Unveiling the Impact of Employee Engagement on Firm Performance: The Crucial Moderating Role of Supervisory Behaviors

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ARTICLE DETAILS

Purpose: This study seeks to investigate the intricate correlation between employee engagement and organizational success, with a particular emphasis on the impact of supervisor behaviors on this association.

Design/Methodology/Approach: This study utilized a quantitative approach to investigate the relationship between organizational success and employee engagement in IT-related firms located in Pakistan. The data was gathered by disseminating self-administered questionnaires to individuals, employing convenience sampling techniques. 280 responses were collected and subsequently evaluated using various statistical techniques.

Findings: The proposed linkages were confirmed through subsequent examination using structural equation modeling. The results indicate that the behavior of supervisors has a significant influence on how employee engagement directly affects the overall performance of the firm.

Implications/Originality/Value: The provided discoveries hold significant implications for companies aiming to improve employee engagement and attain a lasting competitive advantage. By giving priority to leadership strategies that offer support and empowerment, companies can develop a more engaged workforce, leading to enhanced productivity and in general organizational performance.

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Introduction

Businesses are recognizing the necessity of cultivating a deeply committed workforce in the rapidly changing and competitive economic environment of the present era. Employee engagement, which refers to a deep emotional commitment that goes beyond conventional job satisfaction, has a significant impact on staff loyalty, productivity, and the overall value of the company. In the current dynamic business environment, organizations are continuously pursuing novel concepts to augment their competitive edge and surpass their competitors. In recent years, a lot of attention has been paid to how important it is for employees to be involved in this project (Yucel et al., 2021). Employees who are passionate about their jobs and do their jobs with all their heart are seen as more valuable players to the financial success of their business. Even though there is already a lot of study on the link between engaged workers and great companies, more needs to be done because this topic is so complicated. The goal of supervisory acts is a good example of a key but often forgotten detail. Leadership's effect on employee drive and output is well known, but leadership's role as a bridge between employee engagement and performance hasn't been studied as much in the academic world. The goal of this study is to find out more about the link between employee involvement and organizational success, with a focus on how managerial actions affect this link. The another goal of this research paper is to find out how different ways of managing affect how engaged employees are and how that, in turn, affects how well an organization does its job. Business experts have always been interested in the link between a successful company and its hardworking workers (De Carlo et al., 2020). Employees who care a lot about their jobs are more likely to be loyal, creative, and productive. They always go above and beyond the basic requirements by making unique suggestions and actively adding to the creation of value. But it's still not clear how the behavior of people in places of power fits with this particular model. In the end, a boss or supervisor can have a big effect on an employee's daily work life, professional growth, and general job satisfaction. Positive comments, good ways to communicate, and regular support are all things that managers can do to get their employees more involved. On the other hand, bad management decisions, like micromanagement or not being clear, can have a big effect on staff mood in a bad way. It is well known that motivated employees are good for the growth of a company. But it's important to know that the actions of direct bosses can have a big effect on how much and what kind of efforts people make (Wang et al., 2020).

This research will collect a lot of data and look at it in depth so that readers can learn more about how these things are linked. Also, it will show the complex link between employee enthusiasm, management strategies, and the success of a company. Ozturk et al. (2021) shown that staff involvement has an effect on how well a business does. But this case says that how much this advantage is seen as a benefit depends mostly on how management acts. The actions of supervisors have a big effect on the link between engaged employees and business success.

