

## Role of Employee Engagement on HRM Practices and Performance Relationship: Assessment through PLS-SEM Path Model

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### ABSTRACT

Employee performance is crucial for the success and survival of organizations in today's competitive environment. In this connection, this paper focuses on some issues of human resource management practices, such as employee promotion opportunities, job security, and employee relations, that influence the performance of employees. Additionally, employee engagement is considered a mediating variable in the said relationship. The study employs a survey method to collect data from 392 operational-level employees of several garment factories in Bangladesh, and the collected data are analyzed using the PLS-SEM analysis technique. The study, in the context of the readymade garment industry in Bangladesh, revealed that human resource management practices have a significant influence on employee performance. In contrast, employee engagement does not mediate the relationship between these practices and performance. Therefore, the findings of this study serve as a guideline for enhancing employee performance in the ready-made garment industry in Bangladesh and other developing economies.

### KEYWORDS

employee engagement, human resource management practices, mediating, performance, promotion opportunity, job security, employee relations.

### Introduction

Employee performance is essential in all kinds of businesses worldwide, ensuring their strong existence and survival. In this connection, practitioners are seeking to identify the appropriate human resource management (HRM) practices that have a dominant influence on employees' performance (Ajaham & Hamid, 2023; Hubais, Islam, & Atiya, 2023; Terng & Ahmad, 2021; Ahmed, Ahmad, & Joarder, 2016). Although it is apparent that several resources are utilized in the organization to achieve better outcomes, all other resources will obviously remain unutilized if employees are reluctant to perform their job duties (Dessler, 2013). Since

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employees' roles in the organization make all other resources effective, practitioners and academics regularly strive to identify effective factors and their suitable combinations, aiming to achieve a high level of employee performance. Therefore, HRM practices are treated as a vital issue for achieving high employee contributions to the organization.

Several studies conducted in various contexts have emphasized different factors that influence job performance. Malik, Nawab, Naeem, and Danish (2010) emphasize the importance of the selection process, compensation, participation in decision-making, job design, training and development, career management, and performance management, all of which have a positive influence on employee performance. However, Kong et al. (2010), Kusluvan et al. (2010), Poulston (2008), and Watson (2008) concluded that a training program, handsome payment, job security, work-family balance, and performance measurement method determine the employees' level of performance. Thus, a contradiction prevails in determining the aspects that influence employees' job performance.

Moreover, human resource management practices influence the level of employee engagement within the organization. Albrecht et al. (2015) suggest that employee-oriented HRM practices have a positive impact on employees' engagement levels within the organization. Employees' perceptions regarding HRM practices, such as equitable payment, job security, workplace safety, and the selection process, psychologically attach them to the job, which is termed employee engagement, as mentioned in Kahn's 1990 study. Thus, it is expected that employee engagement has a positive impact on employee performance.

Additionally, employee engagement is regarded as a crucial issue that affects employees' performance (Anitha, 2014). Employees' mental attachment to the job encourages them to perform more effectively within the organization. The developed economy has already proven that a positive relationship exists between engagement and performance. However, in developing contexts, studies are needed to generalize the notion that employee engagement has an impact on employee performance (Ahmed et al., 2016).

Employee performance is measured based on the volume of products produced or services rendered by employees (Jacob, Rechard, & Chase, 2015). In the RMG industry of Bangladesh, approximately 4.00 million people are employed and account for more than 84 percent of the country's total export earnings (Export Promotion Bureau, 2024). The productivity of Bangladeshi garment employees is approximately one-fourth that of Chinese employees (Abedin, 2008). Additionally, employees in the RMG industry in Bangladesh perform less efficiently than those in neighboring countries, such as India, Pakistan, Vietnam, Cambodia, and Thailand (Berg, Hedrich, Kempt, Tochtermann, 2011). Therefore, employees in the RMG industry in Bangladesh face performance issues that need to be addressed to achieve the expected level of performance.

