THE MEDIATING EFFECT OF THE YEMENI PETROLEUM COMPANY'S EMPLOYEES ENGAGEMENT ON THE RELATIONSHIP BETWEEN EMPLOYEE MOTIVATION, REWARDS SYSTEM AND WORK ENVIRONMENT ON EMPLOYEE PERFORMANCE

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Abstract

The aim of the current paper is to assess the role of Employee Motivation, Reward, and Work Environment on Employee Performance in the Yemeni Petroleum Company (YPC). In addition, this study included employee engagement as a mediating effect in between the aforementioned variables. Moreover, the researcher has implemented quantitative research method for randomly selected sample of 416 respondents from Yemeni Petroleum Company (YPC) employees and conducted the data analysis using Smart PLS. The findings revealed that Employee Motivation, Reward, Work Environment and Employee Engagement have a significant relationship on Employee Performance from another hand. In addition, the mediation role of Employee engagement was found to partially mediating the relationship between Employee Motivation, and Work Environment with Employee Performance, while no mediation effect were found on the relationship between Rewards System with Employee Performance. There exist major variables, namely Training and Organizational Citizenship Behavior that serve as crucial factors to be covered in future research. Hence, this study is a valuable addition to the current literature as well as the first research attempt in this area.

Keyword: Employee Motivation, Reward, Work Environment, Employee Performance, Employee engagement

1.INTRODUCTION

Businesses are meant to be profitable; if the Employee Performance is low, the return of the business as a result is going to be low. Therefore, many researches were conducted in attempt to investigate the factors that affect Employee Performance directly and indirectly. With more researches, many problems revealed on the surface related to the factors. Speaking of the Yemeni case and its industrial sector, many studies expressed the gap in body of literature on Employee Performance and the factors that affect it in Yemen. For instance, the Yemeni service industry, according to Alabsi and Aamer (2014), has been suffering from poor Employee Performance and pointed out that the Yemeni service sector has low levels of satisfaction, productivity and profitability, and mentioned that this sector is incapable of establishing any international competitiveness, which therefore will not just be unable to grow, but could actually start deteriorating has the Yemeni service industry continues to perform at such low levels of success [1]. In addition, per Min, Homaid, Minai and Zain (2019) they found that the association between organizational performance and total quality management in the Arabic region, especially in Yemen, has not been studied [2].

Furthermore, Saleh, Nusari, Habtoor and Isaac (2018) stated in their study that the organizational performance

of the workers in the industrial sector of Yemen exposed to a plenty of problems that hinder the development of this sector. According to the researchers, Yemen, compared to surrounding countries, is considered poor, and there are no other studies that was dedicated for this problem in Yemen, which left the problems escalated without further solutions [3]. Moreover, since Yemen is a minor petroleum producer that is not a member of the Organization of Petroleum Exporting Countries (OPEC), oil profit contributes for 90% of exports and 70% to 75% of the revenue of the government. Yemen has confirmed reserves of petroleum of about 4 billion barrels (640,000,000 m3), and oil accounts for almost 90% of the exports of Yemen [4]. Yemen petroleum Company (YPC), which is subsidiary of the Yemen general oil and Gas Corporation, is among the leading distributing petroleum company in Yemen, however, Kassem et al. (2021) have reported that this company is suffering from poor performance and low employee engagement at work [5], similar findings were presented in the study of Naji et al. (2020) that several subsidiaries of the Yemen general oil and Gas Corporation have reported low level of employees performance [6]. Therefore, the aim of this research is to explore the impact of Employee Motivation, Rewards System, and Work Environment with Employee Performance, from hand, and the mediating effect of employee engagement from another hand.

2.LITERATURE REVIEW

According to Abdiwali and Musa (2019), Employee performance is a multifaceted concept and a critical factor in influencing whether a company succeeds or fails. In the area of industrial and organizational psychology, job performance, which focuses on increasing worker productivity, has been the most frequently researched dependent variable. [7]. Therefore, companies use various questionnaires and techniques to determine whether or not their employees are engaged and how to engage them in order to remain competitive and enhance organizational performance [8].

