

Employee Engagement and Organizational Performance of Nepalese Financial Sector

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Abstract

Background: A company's success depends on its human resources, and strategies like hiring, training, and empowerment are crucial for raising output and performance. Although empowerment has been associated with favorable results like increased engagement and decreased employee turnover, its impact on organizational performance is still debatable; other research points to problems like inadequate oversight. In order to provide useful insights for management strategies, this study aims to investigate the impact of employee engagement on performance in Nepalese public enterprises—an area that has received little attention.

Purpose: Examining the connection between organizational performance and employee engagement in Nepalese public companies is the goal of this study. The study aims to provide light on how engagement tactics might enhance organizational results and direct management practices in Nepal going forward by examining important engagement variables.

Design and Methodology: Data was gathered from 600 employees of different public firms in Nepal using a survey methodology. Cronbach's Alpha was used to evaluate the measurement tools' dependability; the results showed consistency with a value of 0.758.

Findings: According to the study, organizational success and employee engagement are significantly positively correlated. The significance of the top three engagement indicators was highlighted by the fact that they explained over 80% of performance variation and 86.7% of engagement variation. Higher levels of enthusiasm and drive were displayed by employees with less education and shorter tenure, even if employee engagement was mostly unchanged by gender, education, and work experience. While they struggled to achieve; technological development and research productivity, organizations excelled in community impact, staff retention, and service quality. These results highlight the necessity for firms to prioritize motivation, involvement, and innovation by reaffirming the connection between improved performance and increased engagement.

Conclusion: The study emphasizes how closely organizational performance and employee engagement are related. The reliability of the tools is confirmed by reliability analysis, which yielded a Cronbach's Alpha of 0.758. Over 80% of the variance in employee engagement and performance may be explained by the primary components identified by Principal Component Analysis (PCA). According to descriptive statistics, engagement is stable across many demographic groupings, with higher levels of engagement shown among employees with shorter tenure and lesser qualifications. According to regression research, employee engagement and performance are positively correlated, indicating that raising employee engagement can improve performance as a whole. To promote performance improvements, organizations should give engagement initiatives top priority, especially in research and innovation.

Practical implication: For Public Enterprises seeking to boost productivity, this paper offers insightful information. Emphasizing employee engagement—achievable through greater motivation, involvement, and creativity—allows businesses to improve outcomes like service quality and staff retention. Additionally, it highlights the importance of customized engagement strategies that address the needs of various staff groups, particularly those with different tenure and educational backgrounds. Furthermore, encouraging innovation and establishing inclusive work cultures are essential to maintaining a competitive advantage in the market and ensuring consistent performance across a range of demographics.

Key words: Employee Engagement, Employee Empowerment, organizational Citizenship behavior, and Organizational Performance

Novelty of the study

This study is distinctive because it emphasizes the vital role that employee engagement plays in boosting organizational performance while concentrating on the particular circumstances of Nepalese public companies. By highlighting customized tactics like workforce diversity, empowerment, and a focus on workers with shorter job tenures to improve productivity and service quality, it provides useful insights for both enterprises and governments.

Introduction

Since human resources are now seen as a critical component of a company's ability to survive, it is critical for businesses to make sure that workers are appropriately engaged in order to increase productivity ([Arefin et al., 2018](#)). Human resource management calls for cohesive and effective techniques that guarantee every worker's efforts are focused on the organization's goals ([Tubey et al., 2015](#)). There are several debates surrounding the theoretical comprehension and practical implementation of HRM practices and their connection to performance ([Dundon & Rafferty, 2018](#)).

Several HR procedures and tactics have been proposed to guarantee efficient staff management and enhance performance ([Pirzada et al., 2013](#)). In addition to empowerment, which occurs through leadership intervention, these practices include appropriate recruitment, selection, training, and development ([Cherif, 2020](#)) ([Chhotray, 2017](#)). In an effort to increase participation, profitability, and organizational citizenship behavior ([Saad et al., 2021](#); [Tamunomiebi, 2020](#)), organizations are demonstrating interest in these approaches. This makes employee engagement, empowerment, and organizational citizenship behavior crucial strategies for enhancing both organizational and employee performance ([Marin-Garcia & Bonavia, 2021](#); [Saad et al., 2021](#)).

Despite the abundance of literature on empowerment, empirical research on its impact on company performance has produced conflicting results, which presents a problem for firms looking to implement empowerment programs ([Wall et al., 2005](#)). Findings include inadequate supervision, poor management of authority delegated to subordinates, and the attainment of only modest outcomes ([Turkmenoglu, 2019](#)). However, empowerment has also been linked to favorable individual and organizational outcomes, including increased motivation among employees ([Khan et al., 2020](#)), a competitive edge ([Jordan et al., 2017](#)), a decrease in the intention to leave ([Arefin et al., 2018](#)), positive responsiveness to job demands ([Jung et al., 2020](#)), and improved organizational performance ([Araghi, 2018](#)).

Additionally, some research has shown that organizational citizenship behavior significantly mediates the relationship between organizational performance and empowerment ([Chiang & Hsieh, 2012](#); [Muafi & Marfuatun, 2021](#)), but other studies have found the opposite ([Kariuki & Kiambati, 2017](#)). Furthermore, despite being a prominent mediator between empowerment and performance in the literature ([Natrajan et al., 2019](#)), employee engagement has been positioned as the most difficult issue because of the various regulations in many businesses and its impact on profitability ([Osborne & Hammoud, 2017](#)). An intriguing subject that has not yet been addressed is how employee empowerment affects organizational performance and how other individual behaviors, such as employee engagement and organizational citizenship behavior, affect this relationship.

Given the conflicting research results from academics on the topic, more work is still needed to fully comprehend how employee empowerment affects organizational performance and how organizational citizenship behavior and employee engagement affect this relationship ([Ibua, 2017](#); [Kariuki & Kiambati, 2017](#)).

Employees that are empowered make good use of their skills to enhance service quality and boost individual performance ([Basha & Reddy, 2014](#)). Taking into account how important empowerment is to the organization's performance. Despite a lot of research in this area, there are still a number of unsolved concerns about employee engagement and how it impacts organizational success. More research is needed to understand the basic mechanisms that connect engagement and performance. This would assist companies in creating customized plans to increase worker engagement and improve overall performance results.

The primary purpose of this study is to investigate the relationship between employee engagement and Nepalese public enterprises' performance. Previous study has not given much attention to this topic. By illuminating employee engagement strategies and their influence on performance in Nepalese firms, the findings will provide significant insights into the field of management.

Literature review

Theoretical framework and hypothesis

Theoretical review

Using theoretical perspectives and logic, the connection between employee engagement and organizational performance was examined. Several theories, including Kahn's Engagement Theory, the Job Demands-Resources Model, Self-Determination Theory, and Job Characteristics Theory, were employed to examine the relationship between employee engagement and organizational success. Job Demands-Resources Model holds the idea that employee engagement is influenced by both workplace demands (such workload and time pressure) and job resources (like autonomy, social support, and growth possibilities).

