

Factors Affecting Employee Engagement in Automobile Industry: Exploring the Mediating Role of Employee Satisfaction

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Abstract

The primary goal of the research is to determine factors influencing employee engagement in the automotive sector. Conceptualization and analysis of the elements of leadership, employee communication, Organizational Culture, Teamwork, Learning and Development, and Employee Engagement are also part of the research. The term "Employee Engagement" is commonly used to describe an employee's level of interest in, and commitment to, the Organization. Maintaining an engaged workforce is a two-way process that necessitates the company's active participation. Employee motivation can be influenced by a variety of different circumstances. These factors are crucial to the investigation. In this analysis, we focus on how variables such as communication, leadership, teamwork, organizational culture, and learning development affect the dependent variable, Employee Engagement. A survey questionnaire was distributed to 300 active organization members in order to collect data for this quantitative study; 269 were selected to take part following preliminary analysis. In order to statistically analyze the hypotheses, the SEM model was used.

Keywords: Employee Engagement, Leadership, Employee Communication, Organizational Culture, teamwork, Learning, and Development.

Introduction

Employees are more likely to go above and beyond in their work when they have a strong emotional connection to the company. In this context, "employee engagement" refers to a person's active participation in the completion of his or her assigned tasks for the purpose of furthering both his or her own professional development and the company's overall productivity.

High levels of performance and excellent business results are directly correlated with a company's ability to manage employee engagement. Here are a few of the benefits of employees that are invested in their work are more likely to remain with the firm, to promote it and its offerings to others, and to contribute financially to its success. They are more likely

to succeed and have higher motivation. Employee enthusiasm significantly correlates with the financial success of a firm. Emotional investment is made on their part in the business. This affects how they feel about the company's customers, which in turn boosts satisfaction among those customers. Gallup, the Consulting Company, identifies the following personality categories among its clients:

Engaged workers are creators. They need to know what is expected of them in their position so that they can do even better. They have a natural interest in learning more about the business and how they fit into it. They always deliver excellent results. This set of individuals is driven to apply their abilities on a daily basis. Because of their passion for what they do, the business expands and innovations are stimulated. Employees who are not investing in the company's success are more likely to focus on the day-to-day grind than on achieving the desired results. They prefer to be given explicit instructions so that they can check off a completed task on their to-do list. Instead of aiming for a specific result, they prioritize getting things done. Employees in disengaged settings feel their efforts are in vain and that their full potential isn't being used. The employees that are "actively disengaged" are the "cave dwellers." One organization claims to be "consistently against almost everything." They are not simply miserable at work; they're also busy taking their frustrations out on others. As often as possible, they plant the seed of doom. Disengaged workers undermine the efforts of their engaged colleagues every day. Employee disengagement is a major concern in today's workplaces because everyone in an organization relies on everyone else to produce products and services.

Literature Review:

According to research conducted by Shuck, Brad, Reio, and Thomas.G. (2014), a company's bottom line may take a hit if its employees aren't fully invested in their work. The purpose of their study was to investigate whether employee satisfaction mediated the relationships between psychological in the workplace climate and employees' sense of personal achievement, depersonalization, emotional weariness, and psychological well-being.

In a research study, Deborah (2014) highlights how some employees get motivation using various methods. When compared to business cultures that encourage employees to take initiative, the author believes that incentives like free food and gym memberships are counterproductive.

Garg, Kataria, and Rastogi (2013) in their study, aim was to decode the connection between employee engagement and the perception of the organization's effectiveness. The findings not only highlighted the responsibility of HR managers in outlining the psychological fabric of the organization and the conditions for high engagement, but they also advise businesses to evaluate the potential relevance of employee engagement towards organizational effectiveness.

The study by Michael Cardus (2013) highlighted, that it is important to have a basic work system that makes employees engaged that are essential in developing a working system that encourages employee engagement.

Maintaining a happy and productive workforce is essential in today's business climate. Their findings point to a number of factors that contributed to a moderate level of employee engagement, which include the nature of the work, the degree to which superiors acknowledge employees for their contributions, the presence of a strong team dynamic, the willingness of different departments to work together, the availability of competitive benefits, and the fair and effective administration of company policies. Shikha Kapoor, and Annie Meachem (2012) in their study, highlight that Keeping employees interested and invested in their work is still a major issue for businesses. As most businesses have learned in recent decades, the greatest employees are those who are engaged and intellectually and emotionally committed to the goals of the company. Developing an enthusiasm for going above and beyond in one's work is the key to inspiring others to excel.

