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

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**ABSTRACT**

*Employee performance is inevitable for the survival of organizations in the recent competitive environment. In this connection, this paper focuses on some issues of human resource management practices such as employee promotion opportunity, job security and employee relations that have influence on the performance of employees. Additionally, employee engagement is considered as a mediating variable in the said relationship. The study considers survey method for collecting data from 392 operational level employees of several garment factories in Bangladesh and collected data are analyzed through the PLS-SEM analysis technique. The study, in the context of ready-made garment industry in Bangladesh, revealed that human resource management practices have significant influence on the performance of employees while employee engagement has no mediating influence on the relationship between human resource management practices and performance. Therefore, the findings of this study are expected to use as a guideline for improving the performance of employees of ready-made garment industry in Bangladesh and developing economies as well.*

***Key words***: employee engagement, human resource management practices, mediating, performance, promotion opportunity, job security, employee relations.

**INTRODUCTION**

Employee performance is inevitable in all kinds of businesses all over the world for ensuring their strong existence and survival. In this connection, practitioners are trying to find the appropriate human resource management (HRM) practices that have dominant influence on the employees’ performance (Ajaham & Hamid, 2023; Hubais, Islam & Atiya, 2023; Terng & Ahmad, 2021; Ahmed, Ahmad & Joarder, 2016). Although it is apparent that several resources are used in the organization for attaining better outcomes but all other resources will obviously be unutilized if employees are reluctant in doing their job duties (Dessler, 2013). Since employees’ roles in the organization make all other resources effective thus practitioners and academicians regularly strive to find effective factors and their suitable combination so that high level of employee performance can be achieved. Therefore, HRM practices treated as vital issue for the achievement of employees’ high contribution to the organization.

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

Moreover, human resource management practices have influence on the employees’ engagement level in the organization. Albrecht et al. (2015) opines that employee oriented HRM practices have positive influence on the employees’ engagement level in the organization. Employees perception regarding HRM practices like equitable payment, job security, workplace safety, selection process, supervisory support etcetera psychologically attached employees with the job which is termed as employee engagement as mentioned in the study of Kahn in 1990. Thus, it is expected that employee engagement has positive impact on the performance of employees.

Additionally, employee engagement is regarded an important issue that have influence on the employees performance (Anitha, 2014). Employees’ mental attachment with the job encourages them to perform more at the organization. The developed economy already proved that positive relationship between engagement and performance is existed but in developing contexts studies need to be conducted for generalizing the notion that employee engagement has influence on the employee performance (Ahmed et al., 2016).

Employee performance is measured on the basis of the volume of products produced or service rendered by the employees (Jacob, Rechard & Chase, 2015). In the RMG industry of Bangladesh about 4.00 million people are working and yield more than 84 percent of country’s total export earnings (Export Promotion Bureau, 2024). The productivity of the Bangladeshi garment employees is about one-fourth of the Chinese employees (Abedin, 2008). Additionally, employees of RMG industry in Bangladesh perform less than employees of neighboring countries like India, Pakistan, Vietnam, Cambodia, Thailand and so on (Berg, Hedrich, Kempt, Tochtermann, 2011). Therefore, employees of RMG industry in Bangladesh have performance problem that need to be solved so that expected performance can be realized.

The evidence shows that employees of the garment factories working in the same position over the decade in Bangladesh (Khan, 2010) that make employees reluctant in performing their job duties. Moreover, more than 60 percent employees in the RMG industry are doing their job with the frightened of sudden job loss (Islam & Zahid, 2012) since in majority of the cases they are not given job contract letter. Again, unpleasant working environment is prevailing there and physical assault by the supervisors to their fellow employees is a common phenomenon (Islam & Ahmed, 2014). Consequently, employees gradually lose their concentration towards their job results low performance as well as their engagement level to the organization; however, effective HRM practices need to be considered by the practitioners for getting employees’ high performance and engagement level in 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:

* Employee Promotion Opportunity
* Employee Job Security
* Employee Relations with Supervisor

