



## IMPACT OF EMPLOYEE MORALE ON ORGANISATIONAL DEVELOPMENT – A STUDY WITH REFERENCE TO MANUFACTURING COMPANIES IN ANDAROUND CHENNAI.

3156

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### INTRODUCTION

In the present heavy competition in the manufacturing sector it is the duty of all the organization to create competitiveness among the employees and responsibilities to work for the organizational development. It requires employees' dedication and their morale to participate in all the organizational activities with critical enthusiasm. The organizational development, organizational efficiency are the straight forward outcomes of employees' operation and morale. It is useful for the employees to resolve many problems among them and also they are able to meet the contingencies during emergency period. The organizations are willing to impart employees' morale by motivating the employees through monetary and non-monetary motivations.

DOI Number: 10.14704/nq.2022.20.11.NQ66327

NeuroQuantology 2022; 20(11): 3156-3173

### Zahra noroozinejad farsangi & malikeh beheshtifar. 2014.

The positive spirit of employees and the superior execution of work, their transcendental involvement in the job are able to contribute significantly for the employees' development. The reliability of employees and their principle motivation for the organization to have employees' morale are matched each other at the point of organizational development. The organizations are endeavoring to impart a positive confidence among

the employees to have credibility, integrity and morale towards the organization. The confidence of the employees in achieving all the organizational goals through the cooperation of the organization in the form of motivation and encouraging morale among the employees usha tiwari. 2014.

There is a tendency among the employees to participate in all the organizational activities besides their designation. It is adequate for the organization to get the cooperation from the



employees and it is occurring that at the solitary representatives of the employees with full responsibilities is able to increase the organizational development. Morale is an intangible aspect which is supporting the group of employees to have attachment towards the organization. In fact it is perceived by the employees that the morale shows the loyalty and responsibility towards the organization. The trust and openness of the employees, self-worthiness of the employees and their interest in achieving the organization goals are creating the encouraging employees morale. The employees and the organizations have good faith in the leadership of the employees as well as the organizational development. Employees morale can be considered as a confidence imparted by an organization through optimistic rules and regulations. The optimism is experienced by the employees are able to show their morale in the form of duty, dignity and discipline **Suryarashmi rawat. 2015.**

The employees willingness to follow the strict discipline for the organizational development. It can be ascertained from several research works that the morale is able to influence the organizational development. In fact it is the combination of two related

factors of employees and the organization. In human resources employees morale is also related to job satisfaction of the employees, external feeling of the employees and their responsibilities. The personal well-being also motivates the employees to be highly morale and also offer them good satisfaction. There is a significant importance in demanding the employees morale for all the organization. The employees morale is very aggressive and create a conducive environment for the employees to learn, new innovative ideas. It is also found from the several research works that hierarchical atmosphere is also an example for significant difference in the morale level of the employees. The employees in the manufacturing companies are able to give their own suggestions through their morale to keep the organizations development and avoiding unnecessary expenditure **Samithamby senthilnathan & kamalachandran rukshani. 2015.**

## LITERATURE REVIEWS

**Ashraf Tag-Eldeen & Mona Barakat, Hesham Dar.**



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**(2017)** In this research work the authors clearly found that employee satisfaction is also one of the important aspects influencing the employee morale. It is found from the study that employee

morale is directly depending upon employee satisfaction which is depending upon employee welfare measure, work environment and supervisory support and career development opportunities in this organization. It is also identified that employee morale will be in the higher position when the employees are fully satisfied about their job.

**Osama samih shaban, ziad al-zubi, nafez ali, atalla Alqotaish. 2017** It can be easily identified from this research work that there is a significant association between employees morale and their skill and knowledge developmental opportunities in the organization. It is further identified that employees are able to comprehend a conducive atmosphere for their skill and knowledge development. In this organization employees are persuaded by the employer to show their loyalty and to remain in the same organization without any turnover intention. This shows that higher the turnover then lower will be the employees morale. The employees are willing to shift the organization because of the poor compensation and they

are not given right opportunities and promotions.

**Nyongabsen hillary & dr. Balu. 2018.** In another research work it is found that employees morale is also related to organizational effectiveness. It is identified from the research that there is a deep association between employees morale and organizational effectiveness especially work place satisfaction, job rotation, employee benefits and co-workers support. There are all factors that empower the employees morale and their turnover intention.

**Ngambi.2011** In another research work it is found that the employees trust, employees loyal spirit are directly related to employees morale. It is further identified from that study that employees spirit is expected to be positive towards maximum productivity and profitability of the organization. The spirit becomes optimistic in nature to increase employees morale when the employees are highly satisfied with the work and their productivity of the organization. They wanted to show their loyalty in the form of employees spirit to get all the benefits.



