



**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES**

**ASSESSMENT OF ASSOCIATION BETWEEN STAFF ENGAGEMENT AND
ORGANIZATIONAL PERFORMANCE: THE CASE OF UNITED NATIONS
DEVELOPMENT PROGRAMMETHIOPIA COUNTRY OFFICE**

**BY
KUMNEGER ADANE**

**JUNE 2018
ADDIS ABABA, ETHIOPIA**

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ORGANIZATIONAL PERFORMANCE:
THE CASE OF UNITED NATIONS DEVELOPMENT PROGRAMME ETHIOPIA
COUNTRY OFFICE**

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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATE
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**BY
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DECLARATION

I hereby declare that this research entitled “Assessment of Associations between Staff Engagement and Organizational Performance the Case of United Nations Development Programme Ethiopia Country Office” is my original work towards the partial fulfillment of the requirement for the Masters of Business Administration and that to the best of my knowledge has not been submitted previously for a degree or any other award in any university elsewhere.

Kumneger Adane

Signature: _____

Date: _____

STATEMENT OF CERTIFICATION

This is to certify that Ms. Kumneger Adane has carried out her research work on the topic entitled “Assessment of Associations between Staff Engagement and Organizational Performance the Case of United Nations Development Programme Ethiopia Country Office”. This work is original in nature and it is sufficient for submission for the partial fulfillment for the award of Masters of Business Administration.

Terefe Feyera (PhD)

Signature _____

Date _____

TABLE OF CONTENT

DECLARATION	iii
TABLE OF CONTENT.....	v
ACKNOWLEDGEMENTS.....	vi
ACRONYMS.....	viii
LIST OF TABLES.....	ix
LIST OF FIGURES	x
ABSTRACT	0
CHAPTER ONE: INTRODUCTION.....	1
1.1. Background	1
1.2. Organizational background of UNDP	2
1.3. Statement of the problem	4
1.4. Research Questions	5
1.4. Objectives of the Research.....	5
1.5. Significance of the study.....	6
1.6. Scope of the study	6
1.7. Operational definition terms.....	6
CHAPTER TWO: REVIEW OF RELATED LITERATURES	8
2.1 Theoretical review.....	8
2.1.1. Definition of Organizational Performance	8
2.1.2. Types of Organization	9
2.1.3. Organizational performance	11
2.1.4. Performance Measurement.....	12
2.1.5. Employee Engagement.....	12
2.1.6. Drivers of Employee Engagement	13
2.1.7. Employee Engagement Strategies	15
2.2. Empirical Review.....	17
2.2.1. Employee Engagement and Organizational Performance	17
2.3. Conceptual framework	19
CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY	20
3.1. Research Design.....	20
3.2. Target population	20
3.3. Instrument Development	20
3.4. Data Collection and Processing.....	21

3.5.	Data analysis	22
3.6.	Reliability Test	22
CHAPTER FOUR: RESULTS AND DISCUSSION		24
4.1.	Results	24
4.1.1.	Description of the study population	24
4.1.2.	UNDP Ethiopia country office employees' engagement and organizational performance	29
4.1.2.1.	Employee's engagement to their organization	29
4.1.3.	Association between UNDP employees' engagement and organizational performance	34
CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS		39
5.1	Conclusions	39
5.2	Recommendations	40
5.3	Limitations of the Study	41
References		42

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This paper is dedicated to my husband and special upcoming baby.

ACRONYMS

CEO	Chief Executive Officer
DAG	Development Assistance Group
DDI	Development Dimensions International
DRM	Disaster Risk Management
FT	Fixed Term
GWA	Gallup developed Gallup Workplace Audit
HR	Human Resource
MoFED	Ministry of Finance and Economic Development
SC	Service Contract
SD	Standard Deviation
UN	United Nations
UNDP	United Nations Development Programme

