

How Organizations Can Bridge the Gap Between Employee Performance and Innovation

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Abstract- Employee performance is vital to any organization and is one of the important measurements for organizations framework. An empirical study was conducted in order to find out the influence of non-financial factors including teamwork, engagement, communication, motivation and skills training. A total of 300 employees were selected from 13 organizations using drop and collect method. A questionnaire was designed for the data collection and data was collected. The analysis had shown no significant association of performance with the skills training, engagement and teamwork. Motivation and communication had shown significant negative association with the performance. From this study, we can conclude that, training, engagement and teamwork are not important factors in employee's performance and innovation.

I. INTRODUCTION

Employee performance is vital to any organization for its success. This also forms as an important form of measurement for organization's teamwork.¹ A number of non-financial indicators including teamwork, motivation, productivity index, service quality and competency.² A number of methods or approaches for enhancing employee performance and innovation is one such approach. The employee performance indirectly improves the firm performance by new ideas for new products or services to improve the competitiveness of the firm.¹ The innovation is known to play a variety of role in the development and growth of the organization to take maximum outputs. This study was mainly undertaken to study the opinion of employees regarding the role innovation in improving the employee performance in organization.

- Objectives of the study

1. To study the impact of product innovation on the employee performance.

2. To assess the association between processes of innovation on employee performance.

- Literature review

A study by Osman et al (2016) reported that, a survey was conducted to collect responses from selected management team. Two hundred and ninety-four respondents' feedback was used to analyse the impact of product, process, technological and organizational innovation on employee performance. Three types of innovation including product, process, technological and organizational innovation were found to influence employee performance with the exception of attitude.³

In a study by Awan et al (2015), the data was collected from 200 respondents from production, R & D and marketing departments of manufacturing companies. The study had shown that, there was a positive effect of different types of innovation on employee performance.⁴

Audenaert et al (2016) examined when employee performance management affects the individual innovation when it entails consistent sub practices. The authors used a multilevel data from 68 elderly homes and 1095 caregivers in Flanders in order to test the hypothesis. The study revealed that, individual innovation is related to consistent employee performance management and that LMX functions as moderator in this relationship. The findings contribute to scholars understanding of effects from employee performance management in public organizations.⁵

- Methodology

An empirical study was conducted in software organizations in Hyderabad. This research employed two level sampling where first one was purposive sampling identifying the employees who were involved in innovative activities in the organization. About 300 such employees from 13 organizations were selected randomly by using drop and collect

method. The questionnaires were distributed by the researcher and responses were obtained. This study employed snowball sampling technique where the responses were obtained from them and they have forwarded the same to their colleagues and thus obtaining the response.

- Statistical analysis

The data collected was entered in an excel sheet and analysed used Statistical package for social services (SPSS vs 20). The socio demographic data was analysed using frequencies and percentages. The items were analysed using descriptive statistics. The reliability of the questionnaire was tested by using Crohnbach's alpha. The association between the variables including jobs skill training, motivation, engagement, teamwork, communication and Management and performance was tested by using linear regression.

II. RESULTS

Table 1. Socio demographic characteristics of the respondents

Variables	Description	Frequency	Percent
Sex	Male	144	48.0
	Female	156	52.0
Age group	18 – 25 years	21	7.0
	26 – 35 years	64	21.3
	36 – 45 years	83	27.7
	46 – 55 years	74	24.7

	56 and above	58	19.3
Highest level of education	High school	32	10.7
	Bachelor degree	82	27.3
	Master degree	90	30.0
	Master degree and above	96	32.0
Do you receive training for improving your skills	High intensity training	155	45.0
	Routine training	142	47.3
	No training	22	7.7

In this research females formed 52.0% of the study subjects. Majority of the study subjects were aged between 36 – 45 years and educated up to master degree and above. Only 47.3% of the respondents received routine training in this study.

Table 2. Item wise analysis of employee performance and innovation

Table 2 depicts the mean, standard deviation, minimum and maximum values of the items used in order to understand the employee performance and innovation and their association. Statement “My department encourages teamwork” had a high mean value of 2.72 with a standard deviation of 1.01 and statement “Team members have absolute clarity about their role in the team” had a mean value of 2.6 with a standard deviation of 0.83.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
The Training Course provided by the organization has helped me in achieving my objectives.	300	1.00	5.00	2.7100	.99794
I have acquired a deeper understanding of the Training Course subject by participating therein.	300	1.00	5.00	2.6767	.90268
My job performance level will rise because of the training course provided by the organization.	300	1.00	5.00	2.6467	.95123