2.1. Employee Motivation
Employee motivation is described as an employee's inherent passion in and desire to complete work-related tasks. Employee motivation refers to the internal force

that propels a person to take action [9]. Many studies were dedicated to assess the effect of Employee Motivation on their performance. For instance, according to van der Kolk et al. (2019), there is a link between intrinsic and extrinsic motivation and performance, emphasizing the significance of having a motivated staff in the governmental sector [10]. Furthermore, Tampubolon (2017) revealed that job motivation positively and significantly influenced Employee Performance [11]. Moreover, Sandhu, Iqbal, Ali, and Tufail (2017) conducted empirical research to assess the association between job motivation and employee performance in small and medium enterprises (SMEs), and found that employee motivation has a positive relation with employee performance. This demonstrated that the motivation type considered to the workers in a firm has a significant role on their performance [12]. The results of the study conducted by Dharma (2018) indicated that the work motivation had positive and significant impact on performance of employees [13]. Therefore, one could hypothesize the following:

H1: Employee Motivation has a significant effect on Employee Performance

2.2. Rewards System

Kasemsap (2017) defined rewards from management point of view as the mechanism for supporting and encouraging desirable behaviour, like a pay rate that rises in tandem with the employee's productivity [14]. Acknowledging rewards is another factor that could predict organizational performance directly and under the influence of employee engagement. Several studies linked the higher level of organizational performance with efficient rewarding systems. Abdi Mohamud, Ibrahim, and Hussein (2017) revealed in their findings that rewards has significant and positive effects on Employee Performance [15]. Serhan et al. (2021) found in their study that there is a positive link between reward systems and team performance [16]. In addition, Bao and Nizam (2015) discovered a positive and significant effect of reward on employee performance, demonstrating that as recognition and rewards rise, so does the percentage of improvement in employee performance [17]. Therefore, one could hypothesize the following:

H2: Rewards systems has a significant effect on Employee Performance

2.3. Work Environment

Working environment, as defined by Aumiller (2012), is the environment of workplace (as place, tools, social connections, physical well-being) enabling work to be done [18]. Healthy working environment has been associated with the high level of organizational performance as stated by several studies. The study conducted by Ji et al. (2012) suggested an interactive effect of working environment and Employee Performance [19]. Moreover, Al-Omari and Okasheh (2017) found that work environment has significant impact on staff performance [20]. However, in their research, Pawirosumarto et al. (2017) revealed that work environment has no significant impact on employee performance, implying that the working environment is not necessarily the most essential factor in improving employee performance [21]. Therefore, one could hypothesize the following:

H3: Work Environment has a significant effect on Employee Performance

2.4. Employee Engagement

When an employee meets the corporate goals, remains committed to the organization, and represents the organization, he or she is said to be engaged. Employee engagement contributes to a variety of organizational benefits, including increased profitability and productivity, consumer satisfaction, and lower employee turnover [22]. To further study the effect of employee engagement on the relation between organizational performance and any factor predict the higher level of performance, many studies have been conducted. The findings of the study conducted by Bustasar et al. (2019) revealed that employee engagement fully mediate the relationship between motivation and performance of the employee [23]. Moreover, the results of study authored by Alka et al. (2018) proposed that rewards have a positive impact on engagement, which in turn has an impact on organizational performance. Therefore, the scholars deduced that rewards may not only help workers fulfil official work requirements, but it can also encourage them to do actions that go beyond those requirements by keeping them engaged at work.

Overall, this research has shown the importance of rewards in increasing employee engagement and, as a result, improving employees performance [24]. The paper's results of George et al. (2020) found that the predictive potential of financial rewards on employee performance became insignificant when employee engagement was included into the relation between financial rewards and employee performance [25]. Jurgita et al. (2018) agreed with the suggestion that employee engagement may describe why workers perform better in resourceful work environments, and found that the relation between resourceful working environments and job performance was mediated by work engagement [26]. In addition, job engagement partially mediates between rewards system and organizational performance as found by Kurniawan and Hutami (2019). This finding has implications for business owners to manage rewards systems for their employees. Providing high rewards will be able to increase job engagement as well as organizational performance from its employees [27]. Saengchai, Siriattakul, and Jermsittiparsert (2019) found that working environment and employee's performance are significant when the mediating role of engagement is activated in the relationship between the variables [28]. Therefore, 3 hypotheses were developed about the mediating effect of Employee Engagement as per the following:

H4: Employee engagement mediates the relationship between Employee Motivation and Employee Performance

H5: Employee engagement mediates the relationship between Rewards System and Employee Performance

H6: Employee engagement mediates the relationship between Work Environment and Employee Performance

2.5. Employee Performance

Employee Performance or job performance, in management science, means good ranking with the hypothesized conception of requirements of a role [29]. An employee's present and/or previous performance is evaluated in accordance to his or her performance criteria in a performance appraisal [30]. The process of evaluating how effectively workers do their tasks in comparison to a standard and conveying that information to them is known as performance assessment. Because it assists workers in improving their job performance, this tool is an important component of

performance management [31]. Teams and individuals performance is identified, measured, and developed, and their performance is aligned with the organization's objectives via performance management [30]. Performance management is a set of actions aimed at ensuring that the performance receives the results it requires from its workers [31].

