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The Impact of Employee Development and Workplace Engagement on Organizational Performance

Wahyuni Eka Putri[1], Ade Apriani Syarif[1]

[1]Universitas Hasanuddin

*Corresponding Author: Wahyuni Eka Putri

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Abstract

This study examines the impact of employee development and workplace engagement on organizational performance. In an increasingly competitive and dynamic organizational environment, employees' competencies and psychological involvement are important factors that can influence the achievement of organizational objectives. The study adopts a quantitative explanatory research design to investigate the relationships between employee development, workplace engagement, and organizational performance. Data are collected using a structured questionnaire distributed to employees, with the research variables measured using a five-point Likert scale. Employee development and workplace engagement are treated as independent variables, while organizational performance is the dependent variable. The collected data are analyzed using descriptive statistics, validity and reliability tests, classical assumption tests, multiple linear regression, t-tests, F-test, and the coefficient of determination. Based on the illustrative statistical results, employee development has a positive and statistically significant effect on organizational performance, while workplace engagement also has a positive and statistically significant effect on organizational performance. Furthermore, employee development and workplace engagement simultaneously demonstrate a significant effect on organizational performance, with the regression model explaining a substantial proportion of the variance in organizational performance. The findings suggest that organizations can improve performance by investing in employees' knowledge, skills, and career development while simultaneously creating a work environment that encourages energy, dedication, and active involvement. The study highlights the importance of integrating employee development and workplace engagement into organizational human resource strategies to support sustainable organizational performance.

Introduction

Organizations operate in an increasingly dynamic environment characterized by technological development, changing customer expectations, global competition, and continuous changes in work. In such an environment, organizational performance has become an important indicator of whether an organization is able to achieve its strategic objectives, maintain competitiveness, and sustain its long-term development. Organizational performance is not determined solely by financial resources, technology, or physical infrastructure; rather, the knowledge, skills, attitudes, and behaviors of employees are also important organizational resources. Consequently, organizations are increasingly required to develop human resource practices that can strengthen employee capabilities while encouraging employees to become actively involved in their work. Research has consistently demonstrated that human resource practices can contribute to organizational outcomes by influencing employee performance, attitudes, and behaviors (Fawehinmi et al., 2024). In this context, employee development and workplace engagement represent two important factors that may contribute to improved organizational performance.

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Employee development refers broadly to organizational efforts intended to improve employees' knowledge, skills, competencies, career capabilities, and potential through activities such as training, learning opportunities, career development, coaching, mentoring, and performance feedback. The importance of employee development has increased as organizations recognize that employees must continuously acquire new competencies to respond to changing work requirements. Employee development is therefore not simply an administrative human resource activity but can function as an investment in organizational capability. Previous research has found that human resource development practices are associated with improved employee performance and organizational effectiveness (Al-Tit et al., 2022). Similarly, training and development strategies have been found to have significant effects on both employee and organizational performance, suggesting that investment in employees can generate benefits beyond individual skill improvement (Mustafaa & Lleshia, 2024). Evidence from higher education institutions has also identified training and development as an important determinant of organizational performance (Ullah, 2023).

The potential contribution of employee development to organizational performance can be understood through the way development opportunities influence employees' capabilities and behaviors. When employees receive appropriate training and opportunities to develop their competencies, they may become better prepared to perform their responsibilities, solve work-related problems, adapt to organizational changes, and contribute to organizational objectives. Training and development have also been associated with organizational learning capabilities, which can strengthen the relationship between employee development and organizational performance (Hussain et al., 2023). Research conducted in university libraries in Sri Lanka similarly found that training and development programs had a positive impact on organizational performance (Shanmugathasan & Thirunavukkarasu, 2024). These findings indicate that development initiatives may provide organizations with a mechanism for transforming individual learning into broader organizational outcomes.

Employee development may also influence performance through employees' attitudes toward their work and their organization. Development opportunities can signal that an organization values its employees and is willing to invest in their future. Such perceptions may encourage employees to respond with greater motivation, commitment, and involvement in their work. Recent evidence indicates that training and development are positively associated with employee engagement, satisfaction, and retention (Bhakuni, 2023). Furthermore, research examining the relationship between training and development and organizational performance has identified employee engagement as one of the mechanisms through which development practices can contribute to organizational outcomes (Otoo & Rather, 2024). Thus, employee development should not be viewed only as a process of increasing employee knowledge; it may also contribute to the psychological and behavioral conditions required for employees to perform effectively.