The evidence shows that employees of garment factories in Bangladesh, who have held the same position for a decade (Khan, 2010), are reluctant to perform

their job duties. Moreover, more than 60 percent of employees in the RMG industry perform their jobs with the fear of sudden job loss (Islam & Zahid, 2012), as in the majority of cases, they are not provided with a job contract letter. Again, an unpleasant working environment is prevailing there, and physical assault by the supervisors on their fellow employees is a common phenomenon (Islam & Ahmed, 2014). Consequently, employees gradually lose their concentration, resulting in low performance and a decline in their engagement level with the organization; however, effective HRM practices need to be considered by practitioners to achieve high performance and engagement levels within the organization. Thus, the study considers employee promotion opportunity, job security, and employee relations as HRM practices for assessing the performance of employees in the RMG sector in Bangladesh. Therefore, the study develops a new equation on HRM practices and performance relationship in the developing context, considering employee engagement as a mediating variable, which is presented in Figure 1:

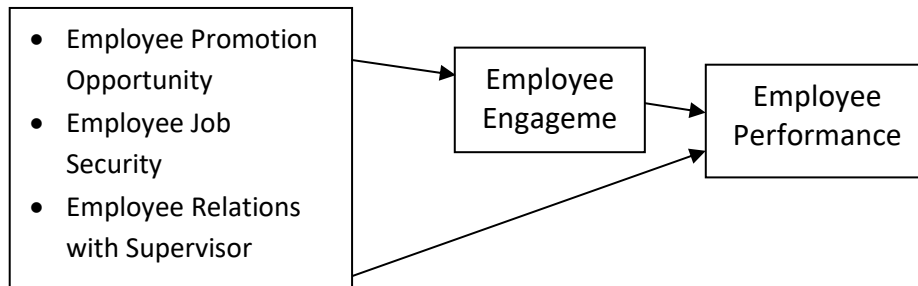


Figure 1: The Conceptual Framework

Therefore, the objective of this study is to examine the role of employee engagement in the relationship between HRM practices and employee performance in the context of the RMG industry in Bangladesh.

## Literature Review

### *Relationship between employee promotion opportunity and performance*

The recent study by Artiningsih et al. (2022) emphasizes that promotion opportunities are a key determinant of improving employee performance, having a significant relationship. Employees' promotion opportunities positively influence their performance in the organization. Recent empirical studies in various contexts have revealed that opportunities for employees' career growth have a significant positive influence on their performance (Lim & Ling, 2012; Ahmed & Uddin, 2012). Another recent study in Egypt suggests that the promotion opportunity within the organization has a significant influence on employees' job performance (Atteya, 2012). Moreover, employees who anticipate having an opportunity to get a promotion on time feel passionate about performing in an efficient manner (Ghebregiorgis & Karsten, 2007). When employees can meet their esteem needs from the organization, they will perform more effectively (Maslow, 1954). Maslow

also noted that esteem needs are related to advancements in position, status, and recognition. Furthermore, Herzberg's (1968) two-factor theory posits that employees' motivation for work performance depends on the personal growth and advancement opportunities available to them. Social status is often expressed through an employee's position; therefore, promotion opportunities encourage employees to perform, as they help them advance to higher positions within the organization (Khan, 2010).

### ***Relationship between employee job security and performance***

The recent study by Artiningsih et al. (2022) emphasizes that employee job security has a significant positive relationship with employees' performance. Job security is a vital issue in today's HRM practices, as it facilitates the smooth operation of a business firm through the enhancement of employee performance. A recent study argues that job security creates positive feelings in employees' minds, motivating them to perform more (Shaukat, Ashraf, & Ghafoor, 2015). During this decade, a study conducted by Islam and Shazali (2011) concludes that when employees' jobs are guaranteed, it is obvious that better outputs from employees can be confirmed. In the last decade, Lee and Lee (2007) found that job security is essential for improving employee performance, both in terms of productivity and product quality. Maslow's (1954) world-renowned 'hierarchy of needs theory' conveyed to practitioners and academicians that employees expect job security at their workplace. Moreover, Maslow added that employees' feelings regarding job security make them more productive. Furthermore, Herzberg's (1968) 'two-factor theory' indirectly emphasized the importance of job security in achieving better performance from employees. Additionally, a few decades ago, employees who enjoyed job security demonstrated better performance in their work than those whose jobs were not secure (Rosenblatt & Ruvio, 1996; Rosow & Zager, 1985; Mooney, 1984; Bolt, 1983).

