The influence of individual and organizational factors on employee engagement

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Abstract

The study examined the individual and organizational factors that influence employee engagement (EE) among employees of Nigeria Distilleries Limited in Ogun State of Nigeria. Simple random sampling technique was employed to obtain a sample of 174 employees of Nigeria Distilleries Limited, from whom responses were obtained using questionnaire. The responses were analyzed through the Statistical Package for Social Sciences (version 15.0), using the Pearson Product Moment correlation coefficient. The findings showed a positive and significant relationships between work locus control, conscientiousness, openness to experience, leadership style, organizational climate, supervisory support; and employee engagement. The study recommended that managers should give attention to such factors that actually engender employee engagement towards organizational competitiveness.

Keywords: Employee engagement; Work locus control; Conscientiousness; Organization climate; Openness to experience

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1. Introduction

With increasingly competitive markets, globalization, a volatile economic climate, demands for constant change and the war for talent, organizations face significant challenges in their pursuit for business success. The psychological contract is now different to what it once was; for many, there is no longer a job life, and indeed redundancy is a very real possibility. There is also evidence that expectations of employers and employees differ from those of the past. In increasingly turbulent times, engagement may therefore be the ‘deal-breaker’ for organizations seeking sustainable success. Nevertheless, there is an increasingly awareness that employee engagement is pivotal to successful commercial business performance, where engaged employees are the ‘backbone of good working environments where people are industrious, ethical and accountable’ (Levinson, 2007; Cleland et al., 2008).

Employee engagement is a strategic approach for driving improvement and encouraging organizational change. In the 21st century, many organizational firm see management as powerful source of sustainable competitive advantage. Organizations today are increasing dependent on knowledge creation and human development for their optimal and sustainable growth. Employee engagement is a vast construct that touches almost all part of the human resource management facets we know hitherto. If every part of human resource is not addressed in appropriate manner, employees fail to fully engage themselves in their job in the response to such kind of mismanagement. Employee engagement is building a great relationship with the workforce. The challenge today is not just retaining talented people, but fully engaging them, capturing their minds and hearts at each stage of their work live.

Employees were found to have two kinds of believes about their ability to control the events happening in organization. One kind of belief named internal control, included the employees with belief to have high level of control over their personal outcomes. Second kind of belief named external control, included employees who consider that their life is controlled by some external forces. Empirical studies have found that external control was positively associated with desire for political engagement (Kirchymeyer, 1990; Zahra, 1989).

Employee engagement is the level of commitment and involvement an employee has towards his organization and its values. An engaged employee is aware of business context and works with colleagues to improve performance within the job for the benefit of the organization. The basic aspects of employees engagement according to Little and Little (2006), are the employees and their own unique psychological makeup and experience, the employer and their ability to create the conditions that promote employee engagement and the interaction between employers at all levels. Employee engagement is the extent to which employee commitment, both emotional and intellectual exists relative to accomplishing the work, mission, and vision of the organization. Engagement can be seen as heightened level of ownership where each employee wants to do whatever they can for the benefit of their internal and external customers, and for the success of the organization as a whole.

For any organization to utilize the intelligence and the productivity of individual (i.e. employees), Employee Engagement must be encouraged. Therefore, employee engagement has been described as vigour, participation and self-efficacy in performing work which is conflicting to burnout dimensions that are cynicism, exhaustion and inefficacy (Maslach et al, 2001).
Wellins and Concelman (2005) noted that organizations can enhance engagement in their workforce by creating a learning culture and creating individual development plans for every employee. Many studies have shown that most employees want to keep their jobs inventive and interesting by acquiring new knowledge and skills and applying new approaches in their daily work life. Working in a lean organization with highly talented and co-operative co-employees has been conceptualized as an essential requirement for high level of employee engagement. If the entire organization works together by helping each other learn new approach and better ways of accomplishing task, a higher productivity is expected.

