



INFLUENCE OF WORK PERFORMANCE ON ORGANISATIONAL EFFECTIVENESS OF AUTOMOBILE FIRMS: MEDIATING EFFECT OF EMPLOYEE MOTIVATION

A. Barkathunisa

Research Scholar, PG & Research Department of Commerce,
Bharath College of Science and Management, Thanjavur-613005,
(Affiliated to Bharathidasan University, Trichy)
Tamilnadu, India

Dr. K. Kumar

Principal and Research Advisor, PG & Research Department of Commerce,
Bharath College of Science and Management, Thanjavur-613005
(Affiliated to Bharathidasan University, Trichy)
Tamilnadu, India

ABSTRACT

Due to the unpredictability of the business climate and the fierce rivalry in the marketplace, organisations are obliged to perform better in order to meet these high standards; otherwise, many issues may arise, including the possibility of the company closing down. For an organization to be successful its employees' creativity, inventiveness, and dedication are inevitable. Employees, who are satisfied with their job, may exert high effort to organization wish to satisfy their employees for getting effective more work done. To make the best use of people as a valuable resource of the organization attention must be given to the relationship between employees and the nature and content of their jobs. The organization and the design of jobs can have a significant effect on employees. This study attempts to study the influence of variables of work performance on employee motivation resulting in overall job satisfaction among employees of automobile firms in Chennai, identify various variables of work performance in such firms and analyse the influence of variables of work performance on employee motivation with respect to automobile firms.

Keywords: Work Performance, Employee Motivation and Organisational Effectiveness.

Cite this Article: A. Barkathunisa and Dr. K. Kumar, Influence of Work Performance on Organisational Effectiveness of Automobile Firms: Mediating Effect of Employee Motivation, *International Journal of Management (IJM)*, 11(10), 2020, pp. 2515-2521. <https://iaeme.com/Home/issue/IJM?Volume=11&Issue=10>

INTRODUCTION

Organizational performance and employee work performance are two categories of work performance in organisations. Any organization's ability to do its job depends on how well its people execute as well as other, potentially uncontrollable external environmental conditions (Gopinath, 2020a). The difference between organisational and employee work performance is apparent; employee work performance is the sole outcome of an employee's work performance, whereas an organisation is performing best when it is successfully achieving its goals, or, to put it another way, when it is effectively carrying out an appropriate plan. High employee work performance is also a function of the employee's own abilities (Gopinath & Chitra, 2020a).

Since an organization's success depends on the creativity, inventiveness, and dedication of its employees, a good employee performance is crucial for the firm (Gopinath, 2020b). Through improved living conditions, high earnings, increased availability of consumer goods, etc., good employee work performance and efficiency advancement are also essential for stabilising our economy (Griffin et al., 1981). Griffin et al. further argue that it is crucial for society at large to conduct research on individual employee performance. Employee productivity and work performance appear to be linked; productivity is sometimes measured by the quantity and price of commodities produced. However, in overall, productivity is associated with production-oriented terms like profit and turnover and performance is connected to efficiency or perception-oriented terms.

Every company works to accomplish its goals. They need to focus on a number of different things in this regard. As human resource of an organization is considered as an importance resource, organizations wish to keep well trained and effective work force (Gopinath, 2020c). Employees, who are satisfied with their job, may exert high effort to organization wish to satisfy their employees for getting effective more work done. To make the best use of people as a valuable resource of the organization attention must be given to the relationship between employees and the nature and content of their jobs (Gopinath, 2020d). The organization and the design of jobs can have a significant effect on employees.

The standard of working life requires consideration. The manager must be aware of the best ways to improve employee satisfaction with their job and remove barriers to efficient performance. In today's world, competition is fierce (Sivakumar & Chitra, 2016). As a result, competition between organisations is inevitable. In this regard, in order to gain a competitive edge, a business must be able to keep people, and it anticipates that happy employees will perform better (Gopinath & Chitra, 2020b). As a result, the organisation must be able to satisfy its workers in order to accomplish its goals. From the perspective of the employee, job satisfaction has a number of advantages, including lowering moral stress, stimulating new ideas and innovations that help them achieve higher levels of performance, maintaining a fresh outlook, and fostering positive relationships with co-workers, managers, and other employees.

STATEMENT OF THE PROBLEM

Due to the unpredictability of the business climate and the fierce rivalry in the marketplace, organisations are obliged to perform better in order to meet these high standards; otherwise, many issues may arise, including the possibility of the company closing down (Gopinath, 2019a).

