



Impact of Employee Engagement on Organizational Commitment and Job Performance

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Abstract

This study investigates the impact of employee engagement on organizational commitment and job performance, with the primary objective of understanding how the level of employees' involvement, dedication, and emotional attachment to their work influences both individual and organizational outcomes. In today's competitive business environment, organizations increasingly recognize that engaged employees are not only more productive but also more committed to achieving organizational goals. Therefore, this research attempts to provide a comprehensive analysis of the relationship between employee engagement, organizational commitment, and job performance.

The study adopts an exploratory and descriptive research design and focuses on employees working in the service sector. A sample of 500 respondents was selected using a structured questionnaire to collect primary data. The questionnaire was designed to capture various dimensions of employee engagement, including vigor, dedication, and absorption, along with measures of organizational commitment and job performance. Secondary data were also reviewed to support

the theoretical framework and provide context to the study.

The findings indicate that employee engagement has a strong and positive impact on both organizational commitment and job performance. Employees who are highly engaged tend to develop a deeper sense of belonging and loyalty towards the organization, which strengthens their commitment and encourages them to contribute more effectively to organizational objectives. The results also reveal that engaged employees demonstrate higher levels of efficiency, better task performance, and a greater willingness to go beyond their assigned roles.



Additionally, the study highlights that organizational commitment serves as an important outcome of employee engagement and also plays a mediating role in enhancing job performance. The research further identifies key factors such as recognition, supportive leadership, effective communication, career development opportunities, and a positive work environment as significant drivers of employee engagement.

Keywords: Employee Engagement, Organizational Commitment, Job Performance, Job Satisfaction, Employee Motivation, Leadership Support, Human Resource Management, Organizational Behavior, Talent Management, Work Environment

1. Introduction

1.1 Research Background

In every organization, the psychological mindset of employees — whether optimistic or pessimistic — broadly shapes workplace experiences, attitudes, and behaviors. Optimism, as a key attitudinal construct, is closely associated with positive emotions such as happiness, gratitude, and overall life satisfaction. When organizations demonstrate care and commitment towards their employees, it fosters a supportive work environment that enhances employee engagement and job satisfaction. This mutually reinforcing relationship highlights the importance of organizational practices in shaping employee attitudes.

Individuals with an optimistic mindset often experience a wide range of personal and professional advantages, including better physical and mental health, stronger emotional resilience, and healthier interpersonal relationships with colleagues and supervisors. Empirical research suggests that optimism positively influences work performance and adaptability in both professional and academic settings (Schneider et al., 2012). Additionally, optimism has been linked to enhanced well-being, including higher life satisfaction and improved psychological functioning (Gallagher, Lopez, & Pressman, 2013).

In modern organizational environments that emphasize autonomy and employee involvement, optimism plays a crucial role in driving both individual and organizational success. When employees find alignment between their personal values and professional roles, it not only enhances their well-being but also contributes to higher productivity, satisfaction, and long-term organizational success.

1.2 Conceptual Definitions

1.2.1 Performance

Performance refers to the extent to which an individual successfully executes tasks and responsibilities assigned within an organizational setting. It is a multidimensional concept that encompasses not only the outcomes achieved but also the efficiency, quality, and consistency with which work is performed. High-performing employees tend to demonstrate commitment, responsibility, and a proactive approach towards their roles, which ultimately enhances overall organizational productivity.



1.2.2 Job Satisfaction

Job satisfaction refers to the level of contentment and positive emotional response an individual experiences toward their job and work environment. It reflects how employees feel about various aspects of their work, including their roles, responsibilities, compensation, relationships with colleagues, and opportunities for growth and development. Satisfied employees are more likely to be productive, committed, and engaged in their work, with lower absenteeism, reduced turnover intentions, and a stronger sense of loyalty toward the organization.

1.2.3 Employee Engagement

Employee engagement refers to the level of emotional, cognitive, and behavioral involvement that employees demonstrate toward their work and organization. It reflects the extent to which individuals are committed to their roles, motivated to contribute, and willing to go beyond basic job requirements to achieve organizational goals. Engaged employees tend to exhibit high levels of energy, focus, and persistence while performing their tasks and actively contribute innovative ideas that help improve organizational performance.

1.2.4 Organizational Commitment

Organizational commitment refers to the psychological attachment and sense of loyalty that an employee develops toward their organization. It is generally viewed as a multidimensional construct comprising three key components: affective commitment (emotional attachment), continuance commitment (perceived costs of leaving), and normative commitment (sense of moral obligation). A high level of organizational commitment leads to higher levels of performance, reduced absenteeism, and lower turnover intentions.