Alongside employee development, workplace engagement has become an increasingly important concern for organizations seeking to improve performance. Workplace engagement generally reflects the degree to which employees are psychologically and behaviorally involved in their work. Engaged employees tend to demonstrate energy, dedication, enthusiasm, and concentration in carrying out their responsibilities. Engagement is therefore relevant to organizational performance because employees who are more engaged may be more willing to invest effort, persist when facing difficulties, and contribute beyond minimum job requirements. A meta-analysis involving a large body of empirical research found a positive relationship between work engagement and job performance, with the overall relationship remaining significant across a wide range of organizational studies (Corbeanu & Iliescu, 2023).

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Method

Research Design

This study employs a quantitative research approach using an explanatory research design. The quantitative approach is appropriate because the study aims to measure the relationships between employee development, workplace engagement, and organizational performance using numerical data obtained from respondents. The explanatory design is selected because the study seeks to examine whether employee development and workplace engagement have significant effects on organizational performance. Rather than merely describing the characteristics of employees or organizations, this research attempts to explain the extent to which changes in the independent variables are associated with changes in the dependent variable. The study therefore positions employee development and workplace engagement as independent variables and organizational performance as the dependent variable. The research is conducted using a cross-sectional design, in which data are collected from respondents during a particular period. This design enables the researcher to obtain empirical evidence regarding employees' perceptions of development opportunities, engagement in the workplace, and organizational performance within the selected organizational context.

Population and Sample

The population of this study consists of employees working in the organization selected as the research setting. The target population includes employees who have sufficient experience and knowledge of their work environment to provide meaningful assessments of employee development practices, workplace engagement, and organizational performance. The population should be clearly defined according to the organizational setting, employment status, and other relevant characteristics established by the researcher. Employees who have worked for the organization for a minimum period, such as six months, may be included because they are expected to have adequate experience with organizational policies, development opportunities, workplace conditions, and performance expectations. Employees who are temporary workers, interns, or individuals who have not yet completed the minimum employment period may be excluded because their exposure to organizational practices may be insufficient for the purposes of the study. The final sample size should be determined based on the total accessible population and the statistical requirements of the analysis. An adequate sample is necessary to ensure that the statistical analysis has sufficient power to detect meaningful relationships among the variables.

Sampling Technique

This study uses a probability sampling technique when a complete employee population list is available. Specifically, simple random sampling can be employed to provide each eligible employee with an equal probability of being selected as a respondent. The use of simple random sampling is appropriate when employees are relatively homogeneous with respect to the characteristics relevant to the study and when the researcher has access to an employee sampling frame. If the organization consists of substantially different departments, positions, or employment groups, proportionate stratified random sampling may be considered to ensure that important employee groups are adequately represented in the sample. The selection of the most appropriate sampling procedure should therefore reflect the actual organizational structure and accessibility of the population. The researcher should document the number of eligible employees, the sampling frame used, the sample-size determination procedure, and the final number of valid questionnaires obtained to ensure transparency and reproducibility.

Research Variables

This study consists of two independent variables and one dependent variable. Employee development is designated as the first independent variable (X1), while workplace engagement is designated as the second independent variable (X2). Organizational performance is designated

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as the dependent variable (Y). The independent variables represent factors that are expected to contribute to organizational performance, whereas organizational performance represents the organizational outcome examined in the study. The conceptualization of each variable is based on established empirical research and should be operationalized into measurable indicators that can be assessed through questionnaire items. The use of clearly defined indicators is important because broad concepts such as employee development and workplace engagement cannot be measured directly without translating them into observable dimensions.

Operational Definition of Employee Development

Employee development refers to the extent to which an organization provides employees with opportunities and resources to improve their knowledge, skills, competencies, career capabilities, and professional growth. In this study, employee development is operationalized through several dimensions, including access to training and learning opportunities, career development opportunities, coaching and mentoring, performance feedback, and opportunities to acquire new competencies. These dimensions reflect the extent to which employees perceive that the organization actively supports their professional and personal development. Employee development is measured using statements that ask respondents to evaluate the availability, relevance, accessibility, and perceived usefulness of developmental opportunities provided by the organization. A higher score indicates that employees perceive a stronger organizational commitment to their development.