Employee communication and Employee engagement

According to research conducted by Parsley (2006), high levels of employee engagement can be attributed to open lines of communication. Effective communication also requires enhancing managers' communication skills and integrating communication into performance vs corporate goals. In difficult situations, communication is more important than before. The responsibility for aligning employees' work with the organization's mission and vision rests in part with upper management, but it also extends to managers and supervisors. Employees will have the impression, whether intended or not, that they are the company's first priority. Therefore, he brought into being the idea that highly effective communication can inspire workers to take action that boosts productivity.

Organization Culture:

The author, Timothy C. Koch (2013), looked at the connection between a family-friendly and a work-friendly environment and found that an inclusive organizational culture positively impacted both. The study adds to this knowledge of review of literature by focusing on how job satisfaction affects the connection between environment and motivation at work. This article presents some suggestions to aid businesses in figuring out how to take advantage of today's abundant resources and boost productivity in the workplace and within the company.

This study by Lars Putter (2010) and colleagues at the University of Delft found a correlation between a positive work environment, high levels of employee engagement, and successful global expansion. When there is a positive culture in an organization, employees are more invested in their work, and the business does better financially and in terms of operations. This research shows that upper-level managers have a more favourable view of the workplace environment than their middle-level counterparts.

Leadership:

Svarovski (2012) states that an engaged workforce is vital to a successful firm. Culture, leadership, and employee autonomy all have a role in determining how invested workers are in their jobs, which in turn affects output, customer satisfaction, retention, and the bottom line. Positive relationships with co-workers and superiors are crucial to maintaining employee motivation.

Taran (2009) researched the different types of leadership that affected employee motivation. Organizations should devote more resources to the difficult task of engagement. According to the study, more effective in employee engagement and leadership actions. Leaders are essential to the development of employee engagement because they serve as role models for the attitudes and behaviours that are linked to engagement factors, such as being helpful and having a sense of the future. People who are involved in their work are more likely to remain put, are happier with their employment, and are less likely to think about quitting the organization.

Employee Engagement:

Research, carried out by Chandini (2016) examined what factors influence employee engagement. This study discusses the importance of engagement at both the human and organizational levels. In addition, there are various methods for orienting and training new employees, such as providing them with a thorough overview of the position and their expected responsibilities. A more enthusiastic and involved workforce can significantly boost the success of any business or organization.

There are three aspects to what is known as "work engagement," a motivational-psychological condition that is essential to productive work. Dedication, vitality, and immersion are some of the words used to define these qualities. High levels of engagement at work have been associated with better performance both inside and outside of the workplace. The aim of this study was to investigate the link between employee engagement at work and job satisfaction, as well as the relationship between job satisfaction and supervisor approval. The study's second addition was evidence that there are two separate aspects of work engagement: emotional commitment and job satisfaction. (2011) Taipale, Selander, Anttila, and Nätti. This research aimed to determine if employees' levels of engagement at work increased after they demonstrated greater dedication to their work and were more satisfied with their careers overall. The atmosphere of the workplace has a big impact on employee productivity. When staff members experience the company's support and appreciation, they are more driven to give their all.

Employees maintenance, on the other hand, are released from their conventional, less complex tasks and given the opportunity to take on more complex tasks that call for a greater degree of competence and the application of various skills (Faeq et al., 2021). These tasks consist of replacing and acquiring new physical assets, as well as major repairs, overhauls, and modifications to equipment (Anwar, 2017), challenging situations lead to more employee engagement.

Intellectual capital, which includes a company's knowledge-based resources, talents, and competencies, is becoming increasingly important in today's "knowledge economy" (Anwar, 2016). As a result, companies are refocusing their efforts on their intellectual, human, knowledge management, and technological assets. This is being done to promote policies that support innovation and to show appreciation for the critical role these resources play in the company's performance and the maintenance of its competitive advantage. Therefore, firms exert significant effort to develop loyal staff by adopting the most efficient methods of retaining workers (Faeq, 2022).