For example the findings of many research works (e.g. Harter et al., 2002; Schaufeli and Bakker, 2004; Xanthopoulou et al., 2009; Fernadez, 2007; Bakker and Demerouti, 2007; Hewitt Associates, 2004; Hallberg et al., 2007; Hallberg et al., 2007; Lewicka, 2011 and Saks, 2006) agree that employee engagement could be a strong factor for organizational performance and success. It is affirmed that employee engagement has a significant potential to affect employee retention, employee loyalty and productivity, and also has link with nearly all branches of human resource management. If every component of human resource were not well addressed with proper approach, employees would fail to fully engage themselves in their job roles thereby leading to mismanagement (Markos and Sridevi, 2010).

Employee engagement is therefore the level of commitment and involvement an employee has towards his or her organization and its values. Employee engagement is crucial for any organization. Engaged employees contribute to the foundation line of any business and their engagement is echoed in their services to clients and customers. By so doing, engaged employees are helping to generate more patronage and customers loyalty. Highly engaged customers buy more products and services, refers more potential customers to that same company, stay longer and gives more feedback, which in turn, gives organization a huge profitability.

The paper, therefore tries to encourage the usefulness of employee engagement on individual and organizational factors in any business venture.

2. Literature review

Robinson et al. (2004), define employee engagement as "a positive attitude held by the employee towards the organization and its value. An engaged employee is aware of business context and works with colleagues to improve performance within the job for the benefit of the organization. The organization must work to develop and nurture engagement, which requires a two-way relationship between the employer and employee. This verdict and definition forwarded by Institute of Employment Studies gives a clear insight that employee engagement is the result of two-way relationship between employer and employee pointing out that there are things to be done by both sides.

Engaged employees feel supported by a culture in which knowledge, information and resources are easily shared. Many organizations try to achieve this culture by providing web based tools that enable employees to access knowledge capital. However, knowledge databases can become unwieldy and littered with excessive, irrelevant information. Organizations can address this problem by providing information based on
employees’ roles in the organization or by providing training on effective use of such tools. In addition, encourage other forms of knowledge sharing, such as communities of practice that enable employees to share insights and experience.

Few employees feel committed if they are not given opportunities for career development. Our research suggests that to foster such cultures, companies should ensure that employees have career development plans addressing training activities and work experience in possible future roles. There are various and conflicting definitions of employee engagement in the psychological literature. Some definitions claim that employee engagement is something that is produced by aspects in the workplace (as suggested by McCashland, 1999; Miles, 2001 and Harter et al., 2003), while others assert that it is something that the individual brings to the workplace (as suggested by Harter et al., 2002 and Goddard, 1999). Extraneous variables such as individual differences may not be trivial and could have significant effects (Ferguson, 2007).

Kahn (1990), for instance, argued that psychological differences may impact on individual’s ability to engage or disengage in their role performance, just as they shape a person’s ability and willingness to be involved or committed at work.

According to Robinson (2006), employee engagement can be achieved through the creation of an organizational environment where positive such as involvement and pride are encouraged, resulting in improved organizational performance, lower employee turnover and better health. West (2005) argues that when individuals feel positive emotions, they are able to think in a more flexible, open-minded way and are also likely to feel greater self-control, cope more effectively and be less defensive in the workplace.

The experience of engagement has been described as a fulfilling, positive work-related experience and state of mind (Schaufeli and Bakker, 2004), and has been found to be related to good health and positive work affect (Sonnentag, 2003). These positive experiences and emotions are likely to result in positive work outcomes.

An organization is a set of elements in interaction, organized level and decision making units (Martinelli, 2001). Richard L. Daft categorized contextual dimension of organization including size, technology, environment, aims, strategy, and culture (Gholampourrad, 2003).

Organizational culture is theorized to be the prime factor shaping organizational procedures (Jarnagin and Slocum, 2007), unifying organizational capabilities (Day, 1994) providing solution to the problems (Schein, 1984). It is also refers to a system of share meaning held by members that distinguishes the organization from other organizations (Robbins et al., 2009).

Involvement equips organization with multiple view point in decision making. It creates a sense of ownership and responsibility, increases employee’s commitment and hence improves innovation and creativity. Organizations that value individual authority, working cooperatively toward common goals, and develop employee’s skill, are theorized to score high on this trait.

Organizations factors can be modeled as:

- Leadership Style: Leadership is the art or process of influencing people so that they will strive willingly and enthusiastically toward the achievement of group goals. Leadership is the ability of a company’s
management to make sound decisions and inspire others to perform well. Leadership style refers to a leader's behaviour. It is the result of the philosophy, personality and experience e.g. autocratic, participative, Laissez-faire, Narcissistic leadership etc.