Operational Definition of Workplace Engagement

Workplace engagement refers to the degree to which employees are psychologically, emotionally, and behaviorally involved in their work. In this study, workplace engagement is operationalized through dimensions reflecting employees' energy, dedication, enthusiasm, concentration, and willingness to invest effort in their work. Engaged employees are expected to demonstrate enthusiasm toward their responsibilities, persistence when facing challenges, and a strong sense of involvement in their daily activities. The variable is measured through questionnaire statements designed to capture respondents' perceptions of their level of energy, dedication, absorption, and involvement in their work. A higher score represents a higher level of workplace engagement. The measurement items should be adapted from an established and validated engagement scale to ensure that the construct is measured consistently with previous empirical research.

Operational Definition of Organizational Performance

Organizational performance refers to the extent to which an organization is able to achieve its intended goals and objectives effectively and efficiently. Because organizational performance is a multidimensional construct, this study assesses it through indicators that may include the achievement of organizational objectives, productivity, quality of work, efficiency, effectiveness, service or output quality, and the organization's ability to meet expected performance standards. Where access to objective organizational records is limited, employee perceptions can be used to assess organizational performance through appropriately worded perceptual measures. Respondents are asked to evaluate the extent to which their organization achieves its objectives and maintains effective performance. A higher score indicates a higher perceived level of organizational performance.

Research Instrument

The primary instrument used for data collection is a structured questionnaire. The questionnaire is developed based on established measurement instruments from previous empirical studies and is adapted to the organizational context of the present research. The questionnaire consists of two main sections. The first section collects respondents' demographic and employment characteristics, such as age, gender, educational background, length of employment, and organizational position, where these characteristics are relevant to the research objectives. The

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second section contains statements measuring employee development, workplace engagement, and organizational performance. Respondents are asked to indicate their level of agreement with each statement using a five-point Likert scale ranging from 1, representing "strongly disagree," to 5, representing "strongly agree." The use of a standardized response scale allows perceptions to be quantified and facilitates statistical comparison and hypothesis testing.

Instrument Development and Pilot Testing

Before the questionnaire is distributed to the main sample, the instrument should be reviewed to ensure that the wording of each item is clear, relevant, and appropriate for the target respondents. Where necessary, the questionnaire should be translated into the respondents' primary language using a careful translation and review process to minimize differences in meaning. A pilot test should subsequently be conducted with a small group of respondents who possess characteristics like those of the target population, but who are not included in the final sample. The pilot test is intended to identify ambiguous questions, inappropriate wording, technical problems, and potential difficulties in completing the questionnaire. Feedback obtained during the pilot stage can be used to revise the instrument before the main data collection begins.

Validity and Reliability

The validity of the research instrument should be assessed to determine whether the questionnaire appropriately measures the intended constructs. Content validity is established by ensuring that the measurement items are derived from established literature and appropriately represent the dimensions of each variable. Expert evaluation may also be conducted to assess whether the items are relevant, clear, and suitable for the research context. Construct validity can subsequently be examined statistically using factor analysis when the sample size and research design permit. Item-level validity may also be evaluated by examining the correlation between individual items and their respective construct scores.

Reliability refers to the consistency of the measurement instrument. Internal consistency reliability should be assessed using Cronbach's alpha coefficient for each construct. A commonly accepted criterion is that a Cronbach's alpha value of 0.70 or higher indicates acceptable internal consistency, although interpretation should also consider the number of items and the nature of the construct. If an item substantially reduces the reliability of a scale and lacks conceptual importance, the researcher may consider revising or removing the item. Reliability testing should be conducted using the final set of measurement items included in the statistical analysis.

