

THE RELATIONSHIP BETWEEN JOB RESOURCES AND EMPLOYEE PERFORMANCE - THE MEDIATING ROLE OF EMPLOYEE ENGAGEMENT IN PRIVATE HEALTH INSURANCE COMPANY

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ABSTRACT

The workplace developments are continuous with new technological innovations, changing business models or with company mergers or any acquisitions. The private health insurance company is no exception to such changes like any other sector and positively is observing rapid expansion and foresees bigger potential in the future. However; in this continuous changing atmosphere, it gets prudent to understand what factors keep the employees engaged, hence a study was undertaken to understand the relationship between job resources and employee engagement and secondly to find out the impact of employee engagement on employee performance. A sample survey method was adopted and structured questionnaire was prepared to collect the data. The primary data was collected from 90 respondents working in four of health insurance companies at Bangalore using the convenient sampling method and secondary data was collected by referring to related articles and journals. Descriptive statistics, correlation and regression analysis using process macro was computed on SPSS 20 to analyse and interpret the result findings. The study showed the significant association between job resources and employee engagement and the significant association of employee engagement on employee performance. The study further found employee engagement partially mediating the relationship between job resources and employee performance.

Key words: Employee engagement, employee performance, health insurance companies, job resources

Cite this Article: P. Bhuwaneshwari and Dr. M.B. Roopa, The Relationship Between Job Resources and Employee Performance - The Mediating Role of Employee Engagement in Private Health Insurance Company. *Journal of Management*, 5(4), 2018, pp. 18–26.

<http://www.iaeme.com/JOM/issues.asp?JType=JOM&VType=5&IType=4>

1. INTRODUCTION

Employee engagement is a thriving concept widely discussed among the business circles because of its positive association to employee's efficiency, effectiveness at work and the associated business outcomes. Plentiful researches have been carried on employee engagement construct over the last three decades and many different perspectives have been derived through researches by psychologists, practitioners and academicians. The variables used to measure employee engagement have kept evolving over the changing generation preference and the instrument to measure employee engagement have also kept developing based on different researchers viewpoint over the period of time. Amongst the many engagement models, the job demands-resources(JD-R) model is adopted for this current study to measure the engagement due to its flexibility of using them on all working environments. The JD-R model puts forward the concept that both job demands and job resource exists in all types of working environment and hence can be altered to any occupation under consideration [1]. Job demands refers to the physical, psychological, social, or organizational aspects of the job which require cognitive and emotional effort which may result in certain physiological and/or psychological costs. Examples are work pressure, conflicts, physical demands like often talking, walking, climbing or handling poor environmental conditions. Job resources refer to those physical, psychological, social, or organizational aspects of the job which helps in achieving goals, reducing job demands and in the development of the organization. Few examples to mention are role clarity, receiving timely feedback, social support, and job control. Too much of demand at work and lack of job resource result in disengagement or burnout of employees while proper management of job resource and demand results in employee's engagement at work [2]. Burnout is defined as the psychological disorder caused by work overload, lack of proper resources or by social conflicts at work [3]. Burnout was noticed mainly among the human service workers and other occupations and to alleviate burnout, psychologists started to look over the positive psychology called the employee engagement [4]. In nutshell, JD-R study is a flexible and comprehensive model which examines the positive and negative aspects at work to foster engagement and prevent burnout [5].

The insurance regulatory and development authority of India (IRDA) regulates and develops the insurance and re-insurance businesses in India. The IRDA Annual Report 2016-17 states there are 62 insurers in India of which 24 are life insurers (LIC is the only 1 life insurer in public sector and the remaining 23 life insurers are private sectors), 23 are general insurers (6 general insurers in public sector and the remaining 17 general insurers in private sector), 6 standalone health insurers and 9 re-insurers all belong to private sectors [6]. As the health insurance sector is seeing a huge potential growth and penetration in market with growing government initiatives on environmental & health awareness programmes and through their policies of insuring the uninsured in place, it is prudent to understand the work situation of employees who are contributing to the economic growth and development of the country. Also as the Deloitte survey report 2016 and 2017 showed that 52% of millennials (born after 1982) working in private sector given a chance would be willing to change their employer in next 2 years and move to different company [7] [8]. This statistic as well urged

the need to understand their engagement level to retain them and promote positive outcomes in the company. Hence a study using JD-R model is undertaken *among the employees* working for private health insurance companies at Bangalore with the following objectives:

- To study the relationship between job resource and employee engagement in private health insurance company.
- To study the impact of Employee engagement on employee performance in private health insurance company.