Employee Engagement

According to [Soni \(2013\)](#), employee engagement has become a popular topic in business circles. Employers think they understand this jargon, but when they try to put it into practice, they run into problems. Given the benefits that competitors enjoy, many companies copy best practices' "Employee Engagement" programs. Most, however, become lost after a few steps further. "Employee engagement" cannot be used as a gimmick to increase commitment to one's work, motivation, or productivity. Corporate culture has a big impact on the long-term positive outcomes of these engagement programs.

According to [MacLeod and Clarke \(2009\)](#), Engagement is a workplace strategy meant to ensure that employees are committed to the goals and core values of their organization, motivated to help it succeed, and able to concurrently enhance their own sense of wellbeing. According to [Rothwell \(2010\)](#), engagement is a positive attitude toward one's work as opposed to commitment and job satisfaction. Thus, the full equation of engagement is obtained by matching maximum job enjoyment with optimal job [contribution \(Sharma & Krishnan, June 2012\)](#).

According to these theories, work engagement plays a significant role in assisting workers in developing a deeper level of engagement with their work and mitigating the impact of job burnout. To summarize our main case for employee engagement, several studies have found

that engaged workers are more likely to perform better than disengaged workers ([Fleck and Inceoglu, 2010](#); [May et al., 2004](#); [Saks, 2006](#); [Shuck and Reio, 2011](#)). Positive outcomes including improved job satisfaction, motivation, and performance result from engaged individuals believing they have enough job resources to satisfy expectations ([Hakanen and Hakanen, 2010](#); [Jo, 2023](#); [Mazzetti, et al., 2023](#)). The JD-R model states that the balance struck between the demands and resources of a job shapes employee engagement ([Mazzetti, et al., 2023](#)).

In the end, this balance shows up as energy, commitment, and immersion, all of which are aspects of employee engagement ([Helmi 2020](#)). Individuals' innate motivation and psychological needs are at the heart of the Self-Determination Theory (SDT) ([Bakker 2017](#)). Regarding involvement, SDT suggests that the satisfaction of psychological demands such as autonomy, competence, and relatedness can explain the degrees of commitment and engagement ([Yallem, 2020](#)). Employees are more likely to demonstrate commitment and total immersion in their given responsibilities if they feel competent and accomplished, have a sense of independence in their work, and experience pleasant social interactions and connections ([Getachew, 2016](#)).

According to this construct, engagement and performance are influenced by specific job features ([Adiarani, 2019](#)). This theory view states that autonomy, feedback, work identity, task relevance, and skill variety are important aspects of a job ([Krishnan 2015](#)). Higher performance and satisfaction levels are the result of relevant and challenging work, which is more likely to be experienced by engaged employees ([Han, 2021](#)). The importance of certain work features in fostering employee engagement is heavily emphasized by the work features Model. It is believed that important and stimulating work leads to vigor, dedication, and absorption ([Jaya, 2021](#)).

This approach identifies five critical job attributes that affect people's psychological states and, in turn, their level of engagement: autonomy, feedback, task identity, task relevance, and skill variety ([Adriarani, 2019](#)). William A. Kahn created the involvement Theory, which offers a thorough framework for pens when people bring their whole selves—emotionally and physically—to their jobs ([Huang et al., 2022](#)). It encompasses a profound sense of connection, fulfillment, and involvement in one's work and goes beyond simple job satisfaction. Thus, the complete equation of engagement is obtained by aligning maximum job satisfaction and maximum job contribution ([Sharma & Krishnan, June 2012](#)).

The ideal definition of employee engagement as a stand-alone notion is a positive, satisfying state of mind related to work that is marked by vigor, dedication, and absorption ([Schaufeli et al. 2002b](#)). High levels of energy and mental toughness when working, the willingness to put effort into the work, and perseverance even in the face of challenges are characteristics of vigor, according to [Schaufeli et al. \(2002\)](#). Vigorous employees are considered to be highly engaged. Kahn offers a framework for comprehending the various aspects of employee involvement, such as vigor, dedication, and absorption ([Gupta and Sharma, 2018](#)). Kahn defines employee engagement as a condition of "psychological presence" in which people bring their whole

selves—both mentally and physically—to their jobs. According to this view, the essential elements of involvement are vigor, dedication, and absorption ([Nimon and Shuck 2020](#)).

Employees that are engaged approach their work with more zeal and dedication. Numerous research has examined the connection between employee engagement and structural empowerment, finding a favorable association between the two fields ([Al-Dmour, et. Al., 1999](#); [Marin-Garcia & Bonavia, 2021](#)). According to [Baran and Sypniewska \(2020\)](#), employee engagement demonstrates a company's resilience and the emotional bonds that exist between its employees and the organization.

Organizational Performance

Giving workers the chance to voice their opinions and feelings is one strategy to increase employee engagement and overall business performance, according to research. To sustain high organizational performance, managers and leaders should also respond to the concerns of their staff ([Kular et al., 2008](#); [Business and Talent, 2012](#)). Employee engagement and contribution to business performance are significantly influenced by their attitudes. Competition and profitability depend on recognizing these mindsets ([Shamila 2013](#)). Employee participation in conversations and idea sharing is also necessary for them to be actively involved in the company's strategic initiatives ([Business and Talent, 2012](#)).

Employee attitude has been identified by authors as a critical component of engagement, implying that employee work styles and task approaches are related to engagement ([Dalal, 2012](#)). [Serenson \(2013\)](#) underlined the significance of evaluating employee engagement, pointing out that although many businesses try to increase engagement, it only works if the appropriate components are measured. He clarified that emphasizing involvement can help businesses be resilient even in times of economic adversity.

. According to several academics, high-performing individuals typically possess strong values and high levels of motivation, both of which lead to favorable organizational results ([Abrahama, 2012](#)). Others point out that valuing workers' contributions to business success can be achieved by recognizing their well-being ([Ram and Pravakar, 2011](#); [Purcell 2012](#)). Additionally, [Markos and Sridevi \(2010\)](#) stress that managers and staff must communicate in both directions in order for engagement to be effective and for deficiencies to be recognized and fixed. Enhancing organizational performance might result from senior management's involvement in guaranteeing employee pleasure.

According to studies, there isn't a single, effective strategy for raising organizational performance that benefits every worker. Internal business decisions must be in line with the needs of employees and the external market in order to be effective ([Soylu, 2008](#)). By using tactics including improved staffing, employee perks, knowledge management, training, and branding, some businesses are attempting to increase employee engagement. But for these initiatives to be successful, workers must believe that their workplace is a happy and rewarding place to work where they can contribute to the objectives of the company ([Schmidt and Marsdon 2012](#)).

According to research, improved job performance is not usually the result of higher employee happiness. Sometimes, the things that make workers happy can actually irritate top performers. Successful workers frequently welcome change, look forward to challenges, and demand accountability from their coworkers. Conversely, workers who do worse could be resistant to change, value consistency, and shun accountability ([Nawaj et al., 2014](#)).

Businesses that successfully increase employee engagement in challenging times concentrate on a few essential tactics. Maintaining a long-term vision, mandating quantifiable activities, involving all stakeholders, acknowledging the various demands of employees, and increasing their usage of data analysis and evaluation tools are some of these. Even in times of market decline, improvements are mostly driven by employee expectations and how businesses react to internal and external changes (Hewitt, 2011).