In the last few decades, the idea of "employee engagement" has gotten a lot of attention in organizational studies and management practices. Employee engagement is a well-known strategic tool that affects a company's success and competitive edge by measuring how emotionally involved and actively involved workers are in meeting organizational goals (Sun & Bunchapattanasakda, 2019). One way to figure out how engaged an employee is to look at how much they care about their business and its goals. When people are highly engaged and committed to their job and the success of the business as a whole, they show that they are willing to go above and beyond what is expected of them in their roles. As a result, the company has a lot of progress and success. (Aboramadan et al., 2020); Riyanto et al. (2021) have shown that employee involvement has a big, positive effect on a wide range of business results, such as efficiency and profit. One example is a major study done by the Gallup Organization, which found that companies with workers who are very engaged beat the market in terms of earnings per share by a large margin of 147% (Shrestha, 2019). In this case, it's not enough to just look at the numbers when analyzing data; it's also important to think about the story that goes along with them. Engaged
workers are more likely to come up with unique ways to solve problems, increase output, and react positively to changes in the company. The group has seen less staff turnover, higher customer happiness, and more money coming in. All of these things are important when judging a company. Another real-world examples show that there is a strong link between how engaged employees are and how well a company does financially. Fortune has ranked Google as one of the best places to work for a long time (Yumei et al., 2021). Google's open culture, employee health programs, and opportunities for job growth show that it cares about its employees in ways that go beyond just keeping high-performing people on board. Google has gotten many benefits from putting the well-being of its employees first, such as quick inventions, a strong market presence, and steady financial growth. Southwest Airlines is a great example of a case study that shows how employee involvement programs might be related to economic growth. Southwest Airlines treats its employees like family, and the company's unique attitude has helped it stand out in the business for a long time (Bhowal & Saini, 2019). The company's highly committed and dedicated employees are often given credit for the airline's ability to make steady earnings, even when the industry as a whole is in decline, and for its well-known reputation for excellent customer service. The idea of employee engagement is becoming more and more popular and important in organizations of all sizes, not just the biggest global companies. New Belgium Brewing has grown from a small business in a basement to one of the most successful craft breweries in the U.S. This is partly thanks to the commitment and drive of its ambitious employees. The organization's main principle of giving its employees stock options and involving them in making business decisions has led to a dedicated and committed staff (Davis, 2021). Regardless of the strength of the correlation between employee engagement and company performance, it is crucial to investigate the mechanisms responsible for this correlation. The supervisor's work is exciting since it involves difficulties that must be thoroughly considered and solved. Managers frequently serve as go-betweens, making it simpler for workers to act in ways that assist the company achieves its goals. The impact of employee engagement on organizational effectiveness may be substantially influenced by factors such as how leaders lead, communicate, and whether or not employees can provide feedback. If employees do not have a manager who believes in their abilities, it may be difficult for them to translate their enthusiasm and devotion into tangible outcomes for the organization (Van Tuin et al., 2021). Managers that are successful at their jobs, on the other hand, may get the greatest performance out of people who aren't as devoted, which can lead to more work being done.

Supervisors are often in leadership roles within a company, and their actions, attitudes, and ways of doing things have a big effect on the direction and general health of the company. This idea comes from the fact that people often confuse the actions, attitudes, and methods of managers with those of leaders. Due to their places in the company's hierarchy, supervisors are also responsible for breaking down the company's big goals into smaller, more manageable tasks, leading their teams, and making sure that the big goals are met. Still, managers have a lot more power than just assigning tasks (Campo et al., 2021). They can have a big impact on how well the group works as a whole. Study has shown that there is a strong link between management actions and the success of a company (Min et al., 2020). McKinsey did a thorough study and found that, compared to mediocre management practices, outstanding management practices, which include supervisory behaviors, led to an amazing 56 percent rise in output. This number is more than just a number because it shows a key business principle: good management practices can have a direct effect on how well a company does financially. Microsoft under its new CEO, Satya Nadella, is a good example (James et al., 2021). When Nadella became CEO of a well-known Technology Company during a time when progress was slow, she changed the way managers talked about their jobs. He pushed for people to have a growth-oriented mindset, which includes things like seeing failures as chances to learn, creating a culture that encourages taking calculated risks, and breaking down rigid organizational structures. The use of this innovative management technique not only led to a rise in employee happiness, but it also played a big role in Microsoft's return to innovation and a
big rise in its stock price. These two benefits are direct results of the higher happiness of the employees.

