

The Relationship Between Employee Engagement, Employee Retention and Employee Performance in Higher Education Institutions

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Abstract

Purpose-The present study aims to test the relationship between employee engagement, employee work performance, and employee retention in Higher Education Institutions. **Design/methodology/approach-**This study was done to analyse the relationship between employee engagement and employee performance, employee engagement and employee retention, employee performance, and employee retention. For this, a survey structured questionnaire was developed, and a pilot study was done to ascertain the validity. Questionnaires were being distributed to employees of different universities and colleges in NCR. A total of 343 valid data was collected. SEM was used to establish and estimate the relationship between these study variables. **Findings-** Structural equation modelling was developed to test the relationship between the latent constructs (employee engagement, employee retention & employee work performance). This study found that employee engagement had shown positive effect on employee retention at ($\beta = 0.78$, CR= 2.579, $p=0.000$), and employee engagement effected employee retention at ($\beta = 0.71$, CR= 2.109, $p<0.05$), accepting the hypothesis. Also, employee retention affected employee work performance at $\beta = 0.63$, CR= 1.972, $p = 0.000$, accepting the hypothesis. Practical implications of the study Organizations need to have special focus and efforts that lead to employee engagement and retention in the workplace thereby enhancing employee performance. Organizations must focus on creating a congenial environment for employees to work in and promote practices that would further enhance good peer interpersonal relationships. Social implications of the study. The determinants of employee engagement connote a healthy working atmosphere that reflects on the social impact created by the organization. Employees would enjoy considerable attention in terms of the determinants being addressed as mentioned. **Originality/value.** The research undertaken emphasizes the growing importance and need for the crystallization of the concept of employee engagement. The research is unique in respect to the comprehensive model that is developed and validated through this study.

Keywords: Employee Engagement, Employee Performance, Higher Education Institutions, Employee Retention

Introduction

Employees are the cornerstone of an organization. Employee engagement is about employees' sense of pride and loyalty working for the organization. Therefore, employees are a great advocate of the organization to the clients, users, and customers. Engaged employees go the extra mile to the work assigned to them. Because of the global corporate environment and competition among companies, ensuring happy and committed employees is essential for desired performance and productivity. Satisfied employees do not necessarily meet job requirements and prove to be an asset to the organization. Organizations today must have employees full of zest, passion, and enthusiasm in their jobs to produce results efficiently. Employees remain committed when they feel that their employer values their efforts. Employees also feel recognized for their job and get rewarded, which leads to job satisfaction. Improving workplace engagement has become one of the most critical priorities for a variety of organizations in today's times.

Employee engagement as a concept first appeared in the 1990s in management theories. Psychologist William Kahn first proposed the definition of employee engagement. Kahn said the process of harnessing organization's members to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during the duties they perform at work. Later, Frederick Herzberg, an American psychologist concludes that positive motivation is driven by managers giving their employees developmental opportunities, an activity he termed as 'vertical enrichment'. Employee engagement remains a key focus in HR and is gaining popularity these days. Employee engagement today has become synonymous with terms like 'employee experience and employee satisfaction'. The relevance is much more due to many new generation professionals in the workforce who have a higher inclination to be 'distracted' and 'disengaged' at work. A recent Employee Engagement survey by *StaffConnect* suggests that an overwhelming number of enterprising organizations today say approx. 74.24% were planning to improve employee experience in 2018.

Employee engagement defined by Gallup is the percentage to which employees are fully devoted or happy getting associated with the tasks they undertake as routine jobs. The studies of the (Gallup Poll, 2017) analysed just 33 per cent of U.S. employees and 15 percent of global employees are working effectively and efficiently. According to the Global Workforce survey in 142 nations, just 13 percent of employees in question claim they felt involved in work (Gallup Poll, 2016). This shocking outcome indicates that strongly disengaged staff are negative factors that are harmful to the company they work for. In a study of professional service firms, the (Hay Group, 2002) found that offices with engaged employees far more productive and the percentage scaled up to 43%.

Employee engagement and organizational performance are significantly correlated (Suhasini and Kalpan, 2018). The research indicates that "workplace motivation" is a rigorous process and that successful training programs can improve this aspect to keep employees motivated. Organizations will increase productivity through incentive analysis, increased workplace decision-making and loyalty. The positive result of employee involvement or participation results is decreased attrition and improved creativity. Also, employees feel happy and show positive behaviour at the work front. (Kumar, 2015) indicates that the high degree of employee participation enhances the productivity of the company is a tool for the measure of success of an organisation. Therefore, one can say that employee engagement describes the level of enthusiasm and dedication a worker feels towards their job. Employee engagement is critical to a company's success, given its links to job satisfaction, employee morale and retention,

has become critical to organisations and their HR functions. Engaged employees are always likely to be productive and high performing, thereby proving to be asset to the organization as a valuable human resource.