2.6. Overview of the conceptual framework

The Job Demands-Resources (JD-R) Model[32], [33] has acquired a lot of traction among scholars since its inception in the early 21st century. The JD-R model is now considered as one of the most popular work stress models. Employee health and well-being, as per the JD-R model, are the consequence of a balance of positive (resources) and negative (demands) job characteristics. This study applies the JD-R model as a base model and extends it by addressing the mediating effect of employee engagement. Overall, this research examines Employee Motivation, Rewards System, and Work Environment to determine employee performance in YPC. As such, Figure 1 displays the proposed framework.
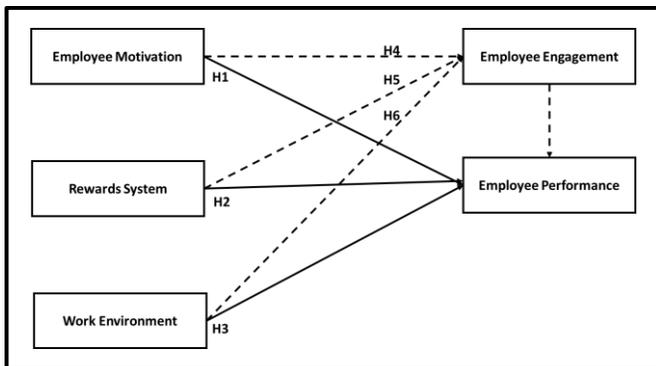

Figure 1 Research Conceptual Framework

3.METHODOLOGY

In this research, the researcher will utilize quantitative research methods. Primary data was collected from employees working in YPC in Sanaa, Yemen. The researchers contacted human resources in YPC and acquired their permissions to perform data collection. According to Zawya.com (2018), the company employment file reports a total of 5000 employees [34]. Therefore, the researcher systematically selected 424

respondents from YPC employees and contacted them for participating in the questionnaire survey, however, 416 valid responses were returned, resulting in a response rate of 98 percent.

4.RESEARCH INSTRUMENT

The development of instruments was carefully executed in order to reflect the nature of this research. As such, the questionnaire was designed to include 25 items and the variables were measured using the five-point Likert scale, with five standing for 'Strongly Agree' and one standing for 'Strongly Disagree'. Due to the fact that the participants spoke Arabic, it was critical that the survey be accurately translated from English to Arabic. As a result, a reverse translation was conducted, which is a common method for determining the accuracy of a translation in a cross-cultural survey [35]. Furthermore, the validated instruments listed in Appendix A were adopted from relevant prior researches to measure the variables in this research.

5.FINDINGS

The current study has assessed the proposed model in two steps consisting of the assessment of the measurement model (outer model) and the assessment of the structural model (inner model). However, prior to these two steps, a brief explanation is given regarding the respondents' profiles.

5.1. Respondent Profile

In the demographic information section, respondents in YPC were categorized by their gender, age, Educational level, Employment level, and Years of Experience, as displayed in Table 1.

Items		Frequency	Percent
Gender	Male	260	62.5
	Female	156	37.5
Age	20-25	184	44.2
	26-35	186	44.7
	36-45	35	8.4
	46-55	8	1.9
	56 and above	3	.7

Educational level	High school	24	5.8
	Bachelor Degree	190	45.7
	Diploma	87	20.9
	Master and PhD	115	27.6
Employment level	Registrar	184	44.2
	Executive	161	38.7
	Head of Department	39	9.4
	Top Management	32	7.7
Years of Experience	1-3 Years	111	26.7
	4-5 Years	96	23.1
	6-10 Years	113	27.2
	11 Years and above	96	23.1

Table 1. Respondents profile

5.2. Measurement model

The research model of this study was tested using SmartPLS 3.3. In addition, an examination was conducted in regard to the measurement model (validity and reliability of the measures) and the structural model (testing the hypothesized relationships). As a result, Employee Engagement (EME) scored low value of Cronbach's Alpha (.675). This value is below the cutoff point for Cronbach's Alpha (0.7), as recommended by Hair et al. (2017) [36]. In addition, EME1, ENV4, MOT2 and REW2 scored low factor loadings (-.188, .179, .236 and .060 respectively) which all were below the recommended level of 0.4 by [37]. Therefore, a form of modification was considered in the second run and, consequently, EME1, ENV4, MOT2 and REW2 were deleted in order to achieve satisfactory levels of Cronbach's Alpha and factor loadings. Overall, all variables have achieved the cutoff point, as illustrated in Table 2.