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After getting the benefits  
the employees morale seem  
to be very high.

**Karen e, Mishra,  
gretchen, m, Spreitzer &  
aneil, k,**

**Mishra.1998** These authors  
ofoundly identified that employ  
ees overall satisfaction and th  
eir contribution to the develop  
ment and productivity of the or  
ganization is an indicator for

3160



their morale. The employees with positive thinking in their organization and their workplace conducive atmosphere are directly improving their morale. It is found from the study that increment of the worker spirit and representation and education of all the activities are resulting in good profitability. The employees in the organization with good profitability are able to improve the morale due to job security and high benefits. The customers with high morale are very loyal to their organization and have intention to stay in the organization.

**Jianguanglung dangmei & prof. Amarendra pratap singh. 2017.** These authors clearly elucidated that employees satisfaction, their representation for the organizational development are the determinants for employees morale. The welfare measures and grievances of the employees solutions are found to influence the morale level of the employees. It is also found from the study that accommodation of the employees to the right job, sufficient welfare measures to retain the

employees and aggressive measures to extract productivity and profitability are the major factors influencing the employees to have high morale. It is also found from the study that the employees with very good aggressiveness are appropriately retained and improve their morale.

**Daeij al hosni & dr. M. Firdouse rahman khan. 2016** In another study the researcher found that employees and their satisfaction with dissolving the issues within the organization is deeply associated with the employee morale. The influence of employee morale is found to influence the execution and scale of employees and their involvement in the profitability in the organization. In this research work they identified that the effectiveness of the organization is directly linked to organizational profile. The outcomes are clearly indicated that there are both internal and external components which are related to workers problems and resolution are linked to employees morale.



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### **GAPS IN THE LITERATURE**

After reviewing the national and international literature pertaining to employee morale the researcher is able to identify two important research questions that are not fully touched and answered by the previous research work. Therefore the present research work is intended to fulfill the following gaps.



1. How many components are there to represent the employees morale in the organization.
2. Is there any significant relationship between employees moral and organizational productivity, profitability and cultural changes in the organization.

### **HYPOTHESIS**

- There is no significant difference among the components of employee morale in manufacturing companies.
- There is no significant influence of employees morale over the employees outcomes and satisfaction.

### **OBJECTIVES OF THE STUDY**

1. To study and validate the components of employee morale in the manufacturing companies.
2. To identify the significant influence of employees morale on employees satisfaction, job rotation and satisfaction level.

### **METHODOLOGY**

This study is unique and it is depending upon both analytical and descriptive

nature of approach. This study is clearly depending upon both primary and secondary data. The primary data is obtained from the respondent of employees in the manufacturing companies. Their opinion is systematically ascertained by the well-structured questionnaire. The questionnaire reliability and validity are checked during the course of pilot study. The pilot study is done under the circumstances of convenience sampling method. The interested employees working in a manufacturing companies are showing enthusiasm to talk about the morale in the organization.

The well-structured questionnaire is circulated and during the pilot study together reliability and validity are verified. All these two values are satisfying the benchmark values. Hence the questionnaire is reliable and further used in the main study.



Main study data collection attain the researcher apply convenience sampling method to collect the responses from the manufacturing companies which are highly repeated. These companies and their employees are willing to give their opinion in order to make the perfect operations of HR in these companies. After obtaining the successful results the researcher intended to take up the main study data collection. The main study data collection is achieved through the convenience sampling method. The researcher is able to get 270 usable sample size through simple random sampling method.

After collecting the data the researcher systematically entered them in SPSS and other computer packages version 23. It is further identified through the methodology that the convenience sampling is able to represent the population parameters due to the rationality and justified responses from their respondents.

After entering the data of main study in the excel package it is systematically transferred into SPSS package version 23 and the researcher used the following statistical

tools namely 1. Simple Percent age Analysis 2. Ttest 3. One way analysis of variance and 4. Linear multiple regression analysis.

## ANALYSIS AND DISCUSSION

In this section the researcher intended to identify what are all the different components of employees morale therefore the questionnaire consists of 25 questions regarding employees morale in likert's five point scale which ranges from strongly agree to strongly disagree. Therefore the researcher applied exploratory factor analysis on these 25 variables on employees morale and derived the following results.





