

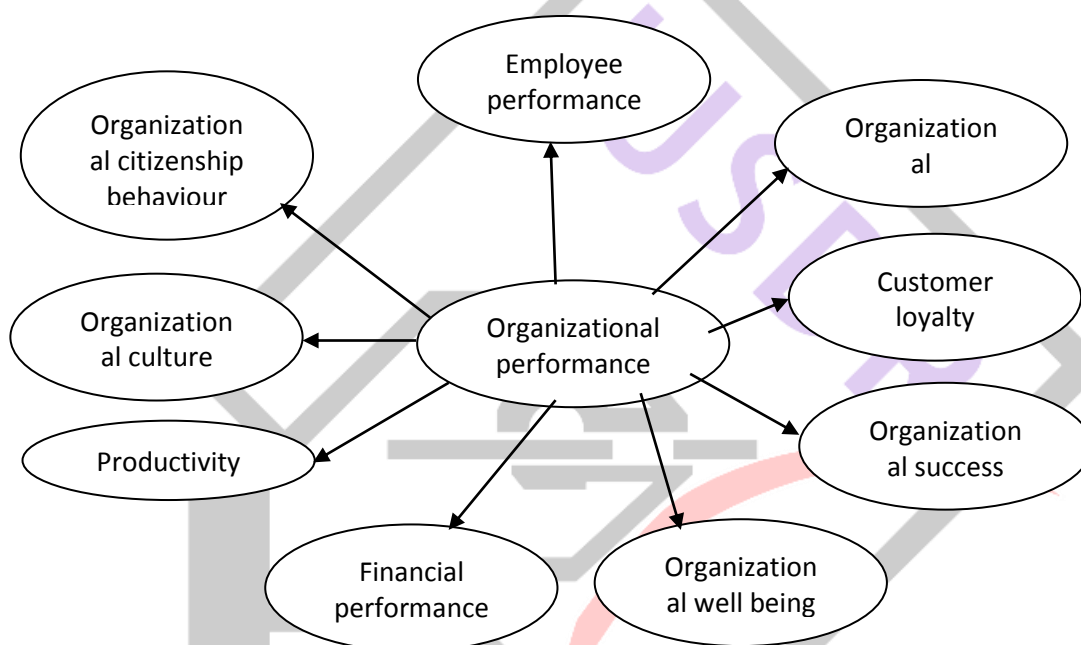
ORGANISATIONAL PERFORMANCE AND ITS LINKAGE WITH THE EMPLOYEE ENGAGEMENT AT THE UNITS

CHAPTER-IV

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The employee engagement may result in better organizational performance in the units. It is the expected result from the units. The organizational performance covers various aspects in the performance of the organisation. It includes the production, productivity, profitability and the organizational culture. Eventhough the components of organizational performance are too many, the present study confine to components. These are presented in the given figure.



Employee Performance

The employee performance is included as one of the components of organizational performance. It is measured with the help of ten variables drawn from the review of previous studies. The employees are asked to rate these variables at five point scale. The mean score of each variable in EP at LSU and SSU have been computed separately. The 't' test has been administered to findout the significant difference among the LSU and SSU regarding the level of EP. The results are shown in Table 4.1.

TABLE 4.1

Employees View on Variables in Employees Performance (EP)

Sl.No.	Variables in EP	Mean score in		't' statistics
		LSU	SSU	
1.	Job performance	3.7784	3.1545	2.5964*
2.	Task performance	3.8211	3.1773	2.7086*
3.	Productivity	3.8096	3.2045	2.7417*
4.	Discretionary effort	3.7904	3.1971	2.7203*

5.	Trusting immediate boss	3.6551	3.0414	2.6979*
6.	Customer service	3.6084	3.0866	2.6818*
7.	Psychological climate	3.7117	3.1171	2.7033*
8.	Co-operation among seniors	3.8441	3.2085	2.6696*
9.	Co-operation among peers and subordinates	3.5775	3.5088	0.1033
10.	Job involvement	3.7708	3.3441	2.0411*

*Significant at five per cent level.