Employee Engagement and Organizational Performance

HR policies and processes relating to performance management, recognition, and awards are crucial for motivating staff to go above and beyond the call of duty and reinforcing desired behaviors. A friendly and inclusive environment that is characterized by open communication, trust, and transparency also significantly improves employee engagement.

The relationship between employee engagement and organizational performance has been extensively studied in a variety of industries and organizational settings. Better organizational outcomes, including greater customer satisfaction, reduced attrition rates, improved productivity, and increased profitability, have been consistently associated with high levels of employee engagement ([Deepalaxmi et al., 2024](#)). However, the relationship between employee engagement and organizational success is complex and multifaceted. Even though a lot of study has focused on the benefits of employee engagement, issues including measurement flaws, cultural variations, and the impact of external factors on engagement levels necessitate further investigation.

These studies suggest that the human resources of an organization influence the connection between performance and engagement ([Shrestha, 2019](#)). Companies can increase engagement and productivity by encouraging a human capital management strategy that facilitates effective collaboration and communication, claim [Moletsane et al. \(2019\)](#). Despite predictions, that it would be delicate and difficult in the years to come ([Osborne & Hammoud, 2017](#)), involvement boosts individual customer happiness and organizational productivity and efficiency ([Horváthová, et al., 2019](#)). Increased job engagement in the service industry has been shown to have a favorable impact on financial gain, and there is a positive correlation between performance and individual work engagement variance ([Bledow, et al., 2011](#)).

These theories provide different perspectives on the basic mechanisms and components that encourage energy, commitment, and engagement within the broader context of employee engagement. Essentially, the aforementioned theories provide a framework for categorizing data, explaining occurrences, developing concepts, projecting results, integrating research findings, and guiding practical. Numerous industries and organizational contexts have seen a great deal of research on the connection between employee engagement and organizational

effectiveness. High levels of employee engagement have been repeatedly linked to better organizational results, such as higher customer satisfaction, lower attrition rates, enhanced productivity, and increased profitability ([Deepalaxmi et al., 2024](#)).

However, the relationship between employee engagement and organizational performance is complex and multifaceted. Although there has been a lot of research on the benefits of employee engagement, issues including measurement inaccuracies, cultural differences, and the impact of external factors on engagement levels necessitate further investigation. Researchers were able to formulate hypotheses thanks to this theoretical underpinning. They help us identify the variables being studied, describe the expected relationships between them, and generate testable hypotheses.

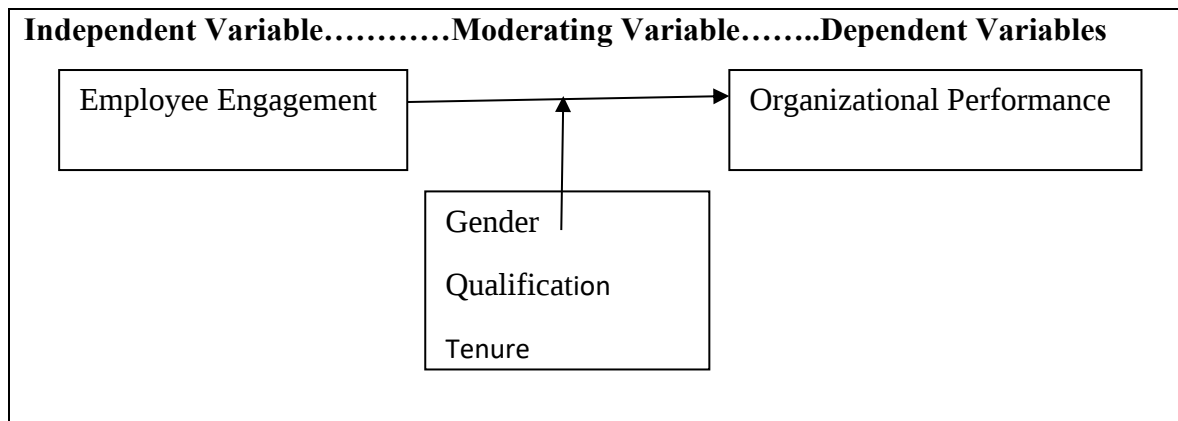
A Human Resource Perspective" is justified due to its strategic importance, the growing interest of scholars in the topic, its practicality for companies, and its ability to address issues with effectively managing employee engagement. Through a comprehensive review of the literature, this study aims to improve our understanding of the connection between organizational performance and employee engagement in order to inform future research and practice in the field of human resource management. Examining the relationship between organizational success and employee engagement in Nepal's banking sector is the main objective of the study. It also looks at how employee engagement affects performance and how tenure, gender, and qualifications affect this moderating influence.

Hypothesis

In order to provide a clear focus and direct the design and analysis of our research, we have developed a set of study hypotheses after examining the theoretical framework previously described. The following hypotheses, which are based on the literature review and research problem, may be useful in determining if employee engagement has a major or partial impact on organizational performance. These are the principal hypotheses derived from the conceptual framework.

1. Employee Engagement (EE) will significantly influence on organizational performance (OP).
2. Work force diversity (WFD) will have moderating impact on the relationship between Employee Engagement and Organizational Performance

Theoretical Framework



Theoretical Framework: Literature Survey

Empirical Review

Employee Engagement

Engagement, according to [MacLeod and Clarke \(2009\)](#), is a workplace strategy meant to ensure that employees are committed to the goals and core values of their organization, motivated to help it succeed, and able to concurrently enhance their own sense of wellbeing. Accordingly, [Rothwell \(2010\)](#) defined engagement as having a positive attitude toward one's work and made a distinction between commitment and job satisfaction. Engagement is more transient and erratic than commitment.

It everything boils down to passion and commitment. It is the willingness to work harder and invest more in the success of the company, going beyond simply being happy with the terms of employment or feeling a basic sense of loyalty to the business. Thus, maximizing job satisfaction and maximizing job contribution align to produce the full equation of engagement ([Sharma & Krishnan, June 2012](#)).

According to [Schaufeli et al. \(2002b\)](#), the ideal definition of employee engagement as a stand-alone concept is a positive, fulfilling state of mind associated with work that is characterized by vigor, dedication, and absorption. According to [Schaufeli et al. \(2002\)](#), vigor is defined as having high levels of energy and mental toughness when working, being willing to put effort into the work, and persevering even in the face of adversities. Active workers are thought to be very engaged.

Maximum job happiness ("I like my work and do it well") and maximum job contribution ("I help achieve the goals of my organization") are aligned when there is full engagement.

Disengaged workers reduce their personal involvement in the mental, emotional, and physical facets of their jobs by "uncoupling" from their duties ([Trusset et., 2013](#)). They are more than merely proud or fervent. They see both the organization's mission and ambitions as well as their personal future. They are motivated and in gear, contributing their skills and free will to their employer's pursuit of long-term corporate success ([GP Strategies, 2013](#)).

