

A Study of Evaluating Relationship between Employee Engagement and Employee Performance Keeping Emotional Intelligence as Mediating and Moderating Variable

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Abstract

The study examines the relationship between employee engagement (EE) and employee performance (EP) taking emotional intelligence (EI) as mediating variable. A sample of 350 academicians was acquired from AICTE approved institutions of India in order to examine the correlative association and the moderating function of EI to predict employee performance in selected B-schools. To draw a model and check its viability (model fit) structural equation modelling is applied. The results confirm the relationship between EE and EP and partial mediation of EI. Satisfactory model fit was observed and established significant relationship between EE and EP among academicians. The model fit statistics are calculated as- Goodness-of-fit (GFI)= 0.892, Normed Fit Index (NFI)= 0.847, Tucker-Lewis Index (TLI)= 0.901, Comparative Fit Index (CFI)= 0.920 and Root-Mean-Square Error of Approximation (RMSEA)= 0.039.

Keywords: Emotional Intelligence, Employee Performance, Employee Engagement, Structural Equation Modelling,

Abbreviation

EI - Emotional Intelligence
EE - Employee Engagement
EP - Employee Performance

1. Introduction

Emotional intelligence is an important determinant of success in every means (Ashforth & Humphrey, 1995) in the business world. It has gained immense importance

across academicians, researchers, behavioural scientist and psychologist to conduct research on its importance, relevance and impact on important employees' dimensions (BarOn, 2000). The world is looking for emotionally intelligent leaders and employees (BarOn, Maree & Maurice, 2007) for organizational competitiveness and success. Strong relationship is identified between emotional intelligence and employee engagement (Wall, 2008) which strongly influence the employee performance in every organization. The competency level (Cavallo, Brienza, 2002) significantly increases and resulted into higher productivity and performance of emotionally intelligent employees (Singh, 2001). In a study conducted by Murray (1998) revealed that for success in sales profession an executive need to be emotionally intelligent in order to adequately manage customers' emotion that has power to influence his/her purchase decision (Lam & Kirby, 2002). It increases interpersonal communication of an employee which help him/her to better coordinate with others improve team working skills (Jena & Pradhan, 2018). With globalization, emotional intelligence is more significant than ever when teams are cross-cultural and global, - increasing the complexity of interactions of emotions and how they are expressed. Essentially, emotional intelligence in the workplaces comes down to understanding, - expressing and managing, good relationships and solving problems under pressure (MichaelPage, 2020).

Employee engagement has been studied along with various variables but strongly studied with employee performance. Positive and direct association is found between EE and EP across majority of industry. It shows immense importance for ensuring employee productivity (Anitha, 2014). EE is an approach initializing the inner strength of employees and motivate them for consistent performance. It improves the inner connection of employees with work and the firm (Shree & Lucas, 2019). Employee engagement goes beyond basic responsibilities and encourage to give more than expected to the work. An engaged employee performs much better than non-engaged one (Sharma&Yaksh, 2010). Firms look for dedicated, sincere and self-motivated employees who can understand their purpose in the organization. Completing the task in predetermined or communicated manner is not just enough in today's corporate world. Imagine role and related responsibilities, serving long run purpose and feeling of integral part of the overall system is actually what firms needs today (Osborne &Hammoud, 2017). Therefore, the EE is being emerged as potential determinant of employee performance at workplace.

2. Literature Review

Harvard Business Review (2018) revealed some strategic outcomes of EE among sales representatives. The article identified that, *high level of customer service, strong executive leadership, ability to innovate, effective communication, continuous quality improvement, efficient productivity etc.* are the outcomes of employee engagement. Engaged employees create highest value to the customers and dedicatedly perform the tasks. Engagement is an efficient tool to minimize efficiency loss and promote innovation in work related aspects (Ahmetoglu, Harding, Akhtar & Chamorro-Premuzic, 2015). Firms are continuously increasing events and resources through which employee engagement can be increased. It significantly affects the employees' dedication, motivate them for consistent performance thus reducing cost of operation. It is become an important method of achieving work excellence in corporate world (Cooper-Thomas, Paterson, Stadler, and Saks, 2014). The HBR report (2016) discussed the relevance of EE at workplace in order to achieve high performance, innovation and consistent productivity. It does not drive individual performance but also grow companywide performance. Employee engagement combines emotions, thoughts, attitude and work related approach that together constitute strong values, culture and behaviour that stimulate fullest output (Taylor, 2019).

