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UNEVEN ENGAGEMENT: HOW DIGITAL HR TECHNOLOGY, FLEXIBILITY, LEADERSHIP AND INCLUSION DIFFERENTIALLY SHAPE EMOTIONAL, COGNITIVE AND BEHAVIOURAL ENGAGEMENT AMONG MID-LEVEL BFSI PROFESSIONALS

A Post-Pandemic Workplace Study with Work-Mode Moderation

Sudip Kumar Sen¹ and Dr Shiv K Tripathi²

¹Research Scholar
Atmiya University
Email: sudip_kr_sen@hotmail.com

²Dean of the Faculty of Economics and Business Administration.
Berlin School of Business and Innovation
Research Guide
Email: shivktrpathi@hotmail.com

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ABSTRACT

Post-pandemic organisational research has largely treated employee engagement as a single composite outcome and HR practices as a uniformly positive influence upon it. This study departs from that convention by decomposing employee engagement into its emotional, cognitive and behavioural dimensions and testing whether six post-pandemic HR practices – flexible work arrangements, employee well-being support, digital HR technology, performance management systems, leadership support, and diversity-equity-inclusion (DEI) climate – influence these dimensions uniformly or differentially. Primary data were collected from 126 mid-level professionals across banking, insurance and non-banking financial company (NBFC) organisations in India. Multiple regression, one-way ANOVA and moderation analysis reveal that the six HR practices do not uniformly predict engagement: digital HR technology is a significant negative predictor of emotional engagement, DEI climate is a significant negative predictor of cognitive engagement and of overall engagement, while none of the six practices significantly predicts behavioural engagement once the others are controlled for. Work mode significantly moderates the digital-HR-technology–engagement relationship, with the association turning more negative for remote workers than for hybrid or onsite workers. Overall engagement did not differ significantly by designation, experience, organisation type or work mode. These findings caution against treating HR practices and engagement as monolithic constructs and suggest that digital and inclusion-oriented interventions in BFSI organisations may carry engagement trade-offs that are dimension- and context-specific rather than universally positive.

KEYWORDS: employee engagement; post-pandemic HR practices; digital HR technology; flexible work arrangements; diversity, equity and inclusion; BFSI; work mode; mid-level professionals

1. INTRODUCTION

The COVID-19 pandemic compressed a decade of workplace change into roughly two years, forcing banking, financial services and insurance (BFSI) organisations in India to adopt flexible work arrangements, digitise HR processes, redesign performance management, and lean more heavily on line managers for day-to-day support, often for the first time at scale. Four years on, the more urgent question is no longer whether these changes happened but whether they have translated into a genuinely engaged workforce, or whether engagement has instead become a casualty of the very practices meant to protect it. Recent workforce data lend urgency to this question: employee engagement in India has been reported to have fallen sharply in the last two years, with a majority of Indian employees now classified as merely “showing up” rather than genuinely engaged, and manager engagement declining even faster than that of individual contributors.

Much of the popular and scholarly literature on this subject treats employee engagement as a single, undifferentiated outcome and HR practice as a uniformly beneficial input – more flexibility, more digital enablement, more inclusion initiatives are assumed to produce more engagement, in roughly additive fashion. This assumption is worth scrutinising for at least two reasons. First, employee engagement, since Kahn’s (1990) foundational formulation, has always been understood as a multi-dimensional construct comprising the emotional connection an employee feels toward the organisation, the cognitive absorption and meaning they attach to their role, and the behavioural energy and persistence they bring to their tasks; there is no strong theoretical reason to expect a single HR practice to move all three dimensions equally. Second, several of the specific practices adopted at pace during the pandemic – digital HR technology in particular – carry documented double edges, including risks of impaired social integration, algorithmic favouritism and a sense of depersonalisation that could plausibly weaken emotional engagement even while supporting operational efficiency.

Mid-level professionals in BFSI organisations are a particularly instructive population in which to examine this question. They sit at the intersection of strategy and execution, are frequently the first to absorb new HR technology and performance systems on behalf of their teams, and – per recent workforce research on middle management – tend to report engagement levels below both senior leadership and individual contributors, making them a population where any differential or unintended effect of HR practice is likely to be most visible. BFSI organisations, for their part, combine unusually high attrition pressure with an unusually rapid pace of HR digitisation, making the sector a demanding test bed for whether post-pandemic HR investment is paying the engagement dividend it is assumed to.

This study responds to that gap directly. Using primary survey data from 126 mid-level BFSI professionals, it tests, rather than assumes, whether six post-pandemic HR practices – flexible work arrangements, employee well-being support, digital HR technology, performance management systems, leadership support, and DEI climate – predict emotional, cognitive and behavioural engagement uniformly or differentially, and whether the mode of work (onsite, hybrid or remote) changes the strength or direction of these relationships. In doing so, the study deliberately adopts objectives and hypotheses distinct from prior thesis-level research on post-COVID HR practices and employee engagement among BFSI mid-level professionals, shifting attention from whether HR practices help engagement in general to which practice helps which dimension of engagement, for whom, and under what working arrangement.

