



RESEARCH ARTICLE

THE IMPACT OF EMPLOYEE ENGAGEMENT ON JOB PERFORMANCE:  
CASE STUDY FOR BANKS IN LEBANON

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ABSTRACT

Employee engagement is a work place approach where the employees feel attached to their work, motivated to contribute to organizational success and try to give their best each and every day for the success of the company. The core purpose of this research is to define what employee engagement is and if it has any effects on job performance mediated by employee's satisfaction. And for that study to be delivered we have chosen 4 random banks in Beirut and gathered statistics through closed ended questionnaire. About 200 questionnaires were distributed to the staff but only 87 questionnaires were suitable for the study. The study at the end shows that employee satisfaction has a great and important impact on job performance especially in banks, nevertheless, the relation between job engagement and satisfaction was not validated.

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INTRODUCTION

If you want to be successful in business, you need employees who are effective, engaged, and excited to contribute. Wherever there are workers who are ready to give their best each and every day with an unprecedented commitment to organization's goals and values, employees who are motivated to contribute to organizational success with an enhanced sense of their own well-being and in the presence of the right conditions, the approach of employee engagement at work place is applied. Based on trust, integrity, two way commitments and communication between an organization and its members, employee engagement stays the approach that enhances the chances of business's success, contributing to organizational and individual performance, productivity and well-being and can be measured varying from poor to great. You can prioritize employee engagement by getting everyone on the same page, building a culture that puts employees first, and implementing company-wide programming that has engagement at its core (Halvorson, 2017). Essentially, employee engagement doesn't mean employee happiness; some workers might be happy at work but that doesn't necessarily mean working hard, productively on the behalf of the organization. Employee engagement is typically measured using an employee engagement survey that has been developed specifically for this purpose.

**Purpose of the study:** This research summarizes many studies that defines employee engagement. An employee's voluntary effort results in the Engagement-Profit chain. Because workers care more, they are more productive, give better service, and even remain in their work for longer. All of that conduct to delighted customers, who purchase and refer more often, which drives sales and profits to higher levels, finally resulting in an enlarged stock price. In this study, we're going to see the relation between employee engagement and job satisfaction and their effect on the overall work. Moreover, we will hypothesize that the employee's satisfaction plays a mediation role between employee engagement and job performance.

Literature review

**Employee engagement:** Employee engagement has become a hot topic in the recent years as an essential to driving successful organizations. Engaged workers are satisfied and feel a sense of attachment to their work and employer promoting the very best in the organization to their friends, family and work towards its success. Kahn (1990) began with the work of Goffman (1961) and proposed that people's attachment and detachment to their roles varies (Kahn, 1990), and was the first to publish a work concerning employee engagement stating that it is " the harnessing of organization

members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances". The cognitive aspect of employee engagement concerns employees' beliefs about the organization, its leaders and working conditions. The emotional aspect concerns how workers feel about each of those three factors and whether they have positive or negative attitudes toward the organization and its leaders. The physical aspect of the employee engagement concerns the physical energies exerted by individuals to accomplish their roles. Thus, according to Kahn (1990), engagement means to be psychologically as well as physically present when occupying and performing an organizational role. Moreover, he was the first to suggest that employee engagement would positively impact on organizational level outcomes. The reasoning behind his contention was that because employees want to work for reasons other than "they get paid to do it", they will work to track success for their organization. Even though the concept of employee engagement is relatively new to the business and academic world, research is continuing to link workers engagement to various organizational outcomes, including customer loyalty and performance errors (Gonring, 2008), profitability, customer-focused behavior, safety and turnover. (Harter, 2002).

**Job satisfaction:** Many distinct ways were used to elucidate job or employee satisfaction. Some believe it is simply whether or not employees like the job or individual aspects or facets of jobs (such as nature of work or supervision), others believe it is not that simple as this definition suggests, but instead it is that multidimensional psychological responses to one's job are involved. Researchers have also noted that the measurement of job satisfaction varies in the extent to which they measure affective job satisfaction, or cognitive job satisfaction. Locke (1976) used the most widely representation in organizational research, he declares that job satisfaction is "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences" and it is assessed at both the global level (whether or not the individual is satisfied with the job overall), or at the facet level (whether or not the individual is satisfied with different aspects of the job).