Employee Engagement

Employee Performance

Figure 1: The Conceptual Framework

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

**LITERATURE REVIEW**

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

The recent study of Artiningsih et. al. (2022) emphasizes that promotion opportunity is a key determinant to improve the employee performance having significant relationship. Employees’ promotion opportunity influences positively to their performance in the organization. The recent empirical studies in different contexts revealed that opportunities for employees’ career growth have significant positive influences on the employees’ performance (Lim and Ling, 2012; Ahmed & Uddin, 2012). Another recent study in Egypt states that the promotion opportunity in the organization significantly influences on the employees’ higher job performance (Atteya, 2012). Moreover, the employees who anticipate that they have opportunity to get promotion on time feel passionate to perform more in efficient manner (Ghebregiorgis & Karsten, 2007). When employees are able to meet their esteem need from the organization they will perform more (Maslow, 1954). Maslow also added that esteem need is related to position advancement, status and recognition. Furthermore, Hertzberg’s (1968) two-factor theory stated that employees’ motivation to work performance depend on the personal growth and advancement of the employees. Social status is expressed by the position of employee; therefore, promotion opportunities encourage employees to perform since it helps them to reach at the higher position in the organization (Khan, 2010).

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

The recent study of Artiningsih et. al. (2022) emphasizes that employee sob security has significant positive relationship with employees’ performance. Job security is a vital issue in today’s HRM practices for smooth operations of business firm through the enhancement of employee performance. The recent study argues that job security creates positive feelings in the mind of employees to perform more (Shaukat, Ashraf & Ghafoor, 2015). During this decade, study conducted by Islam and Shazali (2011) comes to the conclusion that when employees’ job is guaranteed then it is obvious that better outputs from employees be confirmed. In the last decade Lee and Lee (2007) identified that security in job is inevitable to improve employee performance both in terms of productivity and product quality. Maslow’s (1954) world-wide renowned ‘hierarchy of need theory’ delivered the message to the practitioners and academicians that employees expect job security at their workplace. Moreover, Maslow added that employees feeling regarding job security make them more productive. Furthermore, Herzberg’s (1968) ‘two-factor theory’ indirectly emphasized employees' job security in getting better performance from them. Additionally, few decades ago, the employees who enjoy job security ensure better performance in their work than other employees whose job is not secured (Rosenblatt & Ruvio, 1996; Rosow & Zager, 1985; Mooney, 1984; Bolt, 1983).

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

Recently, the study of Artiningsih et. al. (2022) emphasizes that employees’ who gain supervisory support from boss encourages employees’ to their work performance significantly. Performance of employee essentially depends on the relations with the supervisor at the workplace. The recent study of Islam (2014) reveals that labor performance is influenced by the relations of employee and employer. Employees always strive to maintain good relations with the supervisor and at the same time supervisors should remember that deficiency in this regard will make workers reluctant to work that results low employees’ performance (Chowdhury, Sarker & Afroze, 2012). It is very common that the decline of employment relationship strike employees to take decision to leave the organization (Hay, 2002). The supportive supervisory relations encourage subordinates to be more responsible that ensures employees’ excellent performance (Ramayah, Lo, Amri & Noor, 2011). In the last decade, Muhammad and Hamdy (2005) establish that employment relationship has positive impact on employees’ performance. Few earlier studies find that employees’ productivity will be high if an organization maintains strong employee-employment relationship at the workplace (Gomez-Mejia, Balkin, & Cardy, 2001). Several researchers (O’Neill & Arendt, 2008; Brown & Leigh, 1996; Kahn, 1990) reveal that good relations with management create a positive psychological working environment in the organization which, in turn, have contribution to achieve high employees’ 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 of Anitha (2014) confirms that employee promotion opportunity and fairness in promotion policy are essential to make employees engaged with their work. Employees’ engagement level with the work increases when they find opportunity of positional growth in their job (Sardar, Rehman, Yousaf & Aijaz, 2011). Moreover, Choo, Mat and Al-Omari (2013) realize in their study that employee engagement culture will prevails in the organization when promotion opportunities of the employees are ensured. For this reason, management of typical organization considers seriously the position advancement issue so that employees become engaged with their work (Shuck & Rocco, 2014). Moreover, Joshi and Sodhi (2011) find that employees’ engagement level gradually amplifies with excellent scope of career growth and advancement in the organization. Fleck and Inceoglu (2010) in their “*person-job fit and person-organization fit engagement model*” propose that employee engagement is highly dominated by career prospect; and this finding also supported by Albrecht (2010), and Gagne and Bhave (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 of Ahmed et al. (2017) finds that employee job security has positive influence on the employees’ engagement level at the workplace. Majumder (2012) recently carries out a study in the developing context where it is shown that job security increases the psychological attachment of employees with the organization. Job security is one of the vital issues in HRM practices; nevertheless, it varies on the age and position an employee hold in the organization (Yu & Egri, 2005). For example, Yu and Egri (2005) find that aged employees are comparatively very much sensitive about the job security than younger employees. In addition, the employees who work in supervisory position or above are more anxious about their job security than the employees who work in the bottom level of the organization. Job security is the sign of employment stability an organization provided for its employees (Herzberg, 1968). A number of early researchers also found that psychological involvement of employees with the work determined by the employees’ perception towards job security (Smithson & Lewis, 2000; Rousseau, 1995; Rousseau & Parks, 1993).