2. REVIEW OF LITERATURE

2.1 The Multi-Dimensional Nature of Employee Engagement

Kahn's (1990) original formulation identified physical, cognitive and emotional dimensions of engagement, arguing that employees bring varying degrees of themselves to their work along each dimension, with each dimension affecting performance and experience differently. This tri-dimensional view was later operationalised in the Utrecht Work Engagement Scale as vigor, dedication and absorption, measuring work engagement as a persistent affective-cognitive state rather than a momentary feeling (Schaufeli & Bakker, 2003). Despite this well-established multi-dimensionality, applied HR research – including much post-pandemic literature – frequently collapses engagement into a single composite score, a simplification this study avoids by analysing emotional, cognitive and behavioural engagement separately.

2.2 Post-Pandemic HR Practices and Employee Engagement: The General Case

A substantial post-pandemic literature documents that HR practices bundles – compensation, training, opportunity-enhancing and motivation-enhancing practices together with psychological well-being and empowerment – explain a large share of variance in employee work engagement during crisis conditions (“Fostering Employee Work Engagement and Sustainable Employment During COVID-19 Crisis,” n.d.). Comparative pre- and post-COVID-19 studies of employee engagement find meaningful shifts in engagement levels and drivers across the two periods (“A Comparison of Employee Engagement: Pre- and Post-COVID-19,” n.d.), while broader commentary on the post-pandemic workplace finds that although organisations widely believe their culture and employee experience improved during the pandemic, measured engagement has since fallen to a multi-year low, an “experiment” that Gallup describes as still ongoing (Gallup, n.d.-a). Conceptual and empirical work on re-engineered HR strategy in crisis and post-crisis conditions similarly frames high-performance work practices as working through, rather than independently of, employee outcome variables, implying a more conditional relationship than a simple main effect (“Re-Engineering the Human Resource Strategies Amid and Post-Pandemic Crisis,” n.d.). Broader strategic reviews of HR

management in crisis likewise call for HR functions to rethink workforce planning, communication and engagement tactics rather than assume pre-pandemic practices remain adequate (“Human Resource Management in Times of Crisis,” n.d.).

2.3 Flexible Work Arrangements and Hybrid/Remote Work in BFSI

Within financial services specifically, flexibility has been identified as a powerful driver of engagement and retention: survey evidence indicates that a majority of financial-services employees working remotely at least part-time would consider leaving if mandated back to the office full time, and that flexible arrangements are linked to reduced stress and improved satisfaction (Deloitte, 2023). At the same time, BFSI employers have been documented tightening in-office mandates even as employees resist, creating friction described as a “delicate balancing act” for the sector (International Banker, n.d.), and industry analyses caution that overly strict in-office mandates risk weakening the leadership pipeline (PwC, n.d.). Qualitative research on remote work and engagement in the post-COVID-19 era similarly finds mixed employee sentiment, with flexibility valued but isolation and reduced organisational connection cited as counter-pressures (“Remote Work and Employee Engagement in the Post COVID-19 Era,” n.d.), a tension echoed in broader remote-work productivity literature that finds gains in output accompanied by continued difficulty in sustaining engagement and communication (“Remote Work and Employee Productivity: Post-Pandemic Strategic HR Perspectives,” n.d.).

2.4 Digital HR Technology Adoption

COVID-19 substantially accelerated digital HR transformation, with a large majority of surveyed employees reporting implementation of some form of HR digital transformation and most expecting electronic HR management to persist post-pandemic (“Digital Transformation Adoption in Human Resources Management During COVID-19,” n.d.). Thematic analyses of digital maturity in HR describe an evolution from routine administrative digitisation toward strategic, experience-shaping technology, including wellness applications and personalised employee-experience tools (“Digital Maturity in Transforming Human Resource Management in the Post-COVID Era,” n.d.). This literature, however, is careful to flag a double edge: documented risks include impaired social integration, perceptions of algorithmic favouritism, diminished engagement in virtual training, and heightened isolation and exhaustion (“Digital HR Practices in the Post-Pandemic Era,” n.d.), risks that map directly onto the emotional dimension of engagement examined in this study.

2.5 Performance Management System Redesign

Traditional annual or semi-annual performance review cycles have been widely reported as poorly suited to remote and hybrid work, prompting calls to redesign performance management around more frequent, outcome-oriented feedback (Rethinking Performance Management for Post-Pandemic Success, n.d.). Exploratory studies of performance management in remote and hybrid environments

confirm that organisations have struggled to adapt legacy metrics to distributed work and that ad hoc practices have often filled the resulting gap (“Performance Management Practices in Remote and Hybrid Work Environments,” n.d.), while conceptual work on the implications of remote working for performance management raises similar concerns about the validity of pre-pandemic assessment frameworks under new working conditions (“The Implications of Remote Working on Performance Management During the COVID-19 Pandemic,” n.d.).