### ***Relationship between employee relations and performance***

Recently, a study by Artiningsih et al. (2022) highlights that employees can benefit from supervisory support from their employers and encourages them to enhance their work performance significantly. The performance of an employee depends on the relationship with the supervisor at the workplace. A recent study on Islam (2014) reveals that the relationship between employees and employers influences labor performance. Employees always strive to maintain good relations with their supervisors. At the same time, supervisors should remember that deficiencies in this regard will make workers reluctant to work, resulting in low employee performance (Chowdhury, Sarker, & Afroze, 2012). It is very common for the decline of an employment relationship to prompt employees to decide to leave the organization (Hay, 2002). The supportive supervisory relations encourage subordinates to take more responsibility, which ensures employees' excellent performance (Ramayah, Lo, Amri & Noor, 2011). In the last decade, Muhammad

and Hamdy (2005) established that employment relationship has a positive impact on employees' performance. A few earlier studies have found that employees' productivity is high when an organization maintains a strong employee-employer relationship at the workplace (Gomez-Mejia, Balkin, & Cardy, 2001). Several researchers (O'Neill & Arendt, 2008; Brown & Leigh, 1996; Kahn, 1990) have revealed that good relations with management create a positive psychological working environment within the organization, which, in turn, contributes to achieving optimal employee performance.

### **Relationship between employee promotion opportunity and engagement**

Employee engagement level with the work flourishes when employees find their career growth smooth and promising. The empirical study by Anitha (2014) confirms that employee promotion opportunities and fairness in promotion policies are crucial for engaging employees in their work. Employees' engagement level with their work increases when they find opportunities for positional growth in their job (Sardar, Rehman, Yousaf, & Aijaz, 2011). Moreover, Choo, Mat, and Al-Omari (2013) recognize in their study that an employee engagement culture will prevail in the organization when employees' promotion opportunities are ensured. For this reason, management in typical organizations considers the issue of position advancement seriously, so that employees become engaged with their work (Shuck & Rocco, 2014). Moreover, Joshi and Sodhi (2011) find that employees' engagement level gradually increases with an excellent scope of career growth and advancement within the organization. Fleck and Inceoglu (2010), in their "person-job fit and person-organization fit engagement model," propose that career prospects have a significant influence on employee engagement; this finding is also supported by Albrecht (2010) and Gagne and Bhawe (2011).

### **Relationship between employee job security and engagement**

The employees' level of engagement with the work develops when they enjoy assurance of job continuation. Recently, the study by Ahmed et al. (2017) found that employee job security has a positive influence on employees' engagement levels at the workplace. Majumder (2012) recently conducted a study in a developing context, demonstrating that job security enhances the psychological attachment of employees to the organization. Job security is a vital issue in HRM practices; nevertheless, it varies depending on the age and position an employee holds within the organization (Yu & Egri, 2005). For example, Yu and Egri (2005) find that older employees are comparatively more sensitive to job security than younger employees.

Additionally, employees in supervisory positions or higher are more concerned about their job security than those at the lower levels of the organization. Job security is a sign of employment stability that an organization provides for its employees (Herzberg, 1968). Several early researchers also found that employees'

psychological involvement with their work is determined by their perception of job security (Smithson & Lewis, 2000; Rousseau, 1995; Rousseau & Parks, 1993).

### **Relationship between employee relations and engagement**

Employees' good relationships with their supervisors lead to increased engagement with the organization's work. According to Simon, Bakker, Gruman, Macey, and Saks (2015), in every stage of operations within an organization, employee relations with a supervisor are inevitable for integrating employees into the work through engaged behavior. From the perspective of India, Joshi and Sodhi (2011) identify that employee engagement stems from several elements derived from the employer-employee relationship. Moreover, the empirical study by Schaufeli, Bakker, and Rhenen (2009) reveals that relations with supervisors and coworkers in the organization have a positive influence on employees' engagement levels. Furthermore, the social exchange theory posits that supportive relationships between management and fellow employees have an impact on the level of employee engagement (Richman, Civian, Shannon, Hill, & Brennan, 2008; Saks, 2006). Similarly, Bakker, Emmerik, and Euwema (2006) affirm that supervisors' supportive relations with subordinates are one of the significant components of employees' work engagement. The supportive and trustworthy interpersonal relationships with peers and supervisors are noteworthy in ensuring employees' psychological safety, which, in turn, enhances employee engagement (Kahn, 1990).