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

Employees’ good relations with the supervisor make them engaged with the work in the organization. According to Simon, Bakker, Gruman, Macey and Saks (2015), in every stage of operations in the organization, employee relations with supervisor is inevitable to integrate employees with the work through engaged behavior. In the perspective of India, Joshi and Sodhi (2011) identify that employee engagement emerges from a couple of elements derived from employer-employee relationship. Moreover, the empirical study of Schaufeli, Bakker and Rhenen (2009) reveal that relations with supervisor and coworker in the organization have positive influence on the employees’ engagement level. Furthermore, the social exchange theory argued that supportive relations of management with the fellow employees have influence on the level of employee engagement (Richman, Civian, Shannon, Hill & Brennan, 2008; Sacks, 2006). Similarly, Bakker, Emmerik and Euwema,(2006) affirm that supervisor’s supportive relations with subordinates are one of the major components of employees’ work engagement. The supportive and trustworthy interpersonal relationships with peers and supervisors are noteworthy to ensure 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 engagement level of employees with their work in the organizational setting. Rana, Ardichvili and Tkachenko (2014) reveal that employee engagement plays an important role in the organizational settings to increase job performance of employees. Similarly, in Indian context, Anitha (2014) shows a consistent link between employee engagement and work performance. Moreover, the empirical study of Kim, Kolb and Kim (2012) find that employee engagement has both direct and indirect positive impact on employees’ work performance. Furthermore, a comparative study on engaged and disengaged employees reveals that the performance of engaged employees is significantly more than 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 s/he is assigned for but also perform more going beyond her/his prescribed job responsibilities (Rich, Lepine & Crawford, 2010). During the previous decade, Demerouti and Cropanzano (2010) argue that employee engagement is directly related to the increase of employee performance. Few studies in different contexts arrived at a conclusion that positive relationship between engagement and individual employee performance are exist (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 literatures are presented as follow:

H1: Employee promotion opportunity has positive influence on employee performance.

H2: Employee job security has positive influence on employee performance.

H3: Employee relations have positive influence on employee performance.

H4: Employee promotion opportunity has positive influence on employee engagement.

H5: Employee job security has positive influence on employee engagement.

H6: Employee relations have positive influence on employee engagement.

H7: Employee engagement has 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 has been conducted on the operational level employees of RMG industry at Dhaka division in Bangladesh. The data were collected through survey method form 392 respondents who have at least three years 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 in getting fair results (Hair, Hult, Ringle & Sarstedt, 2014) but more representation of samples have been considered as well for producing more precious results (Cornish, 2002).

