



Impact of psychological conditions on employee engagement: Study based on regional branches of ABC Insurance company at Matale district.

H. D. Wijerathna^{1*}, W.M.H.K. Bandara²

¹ Faculty of Business, Law and Digital Technologies, University of Solent, Southampton, UK

² Department of Commerce and Financial Management, Faculty of Commerce and Management Studies, University of Kelaniya, Sri Lanka

*Corresponding Author: hdwijerathna@gmail.com

ABSTRACT

The concept of employee engagement has become increasingly important in the literature. Despite increased interest, there is still a scarcity of studies on employee engagement. Alternatively, employees in the insurance industry are required to work under tough conditions and in high-pressure scenarios. Past three-year records of ABC insurance company recorded significant increase in turnover rates and disengaged employees. The purpose of the current research was to study the impact of psychological conditions on employee engagement at regional branches of ABC insurance company at Matale district. In this study, psychological meaningfulness, safety, and availability were examined as dimensions of psychological conditions. Quantitative research methods were employed, and data were collected through a questionnaire. The sample size of 103 employees from three branches of ABC Insurance companies in the Matale district and the researcher utilized the simple random sampling technique. Data analysis was performed using SPSS 23.0 Package and MS Excel. Based on the findings of the study, a significant positive relationship was found between psychological conditions and employee engagement, indicating that psychological conditions had a significant impact on employee engagement with the greatest effect observed in the dimension of meaningfulness. Consequently, managers should take all three predicting psychological conditions into account and use a systematic approach. Accordingly, leading roles organizations should focus on job design to fulfil the work tasks of importance and values.

Key words: Employee engagement, Insurance industry, psychological condition.

INTRODUCTION

The Sri Lankan insurance industry is a vital sector of the country's economy, generating a substantial number of job opportunities. As a social mechanism that helps reduce or eliminate the danger of loss of life and property, the concept of insurance has emerged as a means of protecting individuals against loss and

uncertainty. Insurance plays a significant role in contributing to the economic progress. But insurance industry faces numerous challenges and issues. Employees in the insurance industry are required to work under tough conditions and in high-pressure scenarios. (V. T. Shailashri et al., TJPRC, et al., 2018).

It has been researched and found out that, the most important and valuable asset that an organization possesses is its human resources (Shrotryia & Dhanda, 2019). This is because, people are one component that cannot be replicated or duplicated by the competitors in the industry. Leaders understand that when employees are actively involved in their work, it leads to increased innovation and efficiency, while also reducing the need for costly recruitment and retention efforts in today's competitive markets. (Parent & Lovelace, 2018).

Accordingly, employee engagement has attracted a great deal of interest owing to its perceived links with important outcomes for both employees and organizations (Saks & Gruman, 2014). It has been researched and found out that, engaged employees are vital for driving an organization's business activities and achieving its desired outcomes. While other resources certainly play a role, it is engaged employees who are uniquely capable of making things happen (Patrick & Bhat, 2014).

Consequently, it is not surprising that many organizations have prioritized the development of an engaged workforce as a key organizational goal (Shuck & Wollard, 2010). This trend has been amplified by the COVID-19 pandemic, which has directed to significant fluctuations in the business landscape (Lee & Ok, 2015). In response, many business practitioners view employee engagement as a promising human resource practice for managing uncertainty and turbulence in today's industries. As a result, human resource managers are actively seeking new and innovative ways to engage employees in a healthy and sustainable manner during this challenging time (Chanana, 2021).

Research has proved multiple times that employees who are engaged in their work seem to be more productive and contribute to higher levels of customer satisfaction, which in turn can lead to increased sales and profits (Anitha, J., 2014). Therefore, organizations must prioritize employee engagement as a key factor in achieving their business objectives and preserving their competitive advantage throughout long term. Multiple researches have researched on the employee engagement found varied influencing factors of employee engagement. Accordingly, in the realm of employee engagement, Kahn (1990) was a pioneer who introduced the concept and characterized it as the psychological presence of individuals when carrying out work tasks (Guest, 2014; Iddagoda et al., 2016). According to Kahn's definition, employee engagement denotes the idea that, "harnessing of organization members' selves to their work roles," with individuals physically, cognitively, and emotionally expressing themselves during their roles (Kahn, 1990). Kahn further identified three psychological conditions that shape behaviors, namely, "psychological meaningfulness, psychological availability, and psychological safety" (Kahn, 1990). May et al. (2004) later examined these conditions and found that they significantly influenced engagement, underscoring the significance of these factors in understanding and fostering employee engagement (Saks & Gruman, 2011).

According to Glavas (2012), profit alone is not adequate to inspire certain employees as much as a job that corresponds with their self-worth, values, qualities, and virtues. The author put forwarded the suggestion that one concept that may be used to determine the common denominator is the meaningfulness of one's job (Glavas, 2012). Rosso et al. (2010) described meaningfulness as being subjectively defined by individuals and including

numerous domains such as beliefs, values, attitudes, social and cultural norms, and spanning various disciplines such as psychology and sociology. They also stated that meaningfulness is defined as having a connection to something greater than oneself. Employees can have increased feelings of completion, motivation, and more connection with their values when they are engaged in meaningful work (Glavas, 2012). According to the findings of numerous studies, psychological meaningfulness is one of the most influential aspects affecting employee engagement (Islam & Noor, 2014). A study that was carried out in the year 2020 indicated that one of the most important factors in increasing employee engagement is the meaningfulness of the work that they do. The meaningfulness of an employee's work has a direct correlation to the likelihood that the employee will voluntarily engage in activities outside of their job description (Kaur & Mittal, 2020). Moreover, Kahn (1990) discovered that psychological meaningfulness had a positive association with personal involvement at work across two different samples (Roberts & David, 2017).

Psychological safety is an essential notion in the workplace, since it refers to the freedom of employees to express themselves without fear of negative effects to their self-image, status, or careers (Albrecht et al., 2015). This indicates that workers should have the confidence to take risks and openly express themselves without fear of being punished in any way. Previous research has found that the psychological safety can differ greatly among different workgroups within the workplace, indicating the importance of addressing this issue on a group level (Edmondson et al., 2016).