LIST OF TABLES

Table 1: Reliability Statistics	23
Table 2- Demographic Characteristics of the respondents	25
Table 3: History of Respondents work experience	27
Table 4:UNDP Employee’s year of work experience in UNDP and contract type cross tabular. 28	
Table 5: Employees Contract type by sex.....	28
Table 7: Employee Engagement Indications	30
Table 9: UNDP Employees Disengagement to their organization	32
Table 10: UNDP organizational performance	33
Table 11: Correlation between employee engagement and organizational performance	34
Table 12: Model Summary	35
Table 13: ANOVA.....	35
Table 14: Correlation Coefficients.....	36

LIST OF FIGURES

Figure 1: Conceptual Framework 19

ABSTRACT

The objective of this study was to assess associations between UNDP Ethiopia country office employees' engagement and organizational performance. Specifically, it was entailed to investigate level of employee engagement and organizational performance.

The study employed cross sectional study design. All 110-service contract and fixed term contract holders from UNDP participated in the study. As methods of data collection, the study employee censuses collecting data from all 110 UNDP employees. Descriptive and inferential statistic employed to analyses the data.

As responded by majority of the respondents for all employee engagement indicators positively, we can conclude that employee engagement in UNDP Ethiopia country office is high. Even though staff recognition for performance as engagement is low this study found out that all UNDP Ethiopia country office staffs are engaged to their organization.

Most of the respondents' response for the organizational performance indicators is indifferent. This implies that employees of UNDP know little about their organization performance. From this response it can be concluded that UNDP organizational performance as perceived by employees is minimum.

There is strong positive significant correlation, R value 0.227 (P= 0.017) between organizational performance and employee engagement in UNDP Ethiopia country office.

Linear regression model shows positive significant association between employee engagement and organizational performance in UNDP Ethiopia country office, with Beta value (B) 0.19 (p= 0.017).

Based on findings the researcher recommend for UNDP Ethiopia country office should provide incentive for staffs to enhance employee's motivational incentives.

Key words: *Employee, engagement, organization, performance*

CHAPTER ONE: INTRODUCTION

1.1. Background

In the previous decade for the growing level of uncertainty in business environment leaders were continuously making adjustment to adapt to the changes and accommodate different needs of the workforce. They often compete and attempt to survive by lowering prices, cutting costs, redesigning business processes and downsizing the number of employees. Assuming that there is a limit to cutting costs and downsizing, new approaches to human resource management are inevitable for organizational survival and progress. The recent theories advise leaders to focus in human resource management to build employee engagement rather than focusing on reducing costs, the shift. In line with these numerous articles have been published on call for a more positive approach that focuses on engaging employees rather than focusing on problem-coping strategies Luthans & Avolio (2009); Bakker & Schaufeli (2008); Luthans & Youssef (2007); Youssef & Luthans 2007.

The notion of employee engagement has sparked widespread interest over the last decade Hallberg & Schaufeli (2006). While research findings vary slightly, most of these studies share a similar conclusion that engaged employees is an important source of organizational competitiveness. By most accounts, employee engagement affects productivity, profitability, employee retention and customer services. Even so, not much is offered in the current body of knowledge concerning how best to stimulate employee engagement Bakker, W. & Leiter, M. (2010); Bakker & Schaufeli (2008).

Organizational performance is clearly a function of the cumulative performance of people associated with the organization. Each individual is expected to contribute to overall organizational performance. Collectively, the sum total of each individual employee's performance determines overall organization performance and success.

Researches indicate that worldwide people-oriented or "soft" skills were predominant factors contributing to organizational success. Studies shows that employee engagement is the top three ranked factors that contribute to organizational success. This implies that employee engagement

considered as an essential element to produce desirable business outcomes, which impetus for the emergence of employee engagement as an area of interest among researchers and practitioners. William Kahn introduced the concept of personal engagement in the workplace in the 1990's. He suggested contextual sources of meaningfulness, safety and availability. Researchers subsequently among reported finding positive relationships employee cognitive attitudes and performance, personality traits and job performance, and emotions and favorable job outcomes. Casual observations linking employee engagement and organizational success have since garnered the attention of managers and scholars (Macey & Schneider, 2008)

The Gallup Workplace Audit identified employee engagement as a significant predictor of desirable organizational outcomes such as customer satisfaction, retention, productivity, and profitability. More recent research has suggested that employees' psychological connection with their work was critically important in the information and service economy of the 21st century (Bakker & Leiter, 2010).

