

The Antecedents of Employee Engagement and its Impact on Organizational Performance: A Mediating Role of Job Satisfaction in The Private Banking Sector of Sindh, Pakistan

The Antecedents of Employee Engagement and its Impact on Organizational Performance: A Mediating Role of Job Satisfaction in The Private Banking Sector of Sindh, Pakistan

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Abstract

Study Objective: To examine the mediator role of Job satisfaction in private banking sector of Sindh Pakistan and what is the role of Employee Engagement and its antecedents to enhance organizational performance.

Data Collection: To collect primary data questionnaire was administered to the private banking sector of the Hyderabad district and structured literature research and printed material of banking reports were used for secondary data.

Data Analysis: Applied quantitative method with descriptive statistics, exploratory, Structural Equation Modeling (SEM) and Partial Least Squares (PLS) to asses Validity and hypothesis test.

Sample Size: This research used 205 questionnaires as a sample out of 450 total population of the banking sector of Hyderabad district.

Results: The study executed eight hypotheses to underscore the significant impact on organizational performance due to the mediatory role of job satisfaction with the contribution of antecedents of employee engagement and out of eight seven hypotheses were found positively and shows significant relationship with organizational performance only one hypothesis Organizational Justice (OJ) has negative relationship with employee engagements indicates rejected. Furthermore, it was verified that Job satisfaction and employee engagement both have a positive effect on organizational performance and also employee engagement directly exhibit a significant effect on organizational performance.

Findings: These findings emphasize the principal position of improvement in job satisfaction among banking employees to strengthen organizational performance. Furthermore, they clarify a complex relationship among employee involvement, job

The Antecedents of Employee Engagement and its Impact on Organizational Performance: A Mediating Role of Job Satisfaction in The Private Banking Sector of Sindh, Pakistan

satisfaction and organizational performance, making the need for more research and individualized interventions to improve performance explicit of private banking sector in Hyderabad Sindh.

Keywords: Job Satisfaction, Organizational Performance, Private Banking Sector, Employee Engagement.

INTRODUCTION

In today's ever changing business landscape, companies are beginning to recognize the significance of employee engagement as a means of enhancing success and obtaining better competitive advantage. The meaning of organization performance spans all results and outcomes in one composite outcome, which is inclusive of efficiency output (Toth, I., Heinänen, S., & Kianto, A., 2023).

The private banking industry in Hyderabad District of Sindh with intense competition and changing customer needs has made it necessary for employees to be courageous. Job satisfaction is the basic pillar on which the concept of employee engagement is based upon; it creates conducive working environment that makes it effective and finally leads to organizational success (Garg, K., Dar, I. A., & Mishra, M. 2018). In the organizational behavior setups a term 'job satisfaction' has been studied enormously, it reflects one's positive attitude toward job, excitement in job involvement and execution, also there is a minimum chance to quit from job positions (Khosro, R. A., Jamali, M. A., & Iqbal, W. 2021). In recent years, both researchers and practitioners have delved into the relationship between job satisfaction and organizational performance and realized that it is a construct that addresses many factors related to leadership, and employee health (Akdere, M., & Egan, T. (2020).

Furthermore, research always demonstrates the effect of job satisfaction on employee engagement, retention programs and decision-making initiatives which are all for the good of an organization (Ullah, H., Wang, Z., Abbas, M. G., Zhang, F., SHAHZAD, U., & MAHMOOD, M. R. 2021). In banking industry, with technology changing at a faster rate, regulations changing, and business practices changing it is important to understand what employee engagement measures entail particularly job satisfaction. Consequently as business addresses opportunities as well as challenges in their way the banks could gain competitive advantage and promote long-term growth by developing strategies that enhance employee engagement (Harter, J. K., Schmidt, F. L., & Hayes, T. L. 2002).

This research study points to the importance of job satisfaction in addressing employee work engagement as a key component that leads to enhance organization performance inside the private banking based in Hyderabad district. By looking at the current scene, distinguishing variables impacting work fulfillment, and evaluating its effect on organizational execution, this ponder looks to supply important experiences for managing account pioneers, HR professionals, and policymakers to plan focused on intercessions and methodologies conducive to cultivating a culture of engagement and driving economical commerce outcomes.

Numerous companies have come to recognize that their workers are their most profitable resources, giving them a competitive edge over both inside and outside businesses given challenges posed by globalization, competition, and requirement for advancement, especially within the repercussions of worldwide financial downturns, cultivating worker engagement and organizational commitment has gotten to be basic for businesses looking for a

The Antecedents of Employee Engagement and its Impact on Organizational Performance: A Mediating Role of Job Satisfaction in The Private Banking Sector of Sindh, Pakistan

competitive advantage (Arrowsmith, J., & Parker, J. 2013).

While worker engagement and work fulfillment are frequently utilized and traded, it's basic to note that a placated representative may not continuously be likened to a beneficial one (Al-dalahmeh, M., Khalaf, R., & Obeidat, B. (2018).