2. REVIEW OF LITERATURE

2.1. Understanding Employee Engagement

Employees' positive state of feelings and right frame of mind makes a difference at work. If the employees are energetic, dedicated and absorbed in their work, they will be engaged at work [9]. Employee often gets engaged at work completely when they find meaning in their job, find safe to work and have enough physical, emotional and psychological resource to carry their work. Meaning in this context means the position one holds at job, their ability to exhibit more skills at work, becoming more responsible, experiencing enough freedom, flexibility and making decisions in their job. The psychological safety associates to having no fear about job or status and about receiving proper support from co-workers and supervisors. Physical resource for example relates to having proper facilities at work like proper chairs, equipment, inventories; emotional resource means to be feeling free, happy, fulfilled at work which triggers positive experiencing at work; and psychological resource refers to person mental ability to challenge things and to be positive and available at work. [10]. Employee engagement is individual's involvement, their satisfaction and enthusiasm for work [11]. Employee engagement is attained when individual perform to their fullest for organization success, speaks positive about the organization to all and strongly desire to be part of it [12]. The employees also exhibit positive behaviour, perform better and provide good customer service when they witness socially responsible behaviour from organizations [13] and the younger generations are more critical of their organization commitment to environment [14]. This give-and-take concept that occurs inevitably happens within the employees when they receive enough resources and support from organization which makes them feel obliged to repay it back to the organization by performing well at work [15].

2.2. Empirical Studies Pertaining to Employee Engagement in Insurance Sector

A study conducted in private LIC on 200 marketing managers in Chennai showed that autonomy which is the freedom and discretion granted to employee over their job plays an important role as a motivating factor for employees in service oriented companies like insurance sector to increase efficiency, effectiveness and retention of employees [16]. An online survey conducted in an insurance company among 66 employees in Osijek Baranja County showed that correlation exists between collaboration and performance. The collaboration among team members promotes positive work environment, build trust, and develop creativity in achieving organizational goals which accentuates the performance of the company [17]. The performance of the individuals can be in-role or extra-role. Employees who finish their formal roles and tasks to meet their productivity objectives is said to have performed their in-role performance, but voluntary behaviour or extra roles performed by employees such as helping colleagues when they are absent or during heavy workloads may not necessarily have an impact on his/her target productivity but which is performed in the interest of the organization is called organizational citizenship behaviour or extra-role performance [18]. 200 top and middle level employees working in insurance company from

NCR, Mumbai, Chennai, Bangalore was surveyed to understand which work practices are best for the insurance employees. The findings showed that the development opportunities such as job rotation or job enrichment, team reward and incentive pay practices can help improve engagement in employees[19]. A study conducted on 80 white collar employees in insurance sector in Madurai found the overall engagement level of the employees was low because of no fair and satisfactory reward-benefit plan. The study emphasized the importance of having proper reward and incentive plans[20].

2.3. Empirical Studies Pertaining to Employee Engagement in other Sectors

A survey on 86,400 employees from North America, US, Canada was conducted to understand the parameters which drove the individuals at work. The findings showed that autonomy, opportunities for development, delegating responsibility and accountability to passionate employees are the drivers of engagement[21]. 1698 employees from Dutch working in different occupations such as occupational health & safety services, insurance, home-care institution, and pension funds was contacted and surveyed. The results showed that engagement was predicted by job resources such as performance feedback, support from colleagues and supervisory coaching [22]. 146 employees working from different sector such as transportation, construction, trade, restaurants, financial institution, education, communications, business services, healthcare, government, industrial work and recreation services were chosen for the study to understand the relationship between job resources, job demands and performance. The findings showed that job demands such as work pressure and emotional demands predicts the in-role performance while job resources such as autonomy and social support predicts extra-role performance [23]. A study conducted on 1578 employees in Australia from various organizations such as health care, scientific, education & training, governments, technical services showed that job resources have a stronger positive association with employee engagement. Job resources such as job autonomy, development opportunities, supervisor support were found directly associated with organizational factors such as clarity on organizational goals, perceived human resource practices, strategic alignment, and organizational autonomy. The study confirmed the association between the above job resources and organizational resources on employee engagement [24].