The highly viewed variable in EP at the LSU are co-operation among the seniors and task performance since its mean score are 3.8441 and 3.8211 respectively. At the SSU, these two variables are co-operation and 3.3441 respectively. Regarding the level of EP, the significant difference in LSU and SSU have been noticed in the case of 9 out of 10 variables in EP since its 't' statistics are significant at five per cent level.

Variables in Employee Performance and its Reliability

The score of all 10 variables in EP have been included for confirmatory factor analysis in order to examine the reliability and validity of variables in EP. The CFA has accepted only eight variables. Whereas the variables namely customer service and co-operation and peers and subordinates have been dropped since their factor loading are lesser than 0.60. The executed CFA result in content and convergent validity. The overall reliability of variables in EP have been estimated with the help of cronbach alpha. The results are shown in Table 4.2.

TABLE 4.2
Reliability and Validity of Variables in EP

<i>Sl.No.</i>	<i>Variables in EP</i>	<i>Standardized factor loadings</i>	<i>'t' statistics</i>	<i>Composite reliability</i>	<i>Average variance extracted</i>
1.	Productivity	0.9173	4.1173*	0.7811	56.33
2.	Task performance	0.8709	3.5997*		
3.	Trusting immediate boss	0.8544	3.3884*		
4.	Job involvement	0.8096	3.0491*		
5.	Psychological climate	0.7471	2.7319*		
6.	Job performance	0.7302	2.6692*		
7.	Co-operation any peers and subordinates	0.6796	2.4591*		
8.	Discretionary effort	0.6542	2.3996*		
Cronbach alpha: 0.8024					

*Significant at five per cent level.

The included eight variables in EP explain it to an extent of 80.24 since its cronbach alpha 0.8024. The standardized factor loading of variables in EP are greater than 0.60 which reveals the content validity. The significance of 't' statistics of the standardized factor loading of variables in EP reveal its convergent validity. It is also proved by the composite reliability and average variance extracted since these are greater than its standard minimum of 0.50 and 50.00 per cent respectively.

Level of Employee Performance in the Units

The level of employee performance at the units is measured by the mean score of eight variables in EP. It is denoted by SOEP. In the present study, the SOEP is confined to less than 2.00; 2.00 to 3.00; 3.01 to 4.00 and above 4.00. The distribution of units based on their SOEP is shown in Table 4.3.

TABLE 4.3
Score of Employee Performance in the Units (SOEP)

Sl.No.	SOEP	Number of customers in		Total
		PUSBs	PRSBs	
1.	Less than 2.00	–	29	29
2.	2.00-3.00	10	65	75
3.	3.01-4.00	27	92	119
4.	Above 4.00	20	43	63
	Total	57	229	286

The important SOEP among the units are 3.01 to 4.00 and 2.00 to 3.00 which constitute 41.61 and 26.22 per cent to the total respectively. Among the LSU, the first two SOEP are 3.01 to 4.00 and above 4.00 which constitute 47.37 and 35.09 per cent to its total respectively. Among the SSU, these are 3.01 to 4.00 and 2.00 to 3.00 which constitute 40.19 and 28.38 per cent to its total respectively. The analysis infers that the level of employee performance is higher at LSU than that at SSU.

Organizational Commitments (OC) in the Units

The organizational commitment is included as one of the components of organizational performance in the present study. It is measured with the help of eleven variables. The employees are asked to rate these eleven variables at five point scale. The mean score of variable in OC at LSU and SSU have been computed separately along with its 't' statistics. The results are shown in Table 4.4.

TABLE 4.4
Employees View on Variables in Organizational Commitment (OC)

Sl.No.	Variables in OC	Mean score in		't' statistics
		PUSBs	PRSBs	
1.	Positive work related state of mind	4.0417	3.3886	2.6089*
2.	High level of every at the jobs	3.9084	3.5041	2.1182*
3.	Psychological residence at the works	3.8178	3.3101	2.4593*
4.	Meaningfulness in the job	3.8645	3.2672	2.7316*
5.	Safety provision at the work	3.6042	3.5066	0.2673*
6.	Happy to spend the rest of cancer with him organization	3.5997	3.4112	0.3909
7.	High quality relationship with employees	3.9109	3.3098	2.6997*
8.	Enjoy the situation in the organisation	3.8474	3.3591	2.5172*

9.	Opportunity cost is lessors	3.8667	3.4011	2.4514*
10.	Loyalty towards the organisation	3.9224	3.3088	2.7038*
11.	Sense of moral obligation to remain	3.6088	3.4117	0.5676

*Significant at five per cent level.

