

An Empirical Study on the Impact of Organizational Ethics on Employee Performance and Retention

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Abstract

The influence that employee retention has when contributions are acknowledged was the main subject of this Bangalore-conducted research. Encouraging work and sustaining high motivation levels require acknowledging the contributions made by employees. Finding out how employee retention is affected by recognition and suggesting ways to make improvements were the main goals. Evidence from 70 employees in multiple departments was gathered adopting well-organized surveys using sophisticated random selection. Both percentage analysis and cross-tabulation techniques were used in SPSS 20.0.1 to conduct the statistical analysis. According to the research, most workers believed that having their efforts acknowledged had a favourable effect on their dedication to the company and level of fulfilment with their work. When workers felt they were being sufficiently recognised, substantial levels of fulfilment were seen. In light of the findings, management is advised to create more comprehensive recognition initiatives that are geared towards individuals as well as organisational accomplishments to increase retention levels.

Keywords:

Employee contribution, organisational loyalty, work happiness, motivation, recognition of employees, retention of employees.

Introduction

BHEL-EPD emphasises the need of "Employee Welfare Measures." The idea of employee happiness is changing and varies as the economy as a whole does. The productivity and contributions of a nation's labour have a significant impact on its wealth and welfare. To improve employees' life at work, employee welfare entails offering a variety of amenities and support services. This is an intelligent long-term purchase that will increase productivity. The research focuses on labour welfare elements that are both statutory and nonstatutory, such as leave policies, medical care, schooling, work, housing, canteens, leisure, attire, along with security precautions. The manufacture, delivery, and production generation machinery is the focus of the huge electrical machinery business, which is essential to power

generation and

numerous other industrial industries. BHEL, founded in 1964, is a pillar of this sector, having helped India go from being dependent on imports to being self-sufficient in terms of designing, building, installing, and maintaining power plants. The company's broad activities and strategic efforts in sectors including electricity, businesses and international trade demonstrate its dedication to delivering premium products and services, encouraging worker happiness, and advancing the economic prosperity of the whole nation.

Literature Review

Team Effectiveness

The way that data from experiments has been used to study the organisational aspects that affect Team Effectiveness (TE) has changed dramatically throughout time. In the beginning, research concentrated on fundamental team viability and effectiveness, examining the characteristics of successful teams. As the field of study developed, focus traded to looking at increasingly complex and hierarchical interactions between organisational elements affecting TE. of including elements that affect results both personally and indirectly via collaborative procedures and psychological characteristics.

Relation Between Employee contribution and Employee Retention

An Performance Analysis (PA) procedure is an essential tool for assessing an employee's work over a predetermined time frame, which is vital for preserving efficiency and inspiration in work environments. Strengthening employees requires regular evaluations and recognising the best employees, especially in labor-intensive fields like hotels where employee performance directly affects client satisfaction (Narban, Narban, & Narban, 2016, p. 298). PA drives systems for feedback, education initiatives, performance evaluation, and future strategy in addition to measuring individual and team performance (Salas, Reyes, & Woods, 2017, p. 33). Nonetheless, inefficient audio visual systems can negatively impact overall effectiveness and organisational efficiency (Farrell, 2013, pp. 73–74).

Mediator as Employee Retention

With meeting all of their demands through efficient procedures and guidelines, Employee Retention (ER) plays a critical role in creating an organisational climate that motivates workers to stay (Raj & Brindha, 2015, p. 1642). Staff retention and attrition are significantly influenced by tactics including secure employment, competitive pay, job acknowledgment, as well as education (Mathimaran & Kumar, 2017, p. 21). According to research, supportive leadership and performance-oriented reward programmes help to lower employees' inclinations to quit (Lee & Jimenez, 2011, p. 178). Strategic management methods that improve employee retention, such as goal-setting, performance evaluation, and incentives programmes, are advantageous to organisations (Mbugua, Waiganjo, & Njeru, 2015, p. 62).

Employee contentment (ES)

It is a critical metric that measures how happy people are with their jobs and how committed they are to the organisation (Ariani, 2015, p. 34). It is a reflection of employees' attitudes and sentiments about their work. High employee satisfaction and long-term efficiency are greatly enhanced by effective performance appraisal (PA) systems and high ES (Naji, Ben Mansour, & Leclerc, 2015, p. 41). By promoting work satisfaction, effective PA practice implementation not only improves organisational performance but also lowers intentions to leave (Agyare et al., 2016, p. 294). The proposed model, shown in Figure 1, has PA as a variable that is independent and Teamwork Efficiency (TE) as a dependent variable. ES also modifies the effect of PA upon TE, which is transmitted via ER.

