

## IMPACT OF ORGANIZATIONAL FACTORS ON EMPLOYEE PERFORMANCE WITH REFERENCE TO SHIPPING AND LOGISTICS INDUSTRY

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### Abstract

Employees Play an important part of every business. Employees performance indicate that the company achieves its goals. Organization are spending huge amounts on staff development. Organizational factors and their impact on Employee Performance in Shipping and Logistics industry are examined in this Research paper. Culture, Communication, and Commitment are the essential factors identified. These Organizational factors have an impact on employee performance. Employee's productivity affects the competitiveness of the company. The simple random sampling technique is used to identify the sample size of 220. The primary and secondary were collected to understand the role of an organizational factor in employee performance. The statistical tools are employed to analyses the data. In facilitating that performance of employees is carried out successfully for organizational growth, the findings have administrative implications for corporate culture, Communication, and commitment.

**Keywords:** Shipping and Logistics Industry, Employee Performance, Organizational Culture, Commitment, Communication, Thoothkudi

### Introduction

The Management of Human Resources is one of the most critical responsibilities in any company or industry. Organizations cannot achieve their economic objectives without competent and skilled Staff in the logistics and shipping industry. Employees need administrative tasks to meet the organization's objectives. Recruitment, Hiring, Training, Appointing, Coordinating, Performance Assessment, and safety awareness are the major tasks in the shipping and logistics industry.

Shipping is one of the logistics tasks that entails physically transporting goods from one place to another. The methods that manage how the products are gathered, kept, and transported to their needed location play a significant role in the shipping and logistics industry. In south India, one of the significant portal regions is Thoothkudi.

Formal and informal interactions between an organization and its stakeholders are covered by organizational Communication, which is referred as the channels of communication and the organizations like corporations, non-profits, and stakeholders utilize it. The profitability of a corporation may be significantly impacted by organizational Communication. Employee performance refers to an individual's productivity in an organization. The organizational

component will eventually be impacted by employee performance. Performance of employees refers to the output obtained at a low cost via the use of technical skills and raw resources in fulfilling job tasks. Employee performance is intimately tied to assessment, awards, and feedback in this situation (Mwanje, 2010).

### **Review of Literature:**

**Adelia hartika et al (2023).** This article's goal is to identify and summaries previously published articles without criticizing any of the articles under review. It is a narrative literature review of 3 (three) articles that discuss the impact of job satisfaction and job loyalty on employee performance. Companies must pay attention to a number of things in order to achieve their goals and objectives, one of which is producing data that is inconsistent or occasionally falls short of the production target. This is caused, among other things, by two signs of low job satisfaction and job loyalty, both of which have an unnoticed effect on employee performance. The review's findings demonstrate that the three articles' effects on job satisfaction and loyalty are both favorable and significant.

**Yandra rivaldo et al (2023).** Human plans are necessary for achieving goals and successes; thus, they must be effectively handled for the work to proceed according to the plan. This study was carried out to ascertain the degree to which education, training, experience, and job discipline affect employees' performance inside the organisation. Infineon technologies batam has a total of 87 employees. Census sampling was used in this study because there are more samples than there are people. Multiple regression research uses spss statistical techniques to evaluate the theory throughout the course of a six-month investigation. Positively impacted by an employee's training, experience, education, and work ethic.

Endang sugiarti et al (2023). The goal of this study is to ascertain how training, the workplace, and career development affect employee performance at pt. Suryamas elsindo primatama in west jakarta. Quantitative methodology is employed. With 127 respondents, saturation sampling was utilised as the sample method.

**Sami awwad al-kharabsheh et al (2023).** This study intends to examine how digital hrm practises affect employee motivation, which in turn affects employee work performance, or, to put it another way, how employee motivation functions as a mediator between digital hrm practises and worker job performance. Digital performance appraisal and digital training were the two digital hrm techniques used in this study. The results of data collection using a valid and trustworthy questionnaire from workers at industrial companies demonstrate that online instruction had a major impact on both motivation for work and job performance, that online performance appraisal had important effects on both motivation for work and performance evaluation, and that employee motivation had a significant impact on job performance. Therefore, it was determined that the impact of digital hrm practises on work performance was partially mediated by employee motivation.

