

# Human Resource Management Practices and Its Impact on Employees Engagement and Performance

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## ABSTRACT

*The level of uncertainty has increased significantly in the fast-moving business environment. The amount of uncertainty in the business environment require organizations regularly monitor the change and need to adjust the expectations of the employees associated with them. Every organization tries to design and develop business strategies to compete and make an effort to survive by adapting appropriate business strategies such as fighting the competition by managing product price, cutting of the manufacturing cost, and redesign of the business process and downsize of the employees. Apart from these strategies, employee engagement has emerged a new approach to Human Resource Management to stay competitive and improve performance. Today the shift is on the focus in Human Resource Management (HRM) to build the employee engagement. The research work is undertaken with the aim to analyze the practices of human resource management and its impact on the employee engagement and performance. A structured questionnaire was designed to cover the various aspects of HRM practices and its relationship with employee's engagement and their performances. For investigating the link between HRM practices and employee's performance, regression analysis was applied on the data. Further Structured equation modeling was carried out to test model fit between HRM practice, employee's engagement and employee's performance. The results indicate that HRM practices such as Procurement, Training and Development, Compensation Management, Performance Management, Welfare Practices, Career Growth Opportunity have significant impact on employee's engagement.*

**Keywords:** *Employees Engagement, Training and Development, Compensation Management, Performance Management, Welfare Practices*

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## INTRODUCTION

Human Resource Management practices are essential for the development of any organization (Hallberg and Schaufeli, 2006; Paul and Anantharaman, 2003). The main Human Resource Management practice includes staff recruitment, techniques of selection, market adapted training, enhancement of performance, suitable system of exchange, appraisal of social security and planned strategic needs (Tessema and Soeters, 2006; Macey and Schneider, 2008). Human Resource Management practices are the ways by which the leadership of the staff are developed. This happens due to the practice of development of wide-ranging training courses and programs related to motivation like developing systems to assist and direct management in performing the ongoing performance appraisals. Human resource practices enhance employee engagement, in turn employee performance (Harter et al., 2002).

Employee engagement is an intensified emotional linking to a job and organization that is beyond the satisfaction that allows employee to perform well and wanting to stay with employers and saying good about them (Gubman 2004). Engaged employees within an organization provide a competitive advantage to organizations (Joo and Mclean, 2006), and hence there is a need to continuously engage employees. It is an approach in workplace that results in the right circumstances for the employees of the organization to give their best and commitment towards organizational values and goals, motivation for contributing to organizational success, with an increased sense for their own well-being. Employee engagement is built on integrity, trust, two-way communication and commitment between organization and employees. It is an approach enhancing the probabilities of success of business, contributing to individual as well as organizational performance, well-being and productivity. Employee engagement is about completely including as the team member, focusing on the clear goals, empowering and trusting receiving constructive and regular response, supporting in new skills development, thanking and recognizing for achievement. Employee having low level of engagement are not able to perform well. It has been established that highly engaged employees are two times likely to be better performers (Taleo Research, 2009). Many personnel directors evaluate the performance of each employee on a quarterly or annual basis to help them in identifying the areas of improvement. Business clearly understanding the impact of the performance of their employees are better able to manage employee

productivity and output. Employee performance managed properly helps the business in meeting goals consistently and increasing profits.

## LITERATURE REVIEW

Human resource practices and policies have emerged as a significant area of study of Human Resource Management, Employee Relations, Organizational & Industrial Psychology. The works on Human Resource Management practices and its relationship with employee's engagement argue that the use of HRM Practices, that includes wide ranging recruitment and selection process, compensation management, performance management system, wide ranging employee's engagement and development leading to improvement in the expertise, skill, and ability of a firm's present and future employees, increasing their motivation, reducing the shirking and enhancing employee retention while encouraging non-performers to go from the firm (Chaubey D.S., Khugshal, Richa & Rawat, Babita 2014, Jones & Wright, 1992; U.S. Department of Labor, 1993). Previous studies related to the topic (Nazir & Islam, 2017; Hansen, Byrne & Kiersch, 2014; Agarwal, 2014) indicate the connection of positive employee engagement with the performance of both individual as well as organization.

