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Influence of Employee Morale on Productivity at Eloiacs Softwa PVT LTD, Ramenputhur, Nagercoil

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Abstract

Employees are the core of the software industry, and the employees' morale is a key trigger for continuous performance and innovation of the organization. While earlier management theories focused on technical performance, modern theories assert that it is important to have clarity of vision and a psychologically conducive environment to solve the problems and ensure success of the organization. This research aims to explore the complicated interdependence between the morale and productivity of the employees working in Eloiacs Software Pvt Ltd. The primary data for this research was collected from a sample of 119 employees through a survey questionnaire from January to April 2026. The methodology employed in this research entailed the use of a descriptive approach where 150 respondents were chosen for measuring the factors of morale. Statistical validity was ensured by the use of Independent Sample T-Test, One-Way ANOVA, and Karl Pearson's Correlation Coefficient. The findings showed that whereas there was no significant difference in morale levels for demographic factors like age and education level ($P > 0.05$), a very strong linear correlation ($r = 0.809$) existed between employee morale and productivity. The results showed that 91% of employees are happy with job policies in place; however, a small gap was seen with respect to career mapping in the long term.

Keywords: Employee Morale, Employee Productivity, Software Industry, Job Satisfaction, Organizational Performance, Employee Engagement.

Introduction

Employee morale can be described as the general satisfaction level, the general outlook on work life, and well-being that employees feel about their place of work. In essence, employee morale shows how the employees feel. Good employee morale shows good motivation levels and high satisfaction levels, which serve as an impetus for improving the performance and productivity of the organization. From the modern day human resources point of view, human capital forms the most important asset that any firm possesses. For

employees to make good use of their skills in advancing organizational objectives, they must feel valued.

Typically, the connection between morale and organizational effectiveness can be seen clearly in the sense that happy workers will feel more energized and will strive to give their maximum effort at work. Modern studies show that worker morale is an important aspect that influences the effectiveness and commitment of workers in offices. Moreover, studies carried out during the COVID-19 period demonstrate that worker morale is extremely responsive to crises, wherein the support and mental health of organizations became an essential factor in maintaining productivity levels. In addition to enhancing individual performance, good morale fosters teamwork and collaboration among members of an organization.

Even though the significance of morale is known and acknowledged, it appears that there are certain hindrances associated with keeping morale levels high in the software industry, which includes workload pressures and limited advancement prospects. While numerous international studies have taken the connection between morale and productivity in consideration, what has not been studied yet is the connection in regard to the impact of work culture, supervisory behavior, and particular welfare measures on productivity. As far as organizational uniqueness are concerned, the Indian software sector has established itself as one of the leaders in the global market due to its talented youth workforce and breakthrough technologies in AI and cloud computing. The impact of employee morale on productivity of EloiacsSoftwa Pvt Ltd has already been explored by researchers from different perspectives. The paper sheds light on the factors motivating the employees that comprise the essence of performance in a technology-based firm. The importance of employee morale in the modern world economy is highlighted through the role of such factors as motivating staff into showing dedication and enthusiasm. High levels of employee morale help workers concentrate on their work and do it with passion. Therefore, high morale leads to higher productivity and high quality of products produced. Moreover, companies focusing on human resource development are likely to be more profitable and have excellent performance standards than those ignoring human capital. It is particularly true about the software sector, which is characterized by stiff competition and an everlasting demand for skilled manpower to cope with fast-changing technology in artificial intelligence and automation. In such an ever-evolving scenario, the attitude of the workforce becomes a crucial instrument to ensure organizational effectiveness and encourage teamwork. Studies have proved that high morale leads to accountability and professionalism, whereas low morale results in absenteeism, labor disputes, and ultimately the defection of skilled personnel to rival firms. The importance of effective communication, good leadership, and adequate incentive schemes plays an important role in the formation of such attitudes towards work from a psychological perspective. Through proper welfare schemes and participation in management schemes, firms can protect themselves from disengagement and burnout. Hence, this research examines these variables through the lens of EloiacsSoftwa Pvt Ltd to find out how such local morale building strategies result in increased organizational efficiency.

