

The Relation between Work Engagement and Organizational Performance (Case Study: branches of Refah - e - Kargaran Bank in Kermanshah City)

Hadi Farhangian Nia ^{1,2}, Nariman Abdi ^{3*}

1. M.A student of Management, Science and Research Branch, Islamic Azad University, Sanandaj, Iran

2. Department of Management, Sanandaj Branch, Islamic Azad University, Sanandaj, Iran

3. Department of Management, Sanandaj Branch, Islamic Azad University, Sanandaj, Iran (Corresponding Author)

Abstract

This study has already done with purpose of Investigating the Relationship between Work Engagement and Organizational Performance. The research method was descriptive-correlational research. Statistical population of this research is considered to all employees of branches of Refah - e -Kargaran Bank in Kermanshah City. Sample size consists of 147 people who are available and full numbered. To collect data, questionnaires of Sclaufeli et al for work engagement and Kaplan's and Norton's organizational performance questionnaires were used. The questionnaire validity were reviewed and approved by a survey of professors and experts in the field. The questionnaire reliability was assessed by Cronbach's alpha coefficient that Cronbach's alpha coefficient for work Engagement (0.731), work engagement (0.810) and organizational performance (0.798) was obtained. All analyses of findings in this research was done at error level=0.05 and using SPSS software and Smart PLS software. The results of data analysis showed a positive and meaningful relation with error level lower than 0.01 between work engagement and its components (energy, absorption, dedication) and organizational performance. Also it showed that coaching, absorption and dedication are the only factors affecting on organizational performance. In addition to, it showed that work engagement has the significant mediator role between work Engagement and organizational performance of bank branches in Kermanshah. In general, based on the research findings, it is suggested to management of Refah Kargaran bank branches of Kermanshah to review in the work description and the tasks description through further analysis of work and to increase the businesses options and to create an opportunity for freedom and decision-making of staffs and to provide backgrounds of more feedback in work .

Keywords: Work Engagement, Organizational Performance, Energy, Absorption, Dedication

Introduction

Today, regarding the improvement and development of technology, the nature of work has changed from traditional and physical to intellectual and mental. On the other hand, all the businesses around the world are forced to lower their prices and increase the quality they offer to their customers. Hence, most organizations try to differ from their opponents by presenting high quality, flexible, novel and responsive services and by achieving effectiveness. It is believed that only those organizations can continue their activities in today's competitive world which have better and more optimized performance comparing to their opponents and along with using opportunities, they make use of the treats to their own benefit (Ghorbani Zade et al, 2013). Effective factors on organizational performance are intra organizational factors and extra organizational factors. Extra organizational factors are economic, social, political, cultural and juridical and intra organizational factors according to Bakker and Demerouti (2008) consist of work Engagement s, individual resources, work commitments and work demands.

Research Problem

Organizational performance is one of the most important issues in management studies and it is the most important measure for organizations' success, undoubtedly (March & Sutton). Experts in human resources management believe that performance covers organization's success, performance of intra organizational groups and individual satisfaction and analysis are in individual, group and organization levels. With fast changes in technology, increasing risks, globalization and privatizations (Crocitto & Youssef), we are not able to control and manage the performance traditionally and like the old days and we should apply new approaches. Moreover, managers believe that in modern day with innovations, organizational performance, competitive and business success being at stake, employees play a critical role. Thus, organizations need employees who are energetic, sacrificial and drawn to their works. In other words, organizations need employees who are bound to their work s (Eisa Khani).

Generally, one of the activities which should be done in order to attain knowledge base economy and achieve sixth development program in Iran is to consider banking system. Although, some works have been done in human resources, knowledge management, education and intra organization structure in banking of Iran, it seem that such works are not consistent enough. Refah e Kargaran Bank with more than 40 years of experience in presenting bank services and known as an active bank in Iran has 10942 personnel and 1067 branches around the country. It has made a good progress in achieving economic goals of country by presenting desirable banking services (Janebi Enayat). Moreover, it is certain that the start point for an organization is to edit and present its policy and then the employees play the major role since they are the performer of the policy. So, if they do not feel the bond with their work the organization cannot be successful. As a support to what was claimed, today we encounter the increasing number of expert employees leaving their work s, intra organizational conflicts and clients dissatisfactions which affect the performance of organizations negatively.

Research Objectives

Main Objective:

To identify the Relation between Work Engagement and Organizational Performance in employees of branches of Refah - e -Kargaran Bank in Kermanshah.

Minor Objective:

To identify the Relation between Dimensions of Work Engagement and Organizational Performance in employees of branches of Refah - e -Kargaran Bank in Kermanshah.