Various ponder, such as that by Obuobisa-Darko & Tshedzah (2019) underline the relationship between organizational execution and employee engagement. Hence, decision-makers and analysts alike must depend on observational proof to drive significant advances within the domains of representative engagement, work fulfillment, and in general company performance.

Worker engagement alludes to the passionate association and commitment that representatives have towards their work, organization, and its objectives. Engaged workers are eager about their work also committed to accomplishing organizational goals and frequently go an extra mile to meet given deadline particularly in banking industry. They are more likely to contribute emphatically to the work environment, coming about in higher efficiency, lower turnover rates, and way better general execution for the organization (Zhang & Bartol, 2010).

Several components contribute to worker engagement and these can shift depending on the organization, its culture, and its industry. A set of commonplace, crucial presumptions that the organization found as a result of tending to its issues with inside integration and outside variety which have demonstrated to be dependable sufficient to be instructed to modern workers as the suitable system for understanding, assuming, and feeling in connection to those issues (Aldhuwaihi, 2013).

Banking Industry in Pakistan:

Pakistan's banking industry comprises around 31 banks, with five public-sector, four foreign, and 22 local private banks. A small number of banks, constituting the main rivals, control a significant portion of the country's banking assets, accounting for approximately 57% of all deposits and 53% of all advances in the economy (Mahmood, Y., Ahmad, M., Rizwan, F., & Rashid, A. (2020).

LITERATURE REVIEW

Concurring with their inquiry, Afrida, Y., Rivai, H. A., Syahrul, L., & Lukito, H. (2024) found that both work engagement and organizational commitment increase the effect of organizational recognizable proof and adherence to Islamic work morals on work execution. These discoveries emphasize the significance of dynamic engagement in one's errands and a deep-seated engagement to the organization in supporting work performance.

There may be a critical effect of culture on the execution of workers. The ponder recommends that examination must moreover lead an examination on the effect of culture in private banks to have a parcel broader comprehension of social figures. This seeks to add to the body of knowledge in human resource management (Salgado & Moscoso 2022).

The theoretical introduction suggests that it is advantageous to give incentives, motivation and opportunities for involvement in organizational goals for workers. This idea resonates with the essence of employee engagement and is confirmed by research findings (Stewart, L. 2024). Employee engagement is an essential part of corporate success and to a large extent

The Antecedents of Employee Engagement and its Impact on Organizational Performance: A Mediating Role of Job Satisfaction in The Private Banking Sector of Sindh, Pakistan

research has been done on this subject in the recent years. It started with early management theories in the 20th century but its importance grew accompanying shift from task-oriented management to people-centered approaches. The body of current literature has congruency on engaged employees who are not just satisfied or motivated but have a strong personal attachment to their job that drives organizational performance (Abbasi, A. S., & Alvi, A. K. 2012).

This paper focuses on employee engagement and its effect on organizational performance. Engagement means finding ways for staff connection with firm (Mansor et. Al. (2023) in their study on Vigor, Dedication, Absorption and employee performance within PT Garuda Indonesia Cargo. Jaya & Ariyanto (2021) provide insight into the connection between these constructs. Nonetheless, when interpreting and generalizing its findings, one must identify some of these limitations inherent in this research project: small sample size; a focus limited solely on the branch office; no data collection time frame. Gupta and Sharma, (2018) who are known for their work on the effect of employee engagement on performance say that engaged employees tend to exhibit increased motivation mood involvement in their work than disengaged ones which result into several negative consequences. They indicate that engaged staffs show more concentration, initiative taking behavior and willingness to do extra effort leading to greater efficiency level as well as increase competency.

The intention of this study is to determine the effects of employee engagement on organizational performance. It also examines several work force diversities. Like earlier research, it reveals that younger worker is less responsive “employee engagement issues are possibly more pertinent to younger workers than older ones because they do not have much experience at work” (Shrestha, R. 2019).

Employee disengagement has become a major concern among practitioners, making employee engagement the most researched area in the world today. Employee disengagement is a serious problem in federal universities which significantly affects the overall performance of these institutions. Ethiopian higher education institutions face lack of academic staff engagement, which hinders their efforts to adopt and implement quality assurance mechanisms. In consequence, building from social exchange theory. (Diko, T. K., & Saxena, S. 2023).

According to them therefore, there exists a positive and significant relationship between employee voice and turnover intention in selected private universities in Delta State. Thus, employees will wish to stay in an organization if they are given opportunity to air out their views on matters pertaining themselves at work places. (Ikon, M., & Chika, C. 2017).

This paper intends to explore the current correlation between organizational performance levels and job satisfaction level. Nonetheless, its value as well as influence on behavior and productivity of employees is not recognized by many senior managers in companies hence they do not pay sufficient attention to the issue as it relates to corporate performance despite how important satisfaction of employees is for business success (Sadiq, N., Laila, U., Haqqi, T. R., & Ali, M. 2020).