Data Collection Procedure

Data collection begins after the research instrument has been finalized and the necessary permission to conduct the study has been obtained from the relevant organization. Eligible respondents are informed about the purpose of the study and are provided with clear instructions for completing the questionnaire. Participation is voluntary, and respondents are given sufficient time to complete the instrument without pressure from supervisors or other organizational representatives. The questionnaire may be distributed electronically or in printed form depending on the accessibility of the respondents and organizational conditions. After the data collection period ends, the completed questionnaires are screened to identify incomplete responses, duplicate submissions, or response patterns that could compromise the quality of the dataset. Only questionnaires that meet the predetermined inclusion criteria are retained for subsequent statistical analysis.

Data Preparation and Screening

Before hypothesis testing, the collected data are subjected to a systematic data preparation and screening process. The researcher checks the dataset for missing values, duplicate responses, invalid entries, and inconsistencies. Responses that do not satisfy the predetermined criteria may be excluded from the final analysis. The data are then coded numerically and entered into

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statistical software for analysis. Descriptive statistics are initially generated to examine the characteristics of the respondents and the distribution of responses for each research variable. This preliminary analysis helps identify unusual patterns or potential data-quality problems before inferential statistical procedures are conducted.

Data Analysis Technique

The data are analyzed using descriptive and inferential statistical techniques. Descriptive statistics are used to summarize the characteristics of respondents and the distribution of the variables. Measures such as frequency, percentage, mean, and standard deviation are used to provide an overall description of employee development, workplace engagement, and organizational performance. Inferential analysis is then conducted to examine the proposed relationships between the independent and dependent variables. Because the study contains two independent variables and one dependent variable, multiple linear regression analysis is appropriate for determining the extent to which employee development and workplace engagement jointly and individually predict organizational performance.

The multiple regression model can be expressed as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

where Y represents organizational performance, α represents the constant, X_1 represents employee development, X_2 represents workplace engagement, β_1 and β_2 represent the regression coefficients for the independent variables, and ε represents the error term. The regression coefficients indicate the direction and magnitude of the relationship between each independent variable and organizational performance while controlling for the other independent variable. The coefficient of determination (R^2) is also examined to determine the proportion of variation in organizational performance that can be explained collectively by employee development and workplace engagement.

Classical Assumption Tests

Before multiple linear regression is interpreted, the data should be assessed against the assumptions underlying the regression model. The normality of the residuals can be examined using graphical methods such as a normal probability plot or histogram and, where appropriate, statistical tests. Multicollinearity is assessed to determine whether employee development and workplace engagement are excessively correlated with each other. Variance Inflation Factor (VIF) and tolerance values can be used for this purpose. A VIF value below commonly accepted thresholds and a tolerance value above the minimum acceptable level indicate that serious multicollinearity is unlikely. Heteroscedasticity is also assessed to determine whether the variance of residuals remains relatively constant across predicted values. These tests are important because violations of regression assumptions can affect the reliability and interpretation of the estimated coefficients.

Hypothesis Testing

The hypotheses are tested using the t-test and F-test at a predetermined significance level of 5 percent ($\alpha = 0.05$). The partial t-test is used to determine whether employee development has a statistically significant effect on organizational performance while controlling for workplace engagement. The same test is used to determine whether workplace engagement has a statistically significant effect on organizational performance while controlling for employee development. A p-value below 0.05 indicates that the corresponding independent variable has a statistically significant relationship with organizational performance. The direction of the relationship is determined from the sign of the regression coefficient.

The simultaneous F-test is used to determine whether employee development and workplace engagement collectively have a statistically significant effect on organizational performance. If the significance value of the F-test is below 0.05, the null hypothesis that the independent

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variables have no joint effect on organizational performance is rejected. The R^2 statistic is additionally reported to indicate how much variation in organizational performance can be explained by the combination of employee development and workplace engagement. Together, these analyses provide evidence regarding both the individual and collective contribution of the independent variables to organizational performance.

Result and Discussion

Inferential Statistics Results

Normality Test

A normality test was conducted to determine whether the residuals of the regression model were normally distributed. The Kolmogorov–Smirnov test was used, with a significance level of 0.05. The results are presented below.

Test	Statistic	Sig.	Decision
Kolmogorov–Smirnov	0.067	0.200	Normal

The significance value of 0.200 is greater than 0.05. Therefore, the null hypothesis that the residuals are normally distributed cannot be rejected. This indicates that the residual data meet the normality assumption and are suitable for further regression analysis.

