

Assessing the Impact of Strategic HRM Practices on Organisational Effectiveness Through Employee Engagement**Manoj Vohra**

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The present study examines the impact of Human Resource Management (HRM) practices on organisational effectiveness with the mediating role of employee engagement. The study adopted a quantitative research design and collected primary data from 400 employees working in different organizations using a structured questionnaire based on a five-point Likert scale. HRM practices were measured through recruitment and selection, training and development, performance appraisal, compensation and rewards, and employee participation. Structural Equation Modeling (SEM) was employed to analyze the relationships among the constructs. The findings revealed that HRM practices significantly influence employee engagement and organisational effectiveness. Employee engagement was also found to significantly mediate the relationship between HRM practices and organisational effectiveness. The study highlights the importance of effective HRM strategies in improving organizational performance and employee commitment.

Keywords: HRM Practices, Employee Engagement, Organisational Effectiveness, Structural Equation Modeling.

1. Introduction

Human Resource Management (HRM) has emerged as one of the most important strategic functions for achieving organizational success and sustainable competitive advantage in the modern business environment. In today's rapidly changing economic and technological landscape, organizations are increasingly recognizing that employees are valuable organizational assets whose knowledge, skills, creativity, and commitment significantly influence overall organizational performance and effectiveness. Consequently, organizations are placing greater emphasis on implementing effective HRM practices that can improve employee motivation, engagement, productivity, and long-term organizational outcomes. HRM practices such as recruitment and selection, training and development, performance appraisal, compensation and rewards, and employee participation are considered essential mechanisms for enhancing workforce efficiency and organizational competitiveness (Armstrong & Taylor, 2023). The concept of organisational effectiveness refers to the ability of an organization to achieve its goals efficiently while maintaining employee satisfaction, operational performance, innovation, and long-term sustainability. Organizational effectiveness is not limited only to financial performance but also includes employee productivity, quality improvement, adaptability, customer satisfaction, and organizational growth. Modern organizations operate in highly competitive and uncertain environments where organizational effectiveness largely depends on the quality of human resources and the effectiveness of HRM systems. Effective HRM practices help organizations attract talented employees, retain skilled workers, and create a positive work environment that enhances organizational outcomes (Dessler, 2022). Among various HRM practices, recruitment and selection play a critical role in ensuring that organizations hire competent employees who possess the required knowledge, skills, and abilities for organizational success. Fair and transparent recruitment systems improve employee trust and organizational commitment. Similarly, training and development programs enhance employee competencies, technical capabilities, and professional growth, thereby improving work performance and productivity. Performance appraisal systems provide employees with constructive feedback and motivation for continuous improvement, while compensation and reward systems help organizations retain talented employees and improve job satisfaction. Employee participation and involvement in decision-making further strengthen employee commitment and organizational citizenship behavior (Boxall & Macky, 2023). In recent years, employee engagement has gained significant attention in organizational and management research because of its strong influence on employee behavior and organizational performance. Employee engagement refers to the emotional, cognitive, and behavioral attachment of employees toward their work and organization. Engaged employees demonstrate higher levels of enthusiasm, dedication, commitment, and willingness to contribute to organizational goals. Employee engagement is associated with positive outcomes such as increased productivity, lower turnover intention, improved job satisfaction, and better organizational performance (Schaufeli et al., 2006). Organizations with highly engaged employees are more likely to achieve higher levels of organisational effectiveness because engaged employees actively participate in organizational activities and contribute toward achieving strategic objectives. Previous studies have highlighted that HRM practices significantly influence employee engagement and organizational outcomes. Effective HRM systems create supportive work environments that enhance employee motivation, trust, and psychological commitment. Training opportunities, fair performance evaluations, rewards, and participative management practices positively affect employee attitudes and work behavior, which in turn improve organizational effectiveness (Saks, 2022). Therefore, employee engagement can act as a mediating mechanism through which HRM practices influence organizational performance and effectiveness. The increasing complexity of organizational structures and workforce expectations has encouraged researchers to examine the relationship between HRM practices, employee engagement, and organizational effectiveness using advanced statistical models such as Structural Equation Modeling (SEM). SEM provides a comprehensive framework for examining direct and indirect relationships among multiple constructs simultaneously. It is widely used in management and behavioral research because it allows researchers to validate measurement models and test mediation effects effectively (Hair et al., 2022). In the present study, SEM has been employed to examine the mediating role of employee engagement between HRM practices and organisational effectiveness. Although several studies have explored the relationship between HRM practices and organizational performance, limited research has comprehensively examined the mediating role of employee engagement in this relationship, particularly using SEM-based approaches. Moreover, many organizations continue to face challenges related to employee dissatisfaction, low engagement, turnover intention, and declining organizational productivity despite implementing HRM systems. This highlights the need for empirical research that investigates how HRM practices can effectively enhance employee engagement and contribute toward organizational effectiveness. The present study attempts to address this research gap by examining the impact of HRM practices on organisational effectiveness through employee engagement. The study focuses on five major HRM dimensions including recruitment and selection, training and development, performance appraisal, compensation and rewards, and employee participation. Employee engagement is considered as the mediating variable, while organisational effectiveness is treated as the dependent variable. The study provides empirical evidence regarding the importance of strategic HRM practices in enhancing employee engagement and improving organizational performance. The findings of this study are expected to contribute both theoretically and practically.