This performance pertains to the organisational or individual level, where the human resource is seen as the most important aspect in achieving the goals of the company. Without the help of skilled human resources, an abundance of resources like infrastructures or physical facilities are rendered useless and directly impair corporate operations (Gopinath, 2019b). According to professionals, a good employee's performance reflects their capacity to contribute via their job, which results in a behavioural accomplishment that is consistent with the objectives of the organisation. The effectiveness of human resource management, meanwhile, affects the amount of business success.

REVIEW OF LITERATURE

According to Anitha (2013), employee engagement, knowledge management methods, organisational activities, policies, and practices all have a significant impact on an individual's or an organization's performance. These factors play a crucial role in encouraging high levels of employee performance. The fundamental components of managing performance, according to Mulolli and Mustafa (2018), are agreement, measurement, support, feedback, and positive reinforcement. These factors determine results in terms of performance expectations. Additionally, Bataineh (2017) emphasises that an employee's success is a culmination of their everyday duties' efficacy and efficiency in meeting stakeholder expectations.

According to Isaac et al. (2017), employees overwhelmingly believe that using the internet at work has improved their ability to complete tasks, acquire knowledge, and communicate effectively. These improvements have improved both individual performance and organisational efficiency. On the other hand, Pawirosumarto et al. (2017) found a correlation between employee performance and a workplace that comprises both physical and non-physical elements that benefit employee performance.

While Smith and Bititc (2017) place a focus on enhancing performance measurement tools and performance management procedures as elements of the work environment that improve employee engagement levels. Mensah (2018) supports their theories when talent management is viewed as a crucial component of organisational performance. In the very dynamic and unpredictable market environment of the twenty-first century, talent management has evolved into the most fundamental managerial value.

However, Menezes and Escrig's (2019) goal was to improve understanding of employee performance and the factors influencing it. Five factors—knowledge management, information and communication technology, employee empowerment, innovation and creativity, and organisational culture—make up the conceptual model that the author proposes.

OBJECTIVES

- To study the influence of variables of work performance on employee motivation resulting in overall job satisfaction among employees of automobile firms in Chennai.
- To identify various variables of work performance in automobile firms.
- To analyse the influence of variables of work performance on employee motivation with respect to automobile firms.

RESEARCH METHODOLOGY

The research design adopted for this study is descriptive research and the sources of data included both primary and secondary sources. The main source of primary data served to be the research tool with the help of which about 215 respondents were covered by the study. The reliability of the research tool was tested by calculating the Cronbach's Alpha which indicated an overall value of 0.783.

DATA ANALYSIS

Data for the study was collected from employees of automobile firms. The demographic details of the employees covered by the survey are as given below:

Table 1 Demographic Details of Employees

Age	Percent	Designation	Percent
Less than 25 years	30.2	Executive	60.0
25 – 35 years	26.9	Manager	40.0
35 – 45 years	23.9	Monthly salary	Percent
45 – 55 years	19.0	Less than Rs. 25,000	42.0
Marital Status	Percent	Rs. 25,000 – 35,000	32.2
Married	73.0	RS. 35,000 – 45,000	23.2
Unmarried	27.0	More than Rs. 45,000	2.6
Educational Qualification	Percent	Experience	Percent
Diploma	27.2	Less than 5 years	29.7
Graduate	66.0	5 – 10 years	26.5
Postgraduate	6.8	10 – 15 years	20.8
Type of work	Percent	More than 15 years	23.0
Technical	71.7		
Non-Technical	28.3		

Table 1 shows that the 30.2% of the employees covered by the study belong to the age group of less than 25 years of age, 73.0% are married, 66.0% are graduates mostly holding a technical degree, 71.7% are engaged in doing technical work, with 60.0% being employed in the designation of an executive. Apart from this it is obvious that 42.0% draw a monthly salary which is less than Rs. 25,000 and 29.7% of them have an experience which is below 5 years.

Table 2: Overall Mean and SD of Variables of the Study

Variables	Mean	SD
Work environment	3.15	0.984
Compensation package	3.47	0.988
Job security	3.22	1.046
Interpersonal relations	3.10	1.019
Career development	2.97	1.000
Employee motivation	3.63	1.087
Overall job satisfaction	3.25	1.238

Employees were asked to rate a set of statements on a five- point scale using the psychometric Likert scale with 1 marked as strongly disagree and 5 marked as strongly agree. The results calculated to arrive at the overall mean and standard deviation of the variables shows that the highest mean score of 3.63 is assigned to employee motivation followed by compensation package which has a mean score of 3.47. The least influencing factor of work performance is seen to be career development which has a mean score of 2.97.