Well organized training sessions help employees to make the most use of the training session during its specified time.	300	1.00	5.00	2.6333	.84929
The training was provided by an expert within its area of competence.	300	1.00	5.00	2.6900	.95408
The training was responsive concerning the group needs.	300	1.00	5.00	2.6333	.87642
The training course provided to us is always well equipped and with the highest standards of quality.	300	1.00	5.00	2.6633	1.00333
I think management keeps interested in motivating the employees.	300	1.00	5.00	2.6433	.85159
I think incentives and other benefits will influence our performance.	300	1.00	5.00	2.7233	.98829
Promotions and work recognitions motivate me to work in this organization.	300	1.00	5.00	2.6667	.88213
Teamwork and safety help in enhancing my confidence.	300	1.00	5.00	2.6400	.99012
Various opportunities are provided to me during the work, that keeps me more engaged and motivated.	300	1.00	5.00	2.6400	.82826
Professional and personal skills are developed here, and this keeps me more motivated during the work.	300	1.00	5.00	2.6533	.99151
I am motivated because of personality mapping and initiatives encouraged.	300	1.00	5.00	2.6400	.86384
I receive appropriate recognition when I do good work	300	1.00	5.00	2.6833	1.00653
I rarely think about looking for a job at another company because this company keeps me engaged.	300	1.00	5.00	2.6667	.83539
My manager is a great role model for all the employees of the organization.	300	1.00	5.00	2.6567	.99772
The leaders of the company have communicated a vision and that has engaged and motivated me.	300	1.00	5.00	2.6467	.88190
I have access to the things I need to do for my job well.	300	1.00	5.00	2.6833	1.05202
I have access to learning and development and this keeps me engaged.	300	1.00	5.00	2.6567	.86096
Most of the systems and processes here support me in getting our work done effectively.	300	1.00	5.00	2.6833	1.05202
Day-to-day decisions here demonstrate that quality and improvement are top priorities and that allows me to think more.	300	1.00	5.00	2.6567	.86096
This is a great company for me to contribute to my development.	300	1.00	5.00	2.6533	1.05998

Team members have absolute clarity about their role in the team.	300	1.00	5.00	2.6033	.83365
My department encourages teamwork.	300	1.00	5.00	2.7200	1.01243
Team members are held accountable for the decisions they make. Work assigned is distributed fairly.	300	1.00	5.00	2.6767	.85316
Sufficient effort is made to get the opinions and ideas of employees.	300	1.00	5.00	2.6533	1.05998
There is good alignment between my department and others with whom I need to coordinate.	300	1.00	5.00	2.6233	.87024
Working in the team inspires me to do my best.	300	1.00	5.00	2.6533	1.05998
Team members are supportive of each other's role.	300	1.00	5.00	2.6233	.87024
We make sure our work helps the organization achieve its goals.	300	1.00	5.00	2.6200	1.06743
When the role within the team changes it is communicated effectively.	300	1.00	5.00	2.5567	.74519
Communication within the team is transparent.	300	1.00	5.00	2.6400	.86770
Team members are supportive of each other's role.	300	1.00	5.00	2.6367	1.01394
Sufficient effort is made to get the opinions and ideas of employees.	300	1.00	5.00	2.6400	.86770
Communication in our group is open and honest.	300	1.00	5.00	2.6600	1.04629
Team members embrace continuous improvement as a way of life.	300	1.00	5.00	2.5833	.79066
Group meetings are very productive.	300	1.00	5.00	2.6600	.98368
We communicate effectively with other groups.	300	1.00	5.00	2.6333	.86876
We set and meet challenging goals.	300	1.00	5.00	2.6400	1.04276
Management provides opportunities to learn and grow.	300	1.00	5.00	2.6533	.83795
Management allows me to respect my initiatives and encourages me.	300	1.00	5.00	2.6400	1.04276
Management provides values with my opinions.	300	1.00	5.00	2.6533	.83795
Management shares their key decision making with me.	300	1.00	5.00	2.6633	1.08655
Valid N (listwise)	300				

Table 3. Reliability analysis

Crohnbach's alpha in this research was 0.895 which is deemed to be superb and hence all the items can be considered for further analysis.

Reliability is statistics indicates the interitem consistency between the constructs. The Value of

Reliability Statistics

Cronbach's Alpha	N of Items
.895	44

- Testing of hypothesis

The hypothesis constructed for the purpose of this research was

H1: There is a significant of impact of job skills training on management and performance.

H2: There is a significant of impact of Motivation on management and performance.

H3: There is a significant of impact of engagement on management and performance.

H4: There is a significant of impact of Teamwork on management and performance.

H5: There is a significant of impact of communication on management and performance.

- Regression analysis

A regression analysis was conducted in this research in order to find the impact between two variables by using SPSS.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.463	.342		10.116	.000
1 Job skills training	.016	.098	.010	.164	.870

a. Dependent Variable: Management and performance

The beta coefficient for the impact between job skills training and management and performance was 0.01 (p=0.87, NS). Hence, there was no significant impact of job skills training on management and performance.