Job performance is being always discussed by researchers with a view to estimate organizational performance through employee engagement. Who perform better? A happy employee or an engaged employee? The debate has been on for so long and different results have been discussed. But, the core philosophy states that 'engagement' is quite indispensable. Happiness is short term mental state which doesn't influence performance for long, but engagement is a long term approach which ensure consistent performance and inclination (Ahmed & Dajani, 2015). It is an individual's complete involvement with positive attitude towards the responsibilities. A discretionary effort reflects in-role and extra role as well in the form of untold commitment and loyalty towards the work and the firm as large (Bakar, 2013).

Various researches have studied about the relationship between emotional intelligence and job performance. Snowden, et al. (2014) opined that EI has positive impact on job performance and ensure complete involvement of employees. It is a cognitive process of involvement in the job more deeply than a non-engaged employee. Performance is the output of physical and mental involvement which significantly influence the quality and consistency of work (Petrides, 2011). It includes all aspects job related responsibilities and increase

authority & accountability. EI has immense importance in corporate world to predict work related behaviour and performance (Bachman, Stein, Campbell & Sitarenios, 2000). The importance and relevance of EI has been studied in very area like- Joshi, Srivastava & Raychaudhuri (2012) studied the impact of EI on academic performance of students pursuing MBBS. The study found significant association between the variables. The study also concluded that, students with high EI were more consistent, confident and sincere in their academic as well as social performance. The significance of EI cannot be overlooked in today's dynamic world.

3. Research Method

Participants

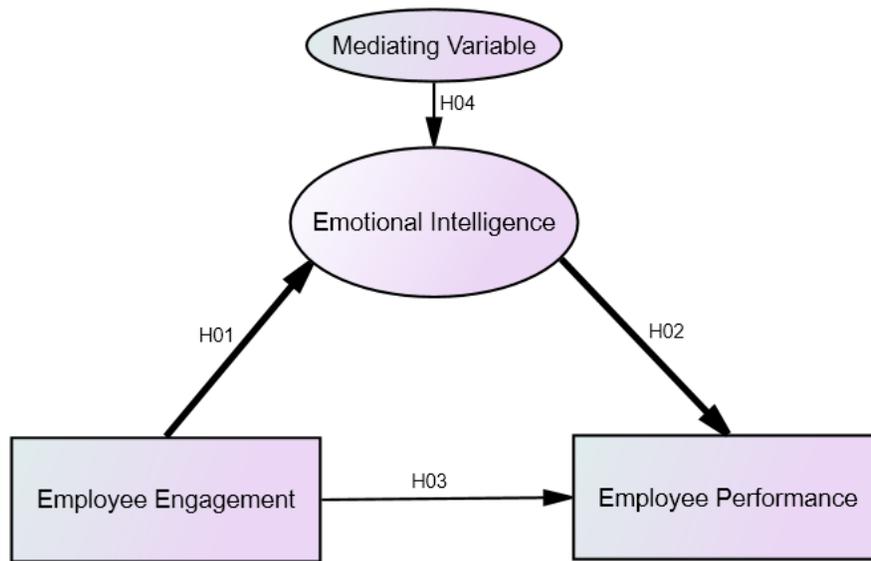
350 academicians are targeted with a structured questionnaire using three recognized scales like- Employee Engagement Scale (*Schaufeli et al., 2006*), Employee Performance ((IWPQ), *Koopmans, 2013*) and Emotional Intelligence (*Schutte et al., 1998*). Professors teaching in AICTE approved institutes are selected for responses in order to examine whether 'employee engagement' influence 'employee performance' and does 'emotional intelligence' play mediating role or not? in academics.

Procedures and Measures

The questionnaire was developed using Google docs facility and distribute electronically to the eligible respondents. Approximately 39 AICTE approved institutions were covered across whole state of Madhya Pradesh- India. Employee Engagement Scale (*Schaufeli et al., 2006*) had 17 items and the alpha value was calculated $\alpha = .892$, Employee Performance ((IWPQ), *Koopmans, 2013*) had 12 items with alpha value $\alpha = .784$ and Emotional Intelligence (*Schutte et al., 1998*) had 19 items with alpha value $\alpha = .856$ respectively. The overall questionnaire's mean reliability was calculated 0.92 (Chronbach's Alpha test value).