In a similar way, Netflix’s quick rise to become a major player in the entertainment industry may be due, at least in part, to the unique tracking methods the company uses (Greene, 2022). The company’s leaders have created a culture of “freedom and responsibility” in which workers are actively urged to take the initiative and take responsibility for their actions. By using these management techniques, Netflix was able to build a flexible organization that could respond quickly to changes in the market and keep its leading place in the industry. Employees with a lot of passion and dedication may feel lost and lose drive if their bosses don’t give them enough support and direction (Waddingham et al., 2020). On the other hand, well-done administrative procedures can make use of workers’ hard work, leading to more work done by the group as a whole. Similarly, one thing that shows how well Toyota’s “lean management” methods work is the fact that leaders have a big impact on keeping up procedures for continuous growth (Klostermeier, 2021). People often point to this as one of the most important reasons why Toyota has done so well. In the Toyota organization, managers aren’t just in charge of delegating tasks; they also have to act as teachers to help their teams reach the company’s big goals. At Toyota, the link between employee involvement and management decisions has made it much easier for the company to maintain high production standards and keep making money. However, supervisory behaviors are an important intermediate component in realizing the full potential of employee involvement in improving organizational performance. Due to their twin obligations as custodians of corporate strategy and mentors at the forefront, supervisors have a special advantage in promoting the achievement of their teams’ greatest potential. Employee engagement may be decreased or boosted based on their actions and behaviors. As a result, businesses seeking to achieve peak performance must conduct a thorough review of their supervisory behaviors.

**Literature Review**

**Employee Engagement**

The concept of employee engagement has emerged as a crucial idea in contemporary organizational research due to its significant impact on various aspects of business performance. Although widely used, the concept of employee engagement remains complex and is defined in several ways. Kahn (1990) proposed the concept of “combining organizational resources through the individual’s physical, mental, and emotional abilities.” The concept in question, as presented by Schaufeli et al. (2002), can be defined as a positive and fulfilling mental state related to one’s work. This state is distinguished by a sense of liveliness, wholehearted commitment, and profound engagement. Notably, employee engagement goes beyond job satisfaction, emphasizing an individual’s active involvement, enthusiasm, and commitment to their work and organization.

Numerous factors contribute to employee engagement levels. Individual characteristics such as personality traits, values, and motivations play a role (Iaffaldano & Muchinsky, 2009). Moreover, it is imperative to acknowledge that various organizational elements, such as the intricacies of work design, the manner in which leadership is exercised, the prevailing organizational culture, and the delicate equilibrium between work and personal life, exert a substantial impact on the level of employee engagement (Maslach et al., 2001). Supportive leadership behaviors, characterized by clear expectations, feedback, communication, and empowerment, have been shown to foster employee engagement (Iaffaldano & Muchinsky, 2009; Liden & Maslyn, 1998). Conversely, unsupportive leadership behaviors can negatively impact engagement and lead to disengagement and dissatisfaction (Tepper, 2000). A wealth of research demonstrates the positive consequences of employee engagement on organizational performance. Engaged employees exhibit higher levels of motivation, creativity, and commitment, leading to improved productivity, customer satisfaction, and profitability (Saks, 2006; Schaufeli & Bakker, 2004). Additionally, engaged employees are less likely to engage in counterproductive work behaviors, absenteeism, and
Several theoretical frameworks contribute to understanding employee engagement. Social exchange theory posits that employees reciprocate positive organizational behaviors, such as supportive leadership, with increased effort and commitment, leading to improved engagement and performance (Blau, 1964). Self-determination theory suggests that supportive work environments fulfill fundamental psychological needs for autonomy and relatedness, fostering intrinsic motivation and engagement (Deci & Ryan, 2000). Employee engagement remains a critical factor influencing organizational success. This review underscores its multifaceted nature, highlighting its key definitions, antecedents, consequences, and measurement approaches. By understanding the various theoretical and empirical perspectives on employee engagement, organizations can develop effective strategies to cultivate a highly engaged workforce and achieve sustainable competitive advantage.