Variable	Item	Factor loading	Cronbach's Alpha	Composite Reliability	Average variance extracted (AVE)
Employee Engagement (*)	EME2	.786	.841	.894	.678
	EME3	.861			
	EME4	.848			
	EME5	.796			
Work Environment (*)	ENV1	.836	.884	.921	.744
	ENV2	.902			
	ENV3	.890			
	ENV5	.818			
Employee Motivation (*)	MOT1	.889	.925	.947	.816
	MOT3	.909			
	MOT4	.923			
	MOT5	.891			
Employee Performance	PER1	.735	.881	.914	.680
	PER2	.829			
	PER3	.814			
	PER4	.870			
	PER5	.868			
Rewards System (*)	REW1	.899	.942	.958	.852
	REW3	.924			
	REW4	.930			
	REW5	.938			

(*) EME1, ENV4, MOT2 and REW2 have been deleted due to low factor loadings

(*) EME1 has been deleted due to low Cronbach's Alpha

Table 2. Convergent Validity

Secondly, the discriminant validity was examined in order to assess how truly distinct a construct is from other constructs. In the area of distinguishing validity, the correlations between variables.
In the estimation of the model did not exceed 0.95, as suggested by Kline (2016) [38], and the validity was tested based on measurements of the square root of the average variance calculated for a construct and the correlations between constructs [38], [39]. Hence, Table 3 contains the results of the Fornell and Larcker Criterion and shows no value above the recommended cutoff point of 0.95 [39].

	EME	ENV	MOT	PER	REW
EME	.823				
ENV	.397	.862			
MOT	.424	.378	.903		
PER	.463	.676	.430	.825	
REW	.321	.680	.282	.732	.923

Table 3. Fornell and Larcker Criterion

Moreover, the Heterotrait-Monotrait ratio (HTMT) is a calculation that estimates the actual correlation between two constructs if they were properly assessed (i.e., if they were perfectly reliable). Furthermore, HTMT is the average of all correlations of indicators across constructs measuring different constructs (i.e., HTMT correlations) compared to the (geometric) mean of the average correlations of indicators measuring the same construct (i.e., HTMT correlations) and can be used to assess discriminant validity [36]. As such, the accepted level of HTMT is 0.90, as recommended by Gold et al. (2001) [40] (see Table 4).

	EME	ENV	MOT	PER	REW
EME					
ENV	.455				
MOT	.475	.417			
PER	.531	.766	.476		
REW	.357	.743	.300	.798	

Table 4. HTMT ratio

5.3. Structural Model

The path model's theoretical or conceptual aspect is represented by the structural model. The structural model, also known as the inner model in PLS-SEM, contains the latent variables and their path relations [36]. The next step after the evaluation of the measurement model is to assess the structural model. In sync with PLS-SEM, there are five steps required to assess the structural model according to Hair et al. (2017) including:
Step one: the assessment of collinearity.
Step two: assessment of the path coefficients.
Step three: coefficient of determination (R^2 value).
Step four: blindfolding and predictive relevance Q^2.
Step five: effect size f^2 [36].
Table 5 illustrates the results of PLS bootstrapping consisting of the Beta value, t-values, p-values, hypothesis results (whether supported or not) BCILL, BCIUL, f^2, and VIF scores. Furthermore, Appendix C summarizes the results of the structural model and PLS bootstrapping.

H	Path	Std. Beta	Std. Error	T-value	P Values	Decision	BCILL	BCIUL	f^2	Effect size	VIF
H1	MOT -> PER	.140	.038	3.687	P < .001 (.000)	Supported	.072	.220	.172	Medium	1.303
H2	REW -> PER	.485	.043	11.351	P < .001 (.000)	Supported	.407	.566	.352	Large	1.873
H3	ENV -> PER	.232	.049	4.684	P < .001 (.000)	Supported	.137	.328	.193	Medium	2.069

Table 5. Summary of Structural Model (PLS bootstrapping)

5.3.1. Assessment of the Structural Model for Collinearity Issues

The first step in the structural model is to assess collinearity issues. It is vital to safeguard against collinearity issues between the constructs before performing a latent variable analysis in the structural model. As such, the collinearity has been measured by measuring the VIF value. The threshold value for the assessment is 3.3, following the recommendation of Diamantopoulos and Siguaw (2006) [41]. In this study, as illustrated in Table 5, all inner VIF values for the

constructs are within the range of 1.303 to 2.069. All are less than 3.3, thus indicating that collinearity is not a concern in this study.