2.6 Leadership Support in Virtual and Hybrid Contexts

Leadership behaviour has repeatedly emerged as a strong correlate of remote and hybrid engagement, with manager-level factors reported to account for a large share of variance in team engagement scores (“The Influence of Leadership on Remote Worker Engagement,” n.d.). A scoping review of virtual leadership found consistent associations with employees’ mental health, job satisfaction and perceptions of isolation, though the evidence base on which specific leadership styles work best in virtual settings remains inconsistent (“Virtual Leadership in Relation to Employees’ Mental Health, Job Satisfaction and Perceptions of Isolation,” n.d.). Complementary research on crisis-time leadership finds that perceived consideration behaviour by leaders significantly predicts follower work engagement during remote work (“Leading in Times of Crisis and Remote Work,” n.d.), and studies specifically situated in middle management find that digital leadership by middle managers has a measurable effect on subordinate work engagement (“The Impact of Middle Managers’ Digital Leadership on Employee Work Engagement,” n.d.), a finding directly relevant to the mid-level population studied here.

2.7 Diversity, Equity and Inclusion (DEI) Climate

DEI has been positioned in recent literature as a strategic lever for engagement and retention, with diverse and inclusive workplaces linked to stronger employee attraction and retention outcomes (WebMD Health Services, n.d.) and inclusion-focused workplace cultures repeatedly linked to higher engagement in McKinsey’s ongoing diversity research programme (McKinsey & Company, n.d.). Yet the same literature reports a persistent gap between diversity and inclusion sentiment – with employee sentiment on inclusion running markedly more negative than sentiment on diversity itself in several surveys – suggesting that DEI initiatives are not uniformly experienced as authentic or effective (Perceptyx, n.d.). Research specifically on the post-pandemic, multi-generational workforce similarly finds DEI’s effect on engagement and productivity to be contingent rather than automatic, varying by how initiatives are implemented and perceived (“Diversity, Equity, and Inclusion: Impact on Multi-Generational Workforce Engagement and Productivity in the Post-Pandemic Era,” n.d.), a contingency this study’s findings speak to directly.

2.8 Employee Well-Being in BFSI

Well-being has become a central post-pandemic HR concern, particularly in high-pressure, customer-

facing sectors such as BFSI, where burnout is reported to be worn “like a medal of commitment” (BFSI Elets Online, n.d.) and workplace stress linked to loneliness, financial anxiety and overwork has intensified since the pandemic (Calm Health, n.d.). Research on emotional labour among younger BFSI employees finds that surface acting in customer-facing roles is associated with emotional dissonance, exhaustion and reduced engagement (Editorial: New Work Demands and Managing Employee Well-Being in the Post-Pandemic World, n.d.), while broader reviews of white-collar well-being in the post-pandemic era catalogue both risk and protective factors relevant to sustained engagement (“White-Collar Workers in the Post-Pandemic Era,” n.d.). A parallel stream of research finds organisational virtuousness and emotional intelligence to mediate the well-being–performance relationship in the post-pandemic context (“Mediating Role of Wellbeing Among Organizational Virtuousness, Emotional Intelligence and Job Performance in Post-Pandemic COVID-19,” n.d.).

2.9 Attrition, Disengagement and the Indian BFSI Labour Market

India’s broader engagement climate provides essential context: recent workforce research finds a majority of Indian employees to be “not engaged” or quietly disengaged, with national engagement levels reported to have fallen sharply and manager engagement falling even faster than that of individual contributors (Gallup, n.d.-b), a trend SHRM India situates within a wider “Great Resignation” driven by inadequate compensation, poor work-life balance and burnout (SHRM India, n.d.). BFSI-specific labour-market data reinforce this picture: the sector has been reported to carry attrition rates exceeding 100 percent in some segments, alongside strong projected demand for skilled BFSI talent through 2025, creating a structural tension between rapid hiring and weak retention (Taggd, n.d.). Against this backdrop, understanding precisely which HR levers support which dimension of engagement – rather than assuming all levers help equally – takes on direct practical urgency for BFSI HR functions.

2.10 Research Gap

The literature reviewed spans engagement theory, flexible work, digital HR technology, performance management redesign, virtual leadership, DEI, well-being and the Indian BFSI labour market, but it addresses these strands largely in isolation and, where it does test HR-practice effects on engagement, typically models engagement as a single composite outcome. Little empirical work tests multiple post-pandemic HR practices simultaneously against the separate emotional, cognitive and behavioural dimensions of engagement within a single sample, and fewer still examine whether the mode of work moderates these relationships in the specific context of mid-level BFSI professionals in India. This study addresses that combined gap, and in doing so develops objectives and hypotheses that are deliberately distinct from prior thesis-level research on post-COVID HR practices and employee engagement in BFSI organisations.