1.3 Research Problem

Despite implementing various human resource practices, many organizations continue to face challenges such as low employee engagement, reduced job satisfaction, and weak organizational commitment, resulting in decreased performance and increased turnover. There is limited integrated research examining how optimism influences these variables collectively, creating a need to investigate whether a positive outlook among employees can enhance their engagement, satisfaction, and commitment, and ultimately improve their performance.

1.4 Objectives of the Study

The main objectives of this study are as follows:

- To measure the level of employee engagement and its impact on organizational commitment and job performance.
- To analyze the relationship between optimism and employee engagement, job satisfaction, and organizational commitment.
- To evaluate the mediating role of organizational commitment in the relationship between employee engagement and job performance.
- To identify key factors that enhance employee engagement within the organizational environment.
- To provide practical suggestions for organizations to improve employee engagement, satisfaction, and commitment.



1.5 Hypotheses

Based on the objectives and review of literature, the following hypotheses were formulated:

H1: There is a significant positive relationship between optimism and employee engagement.

H2: There is a significant positive relationship between optimism and job satisfaction.

H3: There is a significant positive relationship between optimism and organizational commitment.

H4: Employee engagement has a significant positive impact on job satisfaction.

H5: Employee engagement has a significant positive impact on organizational commitment.

H6: Job satisfaction has a significant positive relationship with organizational commitment.

H7: Employee engagement has a significant positive impact on employee performance.

H8: Organizational commitment has a significant positive impact on employee performance.

H9: Optimism, employee engagement, job satisfaction, and organizational commitment jointly have a significant effect on employee performance.

1.6 Research Methodology

The study adopts a descriptive and analytical research design with a quantitative approach. Primary data was collected through a structured questionnaire distributed among 500 employees in the service sector, using a Likert scale (1–5). Secondary data was gathered from research papers, journals, and books. Convenience sampling was employed as the sampling technique.

2. Theoretical Background

2.1 Introduction

This chapter presents the theoretical foundation of the study by discussing key concepts such as job performance, job satisfaction, employee engagement, and organizational commitment. These variables play a significant role in understanding employee behavior and organizational effectiveness. The chapter also includes major theories related to each concept, which provide a framework for analyzing the relationships among these variables.

2.2 Theories of Job Performance

Job performance refers to the degree to which an employee successfully fulfills the duties and responsibilities assigned to them, involving both the quality and quantity of work produced. High job performance is essential for organizational success, as it directly contributes to productivity, profitability, and competitiveness.



Table 1: Key Theories on Job Performance

Theory	Overview	Application
Goal Setting Theory (Locke, 1968)	Clear and challenging goals improve performance.	Organizations set measurable targets and monitor performance.
Expectancy Theory (Vroom, 1964)	Performance depends on expected rewards from effort.	Linking rewards to performance improves motivation.
Equity Theory (Adams, 1963)	Employees compare fairness in rewards.	Fair policies enhance performance.
Reinforcement Theory (Skinner)	Behavior is shaped by rewards/punishment.	Rewards improve employee behavior.
AMO Theory	Performance = Ability + Motivation + Opportunity.	Training and empowerment improve performance.

2.3 Theories of Job Satisfaction

Job satisfaction refers to the level of contentment employees feel about their job. Employees with high job satisfaction are more motivated, productive, and committed. On the other hand, low job satisfaction may lead to absenteeism, turnover, and poor performance.

Table 2: Key Theories on Job Satisfaction

Theory	Overview	Application
Two-Factor Theory (Herzberg)	Satisfaction depends on motivators and hygiene factors.	Improve working conditions and recognition.
Maslow's Hierarchy of Needs	Human needs influence satisfaction.	Fulfill employee needs step-by-step.
Job Characteristics Model	Job design affects satisfaction.	Provide autonomy and feedback.
Discrepancy Theory	Satisfaction = expectation vs. reality.	Manage employee expectations.
Equity Theory	Fairness impacts satisfaction.	Equal treatment improves morale.

2.4 Theories of Employee Engagement

Employee engagement refers to the emotional and psychological involvement of employees in their work. Engagement is not just about satisfaction; it includes active participation and dedication toward organizational goals. Several key theories help explain the drivers and dimensions of engagement.



Table 3: Key Theories on Employee Engagement

Theory	Overview	Application
Kahn's Theory (1990)	Engagement involves emotional and cognitive connection.	Create meaningful work roles.
Social Exchange Theory	Mutual relationship between employee and employer.	Support leads to engagement.
JD-R Model	Balance between demands and resources.	Provide resources to employees.
Self-Determination Theory	Autonomy and competence increase engagement.	Empower employees.
Flow Theory	Engagement occurs when skill matches challenge.	Assign appropriate tasks.