Research Hypotheses:

Main Hypothesis

There is significant Relation between Work Engagement and Organizational Performance in employees of branches of Refah - e - Kargaran Bank in Kermanshah.

Minor Hypotheses:

- 1-There is significant Relation between Energy and Organizational Performance in employees of branches of Refah - e -Kargaran Bank in Kermanshah.
- 2-There is significant Relation between absorption and Organizational Performance in employees of branches of Refah - e -Kargaran Bank in Kermanshah.
- 3-There is significant Relation between Dedication and Organizational Performance in employees of branches of Refah - e -Kargaran Bank in Kermanshah.

Research Background

Zargan Moghadam (2011) studied the effects of work demands and resources on employees' content and exhaustion based on work -demand resource model. Statistical population of the research was Foolad Mobarake Esfahan employees with educational degree of diploma and higher. The results of structural equation modeling confirmed the effects of work Engagement on content of employees and relations between resources and work demands. However, the effect of demands on work exhaustion, effect of resources on work exhaustion and relation of work content and exhaustion was rejected.

Adibi et al (2012) studied the relation between work demands, work Engagement and work control with employees' deviant behaviors. The statistical population was employees of Naft o Gaz e Zagros e Jonubi (Southern Zagros oil and gas co) in Bandar Abas. Findings showed a meaningful result in role importance and ambiguity in the first stage, role ambiguity and conflict along with education, appreciation and supporting the supervisor in the second stage, and role importance and ambiguity along with education, appreciation and supporting the supervisor with work control for deviant behavior in the third stage.

Hakanen et al (2006) studied work exhaustion and organizational performance among teachers. The studied over teachers of the Education Department of Helsinki Finland and designed a model related to work commitments and tested it using structural equation modeling. The results showed no mutual relation between work commitments (work demands) and work Engagement s. Work Engagement affect organizational performance.

Freeny & Tiernan (2009) studied barriers and facilitators of work Engagement s. So, they studied 20 nurses applying a qualitative research. They found that heavy workload, lack of control, unfit and

inadequate remuneration, injustice, difference in values and lack of population are factors which result in exhaustion and somehow prevent employees to feel the bond with their work s.

Chen et al (2015) studied the relation between team independence and development in new products and found a meaningful relation between team independence and performance.

Li et al (2015) studied the role of control motivation and independence motivation in the relation between appropriateness value and work Engagement s. Statistical population was 767 Chinese teachers in this research and the results showed that independence motivation has a positive meaningful intermediate role on effects that appropriateness value has on work Engagement s. On the other hand, control motivation as an intermediate between appropriateness value and work Engagement is effective but its effect is negative.

The Conceptual Model of the Research

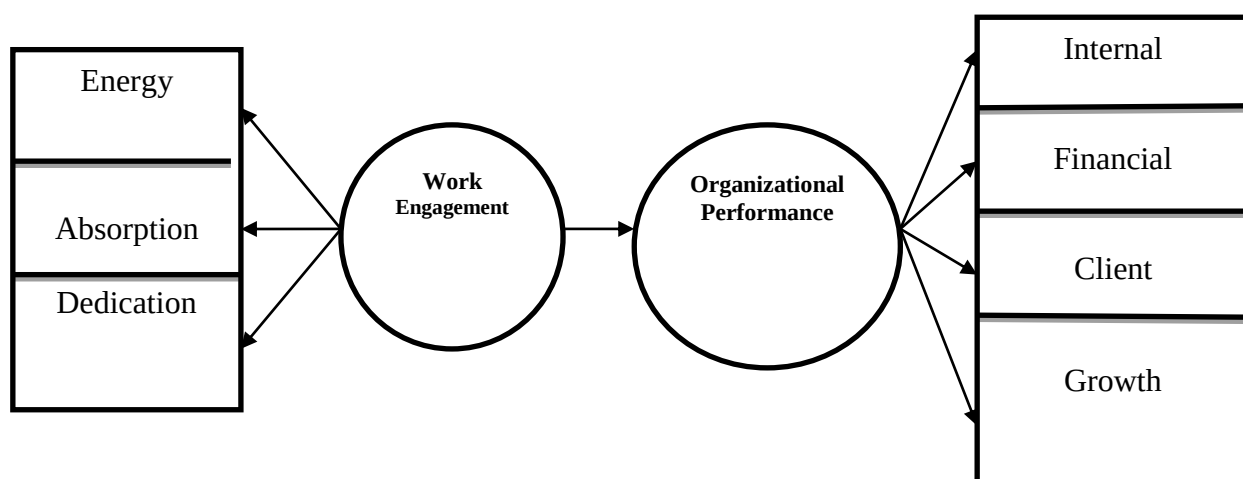


Figure 1. Research Model

Research Method

This study in terms of purpose is applied research. Regarding the method of inference, this research is descriptive – correlational Research and in terms of data gathering is survey research

Statistical population and sampling method

Due to population limits, statistical population is considered to be the population. Thus, employees of all the branches of Refah e Kargaran Bank in Kermanshah (216 people) are participated in the research. Sampling method was choosing the availability.

