



Impact of Employee Engagement and Employee Involvement on Employee Performance

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<p>Keywords: Employee Engagement, Employee involvement, Employee performance</p> <p style="text-align: center;">©DHA SUFFA UNIVERSITY all rights are reserved</p>	

Introduction

Employee engagement is a crucial aspect of modern business environments to which managers must pay close attention (Menguc et al., 2013). Managers need to be able to recognize whether Employees are actively engaged or disengaged in their work, as disengagement can lead to issues such as lack of motivation and commitment. When Employees feel that their work is meaningless, they can become disconnected and indifferent toward their tasks, which can lead to a sense of alienation from their work and themselves (Ayu Putu Widani Sugianingrat et al., 2019). Recent literature emphasizes the significance of understanding the influence of Employee Engagement on their performance (Ahmad et al., 2021). It suggests that management efforts to improve Engagement are ineffective without the genuine involvement and commitment of Employees (Simpson, 2009). This study likely delves into various aspects of Employee Engagement, including its definition, components, and its correlation with performance (Khan, Su'ud, Alam, Ahmad, Ahmad (Ayassrah), et al., 2022). The objective is likely to provide insights that can assist organizations in refining their strategies to enhance Employee Engagement, thereby improving overall performance outcomes (Truss et al., 2013).

Employee involvement is a management strategy designed to boost Employee Engagement and dedication by granting them more responsibility and input in organizational decision-making (Ahmad et al., 2022). This approach stresses the significance of empowering employees to contribute their ideas, skills, and knowledge to enhance organizational performance and achieve shared objectives (Wang et al., 2023). Employee involvement can manifest in various ways, such as participating in decision-making, working in team-based structures, and accessing opportunities for skill development and career advancement (Ahmad, Han, et al., 2023). Studies indicate that organizations that actively engage their Employees in decision-making and problem-solving tend to experience increased Employee satisfaction, enhanced productivity, and improved overall performance (Liu et al., 2022). Moreover, integrating these practices into a high-involvement management system has been shown to result in increased productivity, profitability, and Employee well-being (Ni et al., 2023).

Employee performance includes both the actions an Employee performs and those they avoid. It involves the quality and quantity of their work, their attendance, and their willingness (Ibrahim et al., 2014). To assist others and ensure the punctuality of their tasks (Khan, Su'ud, Alam, Ahmad, Salim, et al., 2022). Suggests that evaluating individual performance can be challenging, indicating that organizations should provide direct bonuses and rewards based on observable performance (Peng et al., 2023). Discovered that recognizing and rewarding Employee performance helps differentiate between various levels of productivity (Li et al., 2023). The effectiveness of an organization's performance and reward management system significantly influences Employee morale and productivity (Irshad et al., 2023).

Literature Review

Employee Engagement

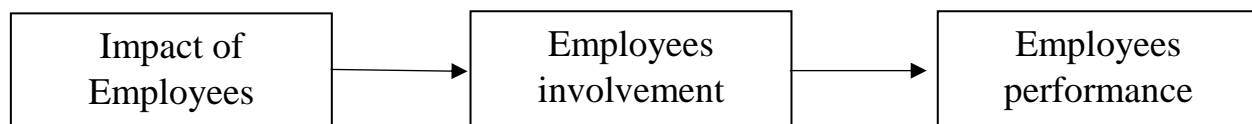
The concept of Employee Engagement is not yet widely understood, and multiple definitions exist, with no universally accepted definition (Dong et al., 2023). Organizations are trying to incorporate Employee Engagement based on their perceptions or what they deem to be practical, unlike concepts such as Total Quality Management (TQM), Lean Management, and Business Process Reengineering, which have been academically proven (Song et al., 2023). Research indicates a strong relationship between job satisfaction, fair compensation, access to the right tools and resources, and Employee Engagement (Abou Houran et al., 2023). The study emphasizes the importance of proper job assignments in enhancing Employee Engagement, suggesting managers should concentrate on minimizing work stress, boosting motivation, and improving the work environment to elevate Engagement levels (Zhan et al., 2024). When employees are given suitable tasks, they encounter less stress and confusion, enabling them to take on additional responsibilities within the organization and leading to higher levels of Engagement (Ahmad, Alam, et al., 2023). This increased Engagement, in turn, results in positive outcomes such as enhanced Employee motivation and commitment to both their work and employer, ultimately leading to improved performance (Xiao et al., 2024). The research also highlights the tendency to prioritize financial factors over non-financial ones when measuring performance (Wu et al., 2024). It argues that while financial factors are essential, non-financial factors should also be considered to measure performance and ensure the long-term success of organizations accurately (Luo et al., 2024).

