
The Mediating Effect of Job Satisfaction on the Relationship of Employee Engagement and Employee Performance: Empirical Evidence from non-managerial employees of State Bank of India Raipur, Chhattisgarh region

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Abstract

An organization's progress depends on employee engagement and performance. The satisfaction level also leads to their performance as well as the organization's overall growth. Customers perceived State Bank of India as a reliable bank especially in rural India and the employees doing the job in that bank are regarded as the caretaker and custodians of the villager's hard-earned money. The study analyzes the effect of employee engagement of non-managerial employees at SBI in the Raipur region of Chhattisgarh on their employee performance when mediated through their job satisfaction. The predictor variable was employee engagement, the mediator variable was job satisfaction and the dependent variable was employee performance. The findings revealed that there was a significant indirect effect of Employee Engagement on Employee Performance through Job Satisfaction.

Keywords: Employee Engagement, Employee Performance, Job Satisfaction, State bank of India.

1. Introduction

The healthy well-being of employees is the need of the hour and the HR managers are striving to focus on every effort to survive in a such competitive environment. Employee engagement

has been noted to be a state of job involvement. (Brown, 1996). To achieve excellent results, all employees must be willing to put all of their effort and commitment into their work.

The successful development and efficiency of an organization is directly influenced by Employee absenteeism and fluctuation in work. Performance is a function of opportunity, capacity and willingness with each of these functions having interacting effects with each other. If one among these factors does not have an optimal value in the interacting process, then the performance is bound to be hampered. The capacity of employees to perform can be improved through better recruitment and training activities. The various conceptual, behavioural and technical competencies captured using a competency or skill matrix framework can act as an effective tool to assess the capacity of employees in tune with the job demands.

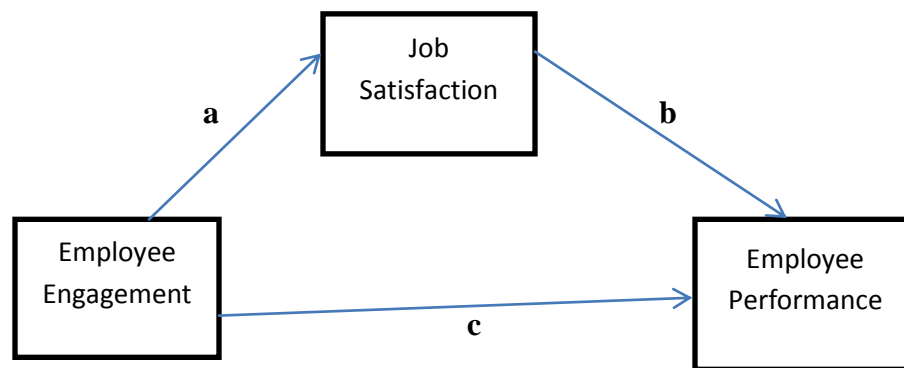


Fig 1: Simple mediation model

2. Literature Review

2.1 Job Satisfaction

Freedom at the workplace, convenient working hours and job security determine Employee Satisfaction. Employee satisfaction is the foundation of employee engagement. According to Brown (1996), job involvement is a state of employee engagement and certain HR policies encourage employee commitment when they are mediated by work satisfaction (Mahmood et al., 2019). Employee satisfaction is enhanced by the work engagement and development perspective. A systematic approach to managing human resources ensures the organization's success (Rana et al. 2019).

According to Mahmoud et al (2018)., an engaged workforce exhibits greater energy, absorption, and dedication, which has a substantial impact on the performance of the firm. Employee satisfaction also increases output levels. Brief and Weiss (2002) noted that several factors have previously had an impact on how people felt at work. Through ranking questionnaires with multiple dimensions, employee satisfaction is measured. Working conditions, opportunities for promotion, age of the occupation, pay, and relationships with coworkers all contribute to job happiness.

2.2 Employee Engagement

Work engagement is a favourable, fruitful mental state that is characterised by zeal, devotion, and immersion. (Schaufeli et al., 2006). Employee engagement, a unique and distinct entity, is made up of behavioural, cognitive, and emotional components that are related to how effectively people perform in their professions. Saks (2006). Employee engagement, according to Saks (2006), is a special and distinct construct made up of behavioural, cognitive, and emotional elements that are connected to how well individuals perform in their roles and an eager, dedicated, and absorbed state of mind is referred to as work engagement (Schaufeli et al., 2002).