**Firm Performance**

Firm performance, a multifaceted concept encompassing an organization's effectiveness and efficiency in achieving its objectives, serves as a central theme in contemporary management research. Firm performance is the extent to which a company meets stakeholder expectations and achieves its goals (Cameron & Quinn, 2011). This encompasses a variety of interconnected dimensions, including: Measures of financial performance include the organization's capacity to generate income, return on investment, and revenue growth, among others. The operational performance dimension focuses on evaluating the efficiency and effectiveness of an organization's processes and activities. This assessment is conducted using metrics such as productivity, cycle time, and quality control. The dimension of employee performance places emphasis on the individual and collective contributions made by employees in order to achieve organizational goals. This is measured through various metrics including employee satisfaction, engagement, and retention. The performance of organizations in meeting customer wants and expectations is at the heart of customer performance. Evaluation is conducted using a range of indicators, including client happiness, loyalty, and acquisition costs. The social performance dimension evaluates the organization's influence on its social surroundings and stakeholders, utilizing metrics such as environmental sustainability, ethical conduct, and community involvement to measure its impact. The attainment of success by an organization is contingent upon a multifaceted interplay of both intrinsic and extrinsic factors. The research of Barney (1991) shows that internal factors have a significant impact on performance. This includes organizational structure, leadership style, culture, strategy, resources, and competencies. According to Yukl (2012), there is empirical data indicating that the implementation of effective leadership has a good impact on employee engagement and the process of strategic decision-making, ultimately leading to improved organizational performance. Organizational performance is significantly affected by external factors such as the ever-changing economic climate, technical developments, competitive landscape, regulatory frameworks, and societal trends (Teece et al., 1997). Companies that masterfully adapt to their ever-changing external contexts and make good use of emerging technology are more likely to achieve outstanding performance.

Several theoretical frameworks provide valuable insights into the antecedents and consequences of firm performance. The resource-based view suggests that organizations achieve superior performance by acquiring and utilizing valuable, rare, inimitable, and non-substitutable resources (Barney, 1991). The dynamic capabilities view emphasizes the importance of an organization's ability to adapt and innovate in response to changing environments (Teece et al., 1997). Additionally, institutional theory suggests that organizations conform to institutional norms and expectations to achieve legitimacy and gain resources (DiMaggio & Powell, 1983). Due to its multifaceted nature, measuring firm performance can be challenging. However, various
tools and metrics exist to assess different dimensions of performance:

**Financial Ratios:** These ratios, analyzed through financial statements, provide insights into profitability, liquidity, and solvency. **Operational metrics:** These metrics directly measure the efficiency and effectiveness of specific processes and activities. **Balanced scorecard:** This framework integrates financial, customer, internal business process, and learning and growth perspectives for a comprehensive view of performance.

**Supervisory Behavior**

The role of supervisors in shaping organizational dynamics and influencing employee outcomes is undeniable. Their behavior, encompassing the actions and interactions they exhibit towards their subordinates, serves as a significant factor impacting employee motivation, engagement, performance, and ultimately, organizational success. This review aims to delve into the existing literature on supervisor behavior, exploring its key dimensions, impacts, and moderating factors.

Several frameworks categorize supervisor behavior based on specific characteristics. However, two prominent dimensions consistently emerge: 1 Task-Oriented Behavior: This behavior is centered around guiding and managing people by giving explicit instructions, establishing goals, overseeing performance, and providing feedback. The main aim is to guarantee the effective accomplishment of tasks and the attainment of goals (Yukl, 2012). 2. Relationship-Oriented conduct: This conduct focuses on establishing positive relationships with employees through supportive communication, empathy, trust-building, and genuine concern for their well-being. Its primary objective is to cultivate a sense of belonging, engagement, and motivation among employees (Liden & Maslyn, 1998).

Research regularly shows that the behavior of supervisors has a substantial impact on many outcomes for employees, such as: 1. The performance of employees can be improved by supervisors who exhibit supportive and empowering behaviors. These behaviors encourage employees to put in more effort, be more creative, and show greater devotion to their work (Iaffaldano & Muchinsky, 2009). In contrast, actions that lack support might result in a decline in enthusiasm and achievement (Tepper, 2000). 2. Job Satisfaction: Relationship-oriented actions enhance job satisfaction by fostering a favorable and encouraging work atmosphere that fulfills employees’ social and emotional requirements (Liden & Maslyn, 1998). Supportive supervisors who exhibit trust and respect foster a strong sense of organizational commitment among staff (Blau, 1964). 4. Employee Engagement: Managers who cultivate an environment of mental wellness and offer avenues for personal and professional advancement cultivate a sense of commitment and responsibility among their teams (Schaufeli & Bakker, 2004). 5. Turnover: Negative supervisory behaviors, such as excessive control, biased treatment, and poor communication, can result in reduced employee morale and heightened inclinations to leave the organization (Tepper, 2000).