### **Relationship between employee engagement and performance**

The performance of employees is influenced by the level of engagement they have with their work in the organizational setting. Rana, Ardichvili, and Tkachenko (2014) reveal that employee engagement plays a crucial role in enhancing employee job performance in organizational settings. Similarly, in the Indian context, Anitha (2014) shows a consistent link between employee engagement and work performance. Moreover, the empirical study by Kim, Kolb, and Kim (2012) finds that employee engagement has both direct and indirect positive impacts on employees' work performance. Furthermore, a comparative study on engaged and disengaged employees reveals that the performance of engaged employees is significantly higher than that of disengaged employees in the organization (Shuck & Reio, 2011; Fleck & Inceoglu, 2010; Saks, 2006; May, Gilson & Harter, 2004). In addition, an engaged employee not only performs the duties assigned to them but also exceeds their prescribed job responsibilities, going beyond their designated role (Rich, Lepine, & Crawford, 2010). During the previous decade, Demerouti and Cropanzano (2010) argue that employee engagement is directly related to increased employee performance. Few studies in different contexts have concluded that a positive relationship exists between engagement and individual employee performance (Halbesleben, 2010; Mone & London, 2010; Leiter & Bakker, 2010; Rich, Lepine, & Crawford, 2010; Richman, 2006). Few researchers

observed employee engagement from the organizational point of view and state that employees' high engagement level have positive impact on organizational outcomes which, in fact, come through the employees' high performance (Shuck, Rocco & Albornoz, 2011; Shuck & Wollard, 2010; Kular, Gatenby, Rees, Soane & Truss, 2008; Harter, Schmidt & Hayes, 2002).

### **Hypotheses Of The Study**

The hypotheses of this study are drawn on the review of previous literature and are presented as follows:

- H1: Employee promotion opportunity has a positive influence on employee performance.
- H2: Employee job security has a positive influence on employee performance.
- H3: Employee relations have a positive influence on employee performance.
- H4: Employee promotion opportunities have a positive influence on employee engagement.
- H5: Employee job security has a positive influence on employee engagement.
- H6: Employee relations have a positive influence on employee engagement.
- H7: Employee engagement has a positive influence on employee performance.
- H8: Employee engagement mediates the relationship between HRM practices (promotion opportunity, job security, and employee relations) and employee performance.

### **Materials And Methods**

The study was conducted among operational-level employees of the RMG industry in Dhaka Division, Bangladesh. The data were collected through a survey method from 392 respondents who had at least three years of job experience in the respective factory. According to the '10 times rule' for the analysis through PLS-SEM, it is good to be conducted with only 50 samples to get fair results (Hair, Hult, Ringle & Sarstedt, 2014), but more representation of samples has been considered as well for producing more precise results (Cornish, 2002).

The questionnaire comprises items that have not been developed but rather adapted from previously developed and used items by various research scholars in their studies. For the collection of respondents' perceptions regarding the statements, the study used a 7-point Likert scale, ranging from "strongly disagree" to "strongly agree," as it is easy to construct, has an appealing design, is adaptable, and has relative reliability (Babbie, 1990; Nunnally, 1978). The total number of items in the questionnaire is 37, which relate to employee promotion opportunities, job security, employee relations, employee engagement, and employee performance among the respondents.

After collecting the data, the items of the variables were analyzed using Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) method, known as the PLS-SEM technique. The variables have been analyzed through four stages: development of the theoretical structural equation model, assessment of the measurement model, assessment of the structural model, and measurement of the mediating influence of the study.