Organizational Performance

Several researchers have conducted extensive research on the impacts of employee engagement on organizational performance and have indicated a statistically significant positive correlation ([Diko & Saxena, 2023](#); [Gupta & Sharma 2018](#); [Jaya & Ariyanto, 2021](#); [Kassahun & Raman, 2021](#); [Seddikin et al., 2023](#); [Shirina et al., 2022](#)). However, the concept of engagement remains perplexing, and its relationship with organizational performance is intricate and multifaceted.

Impact of Engagement on Performance

Despite the complex relationship between employee engagement and organizational performance, researchers have suggested that employee engagement has a positive and significant impact on performance. In their study on how employee engagement affects performance, [Gupta & Sharma \(2018\)](#) came to the conclusion that motivated, devoted, and contented workers are more likely to be engaged, which can have a number of beneficial effects.

He continues by saying that inspired employees are more proactive, concentrated, and ready to work harder, which increases productivity and efficiency. [Ikon & Chika \(2017\)](#) found that motivated workers are motivated to accomplish their objectives and make a positive impact on the company. They went on to say that motivated workers are more inclined to share ideas, take chances, and go above and beyond the call of duty, which enhances problem-solving, process optimization, and innovation inside the company.

He goes on to argue that motivated workers are more proactive, focused, and willing to put in more effort, all of which boost output and efficiency. [Ikon and Chika \(2017\)](#) suggested that motivated employees are driven to achieve their goals and contribute favorably to the business. They continued by saying that motivated employees are more likely to take risks, share ideas, and go above and beyond the call of duty, all of which improve internal innovation, process optimization, and problem-solving [levels \(Shiju, 2023\)](#).

Vigor, sometimes referred to as enthusiasm and energy, has a significant positive impact on organizational performance, according to a recent study on employee engagement [by Lopez-Zafra et al. \(2022\)](#). Their study specifically examined the role that work-related energy plays as a mediator in this association. Furthermore, the positive impact of vigor on organizational performance was also shown in another study conducted by [Corbeanu and Iliescu \(2023\)](#). A thorough analysis of the literature was done by [Kurniawati and Raharja \(2022\)](#) in order to look at the several aspects that influence how employee engagement affects an organization's success.

Through a thorough analysis of pertinent research articles published in respectable journals between 2010 and 2022, the study sought to shed light on the relationship between organizational performance and employee engagement. With a p-value of less than 0.01, the results clearly showed a significant correlation between organizational performance and employee engagement. These results suggest that higher levels of employee engagement are linked to enhanced organizational performance. [Jaya and Ariyanto \(2021\)](#) conducted a study

aiming to examine the impact of vigor, dedication, and absorption on the performance of employees at PT Garuda Indonesia Cargo.

Their study's conclusions showed that employee performance is positively and significantly impacted by energy, dedication, and absorption. However, it is important to understand this study's shortcomings. Some of these drawbacks include a small sample size, a limited context because it only looks at the sector head office, and an unknown data collection time. To improve the validity and applicability of the findings, it is suggested that larger and more diverse samples be used in future research. Using longitudinal designs and accounting for additional variables might also increase the findings' robustness and generalizability.

Employees who are actively disengaged are essentially trying to harm their organization. They take up more time from managers, are more likely to be involved in workplace accidents, account for more quality flaws, contribute to "shrinkage," as theft is known, are more likely to be sick, miss more work, and resign more frequently than engaged workers. The actively disengaged, attempt to undo anything the engaged do, including problem-solving, innovation, and acquiring new clients. Conversely, motivated workers make the best coworkers. They work together to create an agency, institution, or organization, and they are responsible for all positive outcomes there. These workers are engaged, passionate, and dedicated to their jobs. They seek for new and improved methods to accomplish goals and are aware of the extent of their work. They give their work their whole psychological attention. Additionally, they are the only ones in a company who can bring in new clients.

Research Methodology

The field survey is conducted to measure the perception of respondent in the study. Descriptive and analytical nature of this study depends on primary data that was collected from public enterprises (Nepal). Non-probability convenience surveys are designed to generate the data with administering structured questionnaire. Each dependent and independent variables are constructed to obtain responses from employee. The questionnaire were from the study of likert-scale and questionnaire has adopted from the study of [Dawit and admassu \(2024\)](#) and 9 items for engagement and 9 items for organizational performances. This study followed quantitative statistical technique to describe the relation of employee engagement and organizational performance with consisting of descriptive statistical tools; mean, standard deviation, principal components analysis and inferential statistical tools, correlation analysis and regression analysis as per the necessity of the study.

As sample for organizational work groups, it was chosen to use employees from the Public enterprises (Nepal). The enterprise is chosen using non-probability convenient sampling techniques.

In this sector, employee engagement strategies and organizational performance is quite different from other public and private organizations of Nepal. This enterprise is suffering from quality related problem in terms of qualitative product and service delivery. It observed that the level of employee engagement is low in this sector, basically in side of employee satisfaction. The employees were chosen from administrative and technical filed.

In the study, 625 questionnaires were distributed to the employee working in the public enterprises and 600 usable responses were collected which was used in this study.

This study is totally dependent on primary data that was collected from the employee of public enterprises of Nepal. Structured questions were set for retaining of the information from respondent through Likert scale concept. The study has used 5-point Likert Scale to express the extent of respondents' opinions that is generally prefer in Nepalese context especially in social behavior research. The questionnaire covered independent variables- employee engagement and dependent variable—organizational performance. The respondent's agreement or disagreement with the given statements was measured with Likert items with strongly agree to strongly disagreement. Structured questionnaire including three segmentations; 1) respondent details 2) questions items regarding to employee engagement 3) questions items including organizational performances constructions were placed in questionnaire.

This study is based on following diversity work group. Various age groups, positions, gender and nature of job of employee were selected as the respondent so as to make is draw inference over the demography variables. The gender composition of the respondent is presented in following table.

Table 1 Gender Profiles	
Gender	No. of Respondents
Male	192
Female	408
Total	600

Table 1 shows the total number of respondents (600) and among them male respondents are 192 (32%) and female respondents 408 (68%) who have returned the usable questionnaires for the study purpose.

Reliability Analysis

Table 2. Reliability of The Variables		
Variables	Cronbachs' Alpha	No. OF items
Employee Engagement	0.743	9
Organizational Performance	0.721	9
Over all	0.758	18

The reliability analysis of the study variables using Cronbach's Alpha, an internal consistency indicator, is shown in the table. Employee engagement's Cronbach alpha is 0.743, organizational performance's is 0.721, and the total Cronbach alpha is 0.758. This shows the dependability coefficient for each variable and A higher score that is closer to 1 indicates better internal consistency. The number of items—18 overall, including 9 items for organizational performance and 9 items for employee engagement—indicates the total number of items

utilized to measure each variable. The overall Cronbach's Alpha of 0.758, which denotes sufficient reliability, shows that the measurement scale is reliable and suitable for use in research.

Results and Analysis

Tables containing descriptive and inferential statistics are offered in this section of the study along with an interpretation of the data they include.