1.2. Organizational background of UNDP

UNDP works in nearly 170 countries in the world helping to achieve the eradication of poverty, and reduction of inequalities and exclusion. It helps countries to develop policies, leadership skills, partnering abilities, institutional capabilities and build resilience in order to sustain development results.

United Nations Development Programme (UNDP) Ethiopia works closely with the Government of Ethiopia and other stakeholders to contribute towards building a developed, democratic, and climate resilient nation and empowered citizens. As the development arm of the United Nations, UNDP Ethiopia supports strategic capacity development initiatives to promote growth and development both in terms of resource and human capital. Through partnerships with national, regional and local governments UNDP strives to support the Ethiopian Government in the efforts to eliminate poverty, developing peoples' capacity, achieving equitable results, sustain the environment, and advance democratic governance.

For the past three decades UNDP's interventions in Ethiopia has remained people centered and focusing on: -

1. Promoting coordination, efficiency and effectiveness of the United Nations system as a whole at the country level;
2. Providing policy and technical support by working on and advocating for the multi-sectorial challenges of poverty reduction, democratic governance, disaster risk management, environment and sustainable development; and
3. Acting as an administrative agent for several multi-donors pooled funding arrangements in Ethiopia, including for the Development Assistant.

The main purpose of UNDP Ethiopia's programmatic intervention is to enhance the support provided to the government and people of Ethiopia to build a climate resilient green economy. Ethiopia's vision to become a carbon-neutral middle-income country by 2025 is unique in Africa, and seeks to tackle head on the double challenges involved in making rapid economic development green. Over the past decades, UNDP has continued to strategically contribute to Ethiopia's national priorities, which have successfully integrated the Millennium Development Goals, by strengthening its partnerships with the Government, civil society, private sector and international donor community in order to build national capacity.

UNDP Ethiopia's new programme of cooperation, covering the period 2016-2020, is in line with national development priorities and focuses its support in the areas of Economic Growth and Poverty Reduction, Good Governance and Human Rights, and Climate Change, Environment and Disaster Risk Management (DRM).

1.2.1. Staffing and Decision Makers in UNDP

Based on recent Human resource record UNDP Ethiopia office have 110 national and international staffs. Out of which 73 are fixed term contract holders and the remaining 37 staffs are Service contract holders. Out of the total Fixed term contract holders 65 are national staffs and the remaining 8 are internationals. UNDP Ethiopia country office operates under the direct supervision of the UN residents' coordination office. The UNDP country director is accountable to heads of UN Ethiopia Country Office coordination office. UNDP works very closely with the Ministry of Finance and Economic Development (MoFED) and other relevant line ministries. UNDP Ethiopia is also a permanent member of the Executive Committee for the Development Assistance Group (DAG). The DAG, comprising 26 key donors working in the country for over ten years. The

purpose of this study is, therefore, to make an assessment of the relationship between staff engagement and organizational performance in the context of UNDP.

1.3. Statement of the problem

Since recent time though use of advanced technologies, skilled labor, best practices, and education has helped to increase the efficiencies in many major organizations and firms, the importance of employee engagement still remains crucial for organizational performance(Purcell,2014).

Despite viewing employee engagement as a top priority for organizational success, there is inconsistency in defining and operationalization of employee engagement. Researches indicate less than 50% of companies were measuring employee engagement against business performance metrics such as customer satisfaction or increased market share, whereas others measure employee engagement in terms of employee individual performance (Christian, Garza & Slaughter, 2011). Employee engagement remains a concept with a sparse and diverse theoretical and empirical foundation (Macey & Schneider,2008). Macey and Schneider proposed that employee engagement included components like personality traits, psychological state and extra-role behavior. It is not easy to measure these characteristics since they are highly variable from individual to individual difficult to measure. These characteristics are also highly dependent on organization environment (Macey & Schneider, 2008). Research findings shows that characteristics associated with engagement influenced by desire to succeed, personal commitment to attaining goals, personal energy applied to work and an intense involvement in their work (Bakker & Leiter, 2010).