## Analyses And Findings

### Assessment of Measurement Model

The measurement model, also known as the outer model, assesses the latent variables in the PLS-SEM path modeling. The latent constructs are composed of multiple items of reflective characteristics. Figure 2 depicts that employee promotion opportunities, job security, and employee relations have a positive influence on employee performance, together explaining 65.2 percent of the variance in employee performance. Moreover, employee promotion opportunities, job security, and employee relations have a positive influence on employee engagement, collectively explaining 42.9% of the variance in employee engagement. Factor loadings less than 0.4 were deleted from the model as a rule of thumb, and the deletion process continued until the AVE was greater than or equal to 0.5.

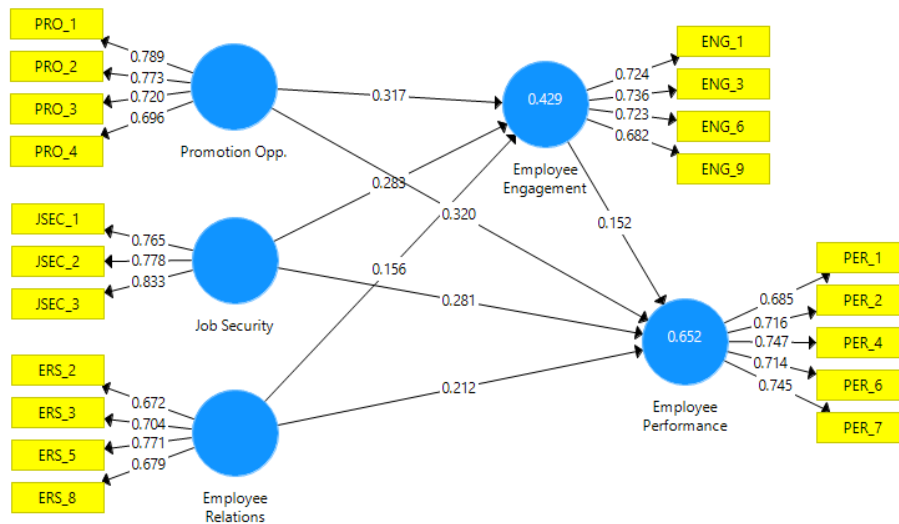


Figure 2: Measurement Model

The measurement model also helps to decide whether the model meets the quality criteria for proceeding to the assessment of the structural model. Table 1 presents a comprehensive evaluation of the constructs and their respective items, focusing on validity and reliability.



Table 1: Measurement of the Quality of the Constructs and Observed Variables

Constructs	Items	Outer Loadings	Composite Reliability	Average Variance Extracted (AVE)
Employee Job Security	JSEC_1	0.765	0.835	0.628
	JSEC_2	0.778		
	JSEC_3	0.833		
Employee Promotion Opportunity	PRO_1	0.789	0.833	0.556
	PRO_2	0.773		
	PRO_3	0.720		
	PRO_4	0.696		
Employee Relations	ERS_2	0.672	0.800	0.501
	ERS_3	0.704		
	ERS_5	0.771		
	ERS_8	0.679		
Employee Engagement	ENG_1	0.724	0.808	0.514
	ENG_3	0.736		
	ENG_6	0.723		
	ENG_9	0.682		
Employee Performance	PER_1	0.685	0.845	0.521
	PER_2	0.716		
	PER_4	0.747		
	PER_6	0.714		
	PER_7	0.745		

Although Cronbach's alpha is traditionally used to measure the reliability of variables, in PLS-SEM, composite reliability is regarded as a more acceptable measure for the reliability of variables due to some limitations of Cronbach's alpha. A composite reliability value of  $\geq 0.6$  is considered acceptable for the construct (Vinzi et al., 2003). In this model, the values of composite reliability range from 0.8 to 0.845, which is good enough for high-level research. Furthermore, a value of  $AVE \geq 0.5$  is acceptable for ensuring the validity of the constructs. The model increases the AVE from 0.501 to 0.556, which falls within the acceptable limit for further assessment. The item's outer loadings of less than 0.4 are suggested to be removed from the model, although the deletion process is recommended to be conducted when it enhances the value of AVE to at least 0.5 (Hair, Ringle, & Sarstedt, 2011).