2. Literature Review

The experts from Higher Education Institutions also abbreviated as HEI opine that employee engagement, employee work performance, and employee retention are the three pillars of success and failure of any education institution. Hence, HEI must understand each element precisely. The present study was done to test the relationship between employee engagement, employee work performance, and employee retention in Higher Education. This section covers all the requisite information which got published in reputed magazines and journals to establish the relationship between the studied variables i.e. Employee Engagement (EE), Employee Work Performance (EWP), Employee Retention (ER) referred to as trio in the study undertaken.

2.1 Employee Engagement

Employee engagement is a process where an employee in the organization uses the emotional, cognitive, and physical resources to accomplish the task at hand (May et al., 2004; Kahn, 1990). It is mainly concerned with the physical and psychological presence of an individual in the job role (Saks, 2006). Therefore, employees who show a high degree of engagement in the organization showcase a high level of energy in their job roles and are identified by other employers in the organization (Macey & Schneider, 2008). Previous studies by (Harter et al., 2002; Lockwood, 2007) indicates that the employees who are highly engaged with their work not only give higher production and profit to the organization in comparison to the ones who are less engaged but show positive commitment towards the tasks they perform physically and psychologically (Agyemang & Ofei, 2013; Laba, & Venter, 2014; Imam & Shafique, 2014; Khalid & Khalid, 2015; Shoko & Zinyemba, 2014). The employees who are highly engaged in the organization are quite confident to carry out the daily tasks efficiently (Shaufeli, 2013). According to Bath Model, the performance of an employee in the organization is dependent on the ability, motivation, and opportunity that he gets in the job role, which eventually leads to commitment, motivation, and satisfaction. If employees are committed, motivated, and satisfied they perform well which ultimately leads to improved organizational performance (Crosswell, 2017). A similar study by Bankar and Gankar (2013) found that higher employee engagement results in increased performance. This is due to employees' positive attitude towards job roles and towards the organization. Another study by (Al-Mehrzi and Singh, 2016), resulted that if employees have a positive feeling towards their job and organization, then they are most likely to be retained by the organization for a longer duration of time, which will lead to higher performance and is cost effective as studied by Robinson, Perryman, and Hayday (2014). To increase employee engagement and to make employees perform tasks effectively, the manager and the leader in the organization must pass clear communication (Maclaclan, 2012). As per Joshi, 2011 & Gallup, 2004) the various determinants of employee engagement in the organization cover job satisfaction, leadership, work-life balance, career paths, teamwork, job characteristics, training, job flexibility work environment, and value for opinions. On the contrary, Saks (2006) studied the factors that increase employee disengagement are insecurity in the position, injustice, no proper space, no job autonomy, poor behaviour, and leadership with non-stop working hours.

Tenerife and Galingan (2017) studied that organizations can attain success through engagement only when employees in the organization are satisfied (Vorina, Simonič, &

Vlasova, 2017). Employee satisfaction is the feeling or emotional response of an individual towards their jobs (Tepayakul & Rinthaisong, 2018; Jaiswal, Pathak, & Kumari, 2017). Fostering a sense of responsibility, reliability, and loyalty towards the organization is essential for the management (Bellani, Ramadhan, & Tamar, 2017; Garg, Dar, & Mishra, 2018). There is a positive link between employee satisfaction, employee engagement, and employee work performance (Gu and Chi, 2009). Sarmiento and Beale (2007) and Al Ahmadi (2009) said Leadership in an organization plays a critical role in influencing, directing employees to achieve common goals (Kreitner and Kinicki, 2010). A study by Popli and Rizvi (2016), concluded that leadership style in an organization has a direct impact on employee engagement, performance, and retention. Job characteristics are a set of variables that affect employee

engagement and employee behaviour in an organization. Hackman & Oldham (1974) found that autonomy, feedback, skill variety, task identity, and task significance are the elements of job characteristics that affect employee engagement. In an organization, the work environment is essentially the environment where work is done and executed. (Sousa-Poza & Sousa-Poza, 2000) defined engaged employees are those who are fascinated by their work and committed to face every challenge to attain their goals. (Kohun, 1992), and all these are interrelated (Rich et al., 2018). The work environment is another significant factor that affects employee engagement (Miles, 2001) and employee engagement is the outcome of different features of the work environment. Harter et al. (2002) studied that the performance of an employee depends on the work environment, enabling them to utilize knowledge, skills, abilities, and resources for effective performance (Leshabari et al., 2008). Therefore, work environment is regarded as the significant determinant that affects employee engagement, performance, and retention (Popli & Rizvi, 2016; Anitha, 2014).

2.2 Employee Retention

It is the process in which an organization uses several strategies to hold talented human resources for a longer duration of time (Sultana Nazia & Bushra Begum, 2013). In view of the danger of losing talented human resources, the organization uses several strategies to retain employees in the organization as discussed in Zinger Model (Sultana Nazia & Bushra Begum, 2013) and Employee retention connection Model (Competitive Advantage Consultants, 2003). From the model, the factors which affect employee retention are, career development, benefits, compensation, motivation, skill recognition, stimulating work, job security, and talent management.

