Anusandhanvallari
Vol 2026, No.1
November 2026
ISSN 2229-3388

# Antecedents of Employee Engagement among MSME Employees in Madurai District: An Empirical Investigation

**D.K. Madhurika[1], Dr. T.R. Jeevapriya[2], Dr. B. Anbazhagan[3]**

[1]Ph.D Research Scholar, (Business Administration) Madurai Kamaraj University, Madurai-625 021

[2]Associate Professor, Research Department of Business Administration, Sourashtra College (Autonomous), Madurai- 625 004

[3]Associate Professor and Head, Research Department of Business Administration, Sourashtra College (Autonomous), Madurai- 625 004

**Abstract:** Employee engagement plays a vital role in improving employee productivity, organizational commitment, and business performance. The present study examines the antecedents of employee engagement among employees working in Micro, Small and Medium Enterprises (MSMEs) in Madurai District. Specifically, the study focuses on five major variables: organizational commitment, procedural justice, job characteristics, organizational engagement, and perceived supervisor support. A descriptive research design with a cross-sectional approach is adopted. Primary data are collected from 160 respondents using a structured questionnaire and stratified sampling technique. Appropriate statistical tools, including frequency distribution, percentage analysis and exploratory factor analysis are considered for data analysis. The study aims to provide insights into the factors influencing employee engagement and help MSME management develop effective human resource practices to strengthen employee involvement and organizational effectiveness.

**Keywords:** Employee Engagement, MSMEs, Organizational Commitment, Procedural Justice, Job Characteristics, Organizational Engagement, Perceived Supervisor Support

## Introduction

Employee engagement has emerged as an important concept in human resource management because of its influence on employee productivity, organizational commitment, job satisfaction, and overall organizational performance. Engaged employees demonstrate enthusiasm, dedication, and active involvement in their work, contributing to organizational effectiveness. Kahn (1990) explained employee engagement through three psychological conditions: meaningfulness, safety, and availability. Similarly, Schaufeli et al. (2002) defined work engagement through three dimensions: vigor, dedication, and absorption.

Employee engagement is particularly important for Micro, Small and Medium Enterprises (MSMEs), where organizational performance largely depends on employee commitment, workplace relationships, and effective managerial practices. Unlike large organizations, MSMEs often operate with limited resources and relatively informal human resource management systems. Therefore, factors such as leadership support, job autonomy, rewards and recognition, organizational justice, communication, and working conditions may significantly influence employee engagement.

Previous studies have identified several important antecedents of employee engagement. Saks (2006) highlighted perceived organizational support, job characteristics, and procedural justice as significant factors. Shuck et al. (2011) established the importance of job fit, affective commitment, and psychological climate. Similarly, Thisera and Wijesundara (2020) demonstrated the positive influence of job resources and personal resources on employee engagement. These findings indicate that both organizational and individual factors contribute to developing an engaged workforce.

Despite the growing body of literature on employee engagement, the findings of previous studies have largely emerged from specific organizational settings, including information technology, healthcare, financial services, manufacturing, and other service industries. Although these studies provide valuable theoretical and empirical insights, their findings cannot automatically be generalized to MSMEs because of differences in organizational size, managerial structures, employment relationships, resource availability, and human resource management practices. For example, engagement practices implemented in large organizations may not operate in the same manner in smaller enterprises where owner-managers frequently perform multiple managerial functions and employees may have overlapping job responsibilities. Moreover, the relative importance of organizational support, leadership behaviour, job autonomy, rewards and recognition, communication, organizational justice, and personal resources may vary according to the nature and operational characteristics of individual enterprises. Slåtten et al. (2022) further demonstrated the importance of organizational culture and collaborative climate in influencing work engagement, thereby highlighting the relevance of organizational context in explaining engagement-related behaviour.

Although employee engagement has been extensively examined in various industries, its antecedents within the MSME sector require further investigation, particularly at the regional level. In this context, the present study focuses on MSME employees in Madurai District to examine the factors influencing their engagement. The study aims to identify the major organizational, managerial, and job-related antecedents of employee engagement and provide empirical insights that may help MSME owners and managers develop effective employee engagement practices and improve organizational performance.

## Literature Review

### Organizational Commitment

Organizational commitment refers to employees' psychological attachment, loyalty, and identification with their organization. Employees who feel emotionally connected to their organization are more likely to demonstrate enthusiasm, dedication, and involvement in organizational activities. Shuck et al. (2011) identified affective commitment as an important variable associated with employee engagement. Therefore, organizational commitment plays an important role in developing positive employee engagement.

