

IMPACT OF EMPLOYEES PERFORMANCE TO DETERMINE ORGANISATIONAL EFFECTIVENESS IN AUTOMOBILE INDUSTRY

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ABSTRACT

Organizational effectiveness is the extent to which an organization realizes its goals (Daft, 2010). It can also be referred to as the degree of correspondence between the actual and desired outputs of an organization (Taylor et al., 2014). The present study has made an attempt to understand the impact of employees' performance to determine the organisational effectiveness in automobile industry. This study is the nature of descriptive research design. Major findings of the study are: Most of 265 employees out of 300 forming 88.33 percentage are completed diploma. Employees with diploma qualification are interested to work in automobile industry. They have some awareness about the recent industrial policies which help them most. Majority of 288 employees out of 300 comprising 96 percentage has experience between 10 years to 15 years. Organisational competitiveness has significant and positive impact to determine the employees' performance by 0.82. followed by employees motivation has significant and positive impact to determine the organisational competitiveness by 0.75. Organisational environment has significant and positive impact to determine the organisational competitiveness by 0.75. Major suggestions are: Employees have disagreed that consistently tendency to address the problem. Hence, employees must be consistent to address the issues to promote their business organisations. It is highly required for employees must look in to the organisation and latest information has to be grasped to survive in the organisation. Solve the problem by giving practical solutions has significant and positive correlation with Know to operate computer. Hence, employees must try to increase the knowledge to use computer and internet to solve the issues. Need to understand the importance of using technology in their relative field to improve their business operations. Hence, if these findings and suggestions are to be taken in right direction, will bring more effectiveness in the organisation.

Keywords: Employees' performance, organisational effectiveness, organisational environment

1. INTRODUCTION

In today's scenario organizations take a proactive measure to increase its effectiveness. Strategies for measuring the organisational effectiveness to improve employee commitment and enhance workforce support for key corporate initiatives. Organizations are working towards the incorporating various ways which improve the productivity of the organisation. But still the attrition rate is quite high. Every organization has almost similar retention policies and strategies but the influence of these retention factors differs from organization to organization. Thus, it is very crucial to understand and identify the most influencing retention factors according to the expectations of the employees.

Organizational effectiveness is the extent to which an organization realizes its goals (Daft, 2010). It can also be referred to as the degree of correspondence between the actual and desired outputs of an organization (Taylor et al., 2014). According to Daft (2010), effectiveness for organizations is a broad concept that reflects a range of organizational and departmental levels variables and evaluates the extent to which multiple goals, whether official or operative, are attained. Understanding and measuring overall organizational effectiveness is still a vague concept because no universal theory has been developed yet due to the organizations' large, diverse and fragmented nature. In addition, organizational managers face a difficult time to evaluate effectiveness based on the criteria that are not subject to hard, quantitative measurement (Daft, 2010). Moreover, understanding effectiveness becomes more challenging while evaluating in the public sector organizations. According to Amayah (2013), organizational goals in public organizations are politically influenced, more difficult to measure and more conflicting than in private organizations. Going simply over the performance indicators will never provide an accurate picture of the overall effectiveness because public and private sector organizations are fundamentally different (Pee & Kankanhalli, 2016). They serve different types of customers and these two sectors are structured differently (Parhizgari & Gilbert, 2004). Generally, the private sector seeks effectiveness on a short-term basis (annual profit), on the other hand, public sector organizations may receive the results of their investments over a longer period (Mihaiu et al., 2010).

2. STATEMENT OF THE PROBLEM

Employee performance basically depends on many factors like performance appraisal, employee motivation, employee satisfaction, compensation, training and development, job security, organizational structure, among others. This paper focused only on two basic factors: employee motivation and organizational structure since these two factors highly influence the performance of employees. Motivation is an important determinant of human behavior. It is the force that moves one towards a goal i.e. motivation behaviour = performance. Motivation is the psychological process that gives behavior purpose and direction (Kreiter, 1995). Burford, Bedian,& Lindner, (1995) see it to mean a predisposition to behave in a purposive manner to achieve specific and unmet needs. Hence the present study is made an attempt to measure the impact of employees performance for determining organisational effectiveness in automobile industry with reference to Tamilnadu.