Mittar et al. (2004) found that the organization must design career path to motivate human resources associated with them for achieving personal and professional growth. The objective of career development and career progression is to make employees feel that their skills are upgraded with market viability help employees to retain (Moses, 1999). To satisfy the employees for their contribution in performing their duties, fair remuneration must be given to employees to live a good life and remain loyal to the organization (Al-khasawneh and Futa, 2013). Another study by (Imam and Shah, 2013) found that if employees' needs are not satisfied with the remuneration policy of the organization, then they look for a new job and leave the organization once they find better opportunities. According to Maccoby (1984), an organization that meets the requirement of employees and offers several fringe benefits such as life, medical and accidental insurance, the employees feel recognised and remain loyal to the firm. Yazinski (2009), Izidor and Iheriohanma, (2015) in their research, established that employees no longer stay in the organization because of compensation and benefits but they look forward to the management and HR for enriching their skills by competency-

based trainings (Mittal, Saini and Agarwal, 2014). Its pertinent that employers must recognize the skills and competencies of employees (Redington, 2007). In today's dynamic environment where things are highly competitive and unprecedented, employees working in the private sectors especially look for job security, and this be a strategy used by organizations to achieve employee retention (Javed et al., 2013). Staffing and recruitment is not only the role of the HR department management can strategically utilize talented human resources to ensure their longevity in the organization ((Javed, Khan, Yasir Amir, and Ahmed, 2014), by creating an environment and culture that can be a catalyst to enhance the competencies of employees.(Wachira, 2013).

2.3 Employee Work Performance

For any organization, employee performance is the main criteria that defines the success of an organisation (Organ & Paine, 1999). The aim of HR department is to sets performance targets for individual employees and the company in hopes that your business offers good value to customers, minimizes waste, and operates efficiently. Sackett (2002) defined performance as those actions and behaviours that are under the control of the individuals and contribute to the goals of the organization. Several researchers (Luo, Shi, Li, & Miao, 2008) have used different techniques and methods to measure the dimension of employee performance and stated that employee performance is a multidimensional construct (Baker & Hatrup, 2003). To measure job performance, Sackett &

Lievens (2008) proposed a 3-dimension framework to analyze employee work performance. These 3 dimensions are task performance, counterproductive behaviour of an employee, and contextual performance which provides a comprehensive strategy to measure overall work performance (Dalal et al., 2012). According to (Rotundo and Sackett (2002), task performance is the behaviour of an individual that contributes towards the production of goods or services. Further, to measure task performance, Koopmans et al (2011) developed indicators based on employees' position in the organization. These indicators were, keeping knowledge updated, working accurately and neatly; planning, and organizing; solving problems. etc. AS per (Rotundo & Sackett, 2002), Organization Citizenship Behaviour is the other name for contextual performance which is the second dimension. It is the behaviour of an employee that contributes to the performance realizing individual and organizational goals.(Rotundo & Sackett, 2002). Some variables which are used to measure OCB given by Koopmans et al (2011) includes taking initiative, being proactive, performing job duties, cooperating with others and enthusiasm. The third dimension is the counterproductive behaviour of an individual where an individual voluntarily harms the organization and impacts his performance too. To analyse counterproductive behaviour few variables given by Koopanset al (2011) include: complaining, doing tasks incorrectly on purpose, and misusing privileges etc.

In their study, many researchers (Bankar and Gankar,2013; Wachira, 2013; Shaufeli, 2013; Javed et al., 2014;) found that employee engagement, retention, and employee work performance are related to each other in different sectors and industries. However, there is no specific research explored by authors in HEI and hence there is a gap in the literature and is imperative to test and study the relationship between the variables. A conceptual framework is represented in figure 1 is to test the study variables with the following hypothesis.