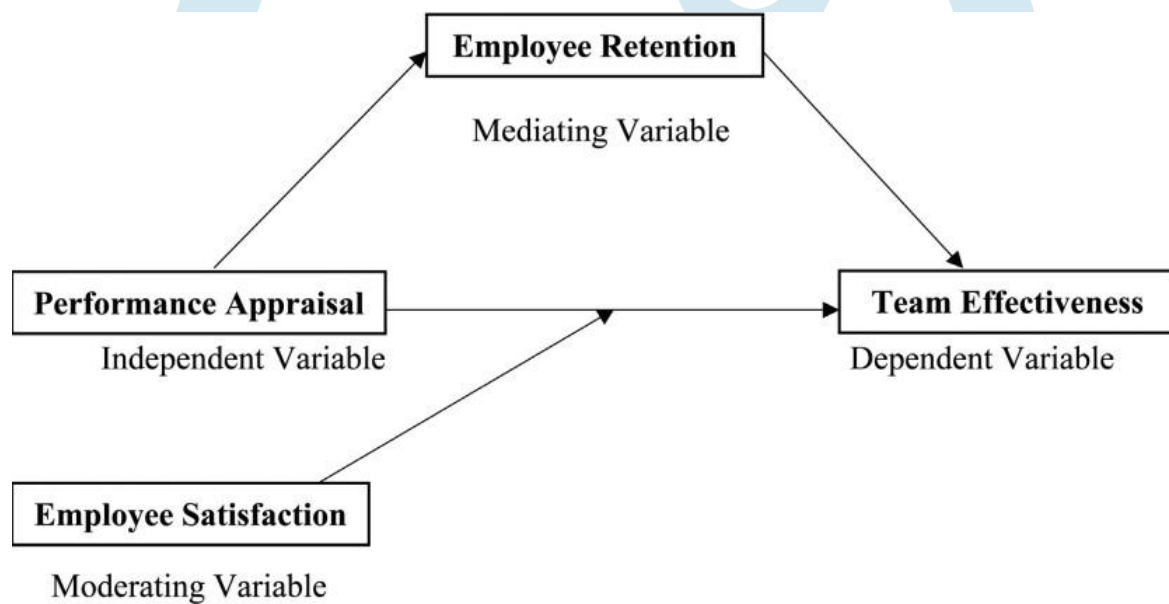


Figure 1. Proposed Hypothesized Model for Study from Literature Review

Research Methodology

This methodical approach to gathering and analysing data guarantees that the study offers trustworthy insights into the variables impacting staff productivity and service performance in Uttarakhand's service sector. Through the use of SPSS for statistical analysis and interpretation of data in the form of tables and percentages, this study seeks to make a significant contribution to the field's academic research and organisational practices. In order to collect data, questionnaires were randomly sampled and distributed to various branches of these organisations. Out of the 60 surveys that were initially delivered, 68 were completed. Data from 70 respondents were utilised for analysis, after missing and anomalous replies were eliminated.

Hypothesis Framework

H1: PA influences TE positively (Figure 1)

H2: The positive correlation between PA and TE is positively mediated by ER (Figure 1). H3: The

positive correlation between PA and TE is positively mediated by ES.

Scales Used

- Team Effectiveness (TE): To evaluate team effectiveness, a 12-item, five-point scale that was modified from Udai & Surabhi was (2011) have was used.
- Performance evaluation (PA) Satisfaction: The study measured how satisfied workers were with the process of performing assessments using a 12-item, five-point Katevich (2013) scale.
- General Contentment: Seven questions from a standard questionnaire created by Taylor and Bowers (1972) were used. Employee satisfaction with leadership, the work itself, the organization as a whole, pay, and opportunities for growth were all evaluated in this survey. A Likert scale with five points, with 1 denoting extreme dissatisfaction and 5 denoting extreme satisfaction, was used to record responses.

Results

Convergent legitimacy.

To make certain that the elements inside every concept were measuring the same underlying notion or merging, convergent validity was evaluated. Examining the composite reliability (CR) and Average Variance Extracted (AVE) allowed for this. All AVE scores exceeded fifty percent and all CR scores were over 0.7, demonstrating acceptable convergent validity and thus proving that the convergent validity requirements were satisfied (Hair et al., 2017).

Divergent Validity

Every concept was checked for discriminatory validity to make certain it was different from all of them. By evaluating each construct's square root of the Avg to the connections it has with other concepts in the model, this was assessed. The roots of the AVE for every concept was greater than the relationship among that create, confirming validity for discrimination.

Table 2. Descriptive Statistics

	Descriptive Statistics				PA	ES	ER	TE
	Mean	Std. Deviation	Qualification	Experience				
Qualification	2.1270	0.86166	I					
experience	2.3995	1.03093	0.026	I				
PA	2.9940	1.27470	0.167*	0.381*	I			
ES	2.9909	1.26014	0.172*	0.363*	0.846*	I		
ER	2.8690	1.12623	0.174*	0.388*	0.783*	0.734*	I	
TE	2.9729	1.13633	0.200*	0.532*	0.765*	0.728*	0.767*	I

Source: Descriptive statistics calculated through IBM SPSS 21.

Note: PA = Performance appraisal, ER = employee retention, TE = team effectiveness and ES = employee satisfaction.

*Denotes significance level of 0.01.

Hypothesis Testing

The final model (table 3) shows the correlations between the study's components according to the statistical analysis done with IBM AMOS 21. The determining factor in the model is PA, the one that is dependent is TE, or the mediator and modifying factors linking PA and TE are ES and ER. Furthermore, the dynamic impact between PA and ES is represented by PA_X_ES.