MULTIPLE REGRESSION ANALYSIS

Dependent variable	Overall job satisfaction (Y)
Independent variables:	Work environment (X ₁)
	Compensation package (X ₂)
	Job security(X ₃)
	Interpersonal relations (X ₄)
	Career development (X ₅)
	Employee Motivation (X ₆)
Multiple R value	: 0. .876
R Square value	: 0. .816
F value	: 541.112
P value	: <0.001**

Table 3 Variables in the Multiple Regression Analysis

Variables	Unstandardized co-efficient	SE of B	Standardized co-efficient	t value	P value
Constant	10.018	1.831	-	5.463	<0.001**
X ₁	0.958	0.0987	0.144	3.626	<0.001**
X ₂	1.521	0.092	0.083	2.034	0.004**
X ₃	1.297	0.144	0.392	10.223	<0.001**
X ₄	0.875	0.123	0.341	8.583	<0.001**
X ₅	0.786	0.034	0.502	11.092	<0.001**
X ₆	1.443	0.0625	0.272	5.223	<0.001**

Note: ** Significant at 1% level

R-square Coefficient of Determination evaluates the estimated Sample Regression Plane's (SRP) goodness-of-fit in terms of the proportion of variation in the dependent variables explained by the fitted sample regression equation. Thus, the R square value of 0.876 simply means that the estimated SRP that uses work environment, compensation package, job security, interpersonal relations, career development and employee motivation as independent variables explain about 87.6percent of the variation in job satisfaction and the R square value is significant at the 1% level. The multiple regression equation is

$$Y = 10.018 + 0.958X_1 + 1.521X_2 + 1.297X_3 + 0.875X_4 + 0.786X_5 + 1.443X_6$$

Based on standardized coefficient, compensation package is the most important factor to extract overall job satisfaction followed by employee motivation and the least influencing factor is Career Development.

Structural Equation Modelling (Sem): Model Fit Assessment

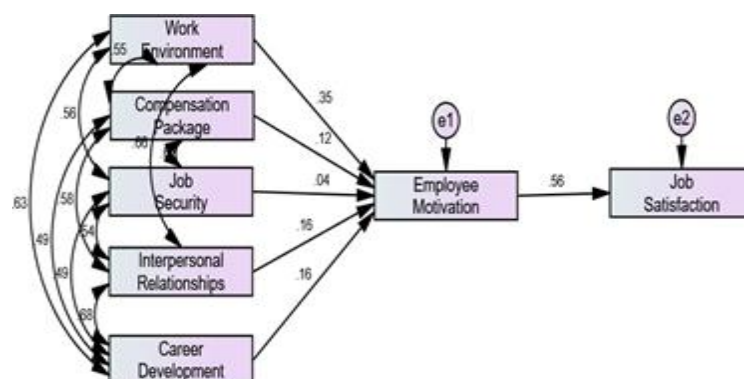


Figure 1: SEM Analysis depicting the variables included for the Study

The SEM analysis is carried out for our research model using AMOS 23. It is inferred from the SEM analysis that the path analysis is perfectly established for this model with CMIN/DF being 3.79, GFI is 0.929, AGFI is 0.900, CFI is 0.919, NFI is 0.918, TLI is 0.960 and RMSEA is 0.024. The loadings and the relationships between the variables are satisfactory for this model.

The standardized coefficient between work environment and employee motivation is 0.36, between compensation package and employee motivation is 0.12, between job security and employee motivation is 0.04, between interpersonal relationships and employee motivation is 0.16, between career development and employee motivation is 0.16 and between employee motivation and job satisfaction is 0.56,

FINDINGS AND DISCUSSIONS

Compensation Package, is the most important factor to extract overall job satisfaction followed by Employee Motivation and the least influencing variable is seen to be Career Development. From the analysis it is found that some traces of dissatisfaction is found with employees. Hence, the company should find out the reason for dissatisfaction and apply suitable remedial measure to get rid of it. Company could focus attention on making employees understand how their work impacts their company's business goals. Perhaps this could be done through relevant training programs. Companies could be more transparency with respect to the criteria employed with respect to merit-based compensation increases sanctioned to its employees. This would also help motivate employees to ensure that they achieve the criteria in order to be eligible for a merit increase in the compensation package (Gopinath, 2016a). It could help if teams are made to be a part of the decision-making process such that every team player is fully aware of what is expected him and from other team members.