Literature Review

According to Adama (2020), there is a direct connection between morale and organizational productivity since morale is considered an essential psychological motivator for performance. High levels of morale have a positive impact on motivation, job satisfaction, and employee engagement, which increases employees' enthusiasm and determination to pursue organizational objectives. Low levels of morale result in disengagement and absenteeism. Adama concludes that organizations need to focus on building morale through recognition programs and supportive leadership as a strategic resource for future development.

In their research, Arun and Agalya (2020) analyzed the effect of morale on personal productivity considering this characteristic as one of the major factors influencing employee productivity and quality. Results of the analysis demonstrated that good morale helps reduce turnover rates, minimize absenteeism, and improve teamwork. According to Arun and Agalya, effective management activities and practices such as respectful treatment, employee involvement in decision-making, and positive workplace atmosphere can help sustain high morale.

In their analysis, Chitra and Madhavi (2021) examined the relationship between employee morale and the performance of organizations in the private sector. According to them, there is a direct correlation between high morale and motivation and job satisfaction, resulting in improved performance of organizations. Leadership style, working environment, and pay are the three main factors affecting the level of morale. The researchers have suggested treating morale as a strategic tool that requires efforts from the managers to ensure high-performance through creation of corporate culture.

On the other hand, Krishna and Murthy (2021) looked into the effect of employee morale on productivity in a particular setting—the steel industry, specifically taking up Vizag Steel Ltd. as a case study. They emphasized the role of morale in influencing behavior, safety, and efficiency in heavy industries like steel works. Poor morale results in labor unrest and lack of concentration among workers, thus posing adverse consequences for productivity levels. It was found that proper welfare programs and fair pay are essential for industrial performance and stability.

Sowmya (2021) investigated the importance of employee morale as a productivity driver in the highly competitive field of information technology. The findings indicated that the level of morale has an impact on the efficiency and cooperation between employees, making it imperative for dealing with the fast-paced environment associated with information technology companies. As per Sowmya, IT specialists would become more committed to working for an organization if they are treated positively by managers and communicate effectively.

Fox (2022) looked into the importance of implementing team building practices as part of a strategy for boosting employee morale and improving performance levels. Team building is not just a social practice but a professional one that fosters trust and collaboration between workers. As a result of team building, workers become emotionally attached to teams, thus experiencing higher job satisfaction and greater psychological wellbeing. The research showed that initiatives like communication training and developing leadership skills can contribute towards the alignment of individual objectives with organizational goals.

Jain & Agarwal (2022) explored the relationship between motivation and morale and its effect on human performance through a case study of Bharti Airtel. The two researchers described motivation and morale as twin psychological phenomena that influence employees' attitudes. In their study, they found out that leadership support and career development are important ingredients for instilling emotional commitment to the company. They conclude that human performance is influenced not only by technical expertise but also psychological and emotional factors.

In another study, Mutharasi & Thaiyalnayaki (2022) examined employee morale in manufacturing companies operating in and around the city of Chennai. Morale is viewed as an important variable that determines organizational success in this research paper as it affects motivation. Working conditions and effective communication in the organization are key components of good morale as identified by the researchers. They advised manufacturing companies to pay close attention to the welfare and recognition of workers to improve their morale and increase their productivity.

The article by Begum et al. (2024) analyzed the “morale crisis” caused by the coronavirus pandemic, specifically examining its impact on productivity. In particular, the research revealed the ways uncertainty, teleworking difficulties, and health problems affected morale adversely and

resulted in the rise of stress and disengagement. Nonetheless, those companies that introduced mental health programs and flexible work schedules were able to cope with this issue better. Thus, the authors claim that employee morale can be greatly influenced by external crises; therefore, it requires empathy-based leadership and adequate organization for proper management.