Another significant facet of psychological conditions is the psychological availability which impact on employee

engagement that refers to the willingness and confidence of an individual to fully engage in the role that they involve at work (Kahn, 1990; May et al., 2004). When employees engage in activities outside of work, their energy can be diverted away from their job responsibilities, making them lesser psychologically available for the work tasks. This can lead to distractions and an inability to focus on their work tasks. In contrast, when employees feel psychologically available, they are more likely to be fully present and engaged in their work, leading to better performance and job satisfaction (Kahn, 1990).

Problem statement

Throughout the past few years, employee engagement has appeared as a significant subject of study and similarly it has garnered a great deal of attention (Albrecht et al., 2015; Sun & Bunchapattanasakda, 2019). Despite the fact that practitioner research on employee engagement has been increasingly popular due to the favorable relationship between employee engagement and a wide variety of advantages, academic organizational behavior study on the topic is relatively low (M. Karatepe & Demir, 2014). However, despite the growing interest in the topic, there remains to persist a dearth of scholarly research on employee engagement (Bedarkar & Pandita, 2014). Throughout the literature it has been reviewed that scholar were engaged in recognizing factors that affect for employee engagement. As a consequence of this, they have identified a great number of attributes that distinguish an individual as an engaged employee (J., 2014). When it comes to the global focus, it has been identified that, “brand alignment, recognition HR practices and organizational reputation” as the topmost five drivers of engagement for the year 2010 (Bedarkar & Pandita, 2014). Similarly Work environment and Leadership was also found to be one of the

significant factors that contribute to employee engagement (Anitha, J., 2014).

The psychological conditions of “meaningfulness, availability, and safety” are at the fundamental of several engagement models (Rothmann & Baumann, 2014). Incidentally, there have been only a limited number of investigations that center on workers and their specific drivers for engaging in their job (Karatepe, 2013). This facet has encountered slight attention in the literature despite the significance of psychological factors in determining employee engagement (Chikoko et al., 2014). Psychological meaningfulness as a dimension of psychological conditions, also paves it as a substantial proportion of the variance in employee engagement, according to studies (May et al., 2004; Rothmann & Rothmann Jr, 2010). Although there is a increasing attention in meaningful work, the concept of meaningful work remains ambiguous, and the topic is under-studied and frequently understood in a poor manner by human resource development (HRD) professionals (Rothmann & Baumann, 2014; You et al., 2021).

Scholars have demonstrated that a worker's feeling of meaning in the work positively impacts organizational consequences, such as employee engagement, which leads to an improvement in performance of organizations (May et al., 2004; Michaelson et al., 2014). Furthermore, it was discovered that psychological meaningfulness and psychological availability have statistically significant effects on employee engagement (Rothmann & Baumann, 2014).

Consequently, based on the preceding findings, contradictory arguments have evolved among several research investigations. Therefore, at first, the current study seeks to recognize the knowledge gap in the literature regarding the “impact of psychological conditions

on employee engagement”, with a focus on the regional branches of ABC Insurance Company Ltd in the Matale district.

When it comes to the Sri Lankan context, Gallup engagement survey (2022), which researched employee engagement in 2020 and 2021 with a worldwide focus, discovered that 28% of Sri Lankan employees were engaged. It has been identified that, there have been limited recent studies undertaken in Sri Lanka to define and describe the level of employee engagement, indicating empirical gap (Iddagoda et al., 2016).

Upon analyzing the past recorded data of employee turnover, employee recruitment, and customer complaints for ABC Insurance company, a concerning trend has emerged since 2021. The records indicated a significant level of employee turnover and absenteeism, coupled with a noticeable lack of employee engagement towards the work roles and targets within the company's workforce. Over the course of the past three years, branches Matale branch has experienced a notable upward trend in employee turnover. The turnover rate has steadily increased, reaching a significant percentage of 22% by the year 2021. These issues have particularly impacted the client base, leading to an increase in customer complaints. Accordingly present study seeks to address the practical gap regarding the influence of psychological conditions on employee engagement, with a focus on the regional branches of ABC Insurance Company Ltd in the Matale district.

Based on the identified knowledge and the empirical gaps found in the literature the researcher has defined three main questions for the study. They are, what is the relationship between psychological conditions on employee engagement? what is the impact of psychological conditions on employee engagement? how the attributes of psychological conditions impact on employee

engagement? Accordingly, the current study centered on four key objectives. They are, to identify the relationship between psychological conditions and employee engagement, to analyze the impact of psychological conditions on employee engagement, to analyze how the attributes of psychological conditions contributes to employee engagement.

LITERATURE REVIEW

Employee engagement

An examination of the literature on employee engagement has enabled for the identification of key phases in the evolution of the employee engagement concept. "Pre-wave," "Wave 1," "Wave 2," and "Wave 3" are the stages that have been recognized (Welch, 2011).

The time period that occurred prior to the 1990s is referred to as the "pre-wave." During this time, the concept of employee engagement was not yet widely acknowledged. Yet, early investigations such as the one that was carried out by Goffman in 1961 and the one that was carried out by Katz and Khan in 1966 laid the groundwork for the engagement notion. This study concluded that the concept of engagement has prompted the development of "role theory." Goffman referred to the involvement as a "spontaneous involvement in the role" as well as a "visible investment of attention and physical effort."

The period between 1990 and 1999 is commonly known as "Wave 1" in the timeline of employee engagement evolution, with William Khan playing a significant role during this stage. In his article, Khan (1990) provided a definition for the concept of personal engagement, describing it as the process of involving employees in the fulfillment of their job duties. This approach involves creating a work environment that supports and encourages employee involvement,

fostering a sense of ownership and pride in their work. The psychological theory, also known as the theory of personal disengagement from work, defines disengagement as the process of disconnecting oneself from work roles. During disengagement, individuals withdraw and protect themselves physically, cognitively, or emotionally during their performance. According to this theory, the lack of resources not only affects work disengagement but also creates psychological conditions that lead to disengagement. It proposes that individuals' perception of three psychological conditions, namely "meaningfulness," "safety," and "availability," influences their decision to invest themselves in work or distance themselves and disengage from it (Afrahi et al., 2022).