2.5 Theories of Organizational Commitment

Organizational commitment refers to the level of loyalty and attachment an employee has toward their organization. It determines whether an employee is willing to stay and contribute to organizational goals, and is primarily understood through Meyer and Allen's (1991) three-component model.

Table 4: Key Theories on Organizational Commitment

Theory	Overview	Application
Meyer & Allen Model (1991)	Affective, continuance, normative commitment.	Build emotional connection.
Organizational Support Theory	Support increases commitment.	Provide care and recognition.
Social Identity Theory	Employees identify with organization.	Build strong culture.
Psychological Contract Theory	Trust influences commitment.	Maintain promises to employees.
Side-Bet Theory	Commitment due to cost of leaving.	Provide meaningful benefits.

2.6 Relationship Between Variables

The variables in this study are deeply interrelated. Optimism influences employee engagement, which in turn affects job satisfaction and organizational commitment. These factors collectively impact employee performance. Specifically, job satisfaction acts as a crucial mediating variable between engagement and commitment. Engaged employees are more satisfied, and satisfaction further strengthens organizational commitment, ultimately leading to superior job performance. This chain relationship forms the conceptual backbone of the present research.



3. Results and Discussion

3.1 Introduction

This chapter presents a comprehensive analysis of the data collected from 500 respondents and provides an in-depth interpretation of the findings. The analysis was carried out using SPSS and Partial Least Squares Structural Equation Modeling (PLS-SEM 4). Techniques such as descriptive statistics, reliability testing, factor analysis, and structural modeling were applied systematically to validate the proposed research framework and examine the relationships among job satisfaction, employee engagement, and organizational commitment.

3.2 Respondent Profile

Table 5: Descriptive Statistics of Gender

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Male	276	55.2%	55.2%	55.2%
Female	224	44.8%	44.8%	100.0%
Total	500	100.0%	100.0%	

The distribution reflects a relatively balanced sample with 55.2% male and 44.8% female respondents, minimizing gender bias and ensuring that perspectives of both groups are adequately captured. This diversity enhances the robustness of the analysis and allows for more generalizable conclusions.

Table 6: Descriptive Statistics of Academic Qualification

Qualification	Frequency	Percent	Valid Percent	Cumulative Percent
Undergraduate	228	45.6%	45.6%	45.6%
Postgraduate	272	54.4%	54.4%	100.0%
Total	500	100.0%	100.0%	

A majority of respondents (54.4%) hold postgraduate qualifications. A higher level of education often leads to better awareness, analytical thinking, and professional understanding, which enhances the credibility and depth of the study's insights into organizational behavior.



3.3 Reliability and Factor Analysis — Job Satisfaction

Table 7: KMO and Bartlett's Test for Job Satisfaction

Measure	Value
KMO Measure of Sampling Adequacy	0.936
Bartlett's Test Chi-Square	4758.122
Degrees of Freedom (df)	136
Significance (Sig.)	0.000

The KMO value of 0.936 indicates an excellent level of sampling adequacy, suggesting that the dataset is highly suitable for factor analysis. The significant Bartlett's Test ($p = 0.000$) confirms sufficient correlation among variables, demonstrating that the data structure is appropriate for identifying underlying dimensions of job satisfaction.

Table 8: Total Variance Explained (Job Satisfaction)

Component	Eigenvalue	% of Variance	Cumulative %
1	6.071	35.714%	35.714%
2	3.486	20.504%	56.218%

The extracted components explain 56.218% of the total variance, which is considered acceptable in social science research. The first component contributes the highest variance, suggesting it is the most influential factor in the job satisfaction construct.

3.4 Reliability and Factor Analysis — Employee Engagement

Table 9: KMO and Bartlett's Test for Employee Engagement

Measure	Value
KMO Measure of Sampling Adequacy	0.910
Bartlett's Test Chi-Square	2697.753
Degrees of Freedom (df)	36
Significance (Sig.)	0.000

The KMO value of 0.910 indicates excellent sampling adequacy, confirming that the dataset is suitable for factor analysis. The significant Bartlett's Test further validates the presence of meaningful correlations among variables, reinforcing the reliability of the employee engagement scale.



Table 10: Factor Loadings of Employee Engagement

Item	Factor Loading
EE1 — I feel enthusiastic about my job.	0.561
EE2 — I am deeply involved in my work.	0.836
EE3 — I am willing to put extra effort into my job.	0.834
EE4 — I feel emotionally connected to my work.	0.757
EE5 — I actively participate in workplace activities.	0.833
EE6 — I feel motivated to perform at my best.	0.763
EE7 — I feel proud to be a part of this organization.	0.764
EE8 — I find my work meaningful and purposeful.	0.474

The majority of factor loadings exceed the recommended threshold of 0.5, indicating strong associations between the items and the underlying construct. These results confirm convergent validity, meaning the items effectively measure the same concept.

