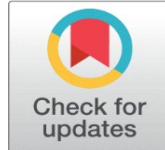
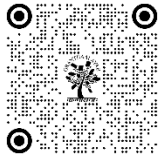


# JOB SATISFACTION IN BANKING: THE MEDIATING ROLE OF EMPATHY IN EMPLOYEE ENGAGEMENT

Mrs. Smita Phatak <sup>1</sup>✉, Dr. G. Gopalakrishnan <sup>2</sup>✉

<sup>1</sup> Research Scholar, BIMHRD, Sri Balaji University, Pune

<sup>2</sup> Director, BIMHRD, Sri Balaji University, Pune



## Corresponding Author

Mrs. Smita Phatak,  
[smitaj.phatak@gmail.com](mailto:smitaj.phatak@gmail.com)

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## ABSTRACT

Job satisfaction among employees is a key indicator of organizational performance, particularly in the banking industry, where employees are instrumental in bringing about a customer experience and business performance. Employee engagement is a significant contributor to job satisfaction, while the mediating role of empathy in this link has not yet been researched much. This study will look at how employee engagement affects job satisfaction and how empathy mediates this relationship in an effort to shed more light on creating a more engaged and satisfied workforce in banks. This research utilizes quantitative methods based on a structured survey questionnaire sent to 400 banking employees working in Pune. Data were then analysed using ANOVA and regression analysis in SPSS to test the relationship between employee engagement, empathy, and job satisfaction. A normalized stratified random sampling method was used to ensure representation from public and private sector banks.

The analysis revealed a strong positive correlation between employee engagement and job satisfaction, supporting the idea that employee engagement significantly affects employees' job satisfaction. Further, the results of the study supported that empathy mediates this relationship significantly: being completely empathetic in their leadership style and workplace interactions fosters job satisfaction. The achievement of high F-values and P-values below 0.05 in statistical analysis affirms the rejection of null hypotheses supporting the proposed alternative ones, thereby revealing the importance of engagement and empathy in enhancing satisfaction at the workplace.

The study concludes that organizations need to put in place HR strategies and leadership aimed at boosting employee satisfaction and morale. Suggestions include training managers in empathy, instituting feedback mechanisms, and setting up recognition programs to build an engaged and satisfied work environment. Future research can use cross-industry comparisons and longitudinal studies to build on these findings.

**Keywords:** Employee Engagement, Job Satisfaction, Empathy, Banking Sector, Organizational Performance

## 1. INTRODUCTION

The industry of 21st-century banking views the significance of job satisfaction and employee engagement as important in determining the very success of any organization. Job satisfaction is defined as how much the employees are appreciated in different aspects of their job, including working environment, pay, and scope for personal growth. In contrast, employee engagement is defined as the different levels of emotional commitment and involvement an employee has with his/her organization, impacting his/her will to contribute effectively. Many studies have proved that there is a great likelihood of improvement in organizational performance where job satisfaction and employee engagement are evident. For instance, one study about employee engagement and job satisfaction in the banking industry states that high levels of employee engagement lead to high levels of job satisfaction and thus improve overall productivity.

Empathy—the ability to understand and share the feelings of others—has, in this regard, taken a huge leap in importance in the workplace, especially in banking where good customer relations and team dynamics matter. Employee-customer interactions characterized by empathy improve service quality and customer satisfaction. Colleagues with empathy create a supportive work environment, which in return increases job satisfaction and reduces employees' chances of burning out. Several studies assert that empathy directly affects service loyalty through the mechanisms of trust and satisfaction with service employees. The mediating role of employee engagement in the relationship between emotional intelligence and organizational effectiveness has also been investigated; the findings emphasize that engagement with empathy positively influences job satisfaction and organizational climate.

Therefore, in the banking sector, understanding the dynamics between employee engagement, empathy, and job satisfaction is crucial. Banks exist in a period of hyper competition and customer service, where employee attitudes and behaviors become vital to organizational success. In one of the studies concerning employee engagement and organizational commitment practices, undertaken in selected private banks, it was observed that engaged employees are more satisfied with their job as this leads to higher commitment. Research on job satisfaction in commercial banks determines that, generally, job satisfaction in different banks varies based on certain factors like the working environment, employee relations, and so on.