The period from 2000 to 2005 is commonly referred to as "Wave 2" in the study of employee engagement. During this period, it was suggested that engagement could be attained by combining energy and efficiency (Schaufeli & Bakker, 2004). Moreover, they argued that, engagement a state of mind related to work that is marked by a positive, fulfilling outlook and characterized by "vigor, dedication, and absorption" (He et al., 2022).

The years 2006-2010 are collectively referred to as "Wave 3" as a time period. Once after the reference was made by Saks to Khan (1990) on the theory of engagement, Saks agreed with the way Khan opinions the concept of engagement as comprising of elements that are cognitive, emotional, and physical. Bakker and Schaufeli published study in 2010 in which they defined job engagement as "emotional involvement" and as "the condition of being in gear" (Bakker & Leiter, 2010).

Psychological conditions

One way to operationalize engagement is by defining it as a variable that reflects an individual's psychological motivation and state, as well as their overall experience of work (Shuck et al., 2011). This can be achieved by examining how employees perceive and feel about their work from a cognitive and affective perspective. In essence, it emphasizes the role of an individual's psychological state in shaping their level of engagement and highlights the importance of taking a holistic view of the work experience.

According to Kahn's (1990) theory, employees' psychological conditions determine the extent to which they engage in different work behaviors "emotionally, cognitively, and physically, that is, psychological meaningfulness, psychological availability, and psychological safety".

The research has shown that the psychological well-being of employees has a significant impact on their level of work engagement (Beltrán-Martín et al., 2022). This finding supports the results of earlier studies such as May et al. (2004), who found a positive relationship between engagement and other factors such as psychological availability, meaningfulness, and psychological safety among a sample of 203 of employees in an insurance firm.

Employee engagement and psychological conditions

One of the dimensions of psychological conditions is the sense of meaningfulness, which refers to an employee's perception that their work is important and that they can offer a noteworthy contribution to the organization through their job responsibilities (Kahn, 1990).

Kahn's (1990) research exhibited that psychological meaningfulness was positively linked with employee engagement. Employees who believed

that their work was valuable and provided a satisfying return on investment for their efforts were more engaged than those who did not feel appreciated or saw their work as meaningless. When employees perceive their work as meaningful, they are motivated to perform their tasks (Li & Tan, 2013; Schyns & Day, 2010).

Employees' psychological sense of meaningfulness in their work has significant impacts on both their personal and organizational success, as various studies have confirmed the association (Mostafa & Abed El-Motalib, 2020). When employees experience low levels of meaningfulness, they may become apathetic and detached (May et al., 2004; Rabiul et al., 2021). Conversely, partaking a sense of meaningfulness in one's work can result in higher levels of job satisfaction, motivation, and performance, as well as lower rates of absenteeism and turnover (Bailey et al., 2019). Therefore, psychologically meaningfulness can contribute to employees' personal growth and satisfaction, and ultimately lead to greater engagement in their work. Experiencing a sense of meaningfulness in one's job can provide both extrinsic and intrinsic motivation, leading to increased dedication, absorption, and vigor at work. Research has consistently shown that there is a positive association between psychological meaningfulness and employee engagement, as well as other favorable employee outcomes (Fletcher & Schofield, 2021; Mostafa & Abed El-Motalib, 2020; Rabiul et al., 2022). Several scholarly articles confirmed that Accordingly, this suggests that psychological meaningfulness is related to employee engagement in a positive way. Given this, the researcher proposes the following hypothesis:

H1- Psychological meaningfulness has a positive impact on employee engagement.

Identified second dimension of the psychological conditions is the psychological safety which is connected

with the potential work of a person at work and expression of self-opinions without fear of harmful consequences to one's self-image, status, or career (Rich, 2010). Individuals in a psychologically safe workplace environment seem to be confident that they "will not be embarrassed, rejected, or punished by someone for speaking up." Working environments are ambiguous, unpredictable, and threatening without psychological safety (Kahn, 1990; May et al., 2004). As a result, employees may experience anxiety and fear when asked for assistance, feedback, or ideas (Agarwal & Farndale, 2017; Bakker & Leiter, 2010; Dollard & Bakker, 2010). In contrast, a scholarly article implies that, employees in psychologically safe environments have "a sense of confidence that the team will not humiliate, reject, or punish anyone for speaking up." Accordingly, perceived psychological safety makes it easier for employees to get along with each other by creating an environment that is supportive, open, trustworthy, flexible, and not dangerous (Lyu, 2016; Rabiul et al., 2021). In such a context, Staff members are able to express their thoughts with their superiors and build trust with senior management, which may result in higher employee engagement (Harter et al., 2020; Kirk-Brown & Van Dijk, 2016). Accordingly, it was found that psychological safety positively increased work engagement among the staff (Basit, 2017). Given the above, the researcher offers the following hypothesis:

H2- Psychological safety has a positive impact on employee engagement.

The final dimension of the psychological conditions is the psychological availability which refers to an employee's perception that they have the requisite cognitive, emotional, and physical resources to carry out the company-assigned activities effectively (Kahn, 1990). It refers to the personal resources a

person must possess to perform their job without distraction at any moment (Binyamin & Carmeli, 2010).

Furthermore, it is vital that the individual's self-assessment of their physical, emotional, and cerebral capacity to execute the specified duties, taking into account numerous social distractions (Fletcher, 2019; Kahn, 1990). According to Beltrán-Martín et al. (2022), psychological availability has a strong association with employees' self-efficacy, which can be defined as an employee's confidence in his or her ability to plan and carry out activities in order to accomplish a desired objective. Employees are more likely to exhibit high levels of work engagement and invest all of their energies into their activities when they believe they are prepared to accomplish their responsibilities and are capable of doing so (May et al., 2004). Those who are experiencing job overload, on the other hand, might choose to disengage from their work in order to replenish their personal resources (Ganster & Schaubroeck, 1991). It appears that psychological availability has a favorable influence on work engagement. Previous scholarly articles of Rothmann and Buys (2011), Rothmann and Rothmann Jr (2010) confirmed that psychological availability is significantly associated with work engagement. Based upon the above, the researcher offers the following hypothesis:

H3- Psychological availability has a positive impact on employee engagement.