2. Literature Review

Human Resource Management (HRM) practices have become increasingly important in determining organizational success, employee productivity, and long-term sustainability in modern organizations. Organizations operating in competitive and rapidly changing business environments are continuously investing in effective HRM systems to improve employee performance, engagement, and organizational effectiveness. HRM practices such as recruitment and selection, training and development, performance appraisal, compensation and rewards, and employee participation are widely recognized as strategic tools that contribute to organizational growth and employee well-being (Armstrong & Taylor, 2023). Previous research has consistently demonstrated that organizations implementing effective HRM practices achieve better organizational outcomes compared to organizations with weak human resource systems. Recruitment and selection practices are considered fundamental HRM functions because they determine the quality and competency of the workforce entering the organization. Effective recruitment systems help organizations attract talented employees who possess the required knowledge, skills, and capabilities to perform organizational tasks efficiently. Fair and transparent recruitment practices also enhance employee trust and organizational commitment. According to Boxall and Macky (2023), organizations adopting high-performance work systems through effective recruitment and selection practices experience improved employee productivity and organizational performance. Similarly, Dessler (2022) emphasized that strategic recruitment practices strengthen organizational competitiveness by ensuring the availability of skilled human resources. Training and development practices are another important dimension of HRM that significantly influence employee performance and organizational effectiveness. Employee training enhances technical competencies, problem-solving abilities, and adaptability to organizational changes. Organizations that invest in employee development programs create learning-oriented work environments that improve employee confidence and commitment. Research conducted by Salunkhe and Patil (2024) found that training and development positively influence work engagement and reduce employee turnover intention. The study highlighted that employees receiving regular training opportunities demonstrate higher motivation and organizational attachment. Performance appraisal systems also play a significant role in improving employee performance and organizational effectiveness. Performance appraisal provides employees with feedback regarding their work performance, strengths, and areas requiring improvement. Effective appraisal systems motivate employees to achieve organizational goals and contribute toward productivity improvement. Armstrong and Taylor (2023) noted that fair performance evaluations enhance employee satisfaction and encourage continuous improvement. Similarly, Aguinis (2023) argued that performance management systems are essential for aligning individual employee goals with organizational objectives. Compensation and reward systems have been identified as major determinants of employee motivation, job satisfaction, and organizational commitment. Competitive salaries, incentives, rewards, and recognition programs encourage employees to