### Procedural Justice

Procedural justice refers to employees' perceptions of fairness in the procedures and processes used by an organization to make decisions. Fair treatment, transparent policies, and unbiased decision-making help develop employees' trust and confidence in management. Saks (2006) identified procedural justice as an important predictor of organizational engagement. Similarly, Hirimuthugoda (2014) reported a positive relationship between procedural justice and employee engagement.

### Job Characteristics

Job characteristics refer to the specific features of a job, including skill variety, task identity, task significance, autonomy, and feedback. Meaningful and challenging jobs provide employees with opportunities to utilize their abilities and develop a sense of responsibility. Saks (2006) found that job characteristics positively predict job engagement. Thus, well-designed jobs can encourage employees to become more involved and dedicated to their work.

### Organizational Engagement

Organizational engagement refers to the extent to which employees are psychologically involved, emotionally connected, and dedicated to their organization. It reflects employees' willingness to contribute towards organizational goals and maintain a positive relationship with their workplace. Saks (2006) distinguished

organizational engagement from job engagement and found that perceived organizational support and procedural justice were significant predictors of organizational engagement. Therefore, organizational engagement is essential for strengthening employees' organizational involvement and commitment.

Perceived Supervisor Support

Perceived supervisor support refers to employees' beliefs regarding the extent to which their supervisors value their contributions, provide assistance, and care about their well-being. Supportive supervisors encourage employees through guidance, appreciation, constructive feedback, and effective communication. Hirimuthugoda (2014) identified a positive relationship between perceived supervisor support and employee engagement. Similarly, Thisera and Wijesundara (2020) highlighted supervisor support as an important job resource influencing employee engagement.

**Research Methodology**

The present study adopts a descriptive research design to examine the antecedents of employee engagement among employees working in Micro, Small and Medium Enterprises (MSMEs) in Madurai District. A cross-sectional research approach is employed, wherein data are collected from the selected respondents at a single point in time to understand their perceptions and opinions regarding organizational commitment, procedural justice, job characteristics, organizational engagement, and perceived supervisor support. The study is based on primary data collected through a structured questionnaire designed to obtain relevant information from MSME employees. A total of 160 respondents are selected using the stratified sampling technique to ensure representation of different categories of employees within the MSME population. The collected data are organized, classified, and analysed using appropriate statistical techniques, including frequency distribution, percentage analysis, mean, and standard deviation, to interpret respondents' perceptions and examine the study variables. The findings are expected to provide empirical insights into the factors influencing employee engagement and offer useful implications for improving human resource management practices in MSMEs in Madurai District.

**Analysis and Discussion**

**Business Profile of the respondents**

The percentage analysis indicates that the majority of the respondents belong to micro enterprises (51.25%), while service businesses constitute the largest business category (40%). Regarding ownership structure, sole proprietorship accounts for the highest proportion (47.50%). Most businesses have been operating for 5–10 years (33.75%), and the largest proportion employs 10–20 employees (35.63%).

**Table 1 Percentage Analysis of Business Profile of the respondents**

| S. No. | Business Profile Variables | Categories | Frequency | Percentage (%) |
|---|---|---|---|---|
| 1 | Type of MSME | Micro | 82 | 51.25 |
| | | Small | 51 | 31.88 |
| | | Medium | 27 | 16.87 |
| 2 | Nature of Business | Manufacturing | 58 | 36.25 |
| | | Service | 64 | 40.00 |
| | | Trading | 38 | 23.75 |
| 3 | Ownership Structure | Sole Proprietorship | 76 | 47.50 |

| | | | | |
|---|---|---|---|---|
| | | Partnership | 39 | 24.38 |
| | | Private Limited | 31 | 19.37 |
| | | LLP | 9 | 5.63 |
| | | Others | 5 | 3.12 |
| 4 | Years of Business Operation | Below 5 Years | 35 | 21.88 |
| | | 5–10 Years | 54 | 33.75 |
| | | 11–15 Years | 42 | 26.25 |
| | | Above 15 Years | 29 | 18.12 |
| 5 | Number of Employees | Below 10 | 48 | 30.00 |
| | | 10–20 | 57 | 35.63 |
| | | 21–50 | 37 | 23.12 |
| | | Above 50 | 18 | 11.25 |

**Exploratory Factor Analysis**

The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was found to be 0.889, indicating a high degree of sampling adequacy. This value exceeds the commonly accepted threshold of 0.60 and falls within the meritorious range, suggesting that the sample and correlation patterns are appropriate for conducting factor analysis. Furthermore, Bartlett's Test of Sphericity was statistically significant ($\chi^2 = 4395.544$, df = 406, $p < 0.001$). This indicates that the correlation matrix is significantly different from an identity matrix, confirming the presence of sufficient correlations among the observed variables to justify factor extraction.