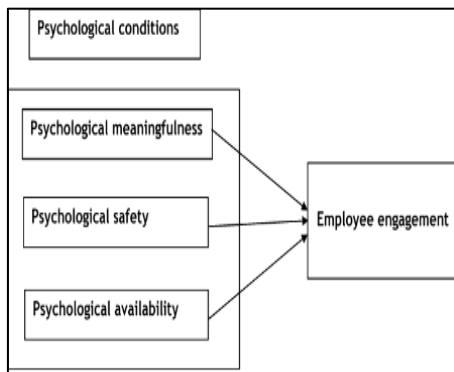


Figure 1: Conceptual framework

Source – Developed by the author based on literature review

RESEARCH METHODOLOGY

The researcher has chosen the mono-quantitative research for the present study as it allowed for the collection and analysis of numerical data to assess the relationship and impact between psychological conditions and employee engagement. As the researcher aimed to gain a comprehensive understanding of the chosen company's situation through an in-depth analysis, the researcher has chosen the case study strategy for the current study. Chosen strategy for the study was case study technique. The population for the current study targets employees who are working in the regional branches of ABC Insurance Company located in the Matala district which focuses on all levels of employees except minor staff category in the organization. As per ABC Insurance company records, 144 officers belong to the above staff categories. By using the table created by Krejcie and Morgan, the researcher determined the sample size as 103 employees from which the population size of the study was 144 employees. For the current study, researcher has been provided with list of employees whom are working at regional branches ABC

insurance company which are located in Matala district. Accordingly, the researcher continued with the simple random sampling to collect the data from the respondents. Primary data collection was incorporated for the current study and data was collected using self-administered questionnaires. The data collection procedure involved the distribution of questionnaires to the selected sample through the utilization of a Google link sharing method. The questionnaire was divided into two separate sections. The first section gathered demographic characteristics of the respondents, while the second section comprised questions related to the dependent and independent variables of the study. The Google link facilitated convenient access to the questionnaires, allowing participants to complete them at their own pace and convenience. The usage of digital platforms simplified the data collection procedure and made it possible for the information to be efficiently compiled and analyzed. To conduct the present study, the researcher has focused mainly on three (03) objectives. They are, to identify the relationship between psychological conditions and employee engagement, to analyze the impact of psychological conditions on employee engagement, to analyze how the attributes of psychological conditions impact on employee engagement. Accordingly, collected data was analyzed through SPSS 23.0 Package and MS Excel. To achieve the above-stated quantitative objectives, the researcher used correlation and coefficient analysis to attain the first objective. To achieve the second objective, the author implemented simple linear regression analysis. Finally, to attain the third objective, the researcher applied multiple linear regression analysis.

Table 1: Operationalization of dependent variables

Variable	Indicators	Measurement	Source
EE	Job interest Job concentration Job focus Workaholic Job commitment Excitement when performing well Emotional disconnection while working Personal emotions at work Job effort and energy Intention to stay until the work completion Preference to work overtime Sense of commitment Hard working	5-point Likert scale	May et al (2004) Alpha value 0.77

Source : (May et al., 2004)

Table 2: Operationalization of independent variables

Dimension	Indicators	Measurement	Source
PM	Importance of Individual tasks Personal significance job duties Personal worthiness on job sense of importance of the job activities Personal meaning towards the work Job perception	5-point Likert scale	May et al (2004) Alpha value 0.90

PS	Self-assurance Expression of opinions Work environment	5-point Likert scale	May et al (2004) Alpha value 0.71
PA	Management of work demands Ability of problem solving Logical thinking at work Emotional expressions Physical demands at work	5-point Likert scale	May et al (2004) Alpha value 0.85

FINDINGS AND DISCUSSIONS

Table 3 - Cronbach's alpha values of the variables

Dimension	No. of items	Cronbach's alpha
Psychological meaningfulness	6	0.953
Psychological safety	3	0.890
Psychological availability	5	0.939

Source: Based on SPSS analyzed data

The entire Cronbach's alpha values for all three dimensions were reported to be more than the accepted value of 0.70, thus the research tool was reliable and will give credible results.

Table 4: Mean and standard deviation of variables

Variable	Mean	Std. deviation
Psychological meaningfulness	3.38	1.161
Psychological safety	3.28	1.139
Psychological availability	3.21	1.100
Employee engagement	3.26	1.065

Source: Based on SPSS analyzed data

Psychological meaningfulness

The mean value of 3.38 indicates the average score or value of the data, while the standard deviation of 1.161. The calculated mean value suggests that the level of agreement among the employees of ABC insurance company in Matala district towards the psychological meaningfulness is moderate.

Psychological safety

Based on the mean calculations, the value of 3.28 and a standard deviation of 1.139, it can be derived that the level of agreement among the employees of ABC insurance company in Matala district towards psychological safety is moderate.

Psychological availability

Based on the mean calculations, the value of 3.21 and a standard deviation of 1.100, it can be inferred that the degree of agreement among employees in the Matala district branch of ABC insurance company regarding psychological availability is also moderate.

Employee engagement

Based on the employment of a calculated mean value of 3.26 and a standard deviation of 1.065, it can be deduced that the level of agreement among employees

in the Matala district branch of ABC insurance company regarding employee engagement is at the level of moderate.

Objective 01: To identify the relationship between psychological conditions on employee engagement.

To achieve this objective, the researcher utilized the technique of Pearson correlation analysis, which involves calculating a correlation coefficient to measure the strength and direction of the relationship between the two variables.

Table 5: Correlation between psychological meaningfulness and employee engagement

Dimension	Pearson correlation	P- Value
Psychological meaningfulness	0.906	0.000

Source: Based on SPSS analyzed data

The results of the correlation analysis are presented in table 5, and there is a positive association between psychological meaningfulness and employee engagement. A correlation coefficient of 0.906 indicates that psychological meaningfulness has a strong correlation with employee engagement. Sig value (p) = 0.000 < 0.05 suggesting that the p value that was calculated based on the findings of the analysis is 0.000. This is far lower than the 0.05 criterion of significance.

