The Mediating Effect of Employee Engagement between Sustainable HRM Practices and Job Performance

Asmaa Abdul Wahid Malik Alghnimi, Liqaa Miri Habeeb, Rabab Ibrahim Kadhim

AL-Furat Al-awasat Technical University Al-Dewaniyah Technical, College of Administration & Economics University of Al-Qadisiyah, Iraq, Faculty of administration & Economics Department of Finance and Banking, Email: Assmaali666666@gmail.com, Liqaa.miri@qu.edu.iq, Rabab.Ibrahim@qu.edu.iq

This study examines the role of sustainable HRM practices on job performance through engagement. The study measures the effect of participation and employee empowerment on job performance. The population was all the employees in the Diwaniyah General Hospital of Iraq. By using a random sampling technique, 200 sample participants were selected as the target population. The 5-point Likert scale was used to collect the responses. The findings of the study by using PLS 3.0 are to examine the role of practices of HR on performance and the mediating effect of employee engagement between HR practices and job performance. The findings of the study show that HRM practices, such as participation and employee empowerment, have a positive effect on employee job performance. Specifically, the study confirms that employees’ engagement significantly mediates between HR practices, such as employees’ participation, employees’ empowerment and the performance of employees, and the sustainability of HRM practices have a great impact on job performance. Furthermore, a future research direction is presented.

Key words: Employee empowerment, participation, sustainability, sustainable HRM practices, engagement, job performance.

Introduction

The effectiveness of managerial responsibilities is mainly dependent on HRM and HRM ensures the creation and sustainability of the talented employees (Bailey, Mankin, Kelliher, & Garavan, 2018). HRM is all about dealing with employee’s related problems and relationships efficiently, in order to contribute to the firm’s effectiveness. HRM is a “combination of people-
centered management practices that recognise employees as assets, and those that are geared
to creating and maintaining a skilful and committed workforce for achieving organisational
goals” (Senyucel, 2009). Within the organisational context, HRM serves at the managerial
level. HRM performs a number of roles to enhance the workers’ efficiency that is pretty much
needed at numerous phases of the employment such as post-hire, pre-hire, staffing, and so on.
The practices of the HRM have a tendency to boost the motivation level of the employees,
bring betterment in their skills and behaviour, and eventually lead towards a higher
organisational performance (Abdi & Azizpour, 2013). In order to ensure effective goal
attainment, organisations are heavily dependent on the practices of HRM, which ensures a
friendly workplace environment, deals with recruitment and selection, confirms worker
training programs and their involvement, ascertains the justice and fairness in performance
evaluation systems, and enhances workers intrinsic and extrinsic motivational levels. HRM is
also responsible for overall performance evaluation, pay appreciation for performance, and
supports the firm’s overall performance.