The study results reveal that in higher education organizations, such dimensions of employee engagement as vigor, dedication and absorption have significant and positive effects on their performance. The research also demonstrates the fact that different institutions perform differently when it comes to the level of employee involvement. This study seeks to fill these

The Antecedents of Employee Engagement and its Impact on Organizational Performance: A Mediating Role of Job Satisfaction in The Private Banking Sector of Sindh, Pakistan

gaps by examining how employees become engaged and what its implications for organization's productivity are. It stresses the need for investigating contextual variables and specific forces that mediate between engagement and outcomes. There is a role played by elements like organization culture, leadership approach, job nature as well as industrial environment peculiarities (Gede & Huluka 2024).

In a situation of skill scarcity coupled with increased demand, attention needs to be paid to employee commitment because turnover becomes an issue. However, there is limited academic literature addressing the antecedents necessary for high levels of worker participation in F&B departments within service industry even though organizational performances of many organizations has degenerated due to high turnover rates along with problems associated with increased absenteeism rate, low loyalty among employees and reduced labor output (AbuKhalifeh, A. N., & Som, A. P. M. 2013).

As per the discoveries of Garg, K., Dar, I. A., & Mishra, M. (2023), it's famous that whereas an organization may have locked in representatives, this doesn't guarantee their engagement with their particular work parts. For occurrence, a representative could be drawn to an organization because of its positive notoriety but may not essentially discover the allotted work position adjusting to their desires or preferences.

Employee engagement can be characterized as the complex association between organizations and their representatives, typifying both mental and passionate commitment to the work furthermore, worker engagement relates to how viably an employee's execution adjusts to the organization's goals (Amhalhal et al., 2015). It speaks to a centered understanding of the bond between a representative and their part inside the organization (Yalabik et al., 2013). Worker engagement spins around the fulfillment and satisfaction workers infer from their employment and their working environment near their colleagues. Research conducted by Farndale et al. (2014) advance underpins this idea, demonstrating a positive relationship between organizational engagement and by and large organizational performance.

On the other hand, work fulfillment is established in an individual's discernment of the quality of their work, including both money-related and nonmonetary perspectives (Di Paolo, 2016). It is regularly seen as an individual's enthusiastic reaction to the fulfillment of their work values. When these values are met, people are involved in fulfillment, while disregarding these values leads to dissatisfaction (Bednarska & Szczyt 2015).

Disappointed workers are inclined to show freak behaviors within the working environment and may mull over clearing out their positions, resulting in diminished benefit quality and work execution (Fish et al., 2016). Besides, representative work fulfillment has long been recognized as a pivotal determinant of organizational victory and development (Akdere, M., & Egan, T. 2020).

Despite the developing intrigue in worker engagement, numerous ponders need clear signs of causality, especially concerning the effect on execution. Besides, there's a shortage of ponders illustrating clear joins between administrative activities pointed at upgrading worker engagement and genuine execution changes. Although this study identifies vigor as the foremost powerful figure on work fulfillment, earlier inquiries demonstrate that commitment holds a more prominent influence over work fulfillment than vigor and assimilation (Alarcon and Edwards, 2011).

The Antecedents of Employee Engagement and its Impact on Organizational Performance: A Mediating Role of Job Satisfaction in The Private Banking Sector of Sindh, Pakistan

Engagement is characterized by a significant sense of centrality, excitement, motivation, pride, reason, and challenge toward accomplishing objectives. It takes after inclusion and is characterized as an individual's mental association with their work (Karatepe and Olugbade, 2009; Schaufeli et al., 2009). Commitment typifies an intelligent mode where representatives infer challenge, motivation, pride, and a sense of meaning from their work. This intuitive mode of work engagement contributes to employees' work fulfillment and lessens their eagerness to take off their positions (Bandura, R.P. & Lyons, P.R., 2014).

Engaged representatives tend to cultivate trusting and high-quality connections with their bosses (Knies, E., Boselie, P., Gould-Williams, J., & Vandenabeele, W. 2024). Coming about in more effective errand execution and an eagerness to go the additional mile in tending to client needs. In any case, whereas a few ponder, counting the current one, affirm the impact of engagement on execution, a few think about wandering from this perspective.

For occurrence, Halbesleben and Wheeler (2008) found in their consideration that work engagement had a minor effect on execution among a sample of 587 workers over different businesses within the joined together States. So also, an investigation by the "Gallup Organization" revealed a direct relationship between worker engagement and different organizational results such as client fulfillment, benefit, efficiency, turnover, and security (Harter, J. K., Schmidt, F. L., & Hayes, T. L. 2002).

Within the modern trade scene, representative desires to expand distant past fairs accepting a paycheck, provoking bosses to dig more profound into understanding the center standards of compelling representative engagement. Nowadays, representatives look for more than fair support in organizational activities; they point for parts that permit them to create significant commitments and have an unmistakable effect on the company's victory (Marciano 2010).

RESEARCH GAP

With reference to available literature there are so many research studies national and international have been conducted to explore the different aspects of the relationship between employee engagement and the overall performance on organizations. Such as Zada, R., & Ismael, D. S. (2023) defined employee engagement as the emotional and mental connection employees have with their duties, company, goals, and its positive impact on reducing turnover, absenteeism, and enhancing productivity. Similarly, Kurniawati, N. I., & Raharja, E. (2023) highlight the correlation between employee engagement and improved customer satisfaction and loyalty. However, very limited studies have been conducted relating to the mediatory role of job satisfaction in enhancing organizational performance with positive drives for employee engagement and within the private banking sector of Sindh Pakistan.