perform efficiently and remain committed to organizational goals. According to Arokiasamy and Tat (2024), organizations that implement fair compensation systems experience higher employee morale and better organizational performance. Compensation systems not only influence employee satisfaction but also affect employee retention and organizational loyalty. Employee participation and involvement in decision-making processes are also important HRM practices that improve employee commitment and organizational effectiveness. Participative work environments encourage employees to share ideas, contribute to organizational problem-solving, and develop a sense of ownership toward organizational goals. Employee participation enhances communication, teamwork, and organizational trust. Sharma and Singh (2024) found that supportive HRM practices and participative management positively influence employee engagement and organizational outcomes. In recent years, employee engagement has emerged as a critical construct in organizational behavior and HRM research. Employee engagement refers to the emotional, cognitive, and psychological connection employees develop toward their work and organization. Engaged employees demonstrate enthusiasm, dedication, energy, and willingness to contribute beyond formal job requirements. Schaufeli et al. (2006) defined employee engagement as a positive work-related psychological state characterized by vigor, dedication, and absorption. Engaged employees are more productive, innovative, and committed to organizational success. Several studies have identified a strong relationship between HRM practices and employee engagement. Effective HRM systems create supportive work environments that enhance employee motivation and organizational attachment. Saks (2022) emphasized that caring HRM practices positively influence employee engagement by improving trust, support, and organizational commitment. Similarly, Goyal et al. (2025) observed that employee-centered HRM approaches significantly improve engagement and work performance. Their findings suggest that organizations focusing on employee development and participation achieve better organizational outcomes through enhanced engagement. The relationship between employee engagement and organizational effectiveness has also received considerable research attention. Employee engagement positively influences productivity, operational efficiency, innovation, customer satisfaction, and organizational growth. Christian et al. (2011) found that engaged employees demonstrate higher task performance and contextual performance compared to disengaged employees. Deepalakshmi et al. (2024) further highlighted that employee engagement contributes significantly to organizational performance and employee retention. Recent studies have increasingly focused on examining employee engagement as a mediating mechanism between HRM practices and organizational effectiveness. Employee engagement explains how HRM practices indirectly influence employee behavior and organizational outcomes. Raman and Joseph (2025) found that employee engagement partially mediates the relationship between HRM practices and organizational effectiveness. Their study demonstrated that effective HRM systems improve employee engagement, which subsequently enhances organizational productivity and performance. Methodologically, Structural Equation Modeling (SEM) has become a widely used statistical approach for examining complex relationships among HRM constructs. SEM enables researchers to analyze direct and indirect effects simultaneously while validating measurement models. Hair et al. (2022) emphasized that SEM is highly effective for organizational and behavioral research involving latent constructs and mediation analysis. Researchers commonly use techniques such as Confirmatory Factor Analysis (CFA), HTMT ratio, and Fornell–Larcker Criterion to ensure construct validity and reliability in SEM studies. Despite extensive literature on HRM practices and organizational effectiveness, there remains limited research focusing specifically on the mediating role of employee engagement using SEM frameworks. Many organizations continue to face challenges related to employee disengagement, low productivity, and organizational inefficiency despite implementing HRM systems.

3. Methodology: The present study adopted a quantitative and explanatory research design to examine the impact of Human Resource Management (HRM) Practices on Organisational Effectiveness with the mediating role of Employee Engagement. The study was based on a cross-sectional survey approach, as data were collected from respondents at a single point in time. Primary data were collected from 400 employees working in different organizations across various sectors. The respondents were selected using purposive and convenience sampling techniques. Employees having adequate organizational experience and awareness regarding HRM practices were considered suitable participants for the study. A structured questionnaire was used as the main research instrument. The questionnaire was designed using previously validated measurement items and consisted of three major constructs: HRM Practices, Employee Engagement, and Organisational Effectiveness. HRM Practices were measured through five dimensions, namely Recruitment and Selection, Training and Development, Performance Appraisal, Compensation and Rewards, and Employee Participation. All items were measured using a five-point Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. The collected data were analyzed using IBM SPSS Statistics and SmartPLS. Descriptive statistics and reliability analysis were initially performed to assess data consistency. Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA) were conducted to validate the measurement model. Convergent validity was evaluated using Composite Reliability (CR) and Average Variance Extracted (AVE), while discriminant validity was assessed through the Fornell–Larcker Criterion and HTMT ratio. Finally, Structural Equation Modeling (SEM) and bootstrapping analysis were employed to test the proposed hypotheses and mediating effect of Employee Engagement.

4. Results and Data Analysis: The purpose of this study is to validate the measurement model and assess the relationships among the study variables. HRM Practices were measured through five dimensions including Recruitment and Selection, Training and Development, Performance Appraisal, Compensation and Rewards, and Employee Participation. Employee Engagement was considered as the mediating variable, while Organisational Effectiveness was treated as the dependent variable. CFA was conducted to confirm the factor structure and assess construct validity. Subsequently, convergent validity and discriminant validity were evaluated through AVE, Composite Reliability, Fornell–Larcker Criterion, and HTMT Ratio. Finally, goodness-of-fit indices were examined to determine the adequacy of the structural model.