Table 3 Principal Component Analysis of Employee Engagement

S.No	Initial Eigen Value			Extraction Sum of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.005	44.500	44.500	4.005	44.500	44.500
2	2.745	30.498	74.998	2.745	30.498	74.998
3	1.055	11.727	86.724	1.055	11.727	86.724
4	.519	5.768	92.492			
5	.371	4.125	96.617			
6	.215	2.392	99.009			
7	.089	.991	100.000			
8	2.716E-15	3.018E-14	100.000			
9	1.808E-17	2.009E-16	100.000			

Extraction Method: Principal Component Analysis

The findings of a Principal Component Analysis (PCA) on employee engagement are shown in the table. Key components that account for the majority of the data variability are found using PCA. The first component is the most significant factor in employee engagement, accounting for 44.5% of the total variance with an eigenvalue of 4.005. When coupled with the first component, the total variance is 75%. The second component, which has an eigenvalue of 2.745, contributes 30.5% of the variance. With the third component contributing 11.7% of the variation, 86.7% of the variance is explained. With eigenvalues less than 1.0, the remaining components after the third one make relatively little additional contribution to the explanation of employee engagement. The first three factors are the most important in understanding employee engagement because they account for 86.7% of the overall variance.

Table 4 Principal Components Analysis of Organizational Performance

S.No	Initial Eigen Value			Extraction Sum of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %

1	3.040	33.781	33.781	3.040	33.781	33.781
2	2.826	31.402	65.184	2.826	31.402	65.184
3	1.372	15.249	80.432	1.372	15.249	80.432
4	.754	8.379	88.811			
5	.459	5.101	93.912			
6	.262	2.913	96.824			
7	.171	1.904	98.729			
8	.114	1.271	100.000			
9	2.637E-16	2.930E-15	100.000			

Extraction Method: Principal Component Analysis.

Table 4 presents the results of a Principal Component Analysis (PCA) used to assess organizational performance. The PCA extracts important components or factors that explain the variance in performance data. The "Initial Eigen Value" column shows the raw eigenvalues for each component. As the components value rises, so does its importance in understanding the data. For example, with an eigenvalue of 3.040, the first component is the most important in explaining variation. The "Total % of Variance" column displays the proportion of each component to the overall variance in the data. The first component accounts for 33.781% of the variance, the second for 31.402%, the third for 15.249%, and three components account for more than 80 percent of the variance. The table indicates that the top three elements are the most crucial for understanding the data overall, explaining over 80% of the variation in organizational performance. The other components contribute less, with a combined percentage of only less than 20%.

Table 5 Descriptive Statistics of Employee Engagement with moderating effect of Gender

Components'	Male		Female		Total	
	Mean	Std.	Mean	Std.	Mean	Std.
I am able to keep working long hours in my job	3.73	0.594	3.70	0.833	3.71	0.764
I feel like I'm brimming with energy at work	3.61	0.519	3.58	0.817	3.59	0.734
Even when things don't go my way, I always keep going	3.67	0.608	3.67	0.839	3.67	0.772
Workers at this university take pride in their organizational efforts	2.77	0.434	2.71	0.491	2.73	0.474
Employees of this university are proud of the work that they do in organization.	2.77	0.434	2.71	0.491	2.73	0.474

When I am working in an organization, time flies	3.27	0.817	3.20	0.883	3.22	0.862
I am glad when I work hard in Organization.	3.05	0.722	2.94	0.746	2.98	0.740
I find it hard to separate myself from my work when I wake up in the morning	3.21	0.444	3.22	0.526	3.22	0.501
I believe it is morally right to devote myself to organizing.	3.71	0.662	3.69	0.734	3.69	0.711

This table presents descriptive statistics on employee engagement, considering gender differences (male and female). It includes averages (means) and variability (standard deviations) for various aspects of engagement.

Both men and women have similar views on working long hours, with an overall mean of 3.71 and a standard deviation of 0.764. The statement "I can continue working long hours" has a mean of 3.73 (Std. Dev. 0.594) for males and 3.70 (Std. Dev. 0.833) for females, showing greater variability in women's responses. For the statement "I feel like I'm bursting with energy at work," men reported a mean of 3.61 (Std. Dev. 0.519), while women had a mean of 3.58 (Std. Dev. 0.817). The overall mean is 3.59, suggesting both genders feel energetic at work, though women's responses vary more.

Regarding "I never give up, even when things don't go as planned," both men and women had an identical mean of 3.67, but the standard deviation was 0.608 for men and 0.839 for women, indicating more variation in female responses. The statement "Employees of this university are proud of their work" showed slightly higher pride levels among men than women. The overall mean was 2.73 (Std. Dev. 0.474), with men at 2.77 (Std. Dev. 0.434) and women at 2.71 (Std. Dev. 0.491).

For "Time flies when I work here," men had a mean of 3.27 (Std. Dev. 0.817), while the overall mean was 3.22 (Std. Dev. 0.862). This suggests both genders feel time passes quickly at work, though men slightly more so. The statement "Working hard at this company makes me happy" had a mean of 3.05 for men and 2.94 for women, with an overall mean of 2.98. The standard deviation was 0.740 for men and 0.722 for women, indicating moderate variability in responses.

For "I feel enthusiastic about going to work in the morning," the mean was 3.22 for both men and women, with standard deviations of 0.444 and 0.526, respectively. This suggests both genders feel somewhat excited about work. Regarding "I believe it is morally right to devote myself to this university," both men and women had a mean of 3.69, though women's responses varied more (Std. Dev. 0.734 vs. 0.662 for men).

Overall, men and women have similar engagement levels, with only slight differences in their responses. The standard deviations show that female responses tend to be more varied for some statements.

Table 6 Descriptive Statistics of Employee Engagement with moderating effect of Qualification

Components'	Plus two		Bachelors		Master Plus	
	Mean	Std.	Mean	Std.	Mean	Std.
I am able to keep working long hours in my job	3.91	0.868	3.71	0.757	3.64	0.776
I feel like I'm brimming with energy at work	3.77	0.813	3.60	0.732	3.50	0.727
Even when things don't go my way, I always keep going	3.77	0.839	3.68	0.767	3.59	0.783
Workers at this university take pride in their organizational efforts	2.91	0.426	2.74	0.466	2.61	0.513
Employees of this university are proud of the work that they do in organization.	2.91	0.426	2.74	0.466	2.61	0.513
When I am working in an organization, time flies	3.41	0.734	3.23	0.850	3.11	0.952
I am glad when I work hard in Organization.	3.36	0.727	3.00	0.739	2.74	0.686
I find it hard to separate myself from my work when I wake up in the morning	2.91	0.426	3.21	0.490	3.34	0.544
I believe it is morally right to devote myself to organizing.	3.59	0.796	3.70	0.704	3.68	0.736

The following mean scores and standard deviations are used in the table to examine employee engagement according to qualifications (Plus Two, Bachelor's, Master's+): Employees with lower qualifications (Plus Two: 3.91) are more eager to work long hours than those with master's degrees (3.64). Higher credentials are correlated with reduced energy at work (Master's: 3.50, Plus Two: 3.77). Perseverance decreases with education (Master's: 3.59, Plus Two: 3.77). The staff members take delight in higher qualifications is associated with less pride, according to work (Plus Two: 2.91, Master's: 2.61).