3. OBJECTIVES OF THE STUDY

Consistent with the identified research gap, and framed independently of the objectives used in prior thesis-level research on post-COVID HR practices and employee engagement among BFSI mid-level professionals, this study pursues the following five objectives:

- Objective 1: To assess the prevailing levels of six post-pandemic HR practices – flexible work arrangements, employee well-being support, digital HR technology, performance management systems, leadership support, and diversity, equity and inclusion (DEI) climate – among mid-level BFSI professionals.
- Objective 2: To decompose overall employee engagement into its emotional, cognitive and behavioural dimensions and examine the degree of association among them.
- Objective 3: To identify which specific HR practice(s), if any, significantly predict each engagement dimension independently, rather than assuming a uniform influence across dimensions.
- Objective 4: To test whether work mode (onsite, hybrid or remote) moderates the relationship between digital HR technology adoption and overall employee engagement.
- Objective 5: To examine whether overall employee engagement varies significantly by designation, years of experience, organisation type, and work mode.

4. HYPOTHESES OF THE STUDY

Corresponding to the above objectives, and again framed independently of hypotheses used in prior thesis-level work on this population, the study tests the following null hypotheses:

- H01: None of the six HR practices (flexible work arrangements, employee well-being, digital HR technology, performance management systems, leadership support, DEI climate) significantly predicts emotional engagement.
- H02: None of the six HR practices significantly predicts cognitive engagement.
- H03: None of the six HR practices significantly predicts behavioural engagement.
- H04: Work mode does not significantly moderate the relationship between digital HR technology adoption and overall employee engagement.
- H05: Overall employee engagement does not differ significantly by designation, years of experience, organisation type, or work mode.

5. RESEARCH METHODOLOGY

5.1 Research Design

The study adopts a descriptive-cum-empirical, cross-sectional research design based on a structured questionnaire survey of mid-level professionals employed in BFSI organisations in India.

5.2 Sample

The final usable sample comprised 126 mid-level professionals drawn from banking, insurance and non-banking financial company (NBFC) organisations across seven cities. Respondents varied by gender, age group, educational qualification, designation level, years of experience, organisation type, and current work mode (onsite, hybrid or remote), providing adequate variance on the study's independent and moderating variables.

5.3 Variables and Instrument

The questionnaire measured six HR-practice constructs, each through five five-point Likert items: Flexible Work Arrangements (FWA), Employee Well-Being (EWB), Digital HR Technology (DHT), Performance Management System (PMS), Leadership Support (LDR), and Diversity, Equity and Inclusion climate (DEI). Employee engagement was measured through three three-item sub-scales corresponding to Kahn's (1990) tri-dimensional formulation: Emotional Engagement (EMO), Cognitive Engagement (COG), and Behavioural Engagement (BEH). Respondent profile variables included gender, age group, educational qualification, designation, years of experience, organisation type, work mode, and city.

5.4 Reliability of Multi-Item Constructs

Cronbach's alpha was computed for each construct. All nine multi-item constructs returned low alpha values (ranging from -0.21 to 0.24), indicating that, as measured in this sample, the items are best interpreted as formative composite indicators of distinct facets of practice or engagement rather than as tightly unidimensional reflective scales. This is treated as an explicit limitation, and construct-level findings are interpreted with corresponding caution; item-level refinement and re-validation are recommended for future research using this instrument.

5.5 Statistical Tools

Data were analysed using Python (pandas, SciPy and statsmodels). Descriptive statistics characterised the level of each HR practice and engagement dimension. Ordinary least squares multiple regression tested Hypotheses 1 to 3, regressing each engagement dimension separately on the six HR-practice composites. An interaction-term regression (digital HR technology $\times$ work mode) tested the moderation hypothesis, Hypothesis 4. One-way ANOVA tested Hypothesis 5 across designation, experience, organisation type and work mode. Pearson correlation additionally examined the inter-relationship among the three engagement dimensions themselves.

6. Data Analysis and Results

6.1 Descriptive Profile of HR Practices and Engagement

Table 1 presents descriptive statistics (composite mean scores on a 1-5 Likert scale) for the six HR-practice constructs and the three engagement dimensions across the 126 sample respondents.

Construct	Mean	Std. Dev.	Minimum	Maximum
Flexible Work Arrangements (FWA)	3.52	0.54	2.00	4.60
Employee Well-Being (EWB)	3.51	0.56	2.00	4.80
Digital HR Technology (DHT)	3.59	0.50	2.40	5.00
Performance Management System (PMS)	3.54	0.53	2.20	4.80
Leadership Support (LDR)	3.51	0.52	2.40	4.80
Diversity, Equity & Inclusion (DEI)	3.55	0.50	2.00	4.80
Emotional Engagement (EMO)	3.59	0.62	2.00	5.00
Cognitive Engagement (COG)	3.59	0.62	2.00	5.00
Behavioural Engagement (BEH)	3.54	0.65	1.67	5.00

Table 1. Descriptive statistics of HR-practice and engagement constructs (N = 126).