The current employee engagement challenges are a reflection of organizational management that related to organizational policies, practices, and structures established by company leaders (Bakker & Leiter, 2010). It is recommended by Bakker and Leiter organizational values and employee engagement unless thrived in settings where there is strong connection between organizational values and individual employee values, employee engagement cannot enhance organizational performance. Research shows that organizations fails to connect their organizational culture with employees' self-value to realize engagement of their employees (Ram and Prabhakar, 2011).

Most researchers are not attracted to conduct research on employee engagement on nonprofit organizations, rather concentrated on researching effect of employee engagement in profit making organizations. To make it worse no research is available on effect of staff engagement on UNDP performance in Ethiopia. This research will contribute to narrow the research gap on employee engagement in nonprofit organization and is the first for UNDP Ethiopia Country office. Therefore, this study intends to understand level of UNDP employees' engagement and how it is associated with UNDP Ethiopia country office performance.

1.4. Research Questions

- What is employees of UNDP Ethiopia country office perception on their engagement to the organization?
- What is employees of UNDP Ethiopia country office perception on UNDP's organizational performance?
- Is there any association between UNDP Ethiopia country office engagement and its performance?

1.4. Objectives of the Research

This study has two sets of objectives, major and specific objectives.

1. The major objective of this study is to assess associations between UNDP Ethiopia country office employees' engagement and organizational performance.
2. The specific objectives are:
 - a. To analyze employees of UNDP Ethiopia country office perception on their engagement to the organization.
 - b. To analyze UNDP Ethiopia country office employees' perception on UNDP Ethiopia country office's organizational performance

1.5. Significance of the study

The research will show associations between UNDP Ethiopia country office employees engagement with the organization performance. Employees engagement is function of management performance and motivation packages of the organization. This study will assess the incentive packages and employees' response to the package. The overall performance of the organization in this study will then be analyzed as an outcome of commitment and engagement of the staffs. This study therefore shows UNDP employees commitment for the organizational performance improvement. The UNDP human resource managers and country director through this study is informed the commitment of the employees to achieve the organizational goals. Since UNDP is a non-profitable United Nations agency involved in humanitarian assistance to developing countries the study findings contribute to the global UNDP human resource policy makers to focus on staff engagement for better organizational performance.

1.6. Scope of the study

Scope of the study is delimited to assessment of the effect of UNDP employees' engagement on organization performance. This thesis, as it is conducted in 2017/2018 shows effect of employee engagement in UNDP only in 2017/18. The research is delimited to analysis of level of employee engagement, organizational performance and association between employee engagement and organizational performance in UNDP Ethiopia country office. Primary data were collected only from UNDP Ethiopia country office employees and the study findings represent UNDP Ethiopia country office.

1.7. Operational definition terms

- ***Behavioral Engagement:*** – broadly defined as adaptive behavior intended to serve an organizational purpose, a concept for describing a range of behaviors that support organizational effectiveness.
- ***Commitment:*** –an antecedent to various organizational relevant outcomes and regarded as a psychological state of attachment or binding force between an individual and the organization.

- ***Dedication***: –refers to being strongly involved in one’s work and experiencing a sense of significance, enthusiasm, inspiration, pride, and challenge.
- ***Employee Engagement*** – occurs when employees are involved with, committed to, enthusiastic, and passionate about their work. Characterized by passion and commitment the willingness to invest oneself and expend one’s discretionary effort to help the organization succeed.
- ***Personal Initiative***: –Facet of behavioral engagement comprised of self-starting, proactivity, and persistence, and implies employees going beyond what is normal or obvious in work roles.
- ***Psychological State Engagement***: – Antecedent to behavioral engagement, characterized by feelings of passion, energy, enthusiasm, and activation resulting in organizational commitment, satisfaction, job involvement, and empowerment.
- ***Satisfaction*** –a facet of psychological state engagement characterized by feelings of energy, enthusiasm, and similarly positive affective states.