5.3.2. Assessing the Significance of the Structural Model Relationships

The bootstrapping approach was used to provide data for each path relationship in the model in order to evaluate the hypotheses, as shown in Table 5.
In PLS, bootstrapping is a nonparametric test that involves repeated random sampling with replacement from the original sample with the purpose of generating a boot-strap sample and achieving standard errors for

hypothesis testing [36]. Chin (2010) recommended bootstrapping with 1000 samples when it came to the number of resampling [42]. Three hypotheses for the constructions have been developed in this study. T-statistics for all pathways were computed using the bootstrapping tool in SmartPLS 3.3 to assess the significance level. A significance level of 0.05, a two-tailed test, and 1000 subsamples were used in the bootstrapping. For the two-tailed test, the critical value for the significance level of 5% (α = 0.05) is 1.645 [37]. The value of the path coefficients has a standardized value between -1 and +1, according to the data in Table 5. (Values from 0.14 to 0.485). Estimated route coefficients approaching +1 indicate strong positive associations, according to Hair et al., (2017), and the closer the number comes to zero, the weaker the relationships get. In the next step, toward conducting the T-test, relationships are found to have T-values of more than or equal to 1.645. Therefore, these relationships are significant at 0.05 for H1 (β = 0.140, t = 3.687, P < 0.001), H2 (β = 0.485, T = 11.351, P < 0.001) and H3 (β = 0.232, T = 4.684, P < 0.001). A summary of these findings is illustrated in Table 5.

5.3.3. The Coefficient of Determination (R2)

The next stage is to evaluate the model's predictive accuracy through the derived value of the coefficient of determination (R2). The value of R2 is linked to the model's predictive power and ranges from zero to one, with a higher value indicating a higher level of predictive accuracy [36]. Using the SmartPLS algorithm, the value of R2 has been calculated as shown in Table 6 (See Appendix B as well).

Since there exists a variety of sets of rules regarding the acceptable value of R2, this study has followed guidelines set by Cohen (1989), designating the values of 0.02, 0.13, and 0.26 to represent a weak, moderate, and substantial level of predictive accuracy [43]. Overall, referring to Table 6, Employee Motivation (MOT), Rewards System (REW) and Work Environment (ENV) explain 24.9 percent of the variance in Employee Engagement (EME) which indicates a moderate level of predictive accuracy. Moreover, Employee Motivation (MOT), Rewards System (REW) and Work Environment (ENV) explains 64.4 percent of the variance in Employee Performance (PER). This signifies a substantial level of predictive accuracy.

Variable	R Square
EME	.249
PER	.644

Table 6. The coefficient of determination (R2)

On the whole, the R2 values found in this study are extremely similar to those reported in a majority of extant works of research in the corresponding literature. For instance, in a study conducted by Mira and Odeh (2019), the R2 value reported is 0.628 from which it can be concluded that the model can predict up to 62.8 percent of the factors influencing employee performance [44]. This percentage is deemed to be satisfactory in the context of a social science study.

5.3.4. Assessment of the effect size (f2)

In this stage, the effect sizes (f2) have been evaluated. The value of f2 is connected to the relative impact of a predictor construct on endogenous constructs. According to Sullivan and Feinn (2012), aside from reporting the p-value, both the substantive significance (effect size) and statistical significance (p-value) are crucial to be reported [45]. Furthermore, in order to measure the effect size, a guideline set by Cohen (1988) has been followed [46]. Based on the study of Cohen (1988), the values of 0.02, 0.15, and 0.35 represent small, medium, and large effects respectively [46]. As it can be viewed in Table 5, Rewards System (REW) has a large effect on generating the value of R2 for Employee Performance (PER). In addition, Employee Motivation (MOT) and Work Environment (ENV) have a medium impact on the production of the value of R2 for Employee Performance (PER).

5.3.5. Assessment of the Predictive Relevance (Q2)

As the final step, the predictive relevance of the model has been assessed through the blindfolding procedure, as suggested by Hair et al. (2017) [36], and Table 7 contains the corresponding findings. On this subject, the value of Q2 is larger than zero, implying that the model has sufficient predictive relevance. The analysis of the value of Q2 or predictive relevance has been conducted using the blindfolding procedure. As such, on the foundation of the blindfolding assessment, the values of the predictive relevance Q2 for Employee Engagement

(EME) and Employee Performance (PER) are 0.164 and 0.429 respectively. This indicates that the model is in possession of predictive relevance since the Q2 values are considerably above zero.