Numerous moderating factors affect the consistency and efficacy of supervisor behavior: Distinct Personality Traits, Attitudes, and Expectations: According to Shuck and Reio (2014), employees can react differently to the same actions taken by their supervisors. Adapting supervisory behavior to meet individual needs can enhance its effectiveness. Company culture, leadership style, and job design are characteristics that can influence supervisor behavior, according to Maslach et al. (2001). For example, a supervisor who offers support and aid may experience diminished efficacy in a workplace marked by a culture of intimidation and intrusive oversight. How a supervisor can best help their employees perform better depends on the task’s intricacy and other intrinsic qualities (Deci & Ryan, 2000). Although everyday work may necessitate a more hands-on management style, a more relaxed approach may be more favorable for solving creative difficulties.

Moreover, it is crucial to investigate the effectiveness of specific training programs and treatments.
aimed at enhancing supervisory skills and fostering positive leadership behaviors. This is essential for optimizing staff efficiency and cultivating a thriving organizational atmosphere.

**Conceptual Framework**

Schaufeli et al. (2006) found that employees that are highly engaged demonstrate a significant level of passion, commitment, and focus. Harter et al. (2002) found that workers who are engaged are more inclined to display positive behaviors such as exceeding expectations, showcasing creativity, and expressing organizational citizenship behavior. According to Bakker and Demerouti (2007), this leads to better organizational performance through more productivity, higher quality work, and lower absenteeism. In contrast, employees who are not engaged in their work tend to have lower levels of productivity, are more prone to resign, and result in substantial expenditures for businesses due to decreased output and expenses associated with finding replacements (Kahn, 1990). Therefore, based on the well-established link between employee engagement and individual-level work behaviors and performance, a positive association between employee engagement and firm performance is expected.

Hypothesis 1: There is a positive relationship between employee engagement and firm performance.

Supervisory behaviors that are positive, such as offering support, feedback, and chances for independence and development, establish a work atmosphere that encourages employee engagement (Podskoff et al., 1990). Consequently, this results in heightened motivation, exertion, and commitment towards the objectives of the company (Macey & Schneider, 2008). Nonetheless, the lack of favorable managerial actions might weaken staff involvement, leading to reduced drive, diminished efficiency, and ultimately, inferior organizational outcomes (Tepper et al., 2001). Hence, the beneficial influence of employee engagement on company performance is anticipated to be enhanced by the existence of favorable supervisory behaviors, whereas unfavorable supervisory behaviors are likely to diminish this correlation.

Hypothesis 2: Supervisory behavior potentially moderates the relationship between employee engagement and firm performance.

**Methodology**

The population of this study is the employee of IT based business in Pakistan. The study is cross-sectional in nature and used quantitative research technique to assess the hypothesized relationship...
between the variables. 350 self-administered questionnaire were sent to different employee of IT based business located in major cities of Pakistan via email of study by using convenience sampling technique. The total number of 280 questionnaires were received yielding an impressive response rate i.e. 80%. All respondents were ensured that their participation in this survey will remain anonymous.

The study utilized the Utrecht Work Engagement Scale (UWES-9), established by Schaufeli et al. (2006), to assess employee engagement inside an IT-based firm. The scale is firmly established and covers energy, dedication, and immersion, providing a thorough assessment of employee involvement. De Carlo et al., (2020) used SMCIT scale to assess the positive supervisory behavior developed by Donaldson-Feilder et al., (2009). This study used the same scale to measure supervisor behavior. Self-reported metrics were employed to assess the organizational performance, encompassing financial performance, customer happiness, and people turnover rate. The study investigates the hypotheses of employee engagement, organizational performance, and supervisory behavior through the utilization of Structural Equation Modeling (SEM), a robust statistical technique. Various goodness of fit measures, such as CFI, TLI, SRMR, and RMSEA, were employed to assess the model.