Taken together, the KMO and Bartlett's test results establish that the dataset is appropriate for conducting Principal Component Analysis (PCA).

**Table 1 KMO and Bartlett's Test**

| | | |
|---|---|---|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .889 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 4395.544 |
| | df | 406 |
| | Sig. | .000 |

The Principal Component Analysis, followed by Varimax rotation with Kaiser Normalization, extracted five distinct components. The five components collectively explained 73.686% of the total variance in the dataset, indicating a substantial explanatory capacity of the extracted components. The first component accounted for 18.971% of the total variance, followed by the second component (16.685%), third component (14.281%), fourth component (14.266%), and fifth component (9.483%). The cumulative variance explained by the five components was 73.686%, which is above the commonly accepted 60% benchmark in many social science studies. This suggests that the extracted components adequately represent the underlying information contained in the observed variables.

**Table 2 Rotation Sums of Squared Loadings**

| Component | Rotation Sums of Squared Loadings | | |
|---|---|---|---|
| | Total | % of Variance | Cumulative % |
| 1 | 5.501 | 18.971 | 18.971 |
| 2 | 4.839 | 16.685 | 35.656 |
| 3 | 4.141 | 14.281 | 49.937 |
| 4 | 4.137 | 14.266 | 64.203 |
| 5 | 2.750 | 9.483 | 73.686 |

The rotated component matrix, obtained using the Varimax rotation method with Kaiser Normalization, revealed a clear five-component structure. The 29 observed items were grouped into five distinct components according to their respective factor loadings. The interpretation of the five components is as follows:

**Component 1: Organizational Commitment (OC)**

The first component comprises six items representing Organizational Commitment (OC1–OC6). The factor loadings range from 0.756 to 0.899, indicating strong associations between the observed items and the underlying construct. OC1 recorded the highest loading (0.899), followed by OC6 (0.866), OC2 (0.854), OC5 (0.780), OC3 (0.799), and OC4 (0.756). These results indicate that all six items adequately represent the Organizational Commitment construct.

**Component 2: Procedural Justice (PJ)**

The second component consists of seven items measuring Procedural Justice (PJ1–PJ7). The factor loadings range from 0.641 to 0.891. PJ1 recorded the highest factor loading (0.891), followed by PJ2 (0.882), PJ4 (0.849), PJ5 (0.833), PJ6 (0.769), PJ7 (0.693), and PJ3 (0.641).

The relatively high factor loadings demonstrate that the seven observed items are strongly associated with the underlying dimension of Procedural Justice.

**Component 3: Job Characteristics (JC)**

The third component represents Job Characteristics and consists of six items (JC1–JC6). The factor loadings range from 0.700 to 0.891. JC3 recorded the highest factor loading (0.891), followed by JC1 (0.750), JC6 (0.742), JC5 (0.721), JC4 (0.700), and JC2 (0.705). These findings indicate that all six items contribute meaningfully to measuring the Job Characteristics construct.

**Component 4: Organizational Engagement (OE)**

The fourth component comprises six items representing Organizational Engagement (OE1–OE6). The factor loadings range from 0.679 to 0.828. OE5 recorded the highest loading (0.828), followed by OE1 (0.811), OE6 (0.800), OE2 (0.727), OE4 (0.686), and OE3 (0.679).

The results indicate that all six items demonstrate acceptable to strong associations with the Organizational Engagement construct.

**Component 5: Perceived Supervisor Support (PSS)**

The fifth component represents Perceived Supervisor Support and consists of four items (PSS1–PSS4). The factor loadings range from 0.656 to 0.775.

PSS3 recorded the highest factor loading (0.775), followed by PSS1 (0.762), PSS2 (0.690), and PSS4 (0.656). These results suggest that all four items adequately represent the Perceived Supervisor Support construct.

