

Impact of Employee Engagement on Organisational Performance

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Abstract: *The involvement of employees in the organisation on a regular basis is the ultimate focal point for most business organisations in today's world. This helps them prosper and survive in the market for the long run. The core motive of this project is to analyse and focus on how and why employee devotion, zeal, diligence, ownership, and, last but not least, a sense of belonging towards the organisation play a substantial role in organisational success. Employees who are involved in the day-to-day activities of the organisation tend to be more proactive, creative, and sincerely determined to fulfil organisational objectives rather than only achieving their personal milestones within the organisational premises.*

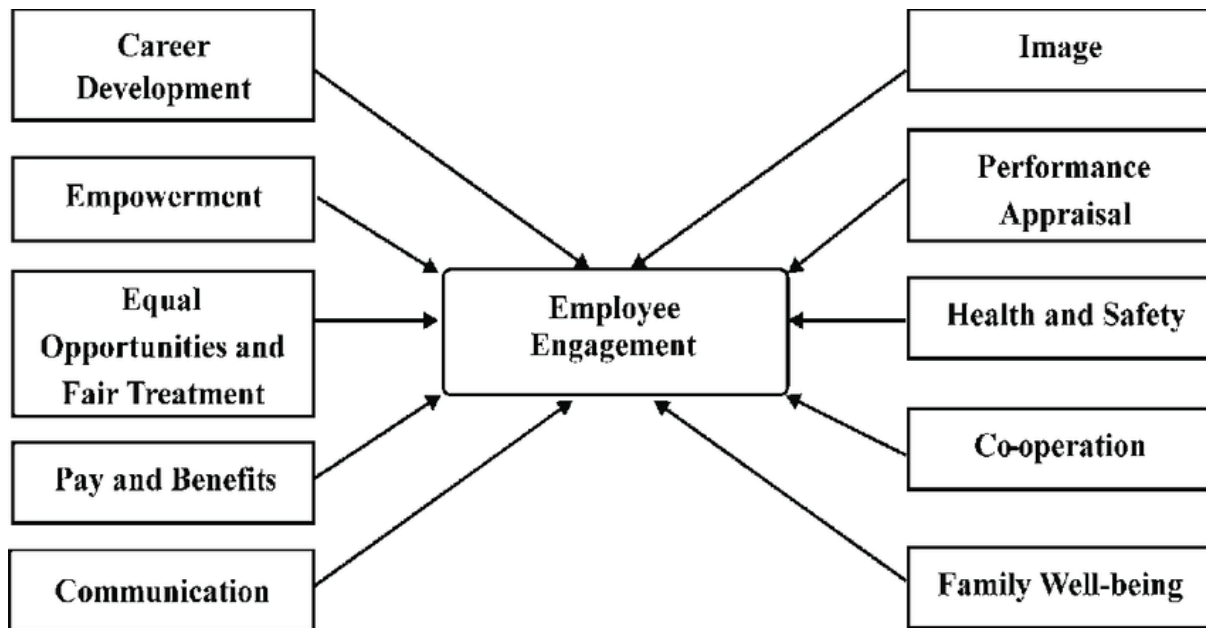
Employees are happiest and most satisfied when they feel they have an important role in the organisation, and when their voices and grievances are heard and taken seriously by management. Engagement does not necessarily depend on factors like incentives, bonuses, hikes, and other rewards. Employees generally look for a workplace where they are valued and given opportunities for growth and development. With such opportunities and benefits, employees gradually work devotedly towards the growth, progression, and accomplishment of organisational goals. Studies show that employees receiving such advantages within the organisation eventually demonstrate higher productivity, adequate job satisfaction, and loyalty towards the organisation they work for, which ultimately leads to low attrition and high employee retention.

Multinational companies like Tata, Alibaba Group, and many others have conducted in-depth surveys and witnessed several instances where workforce dedication and high work involvement result in favourable and progressive impacts on customer service, strong collaboration, and organisational outcomes. This study and analysis provide definite and invaluable insights that benefit every organisation in establishing goal-oriented, reliable, and high-performing teams.

In closing, the study clearly demonstrates that employee engagement should be the main focal point of every organisation. It ought to be considered a primary and fundamental necessity rather than a luxury or an added benefit. Engaged and goal-oriented employees enhance and strengthen business operations and performance by delivering results, fulfilling organisational objectives, and enabling continuous growth and development.