Table 6: Correlation between psychological safety and employee engagement

Dimension	Pearson correlation	P- Value
Psychological safety	0.815	0.000

Source: Based on SPSS analyzed data

The correlation analysis for the psychological safety and employee

engagement are presented in table 6, and there is a positive association between psychological safety and employee engagement. A correlation coefficient of 0.815 indicates that psychological safety has a strong correlation with employee engagement. Sig value (p) = 0.000 < 0.05 suggesting that the p value that was calculated based on the findings of the analysis is 0.000. This is far lower than the 0.05 criterion of significance.

Table 7: Correlation between psychological availability and employee engagement

Dimension	Pearson correlation	P- Value
Psychological availability	0.866	0.000

Source: Based on SPSS analyzed data

The correlation analysis for the psychological availability and employee engagement are presented in table 7, and it can be observed that there is a positive association between psychological availability and employee engagement. A correlation coefficient of 0.866 indicates that psychological availability has a strong correlation with employee engagement. Sig value (p) = 0.000 < 0.05 suggesting that the p value that was calculated based on the findings of the analysis is 0.000. This is far lower than the 0.05 criterion of significance.

Objective 02: To analyze the impact of psychological conditions on employee engagement.

Table 8: Model summary for simple linear regression

R	R Square	Adjusted R Square
0.920	0.847	0.845

Source: Based on SPSS analyzed data

Table 8 displays the correlation coefficient, R, to be 0.920. An R value of 0.920 indicates a strong positive linear

correlation between psychological conditions and employee engagement as R value is more than 0.7. R-squared value of 0.847 indicates that 84.7% of the variance in the dependent variable can be explained by the independent variable in the model. Since the R-squared value is close to 1, it can be examined that, the model fits the data.

Table 9: Coefficient summary

Model	β coef.	Std. error	T value	Sig.
Constant	0.254	0.150	1.695	0.094
Psychological conditions	0.912	0.043	21.064	0.000

Source: Based on SPSS analyzed data

According to the table 9, independent variable, psychological conditions is zero while employee engagement indicates the value as 0.254. Accordingly, as per the above table, one unit increase in the psychological conditions, will result an increase in employee engagement by 0.912. Moreover, this has a significant contribution to the model because the P value is 0.000, which is less than the 0.05 level of significance. Accordingly simple linear regression model can be derived as follows.

$$EE = 0.912PC + \epsilon$$

Objective 03: To analyze how the attributes of psychological conditions impact on employee engagement.

Analysis of variance

Table 10: ANOVA Table

Model	Sum of squares	Degree of freedom	F	Sig.
Regression	78.117	3	147.080	0.000
Residual	13.809	78		
Total	91.926	81		

Source: Based on SPSS analyzed data

Based on the above results, it can be inferred that the regression model is a good fit, as evidenced by the significance level of 0.000, which is lower than the significance threshold of 0.05. The regression analysis indicates that 78.117% of the variation can be explained by the model, while the residual explains 13.909% of the dependent variable, employee engagement.

Table 11: Coefficient table of multiple linear regression analysis

Predictor	Unstandardized coefficients		T-Value	P-Value
	β	Std. error		
Constant	0.253	0.153	1.656	0.102
Psychological meaningfulness	0.465	0.115	4.047	0.000
Psychological safety	0.228	0.069	3.301	0.001
Psychological availability	0.215	0.106	2.018	0.047

Source: Based on SPSS analyzed data

The coefficient table shows that the constant term has a beta value of 0.253 and a significance level of 0.102.

Furthermore, the coefficient table shows that the beta value for "meaningfulness" is 0.465, the beta value for "safety" is 0.228, and the beta value for "availability" is 0.215. The beta value of 0.465 for "meaningfulness" suggests that, on average, a one-unit increase in "meaningfulness" is associated with an increase of 0.465 units in the dependent variable, employee engagement while holding all other variables constant. Similarly, the beta value of 0.228 for "safety" suggests that a one-unit increase in "safety" is associated with an increase of 0.228 units in the dependent variable, employee engagement while holding all other variables constant. The beta value of 0.215 for "availability" suggests that a one-unit increase in "availability" is associated with an increase of 0.215 units

in the dependent variable, employee engagement while holding all other variables constant. Since the significance level for all three independent variables is 0.000, it can conclude that the beta values are statistically significant at the conventional threshold of 0.05. Accordingly, the model for multiple linear regression can be denoted.

$$EE = 0.465PM + 0.228PS + 0.215PA + \varepsilon$$

Table 12: Hypothesis summary

Hypothesis	Accepted/rejected
Psychological meaningfulness has a positive impact on employee engagement	Accepted
Psychological safety has a positive impact on employee engagement	Accepted
Psychological availability has a positive impact on employee engagement	Accepted

Source: Based on SPSS analyzed data.

Discussion

The first objective is to identify the relationship between psychological conditions and employee engagement. A positive relationship between psychological meaningfulness and employee engagement was discovered by the researcher. The current study's findings agreed with findings of (Janik & Rothmann, 2016; Olivier & Rothmann, 2007; Rothmann & Rothmann Jr, 2010; Welch, 2011). These studies confirmed the psychological meaningfulness was statistically significantly and positively associated with employee engagement. Additionally, researcher recognized that there is a positive relationship between psychological safety and employee engagement. The current study's findings agreed with those of some empirical evidence corroborates the linkage between psychological safety and work engagement (May et al., 2004; Nembhard

& Edmondson, 2006). The current study's findings agreed with those of previous studies of (Rothmann & Buys, 2011; Rothmann & Rothmann Jr, 2010). Through their findings, it was confirmed that psychological availability is significantly associated with work engagement.

The second objective of the present study is to analyze the impact of psychological conditions on employee engagement. The results of the current study indicates that there is a positive impact of psychological conditions on employee engagement. Kahn's (1990) model, although widely cited as the foundational study of engagement, has seldom been used in empirical research (Shuck et al., 2011).