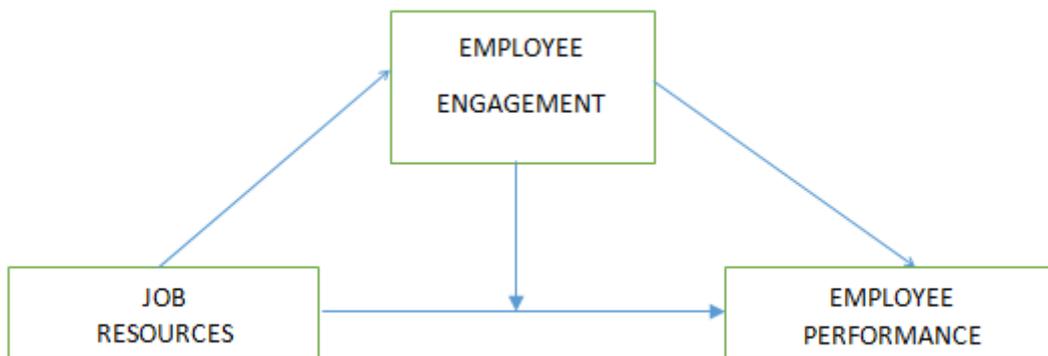


Figure 1 Employee engagement as a mediator variable Proposed Model

Upon reviewing the literature on employee engagement, the following three null hypotheses are formulated for the study:

- There is no significant relationship between job resource and employee engagement.

- There is no significant relationship between employee engagement and employee performance.
- Employee engagement does not mediate the relationship between job resources and employee performance.

3. RESEARCH METHODOLOGY

Both primary data and secondary data were used to collect the data. The secondary data was collected by visiting the British council online library to access Jstor and ProQuest Central journal papers & articles and IIMB Bangalore library was also visited to access Ebsco journals & articles. To collect the primary data, Arnold Bakker JDR scale (2014) was used as a reference and several amendments based on the objectives of the study were made to prepare a structured questionnaire by removing, rewording and adding the questions.

Methodological Syntheses

Sample size	90
Sampling method	convenient sampling
Sample collecting Method	Survey. The job resources (autonomy, social support, feedback, supervisor support, rewards & opportunities for development) items are scored on a 5-point Likert scale while the employee engagement and employee performance (in-role and extra-role) are scored on a 7-point Likert scale.
Statistics tools used	Descriptive statistics, correlation, simple linear regression analysis using SPSS 20 and process macro was used to find the mediation between the variables.
Location	Bangalore, four health insurance companies

4. DATA ANALYSIS & RESULTS

4.1. Demographic Characteristics of the Respondents

Out of sample size 90, 68% were male and 32% were female with 58% respondents clustered under the age group 22-32 years followed by 40% under 33-43 years. 62% of respondents have completed their Bachelors degree and 34% have completed their Masters degree shows about the fairly educated group. 41% of respondents earn their annual income between 2 to 3 lakh while 33% of respondents earn their annual income between 3 to 5 lakh. The respondents are the managers. In this health insurance sector, most of the employees get their initial designation as agency recruitment/development manager or agency manager or renewal managers where they head group of agents who work for the mon commission basis.

4.2. Descriptive Statistics and Correlation Analysis

The descriptive statistics containing the mean and standard deviation values along with correlations results and Cronbach's alpha (values on diagonal bold) are shown in TABLE 1. The lowest mean value of Social support indicates that employees cannot count much on availing their colleagues support due to their work nature of being mostly on field work. The lowest standard deviation of Rewards and opportunities connotes the group is homogeneity with regards to this. Rewards and opportunities with highest mean indicate the positive aspect that organization have kept employees motivated with recognitions, incentives and growth opportunities. The employee engagement also showing high mean expresses the employees' positive experience at work. The highest standard deviation of in-role and extra-role performance shows the heterogeneous group indicating the varying interest in supporting the organization between the routine tasks and outside their role tasks.

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Correlations show primary support for the hypotheses. From TABLE 1, it is evident that the variables Autonomy, Social Support, Feedback, Supervisor support, Rewards & opportunities, In-role & extra-role performance, and employee engagement all are positively correlated. All correlations are significant except the correlation between employee engagement and social support.

Table 1 Correlations

Variable	Mean	S.D	Auto nomy	Social support	Feed Back	Supervisor support	Rewards & opportuniti es	In-role & Extra-role	Employee engagement
Autonomy	3.36	0.92	0.74						
Social Support	3.23	0.91	0.51**	0.71					
Feedback	3.61	0.91	0.39**	0.36**	0.90				
Supervisor support	3.44	0.92	0.38**	0.56**	0.58**	0.91			
Rewards & opportunities	4.03	0.84	0.26*	0.23*	0.27*	0.34**	0.80		
In-role & Extra-role	4.21	1.31	0.32**	0.41**	0.36**	0.41**	0.29**	0.84	
Employee engagement	4.93	1.07	0.26*	0.15	0.32**	0.29**	0.52**	0.44**	0.88

*N=90. **correlation is significant at 0.001 level, *correlation is significant at 0.05 level*

4.3. Regression Analysis

Regression analysis was performed in two stages to analyse and interpret the results. In the first run, the job resources were taken together as independent variables with Employee engagement as dependent variable. The first model R² value of 0.543 indicates 54.3% variance is explained by the independent variables. The TABLE 2 significance values produced indicates that all the variables are significant other than social support. In the second run, employee engagement is taken as independent variable with in-role and extra-role performance as dependent variable. The second model exhibits the R² value of 0.190 and TABLE 3 shows the significant association between employee engagement and in-role & extra-role performance.