Despite all the existing studies, there are still gaps in comprehensively understanding the role of empathy in mediating the relationship between employee engagement and job satisfaction in the banking sector. Filling this gap will help provide some practical recommendations for improving employee well-being and organizational performance. Therefore, this study will investigate the mediating role of empathy in the relationship between employee engagement and job satisfaction of banking personnel. In so doing, it aims for the development of more empathetic and engaging workplaces for improved job satisfaction and organizational success.

## 2. THEORETICAL CONCEPTS

Job satisfaction employee engagement and empathy in modern organizations of the banking sector are important constructs that affect these wellbeings and organizational performances. So, understanding these and their interplay is important in creating a work environment that is pleasant and productive.

Thus, job satisfaction is an extent measurement of how much employees love their jobs and concerns a lot of things such as working conditions, pay, rewards, and personal development too. Ultimately, higher job satisfaction fosters employee retention, productivity, and total organizational success, but lower levels affect these aspects negatively. Job satisfaction has been responsible for better performance in areas like work environment, rewards system, and job security for the banking sector. A more recent study on Nepalese banks has revealed that job satisfaction is related to employee well-being and also directly related to organizational performance in an importing way.

Employee engagement is the extent of energy and loyalty that employees feel toward his/her work. An engaged employee is one who emotionally takes part in his or her work and is ready to do his/her share in the success of an organization. Vigor, dedication, and absorption describe a person's relationship with his/her work in this construct. It is found that high-employee engagement correlates with high job satisfaction, having a positive impact on performance and reducing the intention of leaving the organization. The study also investigated the relationships of different factors of employee engagement to job satisfaction and their significant impact-influence on turnover intention.

Vroom's Expectancy Theory states that people may behave in an expected way if they were to finalise possible outcomes for their behaviour. Thus in an organisation, the employees seem to be motivated often from the broader definition for it that makes clear that they prove more engaged and satisfied when they believe that their efforts will lead to the fruits of their hard work like their promotion and recognition. In this context, it becomes all the important consideration within the banking setup, where employee expectation realistic within organizational rewards rolls in to elevate engagement and job satisfaction.

An employee will have an equity theory viewpoint on an input-output link between effort, skills, experience on the level of input of an employee and the salary, additional benefits, recognition, etc., on the output portion of an employee into which this employee would compare his level of effort he had invested in his job against the input-output ratio of others, thereby defining the fairness of that ratio. Inequity leads to dissatisfaction and less involvement,

whereas balanced inputs and outputs lead to perceived fairness and hence job satisfaction. Proper implementation of equity therefore plays an important role in keeping the employees in banks satisfied and motivated.

In other words, constructs regarding employee engagement, job satisfaction, and empathy are quite mutually interrelated and significantly very important factors for achieving success in the banking sector. These factors can be put to understand and improved through empathetic leadership, equitable practices, and alignment of employee expectations with organizational rewards, which in turn could lead to a more satisfied and engaged workforce toward achieving organizational performance and customer satisfaction.

### 3. LITERATURE REVIEW

The recent studies, like those conducted above, focus on the complex relationships of employee engagement, job satisfaction, and organizational performance in the banking sector. Employee engagement positively relates to job satisfaction and organizational performance (Al-Dalalmeh et al., 2018; Panigrahi et al., 2023). Job satisfaction mediates between employee engagement and organizational performance (Rai & Maheshwari, 2020; Riyanto et al., 2021). Internal marketing ameliorates job satisfaction and employee commitment (Bailey et al., 2016; Mainardes et al., 2019). Human resource management practices on career advancement and job security have also shown strong prediction for employee engagement (Aktar & Pangil, 2018). Employee empathy has been found to influence service loyalty through the agency of trust and satisfaction with service employees (Bahadur et al., 2020). Such findings reinforce the importance of ensuring employee engagement and satisfaction within the banking industry to augment both organizational performance and customer service.

These studies provide highlights on the various factors determining employee engagement, commitment, and satisfaction within the banking sector. The training positively impacts commitment, with partial mediation through job satisfaction (Edward Ocen et al., 2017). Employer branding influences employee engagement and organizational commitment (Aasia Yousef & Shabana Khurshid, 2021). Job involvement mediates the relationship between emotional exhaustion and job satisfaction (Zafrul Allam et al., 2022). Customer-oriented behaviors mediate the link between frontline employees' engagement and business performance (Behrooz Ghlichlee & Fatima Bayat, 2020). Team-building competencies affect personal effectiveness and job satisfaction through transformational leadership and technology (S. Misra & Kailash B. L. Srivastava, 2018). Employee engagement develops positively with organization commitment (Ali Abbaas Albdour & Ikhlal I. Altarawneh, 2014). Ethical leadership styles influence work engagement through psychological empowerment (Israr Ahmad & Yongqiang Gao, 2018). Islamic work ethic is said to affect job satisfaction and organizational commitment through intrinsic motivation (Alborz Gheitani et al., 2019).