Employee Involvement

Employee involvement is a management approach that seeks to enhance Employee Engagement and commitment by granting them greater responsibility and participation in organizational decision-making processes (He et al., 2024). This approach emphasizes empowering Employees to contribute their ideas, skills, and knowledge to enhance organizational performance and achieve shared objectives (Ni et al., 2024). Employee involvement can manifest in various forms, including involvement in decision-making, team-based work structures, and opportunities for skill development and career advancement (J., 2014). Research has consistently shown that organizations actively involving Employees in decision-making and problem-solving tend to experience higher levels of Employee satisfaction, productivity, and overall performance (Saks & Gruman, 2014).

Employee Performance

Employee performance can be defined in terms of actions and efforts taken to achieve specific business goals or the results of those actions and efforts (Macey & Schneider, 2008). Definitions based on input focus on what Employees contribute to their organizations, viewing performance as a product of ability and effort, with the latter being linked to Engagement (Rich et al., 2010). On the other hand, Results-oriented statements focus on results and view performance as the financial and non-financial impact of employees' actions affecting their organization (Bedarkar & Pandita, 2014). Pradhan and Jena proposed a three-dimensional definition of performance, distinguishing between work-related behavior, compliance, behavior, and results (Saks, 2006).



Methodology:

The information was collected from Employees working in the private sector of Gwadar district. The study's measures were adapted from existing research. A questionnaire was created using Google Forms for easy distribution among respondents. The researcher shared the Google Forms link with private sector managers, who then circulated it among their colleagues or Employees. It took approximately 20 minutes to complete the questionnaire. A total of 38 Employee responses were collected. The data was analyzed using the Partial Least Squares (PLS) technique with SmartPLS software.

Construct Reliability and validity.

The Reliability and convergent validity of the data gathered from the questionnaire are presented in Table 2 of the Reliability and convergent validity analysis. There are two critical types of Reliability: construct reliability and item reliability. Item reliability is assessed using outer loading values, while construct reliability is assessed using composite Reliability. Both measures should



ideally be 0.7 or higher, although 0.6 can be acceptable in some instances. In Table 2, all items within each construct and the constructs themselves surpass the cutoff point, indicating the Reliability of the data for further analysis. Convergent validity is assessed using the Average Variance Extracted (AVE), which should ideally be 0.5 or higher. All constructs in Table 2 have AVE values exceeding 0.5, demonstrating their convergent validity.

Table 1 Construct Reliability and validity

Constructs	Items	Loadings	CA	CR	AVE
Employee Engagement	EE1	0.859	0.898	0.902	0.712
	EE2	0.776			
	EE3	0.875			
	EE4	0.844			
	EE5	0.860			
Employee involvement	EN1	0.863	0.887	0.888	0.748
	EN2	0.839			
	EN3	0.894			
	EN4	0.863			
Employee performance	EP1	0.893	0.801	0.840	0.631
	EP2	0.810			
	EP3	0.621			
	EP4	0.826			

Discriminant Validity

When we run a structural equation model, three significant measures are employed to determine a construct's discriminant validity. These are the Fornell Larcker criteria, the HTMT values, and the cross-loading values. Numerous researchers advise using HTMT as a more trustworthy metric in variance-based SEM. The discriminant validity Table 3 lists the HTMT values for each construct of the study. The HTMT's cutoff value is 0.85 or less. The table demonstrates that all of the HTMT values are below the threshold values, indicating that the construct's discriminant validity is achieved.

Table 2 Cross-loadings

	Employee Engagement	Employee involvement	Employee performance
EE1	0.859	0.728	0.726
EE2	0.776	0.687	0.617
EE3	0.875	0.791	0.733
EE4	0.844	0.657	0.680
EE5	0.860	0.665	0.694



