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The impact of HR Practices on Organization Citizenship Behavior and Employee Engagement: Mediating Role of Psychological Empowerment

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Purpose: This study aims to investigate the influence of HR practices on Organizational Citizenship Behavior (OCB) and Employee Engagement (EE) in the banking sector of Gujranwala. It introduces Psychological Empowerment as a mediating factor, an unexplored combination in prior research.

Design/Methodology/Approach: Data for this study were collected through 500 questionnaires distributed to individual banking employees in Gujranwala. A total of 450 responses were received and analyzed. Correlation analysis was conducted to examine the relationships among HR practices, Psychological Empowerment, OCB, and EE. Stepwise multiple regression analysis was employed to reveal the direct impact of HR practices on OCB and EE, with Psychological Empowerment as a mediator.

Findings: The results confirm significant relationships among HR practices, Psychological Empowerment, OCB, and EE. The regression analysis unveiled HR practices' direct impact on OCB and EE, while Psychological Empowerment emerged as a significant mediator, altering the results significantly for banking employees. Psychological Empowerment was found to be a partially significant mediator in HR-OCB, HR-EE, HR-PE, HR-PE-OCB, and HR-PE-EE relationships.

Originality/Value: This study makes a distinct contribution by offering a holistic examination of HR practices, Psychological Empowerment, OCB, and EE dynamics in Gujranwala's banking sector. It sheds light on the interplay between these factors, providing valuable insights for both academia and practitioners in the field of human resource management.

Keywords: Human Resource Practices (HRP), Psychological Empowerment (PE), Organizational Citizenship Behavior (OCB), Employee Engagement (EE)

1. Introduction

Human Resources (HR) professionals often assert that happy employees are productive and valuable assets to an organization. Extensive research has explored variables such as job performance, satisfaction, appraisal, OCB, psychological empowerment, and employee

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engagement, establishing their impact on organizational performance (Vermeeren et al., 2014). HR practices, encompassing job production, employee engagement, and extra role performance, are linked to high organizational performance, low turnover, and job satisfaction (Tran, 2017)

Employees, especially those in critical roles, play a key role during economic recoveries, where firms fiercely compete for market share and talent (Nickson et al., 2008). The measurement of HR's impact on organizational effectiveness gained prominence in the 1980s, with HR metrics evolving as a competitive indicator (Rajimehr et al., 2009). Strategic HR practices, aligned with business goals, are instrumental in achieving a competitive advantage (Huselid, 1995).

Key Performance Indicators (KPIs) serve as quantified measures of organizational performance in specific business areas, aiding in understanding and improving overall performance (Lockwood, 2006). HR practices, by maximizing human assets' contribution, play a pivotal role in achieving organizational goals (Huselid, 1995). In the current scenario of Pakistani organizations, a lack of OCB and employee engagement prompts the exploration of factors contributing to enhanced extra role performance, particularly in the banking sector (Khan et al., 2013)

This study focuses on to investigate how HR practices impact Employee Engagement and OCB, with a specific focus on the mediating role played by Psychological Empowerment in the evolving banking sector of Pakistan.

In the competitive global landscape, organizations strive to measure their performance effectively. Human capital emerges as a competitive gain, making the results of this study valuable for managers, HR professionals, and supervisors. Given the complexity of HR practices in a rapidly changing environment and the growth of new financial institutions, effective HRP implementation becomes crucial. The study underscores the significance of HR practices in managing human resources for achieving a competitive edge. The banking sector, experiencing rapid growth, faces challenges in managing a diverse range of products, requiring effective employee management, training, and motivation (Abubakar & Sanda, 2024). This study emphasizes the importance of strategic HR practices to impact organizational performance, productivity, profitability, goodwill, and market share. Effective HR practices are essential for engaging employees in both formal and extra role activities, ensuring organizational success in a dynamic market.