Multicollinearity Test

The multicollinearity test was performed to determine whether there was a high correlation between the independent variables, namely Employee Development and Workplace Engagement.

Independent Variable	Tolerance	VIF	Decision
Employee Development (X1)	0.684	1.462	No multicollinearity
Workplace Engagement (X2)	0.684	1.462	No multicollinearity

The tolerance values for both independent variables are 0.684, which is above 0.10, while the VIF values are 1.462, which are well below 10.00. Therefore, there is no indication of multicollinearity between Employee Development and Workplace Engagement. This means that the two independent variables can be simultaneously included in the multiple regression model.

Heteroscedasticity Test

The heteroscedasticity test was conducted to determine whether the regression model had unequal variance among the residuals. The following table presents an illustrative Glejser test result.

Independent Variable	t	Sig.	Decision
Employee Development (X1)	0.874	0.384	No heteroscedasticity
Workplace Engagement (X2)	-1.126	0.263	No heteroscedasticity

The significance values for Employee Development and Workplace Engagement are 0.384 and 0.263, respectively. Both values are greater than 0.05. Therefore, the regression model does not show evidence of heteroscedasticity. This indicates that the residual variance is sufficiently constant, allowing the regression analysis to proceed.

Multiple Linear Regression Analysis

Multiple linear regression was conducted to examine the effect of Employee Development and Workplace Engagement on Organizational Performance. The illustrative regression results are presented below.

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Variable	B	Std. Error	Beta	t	Sig.
Constant	8.214	2.431	—	3.378	0.001
Employee Development (X1)	0.382	0.091	0.371	4.198	<0.001
Workplace Engagement (X2)	0.514	0.087	0.523	5.908	<0.001

The constant value of 8.214 indicates the estimated level of Organizational Performance when Employee Development and Workplace Engagement are assumed to be zero. The coefficient for Employee Development is 0.382, indicating that a one-unit increase in Employee Development is associated with an estimated 0.382-unit increase in Organizational Performance, assuming Workplace Engagement remains constant.

The coefficient for Workplace Engagement is 0.514, indicating that a one-unit increase in Workplace Engagement is associated with an estimated 0.514-unit increase in Organizational Performance, assuming Employee Development remains constant. Both coefficients are positive, suggesting that higher levels of Employee Development and Workplace Engagement are associated with higher Organizational Performance.

Partial Significance Test (t-Test)

The t-test was conducted to determine whether each independent variable has a significant individual effect on Organizational Performance. The significance level was set at 5% ($\alpha = 0.05$).

Hypothesis	Variable	t-value	Sig.	Result
H1	Employee Development → Organizational Performance	4.198	<0.001	Supported
H2	Workplace Engagement → Organizational Performance	5.908	<0.001	Supported

The t-value for Employee Development is 4.198, with a significance value below 0.001. Since the significance value is lower than 0.05, Employee Development has a statistically significant effect on Organizational Performance. The positive regression coefficient further indicates that the relationship is positive. Therefore, H1 is supported. Workplace Engagement has a t-value of 5.908 and a significance value below 0.001. Because the significance value is lower than 0.05, Workplace Engagement has a statistically significant positive effect on Organizational Performance. Therefore, H2 is supported. The standardized beta coefficient also suggests that Workplace Engagement ($\beta = 0.523$) has a stronger relative contribution to Organizational Performance than Employee Development ($\beta = 0.371$) in this illustrative model.

Simultaneous Significance Test (F-Test)

The F-test was conducted to determine whether Employee Development and Workplace Engagement jointly have a significant effect on Organizational Performance.

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1,842.631	2	921.316	58.742	<0.001
Residual	1,521.369	97	15.684	—	—
Total	3,364.000	99	—	—	—

The F-statistic is 58.742 with a significance value below 0.001. Since the significance value is lower than 0.05, Employee Development and Workplace Engagement jointly have a statistically significant effect on Organizational Performance. Therefore, the overall regression model is statistically significant. This result indicates that considering both independent variables simultaneously provides a meaningful explanation of variations in Organizational Performance.

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Coefficient of Determination (R^2)

The coefficient of determination was examined to determine the proportion of variation in Organizational Performance that can be explained by Employee Development and Workplace Engagement.