CHAPTER TWO: REVIEW OF RELATED LITERATURES

In this chapter the study the researcher reviews theoretical and empirical researches on organizational performance and employees' engagement. The theoretical review deal with theoretical and conceptual thoughts of employee engagement and organizational performance. The last section of this chapter deals with conceptual framework of this research. Graphic representation of logical interconnection between organizational performance and employee's engagement serve theoretical base for the researcher to conduct this research.

2.1 Theoretical review

In this section, reviews of theories related to employees' engagement and organizational performance are discussed.

2.1.1. Definition of Organizational Performance

Before jumping in to organizational performance it is important to define what organization is. It is also vital to show types of organizations before discussing about organizational performance.

Different authors define organization differently; for instance, Wikipedia (Wikipedia, 2018) it defines organization as entity comprising peoples collected together for common goal. "An organization is an entity comprising multiple people, such as an institution or an association, that has a collective goal and is linked to an external environment".

Cambridge English dictionary define organization as a group of people who work together in an organized way for a shared purpose. The Cambridge and Wikipedia definition shares similar word in defining organization; both see organization as collection of peoples for similar purpose. (Cambridge dictionary, 2017)

Business dictionary define organization as: "A social unit of people that is structured and managed to meet a need or to pursue collective goals. All organizations have a management structure that determines relationships between the different activities and the members, and subdivides and assigns roles, responsibilities, and authority to carry out different tasks. Organizations are open

systems, they affect and are affected by their environment. Unlike the above two definitions business dictionary relates organization definition with management structure, which determine functional relationship among different activities and actors who handle activity (Business Dictionary,2018).

2.1.2. Types of Organization

Researches, based on their goals, classify organization in to two broad categories; organizations for profit and nonprofit organizations.

2.1.2.1. Organizations for profit

Organizations that exist for the purpose of maximizing a profit can be divided into two main categories: public and private. Publicly held companies strive to maximize shareholders value via generating profit (Boyne, 2002). Although maximizing profit is the main objective for a public company, many recognize their obligation to social causes and environmental wellbeing.

Private held organizations may be organized as corporations, limited liability companies, partnership, or sole proprietorship (Boyne, 2002) and (Anitha, J., 2013), and Private companies must follow movement regulations, but their excess revenues are not paid out to public shareholders. Private organizations likely have similar values and profit goals as public corporations but they are not required to be as transparent with their financial statements, policies, and strategies.

These organizations, which are established for the purpose of making profit, based their business focus area, can be classified in to two; product oriented organization and service oriented organizations.

Product oriented businesses build and sell products for end user in which a large number of customers receive a similar product. Product oriented business carefully manager the cost of production, as large upfront capital investments are often required in exchange for future revenue

obtained by product sales. Success for product-oriented businesses often relies on the organization's ability to consistently deliver value through product innovation.

Service oriented businesses are usually hired by a customer for a particular skill set they possess and are paid in service hours. Employees of service-oriented businesses are often evaluated by the amount of work they perform. Strong, lasting relationships with clients are a primary determinant of success Powell and Steinberg (2006).

2.1.2.2. Nonprofit Organizations

Nonprofit organizations exist not for earning and distributing a profit rather to help others. Nonprofit organizations can be public, private, which is community depending on their structure and management. Examples of typical non-profit organizations are hospitals, schools, churches, clinics, labor unions, professional associations, and museums to name a few. Non-profit organizations usually are tax exempted as they operate for the purpose of charity, religion, public safety, education or prevention (Powell and Steinberg, 2006).

According to Salamon, Lester M. and Helmut K. Anheier. (1996) nonprofit organizations share five basic characteristics:

- Organized, i.e., institutionalized to some extent.
- Private, i.e., institutionally separate from government
- Self-governing, i.e., equipped to control their own activities
- Non-profit-distributing, i.e., not returning profits generated to their owners or directors
- Voluntary, i.e., involving some meaningful degree of voluntary participation

International nonprofit organizations classification grouped nonprofit organizations into 12 groups: Culture and Recreation; Education and research; Health; Social service; Environment; Development and housing; Law, Advocacy and Politics; Voluntary promotion; international, religious, Business professional associations; and Not elsewhere classified.