Accordingly, findings of the current study agree with the findings of (Beltrán-Martín et al., 2022). The study shows that the three employee psychological conditions namely psychological meaningfulness, psychological safety and psychological availability significantly impact work engagement, chiming with previous study of May et al. (2004), who observed in a sample of 203 insurance firm employees that engagement was positively related to meaningfulness, psychological availability and psychological safety. They suggest that, there is a positive impact of psychological conditions on employee engagement.

Final objective of the current study is to identify how the attributes of psychological conditions impact on employee engagement. In the current study researcher found there is a positive impact of psychological conditions on employee engagement. Accordingly, findings of the current study agree with the findings of (Beltrán-Martín et al., 2022). The cited study shows that the three employee psychological conditions namely psychological meaningfulness, psychological safety and psychological availability significantly impact work engagement.

The results of the present study depict that, psychological meaningfulness has a strong relationship with employee engagement. In other words, main effects of meaningfulness were the strongest, suggesting that meaningfulness was the most important psychological condition that contributes to work engagement. This finding is consistent with previous study on job engagement by Janik and Rothmann (2016). Meaningfulness serves as an important and strong motivational psychological state that leads to job engagement and further favorable organization outcomes such as job performance, commitment, and organizational citizenship behaviors, et al.

It also has been recognized by the researcher that there is a positive relationship between psychological safety and employee engagement. The current study's findings agreed with those of some empirical evidence validates the association between psychological safety and work engagement (May et al., 2004; Nembhard and Edmondson, 2006). This study confirmed prior findings of (Rothmann & Buys, 2011; Rothmann & Rothmann Jr, 2010). Psychological availability was found to strongly affect work engagement.

CONCLUSION

The purpose of conducting the present study was to study the impact of psychological conditions on employee engagement within the regional branches of the ABC insurance company in the Matala district. The study focused on three independent variables: psychological meaningfulness, psychological safety, and psychological availability. The dependent variable was employee engagement.

Quantitative research methods were employed, and data were collected through a questionnaire. The sample size of 103 employees from three branches of ABC Insurance companies in the Matala

district was determined using the table developed by Krejcie and Morgan. The researcher utilized the simple random sampling technique. Data analysis was performed using SPSS 23.0 Package and MS Excel. A summary of the hypothesis testing results can be seen in table 12. The findings of this study revealed that the identified psychological conditions significantly impact employee engagement, with the greatest effect observed in the dimension of meaningfulness. This suggests that psychological meaningfulness is the most influential factor contributing to employee engagement. Consequently, manager should take all three predicting psychological conditions into account and use a systematic approach. Accordingly, leading roles organizations should focus on job design to fulfill the work tasks of importance and values

During the course of this study, the researcher faced various concerns. One of the significant issues was the dearth of research work in Sri Lanka regarding the independent variables that the researcher has selected and employee engagement in the workplace. Hence, the researcher could not include the results from previous researches conducted in Sri Lanka related to this study. Due to this limitation, the researcher had to rely on the findings and observations of previous researches conducted in other countries. The researcher encountered challenges in obtaining certain information from the company due to restricted access, including limitations on disclosing the company's identity. As the researcher encompasses cross-sectional design for the current study, it only captures data from a single point in time and does not account for changes in the population over time. In other words, the researchers cannot track changes over time or establish causal relationships between variables. If the researcher follows longitudinal approach, there would have a possibility in changing the discoveries of

the study. The present study was limited only to the Matale district and its findings cannot be extended to other regions in Sri Lanka due to the non-inclusion of those areas in the study.

The study on "the impact of psychological conditions on employee engagement" conducted in the Matale district of Sri Lanka has provided important insights into the relationship between psychological conditions and employee engagement. However, there are several directions for future research in this area. Firstly, the study could be replicated in different regions of Sri Lanka to determine if the findings are consistent. Secondly, moderation and mediation effects of different psychological factors such as stress, anxiety, and depression with the developed relationships. Thirdly, the study could be conducted in longitudinal manner in which to observe the psychological conditions of individuals time to time. Finally, future studies could explore the impact of individual differences on the association between psychological conditions and employee engagement. Similarly, could explore the role of other factors, such as leadership style and organizational culture, in shaping psychological conditions and employee engagement.

REFERENCES

- Afrahi, B., Blenkinsopp, J., Fernandez de Arroyabe, J. C., & Karim, M. S. (2022). Work disengagement: A review of the literature. *Human Resource Management Review*, 32(2), 100822. <https://doi.org/10.1016/j.hrmr.2021.100822>
- Agarwal, P., & Farndale, E. (2017). High-performance work systems and creativity implementation: The role of psychological capital and psychological safety: High-performance work systems and

- creativity implementation. *Human Resource Management Journal*, 27(3), 440–458.
<https://doi.org/10.1111/1748-8583.12148>
- Albrecht, S. L., Bakker, A. B., Gruman, J. A., Macey, W. H., & Saks, A. M. (2015). Employee engagement, human resource management practices and competitive advantage: An integrated approach. *Journal of Organizational Effectiveness: People and Performance*, 2(1), 7–35.
<https://doi.org/10.1108/JOEPP-08-2014-0042>
- Bailey, C., Yeoman, R., Madden, A., Thompson, M., & Kerridge, G. (2019). A Review of the Empirical Literature on Meaningful Work: Progress and Research Agenda. *Human Resource Development Review*, 18(1), 83–113.
<https://doi.org/10.1177/1534484318804653>
- Bakker, A. B., & Leiter, M. P. (Eds.). (2010). *Work engagement: A handbook of essential theory and research*. Psychology Press.
- Basit, A. A. (2017). Trust in Supervisor and Job Engagement: Mediating Effects of Psychological Safety and Felt Obligation. *The Journal of Psychology*, 151(8), 701–721.
<https://doi.org/10.1080/00223980.2017.1372350>
- Bedarkar, M., & Pandita, D. (2014). A Study on the Drivers of Employee Engagement Impacting Employee Performance. *Procedia - Social and Behavioral Sciences*, 133, 106–115.
<https://doi.org/10.1016/j.sbspro.2014.04.174>
- Beltrán-Martín, I., Guinot-Reinders, J., & Rodríguez-Sánchez, A. M. (2022). Employee psychological conditions as mediators of the relationship between human resource management and employee work engagement. *The International Journal of Human Resource Management*, 1–35.
<https://doi.org/10.1080/09585192.2022.2078990>
- Binyamin, G., & Carmeli, A. (2010). Does structuring of human resource management processes enhance employee creativity? The mediating role of psychological availability. *Human Resource Management*, 49(6), 999–1024.
<https://doi.org/10.1002/hrm.20397>
- Chikoko, G. L., Buitendach, J. H., & Kanengoni, H. (2014). The psychological conditions that predict work engagement among tertiary education employees. *Journal of Psychology in Africa*, 24(6), 469–474.
<https://doi.org/10.1080/14330237.2014.997026>
- Dollard, M. F., & Bakker, A. B. (2010). Psychosocial safety climate as a precursor to conducive work environments, psychological health problems, and employee engagement. *Journal of Occupational and Organizational Psychology*, 83(3), 579–599.
<https://doi.org/10.1348/096317909X470690>
- Edmondson, A. C., Higgins, M., Singer, S., & Weiner, J. (2016). Understanding Psychological Safety in Health Care and Education Organizations: A Comparative Perspective. *Research in Human Development*, 13(1), 65–83.
<https://doi.org/10.1080/15427609.2016.1141280>
- Fletcher, L. (2019). How can personal development lead to increased engagement? The roles of meaningfulness and perceived line manager relations. *The International Journal of Human Resource*

