



Mediating Effect of Employee Engagement on Its Drivers and Employee Job Performance: A study of the Apparel Sector

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Abstract

Employee participation is when a person puts his or her brain, heart, and hands into their work and organization. Employee engagement has consequently gained traction in management circles. This study aims to determine the mediating effect of employee engagement on its drivers and employee job performance. The identified research gap is the lack of empirical evidence of the mediating effect of employee engagement on the relationship between its drivers such as leadership and work life balance and the consequence on employee job performance. Using a quantitative study, this empirical research gap was bridged in the apparel sector in Sri Lanka. The unit of analysis is individual and the sample size is 100. This cross-sectional study was done in a non-contrived setting with the minimal researcher interference. The structural model highlighted the work-life balance's significant impact on employee engagement and employee job performance, with employee engagement positively affecting employee job performance. While leadership had no clear relationship; further exploration is needed. The mediation analysis confirmed employee engagement's mediating role between work-life balance and employee job performance, offering actionable insights for enhancing employee job performance. The study was limited to the apparel sector in Sri Lanka. Due to the time constraint this study was also limited to a cross-sectional study.

Keywords: *employee engagement, leadership, work life balance, employee job performance*

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Introduction

Employee engagement affects employee outcomes, organizational success, and financial performance (Richman, 2006; Ramanayake et al., 2022). As per Anitha (2014), one of the consequences of employee engagement is employee job performance. Another consequence is organizational financial performance (Iddagoda & Gunawardana, 2017) while Mendis and Weerakkody (2017) mention work-life balance affects the individual as well as the organization. As emphasized by several empirical studies, work-life balance is favorably associated with employee performance and organizational performance (Harrington & Ladge, 2009) while leadership is inspiring, guiding and influencing people when it is necessary (Iddagoda, 2021). Despite the many empirical studies, the empirical research gap is clear that there is no empirical evidence of the mediating effect of employee engagement on the relationship between its drivers such as leadership and work-life balance and the consequence on employee job performance. Research gap was bridged with the five research gaps namely: to identify the impact of leadership on employee engagement; to identify the impact of work life balance on employee engagement; to identify the mediating effect of employee engagement on the relationship between leadership and employee job performance; to identify the mediating effect of employee engagement on the relationship between work life balance and employee job performance; and to identify the impact of employee engagement on employee job performance.

Literature Review

Leadership is a commonly discussed term amongst people at different instances in their day-to-day lives. Leadership has been defined by many, in different ways. Hughes et al. (1993), describe leadership as “the ability to influence others to achieve goals”. Meanwhile, Iddagoda et al. (2022) argue that “leadership is the art of motivating a group of people to act toward achieving a standard goal”. Winston and Patterson (2006), as cited in Sirisena and Iddagoda (2022), conceptualize a leader as “a person who essentially influences diverse followers in order to guide their focus towards achieving organizational objectives”. Employees prefer an employer with whom they can maintain a healthy balance between professional work and personal life. As suggested by Sopian et al. (2022), work-life balance

refers to a condition in which employees move forward with the faith that they can balance their professional work and personal life commitments.

Employee engagement is increasingly recognized as essential for commercial and company performance. According to Tharika et al. (2021), Iddagoda et al. (2016) define employee engagement as “the extent to which an employee gets involved in the job and the organization cognitively, emotionally and behaviorally”. According to Gurugamage et al. (2022), employee job performance is defined as “the overall outcome of an employee fulfilling his/her duty in terms of the quality, effectiveness, efficiency and standards which have been determined in advance”. Ramanayake et al. (2022) mention that quality of work, amount of work, accuracy, speed of work, and employee effectiveness concerning his/her job are all measures of employee job performance.

Methodology

Sekaran and Bougie (2016) describe research design as a blueprint for collecting, measuring, and analyzing data, created for finding answers to the research questions. Sekaran (2003) proposed six elements of a research design. Hence, this is a quantitative study with a sample size of 100 using a non-probability convenience sampling technique. Sampling rule laid by Roscoe (1975) as cited in Sekaran (2003) that is minimum sample should be 30 and maximum sample size should be 500. The purpose of the study is hypothesis testing. Extent of researcher interference with the study is minimal. Type of investigation is correlational and the unit of analysis is individual. Data were gathered from the machine operators from the apparel sector in Sri Lanka. The study setting is non-contrived and the time horizon is cross-sectional.