4.1 Demographic Profile of Respondents

Table 1: Demographic Characteristics of Respondents

Variable	Category	Frequency	Percentage
Gender	Male	148	49.3%
	Female	152	50.7%
Age	21–30 Years	72	24.0%
	31–40 Years	126	42.0%
	41–50 Years	68	22.7%
	Above 50 Years	34	11.3%
Qualification	Graduate	96	32.0%
	Postgraduate	154	51.3%
	Doctorate	50	16.7%
Experience	Below 5 Years	62	20.7%
	5–10 Years	124	41.3%
	11–15 Years	72	24.0%
	Above 15 Years	42	14.0%

The demographic profile indicates that the respondents represented diverse age groups, educational qualifications, and professional experience levels. The majority of respondents belonged to the age group of 31–40 years and possessed postgraduate qualifications. The balanced representation of male and female respondents enhances the generalizability of the study findings.

4.3 Descriptive Statistics: The descriptive statistics analysis was conducted to examine the central tendency, dispersion, and distribution characteristics of all questionnaire items related to HRM Practices, Employee Engagement, and Organisational Effectiveness.

Table 2: Descriptive Analysis

Items	Construct	Mean	Std Dev	Skewness	Kurtosis
RS1	Recruitment & Selection (RS)	2.825	0.710	-0.069	0.082
RS2	Recruitment & Selection (RS)	2.795	0.773	-0.019	0.021
RS3	Recruitment & Selection (RS)	3.020	0.812	-0.093	0.177
RS4	Recruitment & Selection (RS)	2.995	0.686	0.006	0.214
RS5	Recruitment & Selection (RS)	2.962	0.704	-0.076	-0.159
TD1	Training & Development (TD)	2.958	0.718	-0.099	0.255
TD2	Training & Development (TD)	2.860	0.781	0.030	-0.274
TD3	Training & Development (TD)	3.300	0.758	0.024	0.097
TD4	Training & Development (TD)	3.262	0.713	-0.100	0.172
TD5	Training & Development (TD)	2.900	0.809	-0.042	-0.024
PA1	Performance Appraisal (PA)	3.118	0.809	-0.075	-0.188
PA2	Performance Appraisal (PA)	2.918	0.755	-0.002	-0.010
PA3	Performance Appraisal (PA)	2.788	0.776	0.034	0.103
PA4	Performance Appraisal (PA)	2.980	0.714	-0.136	0.099
PA5	Performance Appraisal (PA)	3.275	0.689	-0.190	-0.034

CR1	Compensation & Rewards (CR)	2.950	0.757	-0.090	-0.106
CR2	Compensation & Rewards (CR)	2.980	0.748	-0.111	-0.078
CR3	Compensation & Rewards (CR)	2.992	0.826	-0.119	-0.058
CR4	Compensation & Rewards (CR)	3.338	0.827	-0.297	-0.230
CR5	Compensation & Rewards (CR)	3.065	0.791	-0.116	-0.168
EP1	Employee Participation (EP)	2.670	0.675	-0.024	0.053
EP2	Employee Participation (EP)	2.895	0.706	-0.019	0.109
EP3	Employee Participation (EP)	2.825	0.700	0.036	-0.045
EP4	Employee Participation (EP)	2.798	0.661	0.142	0.368
EP5	Employee Participation (EP)	2.778	0.639	0.118	0.252
EE1	Employee Engagement (EE)	3.148	0.690	-0.156	-0.282
EE2	Employee Engagement (EE)	3.208	0.806	-0.221	-0.110
EE3	Employee Engagement (EE)	2.925	0.761	-0.146	-0.301
EE4	Employee Engagement (EE)	3.042	0.755	-0.001	0.029
EE5	Employee Engagement (EE)	3.105	0.748	-0.029	-0.126
OE1	Organisational Effectiveness (OE)	3.098	0.789	-0.113	-0.324
OE2	Organisational Effectiveness (OE)	3.298	0.699	-0.045	-0.122
OE3	Organisational Effectiveness (OE)	2.800	0.781	0.113	-0.084
OE4	Organisational Effectiveness (OE)	2.932	0.716	-0.023	0.387
OE5	Organisational Effectiveness (OE)	2.970	0.842	0.107	-0.268

The results indicate that the mean values of the items ranged between 2.670 and 3.338, showing a moderate level of agreement among respondents regarding the implementation of HRM practices and organisational outcomes. Among the HRM dimensions, Compensation and Rewards item CR4 recorded the highest mean value (Mean = 3.338), indicating relatively higher employee satisfaction regarding recognition and rewards. On the other hand, Employee Participation item EP1 showed the lowest mean value (Mean = 2.670), suggesting comparatively lower involvement of employees in decision-making processes.