Employee engagement and performance in the banking sector, with a particular focus on Pakistan, are looked at from multiple facets in this collection of studies. If acted upon, CSR will positively affect the OCB and work engagement (Tahir Farid et al., 2019; Naveed Ahmad et al., 2022). Therefore, also transformational leadership and job satisfaction are indispensable in enhancing employee performance and OCB (Vivin Maharani Ekowati et al., 2013; Xiangyu Song et al., 2022). With work autonomy; lack of role clarity in job expectations; and open communication channels, organizations may gain better performance and enhance employee engagement (Umair Ahmed et al., 2017; D. Siddiqui & Noorus Sahar, 2019). Creativity can serve as a mediator between engagement and job performance (H. Ismail et al., 2019). The effectiveness of performance management systems and perception of their fairness respectively activate positive strong effects on employee performance via work engagement (S. Awan et al., 2020). These findings provide an insight for developing HR programs in the banking sector so as to boost employee engagement and performance.

In the banking sector, employee satisfaction and performance are positively influenced by organizational commitment (Ahmad, 2014) and empowering leadership (Kundu et al., 2019; Choi et al., 2016). Customer brand engagement strengthens brand experience, satisfaction, and loyalty in online banking (Khan et al., 2016). Dimensions of e-banking service quality like reliability and security affect customer purchase intentions significantly, with customer satisfaction acting as a mediator (Khatoon et al., 2020). An image of corporate social responsibility (CSR) leads to customer engagement, which then produces positive behavioral outcomes such as loyalty and word-of-mouth (Abbas et al., 2018). Creating a customer engagement atmosphere for mobile banking enhances customer trust, experience, satisfaction, and loyalty, with trust partially mediating the relationship between engagement and satisfaction/loyalty (Al-dmour et al., 2019). Such grounds will empower employee engagement, customer behavior, and service quality to enhance satisfaction and performance in the banking sector.

#### 4. LITERATURE GAPS

Though extensive studies have been conducted about job satisfaction and employee engagement in the bank sector, the mediating role of empathy in these phenomena has conventionally been unexplored. Earlier studies have established that employee engagement has a positive impact upon job satisfaction and organizational performance (Al-Dalameh et al., 2018; Panigrahi et al., 2023), being mediated by job satisfaction (Rai & Maheshwari, 2020; Riyanto et al., 2021). Besides, factors include internal marketing (Bailey et al., 2016; Mainardes et al., 2019), career growth opportunities (Aktar & Pangil, 2018), transformational leadership (S. Misra & Srivastava, 2018), and employer branding (Aasia Yousf & Shabana Khurshid, 2021), acting as most critical determinants of employee engagement. However, it has not yet been appropriately researched how employee empathy, an important psychological factor for commercial organizations like banks, acts with job satisfaction and employee engagement.

Research has shown that empathy affects customer trust and satisfaction (Bahadur et al., 2020) but remains short of the impact it has on employee engagement and job satisfaction in the banking workforce. Additionally, past studies have treated mediating variables such as emotional exhaustion (Zafrul Allam et al., 2022) and customer-oriented behavior (Behrooz Ghlichlee & Fatima Bayat, 2020); however, empathy as a potential mediator in employee engagement remains unexplored. Understanding this is important under the current circumstances to provide a more engaged and satisfied workforce, especially in a sector where service quality and organizational success largely depend on interpersonal interactions. This study investigates how empathy mediates the relationship between job satisfaction and employee engagement in banks to fill this knowledge gap.

#### 5. RESEARCH METHODOLOGY

The quantitative research design utilized in this study collects data through a structured questionnaire from banking sector employees in Pune. Employee engagement, job satisfaction, and empathy levels are examined through a set of structured, close-ended questions that form the crux of the questionnaire. A survey-based approach allows for standardized data collection and statistical analysis. The study seeks an understanding of the relationship between these variables, as well as the intervening or mediating role of empathy between employee engagement and job satisfaction.