Qualified personnel believe time flies more quickly, according to the Less-e response on time perception (Plus Two: 3.41, Master's: 3.11). In terms of job satisfaction, the reaction decreases with education (Plus Two: 3.36, Master's: 2.74), while master's holders (3.34) express greater willingness to work than Plus Two (2.91). and moral commitment doesn't change at any level. Employees with less training are more vivacious, tenacious, and content.

Employees with more qualifications are more motivated to work but feel less engaged. At every level, moral commitment is the same.

Table 7 presents descriptive statistics on employee engagement across three tenure groups: 1–10 years, 10–20 years, and over 20 years. It includes the mean and standard deviation for various engagement-related statements.

Across most components, engagement levels remain fairly consistent across tenure groups, with slight variations. Employees with over 20 years of tenure generally report the highest engagement, particularly in perseverance (3.73) and moral dedication (3.88). Meanwhile, energy levels and long working hours show minor fluctuations but remain similar across tenure groups.

Table 7 Descriptive Statistics of Employee Engagement with moderating effect of Tenure

Components'	1-10		10-20		20 above	
	Mean	Std.	Mean	Std.	Mean	Std.
I am able to keep working long hours in my job	3.71	0.735	3.70	0.769	3.76	0.830
I feel like I'm brimming with energy at work	3.60	0.694	3.58	0.740	3.64	0.822
Even when things don't go my way, I always keep going	3.65	0.730	3.67	0.780	3.73	0.839
Workers at this university take pride in their organizational efforts	2.75	0.437	2.73	0.481	2.70	0.529
Employees of this university are proud of the work that they do in organization.	2.75	0.437	2.73	0.481	2.70	0.529
When I am working in an organization, time flies	3.25	0.836	3.22	0.867	3.18	0.917
I am glad when I work hard in Organization.	2.99	0.710	2.98	0.746	2.94	0.788
I find it hard to separate myself from my work when I wake up in the morning	3.25	0.437	3.21	0.512	3.18	0.584
I believe it is morally right to devote myself to organizing.	3.44	0.663	3.76	0.710	3.88	0.696

However, pride in work and happiness at work show lower mean values across all groups, indicating relatively weaker sentiments in these areas. Interestingly, longer-tenured employees show a slight decline in feeling that “time flies” at work, possibly reflecting a shift in perception over time. Overall, tenure appears to have a minor but noticeable moderating effect on engagement levels.

Table 8 Descriptive Statistics of Organizational Performance with moderating effect of Gender						
Components'	Male		Female		Total	
	Mean	Std.	Mean	Std.	Mean	Std.
Are the university's services routinely evaluated to take into account evolving customer needs?	3.77	0.655	3.84	0.695	3.82	0.683
The organization's customer satisfaction rate is high.	3.79	0.662	3.73	0.645	3.75	0.651
Company's work-life policies are effective at inspiring, luring,	3.91	0.615	3.91	0.542	3.91	0.566
Company can Keep us in the long-term.	3.96	0.722	4.00	0.687	3.99	0.696
The organization has a low staff turnover rate.	4.10	0.678	4.12	0.663	4.12	0.668
University community services boosted local communities' livelihoods in the university's catchment areas.	2.78	0.414	2.74	0.442	2.75	0.433
The organization releases an adequate amount of research products. each year	2.78	0.414	2.74	0.442	2.75	0.433
Every year, the organization publishes a number of articles in respected journals.	3.28	0.802	3.24	0.843	3.25	0.830
Numerous technologies were developed and introduced to the local population.	4.30	0.472	4.32	0.497	4.31	0.489

Descriptive statistics of organizational performance are shown in this table, taking into account the moderating influence of gender (male and female) on a number of factors pertaining to the services and production of a university.

With mean scores ranging from 3.73 to 3.84, both men and women gave the regular evaluation of university services and customer satisfaction excellent marks in relation to public enterprises services and customer satisfaction. Ratings differ slightly, with men scoring slightly higher on customer satisfaction (3.79) and women slightly higher on service reviews (3.84). The mean scores for both genders on the work-life balance and staff retention statement were similar at 3.91, indicating considerable agreement over the effectiveness of work-life balance strategies. In a similar vein, both groups acknowledged low staff turnover, with mean ratings close to 4.00 suggesting great satisfaction with staff retention tactics.

Regarding Community Impact and Research Output, it reveals that both male and female respondents concurred that the institution had a beneficial impact on local communities (mean of 4.12). The amount and exposure of the university's research activities may be improved, though, as research output and publications were rated lower (around 2.75). While the

recognition of university academics through editorial board memberships in journals received a high rating (mean of 4.31), which reflected well on the university's academic reputation, the transfer of technology to local communities received a relatively high score (around 3.25). Although there is potential for growth in research production and technology transfer, the table shows that overall, there is a solid perception of the university's academic recognition and community effect. Across all components, gender disparities in ratings are often negligible.

Table 9 Descriptive Statistics of Organizational Performance with moderating effect of Education

Components'	Plus two		Bachelor		Master above	
	Mean	Std.	Mean	Std.	Mean	Std.
Services of the university are regularly reviewed to reflect changing client needs?	3.86	0.710	3.82	0.690	3.81	0.641
Customers' satisfaction is high in organization.	3.77	0.685	3.74	0.654	3.75	0.630
Work-life balance practices of university are efficient that motivate, attract and retain us in organization.	3.95	0.575	3.91	0.568	3.91	0.560
Staff turnover is low in organization.	3.95	0.653	3.98	0.700	4.01	0.703
Livelihoods of local communities in the catchment areas of organization. were improved by university community services	4.05	0.575	4.11	0.668	4.16	0.693
Sufficient numbers of research outputs are released from organization every year	3.00	0.000	2.76	0.427	2.63	0.487
There are a number of publications in the reputable journals from this university every year	3.00	0.000	2.76	0.427	2.63	0.487
Several of technologies were innovated and transferred to local community	3.50	0.512	3.26	0.820	3.12	0.932
We have researchers who are members of editorial boards of national or international journals	4.41	0.590	4.31	0.487	4.33	0.473

Table 9 presents descriptive statistics on organizational performance across three different education levels: Plus Two, Bachelor, and Master Above. The components evaluated include various aspects such as university services, customer satisfaction, work-life balance, staff turnover, community service, research output, publications, technology transfer, and the involvement of researchers in editorial boards.

The mean ratings for how well university services are reviewed to meet changing client needs are relatively consistent, ranging from 3.81 to 3.86. Customer satisfaction is similarly high across all education levels, with means around 3.74 to 3.77. Ratings on work-life balance

practices are high across all groups, with means between 3.91 and 3.95. Staff turnover is also positively viewed, with ratings slightly increasing from Plus Two (3.95) to Master Above (4.01), indicating better retention at higher education levels.

The perceived improvement in local communities through university services is quite high (4.05 to 4.16), showing a positive effect across all groups. However, research output is rated lower, especially at the Plus Two level (mean of 3.00), and it decreases further at the Bachelor and Master levels (2.63 to 2.76), suggesting room for improvement in this area. The ratings for publications in reputable journals are low across all education levels, with a mean of 2.63 to 2.76. Similarly, technology innovation and transfer to the local community are less favorable, with a slight decline as education level increases (mean ranging from 3.50 to 3.12).