### Human Resource Management (HRM) Practices and Employees Engagement

Many thinkers, researchers and academicians in the field of Human Resource Management have published articles that calls for an affirmative method to concentrate on the personnel, engaging of the workforce instead of focus on the strategies to cope with the problems (Luthans & Avolio 2008; Bakker & Schaufeli 2008; Luthans & Youssef 2007; Seligman et al. 2005). Several studies in the past have found that very highly engaged workforce creates competitive benefit to firms. Previous researches on the topic (Nazir & Islam, 2017; Hansen, Byrne & Kiersch, 2014; Agarwal, 2014) indicates a constructive connection of the employee's engagement with the overall performance of the organization. Presently, in the academic literature employee's engagement is considered as a positive and job-related state of the mind. This concept got an immense response by the academicians and researchers as the initial evidence had already established the positive association between the performance and employee engagement (Mackay, Allen & Landis, 2017).

The antecedent and consequence of employee engagement has become important and drawn the attention of researchers and academicians in recent years. The large number of studies has begun to look at the subject for better outlook. Researcher like Saks (2006) established a difference in the two types of employee engagement i.e. the job and the organization engagement. Researchers argue that these are related but having different constructs. Apart from this, author argue relationship among job engagement as well as organization engagement and their effects varied in several ways and suggested the psychological conditions leading to the job and organization engagement and their consequence are not the same. Most of the HR professional and managers are facing the challenge of how to involve the employees. Recently a study conducted by a global consulting organization found out of ten employees four employees were not engaged world-wide (AON Hewitt report 2012) some studies related to employee engagement indicates that management should explore the feeling of the employees by asking them as how they feel and what they think can be done to improve the workplace environment. The initiative and action may be different for each organization depending upon the size, resources, and culture of the organization. However, in general, mapping out the talent has shown to be having a significant impact on the employee engagement. This can be achieved through providing the better platform for professional development, facilitating information and communication in promoting innovation, celebrating creativity and risk taking developing process for management and leadership transition and preparing managers to provide guidance to employees on career development and promoting accountability, ownership and personal responsibility among leaders towards organizational vision. This can be achieved through providing the better platform for professional development, facilitating information and communication in promoting innovation, celebrating creativity and risk taking developing process for management and leadership transition and preparing managers to provide guidance to employees on career development and promoting accountability, ownership and personal responsibility among leaders towards organizational vision.

Employee engagement (Presbitero 2017) highlights the employee commitment and engagement, specifically to the organizations providing service, is graveras the engagement is depending on the factors related to job like HRM practices. In another research by Arrowsmith & Parker (2013) summarized their findings in the practices of HRM – the employee engagement relation is yet not clear there's a scope and need for more research in the field of HRM. In addition, Chen (2017) observed that various

practices of HRM can have diverse impact on the conduct of employee, thus, it's significant to develop the HRM practices which are effective, instead of a bunch of HRM practices giving a detailed information of employee engagement. Parker and Griffin (2011) in their study found that the junior level of employees job related factors (i.e. Human Resource Management practices) not necessarily will always yield a reduced level of employee engagement as other resources of organization such as perceived organization support may make up for the effects due to the poor job related factors on the employee engagement. Wright et al., (1994) views HRM practices by the employee perception, behavior and the way attitude are shaped.

On the basis of this discussion, hypothesis 1 was developed:

H0: There is no significant relationship between Human Resource Practices and employee engagement.

### **Employees Engagement and Performance**

Employees engagement has developed as one of the crucial business priority for the management in the present rapid changing economy. To have a high – performance employees is significant and important for the growth, prosperity and survival of any organization. Management recognizes that an involved and engaged employee increases the innovation, creativity, output and bottom line performance and reduction in the hire and retaining costs in highly competitive talent market. In an empirical study on the Impact of Employee Engagement on Performance, it was found that majority of respondents ranked the employee engagement as significant in achievement of overall success of organization. Majority of respondents ranked recognition given for high performers as having an important bearing on employee engagement (Harvard Business Review, 2013 The Impact of Employee Engagement on Performance).

