

ANTECEDENTS AND CONSEQUENCES OF EMPLOYEE'S ENGAGEMENT IN SMES IN KANYAKUMARI DISTRICT

N.SELVARANI, (Reg.No: 17223161012034) Research Scholar, Department of Commerce and Research Centre, Scott Christian College (Autonomous), Nagercoil Manonmanium Sundaranar University Abisekapatti, Tirunelveli.

Dr.M.KARUNANIDHI, Assistant Professor, Department of Commerce, Kamarajar Govt. Arts College, Surandai

ABSTRACT

Employee engagement has become a hot topic in recent years among consulting firms and in the popular business press. However, employee engagement has rarely been studied in the academic literature and relatively little is known about its antecedents and consequences. The main objective of the study is antecedents and consequences of employee engagement in SMEs in Kanyakumari district. The study mainly based on primary data. The sample size was fixed at 250. Major findings of the study indicate that there is a meaningful difference between job engagement and organization engagements. In addition, job and organization engagement mediated the relationships between the antecedents and job satisfaction, organizational commitment and organizational citizenship behavior.

INTRODUCTION:

Employee engagement has been acknowledged as a vital factor contributing to organizational success and could have positive implications in all aspects of any business. For Small and Medium Enterprises (SMEs), they have to also focus on employee engagement to be successful. Hence, embracing employee engagement is viewed to be crucial to help organizations perform well. In the case of SMEs, they not only encounter a dynamic and highly competitive environment but they also face issues of their own such as financial difficulty, shortage of experts, marketing of products, competition, and increasing cost factors. In spite of these challenges, SMEs play a significant role in the country's economic development and also as a source for creating employment opportunities and providing support to big companies. Thus, SMEs are considered to be the backbone of national economy.

OBJECTIVES:

The important objectives are,

1. To study employees engagement in before and after joining SMEs in the study area.
2. To study the variables of employee engagement in SMEs in Kanyakumari district.

HYPOTHESIS:

1. Rewards and credits will be positively related to (a) job engagement and (b) organization engagement.
2. Management support (MS) will be positively related to (a) job engagement and (b) organization engagement.
3. Co-workers support (CS) will be positively related to (a) job engagement and (b) organization engagement.
4. Job and organization engagement will be positively related to (a) job satisfaction, (b) organizational commitment and (c) organizational citizenship behavior.

METHODOLOGY:

The study is empirical in nature. The study is based on both primary and secondary data. The primary data is collected from the sample employee's working in SMEs in Kanyakumari district. Before collecting primary data a suitable questionnaire was framed. Direct interview method was used. The secondary data will be collected from district industrial centre (DIC) Nagercoil, various journals, books, magazine, reports and website etc. Stratified random sampling techniques will be used to select sample for data collection. The total sample size was fixed at 250.

DATA ANALYSIS AND INTERPRETATION:

Table.1 Distribution of Respondents According to employees engagement in before and after joining SMEs (n=250)

Sl. No	Particulars	Mean	SD	SE
1	Employee's engagement in before joining SMEs	47.88	31.23	3.57
2	Employee's engagement in after joining SMEs	94.86	59.92	7.33
3	Mean difference	46.98	28.69	3.76
	t- value = 18.42			

Source: Computed data

Table.1 reveals that the mean of employee's engagement in before joining SMEs was 47.88 while after joining SMEs was 94.86 and difference between the mean values of employee's engagement in before and after SMEs found to be significantly high. Thus the employee's engagement after SMEs has increased. The probable reason for the above trends might be the increasing number of SMEs in the study area.

Table.2.
Means, standard deviations, reliabilities and inter-correlations of study variables

Variables	M	SD	1	2	3	4	5	6	7	8	9
Job Engagement	3.12	0.94	(0.94)								
Organization Engagement	2.94	0.89	0.67***	(0.92)							
Management Support	5.01	1.12	0.51***	0.39***	(0.81)						
Co-workers Support	3.72	0.87	0.47***	0.61***	0.48***	(0.93)					
Rewards and Credit	3.92	0.89	0.31**	0.37***	0.35***	0.65***	(0.89)				
Job Satisfaction	2.91	0.81	0.29**	0.31**	0.31**	0.63***	0.55***	(0.84)			
Organizational Commitment	3.75	0.94	0.33**	0.45***	0.44***	0.50***	0.41***	0.46***	(0.87)		
OCBI	3.15	0.98	0.28*	0.38***	0.35***	0.58***	0.45***	0.48**	0.57***	(0.93)	
OCBO	3.73	0.95	0.61***	0.61***	0.46***	0.63***	0.38***	0.46***	0.43***	0.55***	(0.86)

Source : Computed data

Table.2 reveals that the means, standard deviations and inter-correlations of the study variables. First, it is worth noting that there is a significant moderate correlation between job engagement and organization engagements ($\gamma=0.71$, $p<0.001$). However, the results of a paired t-test indicated a significant difference, $t(250) = 2.61$, $p<0.05$. The study further indicate that while the two measures of engagement are related, they are also significantly different with participants indicating significantly higher job engagement ($M=3.12$) than organization engagement ($M=2.94$). As expected, the antecedents are related to job engagement and organization engagement. Job engagement and organization engagement were significantly positively related to job satisfaction, organizational commitment, and organizational citizenship behavior. To test the study hypotheses, multiple regression analyses were conducted.