3. OBJECTIVES OF THE STUDY

- To know the profile of the employees in automobile industry
- To measure the impact of employees' performance towards organisational effectiveness in automobile sector
- To evaluate the impact of employees' performance for determining organisational effectiveness of automobile industry

4. NEED FOR THE STUDY

The performance of an organization is reflected in the actual organizational output when compared with the intended organizational outputs, goals, or objectives. DeGroote (2011) mentioned financial performance consists of sale, market share and profitability while operational performance consists of speed to market and customer satisfaction. Organizational performance is the most important criterion in evaluating organizations, their actions, and environment. The classical approach to performance measurement, as described by the Sink and Tuttle (1989) model claims that the performance of an organizational is complex interrelationship between six performance criteria: effectiveness, efficiency, quality, productivity, innovation and profitability (Van Aartsengel and Kurtoglu, 2013). There are number of factors are determining the performance of the organisation among the performance of employees are key parameter for determining the performance of the organisation.

5. RESEARCH METHODOLOGY

This study is belongs to the descriptive research design. Researcher has conducted the study and posted the results without any manipulation to determine the organisational effectiveness in automobile industry with reference to Tamilnadu. Hence, this study is well fitted into the descriptive research design. Both primary and secondary data is used in this study.

Researcher has collected primary data using questionnaire and secondary data has been collected from the various sources like journals, magazines, newspapers and websites of the companies to collect and consolidate the literature. In total of 300 samples were collected from the employees who are working in automobile industries in Tamilnadu. This sample size has been finalised based on the sample standard deviation from the pilot study. Researcher has applied convenient sampling to gather response quickly form the respondents.

6. DATA ANALYSIS AND DISCUSSIONS

6.1 Observations farthest from the centroid

Observation number	Mahalanobis d-squared	p1	p2	Observation number	Mahalanobis d-squared	p1	p2
363	164.936	.000	.000	91	9.290	.000	.000
380	13.162	.000	.000	240	9.207	.000	.000
145	12.856	.000	.000	333	9.207	.000	.000
111	12.507	.000	.000	412	9.207	.000	.000
75	12.314	.000	.000	35	9.087	.000	.000
446	12.314	.000	.000	284	9.087	.000	.000
369	12.021	.000	.000	327	9.087	.000	.000
230	11.162	.000	.000	146	9.061	.000	.000
280	11.162	.000	.000	9	8.833	.000	.000
402	11.162	.000	.000	169	8.833	.000	.000
31	9.475	.000	.000	208	8.833	.000	.000
191	9.475	.000	.000	258	8.833	.000	.000
323	9.475	.000	.000	301	8.833	.000	.000
113	9.339	.000	.000	136	8.636	.000	.000

Observation number	Mahalanobis d-squared	p1	p2
161	8.307	.000	.000
200	8.307	.000	.000
250	8.307	.000	.000
293	8.307	.000	.000
63	8.244	.000	.000
351	8.244	.000	.000
434	8.244	.000	.000
95	8.153	.000	.000
195	7.868	.000	.000
234	7.868	.000	.000
406	7.868	.000	.000
176	7.843	.000	.000
215	7.843	.000	.000
265	7.843	.000	.000
375	7.805	.000	.000
163	7.482	.000	.000
252	7.482	.000	.000
41	7.434	.000	.000
1	7.394	.000	.000
134	7.200	.000	.000
80	7.195	.000	.000
368	7.188	.000	.000
45	7.155	.000	.000
244	7.155	.000	.000
289	7.155	.000	.000
337	7.155	.000	.000
416	7.155	.008	.006
27	6.778	.008	.013

Observation number	Mahalanobis d-squared	p1	p2
92	6.749	.009	.006
17	6.676	.009	.002
177	6.676	.009	.012
216	6.676	.009	.008
266	6.676	.009	.000
139	6.666	.009	.006
76	6.664	.010	.002
85	6.655	.010	.002
115	6.523	.010	.008
374	6.461	.010	.007
411	6.431	.010	.002
281	6.423	.010	.009
403	6.423	.010	.007
32	6.382	.010	.002
192	6.382	.010	.007
231	6.382	.012	.008
324	6.382	.012	.006
120	6.331	.012	.006
131	6.255	.012	.005
295	6.246	.012	.006
3	6.116	.012	.009
202	6.116	.012	.008
141	6.107	.012	.003
132	6.088	.012	.009
377	6.023	.019	.015
123	5.987	.019	.020
399	5.839	.019	.017
5	5.761	.019	.043