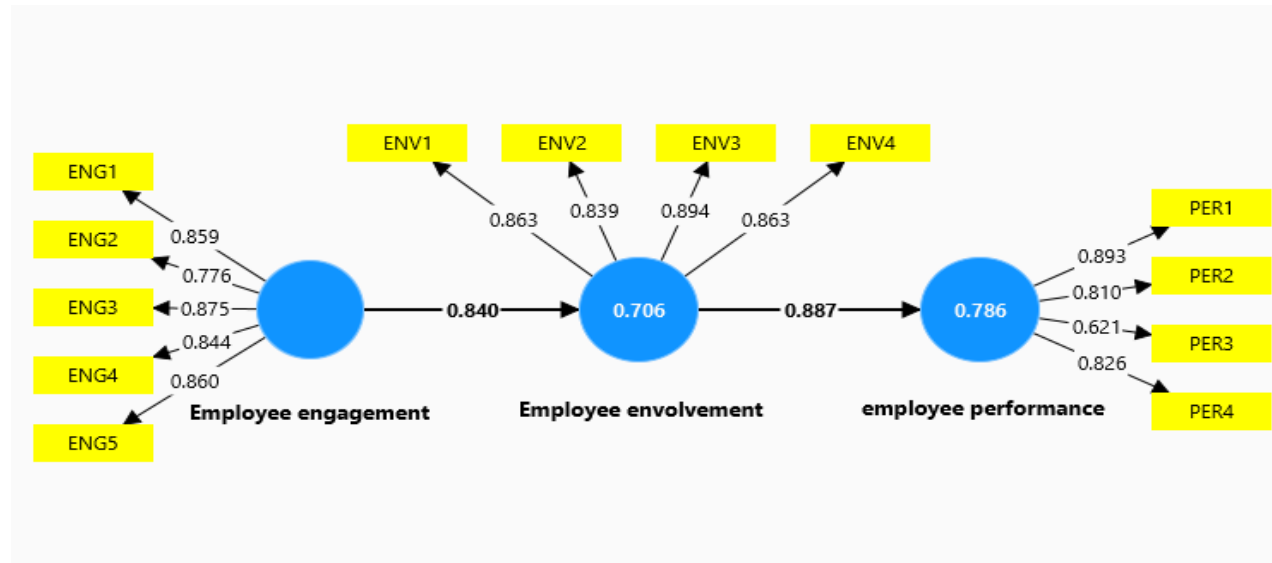
EN1	0.801	0.863	0.755
EN2	0.734	0.839	0.703
EN3	0.692	0.894	0.806
EN4	0.675	0.863	0.802
EP1	0.771	0.837	0.893
EP2	0.504	0.629	0.810
EP3	0.480	0.487	0.621
EP4	0.782	0.795	0.826

Table 3 HTMT MATRIX

	Employee Engagement	Employee involvement	Employee performance
Employee Engagement			
Employee involvement	0.936		
Employee performance	0.943	1.030	

Table 4 Fornell-Larcker criterion

	Employee Engagement	Employee involvement	Employee performance
Employee Engagement	0.844		
Employee involvement	0.840	0.865	
Employee performance	0.820	0.887	0.794



R Square

R Square The coefficient of determination shows how well the independent variable in the sample explains the variance in the dependent variable. Table 5 shows the R-squared values of the model. The R square value in Table 5 is 0.786, indicating that 78.9% of the variation in Employee performance in the private sectors in district Gwadar is due to Employee Engagement and Employee involvement.

Table 5 R-square

	R-square	R-square adjusted
Employee involvement	0.706	0.697
Employee performance	0.786	0.780

Fitness model

After confirming the Reliability and validity of the individual items, it is essential to assess the model's fit. In SmartPLS, various measures such as SRMR, NFI, and Chi-square are used for this purpose. However, researchers suggest that SRMR is the most reliable measure for evaluating the model fit in studies using a PLS-SEM model. The recommended threshold value for SRMR is 0.08 or lower. The table below indicates that the SRMR value for the study's model is below the threshold, indicating that the initial criteria for model fitness have been met.

Table 6 Fitness model

	Saturated model	Estimated model
SRMR	0.096	0.098
d_ ULS	0.841	0.876
d_ G	0.849	0.877

Chi-square	152.884	154.780
NFI	0.673	0.669

Conclusion

Employee Engagement and involvement are critical factors that significantly Impact Employee performance within an organization. Engaged Employees are not only more committed to their work but also exhibit higher levels of motivation and job satisfaction. This heightened Engagement translates into increased productivity and better performance outcomes, benefiting the organization as a whole. When Employees feel involved in decision-making processes and are given opportunities to contribute their ideas and feedback, they develop a sense of ownership and pride in their work. Consequently, this results in greater job satisfaction and a stronger emotional bond with the organization. Engaged and involved Employees are also more likely to go above and beyond their basic job duties, taking initiative and seeking out opportunities for growth and development. Engaged employees tend to have lower rates of absenteeism and turnover, which can be costly for organizations. By investing in Employee Engagement and involvement, organizations can reduce these turnover costs and retain their top talent. Engaged Employees are also more likely to be brand ambassadors for their organization, speaking positively about their experiences to others and attracting top talent to the organization.

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