2. Literature Review

2.1.HR Practices

HR Practices are considered strategic investments in human capital, affording organizations a competitive advantage(Li et al., 2024). These practices contribute to organizational competencies by emphasizing development and utilization (Lado & Wilson, 1994). HRP involves decisions related to people, highlighting alignment and commitment (Shahnawaz et al.,2006). HRP integrates workforce planning with organizational goals and

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objectives. Effective HRP fosters a culture of continuous improvement and adaptability. Strategic HR practices enhance employee engagement and retention rates (Jin et al., 2022).

2.1.1. Recruitment and Selection Practices

Recruitment practices impact commitment and Organizational Citizenship Behavior (OCB), resolving issues related to employee staffing (Nickson et al., 2008). Recruitment practices play a crucial role in shaping employee attitudes and behaviors. Effective recruitment strategies align organizational values with candidate expectations. A well-designed recruitment process enhances organizational culture and fosters employee engagement (Nickson et al., 2008).

2.1.2. Training Practices

Training and development practices positively relate to organizational support, fostering OCB and organizational commitment (Ali Chughtai & Zafar, 2006). Training and development initiatives enhance employee skills and competencies, contributing to organizational effectiveness. Investments in employee training signal a commitment to individual growth and career advancement. A culture of learning and development promotes innovation and adaptability within the organization (Hobfoll, 2004).

2.1.3. Compensation Management Practices

A well-balanced reward system considers both short-term performance outcomes and long-term career growth. Effective reward systems, integral to business, enhance loyalty, job performance, and encourage OCB (Li et al., 2024). Furthermore, personalized recognition programs acknowledge individual contributions and boost morale. Non-monetary incentives, such as flexible work arrangements or professional development opportunities, complement monetary rewards (Samnani & Singh, 2014).

2.1.4. Employee Performance Evaluation (EPE) Practices

Performance appraisal systems, while administratively costly, are popular tools to improve employee commitment and productivity (Nwakamma et al., 2024; Searle et al., 2024). Performance appraisal systems provide valuable feedback for employee development and goal setting. Regular performance evaluations facilitate communication between employees and managers, fostering a culture of transparency. An effective performance appraisal process aligns individual goals with organizational objectives, driving performance and innovation (Nwakamma et al., 2024).

2.1.5. Promotion Practices

Promotion practices based on meritocracy encourage employee motivation and commitment. Transparent promotion criteria enhance trust and credibility within the organization. Opportunities for career advancement through fair promotion processes increase employee satisfaction and retention. Operative promotion practices contribute to fairness, justice,

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and organizational success, promoting OCB and employee engagement (Katou & Budhwar, 2007).

2.1.6. Involvement Practices

Employee involvement in decision-making processes fosters a direct association between employees and the organization, impacting OCB (Organ, 1988). Furthermore, involving employees in decision-making enhances their understanding of organizational goals and strategies. Empowerment through decision-making autonomy strengthens employee morale and confidence in their abilities. A culture of inclusive decision-making fosters trust and mutual respect between management and employees (A. A. Ashraf, 2016).

2.1.7. Communication / Information Sharing Practices

Clear communication enhances loyalty and OCB, showing relationships with organizational commitment, job satisfaction, and teamwork (Tye-Williams & Krone, 2015). Regular feedback mechanisms ensure continuous improvement and adaptation within the organization. Encouraging two-way communication empowers employees to voice their concerns and ideas, fostering a culture of innovation. Effective communication practices strengthen organizational culture and reinforce shared values among employees.

2.1.8. Work-life Policies

Flexible work-life policies support a better work-life balance, increasing job satisfaction and overall well-being. Empowering employees with autonomy over their schedules fosters a sense of trust and responsibility. Flexible policies accommodate diverse needs and preferences, enhancing employee motivation and productivity. Flexible work-life policies positively relate to employee engagement, reducing stress and promoting OCB (Berthelsen et al., 2011).