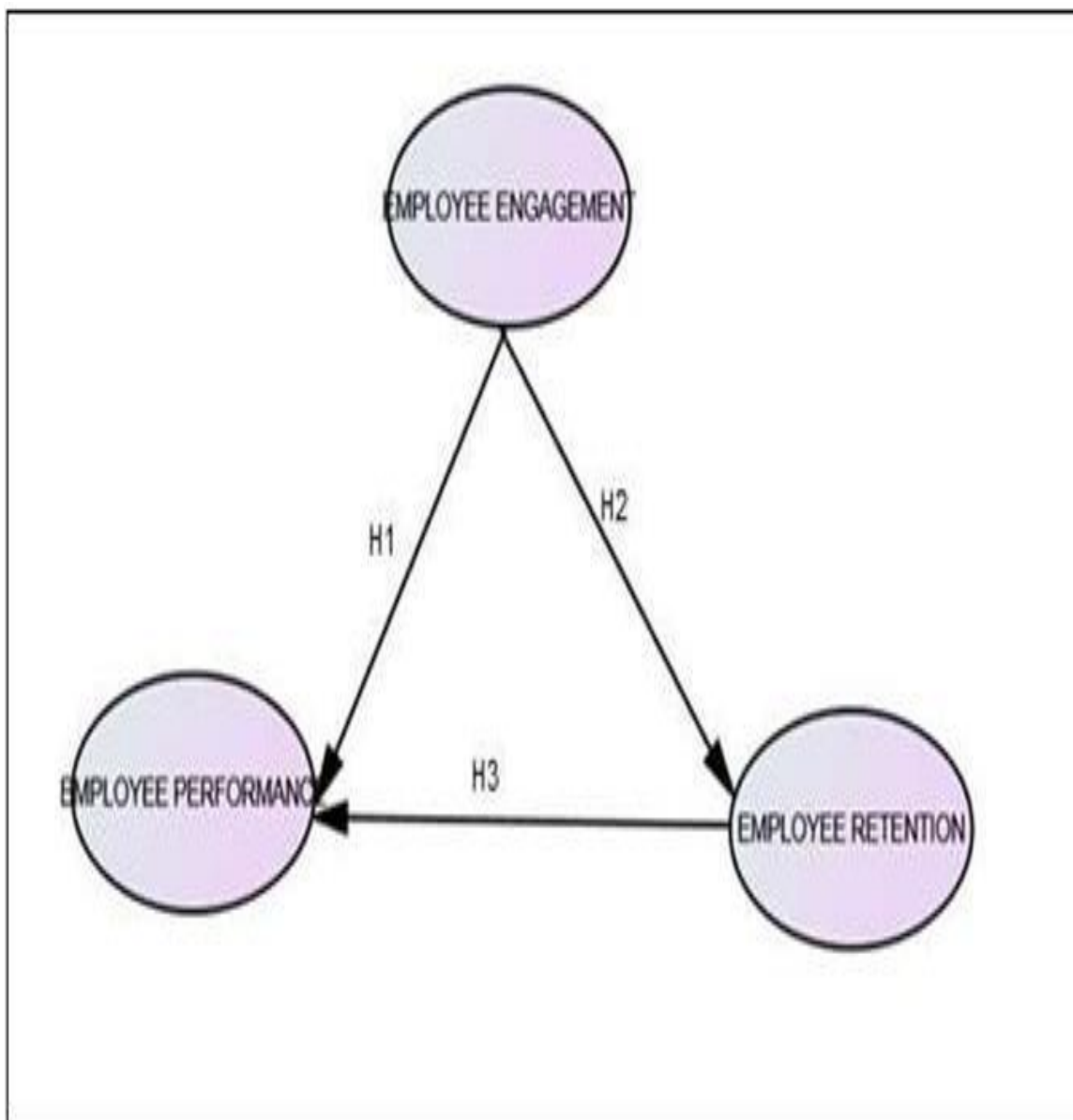


Figure 1: *Conceptual framework of the study*

Source: Authors

Hypothesis

H1: Employee engagement has a positive effect on employee work performance. **H2:** Employee engagement has a positive effect on employee retention.

H3: Employee retention has a positive effect on employee work performance.

3. Research Methodology

The aim of the present study is to test the relationship between employee engagement, employee retention, and employee work performance in Higher Education institutions (HEI). To accomplish this, a structured questionnaire survey method was used to collect data from the people employed in HEI. Exploratory and confirmatory factor analysis was done initially using SPSS and later SEM to test the model. To assess the model, employee engagement 11 items were considered using the Gallup

scale (2003) and from other scholars (Leshabari et al., 2008; Gu and Chi, 2009; Kreitner and Kinicki, 2010; Hackman & Oldham, 1974; MacLacian, 2012). For employee retention, 10

items were taken from the scale used by (Mittar et a.,2004; Sultana Nazia & Bushra Begum,2013; Competitive Advantage Consultants, 2003; (Moses, 1999; Al- khasawneh and Futa, 2013). Similarly for Employeeperformance, 10 items were used from the scale developed by Koopmans (2015).

The population studied were all those employees (Professors, Associate Professors, Assistant Professors, and non-teaching employees) who are currently working in Universities and Colleges of Delhi and NCR. The questionnaire was developed using a 5-point Likert Scale (shown in table1) to analyze EE, ER, and EWP on a scale ranging from 1-5; where 5= Highly Satisfied, 4=Satisfied, 3- Neutral, 2-Dissatisfied 1-Highly Dissatisfied. To collect data from the respondents, convenient sampling was used and issued to 390 respondents. A total of 343 valid responses were collected which formed the basis for our study.

4. Data Analysis

4.1 Confirmatory Factor Analysis (CFA), using SPSS

To perform factor analysis, all the 30 items studied were first tested with reliability analysis. The Cronbach's alpha value for the studied variables was 0.78 resulting to 78% variance. Further, the KMO and Bartlett test of Sphericity was performed for the suitability of factor analysis. The items which have factor loading (<0.7) have been eliminated from the study. The Kaiser-Meyer-Olkin (KMO), the measure of the adequacy of the ample was 0.85,0.79 & 0.81 for employee engagement, employee retention, and employee work performance, and Bartlett test of Sphericity for all the 3 constructs were significant (.000) as shown in Table1. Thus, the above data fits the requirement and is suitable for testing the hypothesis and the model fit.