The study underscores the need to investigate the relationship between antecedents of employee engagement on organizational performance: A mediating role of job satisfaction within the private banking sector of Hyderabad, addressing the existing research gaps. Filling these lacunae will not only contribute to the literature but also offer actionable insights for enhancing organizational strategies and performance in the region's banking sector.

Variable Category	Variable	Dimensions
Independent	Employee	Leadership Role. Rewards and Compensation

The Antecedents of Employee Engagement and its Impact on Organizational Performance: A Mediating Role of Job Satisfaction in The Private Banking Sector of Sindh, Pakistan

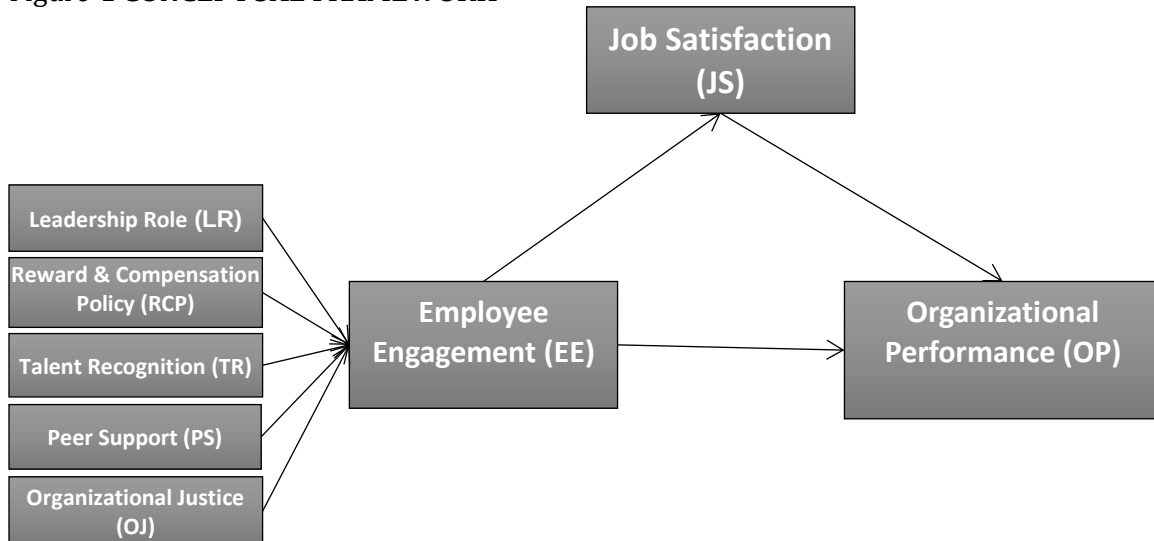
Variable	Engagement	policy, Organizational Justice, Peer Support, and Talent Recognition
Mediating Variable	Job Satisfaction	Intrinsic Job Satisfaction, Extrinsic Job Satisfaction
Dependent Variable	Organizational Performance	Non-Financial Organizational Performance (Managing clients, Handling customer complaints, Maintaining company reputation, Employee productivity, Addressing commitment issues)

These variables and dimensions provide a comprehensive framework for investigating the relationships and effects within the context of the private banking sector in Hyderabad Sindh province.

OBJECTIVES

1. To assess the impact of Antecedents of Employee Engagement in the private banking sector of Hyderabad Sindh, Pakistan.
2. To examine the level of Job Satisfaction among employees in the private banking sector of Hyderabad Sindh, Pakistan.
3. To investigate the effect of Employee Engagement on Organizational Performance in the private banking sector of Hyderabad Sindh, Pakistan.
4. To examine the mediating role of Job Satisfaction in the relationship between Employee Engagement and Organizational Performance in the private banking sector of Hyderabad Sindh, Pakistan.

Figure-1 **CONCEPTUAL FRAMEWORK**



Hypotheses:

H1: Leadership Role has a positive relationship with Employee Engagement in the private

The Antecedents of Employee Engagement and its Impact on Organizational Performance: A Mediating Role of Job Satisfaction in The Private Banking Sector of Sindh, Pakistan

banking sector of Hyderabad Sindh, Pakistan.

H2: There is positive relationship with Reward and Compensation Policy and Employee Engagement in the private banking sector of Hyderabad Sindh, Pakistan.

H3: Talent Recognition positively impacts on Employee Engagement in the private banking sector of Hyderabad Sindh, Pakistan.

H4: Organizational Justice has a positive impact on Employee Engagement in the private banking sector of Hyderabad Sindh, Pakistan.

H5: There is significant and positive impact of Peers Support on Employee Engagement in the private banking sector of Hyderabad Sindh, Pakistan.

H6: Employee Engagement has a positive and significant impact on Job Satisfaction in the private banking sector of Hyderabad Sindh, Pakistan.