Management related actions and decisions fall under the practices of HRM. The role of HRM
within an organisation starts with recruitment of the people and successfully hiring the right
employees in the right place is considered an achievement of the HRM (Iqbal, Arif, & Abbas,
2011). Once in work, workers should be involved in the firm’s systems and structures via
socialising and training. After that, the important aspects of HRM show up in the process of
the development of the employees and motivate them by providing attractive perks and a fair
reward system (Schuler & MacMillan, 1984). Practices relating to the employees such as their
selection, communication, level of assessment and compensating the domestic employees,
might create problems and challenges for the firms (Nadarajah, Kadiresan, Kumar, Kamil, &
Yusoff, 2012). Employee management in such an effective way is not an easy job. Workers
problems need to be taken into account, because if not considered carefully, then they can cause
a problem for the firm (Harzing & Pinnington, 2010). The practices of HRM are effective tools
in enhancing employees’ manners, shaping their attitude, and developing their expertise in a
way that directly influences the performance of the firms and increases the employees
performance as well. Employee’s positive energy and attitude enables them to give their best
in favour of the organisation and get promoted (Ngima & Kyongo, 2013). Earlier studies
confirmed the direct and positive relationship between the HRM practices and the employee’s
performance (Nadarajah et al., 2012). The practices of HRM also positively aligned with the
overall organisational performance (A. K. Paul & Anantharaman, 2003). Similarly, via the
implementation of the HRM practices, employees are assured that they will be treated fairly
(Lambooij, Sanders, Koster, & Zwiers, 2006). Additionally, a number of equivalent studies
with the same concept have shown significant associations between the practices of HRM and
performance (Siddiqi, 2005). The role of HRM practice is critical when it comes to determining
the performance of academic staff (Siddiqi, 2005). Moreover, he stated that by providing
training to the existing employees, firms can get precise knowledge and the right direction to
enhance the overall performance of academic staff. In Pakistan, public sector organisations are shifting towards adapting traditional HR practices from the permanent job appointments, in order to have performance-based endorsement and seniority (Zacher, Chan, Bakker, & Demerouti, 2015). The impact of practices of HRM on employees’ performance has remained the centre of attention for the researchers. Earlier researches regarding HRM practice have been done in a number of countries (Wikhamm, 2019). Likewise, sustainable HRM is a productive perception which still needs to be explored. Sustainable HRM was recently defined by (Mishra, Sarkar, & Singh, 2012) as the adoption of HRM practices and strategies that enable the achievement of social, financial and ecological objectives that have an impact on the organisation over a long period of time, while controlling unplanned side effects as well as negative feedback.

Only a few studies have been done regarding the concept of sustainable practices of HRM in the context of developing countries like Iraq. On the other hand, in the education sector and specifically in universities, the research on this concept is quite limited. As a result, this study is aimed at studying the sustainable practices of HR in the context of the Health Sector in Iraq. This study is aimed at carrying out a study concerning the association between sustainable practices of HRM and employees’ job performance in the Health Sector in the Diwaniyah General Hospital of Iraq. The inspiration behind conducting this study is that few studies have been done regarding the role of sustainable practices of HR in enhancing job performance in the above-mentioned province of Iraq. Thus, the main purpose of the study is to examine the mediating effect of engagement between sustainable practices of HR and performance.

**Review of Literature**

The main purpose of the study is to examine the mediating effect of engagement between sustainable practices of HR and job performance.

**Sustainable HRM Practices**

Sustainable HRM is defined as “the adaptation of HRM practices and strategies that enable organisations to achieve their financial, ecological and social goals over a long-term horizon, while controlling for negative feedback and unintended side effects” (Kramar, 2014). Ehnert and Harry (2012) stated that the Paradox Theory links HRM and sustainability. They refer to this Paradox Theory as “sustainability”, and refer to the reproduction of resources and a consumption balance, causing a paradoxical option and creating pressure for performance of sustainable HR which might be eagerly dealt with, and that could be a source for motivation and transformation. The link between practices of HR and employees’ performance has remained the subject matter for scholars who have done the research that was conserved in their previous collections and books. The formulation and development of HR practices led to
a greater level of employee performance that resulted in efficient attainment of goals. Moreover, high-quality management practice inspired a higher level of employee performance (Rafiei & Davari, 2015). The action theory approach concerning performance offers a number of aspects that help in explaining the directive methods of behaviour and learning. This technique does not just cover the range of training approaches but also helps to clarify the cognitive functioning which helps the employees in successfully regulating their learning and performance (Frese & Sonnentag, 2000). The important role of sustainable practices of HRM in enhancing the performance of staff members also increases the firm’s support. HR practices influence the organisation and labour force both directly and indirectly (Paillé, Chen, Boiral, & Jin, 2014).