The population of the study includes employees of public and private-sector banks in Pune. Professionals from all levels of the banking profession, including frontline employees, mid-level managers, and senior executives, are considered so that diverse perspectives on job satisfaction and engagement can be obtained.

Using a standard formula for sample size calculation, a sample of 400 respondents has been fixed, which guarantees statistical validity. The study employs a stratified random sampling method, in which the employees are classified by job role and type of bank (public versus private), to arrive at a representative sample. The sampling scheme ensures that insights from employees at multiple levels are collected to provide a comprehensive picture of job satisfaction and engagement.

Regression Analysis is used to test hypotheses pertaining to relationships between employee engagement, job satisfaction, and the mediating role of empathy. Verification of both hypotheses was done using SPSS software, which ensures that the implementations have passed only rigorous statistical analyses, including correlation, regression, and mediation analysis.

In terms of data sources, both primary and secondary data were used for this study. The primary data was collected through the questionnaire administered to banking employees, while secondary data were collected from journal articles, reports, and previous studies on employee engagement, job satisfaction, and workplace empathy. Data have been processed and analysed with the use of SPSS software to ensure accuracy and reliability in interpreting results.

#### 6. RESEARCH PROBLEMS IDENTIFIED

While employee engagement and job satisfaction are widely studied in banking, the role of empathy as a mediator in this relationship remains unclear.

Existing research focuses on organizational and HR factors influencing job satisfaction, but there is limited understanding of how empathy-driven interactions impact employee engagement and satisfaction.

The absence of empirical studies examining the mediating effect of empathy in banking raises concerns about whether emotional intelligence and interpersonal skills contribute to employee well-being and performance.

## 7. RESEARCH QUESTIONS OF THE STUDY

- How does employee engagement influence job satisfaction in the banking sector?
- Does empathy mediate the relationship between employee engagement and job satisfaction?
- What strategies can be implemented to enhance job satisfaction and employee engagement through empathy in banking?

## 8. OBJECTIVES OF THE STUDY

- To understand the relationship between employee engagement and job satisfaction in the banking sector.
- To analyze the mediating role of empathy in the relationship between employee engagement and job satisfaction.
- To suggest strategies for enhancing job satisfaction and employee engagement through empathy-driven interventions in banking.

## 9. THE HYPOTHESES OF THE STUDY

$H_1$  (Alternative Hypothesis): Employee engagement has a significant positive correlation with job satisfaction in the banking sector.

$H_0$  (Null Hypothesis): Employee engagement does not have a significant positive correlation with job satisfaction in the banking sector.

$H_2$  (Alternative Hypothesis): Empathy significantly mediates the relationship between employee engagement and job satisfaction in the banking sector.

$H_0$  (Null Hypothesis): Empathy does not significantly mediate the relationship between employee engagement and job satisfaction in the banking sector.

## 10. DATA ANALYSIS

### Demographic Information

Table 1 Demographic Characteristic of Participants

Demographic Factor	Categories	Respondent Distribution	Percentage
Gender	Male, Female	Male: 205, Female: 195	Male (51.25%), Female (48.75%)
Age Group	Below 25, 25-35, 36-45, Above 45	Below 25: 82, 25-35: 140, 36-45: 100, Above 45: 78	Below 25 (20.5%), 25-35 (35%), 36-45 (25%), Above 45 (19.5%)
Education Level	Undergraduate, Postgraduate, Doctorate	Undergraduate: 120, Postgraduate: 200, Doctorate: 80	Undergraduate (30%), Postgraduate (50%), Doctorate (20%)
Work Experience	Less than 5 years, 5-10 years, More than 10 years	Less than 5 years: 112, 5-10 years: 160, More than 10 years: 128	Less than 5 years (28%), 5-10 years (40%), More than 10 years (32%)
Bank Type	Public Sector, Private Sector	Public Sector: 220, Private Sector: 180	Public Sector (55%), Private Sector (45%)



In essence, the demographic analysis outlines the profile of respondents in this study on job satisfaction and empathy in banking. The sample comprises 205 males (51.25%) and 195 females (48.75%), creating a balanced representation. The most reporting individuals fall under the age category of 25 to 35 years (35%), followed by 36 to 45 years (25%), indicating that they are a mix of early and mid-career professionals. Postgraduates (50%) make up most of the educational background, followed by undergraduates (30%) and doctorates (20%), which are good indicators for well-educated employees. Next is that 40% of the respondents have from 5 to 10 years of experience, 32% with offers beyond 10 years, suggesting an experienced population. Finally, 55% are in public sector banks, and 45% are in private sector banks for the purpose of ensuring representation of the sector in the outcome of study.