H7: Employee Engagement has a positive and significant impact on Organizational Performance in the private banking sector of Hyderabad Sindh, Pakistan.

H8: Job satisfaction has a significant and positive role in mediating employee engagement and Organizational Performance within the private banking sector of Hyderabad Sindh, Pakistan.

RESEARCH METHODOLOGY

This study employs a quantitative approach to explore the relationships between identified variables using numerical data. The sample is selected through non-probability random sampling for accessibility and the likelihood of securing participant responses.

Scale Development: A closed-ended questionnaire was utilized to collect data, consisting of eight variables. A five-point Likert scale employed, allowing respondents to indicate their response levels from "strongly disagree" to "strongly agree."

Sampling: A sample size of 205 has been chosen from a population of 450 employees in the private banking sector of the Hyderabad region. Sample size determination follows Krejcie's formula (1970), achieving an 88.8% response rate.

Data Collection: Primary data collection involves visiting private banks in the area. Quantitative data was gathered using a tailored survey questionnaire.

Data Analysis: Descriptive statistics was utilized to present respondents' demographic profiles, including age, gender, and job position. Central tendencies (mean, median, and mode) and dispersion (standard deviation, range) were assessed. Statistical analysis conducted using SPSS V.26.0.

Structural Equation Modeling (SEM): SEM employed to understand relationships between variables and to test hypotheses. Smart PLS used for this purpose. SEM facilitates the examination of interrelationships among various independent and dependent variables (Hair et al., 2016).

The research employed a Likert scale, chosen for its suitability in assessing respondents' agreement levels with questionnaire statements. Likert scales, characterized by interval-shaped categories, help categorize individuals based on their responses and quantify the differences in preferences between them. In this study, a modified Likert scale with five choice categories was utilized, ranging from (1) for "strongly disagree" to (5) for "strongly agree," omitting doubtful options. This modification aimed to prompt clearer directional perceptions from respondents and mitigate such responses. Regarding question correlation, with a scale of two, three, or four response categories, the overall correlation was found to be

The Antecedents of Employee Engagement and its Impact on Organizational Performance: A Mediating Role of Job Satisfaction in The Private Banking Sector of Sindh, Pakistan

low. To enhance correlation, the number of response categories was increased to approximately five, as suggested by Preston and Colman (2000).

DATA ANALYSIS AND INTERPRETATION

This study encompasses eight variables. Initially, there is an employee engagement (EE), assessed through five facets along (1) Leadership Role (2) Reward and Compensation Policy (3) Talent Recognition (4) Organizational Justice and (5) Peer support.

The second variable, Job satisfaction (JS) is evaluated through a supportive Intrinsic Job Satisfaction and Extrinsic Job Satisfaction and Lastly, Organizational Performance (OP) was measured across non-financial Organizational Performance (Managing clients, handling customer complaints, Maintaining company reputation, Employee productivity, addressing commitment issues) dimensions.

The respondents' characteristics, including age, gender, education, and experience are pivotal in gathering insights into perceptions regarding job and organization engagement, job satisfaction, and organizational performance. The respondent pool consists of (77%) male participants and female participants were (23%).

Demographics of the Respondents

Age:

Total 205 participants involved in the study, a significant portion of the workforce, accounting for 77 individuals (38%), falls within the age bracket of 18-30. Furthermore, 83 respondents (40.0%) were identified in the age group of 31-40. Additionally, 34 participants (17.0%) were situated in the age range of 41 to 50. The remaining 11 respondents (5.0%) were aged 50 and above.

Gender:

The results indicated that among the 205 respondents engaged in the study, 157 were male, constituting 77% of the total. The remaining 48 respondents were female, making up 23% of the overall sample population.

Education/Degree:

Around 36.1% of respondents were highly qualified, 61.5% respondents were graduated and 2.4% were under-graduates from a sample of the population.

Experience:

As per findings 18.5% respondents constituting more than 15 years of experience were part of the total 205 respondents. Additionally, 26.3% of the participants possessed professional experience ranging from 5 to 10 years, while 48% respondents reported having professional experience between 1 and 5 years. Furthermore, 14 respondents, making up 6.8% had less than 1 year of professional experience.

Construct Validity

Construct validity refers to the alignment between obtained results and the theoretical framework underlying the test design (Sekaran and Bougie, 2013). Factor analysis, recommended by Sekaran and Bougie (2013), was employed to evaluate construct validity. Exploratory Factor Analysis (EFA) was conducted on responses to the 49 questions, adhering to three key assumptions suggested by Hair et al. (2010): adequate sampling (Kiaser-Meyer-

The Antecedents of Employee Engagement and its Impact on Organizational Performance: A Mediating Role of Job Satisfaction in The Private Banking Sector of Sindh, Pakistan

Olkin measure > 0.5), Eigen values > 1 for each factor, and a 0.30 threshold for item retention.