Table 1. Dimensions, Variance, Eigenvalue & Significance

Construct and dimension	Eigen Value	% Variance	KMO	Bartlett test(sig)
Employee Engagement	3.24	69.32	0.85	0.000
Employee Retention	2.84	70.64	0.79	0.000
Employee Work Performance	2.83	70.45	0.81	0.000

Source: Authors Data Analysis

4.2 Structural equation modelling (SEM)

To test the study's conceptual framework, SEM was used to establish a relationship between the dependent and independent constructs or to calculate direct or indirect impact between constructs (Hair *et al.*, 1998). The usage of SEM requires a series of tests (theoretical model, parameter estimation, and final model), measurement model analysis, and structural model to get a model fit (Wong, 2013; Gefen 2000).

4.2 Measurement Model analysis

Before testing hypothesis and model fit with SEM, measurement model analysis is done to establish a relationship between the observed items and the latent construct, (Wong, 2013). All the items of the latent construct were in a range between 0.65 -0.91 (refer table 2). To determine the internal consistency, reliability and strength of the measurement model, the items which had factor loading less than 0.7 were removed (Hair *et al.*, 2011).

Table2. *Factor Loading: Employee Engagement, Employee Retention, and Employee Performance*

Indicators	Employee Engagement -Sub variables	Factor Loading	P- Value	References
EE1	Work Environment	0.83	***	Leshabari et al (2008); Gu and Chi (2009); Kreitner and Kinicki (2010); Hackman & Oldham (1974);(Maclaclan, 2012); Gallup (2003)
EE2	Job Satisfaction	0.78	***	
EE3	Leadership	0.85	***	
EE5	Job Characteristics	0.91	***	
EE6	Training and coaching	0.89	***	
EE7	Opinion	0.83	***	
EE8	Flexibility	0.81	***	
EE9	Communication	0.83	***	
EE11	Work-Life Balance	0.82	***	
ER1	Career Development	0.78	***	
ER2	Benefits	0.77	***	
ER4	Skill recognition	0.76	***	
ER5	Stimulating work	0.71	***	
ER6	Executive coaching	0.73	***	
ER7	Talent Management	0.76	***	
ER9	Motivation	0.82	***	
ER10	Compensation	0.89	***	
EWP1	Keeping knowledge updated	0.82	***	
EWP2	Working accurately and neatly	0.73	***	Koopmans et al (2015); Luo, Shi,Li, &Miao, (2008); Baker & Hattrup (2003); (Dalal et al (2012); (Rotundo & Sackett (2002);
EWP3	Planning and organizing	0.87	***	
EWP4	Solving problems	0.79	***	
EWP5	Enthusiasm	0.83	***	
EWP6	Cooperating with others	0.85	***	
EWP8	Doing task improperly with complaint	0.75	***	
EWP10	No initiative and privileges misused	0.76	***	

Source: Authors Compilation

4.3 Measurement model and Model fit for Employee Engagement, Employee Retention and Employee Work Performance

To achieve a model fit, it is important to first validate all constructs studied (Holmes-Smith et. al.,2006) in the present research. Therefore, a separate measurement model for all the constructs had been analysed to attain model fit. To analyse employee engagement, employee retention, and employee work performance, a total of 25 items were retained after removing 5 items due to unacceptable values.