Keywords: *business organisations*





I. INTRODUCTION

The very idea and framework of employee engagement has been witnessing increasing and diverse interest from various Human Resource Management (HRM) scholars and researchers around the world. They are deeply analysing this field, which has led them to examine the phenomenon through both behavioural and organisational frameworks and standpoints. Although the definitions and conceptual explanations of employee engagement may vary, it is most frequently interpreted as the level of mental and cognitive devotedness employees feel towards their job roles, along with their zeal and readiness to perform more than what they are told to do and beyond their prescribed responsibilities.

Employee engagement does not generally mean offering monetary benefits and superficial incentives such as bonuses or pay hikes. Instead, it can be achieved by establishing and fostering a healthy and optimistic work environment wherein employees are taken seriously, and their hard work, efforts, and dedication are acknowledged. In such an environment, employees develop a sense of belongingness and ownership towards the organisation, finding peace and importance in their roles and feeling appreciated and worthwhile. When employees are treated with respect, fairness, and trust, they gradually become loyal to the organisation and progressively develop a strong sense of commitment towards organisational success. Consequently, work no longer feels like a compulsion or duress; rather, it becomes something employees take pride in, eventually enjoying their work and striving harder to excel in it.

From a Human Resource perspective, retention goes hand in hand with the degree of employee engagement within an organisation. When the level of employee engagement declines, individuals tend to become less focused at their workplaces; they lose the drive to work, become demotivated, and their performance becomes substandard, resulting in subpar outcomes, sometimes even failing to complete tasks and eventually resigning from the organisation. Organisations and employers that focus on employee welfare and satisfaction consistently experience greater employee loyalty, reduced attrition, and a healthier, goal-driven workplace climate. Examples include the Tata Group and Hindustan Unilever. Unilever believes in openness, transparency, and workforce participation in decision-making, while the Tata Group emphasises fostering employee well-being, career growth, and development opportunities. Such practices within the workplace enhance employee productivity, cultivate ownership, and build a sense of belongingness in the minds of employees.

In a broader sense, employee engagement has always proven beneficial for organisations. Engaged employees consistently demonstrate superior performance and more effective, clearer communication, which eventually contributes



to a positive and healthy work environment where everyone is committed to achieving organisational goals. Over time, these factors have helped organisations create a workplace climate in which work is undertaken not only for achieving personal milestones but also for making meaningful contributions to organisational success. This project aims to examine and analyse the impacts of employee engagement and explain why an optimistic and collaborative workplace generates better outcomes than one driven by continuous strain, tension, and pressure.

II. LITERATURE REVIEW

The concept of employee engagement has been gaining attention among researchers dealing with Human Resource Management, who approach this phenomenon from both behavioural and organisational perspectives. The definition of engagement may be different depending on the source; however, most of the definitions agree that engagement reflects the level of employees' emotional and cognitive investment in their job and their willingness to perform more than what is essentially required from them.

This is Kahn's work that still underpins the concept of employee engagement. According to him, employees can give more or less energy and emotional identification to their job roles depending on if the work is meaningful and the workplace is safe and supportive. His research highlights that employee disengagement may be driven from an environment which lacks respect, safety, or meaning, due to a lack of discipline.

Later, Schaufeli and Bakker further developed the concept by portraying engagement as a relation of energy, commitment and immersion. In words, engaged employees display sustained passion, a strong attachment to their work and, at the same time, the ability to focus on their assignments. According to their view, engagement occurs when employees are supported by resources like feedback, supportive supervision, as well as opportunities for development and learning and skill acquisition. However, where those particular resources are not made available; that is, in situations of high demand, then engagement will be low.

Muller, Smith and Lillah further stress that measurement of engagement should include organisational measures such as customer satisfaction, internal processes, financial outcomes and organisational learning. The authors conclude from this measurement that engagement is not solely an emotional aspect; instead, engagement has a positive impact on performance, too. According to them, highly engaged and valued employees contribute towards the attainment of objectives set by the organisations.