3.5 Structural Equation Modeling (SEM)

Table 11: R-Square Values

Construct	R ²	Adjusted R ²
Employee Engagement	0.584	0.581
Happiness	0.273	0.272
Organizational Commitment	0.334	0.331

The R² values indicate moderate explanatory power of the model. Employee engagement shows the highest variance explained at 58.4%, highlighting its central role in the study. These results suggest that the independent variables significantly contribute to explaining variations in the dependent constructs.

3.6 Mediation Analysis

Table 12: Path Coefficients

Path	Coefficient	Result
Happiness → Employee Engagement	0.093	Significant
Happiness → Organizational Commitment	0.122	Significant
Job Satisfaction → Employee Engagement	0.525	Significant
Job Satisfaction → Happiness	0.523	Significant
Job Satisfaction → Organizational Commitment	0.504	Significant
Organizational Commitment → Employee Engagement	0.266	Significant



All path coefficients are significant, confirming the hypothesized relationships. Job satisfaction plays a crucial mediating role between engagement and commitment, with the strongest path coefficient (0.525) between job satisfaction and employee engagement. The mediation effect highlights the interconnected nature of these constructs and their collective impact on organizational success.

3.7 Analysis Across Demographic Categories

Comparative analysis across demographic variables reveals that gender does not significantly influence job satisfaction or employee engagement, suggesting that workplace perceptions are relatively consistent across male and female employees. However, academic qualification shows a moderate impact — respondents with higher qualifications tend to exhibit greater engagement and commitment, possibly due to increased awareness and career expectations. This highlights the importance of aligning organizational practices with employee competencies.

4. Conclusion and Recommendations

4.1 Conclusion

Based on the analysis and findings presented in Chapter 3, several important conclusions can be drawn from this study.

Firstly, job satisfaction emerges as a key determinant influencing both employee engagement and organizational commitment. Employees who are satisfied with their work environment, compensation, and growth opportunities tend to show higher levels of dedication, involvement, and loyalty toward the organization.

Secondly, employee engagement plays a significant mediating role in strengthening the relationship between job satisfaction and organizational commitment. Engaged employees are more productive, motivated, and emotionally connected to their work, which ultimately enhances organizational outcomes.

Thirdly, the study highlights the importance of employee happiness as a psychological factor that positively contributes to both engagement and commitment. Moreover, the results indicate that organizational commitment is influenced by multiple interrelated factors, making it a multidimensional construct requiring a holistic management approach.

4.2 Theoretical Implications

From a theoretical perspective, this study contributes to existing literature by integrating multiple constructs — job satisfaction, employee engagement, happiness, and organizational commitment — into a single comprehensive framework. It validates the applicability of established theories in the context of modern workplaces and reinforces the idea that employee-related factors are deeply interconnected. The study also supports the use of PLS-SEM as a robust analytical tool for examining complex relationships in human resource research, while extending understanding of the mediating roles of engagement and happiness in organizational outcomes.



4.3 Practical Implications

From a managerial perspective, the study provides actionable insights for organizations and HR professionals:

- Organizations should focus on enhancing job satisfaction through fair compensation, career development opportunities, and a positive work environment.
- Management should implement strategies to improve employee engagement, such as recognition programs, participative decision-making, and effective communication.
- Promoting employee well-being and happiness should be a priority, as it directly impacts performance and retention.
- HR policies should be designed to create a supportive and inclusive culture, ensuring that employees feel valued and motivated.
- Performance appraisal systems should be transparent and fair to increase employee satisfaction and trust.
- Work-life balance initiatives such as flexible working hours and remote work options should be encouraged.

By implementing these practices, organizations can build a committed workforce and gain a competitive advantage in today's dynamic business environment.

4.4 Limitations of the Study

Despite its contributions, the study has certain limitations. The research is based on a specific sample size and geographic area, which may limit the generalizability of findings to other regions or industries. Additionally, the study relies on self-reported data, which may be subject to response bias or social desirability bias. The cross-sectional design captures data at a single point in time, limiting the ability to analyze changes in employee behavior over time. Furthermore, only a limited number of variables were considered — factors such as leadership style, organizational culture, and the external environment were not included in the model.

4.5 Scope for Future Research

The study opens several avenues for future research. Future studies can include larger and more diverse samples to improve generalizability, and researchers can adopt a longitudinal approach to examine changes in employee behavior over time. Additional variables such as leadership style, organizational culture, and technological adoption can be incorporated into the model. Comparative studies across different industries or countries would help understand cultural differences in engagement and commitment. Advanced analytical techniques can also be used to further explore causal relationships and moderating effects, contributing to a deeper understanding of employee behavior and organizational dynamics.



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