In most organizations, leaders are aware that there is a need to do much to have focused, very much engaged workforce. Connection of engagement to the performance require a substantial amount of effort and emphasis of the top management to a great degree and how to do. The Meta-Analysis which was conducted by Harter et al., (2002; 272), a close relationship was found among employee engagement and employee satisfaction and the outcome of the business. The author concluded employee engagement and employee satisfaction were associated to the meaningful business (organization) outcome that is important to many

of the organizations. However, the author found that the engagement is the concept at the individual level and if we have to analyze the business result, we should first assess the outcome at individual level. The individual attitude, intention and behavior are important determinant of employee engagement. Kahn (1992) in his study found that the level of employee engagement leads to better quality of work, growth and productivity. The present discussion leads to the following hypothesis:

H0: There is no significant impact of human resource management (HRM) practices and Employees Engagement on the employee performance.

## **OBJECTIVE OF THE STUDY AND METHODOLOGY**

Human Resource Management (HRM) practices like Procurement (Recruitment and Selection), Training and Development, Performance Management System and Policy, Career growth opportunities, etc. have significant impact on employee's engagement. The researcher opinion on this issue is divided and created a research gap whether different HRM practices in the organization have similar effect on the employee's engagement. In accord with the gaps in the research in the literature that is available, the objective (primary) of doing this study is to investigate and evaluate the relationship among the Human Resource Management practices and the employee engagement amongst the employee's working in some small sector organizations in Dehradun. Further, researcher tries to analyze the relationship between HRM practices, employees engagement and employees performance.

Present research based on primary and secondary data is exploratory as well as descriptive in nature. Books, journals, magazines, research paper, etc were the sources for collection of Secondary data whereas Primary data was collected by the means of survey method; Structured Questionnaire is designed covering different dimensions of Human Resource Management practices and its relationship with employees engagement and performances. HRM practices promoting employees engagement and their performance was rated on the following variable like Procurement (Recruitment and Selection) Practice, Training and Development Practice, Performance Management Systems, Compensation Management policies, career growth opportunities, welfare practices of the organization etc. The employee's engagement was measured on his feeling

towards the job, amount of job done, his level of commitment towards job, organization and profession, his level of preserve, his/her motivational level and inspiration to work, feeling of pride in his job, and enthusiastic about job etc. Concepts and Hypothesis were developed according to the literature review and researches by different author. The questionnaire was directed on sample of 200 employees (respondents) who are working in the different small and medium sized industries in and around Dehradun (India). Out of 180 responses received, 170 questionnaires after editing were found suitable and taken for study. The reliability check carried out by using SPSS was found to be 0.896 indicating that the data is reliable. Mean, Standard Deviation and Structural Equation Modelling was used to analyse factor leading to employees' engagement and their performance. The Table 1 is showing the demographic profile of respondents.

## DATA ANALYSIS AND RESULTS

**Table 1: Demographical Profile**

	Categories	Count	Percentage
		<b>170</b>	<b>100</b>
Age (in years)	Upto25	8	4.7
	25–35 years	81	47.6
	35 – 45 years	58	34.1
	45 – 55 years	10	5.9
	55 – 65 years	13	7.6
Gender	Male	123	72.4
	Female	47	27.6
Marital Status	Married	109	64.1
	Unmarried	61	35.9
Education Level	Upto Matric	11	6.5
	Under graduate	7	4.1
	Graduate	25	14.7
	Post Graduate	52	30.6
	Professional Qualification	75	44.1
Income Level	Upto Rs15000PM	15	8.8
	From Rs15000to Rs25000PM	65	38.2
	Rs25000 to Rs40000PM	37	21.8
	Rs40000PM to Rs60000PM	39	22.9
	Rs60000 to Rs.150000PM	13	7.6
	Above Rs150000PM	1	.6

Success of any organization depends upon its employees and their profile. Profile of the employees and their interest are vital for any organization. The successful employee engagement program of the organization not just creates work force but a community. Demographic characteristic of respondents influences the employee's engagement with their job and organization. The demographical characteristics of the respondents as shown in the Table 1 shows out of the 170 respondents 4.7% were of the age upto 25years. 47.6% respondents were in the age group 25years-35years, 34.1% were in the group aged 35-45 years and 5.9% respondent in the group having age of 45years-55years. 7.6% of the respondents were in the group of 55-65years age. For the research dealing with employee engagement it is significant to know the gender (sex) of the respondents, in current scenario, males are equally cognizant comparing to the women. Table 1 demonstrate, 72.4% male and the remaining 27.6% female. The information relating to respondent's marital status show 64.1% as married and remaining as unmarried. Educational qualification, another demographic characteristics revealed interesting facts. It is observed that more than 89% respondents in the sample were having graduation, PG, or professional degree to their credit. Very few respondents indicated that they were having matric or up to intermediate qualification to their credit. It is observed that sample is the combination of middle income category respondent as they account for 67% together. They earn up to Rs40000 PM.