Table 4.1 Mean and STD. Deviation [SDM]

Indicator Name	Indicator Code	Mean	Standard Deviation
Employee Engagement	EE1	4.405	0.794
	EE2	4.502	0.555
	EE3	4.268	0.856
	EE4	4.146	0.789
Job Satisfaction	JS1	4.58	0.712
	JS2	4.341	0.593
	JS3	4.439	0.714
Leadership Role	LR3	4.522	0.659
	LR4	4.366	0.888
Organizational Justice	OJ1	4.463	0.659
	OJ2	4.546	0.604
	OJ3	4.254	0.793
Organizational Performance	OP2	4.337	0.592
	OP3	4.502	0.555
	OP4	4.278	0.859
	OP5	4.234	0.673
Peer support	PS1	4.278	0.859
	PS2	4.337	0.802
	PS3	4.137	0.978
Reward & Compensation Policy	R&CP 1	4.278	0.859
	R&CP 3	4.468	0.929
	R&CP 4	4.21	0.973
Talent Recognition	TR1	4.59	0.704
	TR2	4.463	0.659
	TR4	4.483	0.652

The normalized mean and standard deviation values for a 5-point Likert-type scale are conventionally expected to be 2.05 and above for mean, and 1.00 and above for standard deviation. These values suggest that the data collected on these variables through the 5-point Likert scale were standardized, enabling a more objective assessment of the results based on a common scale.

The Antecedents of Employee Engagement and its Impact on Organizational Performance: A Mediating Role of Job Satisfaction in The Private Banking Sector of Sindh, Pakistan

Analysis of Measurement Model

Factor Analysis

The Measurement Model of the research showcases the variables, including Employee Engagement, Job satisfaction, and Organizational performance. Notably, it was observed that all the indicators associated with these variables exhibit high composite reliability values, surpassing the established standard of 0.7 (Liu, Y. 2021).

Table 4.2 Construct reliability and validity

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
EE	0.762	0.802	0.849	0.589
JS	0.805	0.809	0.885	0.719
LR	0.68	0.702	0.861	0.756
OJ	0.549	0.69	0.757	0.533
OP	0.773	0.796	0.852	0.592
PS	0.762	0.843	0.861	0.676
R&CP	0.824	0.894	0.893	0.738
TR	0.801	0.814	0.871	0.629

Discriminant Validity Test

The study employed the Average Variance Extraction (AVE) and Discriminant Validity (DV) metrics, revealing that each of the variables related to organizational performance surpassed the threshold values of 0.5 and 0.7, respectively.

Table 4.3 Fornell-Larcker criterion

	R&CP	EE	JS	LR	OJ	OP	PS	TR
EE	0.768							
JS	0.796	0.85						
LR	0.624	0.63	0.87					
OJ	0.677	0.77	0.73	0.73				
OP	0.865	0.86	0.64	0.68	0.77			
PS	0.826	0.73	0.54	0.64	0.72	0.82		
R&CP	0.823	0.67	0.47	0.51	0.71	0.86	0.86	
TR	0.632	0.72	0.46	0.85	0.55	0.61	0.5	0.9

The Fornell-Larcker at the variable level by examining the square root of the AVE (average variance extracted) for each latent variable compared to the correlations between that variable and other variables in the model. In the table provided:

The Antecedents of Employee Engagement and its Impact on Organizational Performance: A Mediating Role of Job Satisfaction in The Private Banking Sector of Sindh, Pakistan

Table 4.3 the effect size f^2 on R^2

Latent Variable	f-square	Effect Size
EE -> JS	1.724	large
EE -> OP	0.519	Large
JS -> OP	0.461	Large
LR -> EE	0.073	moderate
OJ -> EE	0.000	No effect
PS -> EE	0.046	small
R&CP -> EE	0.245	large
TR -> EE	0.029	small

The F-Square, indicating the change in R-Square when removing an exogenous variable from the model, serves as an effect size measure, with values greater than or equal to 0.02 considered small, 0.15 considered medium, and 0.35 considered large (Cohen, 1988).

Table 4.3 displays the effect size (f^2) on R^2 for each latent variable relationship.

Employee Engagement (EE) and Job Satisfaction (JS), the F is 1.724, indicating a very large effect size. This suggests that Employee Engagement has a substantial impact on Job Satisfaction, which explains a strong significant portion of the variance in Job Satisfaction.

Employee Engagement (EE) and Organizational Performance (OP), the F Square is 0.519, indicating a large effect size. While the effect size is not as large as in the EE -> OP relationship, it still suggests that Employee Engagement moderately influences Organizational Performance, contributing to explaining variance in OP.

Job Satisfaction (JS) and Organizational Performance (OP) have an F Square of 0.461, indicating a large effect size. This suggests that Job Satisfaction has a relatively weaker impact on Organizational Performance compared to the other relationships examined.

In leadership Role (LR) and employee engagement (EE), the F Square is 0.073, indicating a moderate effect size. This suggests that leadership role has a substantial impact on Organizational Performance, explaining a significant portion of the variance in OP.

Organizational Justice (OJ) and Employee Engagement, The F square is 0.000 is no effect but indicating that while organizational justice contributes to engagement, its impact is not as pronounced as other factors.

Peer support (PS) and Employee engagement (EE) with F square 0.046, the impact of peer support on employee engagement is small, indicating that fostering supportive peer relationships contributes moderately to higher levels of employee engagement.