Every organization has a particular work environment, which dictates to a considerable degree how its leaders respond to problems and opportunities. This is brought about by its heritage of past leaders and its present leaders.

Goals, Values, and Concepts

Leaders exert influence on the environment via three types of actions:

- The goals and performance standards they establish.
- The values they establish for the organization.
- The business and people concepts they establish.

Successful organizations have leaders who set high standards and goals across the entire spectrum, such as strategies, market leadership, plans, meetings and presentations, productivity, quality, and reliability.

People are not homogeneous, and individual differences are the basis of diversity. Individual is a central feature of organizational behaviour; whether acting is isolation or as part of a group, in response to expectations of the organization, or a result of the influences of the external environment. Where the needs of the individual and the demands of the organization are incompatible, this can result in frustration and conflict. It is the task of management to integrate the individual and the organization and to provide a working environment that permits the satisfaction of individual needs as well as the attainment of organizational goals (Mullins, 2010). Including his/her competence, skills, personality, attitude, and risk perception. Individual characteristics influence behaviour in complex ways. Some traits of individual factors are Work Locus of Control, Conscientiousness and Openness to experience.

From the above literature, the following hypothesis emerge:

- **H1:** Work locus control is correlated positively and significantly with employee engagement.
- **H2:** Conscientiousness is correlated positively and significantly with employee engagement.
- **H3:** Openness to experience is correlated positively and significantly with employee engagement.
- **H4:** Leadership style is correlated positively and significantly with employee engagement.
- **H5:** Organizational climate is correlated positively and significantly with employee engagement.
- **H6:** Supervisory support is correlated positively and significantly with employee engagement.
2.1. The Research Model

\[ \text{Work Locus Control} \rightarrow H_1 \]
\[ \text{Conscientiousness} \rightarrow H_2 \]
\[ \text{Openness to Experience} \rightarrow H_3 \]
\[ \text{Leadership Style} \rightarrow H_4 \]
\[ \text{Organizational climate} \rightarrow H_5 \]
\[ \text{Supervisory Support} \rightarrow H_6 \]

\[ \text{Employee Engagement} \]

**Figure 1.** Self-constructed (2013)

3. Method

This study examined the individual factors and organizational factors that influence employee engagement. The population of study comprised of the staff of the Nigeria Distilleries limited, Sango Ota, Ogun sate of Nigeria. A sample size of 175 randomly selected employees was used.

3.1. Demographic characteristics

The demographic section of the questionnaire showed the information about age, gender, marital status, respondents qualification, work experience, and job status. The number of male respondents were more
than female respondents, as there were 90, (51.4) males and 85, (48.5) females. The majority of the respondents fall in the age bracket 40-50 years: 65 or 37.1%; while the lowest majority are above 51 years of age: 24 or 13.7%. Majority of the respondents are married: 124, 70.9%; whereas only 42, (24%) are single. Most of the respondents had job tenure of above 16 years (99, 56.6%). Majority of the respondents were senior staff: 116, (66.3%). Majority were having a minimum of first degree: 82, (46.7%).

3.2. Measurement of variables

Three dimensions of individual factors influencing employee engagement (work locus control, conscientiousness, and openness to experience), and three dimensions of organizational factors (leadership style, organizational climate, supervisory support) were measured.

- **Work Locus Control**
  The work locus control was measured through Work Locus Control Scale (WLCS). The WLCS, developed by Spector (1988) is a 16-item scale used for measuring employee beliefs about their control at work. Responses were recorded on a 5-point Likert scale ranging from strongly disagree to strongly agree.

- **Conscientiousness**
  Conscientiousness was measured using a 9-item scale - International Personality Item Pool (IPIP) developed by Goldberg and Stryker (2002). Responses were recorded on a 5-point Likert scale ranging from strongly disagree to strongly agree.

- **Openness to Experience**
  The 6-item scale developed by Davis et al. (1989) was used to measure Openness to Experience. Responses were recorded on a 5-point Likert scale ranging from strongly disagree to strongly agree.