### Discriminant Validity

The discriminant validity measures the dissimilarity of the constructs used in the model through the empirical standard. The Fornell-Larcker criterion is a widely used technique for measuring discriminant validity; however, several other techniques, such as cross-loading and the Heterotrait-Monotrait ratio, are also available for measuring discriminant validity. The diagonal values in Table 2 are

higher than the corresponding correlation values of the constructs, which proves that no problem exists with the constructs' unique identity.

Table 2: Fornell-Larcker Criterion

Constructs	Employee Engagement	Employee Performance	Employee Relations	Job Security	Promotion Opp.
Employee Engagement	<b>0.717</b>				
Employee Performance	0.610	<b>0.722</b>			
Employee Relations	0.503	0.635	<b>0.708</b>		
Job Security	0.578	0.699	0.583	<b>0.793</b>	
Promotion Opp.	0.589	0.712	0.571	0.645	<b>0.745</b>

### Assessment of Structural Model

The structural model describes the relationship among the latent variables in the PLS-SEM path model. The path model equation (Figure 3) calculates the t-value and p-value between the constructs, which helps determine whether the path relationships are statistically significant in the specified model. Additionally, the structural model indicates the significant level of the manifest variables in relation to their respective constructs.

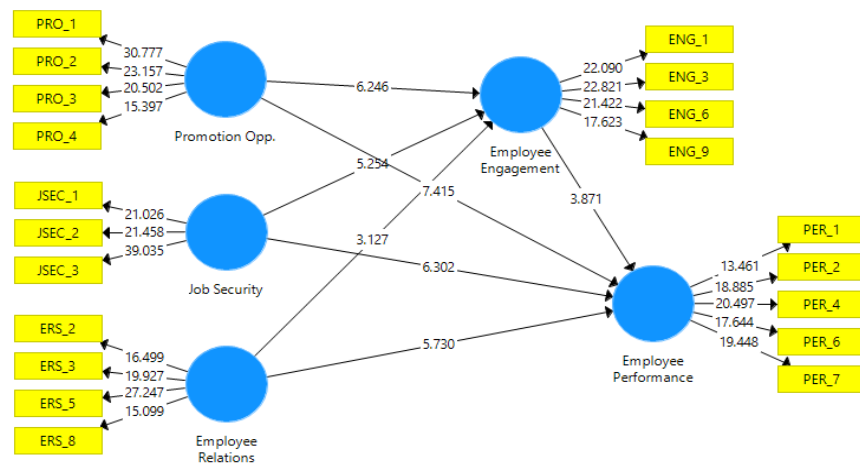


Figure 2: Structural Model

### Assessment of Collinearity

The collinearity problem arises due to high correlation between two or more predictor constructs, meaning that one construct can be linearly predicted by another predictor variable with high accuracy. Collinearity is measured by the

value of VIF (Variance Inflation Factor), where  $VIF < 5$  is considered free from collinearity problems.

Table 3: Inner VIF Values

Constructs	Employee Engagement	Employee Performance
Employee Engagement		1.751
Employee Relations	1.682	1.725
Job Security	1.938	2.078
Promotion Opp.	1.900	2.076

In this model, the value of VIF ranges from 1.682 to 2.078, indicating that there is no collinearity problem, as the values fall within the threshold. Therefore, it proceeds for further assessment.

### Assessment of Path Coefficients

The standardized path coefficient value of greater than 0.0 signifies a positive relationship between constructs, whereas the t-value or p-value indicates the significance level of the relationship between constructs. The path coefficient between employee engagement and employee performance is 0.152, indicating a positive relationship between the two. Similarly, employee relations have a positive relationship with employee engagement and employee performance, with values of 0.156 and 0.212, respectively. Additionally, employee job security has a positive relationship with employee engagement and employee performance, with values of 0.283 and 0.281, respectively. Moreover, employee promotion opportunities have a positive relationship with employee engagement and performance, with values of 0.317 and 0.320, respectively. The t-value of each relationship is above the cutoff value, indicating that all the relationships are statistically significant.