Employee engagement (EE) and Rewards and compensation policy (R&CP), the F Square is 0.245, indicating a large effect size. This suggests that Rewards and Compensation has a significant influence on employee engagement, explaining a considerable portion of the variance in EE.

Talent Recognition (TR) and Employee engagement with effect size F 0.029 indicating that Talent recognition have a small impact towards employee engagement.

Largely, above given analysis highlighted the fluctuating degrees of effect that changed factors (such as leadership role, organizational justice, employee engagement, organizational

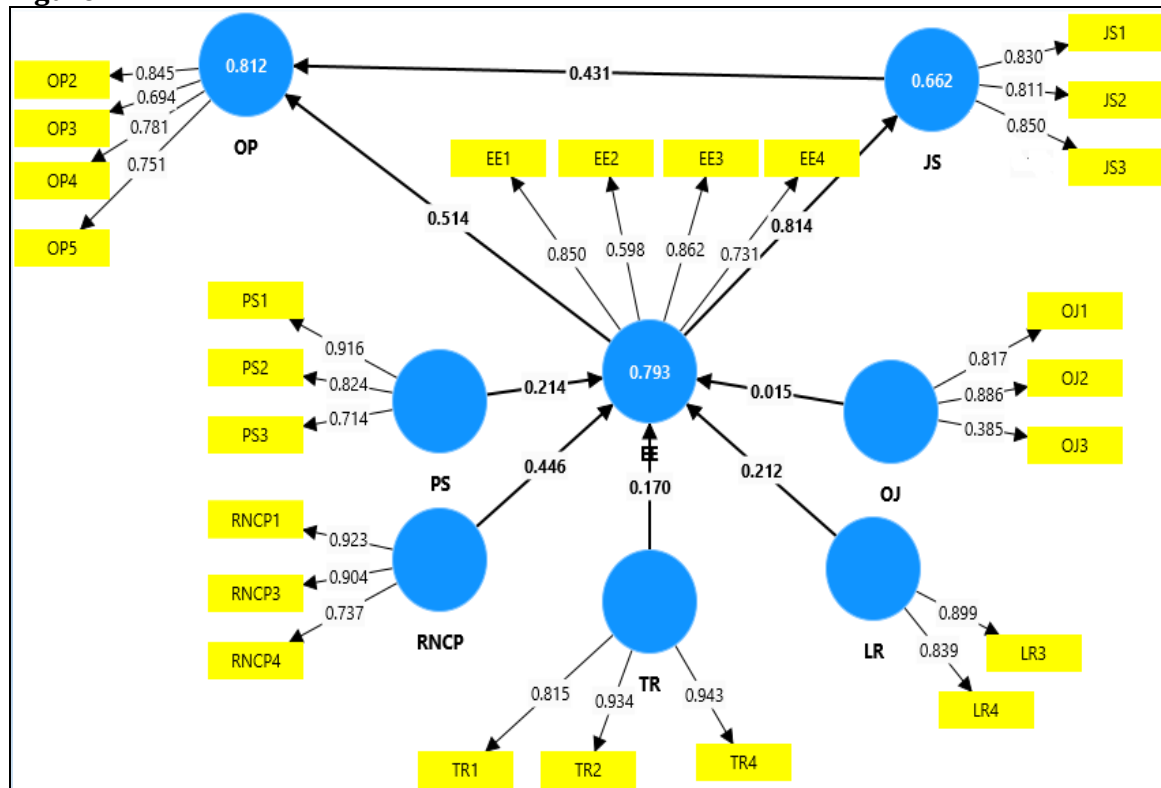
The Antecedents of Employee Engagement and its Impact on Organizational Performance: A Mediating Role of Job Satisfaction in The Private Banking Sector of Sindh, Pakistan

performance etc.) have positive effect on employee engagement, job satisfaction, and organizational performance within the framework of the model.

Table. 4.4 Hypotheses Testing

Hypotheses	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P- values	Acceptance/ Rejection
LR -> EE	0.211	0.225	0.081	2.604	0.009	Accepted
R&CP -> EE	0.446	0.441	0.052	8.640	0.000	Accepted
TR -> EE	0.171	0.182	0.083	2.067	0.039	Accepted
OJ -> EE	0.013	-0.017	0.124	0.105	0.916	Rejected
PS -> EE	0.216	0.225	0.069	3.141	0.002	Accepted
EE -> JS	0.796	0.793	0.043	18.393	0.000	Accepted
EE -> OP	0.494	0.490	0.058	8.486	0.000	Accepted
JS -> OP	0.466	0.475	0.051	9.146	0.000	Accepted

Figure-2



The first step in conducting a structural model analysis involves measuring the coefficient of

The Antecedents of Employee Engagement and its Impact on Organizational Performance: A Mediating Role of Job Satisfaction in The Private Banking Sector of Sindh, Pakistan

determination (R^2), indicating the variance of endogenous variables caused by all connected exogenous variables. In Figure 2, the R^2 value for job satisfaction is 0.662, indicating that 66.2% of its variance is caused by employee engagements, while 33.8% is attributed to unexamined factors. Similarly, the R^2 value for organizational performance is 0.812, suggesting that 81.20% of its variance is explicated by employee engagement, and job satisfaction, with 18.80% attributable to other unexamined factors. And the R^2 value of employee engagement is 0.793 indication 79.30% of its variance is caused by employee engagements antecedents.