- Management, 30(7), 1203–1226.
<https://doi.org/10.1080/09585192.2016.1184177>
- Fletcher, L., & Schofield, K. (2021). Facilitating meaningfulness in the workplace: A field intervention study. *The International Journal of Human Resource Management*, 32(14), 2975–3003.
<https://doi.org/10.1080/09585192.2019.1624590>
- Ganster, D. C., & Schaubroeck, J. (1991). Work Stress and Employee Health. *Journal of Management*, 17(2), 235–271.
<https://doi.org/10.1177/014920639101700202>
- Glavas, A. (2012). Employee Engagement and Sustainability: A Model for Implementing Meaningfulness at and in Work. *Journal of Corporate Citizenship*, 2012(46), 13–29.
<https://doi.org/10.9774/GLEAF.4700.2012.su.00003>
- Guest, D. (2014). Employee engagement: A sceptical analysis. *Journal of Organizational Effectiveness: People and Performance*, 1(2), 141–156.
<https://doi.org/10.1108/JOEPP-04-2014-0017>
- Harter, J. K., Schmidt, F. L., & Agrawal, S. (2020). The Relationship Between Engagement at Work and Organizational Outcomes.
- He, G., Wang, Y., Zheng, X., Guo, Z., & Zhu, Y. (2022). Linking paternalistic leadership to work engagement among Chinese expatriates: A job demand-resource perspective. *International Journal of Manpower*, 43(4), 889–909.
<https://doi.org/10.1108/IJM-07-2020-0322>
- Iddagoda, Y. A., Opatha, H. H. D. N. P., & Gunawardana, K. D. (2016). Towards a Conceptualization and an Operationalization of the Construct of Employee Engagement. *International Business Research*, 9(2), 85.
<https://doi.org/10.5539/ibr.v9n2p85>
- Islam, A., & Noor, I. M. (2014). Ruswahida binti Ibnu Ruslan. *Journal of Asian Scientific Research*.
- Anitha, J., (2014). Determinants of employee engagement and their impact on employee performance. *International Journal of Productivity and Performance Management*, 63(3), 308–323.
<https://doi.org/10.1108/IJPPM-01-2013-0008>
- Janik, M., & Rothmann, S. (2016). Engagement of secondary school teachers in Namibia: Relational context effects. *Journal of Psychology in Africa*, 316–325.
<https://doi.org/10.1080/14330237.2016.1208921>
- Kahn, W. A. (1990). PSYCHOLOGICAL CONDITIONS OF PERSONAL ENGAGEMENT AND DISENGAGEMENT AT WORK. *Academy of Management Journal*.
- Karatepe, O. M. (2013). High-performance work practices and hotel employee performance: The mediation of work engagement. *International Journal of Hospitality Management*, 32, 132–140.
<https://doi.org/10.1016/j.ijhm.2012.05.003>
- Kaur, P., & Mittal, A. (2020). Meaningfulness of Work and Employee Engagement: The Role of Affective Commitment. *The Open Psychology Journal*, 13(1), 115–122.
<https://doi.org/10.2174/1874350102013010115>
- Kirk-Brown, A., & Van Dijk, P. (2016). An examination of the role of psychological safety in the relationship between job resources, affective commitment and turnover intentions of Australian employees

- with chronic illness. *The International Journal of Human Resource Management*, 27(14), 1626–1641.
<https://doi.org/10.1080/09585192.2015.1053964>
- Lee, J. (Jay), & Ok, C. “Michael.” (2015). Drivers of work engagement: An examination of core self-evaluations and psychological climate among hotel employees. *International Journal of Hospitality Management*, 44, 84–98.
<https://doi.org/10.1016/j.ijhm.2014.10.008>
- Li, A. N., & Tan, H. H. (2013). What happens when you trust your supervisor? Mediators of individual performance in trust relationships: WHAT HAPPENS WHEN YOU TRUST YOUR SUPERVISOR? *Journal of Organizational Behavior*, 34(3), 407–425.
<https://doi.org/10.1002/job.1812>
- Lyu, X. (2016). Effect of organizational justice on work engagement with psychological safety as a mediator: Evidence from China. *Social Behavior and Personality: An International Journal*, 44(8), 1359–1370.
<https://doi.org/10.2224/sbp.2016.44.8.1359>
- M. Karatepe, O., & Demir, E. (2014). Linking core self-evaluations and work engagement to work-family facilitation: A study in the hotel industry. *International Journal of Contemporary Hospitality Management*, 26(2), 307–323.
<https://doi.org/10.1108/IJCHM-01-2013-0008>
- May, D. R., Gilson, R. L., & Harter, L. M. (2004). The psychological conditions of meaningfulness, safety and availability and the engagement of the human spirit at work. *Journal of Occupational and Organizational Psychology*, 77(1), 11–37.
<https://doi.org/10.1348/096317904322915892>
- Michaelson, C., Pratt, M. G., Grant, A. M., & Dunn, C. P. (2014). Meaningful Work: Connecting Business Ethics and Organization Studies. *Journal of Business Ethics*, 121(1), 77–90.
<https://doi.org/10.1007/s10551-013-1675-5>
- Mostafa, A. M. S., & Abed El-Motalib, E. A. (2020). Ethical Leadership, Work Meaningfulness, and Work Engagement in the Public Sector. *Review of Public Personnel Administration*, 40(1), 112–131.
<https://doi.org/10.1177/0734371X18790628>
- Nembhard, I., & Edmondson, A. (2006). Making It Safe: The Effects of Leader Inclusiveness and Professional Status on Psychological Safety and Improvement Efforts in Health Care Teams. *Journal of Organizational Behavior*, 27, 941–966.
<https://doi.org/10.1002/job.413>
- Olivier, A., & Rothmann, S. (2007). Antecedents of work engagement in a multinational oil company. *SA Journal of Industrial Psychology*, 33(3), 49–56.
<https://doi.org/10.4102/sajip.v33i3.396>
- Parent, J. D., & Lovelace, K. J. (2018). Employee engagement, positive organizational culture and individual adaptability. *On the Horizon*, 26(3), 206–214.
<https://doi.org/10.1108/OTH-01-2018-0003>
- Patrick, H. A., & Bhat, V. A. (2014). Moderating Influence of Critical Psychological States on Work Engagement and Personal Outcomes in the Telecom Sector. *SAGE Open*, 4(2), 215824401453826.