The questionnaire comprises of with the items has not been developed rather adapted from previously developed and used items by the different research scholars in their studies. For the collection of respondents’ perceptions regarding the statements the study used 7-point Likert scale starting from strongly disagree to strongly agree since it is easy to construct, appealing design, adaptable and have relative reliability (Babbie, 1990; Nunnaly, 1978). The total items of the questionnaire is 37 that are related to employee promotion opportunity, job security, employee relations, employee engagement, and employee performance of the respondents.

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

**ANALYSES AND FINDINGS**

**Assessment of Measurement Model**

Measurement model or outer model assesses the latent variables of the PLS-SEM path modeling. The latent constructs are comprises with multiple items of reflective characteristics. The figure 2 depicted that employee promotion opportunity, job security and employee relations have positive influence on employee performance and together explain 65.2 percent variances for employee performance. Moreover, employee promotion opportunity, job security and employee relations have positive influence on employee engagement and together explain 42.9 percent variances for employee engagement. Factor loadings less than 0.4 were deleted from the model as a rule of thumb as well as the deletion process continued until the AVE≥0.5 is attained.

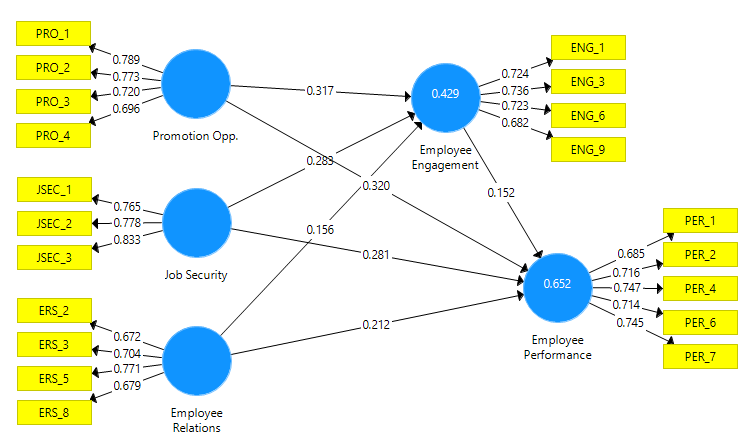


Figure 2: Measurement Model

The measurement model also helps to take decision whether the model ensures the quality criteria for proceeding to the assessment of structural model. Table 1 represents thorough evaluation of the constructs, respective items regarding their 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 for measuring the reliability of the variables but in PLS-SEM composite reliability regarded as more acceptable measure for the measurement of variables’ reliability due to some limitations of Cronbach’s alpha. The value of composite reliability for the construct ≥0.6 is acceptable (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. Further, the value of AVE≥0.5 is acceptable for ensuring the validity of the constructs. The model gains the AVE from 0.501 to 0.556 that falls within the acceptable limit for further assessment. The item’s outer loadings less than 0.4 are suggested to remove from the model although the deletion process is recommended to conduct when it enhances the value of AVE at least at 0.5 level (Hair, Ringle & Sarstedt, 2011).

**Discriminant Validity**

The discriminant validity measures the dissimilarity of the constructs used in the model through the empirical standard. Fornell-Larcker criterion is widely used technique for measuring discriminant validity though several other techniques such as cross loading and Heterotrait-Monotrait ratio are available for the measurement of discriminant validity. The diagonal values in the table 2 are higher than the corresponding correlation values of the constructs that prove no problem is existed with the constructs’ unique identity.

Table 2: Fornell-Larcker Criterion

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
| Constructs | Employee Engagement | Employee Performance | Employee Relations | Job Security | Promotion Opp. |
| Employee Engagement | **0.717** |  |  |  |  |
| Employee Performance | 0.610 | **0.722** |  |  |  |
| Employee Relations | 0.503 | 0.635 | **0.708** |  |  |
| Job Security | 0.578 | 0.699 | 0.583 | **0.793** |  |
| Promotion Opp. | 0.589 | 0.712 | 0.571 | 0.645 | **0.745** |

**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) measures the t-value and p-value between the constructs that assists to come to a conclusion whether the path relationships are statistically significant or not in the said model. In addition, structural model signifies the significant level of the manifest variables with the respective construct as well.