Discussion

Hypothesis 1 (H1) - Employee Engagement and Leadership Role: The acceptance of H1, which posits that Leadership role influences employee engagement, aligns with the expectations drawn from previous research Akdere, M., & Egan, T. (2020) and Garg, K., Dar, I. A., & Mishra, M. (2023).

Hypothesis 2 (H2) Reward and Compensation Policy with Employee Engagement: the H2 acceptance shows that rewards and compensation policy encourages employees towards engagement plays vital role endorse the previous literature by Baqir et al. (2023) shows that Reward & compensation policy may engage employees for better performance.

Hypothesis 3 (H3) - Talent Recognition and Employee Engagement: The confirmation of H3 suggests a significant positive effect of Talent Recognition on Employee engagement, consistent with the findings of previous research by Akdere, M., & Egan, T. (2020) and Garg, K., Dar, I. A., & Mishra, M. (2023). This result underscores the importance of building strong emotional bonds between employees and the organization to enhance job satisfaction levels. Hypothesis 4 (H4) - Organizational Justice and Employee engagement: The rejection of H4, which proposes that employee engagement influenced by Organizational Justice, contrasts with prior findings by Etim UI, Nneji OV (2023). While previous research suggested a positive relationship between employed engagement and organizational justice the current analysis indicates otherwise.

Hypothesis 5 (H5) Peers Support to Employee engagement: the acceptance of H5 acknowledge the impact of peer's supports over employee engagement faction is strongly and support previous literature by Alarcon, G., & Edwards, J. M. (2011). The relationships among employee engagement job satisfaction, and turnover intentions.

Hypothesis 6 (H6) – Employee engagement and Job Satisfaction : The validation of H6 underscores the importance of employee engagement in influencing job satisfaction, consistent with prior research by Ouedraogo, A., & Leclerc, A. (2013) and Dalahmeh et al. (2018). This finding highlights the critical role that employee satisfaction plays in driving organizational success.

Hypothesis 7 (H7): Employee Engagement and Organizational Performance: the result of hypothesis test showed that EE has a positive and significant impact on organizational performance in the private banking sector of Hyderabad Sindh, Pakistan. It fully supports to previous study by Kurniawati N. I, & Raharja E (2023) the influence of employee engagement on organizational performance.

Hypothesis 8 (H8) Job satisfaction mediates between employee engagement and organizational performance: the acceptance of H8 shows that Job satisfaction positively

The Antecedents of Employee Engagement and its Impact on Organizational Performance: A Mediating Role of Job Satisfaction in The Private Banking Sector of Sindh, Pakistan

mediates the relationship between employee engagement and organizational performance in the private banking sector of Hyderabad Sindh; Pakistan supports the study of Yalabik, Z. Y., Popaitoon, P., Chowne, J. A., & Rayton, B. A. (2013).

Conclusion:

✦ Job satisfaction and Employee engagement are fundamental factors in dynamic organizational success, for the most part inside the viable background of Sindh's private banking sector. Although former study has proven the prominence of these variables, this study offers nuanced insights into their interrelations and effect on organizational performance.

✦ The study observations recommend that the job satisfaction has played a very important and arbitrating or as bridge between employee engagement and organizational performance.

✦ As much strong and higher levels of job satisfaction the strongest and enhances organizational performance, emphasizing the need for banking institutions to prioritize strategies that promote employee wellbeing and satisfaction.

✦ Though, the study also discloses complications in the associations among organizational performance, job satisfaction, and employee engagement. While employee engagement positively influences job satisfaction, its direct impact on organizational performance is less pronounced.

Recommendations:

Based on the research findings, several recommendations emerge for banking leaders, HR practitioners, and policymakers aiming to enhance organizational performance in Sindh's private banking sector:

➤ **Focus on improving job satisfaction:** Organizations should prioritize initiatives aimed at enhancing job satisfaction among employees, such as providing opportunities for recognition, advancement, and challenging work assignments.

➤ **Foster employee engagement:** While employee engagement may not directly impact performance, cultivating a positive organizational culture and fostering strong emotional bonds with the organization can contribute to higher job satisfaction levels.

➤ **Tailor interventions to address specific needs:** Recognizing the diverse backgrounds and preferences of employees, organizations should tailor interventions to address individual needs and preferences, thereby maximizing the effectiveness of engagement initiatives.

➤ **Continuously monitor and assess outcomes:** Organizations should implement mechanisms for continuously monitoring and assessing the impact of employee engagement initiatives on organizational performance, allowing for timely adjustments and refinements. By implementing these recommendations, banking institutions can create conducive work environment that promotes employee satisfaction, engagement, and ultimately will lead towards organizational success in Hyderabad Sindh's private banking sector.

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