**Kundu et al. (2007).** Managing diversity begins with acknowledging that the workforce comprises various individuals. This theory was developed based on the idea that leveraging these differences would produce a productive workplace where everyone feels respected, their abilities are fully used, and organizational objectives are attained. According to Ryder Systems

Inc., a logistics and transportation firm, their diversity initiative saved the company money in the long run.

**Husin et al. (2012)** identified that employee effort might be helped or hindered depending on the physical elements of the workplace and the organisation in which they work. Employees are expected to create more in general and service-related outputs in particular if they have adequate work equipment and work in a favourable atmosphere.

Poon, W. K., & Tong, C. (2012). Many firms still employ traditional financial performance measures, but focusing too heavily on return on capital may distort strategy formulation and even conflict with strategic objectives.

**NDA, M. M., & Fard, R. Y. (2013).** These kinds of development programs are well worth in the investment since most successful companies care about their employees' advancement and invest in their education—consequently, employees' morale and output soar, and the bottom-line benefits. Employee churn seems to be decreasing as a result of development. Since employees are more committed and satisfied with their jobs when they have possibilities to progress, absenteeism is also reduced.

**Ashraf et al. (2014).** The first step in adopting diversity management is to accept that the company comprises a diverse group of people. It is based on the premise that using these differences, a productive environment can be established where anyone feels valued, their talents can also be fully utilized, and organizational goals can be met. Ryder Systems Inc.'s diversification strategy has been shown to have resulted in decreased litigation expenditures.

**Ganta, V. C. (2014).** The fulfilment and accomplishment of completing personal and professional goals may motivate certain employees. Employees that are self-disciplined and driven are prevalent. Incentives and prizes may only have an effect when workers are confident in their abilities and genuinely understand their role in the company. Companies may use several techniques to motivate their employees and boost productivity.

**Maduka, C. E., & Okafor, O. (2014).** Employees driven by a clear set of goals and objectives are more likely to take action toward those goals and objectives. Motivated workers are always seeking better ways to execute their jobs therefore firms must encourage their staff to feel inspired to produce their best work. Even under stressful situations, motivating workers to perform at their best is a challenging and doable issue for every employer.

**Odhiambo, E. O. (2015).** Employee productivity is defined as the amount of work an employee can do with the resources they have at their disposal, such as their technical expertise and the raw materials they utilise. Performance in this situation is closely tied to employee evaluations, awards, and feedback.

**Munguti, B. K., & Kanyanjua, D. (2017).** However, it is also possible to quantify productivity based on quality measures such as the quality and performance of the job after using organisational resources.

**Phung, T. (2017).** Working in Urban Living has a distinct working culture established via the cultural integration method. New York City's diversity may be regarded as the city's trademark, and businesses with diverse staff can gain a significant competitive edge. Therefore, the HR manager must have a comprehensive HR system to use the company's multicultural workforce.

**Mamuye, A. (2019).** Many times, to influence and motivate employees, leaders use a variety of leadership styles that fit with the current situation, such as those that are based on employee characteristics such as academic credentials, age, sex, and other factors such as the area of industry, nature of work, workplace environment and more.

**Lee, P. T. W, et al. (2019).** Many sectors have looked at the scheduling and planning issues that arise throughout a project. Increasingly, businesses focus on green initiatives to accomplish environmental, commercial, and environmental well-being objectives. There has been a lack of research on sustainable project planning (GPP).

**Kenny S, V. (2019).** Training influences the return on capital since the success of an organisation is mainly dependent on the performance of its employees because human capital is critical to its growth and development. Employee development may be described as a process in which workers, with the help of their employers, complete numerous training programs to strengthen their abilities and obtain current information and learning.

**Kartal, Ş. E. et al. (2019).** In the transportation business, where the human aspect is crucial, crew recruitment has long been a significant concern. Much research has been done on crew-related difficulties in the transportation business, which may be found in previous literature. The role of human elements in port state regulations and marine accidents has been examined in this research. A means of communicating and exchanging information, such as organisational goals and plans employed to attain those objectives, regulations, rules, guidelines, and other minor specifics, is referred to as corporate communication.

