value = 0.432, Career development r value = 0.552, Recognition r value = 0.188, Pay benefits r value = 0.244, Job satisfaction r value = 0.124, Values r value = 0.334, Involvement r value 0.426 and Engagement r value is 0.489. This implies that it contributes less to Performance.. From the p-value in the correlation matrix, it was observed that the level of all independent variables was significant at 0.001 levels. Hence, the null hypothesis was rejected. So it is concluded that there is significant relationship between Leadership, Attitude, Career development, Recognition, Pay benefits, Job satisfaction, Values, Involvement and Engagement with Performance.

### **Suggestion**

Employees can be engaged in all organizational activities to share their views and ideas for the growth of an organization. The management can create a strong environment amongst team members to create bonding for the team work. The managers can share their feedback with their subordinates on regular basis for the further improvement of knowledge and skills also make the participants to understand the importance of feedback. The problem solving methods need an improvement and focus should be various techniques for the problem solving. In order to motivate the employees' rewards and recognition should be done on regular basis.

### **Regression**

#### ***Effect of Leadership, Attitude, Career Development, Recognition, Pay benefits, Job satisfaction, Involvement and Employee engagement on Employee performance***

From the ANOVA table the R square value was .677. It implies that independent variables explain 67 percent of variance in Employee engagement. The value of "F" is found to be significant at 0.001 levels. So there is an influence of independent variables namely Leadership, Attitude, Career Development, Recognition, Pay benefits Job satisfaction, Involvement and Values and engagement on dependent variable Employee performance. So the Hypothesis is rejected at one percent level.

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$Y$  (Employee performance) = .955 + (.337) Career Development + (.273) Attitude + (.224) Engagement + (.138) Involvement + (.53) Values + (.51) Job satisfaction + (-.60) Pay benefits + (-.176) Leadership + Recognition (-.207) + (.259) Standard error. From the equation it is observed that to have one unit increase in Employee performance, the following variables namely Career Development, Attitude, Engagement, Involvement, Values, Job satisfaction, Pay benefits, Leadership, Recognition are increased by 0.337, 0.273, 0.224, 0.138, 0.53, 0.51, -0.60, - 0.176 and -0.207 respectively, while the other factors remains constant.

### **CONCLUSION**

The employees' performance is the main motto of any organization, to improve that engagement used as one tool. Engagement and performance are two sides of same coin. Where engaged employees are existing, there only activities are fruitfully getting done and the employees can perform with full swing. This study results show the employee engagement has positive and direct impact on performance of employees. In the present scenario the drivers of performance are engagement, Involvement and loyalty of employees with organization. They are playing a vital role in achieving work goals, stimulate personal growth, learning, and development. In addition, they can utilize resources with optimum manner. Particularly they have motivational potential in the face of high job demands. Further, engaged employees are different from other employees in terms of their personal characteristics and performance. Finally, engaged workers possess more personal resources, including optimism, self-efficacy, self-esteem and an active coping style. These characteristics surely help them to make an impact in their work environment and they can give best performances successfully.

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