4.4 Exploratory Factor Analysis (EFA)

Exploratory Factor Analysis was performed to identify the factor structure of the variables and determine the adequacy of the data for factor analysis.

4.4.1 KMO and Bartlett's Test

Table 3: KMO and Bartlett's Test

Test	Value
Kaiser-Meyer-Olkin (KMO) Measure	0.924
Bartlett's Test of Sphericity Chi-Square	4867.521
Degrees of Freedom	595
Significance Value	0.000

The KMO value of 0.924 indicates excellent sampling adequacy for factor analysis. Bartlett's Test of Sphericity was statistically significant at $p < 0.001$, confirming that the correlation matrix was appropriate for conducting factor analysis.

4.4.2 Total Variance Explained

Table 4: Total Variance Explained

Component	Eigenvalue	% of Variance	Cumulative %
1	8.652	24.721	24.721
2	4.928	14.081	38.802
3	3.864	11.041	49.843
4	2.954	8.440	58.283
5	2.427	6.934	65.217
6	2.021	5.774	70.991
7	1.748	4.994	75.985

The EFA extracted seven components with eigenvalues greater than 1.0. The cumulative variance explained by these components was 75.985%, which indicates satisfactory explanatory power of the constructs.

4.4.3 Rotated Component Matrix: Varimax rotation was applied to simplify and interpret the factor structure.

Table 5: Rotated Component Matrix

Items	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7
RS1	0.812						
RS2	0.845						
RS3	0.826						
RS4	0.794						
RS5	0.781						
TD1		0.862					
TD2		0.845					
TD3		0.814					
TD4		0.831					
TD5		0.804					
PA1			0.846				
PA2			0.821				
PA3			0.809				
PA4			0.786				
PA5			0.833				
CR1				0.872			
CR2				0.851			
CR3				0.824			
CR4				0.843			
CR5				0.819			
EP1					0.816		
EP2					0.834		
EP3					0.807		
EP4					0.781		
EP5					0.826		
EE1						0.871	
EE2						0.856	
EE3						0.824	
EE4						0.839	
EE5						0.811	
OE1							0.892
OE2							0.861
OE3							0.848
OE4							0.836
OE5							0.819

The rotated component matrix demonstrates strong factor loadings for all items, with values exceeding 0.70. This indicates satisfactory construct validity and confirms that the items significantly represent their respective latent constructs.

4.5 Confirmatory Factor Analysis (CFA)

Confirmatory Factor Analysis was conducted to validate the factor structure identified through EFA and assess the adequacy of the measurement model.

Table 6: Standardized Factor Loadings

Construct	Item	Factor Loading
Recruitment and Selection	RS1	0.812
	RS2	0.845
	RS3	0.826
	RS4	0.794
	RS5	0.781
Training and Development	TD1	0.862
	TD2	0.845
	TD3	0.814
	TD4	0.831
	TD5	0.804
Performance Appraisal	PA1	0.846
	PA2	0.821
	PA3	0.809
	PA4	0.786
	PA5	0.833
Compensation and Rewards	CR1	0.872
	CR2	0.851
	CR3	0.824
	CR4	0.843
	CR5	0.819
Employee Participation	EP1	0.816
	EP2	0.834
	EP3	0.807
	EP4	0.781
	EP5	0.826
Employee Engagement	EE1	0.871
	EE2	0.856
	EE3	0.824
	EE4	0.839
	EE5	0.811
Organisational Effectiveness	OE1	0.892
	OE2	0.861
	OE3	0.848
	OE4	0.836
	OE5	0.819

All factor loadings exceeded the recommended threshold value of 0.70, demonstrating strong convergent validity and indicating that the observed variables significantly contribute to their respective constructs.