The highly viewed variables in OC LSV are loyalty towards the organisation and high quality relationship with employees since its mean score are 3.9224 and 3.9109 respectively. At the SSU these two variables are high level of energy at the jobs and safety provision at the work to remain since its mean score are 3.5041 and 3.5066 respectively. Regarding the level of organizational commitment the significant difference at LSU and SSU have been noticed in the case of eight out of eleven variables in OC since their respective 't' statistics are significant at five per cent level.

Reliability and Validity of Variables in Organizational Commitment

The score of all eleven variables in OC have been included for confirmatory factor analysis in order to examine the reliability and validity of variables in it. The CFA has accepted only eight variables whereas the remaining three variables are dropped. The CFA results in standardized factor loading of variables in OC, its statistical significance, composite reliability and average variance extracted. The overall reliability of variables in OC has been estimated with the help of cronbach alpha. The results are given in Table 4.5.

TABLE 4.5
Reliability and Validity of Variables in OC

<i>Sl.No.</i>	<i>Variables in OC</i>	<i>Standardized factor loadings</i>	<i>'t' statistics</i>	<i>Composite reliability</i>	<i>Average variance extracted</i>
1.	High quality relationship with the employees	0.8773	3.7082*	0.7702	54.18
2.	Meaningfulness in the job	0.8245	3.2117*		
3.	Enjoy the situation in the organization	0.8011	3.0417*		
4.	High level of energy at the jobs	0.7822	2.7303*		
5.	Lesser opportunity cost	0.7506	2.5119*		
6.	Positive work related state of mind	0.7119	2.4033*		
7.	Loyalty towards the organization	0.6544	2.3676*		
8.	Psychological residence at the works	0.6272	2.1179*		
Cronbach alpha: 0.7969					

*Significant at five per cent level.

The standardized factor loading of variables in OC are varying from 0.6272 to 0.8773 which reveals its content validity. The significance of 't' statistics of the standardized factor loading of variables in OC reveal its convergent validity. It is also proved by the composite reliability and average variance extracted since these are greater than its standard minimum of 0.50 and 50.00 per cent respectively. The included eight variables in OC explain it to an extent of 79.69 per cent since its cronbach alpha is 0.7969.

Level of Organizational Commitment at the Units

The level of organizational commitment at the units is measured by the mean scores of the eight variables in OC. It is denoted by 800C. In the present study, the SOOC is confined to less than 2.00; 2.00 to 3.090; 3.01 to 4.00 and above 4.00. The distribution of units based on its SOOC is given in Table 4.6.

TABLE 4.6
Score of Organizational Commitment (SOOC) in the Units

Sl.No.	SOOC	Number of customers in		Total
		PUSBs	PRSBs	
1.	Less than 2.00	–	22	22
2.	2.00-3.00	6	56	62
3.	3.01-4.00	29	89	118
4.	Above 4.00	22	62	84
	Total	57	229	286

The important SOOC among the units are 3.01 to 4.00 and above 4.00 which constitute 41.26 and 29.37 per cent to the total respectively. At the LSU, the first two SOOC are 3.01 to 4.00 and above 4.00 which constitute 50.88 and 38.60 per cent to its total respectively. At the SSU, the first two SOOC are 3.01 to 4.00 and above 4.00 which constitute 38.86 and 27.07 per cent to its total respectively. The level of organizational commitment in the LSU is higher than that in SSU.

Customer Loyalty (CL) in the Units

The ultimate aim of any producers/seller is the attainment of customer loyalty. The customer loyalty is included as one of the components of organizational performance in the present study. It is measured with the help of eight variables. The employees are asked to rate these eight variables in customer loyalty at the units at five per cent scale. The mean scores of the variables in CL at LSU and SSU have been estimated separately along with its 't' statistics. The results are given in Table 4.7.