All six HR practices cluster narrowly around the scale midpoint-to-moderate range (means between 3.51 and 3.59), suggesting that, on average, respondents perceive these practices as being in place to a broadly similar, moderate degree, with no single practice standing out as markedly stronger or weaker than the others. Figure 1 presents this comparison graphically.

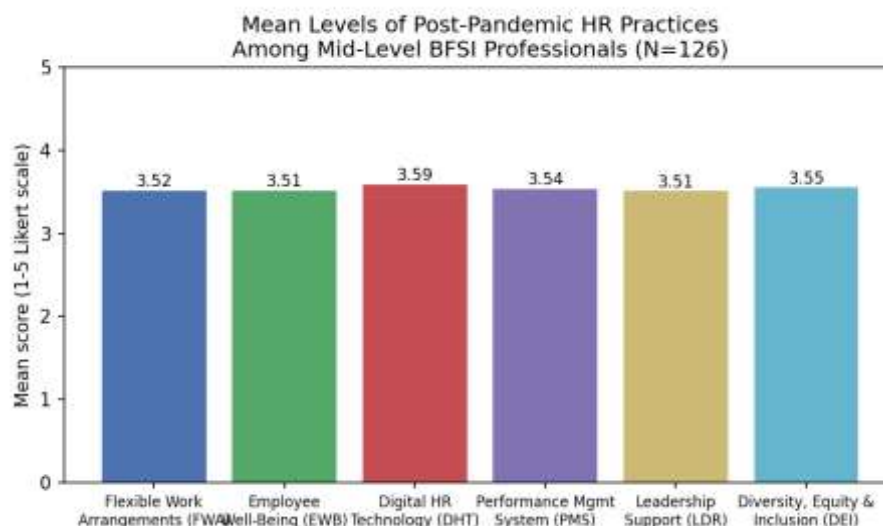


Figure 1. Mean levels of post-pandemic HR practices among mid-level BFSI professionals (N = 126).

The three engagement dimensions are similarly close in mean level (3.54 to 3.59), but – as the regression results below show – this surface-level similarity masks materially different relationships with the underlying HR practices. Figure 2 presents the engagement dimensions graphically, and Table 2 (Section 6.2) reports their mutual correlations.

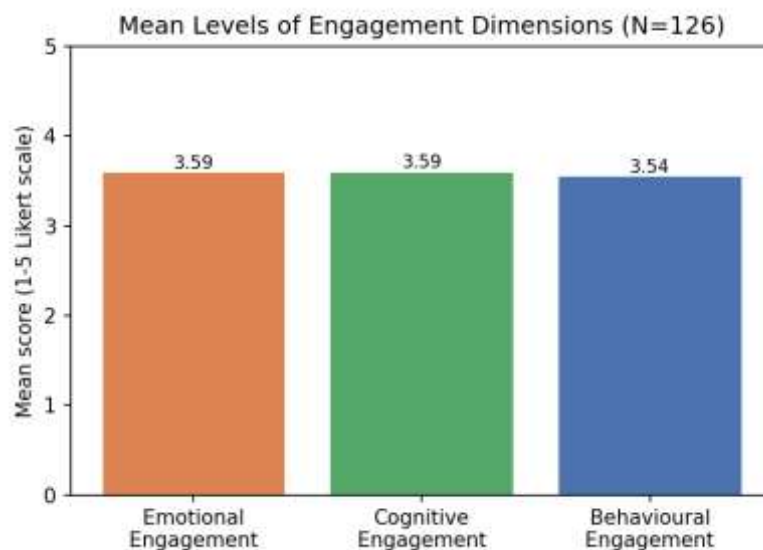


Figure 2. Mean levels of emotional, cognitive and behavioural engagement (N = 126).

6.2 Relationship Among the Three Engagement Dimensions

Consistent with the theoretical distinctiveness of Kahn's (1990) three engagement dimensions, the pairwise correlations among emotional, cognitive and behavioural engagement in this sample were weak ($r = -0.11$ between emotional and cognitive engagement; $r = -0.11$ between emotional and behavioural engagement; $r = 0.11$ between cognitive and behavioural engagement), none reaching statistical significance. This supports treating the three dimensions as empirically as well as theoretically distinct, and justifies the dimension-specific regression approach adopted for Hypotheses 1 to 3 rather than analysing a single pooled engagement score.

6.3 Hypotheses 1–3: Differential Predictors of Engagement Dimensions

Table 2 summarises the OLS regression of each engagement dimension on the six HR-practice composites.