2.3 Employee Engagement and Job Satisfaction

An indication of employee satisfaction is how happy they are with their current position and working circumstances, which also includes the amount of effort they are prepared to put forward. The cornerstone for increasing employee engagement is employee satisfaction. According to Brown (1996), a condition of positive and total self-engagement with one's work is employee engagement. Convenient working hours, employment security, and personal independence are all factors that contribute to employee satisfaction at work. Always more productive is a happy employee. A worker cannot be considered engaged in their task unless they are completely satisfied. Employee satisfaction is increased through workplace incentives, growth opportunities, human resources policy, and workplace culture. A happy employee is always willing to put in extra effort for the company's expansion. For the duties assigned to them, they manage their time more effectively. According to Rana et al. (2019), an organization's people resources can be a valuable asset and a source of productivity when they are happy.

2.4 Employees' Performance

As compared to other aspects of human behaviour, behavioural science theories speak more of employee performance and its drivers. It has been a significant challenge to measure job performance. Rotundo (2000) states that the primary focus of job performance is behaviour or actions rather than the results of these behaviours. Employee performance has primarily been judged by supervisor comments, as seen by ratings of performance appraisals, which encompass theoretical and operational skills, professionalism, and contribution to the general organisation.

2.5 Employee Engagement and Employee Performance

According to studies, more engaged employees perform better than those who are less engaged. The methods recommended by Gruman and Saks can be used to achieve high levels of employee performance (2011). The mediating effect of service atmosphere in the forecasting of staff performance and customer loyalty was explored by Salanoya et al. in 2005. They contend that workplace involvement, which in turn affects the service climate, determines employee performance.

Individual success, according to Medlin et al. (2009), is the result of employee optimism, and staff optimism is the result of strong employee engagement. Personal identification and organisational attachment, according to Ghafoor et al. (2011), encourage commitment in employees, which enhances performance. Employee communication and development are strongly connected, and it is the main cause of the precursors (Khalifeh et al, 2013).

Cesario and Chambel (2017) attempted to link organisational commitment and work engagement to employee performance. They were successful in showing a positive relationship between performance and effective commitment, normative commitment, and work engagement, with engagement indicating a greater association with a suitable, demanding working environment, human resources policies, and making employees more passionate about the work.

According to Ismail et al (2019), employee engagement has a favourable effect on job performance when mediated by employee inventiveness.. In addition to the benefits of employee engagement on productivity, loyalty, commitment, and attrition, there is a significant link between organisational culture and performance. Srivastav and Saxena (2015)

2.6 Job Satisfaction and Employee Performance

According to Mohammad Inuwa (2016), there is a significant positive association between job satisfaction and performance among non-academic staff. Employee dissatisfaction, on the other hand, results in poor performance and success barriers. By assessing multidimensional measures of self-esteem, job performance, and job satisfaction, Lopez (2017) concluded that self-esteem moderates the relationship between job performance and job satisfaction and that job contentment moderates the impact of ethical leadership on employees' job performance (Shafique et al. 2018)

3 Objective

To find out the mediating effect of job satisfaction from employee engagement to employee performance among non-managerial employees.

4 Hypothesis

H₁: There is a significant mediating effect of job satisfaction from employee engagement to employee performance.

5 Research Methodology and analysis

The current study is a descriptive study that aims to find out the mediating effect of Job Satisfaction among non-managerial SBI employees on the influence of Employee Engagement on Employee Performance in the Raipur region of Chhattisgarh. The sample consists of 300 non-management personnel spread throughout 55 State bank Branch offices in the Raipur region. The random sample with no replacement consisted of 283 employees.

The scaling technique adopted was 5-point Likert Scales. The questionnaire items for job satisfaction (6 items) and employee engagement (19 items) were taken from scales developed by Datta, H. (2017) and the questionnaire items for employee performance (19 items) were taken from a scale developed by Karthikeyan et al (2012). The employee demographic profile is gauged through 7 items on respondents' basic information.

5.1 Demography of Employees:

IBM SPSS, version 20 software was utilised to analyse the collected data. The PROCESS macro by Andrew f Hayes was utilised for the research's goal and objectives. There were 160 men and 123 women in the study, 209 of whom had degrees and 74 had advanced degrees. At the branch, 112 employees had tenure of more than 5 years, 91 had tenure of 2 to 5 years, and 80 had tenure of fewer than 2 years. 111 people were single, while 172 were married.

5.2 Reliability Test

Cronbach's alpha, which measures internal reliability and is the most popular criterion for reliability testing, was used to verify the reliability.

Table 1. Case processing: Employee engagement, Job satisfaction & Employee performance

Output	Factors		
	Employee Engagement	Job satisfaction	Employee performance
Valid	283	283	283
Cases excluded	0	0	0
Total	283	283	283
N of items	19	6	19
Reliability statistics Cronbach's Alpha	0.904	0.906	0.852

Source: SPSS 20

The calculated value of Cronbach's alpha was equal to 0.904 for employee engagement, 0.906 for job satisfaction and 0.852 for employee performance thus showing a lot of reliability in the research instrument scale for measurement.