Results and Findings
Descriptive Statistics and Demographics
Table 1 presents a comprehensive overview of the variables investigated in the study, namely employee engagement, supervisory behavior, organizational performance, and age. Given the computed mean of 4.2 and standard deviation of 0.8, it can be inferred that employee engagement is relatively high. The mean for Supervisory Behavior is 3.8 with a standard deviation of 0.7, suggesting a generally positive perception of supervisors' behavior within the organization. The mean for Organizational Performance is 3.5 with a standard deviation of 0.6, indicating a moderate level of performance across the organization. Finally, the mean for Age is 32.5 with a standard deviation of 5.2, reflecting a relatively young workforce.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement</td>
<td>4.2</td>
<td>0.8</td>
</tr>
<tr>
<td>Supervisory Behavior</td>
<td>3.8</td>
<td>0.7</td>
</tr>
<tr>
<td>Organizational Performance</td>
<td>3.5</td>
<td>0.6</td>
</tr>
<tr>
<td>Age</td>
<td>32.5</td>
<td>5.2</td>
</tr>
</tbody>
</table>

The table 2 describe the reliability and validity of the variables. All Cronbach’s alpha and composite reliability values exceed 0.70, indicating good internal consistency for the measurement scales. This means that the items within each variable consistently measure the intended construct. Additionally, all AVE values are above 0.50, demonstrating adequate convergent validity. This suggests that the majority of the variance in the observed indicators is captured by the underlying latent constructs, supporting the validity of the measures.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach's α</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement</td>
<td>0.88</td>
<td>0.89</td>
<td>0.62</td>
</tr>
<tr>
<td>Supervisory Behavior</td>
<td>0.91</td>
<td>0.92</td>
<td>0.65</td>
</tr>
</tbody>
</table>
Structural Model
The table 3 shows a significant positive relationship between employee engagement and organizational performance (β = 0.42, p < 0.001). This means that a one-unit increase in employee engagement is associated with a 0.42 unit increase in organizational performance, on average. This result supports Hypothesis 1, confirming that engaged employees contribute meaningfully to organizational success.

### Table 3: Path Analysis Results

<table>
<thead>
<tr>
<th>Path</th>
<th>Standardized Coefficient (β)</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement --&gt; Organizational Performance</td>
<td>0.42</td>
<td>&lt; 0.001</td>
</tr>
</tbody>
</table>

Moderation Analysis
The significant interaction term in the table 4 demonstrates a moderating effect of supervisory behavior on the relationship between employee engagement and organizational performance (β = 0.18, p < 0.01). This supports Hypothesis 2, indicating that the positive impact of employee engagement on organizational performance is amplified by positive supervisory behaviors. Conversely, negative supervisory behaviors weaken this relationship.

### Table 4: Moderation Analysis Results

<table>
<thead>
<tr>
<th>Moderation Effect</th>
<th>Standardized Coefficient (β)</th>
<th>Path</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervisory Behaviors x Employee Engagement --&gt; Organizational Performance</td>
<td>0.18</td>
<td>&lt; 0.01</td>
<td></td>
</tr>
</tbody>
</table>

Model Fit Indices
While the chi-square statistic is significant, indicating that the model is not a perfect fit to the data, the other model fit indices suggest an acceptable overall fit. The RMSEA, CFI, TLI, IFI, and SRMR values fall within acceptable ranges, suggesting that the model adequately fits the data.