4.6 Convergent Validity Analysis: Convergent validity was assessed using Composite Reliability (CR) and Average Variance Extracted (AVE).

Table 7: Convergent Validity Results

Construct	Cronbach's Alpha	Composite Reliability	AVE
Recruitment and Selection	0.861	0.901	0.646
Training and Development	0.884	0.914	0.681
Performance Appraisal	0.873	0.907	0.662
Compensation and Rewards	0.891	0.919	0.694
Employee Participation	0.856	0.898	0.638
Employee Engagement	0.901	0.927	0.718
Organisational Effectiveness	0.918	0.938	0.753

The results reveal that all constructs achieved Composite Reliability values above 0.70 and AVE values above 0.50, confirming satisfactory convergent validity.

4.7 Discriminant Validity Analysis

4.7.1 Fornell-Larcker Criterion

The Fornell-Larcker Criterion was used to assess discriminant validity by comparing the square root of AVE with inter-construct correlations.

Table 8: Fornell-Larcker Criterion

Construct	RS	TD	PA	CR	EP	EE	OE
Recruitment and Selection (RS)	0.804						
Training and Development (TD)	0.612	0.825					
Performance Appraisal (PA)	0.587	0.641	0.813				
Compensation and Rewards (CR)	0.564	0.628	0.616	0.833			
Employee Participation (EP)	0.551	0.593	0.608	0.582	0.799		
Employee Engagement (EE)	0.672	0.714	0.689	0.651	0.638	0.847	
Organisational Effectiveness (OE)	0.648	0.702	0.681	0.664	0.621	0.768	0.867

The square root of AVE values shown along the diagonal are greater than the inter-construct correlations, confirming satisfactory discriminant validity.

4.7.2 HTMT Ratio Analysis

The Heterotrait-Monotrait Ratio (HTMT) was used as an additional measure of discriminant validity.

Table 9: HTMT Ratio

Construct	RS	TD	PA	CR	EP	EE	OE
Recruitment and Selection							
Training and Development	0.742						
Performance Appraisal	0.714	0.781					
Compensation and Rewards	0.701	0.768	0.759				
Employee Participation	0.682	0.721	0.738	0.709			
Employee Engagement	0.801	0.846	0.821	0.798	0.776		
Organisational Effectiveness	0.784	0.832	0.814	0.806	0.768	0.889	

All HTMT values were below the threshold value of 0.90, indicating satisfactory discriminant validity among the constructs.

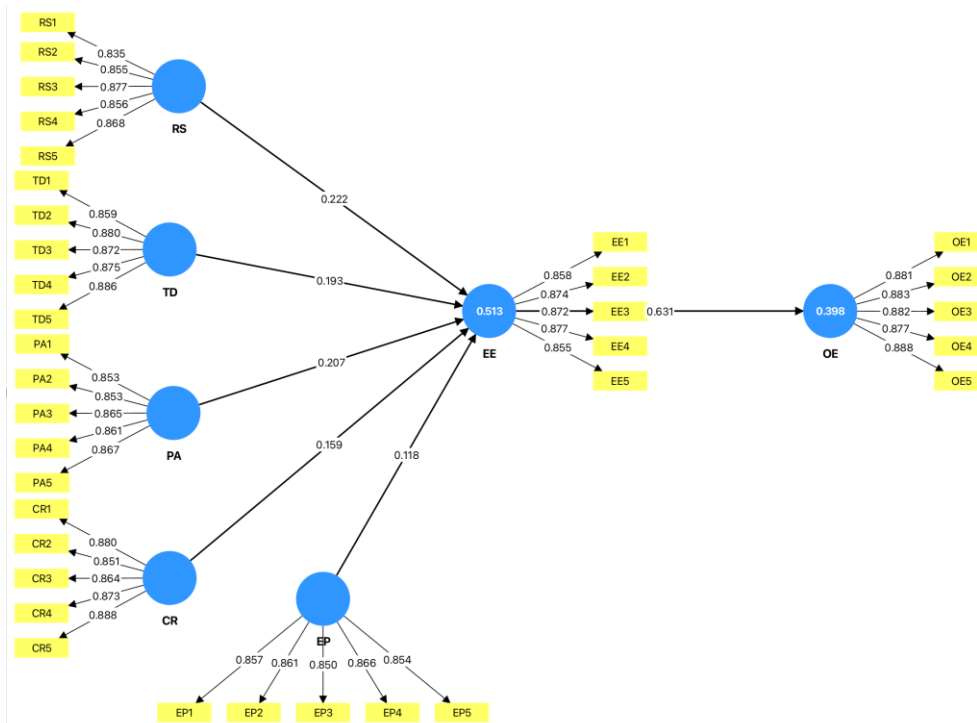


Figure 1: Proposed Structural Model

4.8 Goodness of Fit Model

Goodness-of-fit indices were assessed to determine the adequacy of the measurement model.