5.3 Mediation Analysis

The first hypothesis was tested using Andrew F. Hayes' PROCESS macro. The independent variable (Model 4) was Employee engagement X-EE, It was sum of 19 factors. The mediator variable was Job Satisfaction M-JS (Model 4) which was sum of 6 factors and the dependent variable was Employee performance Y-EP (Model 4). It was taken as the sum of its 19 factors.

Table 2: Mediation analysis

Model: 4

Y: EE = Employee Performance

X : EP = Employee Engagement

M : JS = Job Satisfaction

OUTCOME VARIABLE: JS

Model Summary						
R	R-sq	MSE	F	df1	df2	p
.6607	.4365	15.8727	217.7045	1.0000	281.0000	.0000
Model						
	coeff	se	t	p	LLCI	ULCI
constant	-2.7559	1.7369	-1.5867	.1137	-6.1749	.6631
EE	.3330	.0226	14.7548	.0000	.2886	.3774 (a-path)
JS = -2.7559 +.3330 EE + .0226						

OUTCOME VARIABLE: EP

Model Summary						
R	R-sq	MSE	F	df1	df2	p
.5879	.3456	38.5004	73.9426	2.0000	280.0000	.0000
Model						
	coeff	se	t	p	LLCI	ULCI
constant	44.9207	2.7172	16.5320	.0000	39.5720	50.2694
EE	.3652	.0468	7.8004	.0000	.2731	.4574 (c'-path)
JS	.1718	.0929	1.8493	.0655	-.0111	.3547 (b-path)
EP = 44.9207 + .3652 EE + .0468 JS + .1718 JS + .0929						

Test(s) of X by M interaction:

F	df1	df2	p
7.5152	1.0000	279.0000	.0065

**TOTAL EFFECT MODEL
 OUTCOME VARIABLE: EP**

Model Summary						
R	R-sq	MSE	F	df1	df2	p
.5811	.3376	38.8320	143.2319	1.0000	281.0000	.0000

Model

	coeff	se	t	p	LLCI	ULCI	
constant	44.4472	2.7167	16.3606	.0000	39.0995	49.7949	
EE	.4225	.0353	11.9680	.0000	.3530	.4919	(c-path)
EP = 44.472 + .4225 EE + .0353							

TOTAL, DIRECT, AND INDIRECT EFFECTS OF X ON Y

Total effect of X on Y

Effect	se	t	p	LLCI	ULCI	c_ps	c_cs
.4225	.0353	11.9680	.0000	.3530	.4919	.0553	.5811

Direct effect of X on Y

Effect	se	t	p	LLCI	ULCI	c'_ps	c'_cs
.3652	.0468	7.8004	.0000	.2731	.4574	.0478	.5024

Indirect effect(s) of X on Y:

	Effect	BootSE	BootLLCI	BootULCI	
JS	.0572	.0279	.0054	.1158	(ab-path)

Partially standardized indirect effect(s) of X on Y:

	Effect	BootSE	BootLLCI	BootULCI
JS	.0075	.0035	.0008	.0145

Completely standardized indirect effect(s) of X on Y:

	Effect	BootSE	BootLLCI	BootULCI
JS	.0787	.0379	.0077	.1549

The Level of confidence for all confidence intervals in output: 95.0000

Total Number of bootstrap samples for percentile bootstrap confidence intervals: 1000

Total effect (c) = 0.4225

Direct Effect (c') = 0.3652

Since Direct Effect (.3652) < Total effect (.4225), therefore the mediation is consistent.

Ratio of the Indirect effect (ab) to the total effect (c):

$$P_M = ab / (ab + c') = 0.0572 / (0.0572 + 0.3652) = 0.1354$$

(Source: SPSS-20/PROCESS macro tool)

5.4 Interpretation:- There was a significant indirect effect of Employee Engagement (X) on Employee Performance (Y) when mediated through Job Satisfaction (M), **ab = 0.06, CI [0.005, 0.116]**. The mediator could account for roughly 14 % of the total effect, **P_M = 0.1354**. Therefore the hypothesis is accepted.

The **CI** (Confidence Interval) (0.0054 to 0.1158) for **ab** (0.0572) does not include zero from 0.0054 to 0.1158. Therefore the mediation effect is significant. The *mediation has occurred*. The indirect effect (ab) was significant as the Boot LLCI and Boot ULCI were more than 0.000 for a positive effect of 0.0572.

6 Conclusion

The effect of employee engagement on employee performance is largely mediated by work satisfaction. The degree to which employees are satisfied should be taken into account while crafting the policy. An employee who is happy with their work contributes to the organization's expansion and performs better. Employee engagement directly affects 86 % of employee performance whereas employee engagement when mediated through job satisfaction account for 14 % of the effect on employee performance.

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