Structural Equation Modelling (SEM) using AMOS26 is applied between variables i.e. EE and EP using EI as mediating factor. The conceptual model for the variables are as below:

Fig 1- Theoretical Model



Source: Author’s Preparation

Reliability and Validity

Reliability and validity analysis was also conducted on the data collected. Cronbach’s alpha coefficient statistics and composite reliabilities were checked. For all three scales viz. ‘Employee Engagement’ the Alpha Coefficient was 0.892, ‘Employee Performance’ the Alpha Coefficient was 0.784 and ‘Emotional Intelligence’ the Alpha Coefficient was 0.856 respectively.

Table 1- Reliability and Validity of Constructs

VARIABLES (SCALES)	FACTOR LOADINGS	CRONBACH’S ALPHA COEFFICIENT	AVERAGE VARIANCE EXTRACTED
Employee Engagement (<i>Schaufeli Et Al., 2006</i>)	0.75-0.84	0.892	0.567
Employee Performance (<i>Koopmans, 2013</i>)	0.61-0.73	0.784	0.621

Emotional Intelligence (Schutte Et Al., 1998)	0.69-0.85	0.856	0.598
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Hypotheses

H01: There is no significant relationship between employee engagement and emotional intelligence.

H02: There is no significant relationship between emotional intelligence and employee performance.

H03: There is no significant relationship between employee engagement and employee performance.

H04: Emotional intelligence do not mediate the relationship between employee engagement and employee performance.

Objectives

The research confined its broad purpose into specific objectives which explain basic motive of the study and restrict the scope of the research. The research is carried out with following objectives-

1. Understand the significance of terms used in the study i.e. EE, EP & EI in academics.
2. Evaluate the relationship between EE and EI, EI and EP, EE and EP.
3. To study EI as mediating factor of EE and EP.
4. Draw a meaningful conclusion through research findings which can help institutions to develop strategies for improving EE for ensuring desired EP.

4. Result

Objective 1- Understand the significance of terms used in the study i.e. EE, EP & EI in academics.

EI is a personal trait that reflect the ability of understanding and managing person's own emotions along with others' emotions at workplace ((Boyatzis, 2009; Joseph & Newman, 2010) which increase harmony and work integration. Professors with high EI are found to be better performer in class and synchronize emotional vibes for close bonding (Krischer, Penney and Hunter, 2010). Emotionally intelligent academicians manage things proactively

and reduce apprehension, thus improve performance with doer attitude (Carmeli, 2003). Employee engagement is closely connected with EI and EP. Engaged employees are more prompt, sincere and adaptive to change at workplace. In every sector employee engagement is being used as essential parameter of performance management (Mamula, Peric&Necak, 2019). In academics also, the demand of high performer teachers is increasing who are more stable in emotions, open to accept new environment and manage comprehensive behaviour with students. Employee engagement, emotional intelligence has direct relationship with employee performance (Tripathi& Sharma, 2016).

Objective 2- Evaluate the relationship between EE and EI, EI and EP, EE and EP. (Refer table 2)

H01: There is no significant relationship between employee engagement and emotional intelligence.

Null hypothesis H01 is found accepted with P value of $.721 > 0.05$. The test is found not significant and reveal that no relationship exists between EE and EI. The estimation was only 0.016 (2% approx.) with SE= 0.46, CR= .357. Emotional intelligence doesn't show direct relationship with employee performance (Brinia, 2008). Emotional intelligence is found highly associated with team process and performance. Employees in a team carry out given task with sincerity and dedication wherein role of EI in shaping individual performance become non prominent (Clarke, 2010). Engagement is weakly associated with EI and doesn't influence individual performance but, it shows close association with group-level intelligence which significantly improve group performance (Druskat& Wolff, 2009).

H02: There is no significant relationship between emotional intelligence and employee performance.

H02 is rejected with P value of $0.048 < 0.05$, the test is significant at 5% level of significance. The result reveal significant association between EI and EP. The estimation is calculated .118 (12%) with SE= 0.060, CR= 1.974 respectively. Emotional intelligence shows positive influence on employee performance (Furnham, 2012). Intrinsic factors (job satisfaction) are found crucial in emotional wellbeing and appraisal that create strong impact on job performance (Yoke and Panatik, 2016). Hence, it can be very well said that, emotional intelligence has power to influence employee performance in long run.

H03: There is no significant relationship between employee engagement and employee performance.