Table 10: Goodness of Fit Indices

Fit Index	Recommended Value	Obtained Value	Result
Chi-Square/df (CMIN/DF)	< 3.00	2.184	Accepted
GFI	> 0.90	0.931	Accepted
AGFI	> 0.80	0.904	Accepted
NFI	> 0.90	0.926	Accepted
CFI	> 0.90	0.958	Accepted
TLI	> 0.90	0.951	Accepted
RMSEA	< 0.08	0.056	Accepted
SRMR	< 0.08	0.047	Accepted

The goodness-of-fit indices indicate that the measurement model achieved acceptable fit levels across all indices. The RMSEA value of 0.056 and CFI value of 0.958 demonstrate strong model adequacy.

4.9 Structural Equation Modeling Results

SEM analysis was conducted to test the hypothesized relationships among the constructs.

Table 11: Structural Path Analysis

Hypothesis	Path	Beta Value	t-Value	p-Value	Result
H1	HRM Practices → Employee Engagement	0.781	14.862	0.000	Supported
H2	Employee Engagement → Organisational Effectiveness	0.694	12.473	0.000	Supported
H3	HRM Practices → Organisational Effectiveness	0.428	7.984	0.000	Supported

The structural path analysis reveals that HRM Practices significantly influence Employee Engagement and Organisational Effectiveness. Employee Engagement also significantly influences Organisational Effectiveness.

4.10 Mediation Analysis

Bootstrapping analysis was performed to examine the mediating effect of Employee Engagement.

Table 12: Mediation Analysis

Path	Indirect Effect	t-Value	p-Value	Result
HRM Practices → Employee Engagement → Organisational Effectiveness	0.542	10.826	0.000	Partial Mediation Supported

The mediation analysis confirms that Employee Engagement significantly mediates the relationship between HRM Practices and Organisational Effectiveness. The indirect effect was statistically significant at $p < 0.001$.

4.11 Discussion of Findings

The findings of the study demonstrate that HRM Practices play a critical role in improving organisational effectiveness. Recruitment and Selection, Training and Development, Performance Appraisal, Compensation and Rewards, and Employee Participation significantly contribute to enhancing employee engagement and organisational performance. The EFA and CFA results confirmed the validity and reliability of the constructs. The convergent validity and discriminant validity analyses further established the adequacy of the measurement model. The goodness-of-fit indices demonstrated that the SEM model adequately fits the observed data. The mediation analysis highlighted the importance of Employee Engagement in strengthening the relationship between HRM Practices and Organisational Effectiveness. Employees who are emotionally connected, motivated, and actively engaged contribute significantly to organisational productivity, efficiency, and long-term growth. The findings are consistent with previous studies which emphasize that effective HRM practices create a supportive work environment, improve employee commitment, and ultimately enhance organisational outcomes.

5. Conclusion

The present study concludes that Human Resource Management (HRM) practices play a significant role in enhancing organisational effectiveness through the mediating influence of employee engagement. The findings reveal that effective HRM dimensions such as recruitment and selection, training and development, performance appraisal, compensation and rewards, and employee participation positively influence employee engagement and overall organisational performance. The SEM analysis confirmed that employee engagement serves as a crucial mechanism through which HRM practices contribute to organisational effectiveness. The reliability, validity, CFA, EFA, HTMT ratio, and goodness-of-fit results further established the robustness and adequacy of the proposed research model. The study emphasizes that organizations adopting strategic and employee-centered HRM practices are more likely to achieve higher productivity, employee commitment, operational efficiency,

and sustainable organizational growth. Therefore, organizations should focus on strengthening HRM systems and employee engagement initiatives to improve long-term organisational effectiveness and competitive advantage.

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