**Table-1 Number of factors of employee morale.**

Component	Initial Eigenvalues			Rotation Sum of Squared Loadings			3166
	Total	% of Variance	Cumulative%	Total	% of Variance	Cumulative%	
1	9.774	39.095	39.095	4.097	16.388	16.388	
2	2.789	11.158	50.253	3.486	13.946	30.333	
3	1.079	4.317	54.569	3.340	13.359	43.692	
4	.940	3.761	58.331	2.358	9.433	53.125	
5	.906	3.626	61.957	2.208	8.832	61.957	
6	.827	3.307	65.263				
7	.774	3.095	68.358				
8	.734	2.937	71.295				
9	.676	2.703	73.998				
10	.611	2.444	76.442				
11	.588	2.354	78.796				
12	.556	2.222	81.018				
13	.526	2.104	83.122				
14	.492	1.968	85.090				
15	.464	1.856	86.946				
16	.434	1.736	88.683				
17	.414	1.655	90.338				
18	.396	1.585	91.922				
19	.375	1.501	93.424				
20	.345	1.379	94.803				
21	.339	1.355	96.157				
22	.303	1.213	97.371				
23	.241	.966	98.336				
24	.217	.868	99.204				
25	.199	.796	100.000				

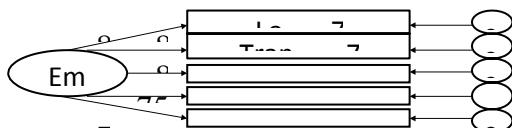
From the above table it is found that 25 variables are reduced into five predominant factors and considerable

amount of variance which is highly significant. The five factors which are named as Loyalty, Transparency,



Employee Benefits, Career Elevation and Training and Development. These are all the five factors derived from the 25 variables of employees' morale. After deriving these five factors through exploratory factor analysis. There

researcher intended to confirm them using confirmatory factor analysis. The results of confirmatory analysis are clearly present below.



69

Table 2 - MODEL FIT INDICES AND BENCHMARKS.

S.NO	Fit indices	Values	Benchmark values
1	Chi-square	6.378	-
2	P-value	0.532	>.05
3	Goodness of fit index(GFI)	0.991	>.9
4	Comparative fit index(CFI)	0.989	>.9
5	Normed fit index(NFI)	0.987	>.9
6	Root Mean Square Error of Approximation(RMSEA)	0.07	<=0.08

From the above table it is found that the six fit indices, chi-square value, p-value, confirmatory fit index, normed fit index, goodness of fit index and root mean square error of approximation they satisfied the required benchmark values. Therefore the five factors loyalty, transparency, employee benefits, career elevation and training for employees are able to predict the existence

of employees' morale among the employees in the manufacturing companies. The confirmatory factor analysis is also given by the diagram and each factor ask the variance which is greater than 0.3. After the confirmation the researcher intended to find the impact of

employees' morale on organisational development. The similar approach of exploratory factor analysis on the organisational development variables which are 15 in number is applied and the following results are obtained.

**Table 3- Number of factors of Organizational development**

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative%	Total	% of Variance	Cumulative%
1	7.016	46.773	46.773	3.322	22.145	22.145
2	1.412	9.416	56.189	2.586	17.237	39.383
3	.855	5.703	61.892	2.185	14.570	53.952
4	.821	5.476	67.368	2.012	13.416	67.368
5	.696	4.642	72.010			
6	.638	4.252	76.261			
7	.541	3.609	79.871			
8	.518	3.453	83.324			
9	.484	3.224	86.548			
10	.419	2.790	89.338			
11	.414	2.757	92.095			
12	.332	2.213	94.308			
13	.308	2.051	96.360			
14	.280	1.867	98.227			
15	.266	1.773	100.000			