Predictor	β (Emotional)	β (Cognitive)	β (Behavioural)
Flexible Work Arrangements	-0.078 (p=.463)	0.021 (p=.840)	0.044 (p=.697)
Employee Well-Being	0.022 (p=.831)	0.035 (p=.725)	-0.065 (p=.547)
Digital HR Technology	-0.250 (p=.027)*	0.024 (p=.823)	-0.005 (p=.969)

Predictor	β (Emotional)	β (Cognitive)	β (Behavioural)
Performance Mgmt System	0.065 (p=.552)	-0.092 (p=.386)	-0.073 (p=.526)
Leadership Support	-0.002 (p=.982)	-0.124 (p=.246)	-0.147 (p=.204)
DEI Climate	0.053 (p=.643)	-0.299 (p=.008)*	-0.160 (p=.183)
Model R ² / F p-value	0.055 / p=.336	0.076 / p=.143	0.033 / p=.662

Table 2. Regression of emotional, cognitive and behavioural engagement on six HR practices (N = 126). *p < .05.

The results reveal a genuinely differentiated pattern rather than a uniform HR-practice effect. For emotional engagement, digital HR technology is the only significant predictor, and its effect is negative ($\beta = -0.250$, $p = .027$): higher reported digital HR technology adoption is associated with lower emotional engagement, net of the other five practices. The overall model for emotional engagement is not significant ($p = .336$), indicating that the six practices jointly explain little of the variance in emotional engagement beyond this one specific effect. The null hypothesis H01 is therefore rejected only for digital HR technology; it is not rejected for the remaining five practices.

For cognitive engagement, DEI climate is the only significant predictor, and it too is negative ($\beta = -0.299$, $p = .008$): higher perceived DEI climate is associated with lower cognitive engagement, net of the other five practices, though the overall model is not significant ($p = .143$). The null hypothesis H02 is rejected only for DEI climate.

For behavioural engagement, none of the six HR practices reaches significance, and the overall model is far from significant ($R^2 = 0.033$, $p = .662$). The null hypothesis H03 is therefore not rejected: behavioural engagement in this sample appears unrelated to the six HR practices as measured.

Taken together, Hypotheses 1 to 3 support the study's central premise: HR practices do not move all engagement dimensions equally, or even necessarily in a positive direction. Digital HR technology and DEI climate each show a specific, negative association with one particular engagement dimension, while behavioural engagement appears to be driven by factors outside the six practices measured here.

6.4 Hypothesis 4: Work Mode as a Moderator of the Digital HR Technology–Engagement Relationship

An interaction regression of overall engagement on digital HR technology, work mode, and their interaction produced a significant improvement in model fit ($R^2 = 0.119$) relative to the additive model. The interaction term for remote work was significant ($\beta = -0.482$, $p = .002$): the association between digital HR technology adoption and overall engagement becomes significantly more negative for remote workers than for the hybrid-work reference group, while the onsite interaction term was not significant ($\beta = -0.170$, $p = .240$). Remote workers also showed a significantly higher baseline engagement intercept than hybrid workers at low levels of digital HR technology ($\beta = 1.831$, $p = .001$),

a baseline advantage that erodes as digital HR technology adoption increases. The null hypothesis H04 is therefore rejected: work mode significantly moderates the digital-HR-technology–engagement relationship, and the moderation is strongest, and most consequential, for remote workers.

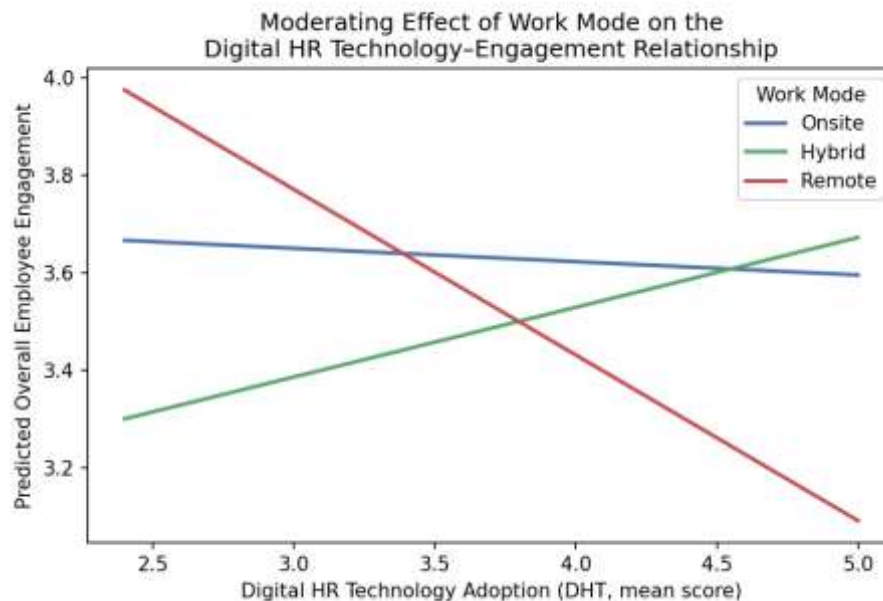


Figure 3. Moderating effect of work mode on the relationship between digital HR technology adoption and overall employee engagement.