The effect of sustainable HRM practices in relation to customer satisfaction in Swedish-based hotels was studied (Wikhamn, 2019). The findings of this study acknowledged the important role of sustainable HR practice in enhancing the satisfaction level of the firm’s customers. He summed up his study findings by describing that sustainable HR practice has a positive effect on the level of customer satisfaction and that such a situation also boosts the organisational performance. The sustainable practices of HR show the significance of HR practice related to the organisational outcomes which go far beyond the financial performance of the firms (Ehnert, Parsa, Roper, Wagner, & Muller-Camen, 2016). The development of sustainable practice has become necessary to ensure a happy workplace environment. Development of sustainability is a good business practice. When firms really show concern about lessening the waste to improve the firm’s efficiency then it might pay off in dollars. The concept of Sustainability is very important for progressive firms because of the higher level of growth and improvement. Notably, it is necessary to differentiate between sustainable practices of HR and sustainable HR as both concepts have a different implication. Sustainable HRM is mainly based on the context, for example, the possible impairment of the implications of HRM practices on workers. Researchers scrutinised the sustainable HRM which is mainly dependent on the synthesis and immediate effects of HPWS on the firm’s performance and potential worker harm. Researchers further found that high-performance work practices like compressed working schedules, tele-working and so on, can have a damaging effect on the performance of the firms. Therefore, it is important to point out the specific HRM practices that are part of high-performance work arrangements and examine their effect on the employee’s wellness and the firm’s profitability (Mariappanandar & Kramar, 2014). One more study examines the significant potential of the concept of sustainability HRM practice. The findings of this study showed that sustainable HRM systems might deal with the paradoxical tensions and situations efficiently and effectively (Ehnert, 2014). “Ingredients of sustainable HRM” in terms of “Respect”, “Openness”, and “Continuity” (ROC) (De Prins, De Vos, Van Beirendonck, & Segers, 2015), And they further extend the scope from just an individual career perspective to an integration of HR with the perspective of Corporate Social Responsibility. Following the research, it is possible to assume the significance of sustainable human resource management.
for theory-building in HRM and also to focus effectively on the areas of both research and practice (De Prins et al., 2015).

However, the main focus of this study is to provide better understanding about the three HR practices that affect the level of employee job performance. Such HR practices include employee empowerment, participation and selection.

**Employee Participation**

Participation refers to the involvement of the employees in decision making that is concerned with the development activities that possess a significant influence on employees in their work. Some earlier studies acknowledged the positive association between employee performance and the participation level at the job (Katou & Budhwar, 2006). Research was also conducted on the effect of workers’ participation and their involvement on their job performance (Bhatti & Qureshi, 2007). When employees are warmly welcomed in an organisational system in terms of involvement and participation then this makes them more skilled and competent and they suggest improvements that can bring success to the firm (J. Paul, 2016). For that reason, firms must open the doors for active participation in the decision making process (KANE-URRABAZO, 2006). This is the connectivity between participation, satisfaction and performance (Levin, Hansen, & Laverie, 2012). The results of this study evidently acknowledged the significant statistical impact on the performance level of the employees. Within the organisation, two things enhance the firm’s overall performance and these two things are employee participation and a sustainable work system. Based on the above-mentioned argument, employees’ overall job performance is highly dependent on the level of employee participation. With the help of senior management, employees are given freedom to express themselves fully and participate in the implementation of environment-related initiatives, and this makes them more engaged in the organisation. The findings of this study were well-supported via cluster analysis which depicted that employees’ engagement level rose when employees became highly participative and involved (Christian, Garza, & Slaughter, 2011).

Thavakumar and Evangeline (2016) found that at the workplace the level of communication, compensation, involvement and participation, significantly determine the engagement level of the employees. Employees develop a sense a sense of community when they are authorised to participate in decision making; involvement in decision making leads towards a higher level of engagement as well (Maslach, Schaufeli, & Leiter, 2001).
Employee Empowerment

Employee empowerment means to motivate and encourage the employees to determine strategy and make decisions with top management in the organisation. Thus, employee empowerment refers to giving authority and power to the employees to determine policy and make decisions. An empirical study of Spreitzer (1995) looked at forty three automotive industries in the USA. The findings of the study show that there is a positive relationship between involvement and employees’ performance. Further, empowerment is also the name used to describe the power granted to determine policy independently (Rowley, Quang, & Warner, 2007).