**Job performance:** Job performance estimates whether a person performs a job well. As studied academically it is a part of industrial and organizational psychology, and forms a part of human resource management. Performance is an important criterion for organizational outcomes and success. John P. Campbell describes job performance as an individual-level variable, or something a single person does. Moreover, others believed that job performance is the overall expected value from employee's behaviors carried over the course of a set period of time. (Motowidlo, 1997).

**Theory and Hypothesis:** In fact, it has been found that workers that are highly engaged are twice as likely to be top performers (Taleo, 2009). Although it is acknowledged and accepted that employee engagement is a multi-faceted construct, as previously suggested by Kahn (1990), Truss et al. (2006) define employee engagement simply as "passion for work", a psychological state which is seen to encompass the three dimensions of engagement discussed by Kahn (1990), and captures the common theme running through all these theories.

**H1: Employee engagement influences the Job satisfaction positively:** As employees get attached to their work, the results will appear in their commitment and their work performance. Employee engagement and job satisfaction has positive relationship; whenever one of them is increased the other will increase automatically, and as well we can see that by the increase in the worker's productivity.

**H2: Job satisfaction affects Job performance, and has a positive relation:** To be gratified at work, employees will generate better performance. The satisfaction in the workplace will boost the morale of workers and will positively affect the performance at work.

### Research design and methodology

**Method:** This study employed the quantitative research method of survey questionnaire. The research was cross-sectional in that data were collected from all at one point in time and they were self-administrated.

**Respondents' demographic information:** This study employed a random sample to offer each individual in the targeted population an identical chance to be selected or to fill the survey. Applications were collected from four small companies in the area of Beirut: one trading company, one advertising company, one constructing company, one networking company and finally one contracting company. The study planned for 200 participants to fill out the questionnaires, yet only 150 questionnaires were filled out and returned among which only 100 were suitable for the analysis.

### The results of H1:

$\beta$	Std. Error	t	p
-0.0334	0.0747	-0.4710	0.6559

H1 measures the impact of employee engagement on job satisfaction. It is hypothesized as: "Employee engagement influences the Job satisfaction positively". The effect is not significant ( $p > 0.05$ ,  $t = -0.4710$ ), since  $P > 0.05$ . Therefore, there is no effect of employee engagement on job satisfaction and the results contradict with the original assumption of H1.

### Consequently H1 is not validated

### The results of H2:

$\beta$	Std. Error	t	p
0.9706	0.3409	2.7872	0.0059

H1 measures the effect of job satisfaction on job performance. It is hypothesized as: "Job satisfaction affects Job performance, and has a positive relation". The effect is significant ( $p < 0.05$ ,  $t = 2.7872$ ), therefore, there is an effect of job satisfaction on job performance.

### Consequently H2 is validated

### Conclusion

As we have seen in this research, employees who believe their employer and work cares about their health and well being are more likely to be loyal, go the extra mile and stay in their jobs

for longer. This thing can bring huge gain for the company by increasing both productivity and performance and can reduce staff turnover sickness' absence and recruitment costs. Moreover, it is important for the employers to take special care to their employee's emotional and financial health and treat them as individuals, to have regular communication with them whether by showing compassion in the personal issues or providing support whenever needed, and that is all under the long term strategy of keeping employees attached to their work. Companies need loyal, talented and productive staff to remain with them, not just at difficult times, but also when the economy starts to recover. Employees who feel they are attached to their work are more likely to stay at the company for long time, and those who do not may move at the first opportunity which is a risk that the company could not predict. Finally, employee engagement is a very important concern for all the companies all over the world. However, the relation to generate employee satisfaction was not justified. Analysis to this non correlated relation might be the external factors of the organizations especially in an unstable political country like Lebanon might be the cause of this negative relation.

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