6.5 Hypothesis 5: Engagement Variation by Designation, Experience, Organisation Type and Work Mode

One-way ANOVA tests found no statistically significant difference in overall engagement across designation levels ($F = 0.674$, $p = .569$), years of experience ($F = 1.908$, $p = .132$), organisation type – bank, insurance or NBFC ($F = 0.051$, $p = .951$) – or work mode ($F = 2.391$, $p = .096$, marginal but not significant at the conventional 5 percent level). The null hypothesis H05 is therefore not rejected on any of the four grounds tested: within this sample, overall engagement is remarkably stable across these demographic and structural categories, suggesting that the differentiated effects identified in Hypotheses 1 to 4 operate similarly regardless of where an employee sits in the designation or experience hierarchy, or which type of BFSI organisation employs them.

Figure 4 presents the correlation structure among all six HR practices and the three engagement dimensions for reference.

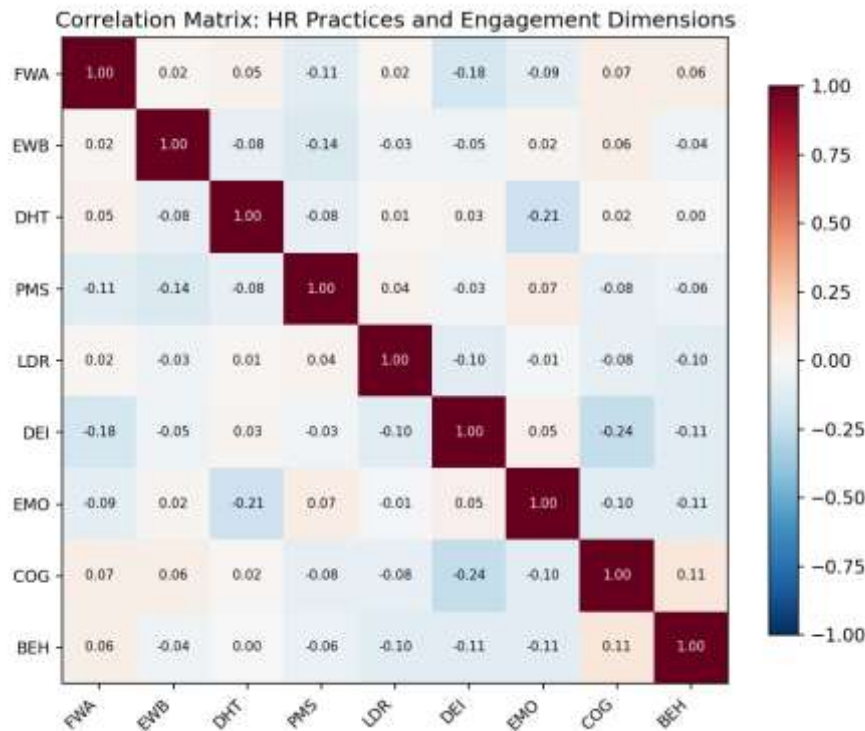


Figure 4. Correlation matrix of HR practices and engagement dimensions.

7. DISCUSSION OF FINDINGS

The central finding of this study is that post-pandemic HR practices in BFSI organisations do not act as a uniform, uniformly positive bundle upon employee engagement; instead, their effects are dimension-specific, sometimes negative, and conditioned by work mode. This finding both extends and complicates the broader post-pandemic literature suggesting that HR-practice bundles explain substantial engagement variance during and after crisis conditions (“Fostering Employee Work Engagement and Sustainable Employment During COVID-19 Crisis,” n.d.): in this sample, that explanatory power is concentrated in two specific practice–dimension pairings rather than distributed evenly across a bundle.

The negative association between digital HR technology and emotional engagement is consistent with, and gives quantitative support to, qualitative concerns raised in the digital-HR-transformation literature about impaired social integration, algorithmic favouritism and depersonalisation accompanying rapid HR digitisation (“Digital HR Practices in the Post-Pandemic Era,” n.d.; “Digital Transformation Adoption in Human Resources Management During COVID-19,” n.d.). It suggests that, at least for mid-level BFSI professionals, the efficiency gains of HR technology may come at a measurable emotional cost unless deliberately offset by human-centred practices such as leadership contact – a possibility reinforced by this study’s further finding that the negative digital-HR-

technology effect intensifies specifically for remote workers, echoing scoping-review evidence that virtual work arrangements heighten perceived isolation (“Virtual Leadership in Relation to Employees’ Mental Health, Job Satisfaction and Perceptions of Isolation,” n.d.).