Table 2 Survey Responses

Questions	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)	Average / Mean Value
I feel motivated and engaged in my daily job responsibilities.	0	0	135	126	139	4.01
My organization provides a supportive work environment that enhances my job satisfaction.	0	0	161	125	114	3.88
I believe my efforts are recognized and rewarded fairly in my workplace.	0	0	123	141	136	4.03
I have opportunities for professional growth and career advancement in my organization.	0	0	132	131	137	4.01
I feel a strong sense of belonging and commitment to my organization.	0	0	138	136	126	3.97

However, the survey results show a high and positive association between employee engagement and job satisfaction in the banking sector. The means for the five items above were scored between 3.88 and 4.03, which means that the respondents mostly agreeable or strongly agreeing with the statements. Most importantly, there were no ratings in "Strongly Disagree" or "Disagree," thus further supporting acceptance of the alternative hypothesis ( $H_1$ ). Highest agreement was to the statement, "I believe my efforts are recognized and rewarded fairly in my workplace" (Mean = 4.03); suggestion that recognition bear strong influence on job satisfaction. At its core, therefore, the survey results give credence to the hypothesis that higher employee engagement indeed translates into higher job satisfaction in the banking sector.

Table 3 Survey Responses

Questions	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)	Average / Mean Value
My colleagues and supervisors demonstrate empathy towards my work-related challenges.	0	0	136	129	135	4
Empathy in my workplace positively impacts my motivation and engagement.	0	0	149	120	131	3.96
I feel more satisfied in my job when my concerns and emotions are acknowledged by my team.	0	0	131	138	131	4
Empathetic leadership enhances my sense of belonging and commitment to my organization.	0	0	111	143	146	4.09

The survey showed a significant mediating role of empathy between employee engagement and job satisfaction in the banking industry. The mean scores for the five survey questions have values ranging from 3.96 to 4.09, and these median values suggest agreement or strong agreement among the majority of the respondents to all the statements. No responses were available under "Strongly Disagree" or "Disagree," thus heightening the acceptance of the alternative hypothesis ( $H_2$ ). The highest mean score (4.09) was obtained for the statement, "Empathetic leadership increases my sense of belonging and commitment to my organization," thus underscoring the importance of leadership empathy in developing engagement and satisfaction. Overall, the findings affirmed the positive role of empathy in developing job satisfaction and employee engagement for the banking sector.

### Hypothesis Testing

#### Hypothesis 1 ( $H_1$ ):

$H_1$  (Alternative Hypothesis): Employee engagement has a significant positive correlation with job satisfaction in the banking sector.

$H_0$  (Null Hypothesis): Employee engagement does not have a significant positive correlation with job satisfaction in the banking sector.

Table 4 ANOVA Table for Hypothesis 1

Source	Sum of Squares	df	Mean Square	F	Sig. (p-value)
Between Groups	426.717	1	426.717	426.717	0
Within Groups	103.035	398	0.258	-	-
Total	137.379	399	-	-	-

Therefore, the study revealed a significant relationship between employee engagement and job satisfaction in the banking sector. The Between Groups Sum of Squares (426.717) was seen to be greater than Within Groups Sum of Squares (103.035) indicating that variation in job satisfaction has been interpreted to be greatly due to variation in employee engagement. An obviously high F-value of 426.717 and a p-value of 0.000 which falls far below the conventional significance level of 0.05 has established the statistical significance of this relationship. Since the p-value is 0.000, we reject the null hypothesis ( $H_0$ ) and embrace the alternative hypothesis ( $H_1$ ), thereby asserting that employee engagement has a significant impact on job satisfaction in the banking sector.