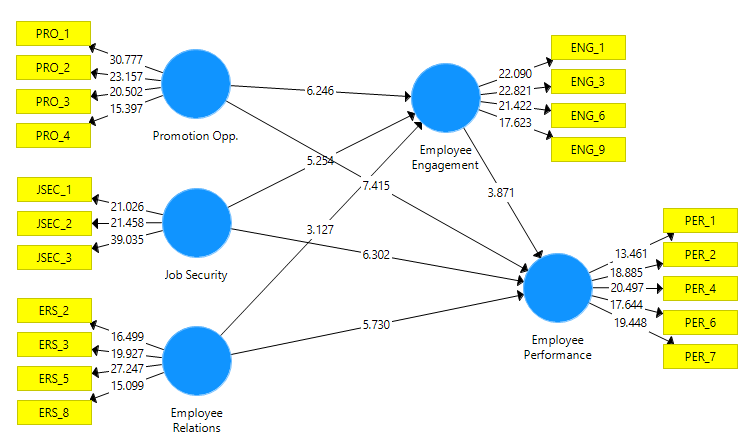


Figure 2: Structural Model

**Assessment of Collinearity**

Collinearity problem arises due to highly correlation between two or more predictor constructs, meaning that one construct can be linearly predicted by other predictor variable with high level accuracy. Collinearity is measured by the value of VIF (Variance Inflation Factor) where, VIF<5 considered free from collinearity problem.

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, meaning that there is no collinearity problem in this model since the values fall within the threshold value, therefore, proceeds for further assessment.

**Assessment of Path Coefficients**

The standardized path coefficient value higher than 0.0 signifies positive relationship between constructs, whereas, the t-value or p-value signifies the significance level of relationships between constructs. The path coefficient between employee engagement and employee performance is 0.152 meaning that positive relationship exists between them. Similarly, employee relations have positive relationship with employee engagement and employee performance with the values 0.156 and 0.212 respectively. Additionally, employee job security has positive relationship with employee engagement and employee performance with the values 0.283 and 0.281 respectively. Moreover, employee promotion opportunity has positive relationship with employee engagement and employee performance with the values 0.317 and 0.320 respectively. The t-value of each of the relationships are above cutoff value signifies 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-value of all the endogenous constructs ranges from 3.127 to 7.415 for the exogenous constructs thus signifies statistically significant.

**Coefficient of Determination**

Coefficient of determination (R2) identifies the variance of endogenous construct explained by the exogenous latent variable in the model. In this study, employee engagement construct explain 42.9 percent variance derived from construct such as employee relations with supervisor, job security and promotion opportunity. Again, employee performance explains 65.2 percent variance with the combination of employee relations, job security, promotion opportunity and engagement constructs.

Table 5: Coefficient of Determination

|  |  |
| --- | --- |
| Constructs | Variance Explained (R2) |
| Employee Engagement | 0.429 |
| Employee Performance | 0.652 |

**Effect Size of Coefficient of Determination**

Effect size (f2) measures the changes in R2 values when a specific exogenous variable is excluded from the model and evaluate whether substantial changes occur in the endogenous latent variable. In this study, employee engagement has medium effect on the performance of employee (Cohen, 1988). Similarly, employee relations, job security, and promotion opportunity have medium effect on the employee engagement as well as on 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**

Mediating effects is measured by the ratio of indirect effect of the construct and direct effect of the construct. Mediating effect strengthen the relationship between exogenous construct and 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 relationship between employee promotion opportunity and performance, job security and performance, and employee relations with supervisor and performance of employees. Therefore, it is evident that employee engagement has no significant influence to strengthen the said relationships although both indirect and total effect of the model’s path relationships becomes positive. Thus, in the context of ready-made garment industry in Bangladesh practitioners need no to consider employee engagement as weapon for increasing the performance of employees.