- **Leadership Style**
  The measurement of leadership style was done using the scale developed by Podsakoff et al. (1990). Responses were recorded on a 5-point Likert scale ranging from strongly disagree to strongly agree.

- **Organizational Climate**
  The 17-item - Organization Climate Measure (OCM) developed by Patterson et al. (2005), was used to measure organizational climate. Responses were recorded on a 5-point Likert scale ranging from strongly disagree to strongly agree.

- **Supervisory Support**
  Supervisory support was measured using the 7-item scale developed by Cook et al. (1981). Responses were recorded on a 5-point Likert scale ranging from strongly disagree to strongly agree.

3.3. Analysis

In order to examine each of the six hypothesis, the data collected were analyzed using the Statistical Package for Social Sciences version 15.0. Some descriptive tests were also run to observe the demographic
characteristics such as age, gender, sex, marital status, qualification, experience, and designation. The Pearson Product Moment Correlation Coefficient was applied to determine the relationships between the variables. The significance of relationships was measured at confidence levels of 95% and 99%. Each of the six hypothesis was tested by determining the correlation and significance between work locus control, conscientiousness, openness to experience, leadership style, organizational climate, supervisory support and employee engagement.

4. Results

Descriptive statistics in the form of arithmetic means and standard deviation for the respondents computed for the six dimensions indicates that the means for work locus control, conscientiousness, openness to experience, leadership style, organizational climate, supervisory support conscientiousness, and leadership style ranged from a low of 8.05 to a high of 29.72. The mean values for conscientiousness, leadership style, openness to experience, (8.05, 10.91, 12.01 respectively) are the lowest. This is an indication that although all the six dimensions would influence employee engagement; but employee engagement would be least influenced by conscientiousness, leadership style, and openness to experience.

In determining the relationships between the variables, the followings are the outcome:

Work locus control correlated positively and significantly with employee engagement, (r = .22, p< .003); thus hypothesis 1 states that work locus control is correlated positively and significantly with employee engagement, was confirmed.

The result indicates a positive and significant correlation between conscientiousness and employee engagement (r=.381, p< .000). This supports hypothesis 2 which states that Conscientiousness is correlated positively and significantly with employee engagement.

A significant and positive correlation is shown to exist between openness to experience and employee engagement (r=.210, p< .005); supporting the hypothesis (H3) that Openness to experience is correlated positively and significantly with employee engagement.

There was also a significant relationship between leadership style and employee engagement (r=.425, p< .000). This supports the hypothesis (H4) that Leadership style is correlated positively and significantly with employee engagement.

A significant correlation is established between organizational climate and employee engagement (r=.407, p< .000); thereby supporting the hypothesis (H5) that Organizational climate is correlated positively and significantly with employee engagement.

The result also showed that supervisory support is significantly correlated to employee engagement (r=.254, p< .001). This confirms the hypothesis (H6) that supervisory support is correlated positively and significantly with employee engagement.

Conclusively therefore, each of the three dimensions of individual factors (work locus control, conscientiousness, and openness to experience), and each of the three dimensions of organizational factors
leadership style, organizational climate, supervisory support); showed a positive correlation and significant relationship with organizational commitment.

5. Conclusion

These findings provide a great value to knowledge of employee engagement as one of the pioneering work in advocating that employee engagement should be examined by distinguishing between job engagement and organizational engagement. This distinction will help explain the strategic importance of employee engagement as it examines the job role and organization role of every member of an organization in alignment with the organizational business goals and its human capital strategy in a wide range of attitudes, behaviours and intentions that have great impact on performance, productivity and strategy delivery.

Managers should enhance two-way communication, ensure that employees have all the resources they need to do their job, give appropriate training to increase their knowledge and skill, establish reward mechanisms in which good job is rewarded through various financial and non-financial incentives, build a distinctive corporate culture that encourages hard work and keeps success stories alive, develop a strong performance management system which holds managers and employees accountable for the behaviour they bring to the workplace, place focus on top-performing employees to reduce their turnover and maintain or increase business performance.

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### Appendix

**Descriptive Statistics**

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### Correlations

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** Correlation is significant at the 0.01 level (2-tailed) * Correlation is significant at the 0.05 level (2-tailed)