

Basic Psychological Need Satisfaction and Employee Performance: The Serial Mediating Roles of Psychological Capital and Work Engagement

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Abstract: Employee performance remains a central concern for organizations seeking sustained productivity and competitive advantage. Drawing on Self-Determination Theory, this study examines how the satisfaction of employees' basic psychological needs influences performance through a sequential motivational process involving psychological capital and work engagement. Data were collected from 350 employees and analysed using structural equation modelling. Findings indicate basic psychological need satisfaction significantly enhances psychological capital ($\beta = 0.476$, $t = 12.156$, $p < .001$), which in turn strengthens work engagement ($\beta = 0.532$, $t = 13.074$, $p < .001$). Work engagement further improves employee performance ($\beta = 0.476$, $t = 11.990$, $p < .001$). In addition, psychological need satisfaction has a direct effect on performance ($\beta = 0.330$, $t = 7.795$, $p < .001$). Mediation analysis confirms a significant sequential pathway ($\beta = 0.121$, $t = 6.733$, $p < .001$), indicating partial serial mediation. The model explains 42.5% of the variance in employee performance ($R^2 = 0.425$). Multigroup analysis shows no significant differences between managerial and non-managerial employees. Overall, the findings highlight that psychological need satisfaction fosters internal resources and engagement, which together enhance employee performance in organizational settings.

Keywords: Basic Psychological Need Satisfaction, Psychological Capital, Work Engagement, Employee Performance, Self-Determination Theory, Serial Mediation, Structural Equation Modeling, Employee Motivation

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