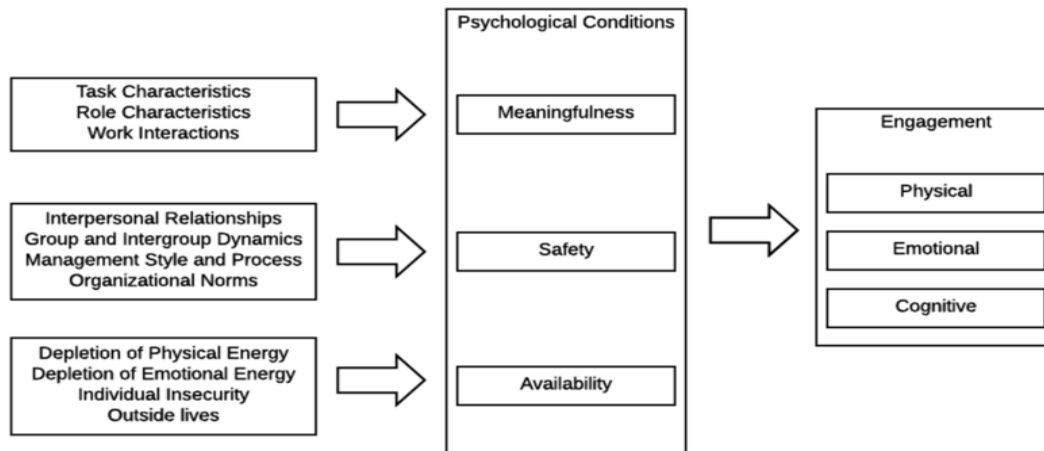
Previous studies also suggest that employee involvement usually results in a customer experience. More precisely, employees who are more engaged in their work have better relationships with their clientele, thus serving them more consistently, which may translate to more brand loyal consumers and an enhanced brand reputation.

Above all, dedicated employees are willing to learn and innovate. Their minds are open to ideas and changes; additionally, they are capable of sharing their knowledge with colleagues. This flexibility allows businesses to stay ahead in their rapidly evolving industries.

Overall, academic studies indicate that engagement acts as a bridge connecting employee well-being with business results. When engagement levels fall, the productivity and employee turnover often rise. Strong engagement leads to higher performance innovation and more organisational stability. Currently, most scholars regard employee engagement as an organisational responsibility that includes HR, leaders, managers, and staff members.

(KAHN (1990) Model of EMPLOYEE ENGAGEMENT)





III. RESEARCH METHODOLOGY

1. Research Design

This study followed a descriptive research design. The purpose was to understand how employees interpret their daily work environment and how their involvement in their roles influences their performance. No experiments or controlled settings were used; instead, the focus remained on capturing employees' natural day-to-day experiences as they exist in real workplace conditions. This approach was suitable because exploring employee involvement requires understanding how individuals genuinely think, feel, and respond to their organisational surroundings.

2. Approach to Research

A survey-based approach was adopted to collect responses from working professionals. The structured format of the questionnaire helped convert personal thoughts into organised information, making the analysis both clear and systematic. Survey questions allowed us to observe patterns in employees' motivation, workplace experiences, supervisory support, appreciation, and overall satisfaction. This method was chosen because it enables straightforward comparisons across responses while still allowing individuals to express their views comfortably and openly.

3. Population and Sample

The study focused on employees from IT organisations across India. The IT sector was selected because it relies heavily on workforce contribution for consistent performance, innovation, and organisational success. Since collecting responses from the entire sector was not practical, a sample was selected instead. The sample included individuals from different designations—ranging from freshers to team leaders and managers ensuring that the study captured a wide range of experiences, responsibilities, and viewpoints.

4. Sampling Technique

A convenience sampling technique was used. Participants were approached through professional connections, online platforms, and accessible networks. This technique was practical for the available time frame and helped gather genuine insights from individuals currently working in the sector. Although it may not fully represent the entire population, it offered real, honest feedback from employees actively engaged in their roles.



IV. DATA COLLECTION METHOD

Two forms of data were collected:

Primary Data:

Primary data was obtained through a well-structured questionnaire that focused on aspects such as workplace experience, guidance from supervisors, learning opportunities, workload, appreciation, and commitment towards organisational goals. The questionnaire allowed employees to express their perceptions privately and without any external pressure, making the process smooth and comfortable.

Secondary Data:

Secondary data was gathered from books, research studies, journal articles, corporate websites, and HR-related publications. These sources helped build a foundation for understanding ongoing discussions, past research, and industry trends, adding depth and context to the primary findings.

V. RESEARCH INSTRUMENT

The main research instrument was the questionnaire. It was designed using simple and clear language so participants could respond without confusion or hesitation. Most items used rating scales, making it easy for employees to indicate how strongly they related to various workplace factors.