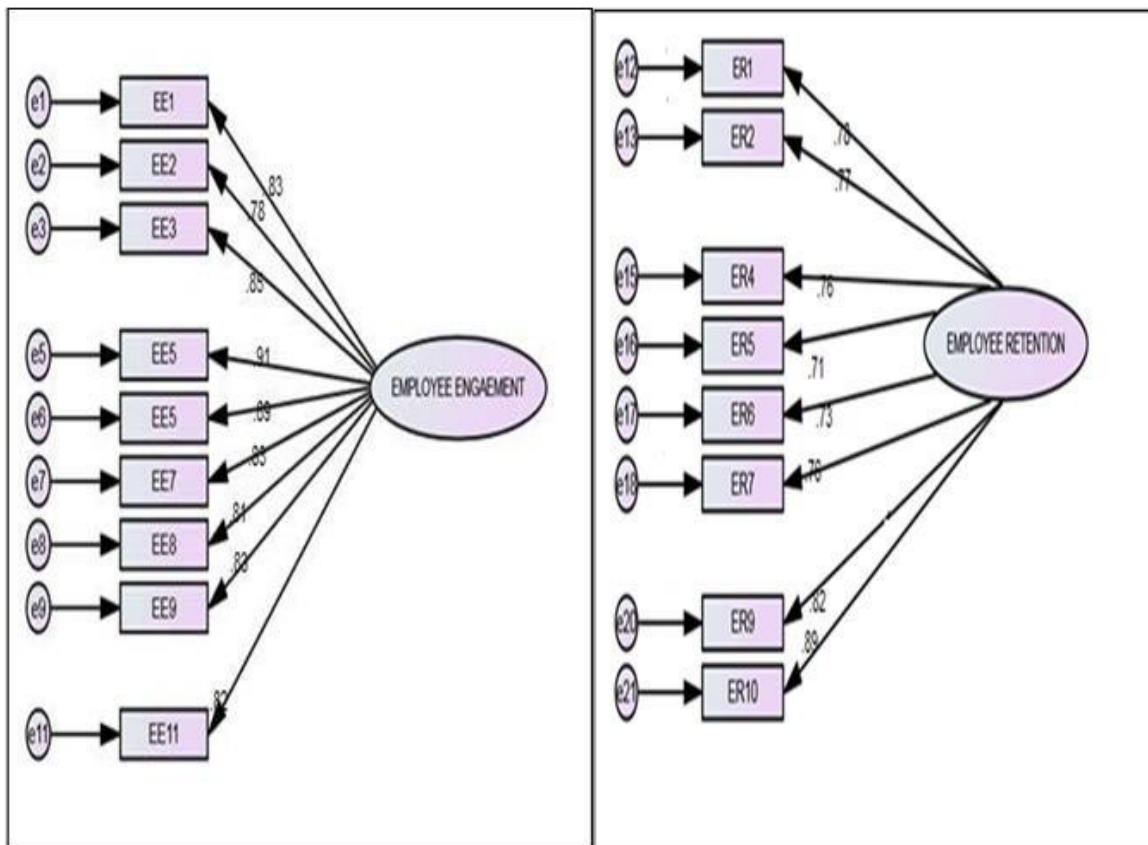


Figure 2: Measurement Model: Employee Engagement and Employee retention

Source: Authors Analysis

For employee engagement, nine items out of eleven items were used to investigate the one-factor model (Employee Engagement). The initial inclusive output of confirmatory factor analysis states that few items are needed to be removed from the model because $CMIN/DF=3.24$, values were found to be greater than the standard (Hair et al., 2006). The GFI was around 0.86, CFI = 0.88 and RMSEA

= 0.06 and NFI, RFI, TLI, CFI values were less than 0.9. Therefore, by observing standardized residual covariance and modification indices, (EE3, EE10) for employee engagement and (ER3, ER8) were removed. After removing these items, model fit is attained with data ($CMIN/DF = 2.89$, CFI=0.91, GFI=0.9 and RMSEA = 0.048) for employee engagement. And for employee retention (ER3, ER8) was removed to get model fit with ($CMIN/DF = 2.88$, CFI=0.92, GFI=0.91 and RMSEA

= 0.034 & employee work performance (EWP7, EWP9). The before and after result of the measurement model fit is shown in Table 3.

Table 3: Measure Model- Employee Engagement & Employee Retention

Item	CMIN/df	CFI	GFI	RMSEA
Employee Engagement-All Items	3.24	0.88	0.86	0.060
After Deleting (EE4, EE10)	2.89	0.91	0.9	0.048
Employee Retention-All Items	3.26	0.89	0.88	0.063
After Deleting (ER3,ER8)	2.88	0.92	0.91	0.034