### Table 5: Model fit Indices

<table>
<thead>
<tr>
<th>Index</th>
<th>Value</th>
<th>Cutoff Value</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square (χ²)</td>
<td>120.34</td>
<td>p &lt; 0.05</td>
<td>Acceptable fit, but may be sensitive to sample size</td>
</tr>
<tr>
<td>Index</td>
<td>Value</td>
<td>Cutoff Value</td>
<td>Interpretation</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-------</td>
<td>-------------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Degrees of freedom (df)</td>
<td>68</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>p-value</td>
<td>0.023</td>
<td>p &gt; 0.05 indicates good fit</td>
<td>Marginal fit</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.061</td>
<td>&lt; 0.08 indicates good fit</td>
<td>Acceptable fit</td>
</tr>
<tr>
<td>CFI</td>
<td>0.92</td>
<td>&gt; 0.90 indicates good fit</td>
<td>Acceptable fit</td>
</tr>
<tr>
<td>TLI</td>
<td>0.90</td>
<td>&gt; 0.90 indicates good fit</td>
<td>Acceptable fit</td>
</tr>
<tr>
<td>NFI</td>
<td>0.88</td>
<td>&gt; 0.90 indicates good fit</td>
<td>Marginal fit</td>
</tr>
<tr>
<td>IFI</td>
<td>0.92</td>
<td>&gt; 0.90 indicates good fit</td>
<td>Acceptable fit</td>
</tr>
<tr>
<td>SRMR</td>
<td>0.053</td>
<td>&lt; 0.08 indicates good fit</td>
<td>Acceptable fit</td>
</tr>
</tbody>
</table>

**Discussion**

This study delved into the relationship between employee engagement, supervisory behavior, and organizational performance. The findings reveal a critical role for employee engagement in driving organizational success. This study confirms previous research (e.g., Bakker & Demerouti, 2007; Harter et al., 2002) by showing a strong and statistically significant correlation between employee engagement and organizational performance. Therefore, a just one-unit rise in employee engagement results in a 0.42 unit improvement in organizational performance, underscoring the significant impact of engaged individuals on organizational objectives.

Furthermore, the conducted study unveiled that the manner in which supervisors behave exerted a moderating influence on the relationship between employee engagement and the overall performance of the organization. This finding aligns with research that underscores the crucial impact of leadership on both employee engagement and performance (Judge & Piccolo, 2004). The inclusion of a positive interaction term signifies that the implementation of favorable supervisory behavior, such as providing aid, constructive input, independence, and recognition, amplifies the favorable impact of employee engagement on the overall effectiveness of the organization. On the contrary, it is imperative to acknowledge that deleterious managerial interventions possess the capacity to erode the nexus between employee engagement and performance, thereby potentially precipitating a decline in motivation and a state of disengagement among the workforce.

The aforementioned findings provide significant enlightenment for enterprises striving to cultivate employee engagement and augment organizational performance. The report primarily emphasizes the significance of implementing initiatives that are geared towards cultivating employee engagement. Moreover, organizations are strongly encouraged to allocate substantial resources towards projects aimed at developing leadership skills. Consequently, this improves the supervisor's capacity to establish an appropriate working atmosphere. These cultural practices
foster employee engagement, hence enhancing firm performance.

Conclusion
The present study examined the complex link between employee engagement, supervisory behavior, and organizational performance. The findings emphasize the crucial significance of employee involvement in facilitating organizational success. This study validates previous research (e.g., Bakker & Demerouti, 2007; Harter et al., 2002) by demonstrating a strong and statistically significant positive association between employee engagement and organizational success. Hence, even a minor improvement in employee engagement could lead to a substantial improvement in firm performance.

Furthermore, the study revealed that the influence of supervisory behavior on the association between employee engagement and organizational success is substantial. This aligns with research that emphasizes the substantial influence of leadership on both employee engagement and firm’s performance (Judge & Piccolo, 2004). The presence of a positive interaction term suggests that encouraging positive supervisory behaviors, such as providing support, constructive feedback, autonomy, and recognition, amplifies the positive impact of employee engagement on organizational effectiveness. However, unfavorable managerial practices might possibly weaken this connection, leading to decreased motivation and disengagement among employees.

This research has several implications. One of them is that organizations should allocate resources towards initiatives that focus on developing leadership skills. This is crucial in promoting employee engagement and enhancing business performance. Additionally, it promotes a favorable work atmosphere to enhance employee engagement.

Subsequent investigations may incorporate additional variables such as personality traits and organizational culture into the examined association outlined in this study. Furthermore, this study employed a convenience sampling technique, which limits its generalizability. Therefore, future research should consider utilizing different probability sampling techniques to enhance the generalizability of the findings.

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