2.2. Organizational Citizenship Behavior (OCB)

OCB reflects the willingness of employees to go above and beyond their job descriptions, demonstrating commitment to the organization. These behaviors include acts of kindness, helping others, and participating in organizational initiatives. OCB contributes to a positive organizational culture by fostering collaboration, teamwork, and mutual support among employees. OCB encompasses informal, voluntary behaviors beyond normal expectations, contributing to organizational success (Verdasca, 2015).

2.3. Psychological Empowerment:

Rewards, job security, and quality of work life contribute to Psychological Empowerment (Morgan et al., 2007). Psychological empowerment arises from a combination of intrinsic and extrinsic factors within the work environment. Empowering employees through rewards, job security, and a supportive work environment enhances their sense of control and competence (Nunnally, 1978).

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2.4. Employee Engagement:

Employee engagement involves individuals' emotional, cognitive, and physical connection to work, driven by psychological meaningfulness, availability, and safety (F. Ashraf & Khan, 2014). High levels of employee engagement correlate with increased productivity, innovation, and organizational performance. Creating a work environment that promotes psychological meaningfulness, availability, and safety fosters a culture of engagement and commitment. Based on the literature review following hypotheses are developed (Soane et al., 2012).

2.5. Psychological Empowerment and EE

A study involving 715 employees in Nigeria's banking and pharmaceutical sectors Ugwu et al. (2014) provided evidence that Psychological Empowerment serves as a predictor of Employee Engagement.

2.6. Psychological Empowerment (PE) and OCB

Consistent research findings consistently affirm a positive correlation between Psychological Empowerment (PE) and Organization Citizenship Behavior. Those experiencing psychological empowerment often display positive emotional states in their work, leading to heightened motivation and Organization Citizenship Behavior (Peng et al., 2016).

2.7. PE as a Mediator between HR Practices, Employee engagement and OCB

Existing research consistently supports a correlation between psychological empowerment and Human Resource Practices (HRP) Kiritchenko et al. (2014), employee engagement (EE) and psychological empowerment (PE), as well as Organization Citizenship Behavior (OCB) and PE. The anticipated outcome of an augmented PE among employees is a positive impact on their perception of HRP practices, thereby influencing both OCB and employee engagement (A. A. Ashraf et al., 2014; Javed et al., 2022).

H1: HRP Practices (HRP) positively link with Organizational Citizenship Behavior (OCB).

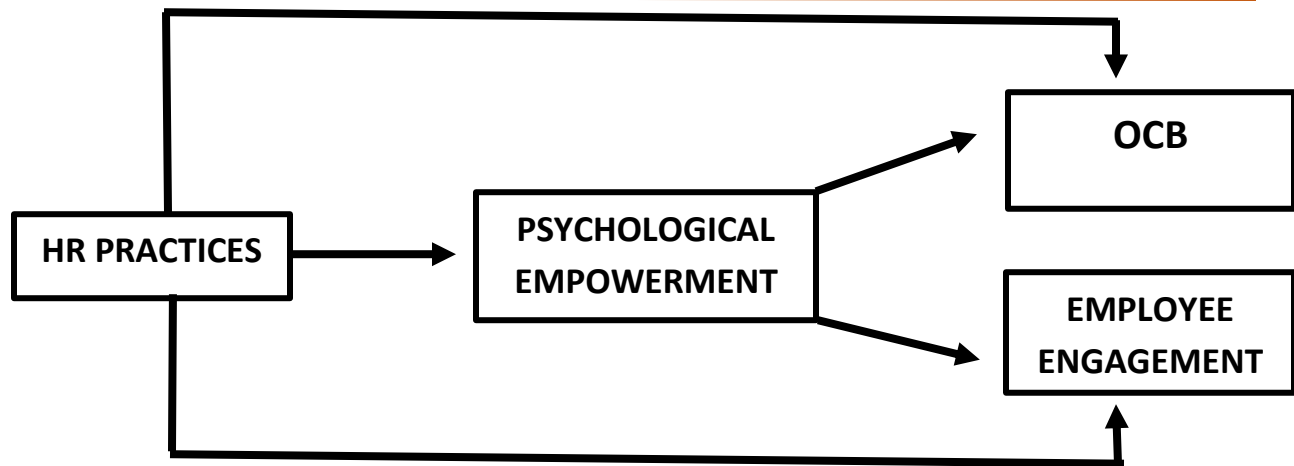
H2: HRP Practices (HRP) positively link with Employee Engagement (EE).