OBJECTIVES OF THE STUDY:

1. To evaluate the elements affecting employee engagement in the automotive sector.
2. To examine the connection between employee satisfaction and engagement.
3. To investigate the connections between employee engagement and communication among employees.
4. To establish a link between company culture and employee engagement.
5. To examine the relationships between leadership and employee engagement.

CONCEPTUAL FRAMEWORK



Figure 1: Author's Research Model

HYPOTHESES:

H1: Employee communication positively influences employee engagement in the Automobile industry.

H2: Leadership positively influences employee engagement in the automobile industry.

H3: Organizational culture positively influences employee engagement in the automobile industry.

H4: Teamwork and collaborations positively influence employee engagement in the automobile industry.

H5: Learning and development positively influence employee engagement in the automobile industry.

H6: Employee satisfaction mediates the relationship between the relationship of employee engagement and its determinants.

RESEARCH METHODOLOGY

It was decided to collect data from Automobile industry employees to see what factors influence employee engagement. A structured questionnaire was used to elicit responses from the intended participants in this study, which followed a quantitative research strategy.

Sample size

The research study with the factors influencing employee engagement with employee satisfaction as mediating role was conceptualized. Researchers in this study employed a quantitative research strategy to collect data, which involved administering a questionnaire to those who would be participating.

DATA ANALYSIS AND DISCUSSION

The present study used both descriptive and inferential statistics for achieving the research objectives. The descriptive were calculated and highlights the gender, marital status, age, and years of experience. For each variable requisite constructs were framed in the study.

Statistical Package of Social Science (SPSS) and AMOS version 26 is used as the study's main tools. First Exploratory factor analysis was conducted to obtain the structure of a set of measured data. Last but not least, structural equation modelling (SEM) was carried out. This multivariate approach enables assessment of the connection between all the research variables by concurrently assessing numerous regression equations. The model and moderation analysis were put to the test, and the findings are reported in the following subsections.

Demonstrating the respondents:

Table 1: Information on Demographics.

Measures	Items	Frequency	Percentage
Gender	Male	173	64.4
	Female	96	35.6
Age	Below 24	35	13
	25-35	188	70
	35-45	46	17

Marital Status	Married	158	58.9
	Unmarried	111	41.4
Years of experience	0-2	43	16.2
	3-5	104	38.7
	4-7	85	31.6
	≥10	37	13.7

Table No-2 SHOWING RELIABILITY ANALYSIS

Variables	Cronbach's alpha
Employee Communication	0.783
Leadership	0.825
Organizational Culture	0.801
Teamwork	0.881
Learning and Development	0.854
Employee Engagement	0.748

HYPOTHESIS TESTING USING STRUCTURE EQUATION MODELLING (SEM):

Maximum likelihood estimation was utilized in the SEM analysis since it is the most popular and effective estimate method for hypothesis testing (Blunch, 2013).

Table 3 displays the outcomes of path analysis and hypothesis testing. Statistically significant standardized path coefficients are displayed alongside their corresponding p-values. In Table 3 and Figure 2 all of the factors impacting employee engagement have positive and significant standardized path coefficients (β). The β value of employee communication on employee engagement is 0.16 with $p=0.000$, as the $p\text{-value}<0.05$, hence hypothesis H1 was accepted. Employee communication significantly influences employee engagement in the Automobile industry.

Additionally, leadership has a favorable effect on employee engagement, with β value 0.21 and $p<0.05$, thus hypothesis H2 is approved Leadership significantly influences employee engagement in the Automobile industry.

The organizational culture also significantly influences employee engagement with β value 0.219, confirming hypothesis H3 ($p < 0.05$), Organizational culture significantly influences employee engagement in the Automobile industry. Teamwork and collaboration also significantly that affect employee engagement with a β value of 0.19, confirming hypothesis H4 ($p < 0.05$). In the automobile sector, teamwork and cooperation have a big impact on employee engagement.

Therefore, employee engagement has been significantly influenced favorably by learning and development. Assumption H5 was accepted since the standardized coefficient of this path is 0.348 with $p = 0.014$. In the automotive business, learning and development have a big impact on employee engagement.