VI. DATA ANALYSIS TECHNIQUE

The responses collected through the questionnaire were analysed using basic statistical tools. Percentage analysis and graphic representations were used to identify visible patterns in employees' experiences. Tables and charts provided a clear view of the areas where employees felt supported and where improvements were required. These visual formats made the findings easier to interpret and more meaningful.

VII. LIMITATIONS OF THE STUDY

There were a few limitations that must be acknowledged. The study was restricted to the Indian IT sector, so the findings may not directly apply to industries such as healthcare, manufacturing, or education. In addition, some employees may hesitate to express their true opinions even when confidentiality is assured. Finally, the use of convenience sampling means that the sample may not fully reflect the entire sector.

VIII. ETHICAL CONSIDERATIONS

The study strictly followed ethical standards. Participants remained anonymous, and their involvement was entirely voluntary. No individual was pressured to participate or respond.

IX. CONCLUSION OF METHODOLOGY

The methodology adopted for this research provided meaningful, experience-based insights from employees working in real organisational settings. Supported by a clear survey instrument and simple analytical tools, the study reflects genuine workplace realities rather than assumptions. This approach strengthened the reliability of the findings and offered a practical understanding of how employee involvement connects with overall performance.

X. FINDINGS

Looking closely at the increasing amount of studies, observations and practical examples regarding how people involve themselves in their work shows that this subject goes far beyond the HR department. It is something that touches every corner of an organisation and, in reality, shapes how strong and steady the company becomes in the long run. Most of the findings repeatedly highlight one simple truth: workplaces that genuinely value their people tend to progress in a far more stable and meaningful way. Involvement is not about forcing effort or squeezing results out of employees; instead,



it helps people look at their everyday tasks as something worthwhile, something that actually counts inside the organisation.

From this understanding, it becomes clear that employees who feel truly linked to their work often take up their responsibilities with interest and natural enthusiasm. They put in effort on their own, without anyone constantly watching over them. This not only lifts the standard of whatever they do but also reduces unnecessary errors and delays. When people sense that their contributions are noticed, they willingly offer more than the basic minimum, rather than simply doing their job for the paycheck. As a result, both the flow and the amount of work increase steadily over time.

Another important idea that comes from this discussion is how involvement influences people leaving or staying in their jobs. When workers feel ignored, harshly treated or simply not taken seriously, their interest begins to fade slowly, and they eventually look for opportunities elsewhere. On the other hand, when they receive proper guidance, recognition and space to grow, they prefer to remain where they are. This saves the organisation from repeatedly spending on hiring and training newcomers and ensures that a steady group of experienced people stays on. A stable workforce automatically creates a smoother and more coordinated working environment.

Involvement also affects how people communicate and work together. Many real observations show that when employees feel safe, respected and at ease, they are more open to expressing their thoughts, sharing ideas and solving matters calmly. When workers can approach their supervisors freely and raise concerns without hesitation, it slowly builds trust across the workplace. This helps resolve issues faster and reduces small misunderstandings that otherwise turn into bigger problems. From a management point of view, the behaviour of leaders plays one of the biggest roles in shaping involvement. People generally respond better to supervisors who listen, stay fair, guide properly and act more like supporters than strict overseers. Wages are important, but they alone cannot keep someone committed for long. If people feel invisible or unappreciated, no amount of pay will convince them to stay. When organisations put real effort into improving their people's future prospects, skills and overall comfort, involvement rises naturally.

Many real-life examples clearly show how successful this approach can be. Companies such as Tata, Unilever and several others have always focused not just on daily tasks, but also on the growth, comfort and development of their workforce. Their long-standing success reflects that investing in people is, in fact, one of the strongest returns a company can ever receive.

The overall understanding that comes out of all these insights is that people who feel closely connected to their work form the very base on which the entire organisation stands. This cannot be treated as an additional HR activity; it needs to be part of daily management and the way the organisation functions as a whole.

XI. CONCLUSION

This study underlines the fact that employee engagement is not an HR buzzword, but something that can actually bring a difference in long-term performance and development for an organization. The message from our study comes loud and clear: people are not parts of a machine who work to collect their paycheck. They perform most when valued, motivated, and aligned with the purpose of the organization. On having higher levels of engagement, often employees perceive the achievements of the company as their own victories, which naturally elevates their performance.