H3: Psychological Empowerment is positively associated with Organizational Citizenship Behavior (OCB).

H4: Psychological Empowerment (PE) positively links with Employee Engagement (EE).

H5: HRP Practices (HRP) positively link with Psychological Empowerment (PE).

H6: HRP Practices (HRP) positively link with OCB under the mediation of Psychological Empowerment (PE)

**Figure 1: Theoretical Model**

3. Methodology

The research design refers to the organization of data collection and analysis settings, strategically aligned with the research objective. In this study, an exploratory and hypothesis-driven research design is employed. Individual banking employees are the units of analysis, as the study examines individual behavior (OCB), employee engagement, and organizational-level HRP practices, with Psychological Empowerment as a mediating variable. Quantitative methods, involving the completion of questionnaires by respondents, are employed to collect data. The survey questionnaire is structured with sections covering demographics, OCB, HRP practices, Psychological Empowerment, and Work Engagement. The target population is banking employees in private banks in Punjab, Pakistan. Individuals (employees in private and public banks) are the sampling unit for this research. Non-probability convenient sampling is used due to the study's focus on specific conditions, limited time, and the need for quick information.

3.1. Instrumentation

A Likert-type five-point scale is used for questionnaire items. Sections are on demographics, OCB, EE, Psychological Empowerment, and HRP practices. The HRP practices scale, covering training, recruitment, compensation, performance evaluation, promotion, involvement, communication, and work-life policies, is based on (Tessema Mussie Teclemichael & Soeters Joseph L, 2006). Cronbach's alpha values range from .73 to .82. Moreover, OCB is measured based on Woodruff (2024) dimensions. Alpha coefficient values for each dimension range from .66 to .94. Employee Engagement Scale is a 9-item scale developed by Soane et al. (2012) is used to measure Employee Engagement (EE). Moreover, a 9-item scale developed by Uner & Turan (2010) is used to measure Employee Engagement (EE).

The items are derived from given references.

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Table 1: Scales and Sources

| Description of variable | Source/ adapted | No of items | Reliability |
|-------------------------------------|---|-------------|-------------|
| HRP Practices | Tessema Mussie Teclemichael & Soeters Joseph L (2006) | 24 | 0.72 |
| Psychological empowerment | Uner & Turan (2010) | 12 | 0.89 |
| Organizational Citizenship Behavior | Woodruff (2024) | 16 | 0.92 |
| Employee Engagement | Soane et al. (2012) | 9 | .804 |

4. Results

The analysis unveils significant correlations among HR practices, Psychological Empowerment, OCB, and EE in Gujranwala's banking sector. HR practices directly impact OCB and EE, while Psychological Empowerment emerges as a significant mediator, reshaping outcomes for banking employees. These findings provide valuable insights into the dynamics of organizational behavior and human resource management in the banking sector, offering implications for both theory and practice.

Table 2: Descriptive Statistics

| | N | Minimum | Maximum | Mean | Std. Deviation | Skewness | Std. Error | Kurtosis | Std. Error |
|---------|-----|---------|---------|--------|----------------|----------|------------|----------|------------|
| PE | 450 | 2.00 | 4.90 | 3.8491 | .54871 | -.218 | .115 | -.157 | .230 |
| EE | 450 | 1.89 | 5.00 | 3.8783 | .58862 | -.293 | .115 | -.211 | .230 |
| HRP | 450 | 1.67 | 5.00 | 3.9363 | .68652 | -.458 | .115 | -.375 | .230 |
| OCB | 450 | 1.93 | 4.60 | 3.5599 | .47525 | .012 | .115 | -.321 | .230 |
| Valid N | 450 | | | | | | | | |

4.1. Co relational Analyses

Positive correlations between HR Practices and OCB, Employee Engagement (EE), and Psychological Empowerment (PE) are observed. This implies that the implementation of HRP

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practices by professionals is associated with an increase in occurrences of citizenship behavior and work engagement. Furthermore, Psychological Empowerment serves as a motivating factor, encouraging employees to display citizenship behavior and actively engage in their work.