Table 4: Structural Model Path Coefficient

Path Relationships	Original Sample (O)	Sample Mean (M)	Std. Dev. (STDEV)	T Statistics ( O/STDEV )	P Values
Employee Engagement -> Employee Performance	0.152	0.151	0.039	3.871	0.000
Employee Relations -> Employee Engagement	0.156	0.158	0.050	3.127	0.001
Employee Relations -> Employee Performance	0.212	0.212	0.037	5.730	0.000
Job Security -> Employee Engagement	0.283	0.279	0.054	5.254	0.000
Job Security -> Employee Performance	0.281	0.279	0.045	6.302	0.000
Promotion Opp. -> Employee Engagement	0.317	0.315	0.051	6.246	0.000
Promotion Opp. -> Employee Performance	0.320	0.319	0.043	7.415	0.000

The t-values of all the endogenous constructs range from 3.127 to 7.415 for the exogenous constructs, indicating statistically significant differences.

### Coefficient of Determination

The coefficient of determination ( $R^2$ ) identifies the variance of the endogenous construct explained by the exogenous latent variable in the model. In this study, the employee engagement construct accounts for 42.9% of the variance explained by constructs such as employee relations with supervisors, job security, and promotion opportunities. Again, employee performance explains 65.2 percent of the variance, with the combination of employee relations, job security, promotion opportunities, and engagement constructs.

Table 5: Coefficient of Determination

Constructs	Variance Explained ( $R^2$ )
Employee Engagement	0.429
Employee Performance	0.652

### Effect Size of the Coefficient of Determination

Effect size ( $f^2$ ) measures the changes in  $R^2$  values when a specific exogenous variable is excluded from the model and evaluates whether substantial changes occur in the endogenous latent variable. In this study, employee engagement has a moderate effect on employee performance (Cohen, 1988). Similarly, employee relations, job security, and promotion opportunities have a medium effect on both employee engagement and employee performance. Nonetheless, all of the relationships are statistically significant.

Table 6: Effect Size

Constructs	Employee Engagement	Employee Performance
Employee Engagement		0.038
Employee Relations	0.025	0.075
Job Security	0.072	0.109
Promotion Opportunity	0.093	0.142

### Assessment of Mediating Effect

The ratio of the indirect effect of the construct to the direct effect of the construct measures the mediating effect. The mediating effect strengthens the relationship between an exogenous construct and an endogenous construct. For this purpose, both indirect and direct effects have been computed between employee relations and employee performance.

Table 7: Variance Accounted For

Path Relationships	Indirect Effect	Total Effect	VAF
Promotion Opportunity -> Employee Performance	0.048	0.368	0.13
Job Security -> Employee Performance	0.043	0.324	0.13
Employee Relations -> Employee Performance	0.024	0.236	0.10

In this study, employee engagement has no mediating effect on the relationships between employee promotion opportunities and performance, job security and performance, and employee relations with supervisors and employee performance. Therefore, it is evident that employee engagement has no significant influence on strengthening the said relationships, although both the indirect and total effects of the model's path relationships become positive. Thus, in the context of the readymade garment industry in Bangladesh, practitioners need not consider employee engagement as a weapon for increasing employee performance.

Table 8: Results of the Hypotheses

Hypotheses	Decision
H1 Employee promotion opportunities have a positive influence on employee performance.	Supported
H2 Employee job security has a positive influence on employee performance.	Supported
H3 Employee relations have a positive influence on employee performance.	Supported
H4 Employee promotion opportunities have a positive influence on employee engagement.	Supported
H5 Employee job security has a positive influence on employee engagement.	Supported
H6 Employee relations have a positive influence on employee engagement.	Supported
H7 Employee engagement has a positive influence on employee performance.	Supported
H8 Employee engagement mediates the relationship between HRM practices (promotion opportunity, job security, and employee relations) and employee performance.	No Mediation

## Discussion

In the PLS-SEM analysis, the measurement model (Figure 2) describes the relationship between the latent construct and its respective indicators. The constructs of the path model comprise items of that construct based on the loadings of each item of the construct. The measurement model indicates that employee relations, job security, and promotion opportunities have a positive influence on employees' engagement and job performance levels within the organization.