**Table 2: Human Resource Management Practices: A Descriptive Statistics**

	<b>Reliability (<math>\alpha</math>)</b>	<b>Mean</b>	<b>Std. Deviation</b>
Recruitment & Selection	.768	3.4221	.89840
There is a proper identification process of employment vacancies depending upon the business needs, policies and strategies		3.4059	1.16911
Employees are provided with relevant and adequate info about their job and the organization at the time of the process of recruitment.		3.6294	1.30464
The candidate is selected in the organization purely on merit.		3.2471	1.12955
Training and Development	.754	3.4544	.84075

	<b>Reliability (<math>\alpha</math>)</b>	<b>Mean</b>	<b>Std. Deviation</b>
There is well defined process of identifying needs for training to employees in our organization.		3.4059	1.19910
The management place the right person at the right job after the training		3.3765	1.24963
Employees are given training all around including general problem solving skills, social skills, and broad information of the business and organization		3.3471	1.14231
The management focus is always developing right content of the training program that remain according to the changes in the needs of our jobs and business.		3.5059	1.14223
Employees are always encouraged to participate in various seminars and workshops etc. to keep themselves up-to-date		3.5882	1.11784
Compensation	.744	3.0838	.90892
Employees in this organization are appropriately compensated for the work they do		3.0706	1.16445
Employees are satisfied with the pay increments offered by the organization.		2.9588	1.26096
There is policy in the organization for matching pay with performance.		2.9588	1.23727
There is policy for comparing pay of the employees to the employee doing similar type of work in the other organizations		3.3471	1.16792
Performance Appraisal	.837	3.3835	.91209
The performance appraisal of the employees in the organization are carried out at regular intervals.		3.3471	1.25109
The basic aim of performance appraisal in our organization is to improve employee performance and strengthen the job skill		3.2647	1.20425
The organization have a fair and objective oriented performance appraisal system. .		3.4235	1.13447

The performance goal of the organization is set at realistic levels.		3.4412	1.14072
Career Growth Opportunity	.604	3.3265	1.08174
Organization carry out Performance appraisal for providing career goals opportunity to its employees.		3.4412	1.14072
The management recognize the needs of career growth of its employees and accordingly support them		3.4941	1.20279
Excellent growth opportunities are available for top performer		3.2882	1.13283
Top performers get benefits in promotion		3.1294	1.20441
Changes are dealt effectively by integrating the HR issues affecting career growth.		3.4588	1.04969
Welfare Practices	.611	3.1147	.58967
Our organization provides programs to assist work life balances.		3.1706	1.10420
Our organization takes care of growing needs of family and elderly members.		3.2882	1.09024
Organizing recreational activities and occasional celebrations to explore employee's creativity.		2.6941	1.10431
Spiritual activities like religious preaching, meditation and /or yoga camps are organized regularly to keep intact the employee morale		3.0882	1.14529
Valid N (list wise)			

The results of descriptive statistics presented in the above table 2 indicate that Training and development program imparted to the employees in the organization is the most important dimension related to HR practices (mean =3.4544) leading to higher level of employees engagement. This shows that training helps a lot to the employees in gaining higher degree of competitiveness and better employee engagement. It is followed by recruitment and selection process of the organization (m=3.4221). This shows that employees are of the opinion that higher the recruitment and selection process of the organization, better will be the employee's engagement. Third important HR practices emerged as performance appraisal policies and practices of the organization (m=3.3835) which

indicates that employees are of the opinion that better the Performance appraisal practices, higher will be the employee engagement. Other important HR practices includes career growth opportunity in the organization ( $m=3.3624$ ), welfare practices of organization ( $m=3.1147$ ) and compensation policies and practices of the organization ( $3.0836$ ). Higher standard deviation of the factor like performance appraisal system. ( $91209$ ) indicates that employee's opinion on this factor of employee's engagement is heterogeneous