Table 3: Correlations

| | | PE | EE | HRP | OCB |
|-----|---------------------|--------|--------|--------|--------|
| PE | Pearson Correlation | 1 | .822** | .633** | .739** |
| | Sig. (2-tailed) | | .000 | .000 | .000 |
| | N | 450 | 450 | 450 | 450 |
| EE | Pearson Correlation | .822** | 1 | .906** | .773** |
| | Sig. (2-tailed) | .000 | | .000 | .000 |
| | N | 450 | 450 | 450 | 450 |
| HRP | Pearson Correlation | .633** | .906** | 1 | .694** |
| | Sig. (2-tailed) | .000 | .000 | | .000 |
| | N | 450 | 450 | 450 | 450 |
| OCB | Pearson Correlation | .739** | .773** | .694** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 | |
| | N | 450 | 450 | 450 | 450 |

** . Correlation is significant at the 0.01 level (2-tailed).

It is crucial to note that in datasets with substantial power, the significance of correlations may have implications, as large samples could uncover differences that lack practical significance. In this regard, it is prudent to adhere to the guidelines set forth by Hassani et al. (2017) for interpreting effect size. According to the framework, a correlation of .10 is indicative of a small effect size, .30 corresponds to a medium effect, and a correlation of .50 and above suggests a large effect. These benchmarks provide a practical way to assess the substantive importance of observed correlations.

Hypothesis 1: HRP Practices (HRP) are positively linking with organizational citizenship behavior (OCB)

The analysis conducted for Hypothesis 1 aimed to examine the relationship between Human Resource Practices (HRP) and Organizational Citizenship Behavior (OCB). The results of the regression analysis revealed a statistically significant positive relationship between these variables.

The correlation coefficient (R) of 0.694 indicates a moderate positive correlation between HRP practices and OCB. This suggests that as HRP practices increase, OCB tends to increase as

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well. Additionally, the coefficient of determination (R Square) of 0.482 suggests that approximately 48.2% of the variance in OCB scores can be explained by variations in HRP practices.

Furthermore, the regression coefficients show that HRP practices have a significant positive effect on OCB. The unstandardized coefficient (B) of 0.481 indicates the change in OCB associated with a one-unit change in HRP practices. The standardized coefficient (Beta) of 0.694 suggests that the effect of HRP practices on OCB is robust even when accounting for the scale of measurement.

Overall, these findings provide strong support for Hypothesis 1, indicating that organizations with better HRP practices are likely to observe higher levels of OCB among their employees. This underscores the importance of effective human resource management strategies in fostering positive employee behaviors that contribute to organizational effectiveness. However, it's important to note the potential presence of positive autocorrelation in the residuals, which may warrant further investigation to ensure the validity of the regression model.

Hypothesis 2: HRP Practices (HRP) are positively linking with Employee Engagement (EE).

The analysis for Hypothesis 2 sought to investigate the association between HRP practices and Employee Engagement (EE). The regression analysis yielded compelling results indicating a significant positive relationship between these variables.

The correlation coefficient (R) of 0.906 suggests a strong positive correlation between HRP practices and EE. This indicates that as HRP practices increase, levels of employee engagement are likely to increase as well. Furthermore, the coefficient of determination (R Square) of 0.821 implies that approximately 82.1% of the variance in EE scores can be explained by variations in HRP practices.