- <https://doi.org/10.1177/2158244014538260>
- Rabiul, M. K., Mohamed, A. E., Patwary, A. K., Yean, T. F., & Osman, S. Z. (2021). Linking human resources practices to employee engagement in the hospitality industry: The mediating influences of psychological safety, availability and meaningfulness. *European Journal of Management and Business Economics*.
<https://doi.org/10.1108/EJMBE-12-2020-0347>
- Rabiul, M. K., Patwary, A. K., Mohamed, A. E., & Rashid, H. (2022). Leadership Styles, Psychological Factors, and Employee Commitment to Service Quality in the Hotel Industry. *Journal of Quality Assurance in Hospitality & Tourism*, 23(4), 853–881.
<https://doi.org/10.1080/1528008X.2021.1913695>
- Rich, B. (2010). Job engagement: Antecedents and effects on job performance. *The Academy of Management Journal*, 53, 617–635.
- Roberts, J. A., & David, M. E. (2017). Put down your phone and listen to me: How boss phubbing undermines the psychological conditions necessary for employee engagement. *Computers in Human Behavior*, 75, 206–217.
<https://doi.org/10.1016/j.chb.2017.05.021>
- Rothmann, S., & Baumann, C. (2014). Employee engagement: The effects of work-home/home-work interaction and psychological conditions. *South African Journal of Economic and Management Sciences*, 17(4), 515–530.
<https://doi.org/10.4102/sajems.v17i4.419>
- Rothmann, S., & Buys, C. (2011). Job Demands and Resources, Psychological Conditions, Religious Coping and Work Engagement of Reformed Church Ministers. *Journal of Psychology in Africa*, 21(2), 173–183.
<https://doi.org/10.1080/14330237.2011.10820446>
- Rothmann, S., & Rothmann Jr, S. (2010). Factors associated with employee engagement in South Africa. *SA Journal of Industrial Psychology*, 36(2), 12 pages.
<https://doi.org/10.4102/sajip.v36i2.925>
- Saks, A. M., & Gruman, J. A. (2011). Getting newcomers engaged: The role of socialization tactics. *Journal of Managerial Psychology*, 26(5), 383–402.
<https://doi.org/10.1108/02683941111139001>
- Saks, A. M., & Gruman, J. A. (2014). What Do We Really Know About Employee Engagement? *Human Resource Development Quarterly*, 25(2), 155–182.
<https://doi.org/10.1002/hrdq.21187>
- Schaufeli, W. B., & Bakker, A. B. (2004). Job demands, job resources, and their relationship with burnout and engagement: A multi-sample study. *Journal of Organizational Behavior*, 25(3), 293–315.
<https://doi.org/10.1002/job.248>
- Schyns, B., & Day, D. (2010). Critique and review of leader–member exchange theory: Issues of agreement, consensus, and excellence. *European Journal of Work and Organizational Psychology*, 19(1), 1–29.
<https://doi.org/10.1080/13594320903024922>
- Shrotryia, V. K., & Dhanda, U. (2019). Content Validity of Assessment

- Instrument for Employee Engagement. SAGE Open, 9(1), 215824401882175.
<https://doi.org/10.1177/2158244018821751>
- Shuck, B., Reio, T. G., & Rocco, T. S. (2011). Employee engagement: An examination of antecedent and outcome variables. Human Resource Development International, 14(4), 427–445.
<https://doi.org/10.1080/13678868.2011.601587>
- Shuck, B., & Wollard, K. (2010). Employee Engagement and HRD: A Seminal Review of the Foundations. Human Resource Development Review, 9(1), 89–110.
<https://doi.org/10.1177/1534484309353560>
- Sun, L., & Bunchapattanasakda, C. (2019). Employee Engagement: A Literature Review. International Journal of Human Resource Studies, 9(1), 63.
<https://doi.org/10.5296/ijhrs.v9i1.14167>
- V. T. Shailashri et al., V. T. S. ... TJPRC. (2018). Employee Engagement in the Insurance Sector in Mangalore City of Dakshina Kannada. International Journal of Human Resource Management and Research, 8(4), 35–40.
<https://doi.org/10.24247/ijhrmraug20183>
- Welch, M. (2011). The evolution of the employee engagement concept: Communication implications. Corporate Communications: An International Journal, 16(4), 328–346.
<https://doi.org/10.1108/1356328111186968>
- You, J., Kim, S., Kim, K., Cho, A., & Chang, W. (2021). Conceptualizing meaningful work and its implications for HRD. European Journal of Training and Development, 45(1), 36–52.
<https://doi.org/10.1108/EJTD-01-2020-0005>