Table 1. the number of population members

Number	Group
37	Women

179	Men
216	Total

Testing Hypothesis of the Research

Main Hypothesis:

There is significant Relation between work Engagement and Organizational Performance in employees of branches of Refah - e - Kargaran Bank in Kermanshah.

According to the results from correlation matrix in table 2, it can be indicated that there is a relation between work Engagement and organizational performance in branches of Refah Bank with reliability of 0.99 and error level lower than 0.01. Also, the relation ratio is 0.542 and it is directional (positive) and medium level meaning that as the work Engagement level increases, organizational performance rate will increase in a good rate.

Table 2. the relation between work Engagement and organizational performance

Variable	Organizational performance	
work Engagement	Correlation Coefficient	Significance level
	0.542	0.001

The results of table 3 and multiple correlation coefficient shows that predict variable has a fairly suitable correlation with the criterion variable. Also, adjusted coefficient which is determined ($R^2_{adj}=0.289$) shows that work Engagement predict variable has been able to indicate 28.9 percent of changes in organizational performance criterion variable. So, the rest of changes (71.7 percent) which is known as quantity squared error are affected by variables outside the model.

Table 3. summary of statistics related to work Engagement and organizational performance model

Model Summary				
Model	Multiple Correlation Coefficient	R2	R2adj	Standard Error of Estimate
1	0.409	0.289	0.294	0.542
Predict variable: work Engagement criterion variable: organizational performance				

According to results of table 4, F (60.248) is meaningful in error level lower than 0.01. In fact, this result shows that predict variable can be indicative and is able to explain the change ratio and variance of criterion variable. In other words, regression model is almost suitable for this research whereby we can indicate changes in organizational performance criterion variable based on changes in work Engagement predict variable.

Table 4. variance analysis results

Model	Sum of Squares	Degree of Freedom	Mean Square	F	Sig
Regression	10.102	1	10.102	60.248	0.001
Total	24.312	145	0.168		
	34.414	146			

According to findings in table 5, standard regression coefficient for organizational performance variable (0.542) in error level lower than 0.01 is meaningful. Consequently, it can be indicated that work Engagement variable of Refah Bank affects organizational performance growth. It means with an increase in a standard deviation in work Engagement variable, organizational performance value is increased equal to 0.542 units of standard deviation.

Table 5. regression coefficient effects of predictive variable on criterion variable

Model	Non-Standardized Coefficients		Standardized Coefficient		T	Sig
Predict Variable	B	Standardized Error	Beta			
1						
(stable)	1.999	0.243	-	8.230	0.001	
Work						
Engagement	0.475	0.061	0.542	7.762	0.001	

First Minor Hypothesis:

There is significant Relation between Energy and Organizational Performance in employees of branches of Refah - e -Kargaran Bank in Kermanshah.

According to the results obtained of correlation matrix in table 6, it can be indicated that with confidence of 0.99 and error level less than 0.01, there is a relationship between Energy and Organizational Performance in employees of branches of Refah - e -Kargaran Bank in Kermanshah. Also, the amount of

this relationship is equal to 0.433 and it is directional (positive) and in medium level. It means that as the Energy level increases, organizational performance rate will increase in a good rate.

Table 6. the relation between Energy and organizational performance

Variable	Organizational performance	
Energy	Correlation Coefficient	Significance level
	0.433	0.001

Second minor Hypothesis:

There is significant Relation between absorption and Organizational Performance in employees of branches of Refah - e -Kargaran Bank in Kermanshah.

According to the results obtained of correlation matrix in table 7, it can be indicated that with confidence of 0.99 and error level less than 0.01, there is a relationship between absorption and Organizational Performance in employees of branches of Refah - e -Kargaran Bank in Kermanshah. Also, the amount of this relationship is equal to 0.542 and it is directional (positive) and in middle level. It means that as the Absorption level increases, organizational performance rate will increase in a high rate.

Table 7. the relation between absorption and organizational performance

Variable	Organizational performance	
Absorption	Correlation Coefficient	Significance level
	0.542	0.001

Third Minor Hypothesis:

There is significant Relation between Dedication and Organizational Performance in employees of branches of Refah - e -Kargaran Bank in Kermanshah.