The value of the coefficient of determination (R^2) for the inferred percentage of performance improvement attributable to e-learning and development is 0.24.

According to Table 4, the overall fit statistics of the customer perception structural model show that the hypothesized four-factor model provides a very good fit to the sample data. GFI, CFI, NFI, and AGFI all have values close to 1 or above the threshold for quality. If the RMSEA value is less than 0.08, then the Structural Equation model is reasonably compatible with the data.

Table 3: Path coefficients of the Structural Equation model

Outcome variables		Causal Variables	S.E.	C.R.	P	Path coefficient (β)	Determination coefficient (R^2)
Employee engagement	<--	Employee Communication	.057	5.858	.000	0.166	0.738
Employee engagement	<--	Leadership	.088	2.229	.026	0.210	
Employee engagement	<--	Organization culture	.066	2.815	.005	0.219	
Employee engagement	<--	Teamwork and collaboration	.099	2.438	.015	0.191	
Employee engagement	<--	Learning and development	.077	2.462	.014	0.348	

Note: P refers to the differential probability.

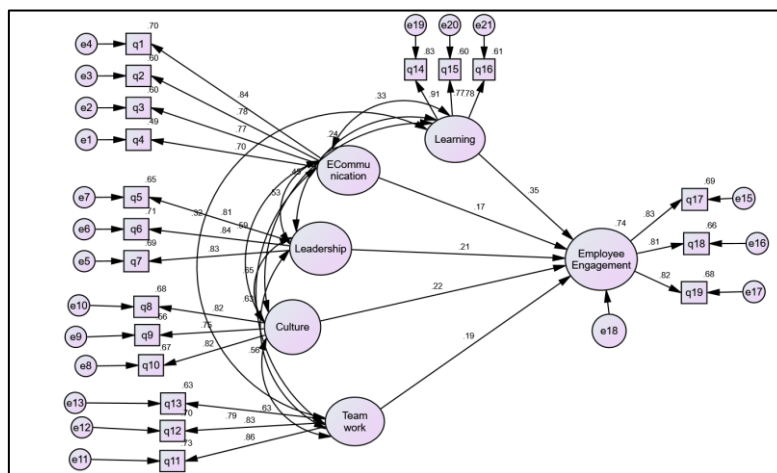
Keeping all other variables in the model constant, the response of the dependent variable to a unit change in an explanatory variable is represented by the link strength (path coefficient) (Bollen, 1989).

Standardized Regression Weights: (Group number 1 - Default model)

	Estimate
Employee_Engagement <--- Learning	.348
Employee_Engagement <--- ECommu_nication	.166
Employee_Engagement <--- Leadership	.210
Employee_Engagement <--- Culture	.219
Employee_Engagement <--- Team_work	.191

The magnitude of the effect of each independent variable on the dependent variable is compared using the standardized beta coefficient. Generally speaking, the greater the absolute value of the beta coefficient, the more pronounced the effect.

Figure: 2SEM model



Source: Primary Survey

Table 4: Goodness of Fit Statistics in the structure Equation model

Indices	Abbreviation	Observed values	Recommended criteria
Chi square	χ^2	188.552	pval>0.05
Normed chi square	χ^2/DF	1.376	$1 < \chi^2/df < 3$
Goodness-of-fit index	GFI	0.918	>0.90
Adjusted GFI	AGFI	0.886	>0.80
Normed fit index	NFI	0.925	>0.90
Comparative fit index	CFI	0.978	>0.95
Root mean square error of approximation	RMESA	0.041	<0.05 good fit <0.08 acceptable fit
Tucker-Lewis index	TLI		$0 < TLI < 1$

Source: Author’s first Data.

Mediation analysis:

In this research, the author wants to test the effects of the factors like employee communication, organizational culture, leadership, teamwork, and learning and development, on employee engagement when mediated by employee satisfaction.

An examination of mediation was carried out utilizing the BC method at a 95% confidence interval with 2,000 bootstrapping approaches.