CONCLUSION

Companies should also work out a career advancement plan for at least the top performing employees which in turn would motivate them to perform better and reduce attrition in the companies (Gopinath, 2016b). It would help if the company has in place a more appealing and rewarding motivation program which would actually motivate each and every employee to give his best to the company. This would also lead to higher levels of overall job satisfaction.

REFERENCES

- [1] Anitha, J. (2013). Determinants of employee engagement and their impact on employee performance. *GRG School of Management Studies*, 63, 1741-0401.
- [2] De Menezes, Lilian & Escrig, Ana. (2019). Managing performance in quality management: A two-level study of employee perceptions and workplace performance. *International Journal of Operations & Production Management*. ahead-of-print. 10.1108/IJOPM-03- 2019-0207.
- [3] Gopinath, R. (2016a). Industrial Relations impact with Job Satisfaction using SEM Model with special reference to BSNL Employees in three different SSAs. *PARIPEX - Indian Journal of Research*, 5(7), 94-97.
- [4] Gopinath, R. (2016b). Is the Employee Health and Safety related to Job Satisfaction? An inquiry into BSNL employees with special reference in three different SSAs using Modeling. *IOSR Journal of Business and Management*, 18(7), IV, 135-139.
- [5] Gopinath, R. (2019a). Impact of Organizational Commitment on Knowledge Management Practices, *International Journal of Research and Analytical Reviews*, 6(2), 701-703.
- [6] Gopinath, R. (2019b). Organisational Commitment and Job Satisfaction Relationship—A Study in private Cement Factories. *Suraj Punj Journal for Multidisciplinary Research*, 9(5), 444-447.
- [7] Gopinath, R. (2020a). A study on relationship between Organization Climate and Job Satisfaction of Private College Faculties, *Global Development Review*, 4(2), 16-22.

- [8] Gopinath, R. (2020b). An Investigation of the Relationship between Self-Actualization and Job Satisfaction of Academic Leaders. *International Journal of Management*, 11(8), 753-763.
- [9] Gopinath, R. (2020c). Assessment of Demographic Characteristics and Self-Actualization Dimensions of Academic Leaders in Tamil Nadu Universities: An Empirical Study. *Asian Journal of Engineering and Applied Technology*, 9(2), 1-7.
- [10] Gopinath, R. (2020d). Demographic Percipience of Self-Actualization among Academic Leaders in Tamil Nadu Universities - A Study. *NOVYI MIR Research Journal*, 5(6), 81-91.
- [11] Gopinath, R., & Chitra, A. (2020a). Business-Family Interface and the Capacity of Managing Challenges Faced by the Women Entrepreneurs of Informal Sector - A Relationship Study, *TEST Engineering and Management*, (83), 24905– 24911.
- [12] Gopinath, R., & Chitra, A. (2020b). Emotional Intelligence and Job Satisfaction of Employees' at Sago Companies in Salem District: Relationship Study. *Adalya Journal*, 9(6), 203-217.
- [13] Griffin, Mark & Neal, Andrew & Parker, Sharon. (2007). A New Model of Work Role Performance: Positive Behavior in Uncertain and Interdependent Contexts. *Academy of Management Journal*. 50. 10.5465/AMJ.2007.24634438.
- [14] Mensah, J. K. (2018). Talent Management and Employee Outcomes: A Psychological Contract Fulfilment Perspective. *Springer Science + Business Media*, 19, 325-344. <https://doi.org/10.1007/s11115-018-0407-9>
- [15] Pawirosumarto, S., Sarjana, P. K., & Gunawan, R. (2017). The effect of work environment, leadership style, and organizational culture towards job satisfaction and its implication towards employee performance in Parador Hotels and Resorts, Indonesia. *International Journal of Law and*, 59(6), 1337-1358.
- [16] Sivakumar, B. N., Chitra, A. (2016). Emotional Intelligence and its Effect on Job Satisfaction. *International journal of scientific research*, 5(10), pp. 480-483.
- [17] Smith, M., & Bititci, U. S. (2017). Interplay between performance measurement and management, employee engagement and performance. *International Journal of Operations*, 37(9), 1207-1228.