This component is highly rated across all education levels, with means ranging from 4.31 to 4.41, indicating strong involvement of researchers in editorial boards of national and international journals. In summary, the data suggests that while overall satisfaction and community service impact are positive, there are areas such as research output, publications, and technology transfer that could benefit from improvement, especially as the education level increases.

Table 10 Descriptive Statistics of Organizational Performance with moderating effect of Education

Components'	1-10		10-20		20 and above	
	Mean	Std.	Mean	Std.	Mean	Std.
Services of the university are regularly reviewed to reflect changing client needs?	3.84	0.674	3.82	0.674	3.76	0.830
Customers' satisfaction is high in this organization	3.79	0.673	3.73	0.647	3.73	0.626
Work-life balance practices of university are efficient that motivate, attract and retain us in this organization	3.93	0.582	3.90	0.565	3.97	0.529
Staff turnover is low in this organization	3.99	0.687	3.97	0.700	4.15	0.712
Livelihoods of local communities in the catchment areas of enterprises were improved by university community services	4.11	0.648	4.10	0.672	4.30	0.684
Sufficient numbers of research outputs are released from these enterprises every year	2.75	4.37	2.75	0.433	2.76	0.435
There are a number of publications in the reputable journals from these enterprises every year	2.75	4.37	2.75	0.433	2.76	0.435
Several of technologies were innovated and transferred to local community	3.25	0.836	3.25	0.829	3.27	0.839

We have researchers who are members of editorial boards of national or international journals	4.29	0.474	4.32	0.490	4.33	0.540
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Organizational performance descriptive data are shown in Table 10, with particular attention to the moderating influence of educational attainment in three categories: "1-10 years," "10-20 years," and "20 years and above." The mean and standard deviation for each of the PE's performance metrics are included.

All groups have consistently high mean ratings (range from 3.76 to 3.84), suggesting that most respondents concur that business services are often assessed to satisfy customer expectations. There appears to be some variance in the responses, as indicated by the moderate standard deviations. With standard deviations ranging from 0.626 to 0.673, which indicate a small variance in opinions, scores stay very similar (3.73 to 3.79), demonstrating that satisfaction levels are evaluated similarly across all experience groups.

The group with more than 20 years of experience has the highest mean score for work-life balance practices, which ranges from 3.90 to 3.97. According to the results, which show comparatively little variation (standard deviations ranging from 0.529 to 0.582), employees believe work-life balance measures are effective. With the lowest turnover in the 20+ years category and high mean scores (3.97 to 4.15), it appears that longer-serving employees view staff retention more favorably. There are moderate to high standard deviations (0.687 to 0.712). The impact of the institution on local communities receives high scores (between 4.10 and 4.30), with the highest education group seeing a little increase. This shows moderate to low response variability and strong agreement that the institution has a good impact on local livelihoods. The research output scores (2.75) are extremely low and strikingly consistent across all categories, indicating discontent with the volume of research being generated. Significantly it has high standard deviations (about 4.37), which indicate a wide range of replies, point to conflicting views on this issue.

As with research productivity, articles in respectable journals had low scores (around 2.75) and high standard deviations (4.37), suggesting that opinions vary significantly across all experience categories. Moderate agreement that the institution is spreading technologies to local areas is indicated by mean scores ranging from 3.25 to 3.27. The replies' modest variability is indicated by the standard deviations, which range from 0.836 to 0.839. With standard deviations between 0.474 and 0.540, indicating minimal variability in the replies, the mean scores (range from 4.29 to 4.33) for having researchers on editorial boards of national or international publications are rather high, showing significant agreement across all educational levels.

Although there is a lot of variation and noticeable discontent with regard to research production and publications, the data generally indicates that the university is seen favorably in terms of work-life balance, researcher involvement, and community effect.

Table 11 Association between the employee engagement and organizational performance

Variables		Employee Engagement	Organizational Performance
EE	Pearson Correlation	1	
	Sig. (2 Tailed)		
OP	Pearson Correlation	0.213	1
	Sig. (2 Tailed)	0.000	

**Correlation is significance at the 0.01 level (2 Tailed), EE= Employee Engagement, OP= Organizational Performance

This table illustrates the relationship between Employee Engagement (EE) and Organizational Performance using a regression model. The constant (3.017) represents the baseline value of organizational performance when employee engagement is at zero. The EE coefficient (0.186) indicates that for every unit increase in employee engagement, organizational performance increases by 0.186 units. The beta value (0.213) is the standardized effect size of EE on performance. Employee engagement and organizational performance are statistically significantly correlated, as indicated by the t-value (5.333) and significance level (0.000). The table demonstrates that organizational performance is positively impacted by employee engagement.

Table 12 ANOVA

		Sum of Squares	Df.	Mean Square	F	Sig.
1	Regression	3.230	1	3.230	28.445	0.000 ^b
	Residual	67.898	598	0.114		
	Total	71.128	599			

a. Dependent variable: Employee Performance, b Predictors: (Constant) Employee Engagement

Table 12 indicates the results of a statistical test looking at the association between employee performance (the dependent variable) and employee engagement (the predictor) are displayed in this ANOVA table. The variance in employee performance that may be accounted for by employee engagement is measured using the regression model. The overall fluctuation in employee performance as well as the unexplained variations are represented by residual. The significance of the link is indicated by the F-value (28.445) and Sig. (0.000). It displays the p-value, which is less than 0.05, indicating a statistically significant association between employee performance and engagement. According to this data, employee performance is strongly impacted by employee engagement.

Table 13 Impact of Employee Engagement on Organizational Performance

Model	Un-standarized Coefficients	Standardized Coefficient	t	Sig.
	B	Beta		
1	(Constant)			
	3.017		26.158	0.000
	Std. Error			
	0.115			

EE	0.186	0.035	0.213	5.333	0.000
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a. Dependent Variable: Employee Engagement

This table (13) uses a regression model to show how Employee Engagement (EE) affects Organizational Performance. The baseline level of the dependent variable (employee engagement) when all predictors are zero is represented by the constant (intercept) of 3.017. According to the coefficient 0.186 for EE (Employee Engagement), Organizational Performance increases by 0.186 units for every unit rise in Employee Engagement. After adjusting for various measurement scales, the Standard Error indicates how accurate the coefficient estimations are, and the Standardized Coefficient (beta) indicates how strongly EE affects organizational performance with a value of 0.213.

Significance (Sig. = 0.000) indicates that the value is below 0.05, confirming that Employee Engagement has a statistically significant impact on Organizational Performance. The t-value (5.333) indicates a higher value suggesting a strong relationship between Employee Engagement and Organizational Performance. According to the chart, organizational performance is favorably and considerably impacted by employee engagement.

Discussions and Conclusion

Discussions

[Dawait and Admassu \(2024\)](#) conducted a study using both qualitative and quantitative data from three universities. They analyzed the quantitative data using IBM SPSS 25 software, while qualitative data helped support the findings from questionnaires. The study used both descriptive and inferential statistical methods.