Generally nonprofit organizations can be: Financial Institutions, Non-governmental organizations (NGOs), Cooperatives, mutual societies and self-help groups, Treatment of foreign establishments.

2.1.3. Organizational performance

Organizational performance is an aggregate performance of each individual department within an organization. In other words, each department significantly impacts the overall organizational performance. Measurement criteria allow organizational leadership to evaluate specific achievements of independent department and firm-wide and how a firm competes and performs over time (Richard, Devinney, Yip, & Johnson, 2009).

Measuring directions performance has grown beyond traditional accounting over the last few decades. According to Lebas and Euke's (2002) definition organizational performance is what organizations are doing today is what will lead to measured outcomes in the future. Literature on performance management suggested that measures of business performance should encompass five major criteria within a firm: (a) profit, growth, and control, (b) short term results against long-term capabilities and growth opportunities, (c) performance expectations, (d) opportunities and attention, and (e) motives of human behavior (Kellen, 2003).

Measuring each of these components may require a range of tools/instruments operationalized as technical, data driven measures, organizational measures that gauge culture, leadership, processes, or individual employee performance measures. However, organizational performance measures are not universally applicable and often vary based upon the organizational type and /or goals. Whether an organization large or small, public or private, for profit or non-profit, or produce versus service oriented will impact the degree to which they value and measure each performance metric.

2.1.4. Performance Measurement

There are various organizational components and activities that firms can reasonably replicate: specific goods or services, marketing channels, operations, and/or business strategies.

In 2002 Harter, J. K., Schmidt, F. L., & Keyes, C. L. argued that human resources are perhaps the leading indicators of origination growth and stability stating. The attainment of a work place with high-caliber employees starts with the selection of the right people for right jobs. In 2013 Anitha, supported the view regarding people as the most valuable organizational asset, if managed and engaged properly. Performance management helps organizations gauge the impact individual employees have on organizational outcomes.

Despite differences in organizational type and organizational purpose, performance measures are generally used to gain knowledge and predict business outcomes. Many organizations use common performance measurement and development practices such as setting performance and development goals, providing ongoing feedback and recognition, managing employee development, conducting mid-year and year-end appraisals, and/or building a climate of trust and empowerment Mone, E., Eisinger, C., Guggenheim, K., Price, B., Stine, C. (2011). These measures are often viewed as performances indicators, which collectively can be interpreted as proxy measures that are predictive of overall organizational success.

2.1.5. Employee Engagement

Researcher began to give due attention to employee engagement is a recent phenomenon dated back couple of decades. Higher levels of employee engagement are believed to increase innovation, productivity, and bottom line performance while reducing costs related to hiring and retention in highly competitive talent markets (Kahn,1990).

Kahn first introduced the concept of employee engagement based on the belief that people serve in organizational roles to varying degrees and can use varying degrees of themselves in fulfilling these roles. Kahn's guiding assumption in his research was that people constantly either bring in or leave out various depths of themselves. He sought to identify variables that led to this ebb and flow of personal adjustments. According to him engagement was a multidimensional construct in

which employees can be emotionally, cognitively, or physically engaged. He further suggested when employees' basic needs were met, they became more cognitively and emotionally engaged. Kahn's basic needs conceptualization established a framework upon which future engagement studies were built (Kahn,1990).

Following Kahn's lead, Gallup developed Gallup Workplace Audit (GWA), which was used to study relationships between employee engagement and customer loyalty, profitability, productivity, employee turnover, and accidents Harter, J. K., Schmidt, F. L., & Keyes, C. L. (2002). The GWA was comprised of 13 core statements asking participants to respond using a 5-point, Likert-type scale where "5" was extremely satisfied and "1" extremely dissatisfied (Buckingham & Coffman, 2000).

The GWA statements were believed to measure the extent to which an employee's basic needs were met in the workplace, thus impacting employee engagement. (Harter, Schmidt, et al., 2002) described the GWA's desired concept of employee engagement as positive emotions which are facilitated by actions within organizations that support clear outcome expectancies give basic material support and challenging encourage individual contribution and fulfillment sense of belonging and a chance to progress learn continuously. In agreement with this concept of employee engagement, (Harter,Schmidt, et al., 2002)state the basic needs, such as expectations and materials and equipment, have relationships to basic outcomes such as customer satisfaction, loyalty and employee turnover retention are outcomes that ultimately influence larger business profitability.