### Employees Engagement Practices: A Descriptive Statistics

Employee engagement is a workplace approach creating a condition for employees to give their best which can be created on the basis of gaining the integrity, trust, communication and commitment among organization and its members. Employee engagement surveys have gained significant importance among the companies and in this work the researcher has studied the different Variables leading toward employee's engagement. The respondent had to rate the different variable of employee engagement on a scale of 1 to 5. The researcher adopted descriptive analysis in which the standard deviation and mean were calculated and is presented in table 3.

**Table 3: Employees Engagement: Descriptive Statistics**

	Reliability ( $\alpha$ )	Mean	Std. Deviation
Employees Engagement	.774	3.4972	.45520
I feel full of energy at my work place		3.2941	1.08594
I am fully involved in my job		3.6588	.96756
I feel very strong and energetic at my work place		3.7471	.89086
I feel like to go to work as soon as I get up in the morning.		3.4588	.94903
I always preserve my work even when things don't go well		3.6059	.93135
I am absorbed in the work given to me		3.6176	.85709
My work always motivates me for greater commitment		3.4529	.63490

	<b>Reliability (<math>\alpha</math>)</b>	<b>Mean</b>	<b>Std. Deviation</b>
I try to avoid everything else when I am performing my work		3.5882	.61141
I feel proud of the work I do in my organization		4.1353	.90980
At my workplace I can continuously work for a longer period at one stretch		3.4529	1.04379
My work is very interesting as well as challenging		3.6235	1.01441
I donot care of time while I am working		3.4412	1.04884
I always feel happyat the workplace while working intensely		3.5059	1.08375
I am so much involved in job that it becomes difficult to detach myself from my job		3.2412	1.17949
My work is full of meaning and purpose to me as well as organisation		3.0294	1.17884
I am mentally flexible at my job		3.1941	.96260
I am involved with my job whole-hearted		3.4059	1.06308

The descriptive statistics presented in the above table indicates that variable I feel proud of the work I do in my organisation has scored highest mean of 4.1353 followed by I feel very strong and energetic at my work place with mean 3.7471. High SD of the factor I am so much involved in my job that it becomes difficult to detach myself from the job. My work is full of meaning and purpose to me as well as organisation indicates that respondents view on this issue is heterogeneous.

Human Resource Management Practices and Its Relationship with Employees Engagement and Performance: A Regression Analysis

**Table 4: Regression Analysis**

<b>Dependent Variable: Employee Engagement</b>			
<b>Independent Variable : HRM Practices</b>	<b>Beta</b>	<b>t- Value</b>	<b>P Value</b>
	.514	12.130	.000
R= .683 <sup>a</sup> R <sup>2</sup> .467F = 147.149		P=.000	

Dependent Variable: Perceived performance			
Independent Variable : Employee engagement	Beta	t- Value	P Value
	.979	18.540	.000
R= .820 <sup>a</sup> R <sup>2</sup> .672	F= 343.741	P=.000	

Regression analysis presented in the above table 4 indicates the relationship between Human Resource Management Practices and Employee Engagement and among the Employee Engagement and Employee Performance. Data presented in the above table indicates the significant impact of HRM practices on employee engagement which further intensified impact of employee engagement on employee performance. Further Structural Equation Model carried out for testing model fit between HRM practice, employee engagement and employee’s performance.

Human Resource Management Practices and Employees Engagement and their Performance: A Structural Equation Modelling.