Figure 3: Employee satisfaction as mediating variable

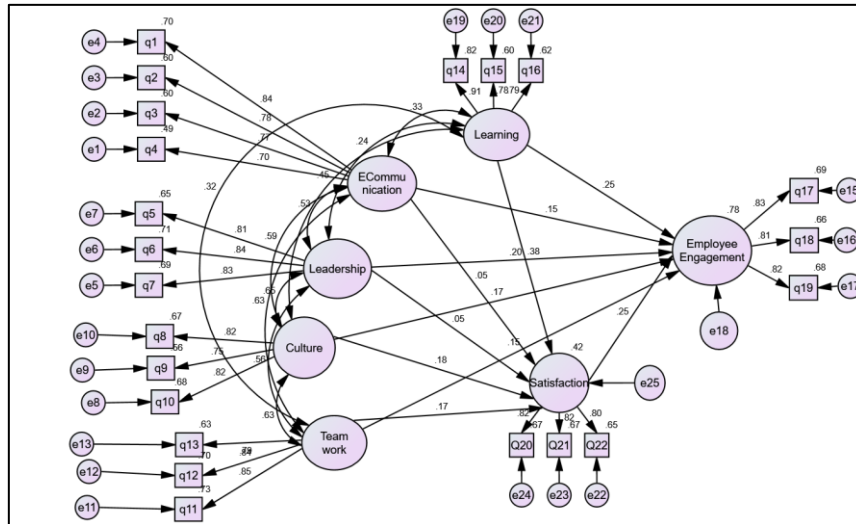


Table 5: Summarization of total effect:

Total Effects				
Factors	Model 1	Model 2		Results
Effects on:	Employee engagement	Employee satisfaction	Employee engagement	
Employee Communication	0.166	.055	0.152 (p=0.064)	No mediation
Leadership	0.210	.055	0.196 (p=0.038)	Partial mediation
Organization culture	0.219	.182	0.173 (p=0.081)	No mediation
Teamwork and collaboration	0.191	.166	0.149 (p=0.071)	No mediation
Learning and development	0.349	.377	0.253 (p=0.003)	Partial mediation
Employee satisfaction effect on Employee engagement = 0.253				

Source: Primary Research

Table -4it is evident that the effects of Employee Communication, Leadership, Organization culture, Teamwork and collaboration, and learning and development on Employee engagement are higher in Model 1. Apart from this the impact of all the variables on employee engagement decreases once employee satisfaction is entered as the mediator in model 2. This finding revealed the partial mediation role of employee satisfaction between employee engagement, Learning and development, and Leadership as the p-value for the path is less than 0.05. For the remaining factors, employee satisfaction is not playing a mediator role. Employee satisfaction mediates the relationship between employee engagement and its determinants.

The significance that workers place on their engagement and their commitment to their company are two cultural traits that have an impact on employee involvement. Employee satisfaction has the following effects on productivity and performance. According to studies, employees put in more effort and are more devoted to the company when they are happy with their jobs, have access to useful information, have the possibility to pick up useful skills, and are able to receive proper incentives. Most of a person's waking hours will be spent at work. Their attitude and, by extension, their productivity, may be affected by the norms of the workplace.

Thus, it is imperative for businesses to foster a pleasant workplace in which people take pleasure in the work. Employees are likely to be invested in jobs when their work meets certain criteria, including providing a pleasant environment in which to work, offering competitive compensation, providing ample opportunities for personal growth and development, encouraging feedback from workers in decision-making processes, outlining clear expectations for their work, fostering positive relationships with their managers and co-employees, and promoting ethical public personnel.

Employee engagement isn't something that happens by accident; it grows organically only in organizations that value their employees' happiness and well-being.

Accurately measuring and monitoring employee engagement is critical, as is a thorough understanding of the factors that motivate employees at a given firm. Organizational strategy can be guided by pinpointing the areas where improvement is possible in terms of employee engagement.

Conclusion

India's automobile sector is crucial to the country's economy. However, workers are the company's backbone, and their contributions are crucial to the business' success. Those that put more effort into their job are more likely to produce high-quality outcomes, which helps the business in two ways: first, by keeping customers, and second, by boosting earnings. Engaged employees are more likely to stay with an organization. Keeping personnel is crucial for any company, but especially so for those in the automobile business. If a business wants to boost productivity, it must discover ways to get its employees invested in the company and actively contribute to its success. Satisfaction among employees acts as a mediator between employee engagement and its factors in an organization.

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