Variable	Q^2
EME	.164
PER	.429

Table 7. The Predictive Relevance (Q2)

5.3.6. Assessment of Mediation Analysis

The mediation hypothesis was investigated once the direct effect was evaluated. The key feature of a mediating effect (also known as an indirect effect or mediation) is that it involves a third variable that acts as a link between the independent and dependent variables. The effect of the independent variable Y1 on the dependent variable Y3 is technically mediated by a third variable, Y2, which is referred to as the mediating variable or mediator (see Figure 2). When a researcher develops mediation hypotheses, he or she considers how an independent variable (Y1) influences a dependent variable (Y3) via one or more potential intervening factors, or mediators (Y2) [47].
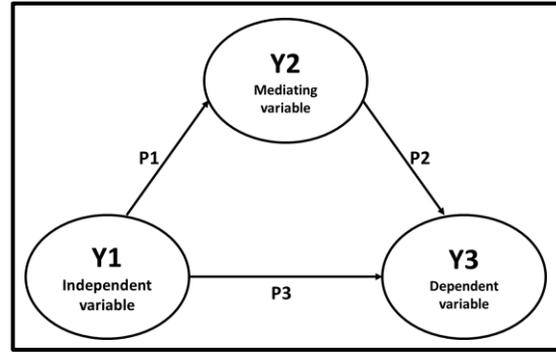
Figure 2 Mediating Paths

As shown in and observed from, the current study presented 3 hypotheses were constructed in order to assess the mediating effect of Employee Engagement (EME). In the current study, the mediating effect analysis carried out using Smart PLS found the following:

In H4: Employee Engagement (EME) plays a significant mediating role on the relationship between Employee Motivation (MOT) and Employee Performance (PER) with partial mediation level and complementary mediating.

In H5: Employee Engagement (EME) has no significant mediating role on the relationship between Rewards System (REW) and Employee Performance (PER) as the mediating analysis results showed that no effect was noticed.

In H6: Employee Engagement (EME) plays a significant mediating role on the relationship between Work Environment (ENV) and Employee Performance (PER) with partial mediation level and complementary mediating.

H	Relationship	Path P1 Beta	Path P2 Beta	Path P3 Beta	Indirect P1*P2	Std Error	t value	P value	Decision	Mediation size of effect
H4	MOT-> EME -> PER	.318	.156	.140	.050	.013	3.918	P<.001 (.000)	Supported	Complementary (Partial mediation)
H5	REW-> EME -> PER	.080	.156	.485	.013	.010	1.261	P>.05 (.208)	Rejected	Direct only (No mediation)
H6	ENV-> EME -> PER	.223	.156	.232	.035	.012	2.945	P<.05 (.003)	Supported	Complementary (Partial mediation)

Table 8. the results of PLS bootstrapping for the indirect effect

6.DISCUSSION

The purpose of this research is to explore the impact of Employee Motivation, Rewards System, and Work Environment with Employee Performance, alongside investigating the mediating influence of employee engagement among the employees working for the YPC in Yemen. In This study, Employee Motivation was hypothesized to have significant and positive impact on Employee Performance and this hypothesis was supported. Therefore, it is suggested that when the employee is well motivated, the performance of the employee will be higher. One can assume that motivated employees as willing to perform their tasks efficiently compared with employees with high level of this satisfaction. The obtained findings are in consistent with many researches. These results were inconsistent with the findings of Tampubolon (2017) and Sandhu et al. (2017) which both found that Employee Motivation has a significant and positive impact on employee performance.

Moreover, the current study hypothesized that Rewards system have a positive and significant relationship and this hypothesis was supported. It can be observed that rewarding staff with financial and non-financial rewards is vital for increasing the employee's performance. The obtained findings are in consistent with the findings of Abdi Mohamud, Ibrahim, and Hussein (2017) and Bao and Nizam (2015) which they both found a significant association between Rewards System and Employee Performance.

Furthermore, Work Environment was hypothesized to have a significant impact on Employee Performance, which was found supported. Therefore, employees who are working in good and positive working environment are expected to perform well. The obtained results are in consistent with the findings of Ji et al. (2012) and Al-Omari and Okasheh (2017) which they both found a significant relationship between Work Environment and Employee Performance.