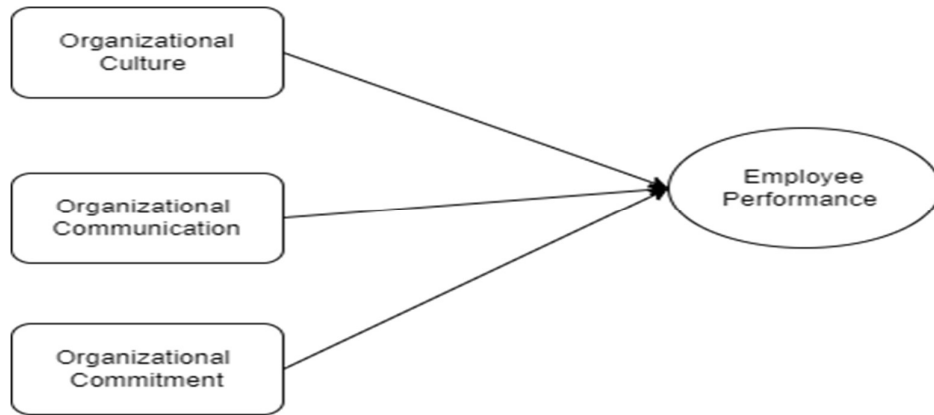
#### **Need for study:**

This study investigates the organizational culture, communication, commitment, and employee performance of a few chosen organizations in Shipping and Logistics industry in Thoothukudi. Employee Performance evaluation is an effective tool used by shipping and logistics companies to understand how organizational culture, communication, and commitment methods affect employee. On this basis, the study has been conducted to provide suggestions to the management to implement further adjustments to improve employee performance. The impact of organizational factors procedures on employee performance has been considered an essential tool for numerous investigations.

#### **Objectives of the study:**

- ✓ To study the demographic profile of the shipping and logistics industries employees.
- ✓ To identify the organizational factor affecting the employee performance
- ✓ To study the impact of the selected organizational factor on employee performance

#### **Conceptual framework:**



**Figure.1**

**Research Methodology**

The researcher has used the descriptive study of research design. The survey approach was employed to conduct the inquiry. This research has chosen the four key groups of employees in shipping and logistics. They are General Manager, Operations Manager, Executive, and Support Workers. The study was done on workers affected by organizational characteristics and the impaction their employee performance.

Four Shipping and Logistics companies were selected in Tuticorin district based on sales turnover. The population of the research study is 519 employees from various departments of the firms. This includes all employees, including management, senior, and junior employees. Taro Yamani's (1964) proposed mathematical equations are used to calculate the sample for the study which is 220. Simple random sampling was used. Primary data was collected through a questionnaire; a five-point Likert-type questioning scale was employed in the investigation. Secondary Data was collected from official records, books, journals and websites. Statistical analysis was done by SPSS. Descriptive analysis, mean and median were applied. Correlation and Regression have been used for analysis and Intepretation.

**Limitation of Study**

The sample size is limited only to 220. Area of study is Tuticorin as it plays a vital role in India. The shipping and logistics industries were only studied. Thus, the study is limited to these constraints and cannot be generalized.

**Result & Discussion**

**Demographic Profile**

The Demographic profile of the employee in the shipping and logistics industries is analyzed. Primary data from 220 respondents from four shipping businesses, all of which employ Indians as officials, were evaluated to reveal shipping companies' HR policies. The demographics of the complete sample are shown in Table 1.