**Table 3 Rotated Component Matrix**

| | Component | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| PJ1 | | .891 | | | |
| PJ2 | | .882 | | | |
| PJ3 | | .641 | | | |
| PJ4 | | .849 | | | |
| PJ5 | | .833 | | | |
| PJ6 | | .769 | | | |
| PJ7 | | .693 | | | |
| JC1 | | | .750 | | |
| JC2 | | | .705 | | |
| JC3 | | | .891 | | |
| JC4 | | | .700 | | |
| JC5 | | | .721 | | |
| JC6 | | | .742 | | |
| OC1 | .899 | | | | |
| OC2 | .854 | | | | |
| OC3 | .799 | | | | |
| OC4 | .756 | | | | |
| OC5 | .780 | | | | |
| OC6 | .866 | | | | |
| PSS1 | | | | | .762 |
| PSS2 | | | | | .690 |
| PSS3 | | | | | .775 |

| | | | | | |
|---|---|---|---|---|---|
| PSS4 | | | | | .656 |
| OE1 | | | | .811 | |
| OE2 | | | | .727 | |
| OE3 | | | | .679 | |
| OE4 | | | | .686 | |
| OE5 | | | | .828 | |
| OE6 | | | | .800 | |
| Extraction Method: Principal Component Analysis.<br>Rotation Method: Varimax with Kaiser Normalization. | | | | | |
| a. Rotation converged in 6 iterations. | | | | | |

**Conclusion**

Employee engagement is an essential factor contributing to the effectiveness and sustainability of MSMEs. The present study focuses on understanding the major antecedents of employee engagement among MSME employees in Madurai District, particularly organizational commitment, procedural justice, job characteristics, organizational engagement, and perceived supervisor support. These factors provide an important framework for understanding employees' workplace experiences and organizational involvement. The study highlights the importance of maintaining fair organizational practices, providing meaningful job responsibilities, strengthening supervisor support, and developing positive organizational relationships. MSME owners and managers should adopt employee-oriented management practices, encourage transparent communication, recognize employee contributions, and create supportive working environments. Such initiatives can help strengthen employee engagement and improve organizational effectiveness. Overall, the study provides a foundation for understanding employee engagement in the MSME sector and offers useful implications for improving human resource management practices.

**References**

[1] Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. Academy of Management Journal, 33(4), 692–724.

[2] Saks, A. M. (2006). Antecedents and consequences of employee engagement. Journal of Managerial Psychology, 21(7), 600–619. https://doi.org/10.1108/02683940610690169

[3] Schaufeli, W. B., Salanova, M., González-Romá, V., & Bakker, A. B. (2002). The measurement of engagement and burnout: A two sample confirmatory factor analytic approach. Journal of Happiness Studies, 3, 71–92.

[4] Shuck, B., Reio, T. G., Jr., & Rocco, T. S. (2011). Employee engagement: An examination of antecedent and outcome variables. Human Resource Development International, 14(4), 427–445. https://doi.org/10.1080/13678868.2011.601587

[5] Slåtten, T., Lien, G., & Mutonyi, B. R. (2022). Precursors and outcomes of work engagement among nursing professionals—a cross-sectional study. BMC Health Services Research, 22, Article 21. https://doi.org/10.1186/s12913-021-07405

[6] Thisera, T. J. R., & Wijesundara, G. A. D. S. (2020). How changes in job resources and personal resources predict employee engagement. Open Journal of Business and Management, 7, 2623–2632. https://doi.org/10.4236/ojbm.2020.86162

[7] Hirimuthugoda, H. R. (2014). Impact of work factors on employee engagement of office employees in private hospitals in Colombo, Sri Lanka. Human Resource Management Journal, 2(1).

[8] Saks, A. M. (2006). Antecedents and consequences of employee engagement. Journal of Managerial Psychology, 21(7), 600–619. https://doi.org/10.1108/02683940610690169

[9] Shuck, B., Reio, T. G., Jr., & Rocco, T. S. (2011). Employee engagement: An examination of antecedent and outcome variables. Human Resource Development International, 14(4), 427–445. https://doi.org/10.1080/13678868.2011.601587

[10] Thisera, T. J. R., & Wijesundara, G. A. D. S. (2020). How changes in job resources and personal resources predict employee engagement. Open Journal of Business and Management, 8, 2623–2632. https://doi.org/10.4236/ojbm.2020.86162