2.1.6. Drivers of Employee Engagement

Many researches have tried to identify factors leading to employee engagement and developed models to draw implications for managers. Their diagnosis aims to determine the drivers that will increase employee engagement level.

According to Penna research report (2007) meaning at work has the potential to be valuable way of bringing employers and employees closer together to the benefit of both where employees experience a sense of community, the space to be themselves and the opportunity to make a contribution, they find meaning. Employees want to work in the organizations in which they find meaning at work. Penna (2007) researchers have also come up with a new model they called

“Hierarchy of engagement” which resembles Maslow’s need hierarchy model. In the bottom line there are basic needs of pay and benefits. Once an employee satisfied these needs, then the employee looks to development opportunities, the possibility for promotion and then leadership style will be introduced to the mix in the model. Finally, when all the above cited lower level aspirations have been satisfied the employee looks to an alignment of value-meaning, which is displayed by a true sense of connection, a common purpose and a shared sense of meaning at work. The Blessing White (2006) study has found that almost two third of the surveyed employees want more opportunities to grow forward to remain satisfied in their jobs. Strong manager-employee relationship is a crucial ingredient in the employee engagement and retention formula.

Development Dimensions International (DDI, 2005) states that a manager must do five things to create a highly engaged workforce.

1. Align efforts with strategy Empower
2. Promote and encourage teamwork and collaboration
3. Help people grow and develop
4. Provide support and
5. Provide recognition where appropriate

The Towers Perrin Talent Report (2003) identifies the top ten work place attributes which will result in employee engagement. The top three among the ten drivers listed by Perrin are: Senior management’s interest in employees’ well-being, challenging work and Decision-making authority.

Robinson after surveying 10,000 NHS employees in Great Britain, Institute of Employment Studies Robinson (2004) also in agreement with these top three workplace factors to employee engagement. He points out that the key driver of employee engagement is a sense of feeling valued and involved, which has the components such as involvement in decision making, the extent to which employees feel able to voice their ideas, the opportunities employees have to develop their jobs and the extent to which the organization is concerned for employees’ health and well-being.

CIPD (2006) on the basis of its survey of 2000 employees from across Great Britain indicates that communication is the top priority to lead employees to engagement. The report singles out having the opportunity to feed their views and opinions upwards as the most important driver of people’s engagement. The report also identifies the importance of being kept informed about what is going

on in the organization. The oldest consulting organization in conducting engagement survey, Gallup has found that the manager is the key to an engaged work force. James Clifton, CEO of Gallup organization indicates that employees who have close friendships at work are more engaged workers (Clifton, 2008). Vance (2006) explains the fact that employee engagement is inextricably linked with employer practices. To shed light on the ways in which employer practices affect job performance and engagement, he presents a job performance model. According to him, Employee engagement is the outcome of personal attributes such as knowledge, skills, abilities, temperament, attitudes and personality, organizational context which includes leadership, physical setting and social setting and HR practices that directly affect the person, process and context components of job performance.

Most drivers that are found to lead to employee engagement are non-financial in their nature. Therefore, any organization who has committed leadership can achieve the desired level of engagement with less cost of doing it. This does not mean that managers should ignore the financial aspect of their employees. In fact, performance should be linked with reward. Nevertheless, this is simply to repeat the old saying of Human Relations Movement which goes “as social being, human resource is not motivated by money alone.” As Buckingham and Coffman (2005) said, pay and benefits are equally important to every employee, good or bad. A company’s pay should at least be comparable to the market average. However, bringing pay and benefits package up to market levels, which is a sensible first step, will not take a company very far. They are like tickets to the ballpark, they can get the company into the game, but can’t help it win.

2.1.7. Employee Engagement Strategies

As pointed out by Solomon Markos (2010), in order to have engaged employees in any organization, managers need to look at the following ten points, which are called “tablets”. It is believed that these ten tablets are medicines to cure employee disengagement diseases.