A multivariate statistical analysis technique, Structural Equation Modelling, is made use of to analyse the structural relationships. A Structural Equation Model has been formed and run through the software AMOS (version 18). As Structural Equation Modelling technique enables the simultaneous estimate of the multiple regression equation in a single framework. Especially both Direct and Indirect relationship in this technique (model) has been estimated simultaneously and thus the method allows all the inter relationships between the variables to be assessed in the same context of decision. It is to note that researchers have suggested and recommended that a sample of 150 to 200 respondents is suitable for the Structural Equation Model (SEM) analysis, (Bollen, 1989). As the number of respondents in this research is 170, hence, analysis by SEM can be applied. The following SEM has been constructed:

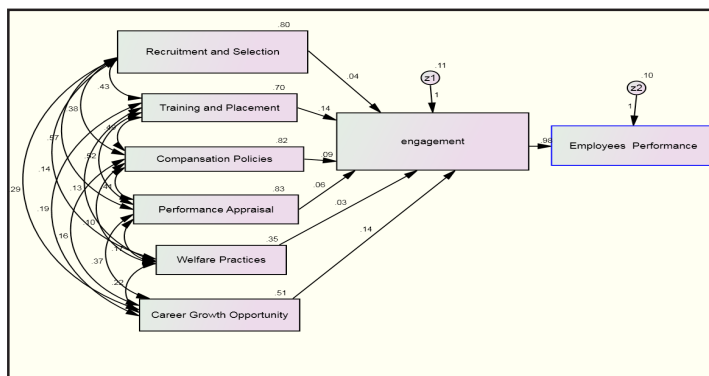


Fig. 1: Proposed Structural Equation Model for Path Analysis

Co variance matrices were analysed by SPSS – AMOS software. Model fit and adequacy have been assured and the result of statistical analysis are given in the following part of the study. This part of the study presents output of the Structural Equation Model constructed and run in this study. The model fit has been assured by comparing the standard values and outcomes of the Structural Equation Model and is presented in the table below:

**Table 5: Outcome Values of the Indicators for the Model Applied in this Study**

Indicator	Outcome Values of Indicators	Required for Acceptable Fit	Model Fit Type
CMIN (Chi-Square/df)	0.791	$2 \leq \text{Chi-Square}/\text{df} \leq 3$	Good Fit
P value overall	0.577	$0.01 \leq p \leq 0.05$	Good Fit
CFI (Comparative Fit Index)	1.00	$0.95 \leq \text{CFI} \leq 0.97$	Good Fit
GFI (Goodness of Fit Index)	0.993	$0.90 \leq \text{GFI} \leq 0.95$	Good Fit
AGFI (Adjusted Goodness of Fit Index)	0.959	$0.85 \leq \text{GFI} \leq 0.90$	Good Fit
NFI (Normed Fit Index)	0.994	$0.90 \leq \text{NFI} \leq 0.95$	Good Fit

Source: Outcome of the Model Applied in This Study.

Table 5 shows that all the indicators required for a good model fit have been assured. Other than the indicators mentioned above, Root – Mean – Square Error of Approximation (RMSEA) is one of the indicators for assuring the good fit of the model. MacCallum, Browne and Sugawara (1996) used 0.01, 0.05 and 0.08 to indicate excellent, good and mediocre fit respectively. In case of this study it is found 0.000 which indicates a good model fit.

**Table 6: Regression Weights (Group No. 1 – Default Model)**

			Estimate	SE	CR	P
Engagement	<---	Recruitment	.036	.040	.883	.377
Engagement	<---	Training and Development	.145	.048	3.014	.003
Engagement	<---	Compensation	.093	.037	2.526	.012
Engagement	<---	performance appraisal	.058	.049	1.175	.240

			Estimate	SE	CR	P
Engagement	<---	welfare practices	.035	.051	.686	.493
Engagement	<---	Career growth opportunity	.145	.050	2.916	.004
performance	<---	Engagement	.979	.053	18.595	***

The SEM enables, in a single framework, the simultaneous assessment of multiple regression. Thus, both direct as well as indirect relationships are simultaneously estimated in the model. This method assessed in the same decision framework all the inter relationships among the variables. It was hypothesized as no significant impact of HRM practices on the employee engagement and their performance. Findings of the model, for regression analysis, are presented in table 6. Finding shows that only two observed variables; i.e. Training and Placement and Career growth opportunity were found to lead the employee's engagement. The combined effect of different factors of HRM practices was also not found to affect employee's engagement and performance, as the value calculated of overall p (0.577) greater than 0.05, hence null hypotheses is accepted.

Co-variances among the variables were examined in the model for all cases for testing the null hypothesis ( $H_{03}$ ) that "there is no significant co-variance among different variables taken in HRM practices". Results are presented in table 6. The result shows that, co-variances among the variable are statistically significant at 5% level of significance. The outcome of the data for correlation is revealed in Table 6. The result show that, the variables taken in the study are highly and positively correlated with each other.