In addition, Employee Engagement was included in this study as a mediating effect on the relationship between Employee Motivation, Rewards System, and Work Environment with Employee Performance. The first mediating hypothesis was on the relationship between Employee Motivation and employee performance. Employee Engagement was found playing a significant mediating role on the relationship between Employee Motivation and Employee Performance with partial mediation level and complementary mediating. Therefore, with proper and sufficient employee engagement, the Employee Motivation will be higher more effective in terms of employee performance. It means that the management of YPC is required to make sure that their employee is well engaged in their organization, as the employees engagement encourage the employees to perform better and have a higher level of motivation. Furthermore, the second mediating hypothesis was on the relationship between Rewards System and employee performance. Employee Engagement did not show any mediating effect on the relationship between Employee Motivation and Employee Performance. Therefore, whether the employees are well engaged in their organization or not, it will not change the fact that appropriate Rewards System is required if the YPC is looking up for better level of employee performance. Finally, the third mediating hypothesis was on the relationship between work environment and employee performance. Employee Engagement was found playing a significant mediating role on the relationship between Work Environment and Employee Performance with partial mediation level and complementary mediating. Therefore, if the employees are engaged enough in their organization, this high level of engagement will increase the effect of Work Environment on the Employee Performance.

7.PRACTICAL AND THEORETICAL CONTRIBUTIONS

In practice, this research has some practical implications for the human resources management. The research suggests that motivating staff in the work would reflect the performance of the employees and make the tangible and intangible return yield more. As well as, rewarding staff would increase the level of their performance. Furthermore, positive and stable working environment influences the performance of the staff.

YPC, in order to raise the level of employee performance, is advised and recommended to commence motivation programs for their staff. As well as, to implement a list of rewards for well-performed staff. Moreover, if the staff are well engaged with the organization, Employee Motivation and employee performance are more influenced and attached. In addition, making sure that the working environment is a good and suitable for work is another great element for more efficient employee

engagement and performance. However, YPC is still required to work on an efficient financial and non-financial rewards system whether the employees have high level of employee engagement or not.

Speaking of the theoretical contributions, this study included Employee Motivation, Rewards System, and Working Environment as independent variables. In order to achieve better results from this study, the researcher has introduced Employee engagement as mediating effect of the relationship between the variables. The target population for this study are the employees of the Yemen petroleum Company (YPC) which is subsidiary of the Yemen general oil and Gas Corporation. This study suggests significant relationship between Employee Motivation, Rewards System, and Working Environment from hand, and employee performance from another hand, which support what was found in the previous published literature.

Furthermore, the research develops a model to assist trying to answer study questions and defining the study's essential factors in terms of methodological implications. Moreover, the research is conducted in a scientific manner in order to accomplish the study's objectives. The study's method includes a number of phases that must be completed in order for the objectives to be achieved. In order to identify theories and factors appropriate to the area and environment of this study and develop a research model, a review of the literatures relating to the JD-R Framework Model and Social Exchange Theory in the field of Human Resources Management, particularly in Yemen Petroleum Company (YPC), was conducted.

In this study, employee engagement would be linked with the relationship between Employee Motivation and performance, with partial mediation impact on the relationship. While employee engagement was found to partially mediate the relationship between working environment and performance. Finally, with high or low level of employee engagement, there were no changes on the relationship between Rewards System and performance which therefore means that employee engagement does not have any mediation effect on this relationship.

The published literature lacked the empirical, holistic researches about managing the Yemeni Petroleum companies. In addition, the link between employee engagement and employee performance was rarely mentioned in the studies about the Yemeni industrial or governmental sector. Moreover, the role of the training sessions and programs in the private and governmental (industrial) sector, and theirs effects on the employees' performance, have not been addressed academically in a proper way [1], [48]. Many studies found that the majority of the companies in Yemen don't relate their activities with the employee motivation, which in turn generate a climate of dissatisfaction and low performance rate. Some of the private sector companies in Yemen have the minimum level of motivation plans, while the governmental sector (like the petroleum companies) have no policies or plans to motivate their staff, which may lead to flourish in performance. The field of motivation in the Yemeni Petroleum companies and its relationship with employee performance is lacking the empirical published literature that could enhance the concept of motivation in Yemen [49]–[51]. Neither the private sector, nor the governmental or industrial sector were observed to have any written program for rewards system of their employees. There is a clear gap in the published literature of how the Yemeni companies reward their staff in order to increase the performance [50], [51]. Workspace and working environment in the Yemeni was rarely studied in the Yemeni enterprises and businesses, especially its effect on both employee engagement and employee performance [1], [52]. The Scarcity of the studies of the role of employee engagement on employee performance in Yemen was the major gap this study is designed to bridge, there are no noted publication that target this important relationship.