Results from this exercise show that employees who are enthusiastic about their work perform at a higher level and are more willing to listen and loyal for a longer period. Such employees communicate with their colleagues, take greater responsibility for their actions and thus show commitment to the organization. The lesser the level of employee engagement the the employee is likely to gradually become disengaged and as their performance goes down, stress levels will also increase thus causing instability in the company. This concept is amply reflected by the fact that the risk an individual faces goes down as one becomes more engaged and correspondingly ones sense of comfort and stability increases

From an HR viewpoint, one of the most critical methods in developing a positive work culture is employee engagement. When human resources staff and management work together to contribute to employee development, recognize successes, provide opportunities and keep lines of communication open, trust is established between employees and



management. Trust increases staff retention, improves teamwork and engenders a sense of loyalty. Businesses that recognize this do not view developing their employees as a strategy to transform their enterprises. Rather, it is the source of actual returns. These companies, committed to investing first and foremost in their people, tend to surpass their competition in every category.

The project actually proved that successful organisations do not just get lucky but instead work to create an environment where their employees can feel safe and valued. When employees feel valued and know their contribution matters, they work as a team for a common objective of minimizing their level of stress. This leads not only to an increase in the quality of service and levels of customer satisfaction but also enhances the overall reputation of the company

The research finally proves that the key to success is employee involvement. Companies that view their workforce as an asset, rather than a liability, will succeed. The staff is really committed; it stays loyal and ready for future challenges. Those are the organizations that show continuous growth and sustainable success.

High engagement equals great retention



XII. SUGGESTIONS / RECOMMENDATIONS

For any employee to work with real interest, they first need to feel safe, supported and not overlooked in their daily routine. When an organisation takes care of people's health, their basic safety and offers help when unexpected situations arise, it slowly creates an atmosphere where employees feel more settled. Over time, a team that feels physically and mentally steady tends to put in effort naturally, without being pushed.

Many times, even a small word of appreciation can change how someone feels about their work. Because of this, managers should try to notice good efforts instead of letting them pass silently. Simple praises, short celebrations or even a casual acknowledgement can make employees feel seen and respected. This makes them more willing to work with confidence and keep improving.

People usually participate more sincerely when they see that the company is genuinely thinking about their growth. This may be through learning programs, guidance from seniors or even allowing them to explore roles that match their strengths. When employees realise that their development matters to the organisation, they naturally become more steady and involved in their tasks.

Employees want to express their thoughts instead of keeping everything to themselves. Organisations should make sure that there are proper spaces where people can speak openly, raise concerns or give suggestions without hesitation. When communication is smooth and honest, issues are solved faster and trust slowly builds up between everyone.

A balanced routine plays a large part in how people function at work. Companies can support this by offering flexible timings when possible, giving access to mental-health help or simply being mindful of personal time. When workers feel cared for both inside and outside the workplace, they usually come back with a clearer mind and more attentiveness.



Employees start taking their work more seriously when they are invited to contribute to discussions or improvement ideas. When they have a chance to influence how things are done, even in small ways, they feel more linked to the outcome. This pushes them to think in broader ways and bring forward ideas that may help the organisation grow. Asking for feedback is useful, but it only becomes meaningful when something is done with it. When employees see that their suggestions actually lead to noticeable changes—big or small—they feel that their effort and words carry weight. This strengthens their trust and makes them more willing to stay involved and speak openly in the future.

LIMITATIONS OF THE STUDY

1. Sector Focus: The study prioritizes the sectors mainly; the situation of small enterprises, informal work settings, and industries may not be fully taken into consideration due to different dynamics.
2. Sample Size and Diversity: The results are based on a sample set of employee groups. Different views may exist based on variables such as location, department, or culture; hence, generalization of the findings may not be feasible.
3. Subjective Aspect of Engagement: Engagement depends on feelings, emotions and recent experiences. No matter how designed surveys are, they cannot eliminate personal bias; hence, the outcome remains partly subjective.
4. Momentary Perspective: The research represents a snapshot of the situation. Hence, the level of employee engagement revealed reflects that particular point in time. The results may not be indicative of more enduring patterns, changes over time, or how employees react to changes.
5. Differences Among Organisations: A strategy that works in one organization may not necessarily bring in the desired results in another. Factors like size, culture, and resources play a very crucial role in the success of an engagement plan.

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