## DISCUSSION

Although there is general discussion in the literature that various HRM practices are initiated by the management to buildup the employees' engagement and enhance employees' performance.

Simon L. Albrecht, Arnold B. Bakker, Jamie A. Gruman, William H. Macey, Alan M. Saks (2015) concluded HRM practitioners have to move further than the routine management of annual employee engagement survey and need to implant engagement in human resource management practice and policy like manpower selection, socializing, performance management & appraisal and training & development. Wright et al (1994) view HRM practices through which employee attitudes, behaviors and

perceptions are shaped. Our study confirms previous finding highlighting HRM practices and its impact on Employees Engagement. Several studies related to HRM practice and its impact on employee's engagement shows strong correlation. Appelbaum (2002) indicates that the performance is the purpose of employee ability, opportunity and motivation. The employee with strong identification with organizational values has higher engagement (Biswas and Bhatnagar, 2013). Further Training enhances individual's skills to meet the immediate and longer-term developmental needs of both individual as well as organization. A successful application of newly acquired skills and knowledge enhances the reflective encouragement at work and engagement (Gatenby, 2009). Performance appraisal acts as a basis for individual work planning, discuss factors that affect the job, provides feedback, and forms basis for salary increase, training, and promotions (Boxall and Purcell, 2003). In our study, the multiple regression analysis showing the relation between HRM practices and employees engagement and employee performance further combined effect of HRM practices on employees engagement and performance. Value of R square found to be 46.7 indicates that HRM practices explain 46.7% variance in employee's engagement. The relationship between HRM practices as independent variable and Employees engagement as dependent variable is indicated by standardized coefficient beta and p value indicating Procurement (Recruitment and Selection), Training and Development, Compensation, Performance Management and Appraisal, Welfare Practices and Career Growth Opportunity have significant impact on employee's engagement. Further effort was made to analyze the relationship between the employee engagement and performance. The value of R square is 67.2% indicates that Employee engagement explain 67.2% variance in their performance. The relationship between Employees engagement as independent variable and employee performance as dependent variable is indicated by standardized coefficient beta with a value of .979. The significance of beta is tested using t-test and value found is 18.540 which is significant at 5% level of significance indicating a positive strong relationship among the employee engagement and their performance. The findings of the research are important as it may have direct implications to all concerned especially management researchers and practitioners and they are strongly recommended to develop tailor made activities and strategies as per their assessment and requirements for employees and organizations to increase the employees engagement for better performance at work place.

## CONCLUSION

The level of uncertainty has increased exponentially in the present dynamic business environment. HRM practices have tremendously witnessed themselves as a contributor in the employee's engagement and enriching their performances. Understanding the HRM practices and their relationship with employee's engagement and performance will help organizations to achieve excellence in competitiveness and in serving the society and stakeholders. Study signifies that HRM practices such as procurement (recruitment and selection), compensation management, training & development, performance management, welfare practices, career growth opportunity have significant impact on employee engagement. And hence it is suggested that management practitioners should find out the suitable combination of these practices so as to engage its employees effectively and improve their performances.

### Scope for Future Studies

The present study was based on the cross-sectional survey design for collecting data and therefore causal relationship is not possible from the findings of the study. In this regard, longitudinal study can be adapted to establish such type of relationships. Although Human Resource Management practices related to employee engagement was taken in this study but previous study (Chen, 2017) highlights that combination of many Human Resource Management practices have a better prediction of employee performance. Moreover, the extent of Human Resource Management practices like ability – motivation – opportunity together are the functions of employee performance (Jiang et al, 2012). Therefore, future research may bring in different dimensions of Human Resource Management practices.

Further, the current study took aspects like procurement, training & development, compensation management, welfare practices, career growth opportunities, performance management, of Human Resource Management practices. Influence of other forms of Human Resource Management practices such as teamwork, staffing, promotion employee security and work life balance on employee engagement and performance needs more research. The researcher needs to explore more the role of external factors affecting organization like technology and modern approaches for enhancement of employee engagement and employee performance.

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