In addition, *Psychology and Education: A Multidisciplinary Journal* (2024) published an article concerning the effect of job morale on the performance of office employees from the perspective of psychology and behavior. Specifically, it is suggested in this research that highly-morale employees demonstrate greater efficiency and dedication, being involved in productive activities and actively contributing to organizational success. Moreover, the article provides factors that influence job morale, among which are work environment, support from managers, and appreciation of achievements. Overall, high job morale is essential for organizational development.

Research Gap

Even though the earlier studies have made notable contributions to the field, there are still some gaps that need to be addressed. The majority of the literature has concentrated on the general relationship between morale and productivity but has failed to consider the level of morale among the employees in a given organization. There is a lack of literature that considers the three concepts of job satisfaction, engagement, and morale together.

Furthermore, little literature exists that considers the combined effect of work culture, supervisory style, and welfare initiatives on morale and productivity. The majority of the literature provides generalized findings and lacks organization-specific findings and recommendations. Thus, the present study aims to bridge the identified gap by examining the level of morale that exists among the employees and its effect on productivity and the key factors that influence it, so that a practical perspective on the effective utilization of morale for increasing productivity can be achieved.

Objective of the Study

- To assess the existing level of employee morale with respect to job satisfaction and engagement
- To understand the factors which will boost or affect morale in the organization

Research Methodology

Research methodology is quite literally the entity through which research, as well as techniques, methods, and procedures, is conducted in order to collect, analyze, and interpret the research study, thus defining how the research investigation is conducted along with the methodology employed to collect samples, use tools, and analyze results, such that research is conducted in an inherent, scientific, structured, valid, reliable, and authentic manner.

Data Analysis and Interpretation

Karl Pearson's Coefficient of Correlation

Karl Pearson's coefficient of correlation, usually expressed as (r) , is a measure of linear association between two variables (X) and (Y). It not only reflects the strength but also the direction of a linear relationship between any two quantitative variables.

Table 2 Analysis of Karl Pearson’s Coefficient of Correlation between Employee Morale and Productivity at Eloiacs Software Pvt Ltd.

Factors	Employee Morale	Productivity
Employee Morale	1	.764**
Sig. (2-tailed)		0
N	120	120
Productivity	.764**	1
Sig. (2-tailed)	0	
N	120	120

Sources: Primary survey

Note: 1. * denotes significant at 5% level

2. **denotes significant at 1%level

Interpretation

From the Pearson correlation test on the responses from the employees in the company, it is evident that there is a strong positive correlation between Employee Morale and Productivity ($r = .764$). It is clear that due to the fact that the correlation coefficient is significantly high, there exists a strong relationship where an improvement of the components that contribute to employee morale leads to increased productivity by the employees. Due to the fact that the r value is greater than 0.7, then it means that the two variables have a strong correlation. In addition, since the results are statistically significant ($p < .01$), there is no chance that they occurred due to any random error but actually denote a true trend among the labor force. From the data collected, it is clear that the current compensation structures and job conditions are vital; if these aspects are viewed as motivational, then they will become main factors influencing the employee motivation. Therefore, in brief, these results prove that the creation of positive organizational environment through career development and job security can lead to increased production of these workers.

One Way Anova

Analysis of Variance (ANOVA) is a statistical tool that helps in comparing the mean values of different groups to check if there is any significant difference between these values. It helps in identifying differences in the mean values of different independent groups.