Employees’ practices of empowerment have a positive impact on performance, service quality and output in Australian banks. A team with high empowerment appeared to become more productive and proactive, with high job satisfaction, and that team had a high level of customer service and organisational commitment than the team with low empowerment (Kirkman & Rosen, 1999). Empowerment has a positive effect on employees’ attitude (role conflict, self-efficacy, job satisfaction, adaptability) and their behaviour. The employees’ empowerment has outcomes which develop its perception. Individual and organisational aspects are considered to acquire more sense on employees’ empowerment (Amenuye & Lockwood, 2008).

Bakari (2008) explained that empowerment has a positive effect on employees’ performance. It is now proved by many researchers that empowerment has a positive association with satisfaction as well as performance. Employee empowerment gives strong opportunities for employees on the bases of their talents and aspirations to obtain skills and knowledge, and to use them in a positive and conducive work environment to achieve individual performance and also organisational performance. The results of the study by Karatepe (2013) show the significant mediating effect of engagement between employees’ empowerment, training, rewards, and high performance.

Our findings contribute to this debate by providing the empirical evidence that if employees are given the opportunity by senior management to participate and be involved in the implementation of environmental initiatives, they will be more engaged in the organisation.

Employee Engagement

Numerous researchers explained that engagement has made numerous contributions to elaborate employees’ behaviour and their attitude (satisfaction, motivation and commitment) which are major antecedents of employees engagement. Researchers now started applying engagement with different terms such as “employees’ engagement, job engagement and work engagement”. Gruman and Saks (2011) defined that Employee’s engagement is “the
individual’s involvement and satisfaction with as well as enthusiasm for work”. Usually, employee engagement consists of both organisational engagement and job engagement (Albdour & Altarawneh, 2014).

Job engagement emphasised on “a psychological state of fulfilment with one’s task at work” and organisational engagement emphasised on “a multidimensional motivational concept reflecting the simultaneous investment of an individual’s physical, cognitive, and emotional energy in active, full work performance” (Cesário & Chambel, 2017). Work engagement defined as “a positive, fulfilling, work-related state of mind that is characterised by vigor, dedication, and absorption” (Hakanen, Bakker, & Schaufeli, 2006). Even though these connected terms have somewhat dissimilar definitions, each definition has a common objective: To explain a state of mind, many studies discussed the positive association between employees’ engagement and performance (Anitha, 2014; Obiageli, Uzochukwu, Leo, & Angela, 2016).

**Hypothesis of the Study**

**H1:** there is a positive association between employee engagement and job performance  
**H2:** there is a positive association between employee empowerment and employee engagement  
**H3:** there is a positive association between employee participation and employee engagement  
**H4:** there is a mediating effect of employee engagement between employee empowerment and job performance  
**H5:** there is a mediating effect of employee engagement between employee participation and job performance

**Research Methodology**

Data was collected from the manufacturing industry of Iraq through personal-visits. The 5-point Likert scale was used to take the responses. The random sampling technique was used since the population was known and was not scattered. In order to cover the whole population this was a suitable strategy.

Respondents were chosen randomly to collect the data by applying the random sampling. According to Comery and Lee (1992), "sample having under 50 members will take to be a weaker sample; a sample size of 100 will be not good; 200 will be sufficient; a sample of 300 will be considered as great; 500 generally excellent though 1000 will be amazing." So, in the current study, a sample size of 200 was decided. From these 200 responses, 174 responses were returned and 26 responses were imperfect. Afterwards, 174 responses were used to analyse the data. The reaction rate was 87% which is suitable for analysing the data. Then, Smart PLS 3 was applied.
Data Analysis

Figure 1.