8.LIMITATIONS AND FUTURE RECOMMENDATIONS

This study was limited to single case study, which is the YPC employees, studying other type of industries' staff would increase the study outcomes. Another limitation of this study was the type of sectors of this study; this study focused on the public and government-owned business, implementing the research framework of this study on the private companies would come back with different and varied results. This research was conducted during a short period of time, redoing the same study with the same framework for longer period of time would enhance the results. This study was limited to 3 independent variables, Employee Motivation, Rewards System, and work environment, there are long list of factors that could be found in the published literature,

namely training and organizational citizenship behavior which may influence the employee performance.

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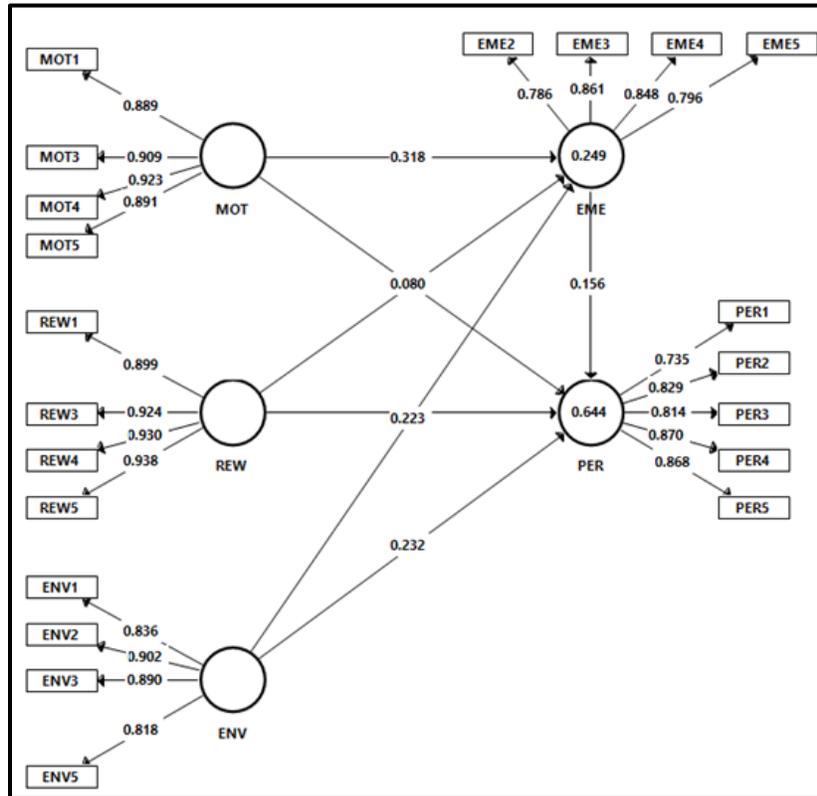
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Appendix A
Research Instruments

Construct	No of Items	Adapted	Citation
Employee Motivation	5	MOT1: I have the tools and resources I need to do my job well	[53]
		MOT2: My work is valued by this organization	
		MOT3: My supervisor helps me understand how my work is important to the organization	
		MOT4: My supervisor is approachable and easy to talk to.	
		MOT5: My supervisor creates a motivating and energizing workplace	
Rewards System	5	REW1: The work I did well had an impact on my salary increase	[54]
		REW2: The work that I did well had an impact on the security of my work	

		REW3: The work I did well had an impact on promotion	
		REW4: The work I do well makes me receive respect from the people I work with	
		REW5: The work I did well had an impact on my engagement in work	
Work Environment	5	ENV1: I am satisfied with the space allocated for me to do my work	[55]
		ENV2: My workplace is very clean	
		ENV3: There is adequate space between me and my nearest colleague.	
		ENV4: My work environment is quiet	
		ENV5: Overall, my work environment is pleasant and visually appealing	
Employee Engagement	5	EME1: At this institution, I feel energetic to do my work	[55]
		EME2: At this institution, I feel strong and capable to do my work	
		EME3: I can continue working for very long period at a time	
		EME4: I find the work that I do full of meaning and purpose	
		EME5: I am enthusiastic about my job	
Employee Performance	5	PER1: My supervisor has a good understanding of my job performance and accomplishments.	[55]
		PER2: Appropriate, objective measures are used to evaluate my performance	
		PER3: My performance appraisal is a fair reflection of my performance.	
		PER4: In my most recent performance appraisal, I understood what I had to do to be rated at different performance levels.	
		PER5: Overall, if I am engaged enough my performance will be increased	

Appendix B
PLS Algorithm results

Appendix C
PLS bootstrapping results