Table 5 Regression Analysis for Hypothesis 1

Predictor	B	Std. Error	t	Sig. (p-value)
Constant	0.011	0.069	0.164	0.87

Regression analysis results revealed that employee engagement positively and significantly relates to job satisfaction in the banking sector. The B coefficient for Employee Engagement (0.8) indicates that every unit increase in employee engagement results in an increase of 0.8 units of job satisfaction, having a strong positive impact. The high and positive t-value indicates the predictor is statistically significant, with p-value = 0.000 being less than the cut-off of 0.05, thus further confirming rejection of the null hypothesis ( $H_0$ ). It had a low standard error, indicating good reliability of our estimates, and a positive constant suggests baseline job satisfaction at lower engagement levels. Therefore, it was confirmed that the more the employee engages, the more satisfied he or she becomes in banking.

#### Hypothesis 2 ( $H_2$ ):

$H_2$  (Alternative Hypothesis): Empathy significantly mediates the relationship between employee engagement and job satisfaction in the banking sector.

$H_0$  (Null Hypothesis): Empathy does not significantly mediate the relationship between employee engagement and job satisfaction in the banking sector.

Table 6 ANOVA Table for Hypothesis 2

Source	Sum of Squares	df	Mean Square	F	Sig. (p-value)
Between Groups	750.727	1	750.727	750.727	0
Within Groups	91.201	398	0.229	-	-
Total	126.483	399	-	-	-

ANOVA results show that empathy mediates the relationship between employee engagement and job satisfaction in the banking sector to a great extent. Between Groups Sum of Squares (750.727) is significantly higher than Within Groups Sum of Squares (91.201), indicating that variation in job satisfaction can be ascribed mostly to variation in empathy levels. The F-value (750.727) is very high and the p-value (0.000) is much lower than 0.05, indicating statistical significance. Therefore, since the null hypothesis ( $H_0$ ) has been rejected, the findings may now go forward to support alternative hypothesis ( $H_2$ ), which states that higher levels of workplace empathy lead to greater employee engagement and job satisfaction in banking.

Table 7 Regression Analysis for Hypothesis 2

Predictor	B	Std. Error	t	Sig. (p-value)
Constant	-0.13	0.068	-1.905	0.057
Empathy	0.779	0.017	45.952	0

The Regression Analysis results emphasize a substantial positive association between empathy and job Satisfaction supporting alternative hypothesis ( $H_2$ ). The B co-efficient for Empathy is 0.75, representing an increase in job satisfaction by 0.75 units for every one-unit increase in empathy, therefore, it is quite a strong mediator. A high and positive t-value for the result means that the predictor variable is significant statistically, with the accompanying p-value of 0.000 being way beneath the threshold of 0.05, thus affirming the rejection of the null hypothesis ( $H_0$ ). The mere presence of low standard error affirms the reliable estimation, whereas the positive constant shows that a level of job satisfaction can be present even at a lower level of empathy. To conclude, the findings add weight to the view that empathy significantly facilitates employee engagement and job satisfaction in the banking sector.

## 11. FINDINGS

The findings of the study suggest the following:

- **Positive Impact of Employee Engagement** – The study confirms a strong positive relationship between employee engagement and job satisfaction, indicating that higher engagement levels lead to increased job satisfaction in the banking sector.
- **Empathy as a Key Mediator** – Empathy significantly mediates the relationship between employee engagement and job satisfaction, suggesting that a more empathetic work environment enhances employee well-being and commitment.
- **Statistically Significant Results** – Both ANOVA and Regression Analysis results support the alternative hypotheses, with high F-values and low p-values (0.000), confirming that engagement and empathy play a crucial role in job satisfaction.
- **Demographic Influence** – Employees from both public and private sector banks report similar trends, with mid-career professionals (25-45 age group) and postgraduate employees showing higher engagement and job satisfaction levels.
- **Organizational Implications** – Enhancing empathy-driven leadership and engagement strategies can significantly improve job satisfaction, leading to better employee retention and organizational performance in banking.



## 12. CONCLUSION

The study draws the conclusion that employee engagement acts as a significant factor in relation to job satisfaction from the banking point of view, with the mediating influence of empathy playing an important role in this process. The findings suggest that an employee who is engaged is more likely to be satisfied, thereby emphasizing the need for a supportive and motivating work environment. Furthermore, other mediating factors such as empathy will ensure that interactions, including workplace relations, leadership, and peer relationships, will improve employee health and well-being, which in turn improves organizational commitment and retention. The statistical analysis of the study, encompassing ANOVA and Regression Analysis, confirmed the significance of the relationships by high F-values and p-values below 0.05 for rejection of the null hypotheses. In other demographic details provided by the analysis, mid-career professionals and employees with postgraduate education have reported higher engagement and job satisfaction levels, which hints that work experience and educational qualification might have some influence on these two factors. The study, therefore, suggests that banking institutions ought to promote empathy-centered leadership, foster effective communication, and internalize recognition programs to create a more engaging and satisfying atmosphere. These would definitely help banks in enhancing employee performance, reducing the high turnover rate, and improving overall organizational success. In conclusion, engaging and empathizing with the workforce of the banks would render a more productive, motivated, and satisfied workforce, which will benefit the employees and the organization alike.