Figure 2. Measurement Model

The PLS 3.0 is used in the current study for analysing the data. It can be appropriate for a small amount of data and numerous studies applied PLS for accurate results in the context of Iraq. As far as the analysis is concerned, the current study focused on two parts. In the first part, a
measurement model used to measure the both reliability and validity. In the second part a structural model was used to measure the hypotheses by applying SEM.

To measure the external consistency discriminant validity was examined. Factor loading should be > 0.5 (F. Hair Jr et al., 2014). In the current study factor loading is greater than 0.5. The convergent validity and AVE should be > 0.5. Also, the reliability would also be greater than 0.7 in the study. In the current study convergent validity and AVE are also greater than 0.05.

Further, the measurement model in Table 1 and in Fig. 2 exhibited the results. It shows that all the factor loading values are greater than 0.05.

Table 1: Cronbach's Alpha

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Cronbach's Alpha</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EE</td>
<td>0.961</td>
<td>0.965</td>
<td>0.646</td>
</tr>
<tr>
<td>EEMP</td>
<td>0.965</td>
<td>0.969</td>
<td>0.742</td>
</tr>
<tr>
<td>JP</td>
<td>0.935</td>
<td>0.951</td>
<td>0.794</td>
</tr>
<tr>
<td>PA</td>
<td>0.898</td>
<td>0.929</td>
<td>0.765</td>
</tr>
</tbody>
</table>

Table 2: Discriminant Validity

<table>
<thead>
<tr>
<th>Constructs</th>
<th>EE</th>
<th>EEMP</th>
<th>JP</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>EE</td>
<td>0.804</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EEMP</td>
<td>0.768</td>
<td>0.861</td>
<td></td>
<td></td>
</tr>
<tr>
<td>JP</td>
<td>0.711</td>
<td>0.918</td>
<td>0.891</td>
<td></td>
</tr>
<tr>
<td>P</td>
<td>0.833</td>
<td>0.707</td>
<td>0.69</td>
<td>0.875</td>
</tr>
</tbody>
</table>

The discriminant validity in Table 2 shows that the test of a concept is not highly correlated with other tests.

Structure Model Assessment

In Table 3, we can see the direct effect of independent variables such as employee participation and empowerment on dependent variables such as performance. Additionally, the t-value is greater than 1.96; positive β-values of P -> EE, EEMP -> EE and EE -> JP are 0.579, 0.359 and 0.711 respectively. Therefore, all the direct relationships of independent variables with dependent variable are significant. So, H1, H2 and H3 are accepted.

Moreover, it demonstrated that employee’s participation and employee have positive relationships with employee’s engagement. Further, employee’s engagement has positive relationship with job performance.
Table 3: Direct Relationship

| Relationship | Original Sample (O) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|--------------|---------------------|---------------------------|------------------------|----------|
| EE -> JP     | 0.711               | 0.058                     | 12.179                 | 0.000    |
| EEMP -> EE   | 0.359               | 0.094                     | 3.838                  | 0.000    |
| P -> EE      | 0.579               | 0.09                      | 6.432                  | 0.000    |

Table 4 shows the mediation effect. All the hypotheses show the mediation results. In the mediation test the rules of Preacher and Hayes (2004) were followed. Further, the results show that t-values greater 1.96 of the entire hypothesis, which proves the mediation effect between both IVs and DV. Thus, H4 and H5 are accepted.

Moreover, in table 4, we see the mediating effect of employees’ engagement between employees’ participation and job performance, β-value is 0.412, t value is 3.049 and p value 0.000 is less than 0.005 additional, the mediating effect of employees’ engagement between empowerment and performance. B-value is 0.255, t value is 3.049, and p value is 0.002 less than 0.005. The β-value is positive of each mediating hypothesis. It means organisational injustice enhances workplace deviance through jealousy.