Similarly, employee engagement also has a positive impact on employees' performance levels within the organization. The relationship between employee engagement and employee performance is low ( $r = 0.152$ ), compared to the relationships between employee promotion opportunity and performance ( $r = 0.320$ ) and promotion opportunity and engagement ( $r = 0.317$ ). Again, the relationships between job security and employee engagement, and job security and employee performance are 0.283 and 0.281, respectively; while the relationships between employee relations and employee engagement, and employee relations and employee performance are 0.156 and 0.212, respectively.

The relationships among the constructs are assessed through a structural model (Figure 3) in the PLS-SEM path model. The different paths of the model with a  $t$ -value greater than 2.96 indicate that the path relationships are statistically significant at the  $p \leq 0.01$  level. The four predictor variables in this model are not highly correlated, meaning they are free from a collinearity problem ( $VIF < 5.0$ ). Therefore, employee promotion opportunities, job security, employee relations, and employee engagement all contribute to ensuring a high level of predictive accuracy. The hypothesized relationships among the constructs are positive, where a higher path coefficient value represents a stronger relationship between them. Hence, employee promotion opportunities, job security, and harmonious relationships with their superiors significantly encourage them to perform more and become more engaged with the organization. Similarly, employee engagement level has a significant positive influence on employees' job performance.

Employee promotion opportunities, job security, employee relations, and employee engagement collectively explain 65.2 percent of the variance ( $R^2$ ) in the employees' performance construct. In contrast, employee promotion opportunities, job security, and employee relations account for 42.9% of the variance in employees' engagement levels. All the direct and indirect values of the path coefficient between exogenous and endogenous constructs are statistically significant, indicating that employee promotion opportunities, job security, and employee relations have a significant positive influence (at the  $p \leq 0.001$  level) on employee performance and engagement levels as well. Additionally, the explained variance for employee performance and employee engagement is significant at  $p \leq 0.001$  level ( $t$ -value = 3.871). The different datasets are expected to produce very similar results since the adjusted  $R^2$  values are very close to the  $R^2$  value. Moreover, when the employee engagement construct is excluded from the model, the  $R^2$  value of the endogenous construct changes slightly, but significant changes occur. Promotion opportunities, job security, and employee relations are considered good predictors of employee performance.

The mediating effect strengthens the relationship between exogenous and endogenous constructs. Although the path relationships are significant, employee engagement has no mediating influence on the relationship between exogenous and endogenous variables. Thus, in the context of the readymade garment industry in Bangladesh, as a mediating variable, employee engagement has no role in increasing employees' performance for predictor variables such as employee

promotion opportunities, job security, and employee relations with supervisors. Thus, it is recommended that practitioners in the readymade garment industry take necessary steps to ensure promotion opportunities, job security, and improved employee relations, thereby enhancing employee performance at the workplace.

## Conclusion

Employee performance is crucial for the survival of the organization, as rivalry among organizations is a common phenomenon. In this connection, academicians and practitioners are devoted to finding out the appropriate precursors of employee performance. The study empirically proved that employee promotion opportunities, job security, employee relations with supervisors, and employee engagement have a significant positive influence on employees' performance levels. Similarly, employee promotion opportunities, job security, and employee relations with supervisors have a significant positive influence on employees' engagement levels at the workplace. Employees' positive perceptions of career advancement opportunities, uninterrupted job continuity, and good employee relations make them more productive in the workplace. However, employee engagement does not strengthen the relationship between human resource practices (employee promotion opportunities, job security, and employee relations with supervisors) and employee performance in the context of the readymade garment industry in Bangladesh. Thus, the findings of this study are considered a guideline for policymakers and practitioners to enhance employee performance in garment factories in developing countries like Bangladesh.

The study has been conducted empirically on the readymade garment industry in Bangladesh; therefore, further research may be conducted on other industries, such as the beverage industry and pharmaceutical industry, or in other economies to generalize the findings.

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