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.740	0.548	0.539	3.960

The R Square value of 0.548 indicates that Employee Development and Workplace Engagement collectively explain approximately 54.8% of the variation in Organizational Performance. The remaining 45.2% can be attributed to other factors that are not included in the present model, such as leadership, organizational culture, compensation, job satisfaction, work environment, organizational commitment, or other variables. The Adjusted R Square of 0.539 indicates that after adjusting for the number of predictors in the model, approximately 53.9% of the variation in Organizational Performance is explained by the two independent variables. The relatively high R^2 value suggests that the model provides a substantial level of explanatory power in this illustrative example.

Summary of Hypothesis Testing

Hypothesis	Statement	Sig.	Direction	Decision
H1	Employee Development has a significant effect on Organizational Performance.	<0.001	Positive	Supported
H2	Workplace Engagement has a significant effect on Organizational Performance.	<0.001	Positive	Supported
H3	Employee Development and Workplace Engagement simultaneously have a significant effect on Organizational Performance.	<0.001	Positive	Supported

The illustrative inferential results provide evidence that both **Employee Development** and Workplace Engagement are significant predictors of Organizational Performance. Employee Development demonstrates a positive and statistically significant effect, indicating that organizations that provide employees with opportunities for training, learning, career development, coaching, and feedback may achieve higher levels of organizational performance. Similarly, Workplace Engagement demonstrates a positive and statistically significant effect, suggesting that employees who are energetic, dedicated, and psychologically involved in their work are more likely to contribute to improved organizational outcomes.

Among the two predictors, Workplace Engagement demonstrates the larger standardized regression coefficient ($\beta = 0.523$) compared with Employee Development ($\beta = 0.371$). Based on these illustrative results, Workplace Engagement therefore appears to be the stronger predictor of Organizational Performance. However, this does not mean that Employee Development is unimportant. Rather, both variables make significant independent contributions to organizational performance.

The simultaneous F-test further demonstrates that the two independent variables collectively provide a statistically significant explanation of Organizational Performance. With an illustrative R^2 of 0.548, the model explains 54.8% of the variance in Organizational Performance, while 45.2% remains unexplained by the variables included in the model. This suggests that other organizational and employee-related factors may also contribute to performance and could be investigated in future research.

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Important: These numbers are hypothetical examples, not actual findings. If you later provide your SPSS/SmartPLS output (or your actual sample size and raw results), these tables and interpretations should be replaced with your real statistics rather than presented as empirical findings.

Discussion

The Effect of Employee Development on Organizational Performance

The findings indicate that employee development has a positive and statistically significant effect on organizational performance. Based on the illustrative regression results, employee development has a positive regression coefficient of 0.382, with a t-value of 4.198 and a significance value below 0.001. This finding indicates that employees who perceive greater opportunities for training, learning, career development, coaching, mentoring, and feedback are more likely to perceive higher levels of organizational performance. The result supports the first hypothesis, which proposes that employee development significantly influences organizational performance.

The positive relationship can be explained by the role of employee development in strengthening employees' knowledge, skills, and capabilities. Organizations operate in environments in which employees are increasingly expected to adapt to technological changes, changing customer demands, and evolving work processes. When employees receive appropriate developmental opportunities, they are more likely to acquire competencies that enable them to perform their responsibilities more effectively. Employee development can therefore improve the quality and efficiency of work while reducing capability gaps that may negatively affect organizational outcomes. Previous research has similarly demonstrated that training and development practices can contribute to employee and organizational performance by improving employee capabilities and supporting organizational effectiveness (Kaur et al., 2018; Handayani et al., 2021).

The finding also suggests that employee development should not be regarded merely as an administrative activity conducted by the human resource department. Rather, development can represent a strategic investment in organizational human capital. When employees are given opportunities to improve their competencies, the organization benefits from a workforce that is better prepared to respond to operational challenges and changing business requirements. Hussain et al. (2023) found that training and development can contribute to organizational learning capabilities, which subsequently support organizational performance. This reinforces the argument that employee development may produce organizational benefits by transforming individual learning into improved organizational capabilities.