Source: Authors Compilation of data

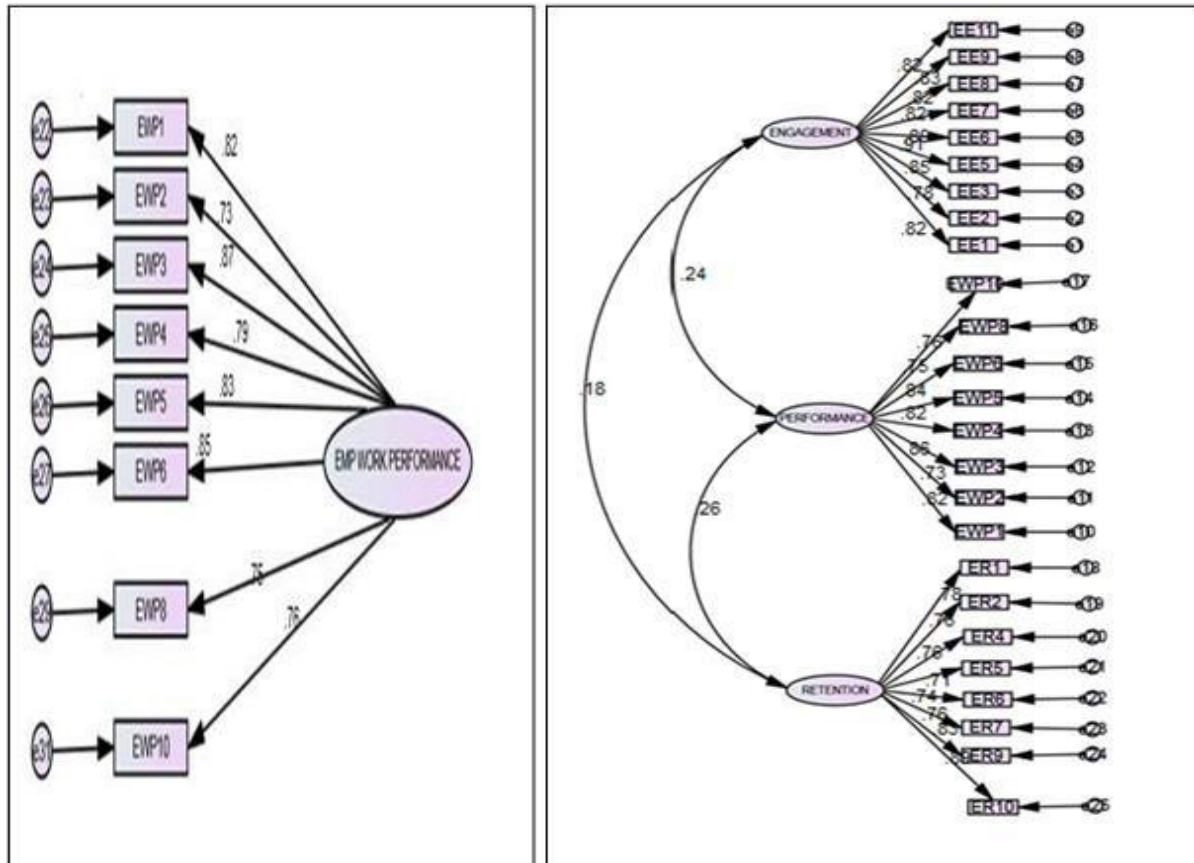


Figure 3. Measurement Model: Employee Work Performance & CFA of the first order factor measurement model

Source: Authors Compilation of data

To analyse employee work performance, 10 items were used. The initial analysis for CFA indicated that few items were to be removed based on standardized residual covariance and modification indices. After removal of 2 items (EWP7, EWP9) the model fit was attained with chi-square (CMIN/DF) = 2.84, the GFI is 0.89, CFI=0.841, RMSEA = 0.045. Also, CFA of the first-order factor measurement model indicates that there is no multicollinearity amongst the items.

Table 5: Composite Reliability, AVE, Cronbach Alpha

Construct	Composite Reliability	Avg. Variance Extracted
Employee Engagement	0.89	0.705
Employee Retention	0.79	0.607
Employee Work Performance	0.83	0.642

Source: Authors Compilation

Further, average variance extracted and composite reliability was analysed. The average variance extracted for all the 3 latent constructs were 0.705 (EE), 0.607 (ER), and 0.642 (EWP). All the values of AVE were greater than the threshold value (0.5). Similarly, for composite reliability, the EE, ER, and EWP were 0.89, 0.79 & 0.83 (>0.7), (Hair et al., 2011; Fornell and Larcker, 1981), confirming convergent validity.

Discriminant validity is the degree to which a measure diverges from another measure and does not correlate with another construct (Hair et. al, 1998). To validate discriminant validity, the diagonal values must be larger than the correlation between constructs (Fornell &

Larcker 1981). From table 6 it is clear and hence discriminant validity is confirmed.

Table 6: Discriminant Validity

Construct	Employee Engagement	Employee Retention	Employee Work Performance
Employee Engagement	0.83		
Employee Retention	0.32	0.78	
Employee WorkPerformance	0.56	0.65	0.80

Since, the AVE, construct reliability, convergent validity, and discriminant validity value exceeds the fundamental requirement. Therefore, the model fit is satisfactorily achieved (Hair et al., 2006 & Holmes-Smith et al., 2006). The final output of the measurement model is represented in table 7.

Table 7. Model fit for Employee engagement, Employee retention & Employee work performance

Construct	CMIN/DF	CFI	GFI	RMSEA
EE	2.89	0.91	0.9	0.048
ER	2.88	0.92	0.91	0.034
EWP	2.84	0.84	0.89	0.045

Source: Authors Compilation

Structural Model and Testing of Hypothesis

The measurement model has been satisfied and therefore now SEM and path diagram will be used to analyze the relationship between the latent construct (Hair et al., 2011). A path diagram is used to specify the impact of one latent construct on the other latent construct (Byrne and Johnson-Laird, 1989), and the final hypothesized model is tested. Table 6 represents the hypothesis results by using path coefficient (β) and P-value, determining the causal-effect relationship. The outcome of SEM, and the final path diagram in figure 6.

Table 8: Hypothesis result and outcome of SEM

Regression Analysis and Hypothesis results						
Hypothesis	Construct	Estimate	S. E	CR	P	Hypothesis results
H1	EE ----- \rightarrow EP	0.178	0.069	2.579	***	Accepted
H2	EE ---- \rightarrow ER	0.154	0.073	2.109	***	Accepted
H3	ER ----- \rightarrow EP	0.146	0.074	1.972	***	Accepted

***($P < .05$)

Hypothesis 1- Employee engagement has a positive effect on employee work performance

From Table 6, it is interpreted that employee engagement affected employee work performance as large as $\beta = 0.78$, CR= 2.579, $p < 0.05$. This indicates that the higher the employee engagement practice will be performed by HEI, the higher the performance will be seen by the employees working in education institutions, leading to organizational goals. The present findings match with the findings of (Dalal et al., 2012; Bankar and Gankar, 2013; Sorenson, 2013; Abraham, 2012). Hence, H1 states that employee engagement has a positive effect on employee work performance.