According to the results obtained of correlation matrix in table 8, it can be indicated that with confidence of 0.99 and error level less than 0.01, there is a relationship between Dedication and Organizational Performance in employees of branches of Refah - e -Kargaran Bank in Kermanshah. Also, the amount of this relationship is equal to 0.470 and it is directional (positive) and in middle level. It means that as the Dedication level increases, organizational performance rate will increase in a high rate.

Table 8. the relation between Dedication and organizational performance

Variable	Organizational performance	
Dedication	Correlation Coefficient	Significance level
	0.470	0.001

The results of table 9 and multiple correlation coefficients show that predict variables there is a fairly suitable correlation with the criterion variable. Also, adjusted coefficient which is determined ($R^2_{adj}=0.183$) shows that predict of dimensions of work Engagement variable has been able to indicate 18.3 percent of changes in organizational performance criterion variable. So, the rest of changes (81.7 percent) which is known as quantity squared error are affected by variables outside the model.

Table 9. summary of statistics related to dimensions of work Engagement and organizational performance model

Model Summary				
Model	Multiple Correlation Coefficient	R2	R2adj	Standard Error of Estimate
1	0.566	0.321	0.307	0.404
Predict variable: dimensions of work Engagement criterion variable: organizational performance				

According to results of table 10, F (7.526) is meaningful in error level lower than 0.01. In fact, this result shows that predict variable can be indicative and is able to explain the change ratio and variance of criterion variable. In other words, regression model is almost suitable for this research whereby we can indicate changes in organizational performance criterion variable based on changes in work Engagement predict variable.

Table 10. variance analysis results

Model	Sum of Squares	Degree of Freedom	Mean Square	F	Sig
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Regression	7.249	5	1.450	7.526	0.001
Total	27.165	141	0.193		
	34.414	146			

According to findings in table 13, standard regression coefficient for organizational performance variable (0.262) in error level lower than 0.01, just for Coaching variable is meaningful. Consequently, it can be indicated that coaching variable of branches of Refah Bank effects on organizational performance growth. It means that with an increase in a standard deviation in coaching variable, organizational performance value is increased equal to 0.263 units of standard deviation.

Table 11. regression coefficient effects of predictive variable on criterion variable

Model	Non-Standardized Coefficients	Standardized Coefficient			
Predict Variable			T	Sig	
1	B	Standardized Error	Beta		
(stable)	2.032	0.241	-	8.440	0.001
Energy	0.009	0.074	0.012	0.125	0.901
Absorption	0.304	0.078	0.408	3.887	0.001
Dedication	0.158	0.068	0.206	2.333	0.021

Conclusion

The results obtained of analyzing for research main hypothesis showed that with confidence of 0.99 and error level less than 0.01; there is significant Relation between work Engagement and Organizational Performance in employees of branches of Refah - e - Kargaran Bank in Kermanshah. The amount of this relationship is 0.436 and it is directional (positive) and medium level meaning that as the work Engagement level increases, organizational performance rate will increase in a good rate. Also, adjusted coefficient which is determined ($R^2_{adj}=0.185$) shows that work Engagement predict variable has been able to indicate 18.5 percent of changes in organizational performance criterion variable. So, the rest of changes (81.5 percent) which is known as quantity squared error are affected by variables outside the model. According to results of regression coefficient standard for organizational performance variable (0.436) in error level less than 0.01 is meaningful. Consequently, it can be indicated that work Engagement variable of Refah Bank affects organizational performance growth. It means that with an increase in a standard deviation in work Engagement variable, organizational performance value is increased equal to 0.436 units of standard deviation. The result is in agreement with the results of researches performed by Chang and Angeline (2010) and Nakagawa (2014). It seems that work Engagement reduce work demands and related physiologic and psychological costs. They are also

effective in achieving career goals and motivate people's learning and improve personalities. Also, they play the role of intrinsic motivation since they provide growth opportunities, learning and improvement of employees. They play the role of extrinsic motivation since they have an instrumental role in achieving career goals (Bakker & Demerouti, 2007). Consequently, they improve organizational performance. To indicate such results, it is believed that mentoring in organizations is a short time relation to improve performance through simplifying learning which needs particular personalities and conditions. However, it can be done in groups and teams sometimes. Manager (as a mentor) plays the role of a facilitator and tries to make his employees to reach in a suitable level of self-contemplation, based on operational and goal based plans he provides. Such works done by mentor (manager) helps people and teams conquer their career problems and even personal challenges. Generally, mentor (manager) does not have a commanding role. He steps in and guides when feels necessary or at times he thinks the organization is going in the wrong direction (Vali et al 2011).

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