Another possible explanation is that development opportunities can strengthen employees' perceptions that the organization values their contribution and future potential. Employees who perceive that their organization is willing to invest in their development may be more motivated to reciprocate through stronger performance and greater involvement in organizational activities. Development opportunities may also improve employees' confidence in performing their responsibilities because employees have greater access to knowledge and resources needed to deal with work demands. Thus, the influence of employee development on organizational performance may extend beyond technical skill improvement and include motivational and behavioral mechanisms.

The finding is also consistent with research demonstrating that training and development can contribute to employee engagement and other positive employee outcomes. Kaliannan et al. (2024) emphasized the importance of development opportunities for employee engagement, satisfaction, and retention. When employees perceive that they have opportunities to grow within an organization, they may develop a stronger willingness to invest effort in their work. Consequently, employee development may contribute to organizational performance both

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directly through improved competencies and indirectly through improved employee attitudes and behaviors.

From a managerial perspective, the result suggests that organizations should provide development programs that are relevant to employees' actual work requirements. Training programs should not be implemented simply because they are organizationally convenient; instead, development activities should be aligned with competency gaps, job requirements, organizational objectives, and future strategic needs. Career development, mentoring, coaching, regular performance feedback, and opportunities for continuous learning can complement formal training programs. Such practices may enable organizations to transform employee development expenditure into sustainable improvements in organizational performance.

The Effect of Workplace Engagement on Organizational Performance

The second major finding demonstrates that workplace engagement has a positive and statistically significant effect on organizational performance. The illustrative regression coefficient for workplace engagement is 0.514, with a t-value of 5.908 and a significance value below 0.001. This result supports the second hypothesis and indicates that employees who demonstrate higher levels of energy, dedication, enthusiasm, and involvement in their work tend to be associated with higher organizational performance.

The finding is consistent with the argument that engaged employees are more likely to invest substantial physical, cognitive, and emotional resources in their work. Employees who are genuinely engaged are not merely present at work; they are psychologically involved in what they do and are more likely to demonstrate persistence when facing difficulties. This greater level of involvement can translate into higher productivity, better quality of work, stronger customer service, and greater willingness to contribute to organizational objectives. A meta-analysis by Corbeanu and Iliescu (2023) found a positive relationship between work engagement and job performance, while Neuber et al. (2022) similarly reported a positive relationship between work engagement and task performance.

The strength of the relationship observed in the illustrative results is particularly noteworthy. Workplace engagement has a standardized beta coefficient of 0.523, compared with 0.371 for employee development. This suggests that workplace engagement may be the stronger predictor of organizational performance within the proposed model. The finding does not imply that employee development is less valuable; rather, it suggests that employees' willingness and psychological readiness to invest effort in their work may have a particularly important connection with organizational outcomes.

One explanation for this finding is that organizational resources can produce meaningful outcomes only when employees actively use those resources in their work. An organization may provide employees with sophisticated technology, training, and development programs, but these investments may not generate their full potential if employees are disengaged. Engaged employees, by contrast, may be more willing to apply their knowledge and skills, solve problems, cooperate with colleagues, and pursue organizational objectives. In this sense, engagement may represent an important mechanism through which organizational resources are converted into actual performance.

The finding also supports the broader view that employee engagement is not simply an issue of employee well-being. Although engagement is closely associated with employees' psychological experiences at work, its consequences extend to organizational outcomes. Borst et al. (2020) demonstrated the relevance of work engagement to employee behaviors and performance across different organizational sectors. Therefore, organizations seeking to improve performance should consider engagement as a strategic organizational concern rather than treating it solely as an individual employee characteristic.

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To strengthen workplace engagement, organizations should pay attention to factors that influence employees' daily work experiences. Clear responsibilities, supportive leadership, recognition, meaningful work, opportunities for development, appropriate workload, autonomy, and positive interpersonal relationships can contribute to a working environment in which employees are more likely to become engaged. Mazzetti et al. (2023) found that job and organizational resources are important factors associated with work engagement, further supporting the importance of creating supportive working conditions.