H03 is also found rejected as the P value for the test is found $.001 < .05$. The test is significant and reveal that EE has significant relationship with EP. The estimation is calculated .165 (17%) with SE= .051, CR= 3.233 respectively. Positive and strong relationship was found along with power to increase employee performance (Ahmed & Dajani, 2015). Employee engagement is essential for business success as it ensures individual attitude and encouraged work related behaviour in the organization (Andrew & Sofian, 2011). It also improves organizational strength and increases the chances of business success. EE facilitates three unique psychological conditions among employees like-meaningfulness, safety and availability (Kahn, 1990).

H04: Emotional intelligence do not mediate the relationship between employee engagement and employee performance.

H04 is rejected with P value $.034 < .05$ (Refer table 2). The result confirm that EI mediates the relationship of EE and EP. For mediating analysis, 'Bootstrap' approach is used to analyse the indirect effect of mediation (Mallinckrodt, et al., 2006). Analysis confirms that indirect effect of emotional intelligence is significant in mediating relationship of EE & EI. The mediating role was found 'partial' with indirect effect size of 0.058 and CI (Confidence Interval) = 0.038 to 0.100.

Table 2- Test Statistics (Standardized Regression Weights)

			Estimate	S.E.	C.R.	P	Label
Emo_Intel	<---	Emp_Eng	.016	.046	.357	.721	par_1
Emp_Perf	<---	Emo_Intel	.118	.060	1.974	.048	par_2
Emp_Perf	<---	Emp_Eng	.165	.051	3.233	.001	par_3

Table 3- Test Statistics of Mediation

S. NO.	TEST CONDUCTED	ESTIMATED VALUE
1.	Regression Analysis	P Value- 0.034, SE= 0.039, CR= 0.265
2.	Mediation Analysis Using	Effect Size= 0.058, CI= 0.038 to

Bootstrapping Technique 0.100.

Table 4- Model Fit Statistics

S. NO.	PARTICULAR	VALUE
1.	GFI	0.892
2.	NFI	0.847
3.	TLI	0.901
4.	CFI	0.920
5.	RMSEA	0.039

A satisfactory model fit is assessed with fairly good regression weights > 0.05 ; $p < 0.05$. The model fit statistics are calculated as- Goodness-of-fit (GFI)= 0.892, Normed Fit Index (NFI)= 0.847, Tucker-Lewis Index (TLI)= 0.901, Comparative Fit Index (CFI)= 0.920 and Root-Mean-Square Error of Approximation (RMSEA)= 0.039.

5. Discussion

It is always debatable whether ‘employee engagement’ has any relationship with ‘employee performance’ and is ‘emotional intelligence’ a competent variable which can mediate the relationship? These questions have been answered by many researchers by conducting researches on different sectors using different respondents. Similarly, the current study also been taken over to analyse this concept on ‘academicians’ and confirm the relationship between EE and EP and EI partially mediate the relationship. Academicians with high level of engagement are better in their overall performance (Brunetto, et al., 2012). AICTE approved institutions were targeted for obtaining responses from academicians (professors) in order to estimate how EE works among professors and what is the nature of relationship. The study confirms that, there is a significant impact & relationship between EE and EP with respect to professors teaching in AICTE approved institutions. No relationship is found between EE and EI, these are two separate concepts which are intrinsic in nature and influenced by someone’s attitude, behaviour, knowledge and overall work approach (Kim, et al., 2009). Emotional competency independently works with

individual performance but when it studies along with employee engagement its mediating role become insignificant. Though studies have proven the relationship between EI and EP but combined effect doesn't appear in academics (Joseph & Newman, 2010).

6. Conclusions

The study represented empirical findings on impact of employee engagement on employee performance at one hand and at another hand analysing the mediating role of emotional intelligence. Level of employee performance in academics significantly associated with level of engagement. In case of emotional intelligence, partial mediating role is found to associate the relationship between EE and EP. Professors are found highly motivated and dedicated for their job whose level of engagement was high. Hence, the study confirms significant association of engagement with performance. Emotional intelligence in this relationship doesn't reflect considerable role as the 'confidence interval' value was found moderate. Therefore, partial mediating power is calculated and concludes that not significant mediation is found.

Conclusion also includes some limitations like- responses were limited to 350 only due to resource availability, concentrated only on AICTE institutions, deep investigation of phenomenon taking various demographic variables of the respondents was not done etc. Hence, it leaves immense options and scope for future researches on the similar/related topics. Future studies can be conducted using demographic attributes like gender, income, age etc. to analyse the impact of EE on EP in other institutions other than AICTE approved institutions.

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