Table 4. Model Validity Measures

	CR	AVE	MSV	MaxR(H)	PA	TE	ER	ES
PA	0.986	0.854	0.687	0.986	0.924			
TE	0.963	0.684	0.555	0.963	0.745*	0.827		
ER	0.962	0.696	0.579	0.962	0.761*	0.742*	0.834	
ES	0.974	0.841	0.687	0.974	0.829*	0.709*	0.726*	0.917

Source: Calculated through Gaskin's 'Master Validity Tool', AMOS 21 (Gaskin & Lim, 2016).

Note: PA = Performance appraisal, ER = employee retention, TE = team effectiveness and ES = employee satisfaction.

*Denotes significance level of 0.01.

Together, these indicators show that the suggested model fits the data quite well, providing substantial evidence for the linkages between PA, ES, ER, and TE that have been theorised in the context of Uttarakhand's service sector. This thorough evaluation of the model confirms the substantial effects of PA, controlled by ER and modulated by ES, on improving TE inside the organisational environment, highlighting the accuracy and trustworthiness of the research's findings.

Table 5. Model Fit Measures

Measure	Estimate	Threshold	Interpretation
CMIN	0.390	—	—
DF	1	—	—
CMIN/DF	0.390	Between 1 and 3	Excellent
CFI	1.000	>0.95	Excellent
SRMR	0.007	<0.08	Excellent
RMSEA	0.000	<0.06	Excellent
PClose	0.691	>0.05	Excellent

Source: Calculated through Gaskin's 'Model Fit Measures', AMOS 21 (Gaskin & Lim, 2016).

Employee Contentment in H3 The favourable connection among team efficiency and job appraisal is significantly moderated.

Moderating Effect: The moderating effect graph, shown in Figure 4, indicates that ES substantially moderates the positive connection between PA and TE. It is evident that a greater level of employee satisfaction is positively correlated with the positive moderation effect. It indicates that a contented worker contributes more to the company over an extended period of time and works efficiently. The benefits of honest and effective performance evaluations (PA) are increased in the context of teamwork (TE) whenever workers are content with their workplace and working circumstances. This highlights the need of relevant job evaluations and maintaining or raising satisfaction among staff in order to optimise team productivity and organisational success.

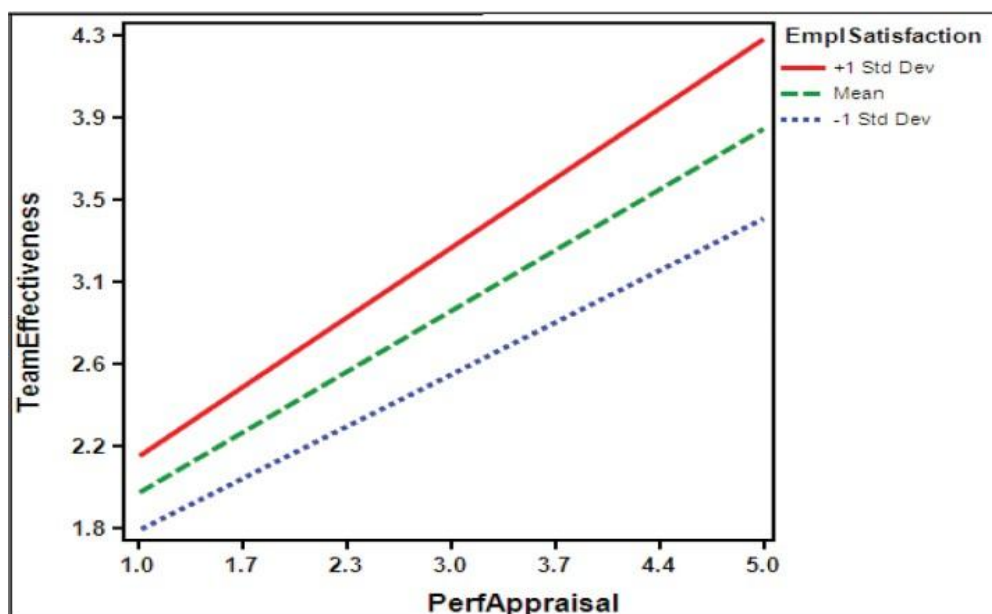


Figure 4. Moderation Graph

Source: Graph prepared through Interaction Software by Daniel S. Sopher.

Conclusion

The purpose of this study was to assess how BHEL service industry's evaluations of performance (PA) affected the efficiency of teams (TE). The assessment approach and results unequivocally show that TE is greatly influenced by PA, employee satisfaction (ES), and employee retention (ER). Contented workers typically remain with the company longer and make enhanced contributions to the accomplishment of organizational objectives. The report suggests that new regulations be created by BHEL service sector to raise staff engagement among middle and upper management. It is critical to support programs like training, effective assessments, enhancing teamwork, and equitable remuneration methods to achieve high job satisfaction. Employment longevity has a favorable correlation with both organizational growth and stability.

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