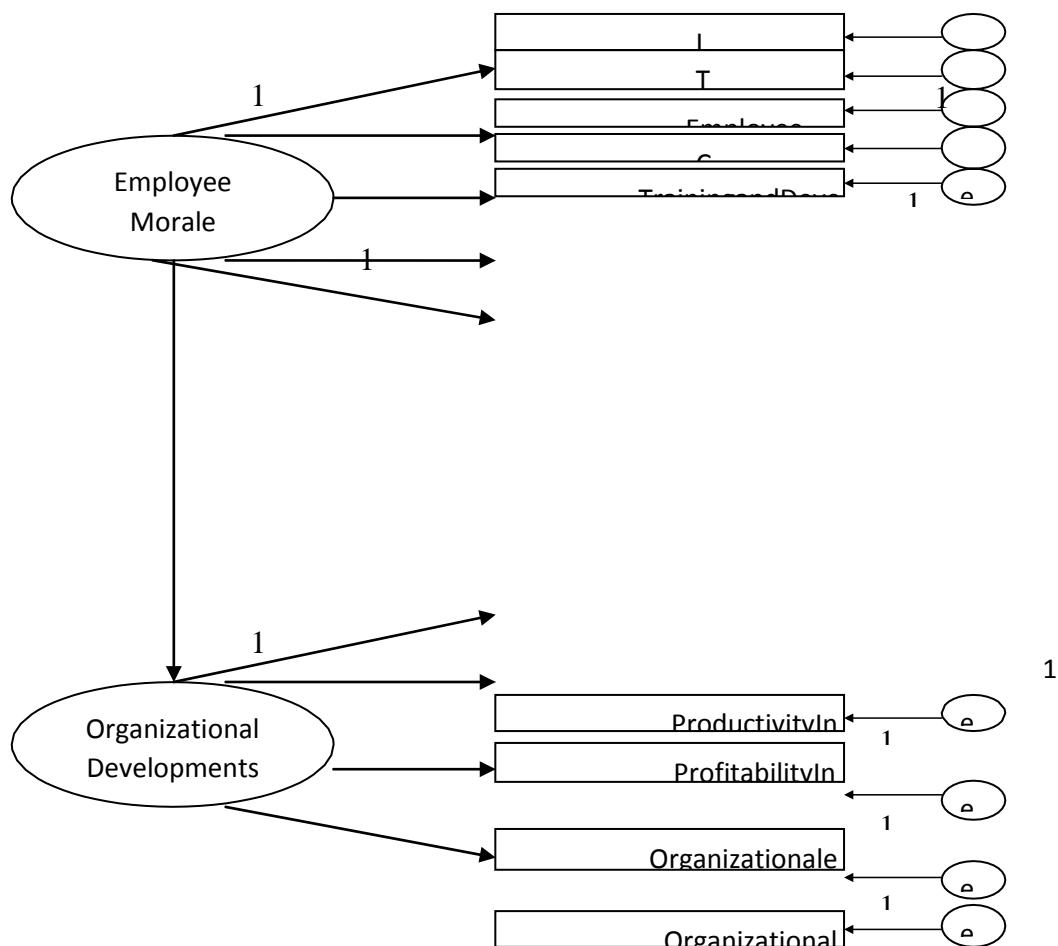
The research clearly revealed that there exists four predominant factors out of 15 variables of organisational development

namely productivity increase, profitability increase, organisational efficiency and organisational culture. These are all the



four factors of organisational development. These four factors and the total average scores considered as dependent variables. The five factors of employees' morale and their average score is considered as independent variables. The influence of five independent variables and four dependent factors is established through confirmatory factor analysis and linear multiple regression analysis. The combination of confirmatory factor analysis and linear multiple regression analysis is otherwise called as structural equation model. Therefore the application of structural equation model over the five independent employee morale factors, loyalty, transparency, employee benefit, career elevation, training and the four dependent factors of organisational development is clearly presented below.

1



**Table2-MODELFITINDICESANDBENCHMARKKS.**

S.NO	Fitindices	Values	Benchmarkvalues
1	Chi-square	9.100	-
2	P-value	0.631	>.05
3	Goodness of fit index(GFI)	0.987	>.9
4	Comparative fit index(CFI)	0.986	>.9
5	Normed fit index(NFI)	0.985	>.9
6	Root Mean Square Error of Approximation(RMSEA)	0.07	<=0.08

From the above diagram of structural equation model and the fit indices values it is found that all the six fit indices satisfy the bench mark value to prove the impact of employees morale on organisational development with respect to employees perception in Manufacturing companies at 95 percent level of confidence.

#### **FINDINGS AND CONCLUSION**

Employee morale is not a unique phenomenon whereas it is a conglomeration of five important crucial factors namely loyalty towards the organisation, transparency in the communication, employee benefits both intrinsically and extrinsically and career elevation for their own purpose and for

organisational purpose and appropriate training to improve knowledge and skills are the important factors directly influencing employees morale. Similarly the organisation development in manufacturing industry can be ascertained through the four important factors productivity increase, organisational performance increase, profitability and total cultural changes to reach the organisational goals. It is also found that there is significant influence of employees morale on organisational development. This particular research paper proved that the existence of morale among the employees in manufacturing companies is useful for the organisation to achieve their productivity, profitability and change in the culture of the organisation for development.



It also plays a very important role in deriving the profitability and organisational performance and its heavy competition in the manufacturing sector.

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3173