Observation number	Mahalanobis d-squared	p1	p2	Observation number	Mahalanobis d-squared	p1	p2
130	5.760	.019	.028	26	5.293	.012	.003
81	5.634	.022	.009	89	5.264	.014	.070
371	5.573	.022	.007	25	5.215	.015	.006
361	5.561	.022	.004	133	5.134	.015	.000
105	5.506	.022	.005	364	4.960	.017	.007
413	5.348	.022	.006	82	4.946	.025	.004
309	5.323	.022	.006	28	4.920	.025	.007
388	5.323	.011	.009	165	4.909	.025	.009

Here,

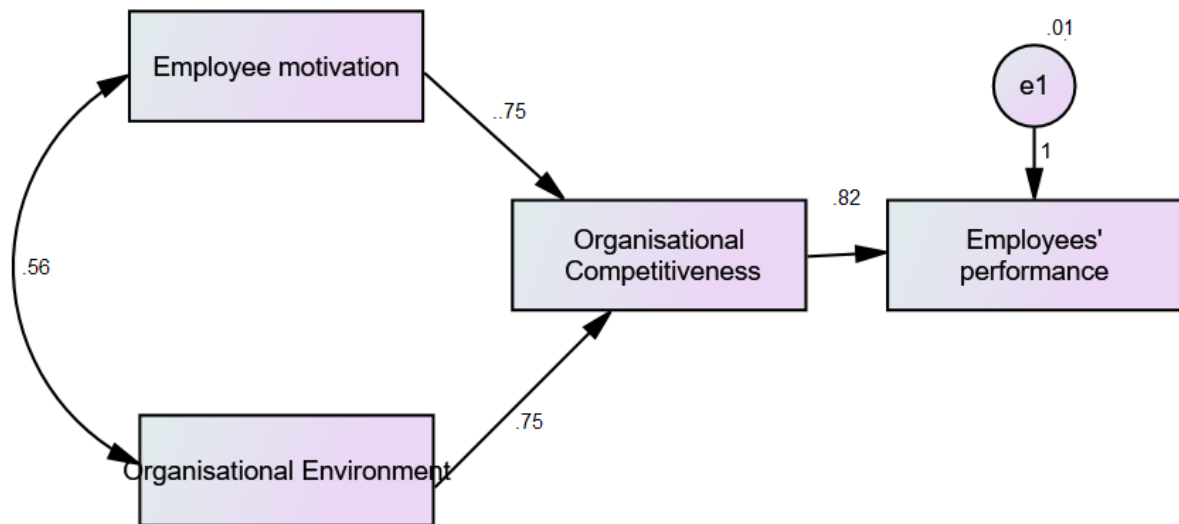
O- Observation number M- Mahalanobis d-squared

AMOS presents two additional statistics, p1 and p2. The p1 column shows the probability of any observation exceeding the squared Mahalanobis distance of that observation. The p2 column shows the probability that the largest squared distance of any observation should exceed the Mahalanobis distance computed. A heuristic for determining which; observations may be outliers is given by Arbuckle (1997): "Small numbers in the p1 column are to be expected. Small numbers in the p2 column, on the other hand, indicate observations under the hypothesis of normality."

Hence, it is implied from the randomized observation processes implied that the significant value not high in the both the significant values 1 (P1) and Significant value 2 (P2). , so, the data is distributed normally for determining the effectiveness of organisation based on the performance of employees in automobile industries.

Mahalanobis d-squared value used to measure the distance of observation and these levels of distances compared with other observation to find out the significance of each significance. It is inferred from the above table, majority of the observations have significant association with each other to determine the factors for determining the effectiveness of organisation based on the performance of employees in automobile industry.

6.2 AMOS has graphically represents to determine the impact of employees performance to determine organisational effectiveness in automobile industry with reference to Tamilnadu



Analysis of Moment Structure (AMOS) graphically exhibits the relationship variables determining the impact of employees performance to determine organisational effectiveness in automobile industry with reference to Tamilnadu. Four major dimension are determining the impact of employees performance to determine organisational effectiveness in automobile industry with reference to Tamilnadu. These dimensions are employee motivation, organisational environment, organisational competitiveness and employee performance.

From the above path diagram, the single-headed arrow used to define the regression relationship between the variables as well as among the dimensions. Double headed arrow infers that the covariance between the variables.