Regression coefficients reveal that HRP practices have a substantial positive impact on EE. The unstandardized coefficient (B) of 0.777 indicates the change in EE associated with a one-unit change in HRP practices. The standardized coefficient (Beta) of 0.906 indicates a robust effect size of HRP practices on EE, considering the scale of measurement. These findings provide strong support for Hypothesis 2, suggesting that organizations with effective HRP practices are likely to experience higher levels of employee engagement. This underscores the importance of strategic HRM in cultivating a work environment that fosters active employee involvement and commitment. However, it's essential to acknowledge the potential presence of positive autocorrelation in the residuals, which may require further investigation for model validation.

Hypothesis 3: Psychological Empowerment (PE) is positively linking with organizational citizenship behavior (OCB)

The analysis for Hypothesis 3 aimed to explore the relationship between Psychological Empowerment (PE) and Organizational Citizenship Behavior (OCB). The results of the

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regression analysis revealed a significant positive relationship between these variables. The correlation coefficient (R) of 0.739 indicates a moderate positive correlation between PE and OCB. This suggests that as levels of psychological empowerment increase, OCB tends to increase as well. The coefficient of determination (R Square) of 0.546 suggests that approximately 54.6% of the variance in OCB scores can be explained by variations in PE. Regression coefficients show that PE has a substantial positive effect on OCB. The unstandardized coefficient (B) of 0.640 indicates the change in OCB associated with a one-unit change in PE. The standardized coefficient (Beta) of 0.739 indicates a robust effect size of PE on OCB, considering the scale of measurement.

These findings provide strong support for Hypothesis 3, indicating that organizations where employees feel psychologically empowered are likely to exhibit higher levels of OCB. This underscores the importance of fostering psychological empowerment among employees as it contributes to positive organizational behaviors. However, it's essential to acknowledge the potential presence of positive autocorrelation in the residuals, which may require further investigation for model validation.

Hypothesis 4: Positive Relationship between Psychological Empowerment (PE) and Employee Engagement (EE)

The analysis for Hypothesis 4 aimed to investigate the association between Psychological Empowerment (PE) and Employee Engagement (EE). The results of the regression analysis revealed a significant positive relationship between these variables. The correlation coefficient (R) of 0.822 indicates a strong positive correlation between PE and EE. This suggests that as levels of psychological empowerment increase, levels of employee engagement are likely to increase as well. The coefficient of determination (R Square) of 0.676 implies that approximately 67.6% of the variance in EE scores can be explained by variations in PE. Regression coefficients show that PE has a substantial positive effect on EE. This means that for every one-unit increase in psychological empowerment, there is an increase of 0.882 units in employee engagement. This effect size is robust, considering the standardized coefficient (Beta) of 0.822, which indicates a strong association between PE and EE. These findings provide empirical support for Hypothesis 7, suggesting that organizations where employees feel psychologically empowered are likely to exhibit higher levels of engagement. This underscores the importance of fostering psychological empowerment to enhance employee engagement levels.

Hypothesis 5: Positive Relationship between HRP Practices (HRP) and Psychological Empowerment (PE)

The analysis for Hypothesis 5 aimed to explore the relationship between Human Resource Practices (HRP) and Psychological Empowerment (PE). The results of the regression analysis revealed a significant positive relationship between these variables. The correlation coefficient (R) of 0.633 indicates a moderate positive correlation between HRP practices and PE. This suggests that as HRP practices increase, levels of psychological empowerment are likely to increase as well. The coefficient of determination (R Square) of 0.400 implies that approximately

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40.0% of the variance in PE scores can be explained by variations in HRP practices. Regression coefficients show that HRP practices have a substantial positive effect on PE. This means that for every one-unit increase in HRP practices, there is an increase of 0.506 units in psychological empowerment. The effect size is robust, considering the standardized coefficient (Beta) of 0.633, indicating a strong association between HRP practices and PE. These findings provide empirical support for Hypothesis 8, suggesting that organizations with effective HRP practices are likely to have employees who feel psychologically empowered. This underscores the importance of strategic HRM in fostering psychological empowerment among employees.