Table 2 Coefficients - 1st Regression Run

Model	Unstandardized coefficients		Standardized coefficients	T	Sig
	B	Std.error	Beta		
Autonomy	0.296	0.121	0.253	2.453	0.016
Social Support	0.171	0.124	0.145	1.378	0.172
Feedback	0.380	0.118	0.324	3.208	0.002
Supervisor support	0.333	0.118	0.288	2.819	0.006
Rewards & opportunities	0.662	0.116	0.520	5.710	0.000

Note: Dependent variable: Employee Engagement

Table 3 Coefficients -2nd regression run

Model	Unstandardized Coefficients		Standardized coefficients	T	Sig
	B	Std. error	Beta		
Employee engagement	0.531	0.117	0.436	4.542	0.000

Note: Dependent variable: In-role and Extra-role performance

Table 4 Model Summary

Model	R	R Square	Adjusted R square	Std. error of the estimate
1	(0.74) ²	0.543	0.492	1.016894
2	(0.44) ²	0.190	0.181	1.18220

Table 5 Employee engagement (EE) as mediator variable.

	IV/mediator	Sig	LLCI	ULCI
1.	Autonomy on EE	0.0161	0.0561	0.5352
	EE on In-role&extra-role	0.0002	0.2263	0.6944
	Direct effect of X on Y	0.0203	0.0519	0.5989
2.	Social Support on EE	0.1717	-0.0758	0.4185
	EE on in-role& extra-role	0.0000	0.2509	0.6869
	Direct effect of X on Y	0.0002	0.2453	0.7593
3.	Feedback on EE	0.0019	0.1445	0.6152
	EE on in-role&extra-role	0.0005	0.1980	0.6760
	Direct effect of X on Y	0.0180	0.0597	0.6210
4.	Supervisor support on EE	0.0060	0.0984	0.5686
	EE on in-role&extra-role	0.0005	0.1908	0.6507
	Direct effect of X on Y	0.0014	0.1768	0.7096
5.	Rewards and opportunities on EE	0.0000	0.4316	0.8924
	EE on in-role&extra-role	0.0007	0.2069	0.7523
	Direct effect of X on Y	0.4750	-0.2219	0.4725

Note: X=independent variable=job resources and Y=dependent variable=In-role &extra-role performance

The above analysis was obtained through process macro and the TABLE 5 shows that job resource (Autonomy, feedback, supervisor support) and EE and EE to in-role &extra-role performance is significant at $p < 0.05$, however the direct effect observed between these job resources and in-role & extra-role performance value is also significant at $p < 0.05$ with both upper limit and lower limit being both positive or either being both negative shows partial mediation between these variables. In rewards, as the direct effect between X on Y is insignificant because of upper limit being positive and lower limit being negative and with $p < 0.05$ significant between rewards and EE and between EE on in-role & extra-role performance, full mediation is observed.

5. DISCUSSION

The result findings show the importance of mediating role of employee engagement between the job resources and employee performance. Previous research has shown somewhat similar

findings of employee engagement mediating between job resources (feedback, social support, supervisory coaching) and employee's attachment to organization [22]. In the current finding, the regression coefficient (Beta) value was found high in Rewards and opportunities as compared to other variable shows that it has more strength of relationship with employee engagement. Its importance can be connected and understood with the previous research that found how absence of proper reward plan, incentives or opportunities in organization can lead to poor engagement among employees [20]. The results of this study unfold the significance of job resources (firstly rewards & opportunities followed by supervisor feedback and employee autonomy) on employee engagement in health insurance company. The health insurance companies should take these job resource factors into consideration to motivate and engage their employees. Limitations of this study should be taken into consideration before implementing its findings. The limitation of the study is that the sample is relatively small which do not represent the health insurance company population in Bangalore; hence a larger sample size is advisable for future researchers for better generalization of results.

6. CONCLUSIONS

In a challenging work environment like health insurance sector, engagement of employees and expecting high performance output is indispensable. The objective of the study was to find out the relationships between job resources and employee engagement and the further impact of employee engagement on employee performance. The results from regression and mediation analysis show that job resources such as autonomy, feedback, supervisor support, rewards & opportunities have significant relationship with employee engagement and employee engagement has significant relationship with employee performance. Employee engagement fully mediates the relationship between rewards and employee performance and partially mediates the relationship between job resources (autonomy, feedback, and supervisor support) and employee performance.

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