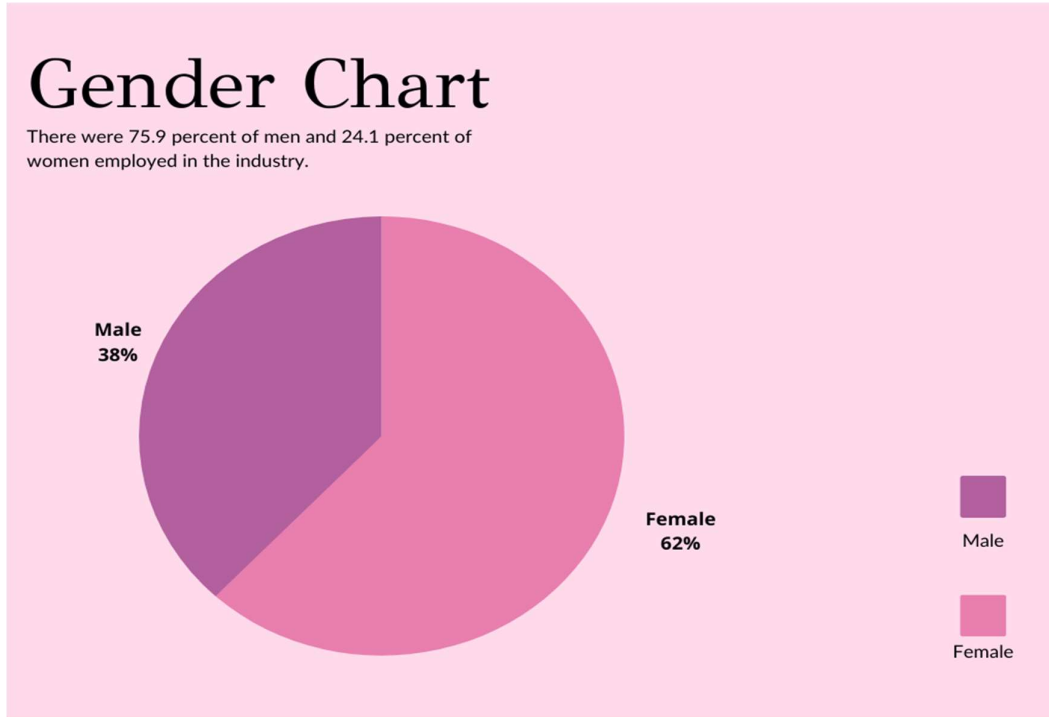
**Table.1-Demographic profile**

Variable	Category	Frequency	Percentage	Mean	Median
Gender	Male	167	76		

Variable	Category	Frequency	Percentage	Mean	Median
	Female	53	24	1.1650	1.000
		<b>220</b>	100.0		
Age	20-30	133	60	1.5350	1.000
	30-40	43	20		
	40-50	36	16		
	50-60	8	4		
		<b>220</b>	100.0		
Designation	General Manager	16	7	1.0037	1.000
	Operation Manager	56	26		
	Executive	103	47		
	Support Staff	45	20		
		<b>220</b>	100		
Education	Master	73	33.2	1.8950	2.000
	Bachelors	91	41.4		
	Diploma	33	15.0		
	Others	23	10.5		
		<b>220</b>	100.0		
Experience	One- Five Year	91	41.4	1.7600	1.000
	Five -Ten Years	80	36.4		
	Eleven-Sixteen Years	36	16.4		
	More Than 17 Years	13	5.9		
		<b>220</b>	100.0		

Sources: Primary data

**Gender:**



There were 75.9 percent of men and 24.1 percent of women employed in the industry.

**Age**

**Designation:**

**Experience:**

The respondents comprised employees such as General Management officers (7.27%), Operation Managers (25.45%), Executives (46.8%), and Supporting Staff (10.45 percent). The majority of the employees are under the age of 30 (60.5 percent). Casual employees are employed by the firm (33.5). When the managers /employees were questioned, their average experience was one year (41.3%).

**Organizational Factors Affecting performance**

To analyze the various Organizational factors affecting employee performance, the Pearson correlation was used. The factor considered for the study is organizational culture, organizational Communication, and organizational commitment.

**Table.2-Organisational factor affecting performance**

Correlation					
		Culture	Communication	Commitment	Employee's Performance
Culture	Correlation of Pearson	1			
	Sig. (Two-Tailed) Tests	-			

	Number of samples	220			
Communication	Correlation of Pearson	.778**	1		
	Sig. (Two-Tailed) Tests	.000	-		
	Number of samples	220	220		
Commitment	Correlation of Pearson	.754**	.779**	1	
	Sig. (Two-Tailed) Tests	.000	.000	-	
	Number of samples	220	220	220	
Employee's Performance	Correlation of Pearson	.722**	.744**	.722**	1
	Sig. (Two-Tailed) Tests	.000	.000	.000	-
	Number of samples	220	220	220	220
**. At the 0.01 level, the correlation is significant (2-tailed).					

**Source: primary data**

Employee performance is closely correlated with Organizational Culture, Communication, and commitment. Organizational Culture, Communication, and Commitment levels are all affected by employee Performance, with 77 percent, 75 percent, and 72 percent, respectively. The result clearly shows a strong positive correlation between organizational factors and employee performance. As a result, with a little effort from the shipping and logistics business, this correlation may be increased even more.

**Impact of an organizational factor on performance:**

Regression analysis was used to analyze the effects of organizational factors on employee performance.