Hypothesis 6: HRP Practices (HRP) are positively linking with organizational citizenship behavior (OCB) under the mediation of Psychological Empowerment (PE)

In the context of this study, H6 is dedicated to examining mediation. The fulfillment of the three conditions has already been established through the support for H1, H2, and H3. In the first step, control variables were introduced, and in the second step, the inclusion of PE resulted in a noteworthy increase in R2 from .208 to .549. Subsequently, in the third step, with the introduction of HRP, R2 reached .634. Significantly, the change in R2 was observed to be statistically significant at $p < .05$, indicating that the inclusion of PE between HRP and OCB revealed a substantial direct association between HRP and OCB. HRP explained a 27.8% direct and significant change in OCB. However, when PE was introduced as a mediator, the direct impact of HRP on OCB decreased to 8.5%, which remained statistically significant.

Table 4: Main Effect & Mediated Regression Analysis of HRP, PE & OCB

| Predictor | Mediator Variable: PE | | | Dependent Variable: OCB | | |
|-------------------------|-----------------------|------|-------------|-------------------------|------|-------------|
| | β | R2 | $\Delta R2$ | β | R2 | $\Delta R2$ |
| Main Effect: HRP | | | | | | |
| Step 1 | | | | | | |
| Control Variables | .148 | | | | | |
| Step 2 | | | | | | |
| HRP | .504*** | .405 | .257*** | | | |
| Main Effect: HRP | | | | | | |
| Step 1 | | | | | | |
| Control Variables | | | | | .208 | |
| Step 2 | | | | | | |
| HRP | | | | .479*** | .486 | .278*** |
| Mediation: PE | | | | | | |
| Step 1 | | | | | | |
| Control Variables | | | | | .208 | |
| Step 2 | | | | | | |
| PE | .432*** | .549 | .341*** | | | |
| Step 3 | | | | | | |
| HRP | | | | .261*** | .634 | .085*** |

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Hypothesis 7: HRP Practices (HRP) are positively linking with Employee Engagement (EE) under the mediation of Psychological Empowerment (PE)

In this study, H7 is aimed at investigating mediation, extending the support for H1, H2, and H3 and fulfilling the three conditions. The mediation test evaluates the role of Psychological Empowerment (PE) between HRP and EE. In the initial step, control variables were introduced, and in the subsequent step, the inclusion of PE led to a noteworthy increase in R2 from .208 to .350. Following this, in the third step with the introduction of HRP, R2 reached .454. The 11.4% change in R2 was deemed significant at $p < .05$, indicating that including PE between HRP and EE revealed a substantial direct association between HRP and EE. HRP elucidated a 61.4% direct and significant change in EE. However, upon introducing PE as a mediator, the direct impact of HRP on EE decreased to 11.4%, remaining statistically significant. The beta value of HR Practices became insignificant when PE operated as a mediator between HRP and EE, whereas it was highly significant (beta = .776, $p < .000$) when PE was not included as a mediator.

Table 05: Main Effect & Mediated Regression Analysis of HRP, PE & EE

| Predictor | Mediator Variable: PE | | Dependent Variable: EE | |
|-------------------|-----------------------|----------------|------------------------|----------------|
| | β | R2 Δ R2 | β | R2 Δ R2 |
| Main Effect: HRP | | | | |
| Step 1 | | | | |
| Control Variables | | .148 | | |
| Step 2 | | | | |
| HRP | .504*** | .405 | .257* ** | |
| Main Effect: HRP | | | | |
| Step 1 | | | | |
| Control Variables | | | | .208 |
| Step 2 | | | | |
| HRP | | | .776* ** | .822.614* ** * |
| Mediation: PE | | | | |
| Step 1 | | | | |
| Control Variables | | | | .208 |
| Step 2 | | | | |
| PE | .446* ** * | .350 | .212* ** * | |
| Step 3 | | | | |
| HRP | | | .552* ** * | .454 .114* ** |
| * | | | | |

5. Discussion and Conclusion

The first hypothesis, in alignment with Brown (2005), posits that the fair implementation of HRM practices by managers has a positive impact on EE.