Table 4: Mediation Effect

| Relationship | Original Sample (O) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|--------------|---------------------|---------------------------|------------------------|----------|
| EEMP -> EE  -> JP | 0.255               | 0.084                     | 3.049                  | 0.002    |
| P -> EE  -> JP   | 0.412               | 0.051                     | 8.005                  | 0.000    |

Table 5: Predictive Relevance (Q2)

<table>
<thead>
<tr>
<th>Constructs</th>
<th>SSO</th>
<th>SSE</th>
<th>Q² (=1-SSE/SSO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EE</td>
<td>2,550.00</td>
<td>1,420.31</td>
<td>0.443</td>
</tr>
<tr>
<td>EEMP</td>
<td>1,870.00</td>
<td>1,870.00</td>
<td>0.374</td>
</tr>
<tr>
<td>JP</td>
<td>850</td>
<td>532.45</td>
<td>0.374</td>
</tr>
<tr>
<td>P</td>
<td>680</td>
<td>680</td>
<td></td>
</tr>
</tbody>
</table>

Finally, according to Duarte and Raposo (2010) the predictive relevance (Q2 ) explains the quality of the model. The predictive relevance is the extra evaluation of goodness-of-fit model. (Chin, 1998) argued that it should be >0.
Discussion of the Study

This study examines the mediating effect of employees’ engagement between employees’ participation, employees’ empowerment and job performance.

It is found that employees’ participation and employees’ empowerment is linked with job performance, the t-value 6.432, and 3.838 respectively these values are greater than 1.95. The significant value is less than 0.05. The positive β-values of employees’ participation and employees’ empowerment are 0.579 and 0.359 for the direct relationships between employees’ participation and employees’ empowerment with job performance. Further, the t-value of the direct relationship between engagement and job performance is 12.179>1.96 and β-value is 0.711 and p value is less than 0.005. These positive β-value and t>1.96 value shows positive significant relationship between each variable.

However, the mediating effect of engagement between participation and performance is significant with t-value 8.005, β-value 0.412 and p value 0.000. Further, the mediating effect of employees’ engagement between employees’ participation and job performance is significant. Likewise, the mediating effect of employees’ engagement between employees’ empowerment and job performance is significant with t-value 3.049, β-value 0.255, p value 0.002<p 0.005. Thus, the employees’ engagement is a significant mediator between employees’ participation, employees’ empowerment and the job performance.

Conclusion

In any organisation, human resource practices may play a pivotal and vital role in employee job performance. The current study suggests in its findings that Diwaniyah General Hospital in Iraq can improve their employees’ job performance by applying high-involvement human resource management practices through employee engagement. Consequently, to expand employee job performance, the university should apply sustainable practices of HRM to support and increase its performance.

The current study has contributed to the system of sustainable HRM research by suggesting human resource management practices at the health sector level. Findings of the current study suggest that implementing sustainable human resource practices could lead to enhanced employee job performance as well as organisation performance and also employee well-being through employee engagement. The study contributed to the consideration of sustainable practices of human resource management.
Practical Contribution

The observation of sustainable practices of human resource management is used in the health sector to advance employees’ performance. Therefore, the application of sustainable human resource management policies plays a pivotal role in increasing employee job performance. Additionally, the system of employee empowerment must be applied in the university; when the university empowers its employees, it will give them more self-confidence and autonomy to perform the tasks of their own accord.

Recommendation

The management of the health sector should review its sustainable human resource management practices by bearing in mind the employees’ problems, recognising them and opposing the discriminations they have. The acknowledgment techniques must be applied so that the employees’ determination might be appropriately rewarded and acknowledged.

Limitations and Future Research

The design of cross-sectional study was made to avoid the ambiguity of a causal association; future research should use the design of longitudinal study for the model of present study. Secondly, the findings of the studies are only being generalised for the academic staff of the universities of Baghdad. It means the current study is limited to the education sector. It is proposed that to overcome the limitations of the current study, it should be enlarged to other sectors.
REFERENCES