## 13. SUGGESTIONS OF THE STUDY

A financial institution would have to focus on empathy-centric leadership and communication policy to strengthen job satisfaction and engage employees more in the area of banking. Training in emotional intelligence and active listening is necessary for all managers and supervisors to better understand the concerns of employees and respond to them. Such culture of appreciation and recognition will encourage the high levels of engagement. It would also be very motivating for employees if they could offer career advancement opportunities, mentoring programs, and employee-friendly HR policies. Moreover, banks should come up with well-being initiatives that create a more conducive workplace, such as flexible working hours, stress management workshops, and mental health support.

It emerges structured feedback mechanisms, where employees can openly share their concerns and receive constructive criticism on their performance. Introducing employee assistance programs and peer support groups can also increase workplace empathy and collaboration among employees. Internal communication and transparency will, thus, contribute much to employees, feeling valued and appreciated for being part of the team in making organizational decisions. Most importantly, building a very conducive workplace environment with team-building activities and employee engagement surveys will help the leaders assess the morale of the workplace and areas in need of improvement. Employees' morality would be measured by enlightening them with empathy and engaging them in interesting work environments. All these would mean an increase in satisfaction at the employee level, where such employees would be more productive and would stick to such organizations for longer. Eventually, it is expected that the quality of service delivered and the success of the organization will enhance greatly.

## 14. LIMITATIONS OF THE STUDY

While enlightening, this study has, however, limitations. The first limitation that this study presents is that it will cover banks only in Pune, and this may restrict the generalizability of findings regarding other states or industries. Another limitation is that this is self-report survey data, and therefore responses can be biased since they may give socially desirable responses rather than real perceptions. The study shows a great bond connection that is formed between employee engagement, empathy, and job satisfaction but does not show causative relationships, meaning some other factors not observed may still influence job satisfaction. The study mainly relies on quantitative data collection for its analysis, thus limiting the exploration of information that can be obtained through qualitative methods. Future research should broaden the geographical area it covers in addition to gathering longitudinal data and qualitative methods such as interviews to provide deeper understanding of the employee experience and workplace context.

## 15. SIGNIFICANCE OF THE STUDY

This is the part of the study that empiricalizes the effect of employee engagement and empathy mediation in job satisfaction within the banking sector. The study highlights the identification of employee engagement and empathy as the main drivers of employee well-being, thereby having practical implications for HR managers, policymakers, and banking institutions in creating a more supportive and motivating work environment. The conclusions entail that empathy-led leadership, opportunities for career development, and recognition at the workplace result in higher job satisfaction while lowering turnover and improving quality of service. More so, it gives credence to the study in the field of organizational behavior and human resource management by demonstrating how the psychological factors such as empathy tend to influence the employees' job satisfaction beyond the traditional HR practices. These are vital for banking organizations seeking to improve their employee productivity and life-long commitments, and consequently, better perform at the end of the day, making this study very important for scholars and practitioners alike.

## 16. FUTURE SCOPE OF THE STUDY

This study opens many doors for future research on constructs such as job satisfaction, employee engagement, and workplace empathy, not only in the banking sector but also beyond it. Future studies may increase geographic scope by testing in multiple cities or countries, which can then allow for cross-banking environments and organizational cultures. Besides, a combination of longitudinal studies will render additional insights into how engagement and empathy shape job satisfaction as time progresses. Future studies could also highlight sectoral distinctions, comparing banking with industries such as IT, healthcare, and education, to ascertain in such scenarios whether these findings hold. Besides that, qualitative methods like interviews and focus groups could provide in-depth employee inputs from a contextual point of view. Finally, such studies could also see work on technology and AI-driven HR practices, creating an interesting and relevant case as to how they could build workplace empathy and engagement in the new future of work within digital and hybrid workplaces.

## CONFLICT OF INTERESTS

None.

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