Organisational competitiveness has significant and positive impact to determine the employees' performance by 0.82. followed by employees motivation has significant and positive impact to determine the organisational competitiveness by 0.75. Organisational environment has significant and positive impact to determine the organisational competitiveness by 0.75.

6.3 Regression estimates for understanding the relationship between the determinants

Regression Estimates			Estimate	S.E.	C.R.	P
Organisational competitiveness	<---	Employee motivation	.689	.134	5.141	.000
Organisational competitiveness	<---	Organisational environment	.721	.122	5.910	.000
Employees' performance	<---	Organisational competitiveness	.788	.129	6.109	.000

Regression weights exhibits the estimated relationship between the variables. Organisational competitiveness has significant and positive impact to determine the employees' performance by 0.788. followed by employees motivation has significant and positive impact to determine the organisational competitiveness by 0.689. Organisational environment has significant and positive impact to determine the organisational competitiveness by 0.721.

6.4 Standardized Regression Weights

Standard Regression estimates			Estimate
Organisational competitiveness	<---	Employee motivation	.751
Organisational competitiveness	<---	Organisational environment	.748
Employees' performance	<---	Organisational competitiveness	.819

Standardised estimates of Regression weights exhibits the estimated relationship between the variables. Organisational competitiveness has significant and positive impact to determine the employees' performance by 0.82. followed by employees motivation has significant and positive impact to determine the organisational competitiveness by 0.75. Organisational environment has significant and positive impact to determine the organisational competitiveness by 0.75.

6.5 Covariances

Covariances			Estimate	S.E.	C.R.	P
Employee motivation	<-->	Organisational Environment	.556	.103	5.400	.001

Covariance explain the level of variance between two variables. It infers that how one variable has significantly influence or varying with other and at the same how the opposite

variable tend to change with the same variation. Employee motivation has highest covariance with organisational environment by 0.556.

6.5 Squared Multiple Correlations

Squared Multiple Correlations	Estimate
Organisational competitiveness	.782
Employees' performance	.710

It is estimated that the predictors of **Organisational competitiveness** explain 78.2 percentage of its variance. In other words, the error variance of **Organisational competitiveness** is approximately 21.8 percentage of the variance of **Organisational competitiveness** itself.

It is estimated that the predictors of **Employees' performance** explain 71 percentage of its variance. In other words, the error variance of **Employees' performance** is approximately 29 percentage of the variance of **Employees' performance** itself.

6.6 Model Fit Summary

6.6.1 Results of minimum discrepancy

Model	Number of distinct parameters	Minimum discrepancy	DF	P	CMIN/DF
Default model	12	10.464	2	.005	5.232
Saturated model	14	.000	0		
Independence model	8	25.609	6	.000	4.268

is the several distinct parameters being estimated. Two parameters that are required to be equal to each other count as a single parameter, not two. CMIN is the minimum value, C of the discrepancy. CMIN is a "p-value" for testing the hypothesis that the model fits perfectly in the population. P-value, which exhibits the value, is less than 0.05. Hence, the model fits perfectly to the population.

6.6.2 Baseline Comparisons

Model	Normed fit index Delta1	Relative fit index rho1	Incremental fit index Delta2	Tucker Lewis Index rho2	Comparative fit index
Default model	.991	.826	.995	.895	.008
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Normed fit index, Models with overall fit indices of less than .8 can usually be improved substantially. These indices and the general hierarchical comparisons described previously are best understood.

The typical range for rho and delta between zero and one, it is not limited to that range. Values close to 1 indicate a very good fit. The is identical to the relative non-centrality index, except that the is truncated to fall in the range from 0 to 1. Values close to 1 indicates a perfect fit. The normed fit index value is more than .90, which is good model. Relative fit index the rho1 value is 0.826. Hence it is inferred that it is a good fit. Incremental fit index the value of delta 2 is 0.995. Hence it is inferred that very good fit. Tucker Lewis Index the rho2 value is 0.895 is close to the high range. This infers that very good fit. The comparative fit index also closes the value of 0. This indicates the very best fit for the model.

