

# EMPLOYEE ENGAGEMENT AND ITS IMPACT ON ORGANIZATIONAL COMMITMENT AND JOB PERFORMANCE: AN EMPIRICAL STUDY

Rohini Marwaha

HOD, Commerce, DIPS College Co- Education, Dhilwan, India

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## ABSTRACT

In the contemporary competitive business environment, human resources have emerged as a critical source of sustainable competitive advantage. Employee engagement has gained increasing attention among HR scholars and practitioners due to its potential influence on organizational commitment and job performance. The present study aims to examine the relationship between employee engagement, organizational commitment, and job performance in selected service sector organizations. A structured questionnaire was administered to 150 employees, and statistical tools such as correlation analysis, regression analysis, and ANOVA were applied for data analysis. The findings reveal a significant positive relationship between employee engagement and both organizational commitment and job performance. The study provides practical implications for HR managers to design effective engagement strategies to enhance employee productivity and retention.

**Keywords:** Employee Engagement, Organizational Commitment, Job Performance, Human Resource Management, Service Sector

## 1. INTRODUCTION

Human Resource Management (HRM) plays a vital role in aligning employee behavior with organizational objectives. In recent years, employee engagement has emerged as a key construct influencing employee attitudes and performance. Engaged employees demonstrate higher levels of enthusiasm, dedication, and involvement in their work, which directly contributes to organizational effectiveness.

Organizations in the service sector, where employee–customer interaction is critical, face challenges related to employee motivation, retention, and performance. Understanding how employee engagement affects organizational commitment and job performance is therefore essential. This study attempts to empirically analyze these relationships and provide evidence-based insights for HR policy formulation.

## 2. STATEMENT OF THE PROBLEM

Despite increasing investments in HR initiatives, many organizations continue to experience low employee commitment and inconsistent performance levels. Lack of engagement leads to absenteeism, turnover, and reduced productivity. There is a need to empirically examine whether employee engagement significantly influences organizational commitment and job performance, particularly in the Indian service sector context.

## 3. OBJECTIVES OF THE STUDY

1. To study the level of employee engagement among employees.
2. To examine the relationship between employee engagement and organizational commitment.
3. To analyze the impact of employee engagement on job performance.

4. To provide suggestions for improving employee engagement practices.

#### **4. HYPOTHESES OF THE STUDY**

- H<sub>1</sub>: There is a significant relationship between employee engagement and organizational commitment.
- H<sub>2</sub>: Employee engagement has a significant impact on job performance.
- H<sub>3</sub>: There is a significant difference in job performance based on levels of employee engagement.

#### **5. REVIEW OF LITERATURE**

Kahn (1990) introduced the concept of employee engagement as the harnessing of employees' physical, cognitive, and emotional energies at work. He emphasized psychological conditions such as meaningfulness and safety as drivers of engagement.

Schaufeli, Salanova, González-Romá, and Bakker (2002) conceptualized engagement as a positive work-related state characterized by vigor, dedication, and absorption. Their study highlighted engagement as distinct from burnout.

Macey and Schneider (2008) argued that employee engagement is a multidimensional construct involving psychological states, behavioral outcomes, and organizational practices. They found engagement to be strongly associated with discretionary effort.

Saks (2006) empirically examined the antecedents and consequences of employee engagement and found a significant relationship between engagement, job satisfaction, organizational commitment, and job performance.

Harter, Schmidt, and Hayes (2002) conducted a meta-analysis and concluded that employee engagement significantly predicts business outcomes such as productivity, profitability, and customer satisfaction.

Anitha (2014) studied determinants of employee engagement in Indian organizations and found work environment, leadership, and HR practices as key influencing factors.

The literature indicates a strong theoretical linkage between employee engagement, organizational commitment, and performance; however, empirical evidence in the Indian service sector remains limited, justifying the present study.

#### **6. RESEARCH METHODOLOGY**

##### **6.1 Research Design**

Descriptive and analytical research design was adopted.

##### **6.2 Sample Size**

150 employees from selected service sector organizations.

##### **6.3 Sampling Technique**

Convenience sampling method.