The Joint Effect of Employee Development and Workplace Engagement on Organizational Performance

The third finding demonstrates that employee development and workplace engagement jointly have a significant effect on organizational performance. The illustrative F-test produces an F-value of 58.742 with a significance value below 0.001. Therefore, the overall regression model is statistically significant, supporting the third hypothesis. The finding indicates that employee development and workplace engagement should not necessarily be considered isolated organizational factors. Rather, both may contribute simultaneously to the achievement of organizational performance.

The R^2 value of 0.548 indicates that employee development and workplace engagement jointly explain approximately 54.8% of the variance in organizational performance in the illustrative model. This represents a meaningful proportion of explained variance and suggests that the combination of employee capability development and psychological involvement in work provides substantial explanatory power. At the same time, 45.2% of the variation in organizational performance remains attributable to other factors not included in the model. This is important because organizational performance is a complex outcome that is unlikely to be determined by only two variables.

The combined finding can be interpreted through a capability-and-motivation perspective. Employee development primarily strengthens employees' capabilities by providing opportunities to acquire knowledge and skills, whereas workplace engagement reflects employees' willingness and psychological readiness to invest those capabilities in their work. Having capable employees may not be sufficient if those employees lack motivation or involvement. Conversely, highly engaged employees may not be able to achieve optimal performance if they do not possess the competencies required to perform their jobs effectively. The combination of development and engagement can therefore create a more favorable environment for organizational performance.

This interpretation is consistent with empirical evidence indicating that training and development can influence engagement and performance simultaneously. Alam et al. (2023) found that employee engagement can play an important role in the relationship between training and development and organizational performance. Similarly, Islam et al. (2024) reported relationships among training and development, employee engagement, and employee performance. These findings suggest that organizations may obtain greater benefits when they combine developmental initiatives with practices designed to encourage employees' active involvement in their work.

The finding also has implications for the strategic management of human resources. Organizations should avoid implementing employee development and engagement initiatives as separate programs without considering their potential interaction. For example, providing training without creating opportunities for employees to apply newly acquired skills may reduce the practical value of the training. Similarly, attempts to increase engagement without providing employees with adequate competencies and career opportunities may not produce sustainable improvements in performance. An integrated approach that combines learning, career development, supportive management, recognition, meaningful work, and employee involvement may therefore be more effective.

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Relative Contribution of Employee Development and Workplace Engagement

The regression results indicate that workplace engagement has a higher standardized beta coefficient than employee development. Workplace engagement has a standardized coefficient of 0.523, while employee development has a coefficient of 0.371. Within the illustrative model, this indicates that workplace engagement has the stronger relative association with organizational performance when both variables are considered simultaneously.

This result may be explained by the more immediate relationship between employee engagement and daily work behavior. Employee development can increase employees' capabilities, but engagement determines, at least partly, the extent to which employees are psychologically prepared to apply those capabilities in their work. Engaged employees are more likely to demonstrate persistence, enthusiasm, concentration, and discretionary effort. These behaviors have direct implications for daily productivity and organizational outcomes. Therefore, it is reasonable that engagement may demonstrate a relatively stronger statistical relationship with organizational performance.

Nevertheless, the difference in standardized coefficients should not be interpreted as evidence that organizations should prioritize engagement while neglecting development. Employee development may provide the foundation upon which engagement and performance can be built. Development opportunities can improve employees' confidence, career prospects, and perceptions of organizational support, all of which may contribute to stronger engagement. Thus, the two variables can be viewed as complementary rather than competing determinants of performance.

Conclusion

This study concludes that employee development and workplace engagement play important roles in improving organizational performance. The findings indicate that employee development has a positive and significant effect on organizational performance, suggesting that providing employees with training, learning opportunities, career development, coaching, and constructive feedback can strengthen their capabilities and contribute to better organizational outcomes. Workplace engagement also has a positive and significant effect on organizational performance, indicating that employees who demonstrate greater energy, dedication, enthusiasm, and involvement in their work are more likely to contribute positively to organizational objectives. Furthermore, employee development and workplace engagement simultaneously have a significant effect on organizational performance, demonstrating that organizations can achieve stronger performance by developing employee capabilities while also creating a supportive work environment that encourages employees to remain engaged. Overall, the findings emphasize that sustainable organizational performance depends not only on organizational resources and strategies but also on the continuous development and active engagement of employees.

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