Hypothesis 2- Employee engagement has a positive effect on employee retention

According to the output in Table 6, employee engagement affected employee retention at $\beta = 0.71$, $CR= 2.109$, $p<0.05$, accepting the hypothesis. This indicates that employee engagement is likely to increase employee retention. The present study matches with the findings of previous studies (Saks and Gruman, 2014; Jordan, 2011; Bedarkar and Pandita, 2014, Al- Mehrzi & Singh, 2016; Al-Jabari,2017, Wachira, 2013, Mxenge, Dywili and Bazana, 2014, Schaufeli, 2013; Markos & Sridevi 2010). Therefore, H2 is accepted and states that employee engagement has a positive effect on employee retention.

Hypothesis 3- Employee retention has a positive effect on employee work performance

As shown in Table 8, employee retention effected employee work performance at $\beta = 0.63$, $CR= 1.972$, $p = 0.000$, accepting hypothesis. This specified that, if employees feel that they are more safe and secure in the organization, they are more likely to improve performance. Past literature and findings too provide enough evidence (Walsh & Taylor, 2015; AlDamoe, Yazam and Ahmid, 2012; Javed et al., 2014; Devi, 2017; Gberevbie, 2010), hence, employee retention has a positive effect on employee work performance.

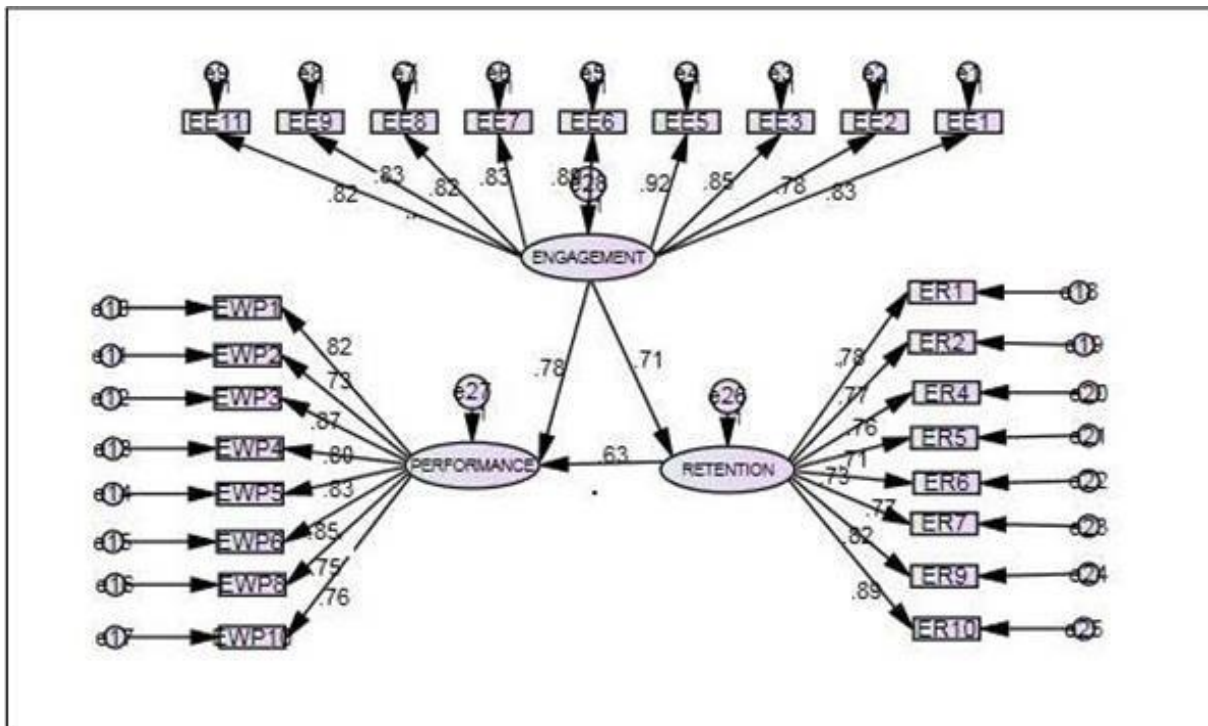


Fig.3: Hypothesized Structural Model
Source: Authors

Conclusion

Employee engagement activity is one of the most imperative constructs which is mostly studied in different sectors and industries to understand employees’ need from the organization. The present study focused on the effect of employee engagement on employee retention and employee performance. The output from the analysis revealed that employee engagement has a positive effect on employee retention and employee performance. Also, employee retention to has a positive effect

accepted. Employee engagement is very important to all organizations because having effective strategies in- place helps create a better work culture, reduce staff turnover, increase productivity, build better workand customer relationships, and impact company profits.

Therefore, Higher Education institutions or HEIs must focus more on employee engagement practicesnot only for retention and performance but also to create a world-class institution, enabling students a better learning experience, better brand name, and helping in creating a good image of the educationinstitution.

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