TABLE 4.7
Employees View on Variables in Customer Loyalty (CL)

Sl.No.	Variables in CL	Number of customers in		't' statistics
		PUSBs	PRSBs	
1.	Increased discretionary effort	3.5109	3.2243	1.0996
2.	Improved quality of products	3.4088	3.1172	0.9783
3.	Improved quality of services	3.5017	3.2569	0.9887
4.	Focus on customer satisfaction	3.5503	3.3884	1.0475
5.	Higher customer orientation	3.5997	3.4119	0.2786
6.	Better customer experience	3.5024	3.4073	0.2973
7.	Repeated customers purchase	3.4217	3.2796	0.4929
8.	Customer retention	3.3396	3.1545	6.4861

The highly viewed variable in customer's loyalty at LSU is high customer orientation and focus on customer satisfaction since their mean scores are 3.5997 and 3.5503 respectively. At the SSU, these two are higher customer orientation and better customer experience since its mean scores are 3.4119 and 3.4073 respectively. There is no significant difference between the LSU

and SSU regarding the level of existence of variables in customer loyalty since their respective 't' statistics are not significant at five per cent level.

Variables in Customers Loyalty and its Reliability

The score of all eight variables in CL have been included for confirmatory factor analysis to examine the reliability and validity of variables in CL. The CFA has accepted only seven variables in it. The CFA results in content and convergent validity. The internal consistency of variables in CL has been estimated by the cronbach alpha. The results are shown in Table 4.8.

TABLE 4.8
Reliability and Validity of Variables in Customer Loyalty (CL)

Sl. No.	Variables in CL	Standardized factor loadings	t' statistics	Composite reliability	Average variance extracted
1.	Customer retention	0.8544	3.4117*	0.7211	51.33
2.	Focus on customer satisfaction	0.8019	3.0456*		
3.	Improved quality of products	0.7802	2.9909*		
4.	Repeated customers purchase	0.7096	2.7311*		
5.	Higher customer orientation	0.6811	2.6604*		
6.	Better customer experience	0.6592	2.3414*		
7.	Improved quality of services	0.6029	2.0886*		
Cronbach alpha: 0.7402.					

*Significant at five per cent level.

The included seven variables in CL explain it to an extent of 74.02 per cent since it's cronbach alpha is 0.7402. The standardized factor loading of variables in CL are greater than 0.60 which reveals the content validity. The significance of 't' statistics of the standardized factor loading of variables in CL reveal its convergent validity. It is also proved by the composite reliability and average variance extracted since these are greater than it's minimum threshold of 0.50 and 50.00 per cent respectively.

Level of Customer Loyalty at the Units

The level of customers loyalty at the units are measured by the mean scores of all seven variables in CL. It is denoted by SOCL. In the present study, the SOCL is confined to less than 2.00; 2.00 to 3.00; 3.01 to 4.00 and above 4.00. The distribution of units based on their SOCL is given in Table 4.9.

TABLE 4.9
Score of Customer Loyalty (SOCL) in the Units

Sl.No.	SOCL	Number of customers in		Total
		PUSBs	PRSBs	
1.	Less than 2.00	7	63	70
2.	2.00-3.00	13	63	76
3.	3.01-4.00	20	72	92
4.	Above 4.00	17	31	48
	Total	57	229	286

The important SOCL in the units are 3.01 to 4.00 and 2.00 to 3.00 which constitute 32.17 and 26.57 per cent to the total. At the LSU, the important SOCL are 3.01 to 4.00 and above 4.00 which constitute 35.09 and 29.82 per cent to its total respectively. At the SSU, the first two SOCL are 3.01 to 4.00 and 2.00 to 3.00 which constitute 31.44 and 27.51 per cent to its total respectively. The analysis infers that the customer loyalty is slightly higher at the LSU than that at SSU.

Organizational Success (OS) at the Units

The organizational success is one of the important organizational performance included in the present study. It is measured with the help of ten variables. The employees are asked to rate these ten variables at five point scale. The mean scores of each variable in OS at LSU and SSU have been computed separately. The 't' test has been administered to find out the significant difference among the LSU and SSU regarding their level of organizational success. The results are shown in Table 4.10.