6.6.3 Results of Root mean square error of approximation

Model	Root mean square error of approximation	The lower boundary of 90 per cent confidence interval	The upper boundary of 90 per cent confidence interval	Probability value
Default model	.002	.005	.006	.015
Independence model	.003	.000	.001	.036

Value of the root means a square error of approximation of about .05 or fewer should indicate a close fit of the model about the degrees of freedom. It cannot be regarded as

infallible or correct, but it is more reasonable than the requirement of exact fit with the root mean square error of approximation = 0.2. Value of about 0.08 or fewer for the root means a square error of approximation would indicate a reasonable error of approximation and would not want to employ a model with a root mean square error of approximation greater than 0.0." from the above table infers that the root mean square error of approximation value is fewer than 0.05. Which indicates the low-level approximation of error in this model, and it closely fits the model towards the degree of freedom. Probability value used to test the hypothesis with the model and degree of freedom.

7. FINDINGS OF THE STUDY

- Most of 265 employees out of 300 forming 88.33 percentage are completed diploma. Employees with diploma qualification are interested to work in automobile industry. They have some awareness about the recent industrial policies which help them most.
- Majority of 288 employees out of 300 comprising 96 percentage has experience between 10 years to 15 years.
- Solve the problem by giving practical solutions has highest degree of relationship of 76 percentage with The business is pleased with the usage of technologies. Solve the problem by giving practical solutions has significant and positive correlation with The business is pleased with the usage of technologies.
- Solve the problem by giving practical solutions has moderate degree of relationship of 58.5 percentage with Know to operate computer. Solve the problem by giving practical solutions has significant and positive correlation with Know to operate computer.
- Level of significance of the Fisher's test for the hypothesis is less than the level of 0.05. Hence, the null hypothesis is rejected. Therefore, it is concluded that there is a significant difference between Occupational coping and Perceived relative advantages
- Level of significance of the Fisher's test for the hypothesis is less than the level of 0.05. Hence, the null hypothesis is rejected. Therefore, it is concluded that there is a significant difference between Occupational coping and Knowledge & Innovations
- Level of significance of the Fisher's test for the hypothesis is less than the level of 0.05. Hence, the null hypothesis is rejected. Therefore, it is concluded that there is a significant difference between Occupational coping and Information intensity in the organisation

- Organisational competitiveness has significant and positive impact to determine the employees' performance by 0.82. followed by employees motivation has significant and positive impact to determine the organisational competitiveness by 0.75. Organisational environment has significant and positive impact to determine the organisational competitiveness by 0.75.

8. SUGGESTIONS OF THE STUDY

- Employees have disagreed that consistently tendency to address the problem. Hence, employees must be consistent to address the issues to promote their business organisations.
- It is highly required for employees must look in to the organisation and latest information has to be grasped to survive in the organisation.
- Solve the problem by giving practical solutions has significant and positive correlation with Know to operate computer. Hence, employees must try to increase the knowledge to use computer and internet to solve the issues.
- Need to understand the importance of using technology in their relative field to improve their business operations

9. CONCLUSION

Organizations need to reconfigure themselves on an ongoing basis to keep up with these trends to achieve sustainable organizational effectiveness. In simple term, Organizational effectiveness is the extent to which an organization realizes its goals. In other words, an organization's objective achieving ability is known as organizational effectiveness. Though existing literature attempted to explain organizational effectiveness through different contexts or characteristics, still there is no single formula for achieving optimum organizational effectiveness. A lack of understanding still prevails regarding the influencing factors and the intervening mechanisms to explain organizational effectiveness comprehensively.

Major findings of the study are: Most of 265 employees out of 300 forming 88.33 percentage are completed diploma. Employees with diploma qualification are interested to work in automobile industry. They have some awareness about the recent industrial policies which help them most. Majority of 288 employees out of 300 comprising 96 percentage has experience between 10 years to 15 years. Organisational competitiveness has significant and

positive impact to determine the employees' performance by 0.82. followed by employees motivation has significant and positive impact to determine the organisational competitiveness by 0.75. Organisational environment has significant and positive impact to determine the organisational competitiveness by 0.75.

Major suggestions are: Employees have disagreed that consistently tendency to address the problem. Hence, employees must be consistent to address the issues to promote their business organisations. It is highly required for employees must look in to the organisation and latest information has to be grasped to survive in the organisation. Solve the problem by giving practical solutions has significant and positive correlation with Know to operate computer. Hence, employees must try to increase the knowledge to use computer and internet to solve the issues. Need to understand the importance of using technology in their relative field to improve their business operations. Hence, if these findings and suggestions are to be taken in right direction, will bring more effectiveness in the organisation.

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