The negative association between DEI climate and cognitive engagement is a more counter-intuitive finding, and one that should be interpreted carefully rather than read as evidence against DEI investment as such. It resonates, however, with survey evidence that employee sentiment toward inclusion often lags markedly behind sentiment toward diversity itself (Perceptyx, n.d.), and with research finding DEI’s engagement effect to be contingent on how initiatives are implemented and perceived rather than automatic (“Diversity, Equity, and Inclusion: Impact on Multi-Generational Workforce Engagement and Productivity in the Post-Pandemic Era,” n.d.). One plausible interpretation is that where DEI initiatives are perceived as compliance-driven or superficial rather than substantively integrated into how work is organised and evaluated, they may fail to deepen – and could even distract from – the sense-making and meaning that constitutes cognitive engagement, even while contributing positively to other organisational outcomes not measured here.

The absence of any significant predictor of behavioural engagement is itself informative. It suggests that the discretionary effort and persistence captured by behavioural engagement in this sample is governed by factors outside the six HR practices measured – plausibly including job design, compensation, career progression or external labour-market conditions – consistent with broader Indian workforce evidence of widespread disengagement and “quiet quitting” that HR-practice adjustments alone may not resolve (Gallup, n.d.-b; SHRM India, n.d.).

Finally, the significant moderating role of work mode, and the corresponding absence of significant variation in engagement by designation, experience or organisation type, together suggest that how an employee works – rather than who they are or which type of BFSI organisation they work for – is the more consequential contextual factor for engagement in this sample. This is broadly consistent with the financial-services-specific literature emphasising flexibility and work-mode preference as central to BFSI employee experience (Deloitte, 2023; PwC, n.d.), while extending it by showing that work mode operates specifically as a moderator of the digital-technology relationship rather than as an independent driver of engagement in its own right.

8. IMPLICATIONS

8.1 Theoretical Implications

The study contributes empirical support for treating employee engagement as a genuinely multi-dimensional construct in HR-practice research, extending Kahn’s (1990) theoretical formulation into an applied, post-pandemic BFSI setting and demonstrating that pooling engagement into a single composite score can mask practice effects that are significant, and in this case negative, at the level of individual dimensions.

8.2 Managerial Implications

For BFSI HR leaders, the findings suggest that digital HR technology roll-outs should be paired with deliberate emotional-engagement safeguards – for instance, preserving channels of direct human contact – particularly for remote employees, where the technology–engagement relationship is most negative. Similarly, DEI initiatives may need to be evaluated not only on participation or compliance metrics but on whether employees experience them as substantively meaningful, given their negative association with cognitive engagement in this sample. The absence of any significant predictor of behavioural engagement suggests HR functions should look beyond the six practices studied here – toward career pathing, compensation design or role clarity – to address discretionary effort.

8.3 Policy and Sectoral Implications

For BFSI sector bodies and regulators concerned with the sector’s high attrition rates (Taggd, n.d.), the finding that work mode moderates the technology–engagement relationship implies that blanket return-to-office or blanket remote-work policies are both likely to miss the mark; policy should instead focus on how digital HR tools are implemented within each work mode, rather than on work mode or technology adoption in isolation.

9. Limitations and Scope for Future Research

- The study is cross-sectional; the direction of causality between HR practices and engagement dimensions cannot be established and would require longitudinal or experimental designs.
- All data are self-reported by mid-level professionals, introducing potential common-method bias, and no supervisor- or organisation-level corroborating data were collected.
- All nine multi-item constructs showed low internal-consistency reliability in this sample and are better treated as formative composite indices than as validated reflective psychometric scales; future research should refine and re-validate the item pool.
- The sample is restricted to mid-level professionals in Indian BFSI organisations and does not extend to junior staff, senior leadership, or other sectors, limiting generalisability.
- Future research could combine this dimension-specific approach with qualitative inquiry into why digital HR technology and DEI climate show negative associations with specific engagement dimensions, to build explanatory depth beyond the statistical pattern identified here.

10. CONCLUSION

This study set out to test, rather than assume, whether post-pandemic HR practices affect employee engagement uniformly among mid-level BFSI professionals in India. Using primary data from 126 respondents and decomposing engagement into its emotional, cognitive and behavioural dimensions, the study finds a genuinely differentiated pattern: digital HR technology is a significant negative

predictor of emotional engagement, DEI climate is a significant negative predictor of cognitive engagement, and none of the six HR practices studied significantly predicts behavioural engagement. Work mode significantly moderates the digital-HR-technology–engagement relationship, with remote work amplifying the negative association, while overall engagement does not vary significantly by designation, experience, or organisation type. These findings caution BFSI HR functions against treating digitisation, flexibility and inclusion initiatives as an undifferentiated, uniformly positive bundle, and point instead toward a more dimension- and context-specific approach to designing post-pandemic HR practice.

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