The descriptive analysis showed that the level of implementation of key factors varied across the universities but was generally moderate. The results also highlighted a clear link between employee engagement and organizational performance. Universities with low employee engagement performed worse, while those with high engagement showed better results, suggesting a cause-and-effect relationship. Three key variables used to measure employee engagement showed strong and significant correlations. Confirmatory factor analysis and path analysis confirmed that the statistical models were suitable for the data. The study focused on three aspects of employee engagement: vigor, dedication, and absorption ([Dawait & Admassu, 2024](#)).

These findings align with [Jaya and Ariyanto \(2024\)](#), who studied employee engagement at PT Garuda Indonesia Cargo. However, their study had limitations, such as a small sample size, a narrow focus on one office sector, and an unclear data collection period. These factors should be considered when applying their findings to other settings.

The study supports the Ability-Motivation-Opportunity (AMO) theory, which suggests that improving employees' abilities, motivation, and opportunities enhances their participation in organizational activities. It also aligns with research by [Nabhan and Munajat \(2024\)](#), who found that work engagement and commitment strengthen the impact of organizational identity and work ethics on job performance. Their study highlights the importance of employee dedication in improving performance.

However, this study has some limitations, including a small sample size, specific contextual factors, and missing variables. Future research should address these issues by using larger and more diverse samples, conducting long-term studies, and incorporating additional variables. These improvements would provide a more comprehensive understanding of employee engagement and organizational performance.

The findings also align with those of [Mansor et al. \(2024\)](#), who found a strong link between employee engagement and organizational performance. However, their study relied only on closed-ended questionnaires and focused on private companies. They recommended further research on additional factors that influence engagement and effective strategies for improvement. This study aimed to fill some of these gaps by expanding the understanding of employee engagement and its impact on organizational success.

Employee participation with the activities and the organization's aim was expected to provide the commitment's results. According to these findings, employee involvement and dedication to their professions creates a motivated workforce that will cooperate to accomplish the organization's shared objectives ([Mehta & Mehta, 2013](#)). Somehow unclear, [Markos et al., \(2010\)](#) found that engaging leadership is essential to having engaged people in the organizations perhaps to support the participants' dedication with that of their leaders.

[Truss et al. \(2013\)](#) explored that engagement can invariably be a win-win scenario for both employees and employers within the wider organizational context. This point of view draws attention to the power struggles, ideological divides, and situational constraints that arise when "doing" and being involved. Participants believed that commitment was the only option to remain in the group, even if the decision was unjust to it.

Participants could only be satisfied with their organization's success if they balanced their personal lives and remained true to the company's industry image; they could not risk being sick of companies. Employee engagement is worth pursuing as a means of improving working lives and company performance, according to [Purcell's \(2012\)](#) study, which only supports the last findings on the balance of work and lives of employees. This contradicts the organization's performance in terms of work assignments and work stress, which are not satisfactory based on the results above. According to the findings, an organization should recognize employees more than any other variables, as powerful contributors to its competitive position ([Shamila 2013](#)).

[Markos et al., \(2010\)](#) contradicts the results and suggests that companies should "focus on top-performing employees to reduce their turnover and maintain or increase business performance, and develop a strong performance management system which holds managers and employees accountable for the behavior they bring to the workplace." Therefore, in order to accomplish strategic goals and increase overall performance, firms must comprehend how various employee engagement variables impact them and concentrate on those ([Shamila 2013](#)). Discretionary behavior theory has been revealed to be an important element that is correlated with engagement, [Kular et al. \(2008\)](#) concurred. Nonetheless, a sizable majority discover that

their abilities are not properly employed at work and that they are not given the chance to act freely.

The result from this study is also similar to the studied by many researcher and its Cronbach's Alpha of 0.758, which indicates good internal consistency, validated the measurement instruments' dependability. Principal Component Analysis (PCA) revealed important variables influencing worker performance and engagement. The significance of comprehending these ideas is demonstrated by the fact that the first three components accounted for almost 80% of the performance variance and 86.7% of the engagement variance.

With a few exceptions, descriptive statistics revealed that involvement levels were comparable for gender, education, and work experience. Shorter-tenured and less qualified workers expressed more vigor and tenacity. Positive ratings were given to the organization's success, particularly in the areas of community impact, employee retention, and service quality. But, there was room for development in areas like technology transfer and research output in Nepalese Public Enterprises.

A robust positive correlation between organizational success and employee engagement was validated by regression analysis. Performance improved noticeably with a slight increase in involvement, highlighting the importance of maintaining staff motivation and engagement. The results indicate that in order to boost performance, companies should give employee engagement tactics top priority. To increase overall success, they should simultaneously concentrate on areas like research productivity and innovation.

Conclusion

The study emphasizes how organizational performance and employee engagement are related. The study's measurement instruments are reliable, according to the reliability analysis, which shows strong internal consistency with an overall Cronbach's Alpha of 0.758. Principal Component Analysis (PCA) pinpoints the critical elements affecting organizational performance and employee engagement. The importance of comprehending these ideas is demonstrated by the fact that the first three components account for almost 80% of the variable in organizational performance and 86.7% of the variance in employee engagement.

With a few exceptions, descriptive statistics show that involvement levels are largely constant across tenure, education, and gender. Workers with less experience and less education typically report more vigor and tenacity. Performance of the organization is seen favorably, particularly in terms of community impact, employee retention, and service quality. Nonetheless, there is potential for improvement in research production and technology transfer. A strong positive correlation between organizational performance and employee engagement is confirmed by regression analysis. It is crucial to cultivate a motivated and engaged workforce since a unit increase in engagement results in a quantifiable gain in performance.

All things considered, the results indicate that companies should give staff engagement tactics top priority in order to improve performance while tackling issues like research productivity and creativity.

.Practical Implications for the Organization:

The study emphasizes how important employee involvement is to raising organizational performance in Nepalese government-owned businesses. Strategies for employee engagement should be given top priority by organizations since they are closely related to improved performance, staff retention, productivity, and service quality. Engagement levels can be raised by taking doable actions like providing opportunities for empowerment, encouraging organizational citizenship behavior, and welcoming a diverse staff. Further performance gains may also result from concentrating on workers with lower educational attainment and shorter work tenures, who were shown to have greater vigor and resolve. To maintain balanced organizational growth, public firms must also handle issues such as technical development and research productivity.

Practical Implications for Policymakers:

The results of this study can help policymakers develop tactics that highlight the value of employee involvement in public sector changes. Higher levels of commitment, motivation, and performance in the public sector may result from the creation of policies that encourage the growth of employee engagement initiatives and programs. Furthermore, a more engaged and effective workforce can be achieved by policies that support employee empowerment, diversity in the workforce, and a corporate citizenship culture. Long-term, these policies may contribute to the overall efficacy of public enterprises, supporting Nepal's larger objectives for social and economic development.

Implications for Future Research:

The groundwork for future investigations into employee involvement in public companies, specifically in the context of Nepal, is laid by this study. To determine their wider application, future research might examine how particular employee engagement tactics affect other industries or geographical areas in Nepal. Research could also look at how company culture and leadership philosophies contribute to participation. Future research might look into how engagement affects organizational performance over the long run, as well as how it relates to innovation and technology uptake. Deeper understanding of the dynamics of participation in various organizational contexts may be possible through comparative research between private and public companies.

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