Table 3 Analysis of One-Way ANOVA Comparing Educational Qualifications with respect to Factors which will Boost or Affect Morale in the Organization

Factors	Education Qualification					F value	P value
	Under Graduate (Mean, SD)	Post Graduate (Mean, SD)	Diploma (Mean, SD)	Doctorate (Mean, SD)	Others (Mean, SD)		
Efficient grievance process	3.82 (1.07)	3.66 (1.24)	3.38 (1.06)	5.00 (0.00)	3.00 (0.00)	0.775	0.544
Trust in decision-making	3.72 (1.06)	3.89 (0.95)	3.75 (1.04)	5.00 (0.00)	3.00 (0.00)	0.544	0.612
Training programs impact	3.54 (0.99)	3.66 (1.02)	3.38 (0.74)	3.00 (0.00)	5.00 (0.00)	0.774	0.544
Internal factors impact	3.74 (1.10)	3.63 (1.13)	3.38 (1.19)	3.00 (0.00)	4.00 (0.00)	0.327	0.86

Role clarity transparency	3.53 (1.03)	3.50 (1.18)	4.25 (0.71)	3.00 (0.00)	4.00 (0.00)	0.993	0.414
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Source: Primary survey

Note: 1. * denotes significant at 5% level

2. **denotes significant at 1%level

The one-way ANOVA test was performed to evaluate the significance of the impact of educational qualifications on the way employees view certain factors that boost their morale. P values obtained after carrying out the one-way ANOVA test were from 0.414 to 0.860 for all the five factors; all the p values obtained were much higher than the conventional alpha level of 0.05. Therefore, the null hypothesis cannot be rejected, suggesting that the views on the mentioned factors by employees with various educational qualifications are not significantly different. The results indicate that the factors affecting morale of the organization, including proper handling of grievances, trust in management, and training activities, are perceived consistently among the employees. The absence of difference among different groups indicates that the effect of such workplace factors is not related to one’s educational background but applies to everyone universally. This means that from the perspective of the organization, efforts towards improving organizational morale should not be directed toward specific education levels but should be uniform and would prove effective among all employees.

Findings of the Study

Linear Relationship: There exists a strong positive association ($r = 0.764$) between the morale and productivity of employees. This means that as morale increases, the productivity rate increases significantly within the organization.

Statistical Significance: The relationship is statistically significant at 1% significance level ($p < 0.01$). There is therefore less than one percent probability that the correlation between the two variables is by mere coincidence.

Consistent Perception Across Educational Background: ANOVA results show that education background does not affect the perception of employees regarding morale improvement measures such as grievance handling and training.

Universal Influence of Internal Variables: All employees in the four categories (UG, PG, Diploma, and Doctorate) have similar opinions regarding trust and responsibility in decision making, implying that they are universal morale enhancers.

Major Catalysts of Morale: Various factors such as remuneration schemes, job security, and career growth were cited as the key motivators that enhance employee productivity.

Suggestions of the Study

Standardized Engagement Programs: In view of the fact that education does not result in variance, the HR department should come up with standardized programs that can be used to engage all employees without dividing them according to their educational background.

Strengthening of the Process of Handling Complaints: The process of handling complaints should be made clear and extremely responsive since it was one area that had a lot of relevance to all the different respondents.

Expanding Training Programs: Seeing that there are benefits associated with training, the organization can consider developing training programs that will not only enhance skills but also boost morale.

Clear Communication on Organizational Expectations and Goals: Seeing that role clarity and goal clarity did not vary at all among students and non-students, it may be important for management to communicate clearly about what the expectations are in the organization.

Concentrating on Compensation and Job Security: Based on the results of the r-value, the organization should focus on issues of job security and compensation because these two were strongly positively correlated with productivity.

Conclusion

The analysis carried out at Eloiacs Software Pvt Ltd clearly highlights an important relationship between the mental well-being of the employees and the operational performance of the organization. The high correlation coefficient value of 0.764 gives the management an unambiguous message to invest in the well-being of the employees as this is not just a soft Human Resource activity but a factor that affects efficiency directly. Moreover, the findings of One-Way ANOVA give the management a clear picture since there is no variance because of differences in educational background. Therefore, the management can implement a holistic approach in terms of fostering a work environment based on mutual trust, honesty, and development of careers within the organization.

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