Table 8: Results of the Hypotheses

|  |  |  |
| --- | --- | --- |
| Hypotheses | | Decision |
| H1 | Employee promotion opportunity has positive influence on employee performance. | Supported |
| H2 | Employee job security has positive influence on employee performance. | Supported |
| H3 | Employee relations have positive influence on employee performance. | Supported |
| H4 | Employee promotion opportunity has positive influence on employee engagement. | Supported |
| H5 | Employee job security has positive influence on employee engagement. | Supported |
| H6 | Employee relations have positive influence on employee engagement. | Supported |
| H7 | Employee engagement has 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 PLS-SEM analysis technique, measurement model (Figure 2) describes the relationship between latent construct with the respective indicators. The constructs of the path model is comprises of with the items of that construct on the basis of the loadings of each items of the construct. The measurement model depicts that the employee relations, job security and promotion opportunity have positive influence on the employees’ engagement and job performance level in the organization. Similarly, employee engagement also has positive influence on the employees’ performance level in the organization. The relationship between employee engagement and employee performance is low (r=0.152) compared to the relationship between employee promotion opportunity and performance (r=0.320), and promotion opportunity and engagement (r=0.317). Again, the relationship of job security with employee engagement and performance are 0.283 and 0.281 respectively; while the relationship of employee relations with employee engagement and performance are 0.156 and 0.212 respectively.

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

Employee promotion opportunity, job security, employee relations and employee engagement together explain 65.2 percent variances (R2) for the employees performance construct while employee promotion opportunity, job security and employee relations cover 42.9 percent variances for employees’ engagement level. All the direct and indirect value of path coefficient between exogenous and endogenous constructs are statistically significant meaning that employee promotion opportunity, job security and employee relations have significant positive influence (at p≤0.001 level) on employee performance and engagement level as well. Additionally, the explained variance for employee performance and employee engagement is significant at p≤0.001 level (t-value = 3.871). The different dataset are expected to produce very similar results since the adjusted R2 values are very close to R2 value. Moreover, when employee engagement construct is excluded from the model the R2 value of the endogenous construct changes a little bit, but no changes occurred at significant level. Therefore, employee promotion opportunity, job security and employee relations are considered as a good predictor for employee performance.

Mediating effect strengthen the relationship between exogenous and endogenous construct. Though the path relationships are significant but employee engagement has no mediating influence on the relationship between exogenous and endogenous variables. Thus, in the context of ready-made garment industry in Bangladesh, as a mediating variable employee engagement issue has no role for increasing the employees’ performance for the predictor variables such as employee promotion opportunity, job security and employee relations with supervisor. Thus, it is recommended that the practitioners in the ready-made garment industry should take necessary steps to make sure promotion opportunity, ensure job security and improve employee relations so that the performance of employees can be enhanced at the workplace.

**CONCLUSION**

Employee performance ensures the survival of the organization where rivalry among the organizations is a common phenomenon. In this connection, academicians and practitioners are devoted to find out the appropriate precursors of employee performance. The study empirically proved that employee promotion opportunity, job security, employee relations with supervisor and employee engagement have significant positive influence on employees’ performance level. Similarly, employee promotion opportunity, job security and employee relations with supervisor have significant positive influence on employees’ engagement level at the job place. Employees’ positive perceptions about career advancement opportunity, uninterrupted job continuation and good employee relations make them more productive at the workplace. But employee engagement does not strengthen the relationship between human resource practices (employee promotion opportunity, job security and employee relations with supervisor) and employee performance in the context of ready-made garment industry in Bangladesh. Thus, the findings of this study are expected to consider as a guideline for the policy makers and practitioners for the enhancement of employee performance of the garment factories in the developing countries like Bangladesh.

The study has been conducted empirically on the ready-made garment industry in Bangladesh; therefore, further research may be conduct on other industries such as beverage industry, pharmaceuticals industry and so on or in other economies to generalize the findings.

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