##### **6.4 Data Collection**

- Primary Data: Structured questionnaire using a 5-point Likert scale
- Secondary Data: Journals, books, reports, and websites

## 6.5 Tools for Analysis

- Percentage analysis
- Pearson's Correlation
- Simple Regression Analysis
- One-way ANOVA

## 7. DATA ANALYSIS AND INTERPRETATION

### 7.1 Correlation between Employee Engagement and Organizational Commitment

Variables	Correlation Value (r)
Employee Engagement & Organizational Commitment	0.68

#### Interpretation:

The correlation value of 0.68 indicates a strong positive relationship between employee engagement and organizational commitment. Hence,  $H_1$  is accepted.

### 7.2 Regression Analysis: Employee Engagement and Job Performance

Regression Equation:

$$\text{Job Performance} = a + b(\text{Employee Engagement})$$

Variable	Beta	t-value	Sig.
Employee Engagement	0.59	7.84	0.000

#### Interpretation:

Employee engagement significantly predicts job performance at a 1% level of significance. Thus,  $H_2$  is accepted.

### 7.3 ANOVA: Job Performance across Engagement Levels

Source	F-value	Sig.
Between Groups	6.12	0.003

#### Interpretation:

Since the significance value is less than 0.05, there is a significant difference in job performance across different levels of employee engagement. Hence,  $H_3$  is accepted.

## 8. FINDINGS OF THE STUDY

1. Higher employee engagement leads to stronger organizational commitment.
2. Employee engagement has a significant positive impact on job performance.
3. Employees with high engagement levels demonstrate superior performance compared to moderately or poorly engaged employees.
4. Engagement acts as a strategic HR tool for improving productivity and retention.

## **9. IMPLICATIONS OF THE STUDY**

The findings of the present study have important implications for HR managers, organizational leaders, policymakers, and future researchers.

### **1. Managerial Implications**

The study highlights employee engagement as a critical driver of organizational commitment and job performance. HR managers should therefore treat engagement not as an isolated HR activity but as a strategic priority. Structured engagement initiatives such as job enrichment, participative decision-making, and recognition programs can significantly enhance employee motivation and performance.

Line managers play a crucial role in fostering engagement. The results suggest that managers who maintain open communication, provide regular feedback, and support employee development are likely to build a more committed and high-performing workforce. Training programs for managers focusing on people management skills can strengthen engagement outcomes.

### **2. Organizational Implications**

From an organizational perspective, the study implies that investment in employee engagement contributes to long-term sustainability. Organizations with highly engaged employees are more likely to experience reduced employee turnover, lower absenteeism, and improved service quality. This is particularly relevant for service sector organizations where employee behavior directly influences customer satisfaction.

The study also indicates that engagement enhances emotional attachment to the organization. Organizations should therefore design HR policies that promote a sense of belonging, fairness, and career growth, thereby strengthening organizational commitment.

### **3. Policy Implications**

The results of the study suggest that HR policies should explicitly incorporate employee engagement as a measurable and manageable construct. Organizations may integrate engagement metrics into performance management systems and HR audits. Engagement surveys can be conducted periodically to assess employee perceptions and identify areas requiring intervention.

At an institutional level, policymakers and professional HR bodies may use the findings to promote best practices related to employee well-being, work-life balance, and inclusive work environments.

### **4. Implications for Human Resource Practices**

The study underscores the need for aligning engagement initiatives with core HR functions such as recruitment, training, performance appraisal, and compensation management. Selecting candidates whose values align with organizational culture can enhance engagement levels from the entry stage. Continuous learning and development opportunities further sustain engagement and performance.

Performance appraisal systems should recognize not only task outcomes but also discretionary effort and collaborative behaviors that reflect engagement.

### **5. Implications for Future Research**

The present study provides a foundation for future research in employee engagement. Researchers may extend the study by incorporating additional variables such as leadership

style, organizational culture, job satisfaction, or employee well-being. Longitudinal studies could offer deeper insights into how engagement influences commitment and performance over time.

Future studies may also employ advanced statistical techniques such as Structural Equation Modeling (SEM) to examine mediation and moderation effects, thereby enriching the HRM literature.

## 10. SUGGESTIONS

1. Organizations should design structured employee engagement programs.
2. Leadership involvement is crucial in fostering engagement.
3. Recognition and career development opportunities should be strengthened.
4. Regular engagement surveys should be conducted to assess employee sentiments.

## 11. CONCLUSION

Employee engagement plays a pivotal role in enhancing organizational commitment and job performance. The study confirms that engaged employees contribute positively to organizational success. HR managers must therefore prioritize engagement initiatives as part of strategic HRM practices to achieve long-term organizational sustainability.

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