The mediation involving leadership (L), employee engagement (EE), and employee job performance (EJP), along with the mediation effect of employee engagement on work-life balance (WLB) and employee job performance, was thoroughly examined using SmartPLS 4.0 software. The investigation unfolded in two essential stages: the measurement model and the structural model, employing Partial Least Squares (PLS) modelling. This approach enabled a comprehensive exploration of the intricate mechanisms at play.

To ensure the validity and reliability of the constructs in the study, a comprehensive measurement model analysis using Cronbach's alpha, composite reliability (ρ_a),

composite reliability (ρ_c), average variance extracted (AVE), Heterotrait-Monotrait (HTMT) ratio, and the Fornell-Larcker criterion were used. The study focuses on EE as the mediator, EJP as the dependent variable, and L and WLB as independent variables.

The HTMT ratios indicate acceptable discriminant validity, with values ranging from 0.435 to 0.779. All ratios fall below the recommended threshold of 0.85, underscoring the distinctiveness of the constructs. Furthermore, the Fornell-Larcker criterion supports convergent validity, with the square root of the AVE for each construct exceeding the correlation estimates between constructs.

Structural Model Analysis

This section presents outcomes of the structural model, unveiling complex interactions among EE, EJP, L, and WLB. Metrics include R-squared values (48.1% EE, 46.5% EJP), highlighting explained variance. Effect sizes reveal EE's significant influence on EJP (16.6%), while WLB notably impacts EE (61.6%) and modestly affects EJP (4.1%). Predictive power is supported by Q^2 predict values (0.446 EE, 0.339 EJP), with RMSE (0.767 EE, 0.827 EJP) and MAE (0.620 EE, 0.662 EJP) gauging predictive precision.

The structural model analysis reveals substantial influences on EE and EJP, notably from WLB (EE: $\beta = 0.657$, $T = 7.911$, $p = 0.000$; EJP: $\beta = 0.218$, $T = 1.520$, $p = 0.129$). Leadership displays limited direct effects, moderately impacting both dimensions (L \rightarrow EE: $\beta = 0.066$, $T = 0.688$, $p = 0.491$; L \rightarrow EJP: $\beta = 0.168$, $T = 1.686$, $p = 0.092$). Hypothesis tests reinforce these findings, confirming a strong positive relationship between EE and EJP ($\beta = 0.414$, $T = 2.956$, $p = 0.003$), with WLB significantly impacting both EE and EJP outcomes. However, L's relationships with the constructs exhibit varying significance levels, warranting further investigation.

Table 1

Structural model analysis

	Beta	T statistics (O/STDEV)	P values	2.5%	97.5%
EE \rightarrow EJP	0.414	2.956	0.003	0.140	0.687
L \rightarrow EE	0.066	0.688	0.491	-0.124	0.252
L \rightarrow EJP	0.168	1.686	0.092	-0.029	0.364
WLB \rightarrow EE	0.657	7.911	0.000	0.493	0.816
WLB \rightarrow EJP	0.218	1.520	0.129	-0.070	0.487

Mediation Analysis Results

The mediation analysis explored pathways involving L, EE, EJP, and WLB. While no significant mediation effect was found between L and EJP ($\beta = 0.027$, $T = 0.621$, $p = 0.534$), EE was confirmed as a mediator between WLB and EJP ($\beta = 0.272$, $T = 2.722$, $p = 0.007$). These findings emphasize EE's pivotal role in translating the positive influence of WLB into enhanced EJP, providing valuable insights into organizational dynamics.

Table 1
Mediation analysis

	Beta	T statistics (O/STDEV)	P values	2.5%	97.5%
L -> EE -> EJP	0.027	0.621	0.534	-0.061	0.118
WLB -> EE -> EJP	0.272	2.722	0.007	0.092	0.487

Conclusion

In conclusion, the study utilized comprehensive analysis to unveil relationships involving L, EE, EJP, and WLB. The structural model highlighted the significant impact of WLB on EE and EJP, with EE also positively influencing EJP. While L showed no relationship, further exploration is needed. The mediation analysis confirmed EE's role in mediating the impact of WLB on EJP, offering actionable insights for enhancing EJP through EE and WLB. This study is limited to the apparel sector and also due to the time constraint, this is limited to a cross-sectional study.

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