Antecedents and Consequences of Employee Engagement:

Table.3 Multiple Regression analyses for predicting employee engagement and engagement predicating consequences

Predicting Employee Engagement				
Variables	Job Engagement	Organization Engagement		
Management Support	0.38**	0.61***		
Co-worker Support	-0.09	-0.11		
Rewards and Credit	-0.05	-0.18		
R ²	0.33	0.41		
F	6.61***	9.79***		
Engagement Predicting Consequences				
Variables	Job Satisfaction	Organizational Commitment	OCBI	OCBO
Job Engagement	0.28***	0.21*	0.11	0.22*
Organization Engagement	0.43 ^a	0.67 ^a	0.23*	0.35***
R ²	0.38	0.54	0.11	0.23
F	31.01 ^a	49.81 ^a	5.33**	14.42 ^a

Source: Computed data

Notes =1. * $p<0.10$; ** $p<0.01$; *** $p<0.001$ and * $p<0.10$; ** $p<0.05$; *** $p<0.01$; ^a $p<0.001$; and values in table are standardized β coefficients

2. OCBI- Organizational Citizenship Behavior-Individual and OCBO- Organizational Citizenship Behavior-Organization

Table.3, the results indicate that the antecedent variables explained a significant amount of the variance in job engagement ($R^2=0.33$, $p=0.001$) and organization engagement ($R^2=0.41$, $p<0.001$). With respect to the study hypotheses, management supports (0.38, $p<0.01$) were significant predictors of job engagement. Management support was also a significant predictor of organization engagement (0.61, $p<0.001$). Table.2 further shows that, the engagement measures explained a significant amount of the variance in job satisfaction

($R^2=0.38$, $p<0.001$), organizational commitment ($R=0.54$, $p<0.001$), OCBI ($R^2=0.11$, $p<0.05$) and OCBO ($R^2=0.23$, $p<0.001$). Both job engagement and organization engagement predicted job satisfaction (0.28, $p<0.01$ and 0.43, $p<0.001$), organizational commitment (0.21, $p=0.06$ and 0.64, $p<0.001$) and OCBO (0.23, $p<0.10$ and 0.35, $p<0.01$). However, for OCBI organization engagement approached significance (0.22, $p=0.10$) and job engagement was not significant.

FINDINGS:

The important findings are,

- ❖ The study express that the mean of employee's engagement in before joining SMEs was 47.88 while after joining SMEs was 94.86 and difference between the mean values of employee's engagement in before and after SMEs found to be significantly high. Thus the employee's engagement after SMEs has increased.
- ❖ The study reveals that the means, standard deviations and inter-correlations of the study variables. First, it is worth noting that there is a significant moderate correlation between job engagement and organization engagements.
- ❖ The study indicate that while the two measures of engagement are related, they are also significantly different with participants indicating significantly higher job engagement ($M=3.12$) than organization engagement ($M=2.94$). As expected, the antecedents are related to job engagement and organization engagement. Job engagement and organization engagement were significantly positively related to job satisfaction, organizational commitment, and organizational citizenship behavior.
- ❖ The study shows that that the antecedent variables explained a significant amount of the variance in job engagement and organization engagement. With respect to the study hypotheses, management supports were significant predictors of job engagement. Management support was also a significant predictor of organization engagement. Consequences of employee engagement.
- ❖ The study express that, the engagement measures explained a significant amount of the variance in job satisfaction, organizational commitment, OCBI and OCBO. Both job engagement and organization engagement predicted job satisfaction, organizational commitment and OCBO. However, for OCBI organization engagement approached significance and job engagement was not significant.

CONCLUSION:

SMEs play an important role in encouraging the employee engagement, particularly in Kanyakumari district. Moreover, employee engagement is effective in developing the positive behavior of the employees showed by the organizational citizenship behavior. The study concluded that, all of the outcomes, the variance explained by the antecedents was substantially reduced when job and organization engagement were controlled, and in fact, reduced to non-significance for organizational commitment and OCBI. Overall, these results suggest that the relationship between the antecedent variables and the consequences is partially mediated by job and organization engagement. The results of this study suggest that employee engagement partially mediates the relationship between antecedent variables and consequences.

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