**Table.3-Impact of an organizational factor on employee performance**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. The error in the Estimate
1	0.793 <sup>a</sup>	0.629	0.624	1.04367
a. Predictors: (Constant), Culture, Communication, Commitment.				

**Source: Primary data**



The table input front R was 0.793, indicating a positive association between all four independent variables. The R2 value of 0.629 indicates that the independent variables explained 62.9 percent of the variation in the dependent variable, while other factors accounted for just 37.1 percent, as shown in Table 3. This indicates that the regression model's explanatory and predictive foundations are strong.

**Table .4-Regression coefficient**

Coefficients Analysis						
Model		Coefficients of unstandardized		Coefficients of Standardized	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.794	1.790		2.119	0.035
	Culture	0.275	0.074	0.264	3.712	0.000
	Communication	0.342	0.076	0.336	4.503	0.000
	Commitment	0.282	0.077	0.261	3.656	0.000
a. Dependent Variable: Employee's Performance						

**Source: primary data**

$$\text{Employee performance} = 3.794 + 0.275(\text{organizational culture}) + 0.342(\text{organizational Communication}) + (0.282) \text{ organizational Commitment}$$

Employee Performance would rise by 0.275 per unit change in the independent Organizational culture and development. An increase of one unit in the Organizational Communication approach would result in a 0.342-unit improvement in employee productivity. Employee performance would improve by 0.282 points for every unit increase in organizational commitment and development.

**Findings**

These findings can be used by Human Resource Managers to motivate staff members to set constructive goals, ensuring that employee performance standards are met at all times.

- A study on the demographic profile of the shipping and logistics employees reported that the employees categorized on gender criteria was shown a high percentage of 75.9 male employees employed when compared to females.
- When comparing with the different age groups of working employees, the maximum percentage of 60.5 was observed in the 20 -30 range age group.
- Among the other designations viz., General manager, operation manager and support staff, the high employed designation percentage was reported as executive of 46.8%
- In the overview of the educational qualification of employees in the demographic profile, a high percentage of 41.3 was noted as bachelor graduates were employed.

- The high work experience percentage of employees working in logistics falls under the range between 1 to 5 years with 41.3%
- Employee performance is closely correlated with organizational culture, Communication, and commitment. Organizational culture, Communication, and Commitment levels are all affected by employee Performance, with 77 percent, 75 percent, and 72 percent.
- The Regression analyzed by R-value was 0.793, indicating a positive association between all four independent variables. The R<sup>2</sup> value of 0.629 indicates that the independent variables explained 62.9 percent of the variation in the dependent variable, while other factors accounted for just 37.1 percent

Pearson Correlation coefficient method and regression analysis were subsequently investigated. The variables organizational culture, Communication and Commitment are strongly correlated and increase employee performance. As a result, businesses with a functional organizational structure prioritize profitability and long-term expansion. They would only embrace business sustainability measures if they provided financial benefits, which would be a barrier for them, giving them a definite edge over rivals. The results of a Regression analysis on the relationship between the organizational factor and employee performance showed a strong and positive association between these four factors. This indicates that variables organizational culture, Communication and Commitment, being effective in a company increases employee performance.

### **Suggestion**

- The Human Resource Department of Shipping and Logistics companies assist in creating guidelines and performance management systems that positively impact employee performance and, as a response, advance the firm as a whole.
- The Human Resource Manager may provide feedback following the completion of the employee performance because a lack of it could result in a poor attitude toward the evaluation process.
- The Managers have to ensure that the employees experience the organization's support by providing them with tasks that will enrich their work, increase their level of challenge, give them more responsibility for solving work-related issues, and foster a positive work environment with a spirit of fair competition and cooperation.
- The policy can be modified to raise the overall competency of employees, including adopting a people-centered management approach emphasizing how to respect people, nurture people, satisfy human needs and do their best to foster employee professionalism.
- Employees may be provided the sufficient opportunity and authority to participate in decision-making to increase their sense of responsibility and pride for their company.

### **Conclusion**

Implementing Human Resource Management practices and improving organizational culture, Communication and Commitment are essential for advancing shipping and logistics companies

as well as help to address organizational factor issues. Shipping and logistics management should combine and implement all Human Resource Management initiatives. According to the study's findings, corporate culture and Human Resource Management practices are positively correlated with performance. The study also demonstrates that organizational factors modify the link between organizational factors and employee performance.

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