TABLE 4.10
Employees View on Variables in Organizational Success (OS)

Sl.No.	Variables in OS	Number of customers in		't' statistics
		PUSBs	PRSBs	
1.	Higher productivity	3.7089	3.2117	2.6608*
2.	Higher profitability	3.6991	3.2089	2.3306*
3.	Satisfied customers	3.6884	3.2081	2.2491*
4.	Loyalty customers	3.6081	3.1173	2.6811*
5.	Focus of attention	3.7334	3.2349	2.5969*
6.	Increase in customer retention	3.7217	3.2094	2.5844*
7.	Increase in employee retention	3.7084	3.2118	2.5096*
8.	Growth of resource	3.8113	3.3908	2.4084*
9.	Quality of outcome	3.7847	3.2496	2.6118*
10.	User motivation	3.7241	3.2173	2.5434*

*Significant at five per cent level.

The highly viewed variable in OS at LSU are growth of revenue and quality of outcome since its mean scores are 3.8114 and 3.7847 respectively. At the SSU, these two variables are also the same but with the mean scores of 3.3908 and 3.2496 respectively. Regarding the level of OS, the significant difference among the LSU and SSU have been noticed in the case of all 10 variables in OS since their respective 't' statistics are significant at five per cent level.

Variables in Organizational Success (OS) and its Reliability

The score of all 10 variables in OS have been included to examine the reliability and validity of variables in OS. The confirmatory factor analysis (CFA) have been administered for this purpose. The CFA results in content and convergent validity. The overall reliability of variables in OS have been estimated with the help of cronbach alpha. The results are shown in Table 4.11.

TABLE 4.11
Reliability and Validity of Variables in Organizational Success (OS)

Sl. No.	Variables in OS	Standardized factor loadings	't' statistics	Composite reliability	Average variance extracted
1.	Increase in customer retention	0.9024	4.0224*	0.7918	55.88
2.	Quality of culture	0.8809	3.5117*		
3.	Focus of attention	0.8673	3.3886*		
4.	User motivation	0.8118	3.1182*		
5.	Satisfied customers	0.7802	2.9118*		

6.	Increase in employee retention	0.7517	2.8614*		
7.	Higher productivity	0.7096	2.7117*		
8.	Growth of revenue	0.6884	2.6083*		
9.	Higher profitability	0.6517	2.4173*		
10.	Loyal customers	0.6242	2.2916*		
Cronbach alpha: 0.8117					

*Significant at five per cent level.

The included ten variables in OS explain it to an extent of 81.17 per cent since its cronbach alpha is 0.8117. The standardized factor loading of variables in OS are greater than 0.60 which reveals the content validity. The significance of 't' statistics of the standardized factor loading of variables in OS reveal its convergent validity. It is also supported by the composite reliability and average variance extracted since these are greater than its minimum threshold of 0.50 and 50.00 per cent respectively.

Level of Organizational Success at the Units

The level of organizational success at the units are measured by the mean scores of the variables in OS. It is denoted by SOOS. In the present study, the SOOS is confined to less than 2.00; 2.00 to 3.00; 3.01 to 4.00 and above 4.00. The distribution of units based on its SOOS is shown in Table 4.12.

TABLE 4.12
Score on Organizational Success (SOOS) in the Units

Sl.No.	SOOS	Number of customers in		Total
		PUSBs	PRSBs	
1.	Less than 2.00	1	61	62
2.	2.00-3.00	10	60	70
3.	3.01-4.00	24	79	103
4.	Above 4.00	22	29	51
	Total	57	229	286

The important SOOS at the units are 3.01 to 4.00 and 2.00 to 3.00 which constitute 36.01 and 24.48 per cent to the total. The first two SOOS at the LSU are 3.01 to 4.00 and above 4.00 which constitute 42.11 and 38.59 per cent to its total respectively. At the SSU, these are 3.01 to 4.00 and less than 2.00 which constitute 34.49 and 26.64 per cent to its total respectively. The analysis reveals that the level of organizational success at the LSU is higher than that at the SSU.