Coefficients^a

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
1 (Constant)	4.045	.356	11.365	.000
1 Team work	-.149	.101	-.086	.139

	B	Std. Error	Beta		
1 (Constant)	4.738	.391		12.125	.000
1 Motivation	-.346	.111	-.178	-3.129	.002

a. Dependent Variable: Management and performance

The beta coefficient for the association between motivation and management and performance was -0.178 (p = 0.002). Since the p value was less than 0.05, there was significant negative impact of motivation on the management and performance.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.879	.364		10.665	.000
1 Engagement	-.102	.103	-.057	-.993	.321

a. Dependent Variable: Management and performance

The beta coefficient for the impact of engagement on management and performance was -0.057 (p=0.321). Hence it can be concluded that, the engagement had a non-significant impact on management and performance.

Coefficients^a

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
1 (Constant)	4.045	.356	11.365	.000
1 Team work	-.149	.101	-.086	.139

a. Dependent Variable: Management and performance

The teamwork had shown a negative and non-significant impact on management and performance in this study ($p=0.139$).

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	5.430	.378		14.378	.000
1 Communication	-.537	.106	-.282	-5.076	.000

a. Dependent Variable: Management and performance

The communication had negative and significant impact on management and performance ($p=0.000$).

Testing of hypothesis

Hypothesis 1

First hypothesis examined the association between the impact of job skills training on the management and performance. The regression analysis had shown a non-significant association between the job skills training and management and performance of the employees ($P=0.870$). Hence, null hypothesis is accepted and alternate hypothesis is rejected indicating that the job skills training had no association with the management and performance of the employees.

Hypothesis 2

Second hypothesis examined the relation between motivation on management and performance. Motivation had a negative impact with negative beta coefficient indicating that excessive motivation cannot improve the management and performance of the employees which was significant. This accept the alternate hypothesis that motivation have significant impact on management and performance.

Hypothesis 3

Third hypothesis stated the impact of engagement on management and performance of the employees. The regression analysis had shown non-significant association between the engagement and management

and performance. Hence, alternate hypothesis was rejected indicating engagement cannot impact on management and performance of the employees.

Hypothesis 4

Fourth hypothesis examines the association between the teamwork and management and performance. The regression analysis in this study indicated that there was no significant association between the teamwork and management and performance. Hence, alternate hypothesis can be rejected indicating there was no significant association between the teamwork and management and performance.

Hypothesis 5

Fifth and final hypothesis examined the association between the communication and management and performance. There was a significant negative association between the communication and management and performance. Hence, the alternate hypothesis can be accepted indicating there was negative impact of management and performance.

III. DISCUSSION

Innovation plays an important role in job performance. It is often vital in order to deal with the budget constraints, growing demands and quality of the organization. This research was undertaken with the aim of finding out the employee innovation with the performance in the organization. The responses from 300 respondents from 13 organizations were collected and analysed.

The study sample included majority of the females aged between 36 – 45 years and educated up to master degree and above. Routine training was given for less than 50% of the employees in this study.

The first hypothesis stated the association between job skills training on management and performance. It had shown no significant association between job skills training and management and performance. The training and development have shown to be responsible for improving the employee performance.⁷ The literature shows that, the employee performance and innovation is affected by many factors including the leader's attitude, personal concerns, roles, responsibilities, norms and standards. But in this study

less than 50% of the respondents received the training which may be the reason for no significant association between the job skills training and performance. The training is shown to stimulate the employee's performance by improving the knowledge, skills, attitude, abilities, competencies and behaviours of individuals.⁸

Second hypothesis in this study envisaged about motivation and management and performance was negative in this study. The literature available had shown that, motivation often impacts the employee performance in a direct manner. The involvement of motivated employees who are more creative and loyal leads to increased employee performance.⁹

The third hypothesis in this research noted that the engagement and management and performance. In this research the analysis had shown a no significant impact of engagement on management and performance. The studies available shows that the employee engagement effects on all performance outcomes which was strong particularly with achievement and innovation.^{10, 11}

The association between teamwork and performance was non – significant in this study. The studies have shown that, the teamwork is important in any organizational performance. The organizations relying on teams have increased employee performance, innovation and greater productivity.¹²

The association between communication and management and performance was negative and significant. A study by Agustriyana et al had shown that communication have an important association with the employee performance and innovation.¹³

CONCLUSION

Non-financial factors including skill training, motivation, engagement, team work and communication are known to influence employee performance and innovation. But this study had shown no significant association with skills training, engagement and teamwork and negative association with motivation and communication.

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