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The second hypothesis asserts a positive relationship between HRP and OCB, while the third hypothesis supports the positive relationship between HRM practices and Psychological Empowerment. This alignment is substantiated by the research conducted by Uner & Turan (2010). The fourth hypothesis establishes a positive link between Psychological Empowerment and OCB, drawing support from research conducted by OCB(Organ, 1988). The fifth hypothesis underscores the significant relationship between Psychological Empowerment and Employee Engagement, in accordance with prior studies highlighting the influence of managerial empowerment on employee engagement (Soane et al., 2012). H6 confirms that PE serves as a full mediator in the relationship between HR Practices and OCB, thereby reducing the direct impact of HRP on OCB. H7 indicates that PE fully mediates the relationship between HRP and EE, underscoring the pivotal mediating role of PE in the connection between HRP and EE. These findings enhance our concept of the intricate interplay between HRP, PE, OCB, and EE. They emphasize the significance of equitable HRM practices in fostering positive EE and OCB. However, the study also underscores the need for additional research to explore the collective synergy of these variables in a single study, suggesting potential avenues for future research in this domain.

5.1. Implications for Manager

To instill citizenship behavior, managers should focus on both internal and external factors, emphasizing HRM practices and improving psychological empowerment to encourage employee participation in OCB and enhance employee engagement. HR Practices significantly impact employee behavior. For managerial implications, this study recommends that instructional leaders uphold high levels of HRP to empower employees, enhance OCB, and improve employee engagement. The findings also offer guidance for policy-makers (HR professionals) to promote employee involvement in programs highlighting the importance of psychological empowerment in their work.

5.2. Conclusion

This study is crucial to the existing knowledge base on OCB, EE, HRP, and PE. A regression method was applied to unveil the associations between HRP and OCB, along with EE, incorporating the mediating impact of PE. Derived from a sample of employees in both private and public banks within the Gujranwala division of Punjab province, Pakistan, the study affirms a positive and significant correlation between HRP and PE. It further establishes connections with OCB and EE, highlighting the mediating role of PE between OCB and HRP. Our findings align with earlier research by Organ (1988), emphasizing the pivotal role of PE in the way HRP influences follower extra-role behaviors, encompassing OCB and Employee Engagement. The recommendations from this study propose that banking professionals, including Managers, Assistant Managers, and HR Managers, should prioritize maintaining a high level of authenticity in empowering employees to enhance their OCB and work engagement. The insights garnered from this study can be valuable for policymakers within the banking sector, encouraging the

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active participation of bank employees in various programs that underscore the significance of psychological empowerment.

5.3.Limitations

The current study has some limits that should be agreed and addressed in upcoming research. This study has some limitations. First employee OCB, HR Practices, Psychological empowerment (all measures by questionnaire); this could open the study to possible common-method bias. Next limitation is that the sample was drawn from only Gujranwala division in Punjab Pakistan. Thus, the result should be tested in other divisions and provinces in Pakistan as well in others developing countries. Another limitation is that there are unidirectional associations flowed in model, that is, HR Practices associates to psychological empowerment and Employee Engagement which direct for OCB. However, there is expectation of an opposite direction relationship.

5.4.Future Research Directions

The present study predictor (HR Practices) and mediator (psychological empowerment) variable used has shown high influence in the development of OCB and Employee Engagement (EE) so far, few additional variables could be included in this study relating to EE and OCB. To observe how employees, prefer OCB to slot in withdrawal behaviors, while withdrawal behaviors are normally undesirable. OCB and Employee Engagement are also appreciably influenced by job satisfaction and their employees' perception of organizational justice, ALS (authentic leadership) which were not involved in this study. Therefore, in future studies these variables should be consider promoting citizenship behavior among banking employee. Educational, service and manufacturing sector should be considered to test this stated modal.

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