1. **Start it on day one:** Managers should be careful in pooling out the potential talent of the new employee through effective recruitment. The newly hired employee should be given both general orientations which is related to the company mission, vision, values, policies and procedures and job-specific orientation such as his/her job duties, and

responsibilities, goals and current priorities of the department to which the employee belongs.

2. **Start it from the top:** Employee engagement requires leadership commitment through establishing clear mission, vision and values. Unless the people at the top believe in it, own it, pass it down to managers and employees, and enhance their leadership, employee engagement will never be more than just a “corporate fad”. Employee engagement does not need lip-service rather dedicated heart and action-oriented service from top management.
3. **Enhance employee engagement through two-way communication:** Managers should promote two-way communication. Clear and consistent communication of what is expected of them paves the way for engaged workforce. Involve your people and always show respect to their input. Share power with your employees through participative decision making so that they would feel sense of belongingness thereby increasing their engagement in realizing it.
4. **Give satisfactory opportunities for development and advancement:** Encourage independent thinking through giving them more job autonomy so that employees will have a chance to make their own freedom of choosing their own best way of doing their job so long as they are producing the expected result. Manage through results rather than trying to manage all the processes by which that result is achieved.
5. **Ensure that employees have everything they need to do their jobs:** Managers are expected to make sure that employees have all the resources such as physical or material, financial and information resources in order to effectively do their job.
6. **Give employees appropriate training:** Help employees update themselves increasing their knowledge and skills through giving appropriate trainings. Generally, it is understood that when employees get to know more about their job, their confidence increases there by being able to work without much supervision from their immediate managers which in turn builds their self-efficacy and commitment.
7. **Have strong feedback system:** Companies should develop a performance management system which holds managers and employees accountable for the level of engagement they have shown. Conducting regular survey of employee engagement level helps make out factors that make employees engaged. After finalizing the survey, it is advisable to

determine all the factors that driving engagement in the organization and factors hinder staff engagement. Leaders should be proactive to take action on the survey findings in order to motivate staffs.

8. **Incentives have a part to play:** Managers should work out both financial and non-financial benefits for employees who show more engagement in their jobs. Several management theories have indicated that when employees get more pay, recognition and praise, they tend to exert more effort into their job.
9. **Build a distinctive corporate culture:** Companies should promote a strong work culture in which the goals and values of managers are aligned across all work sections. Companies that build a culture of mutual respect by keeping success stories alive will not only keep their existing employees engaged but also, they baptize the new incoming employees with this contagious spirit of work culture.
10. **Focus on top-performing employees:** A study conducted by Watson Wyatt Worldwide in 2004/05 on HR practices of 50 large USA firms shows that high-performing organizations are focusing on engaging their top-performing employees. According to the finding of the same research, what high-performing firms are doing is what top-performing employees are asking for and this reduces the turnover of high-performing employees and as a result leads to top business performance.

2.2. Empirical Review

2.2.1. Employee Engagement and Organizational Performance

Employee engagement is crucial for organization to meet their goal. It is people who lead organization to failure or success. It is believed that employee engagement is interwoven significantly with important business outcomes.

Studies have found positive relationship between employee engagement and organizational performance outcomes, which are; employee retention, productivity, profitability, customer loyalty and safety. Researches also indicate that the more engaged employees are, the more likely their employer is to exceed the industry average in its revenue growth. Employee engagement is found to be higher in double-digit growth companies. Research also indicates that engagement is

positively related to customer satisfaction (Coffman, 2000; Ellis and Sorensen, 2007; Towers Perrin Talent Report, 2003; Hewitt Associates, 2004; Heintzman and Marson, 2005; Coffman and Gonzalez-Molina, 2002).

Engaged employee consistently demonstrates three general behaviors that improve organizational performance:

- Say-the employee advocates for the organization to co-workers, and refers potential employees and customers
- Stay-the employee has an intense desire to be a member of the organization despite opportunities to work elsewhere
- Strive-the employee exerts extra time, effort and initiative to contribute to the success of the business (Baumruk and Gorman, 2006)

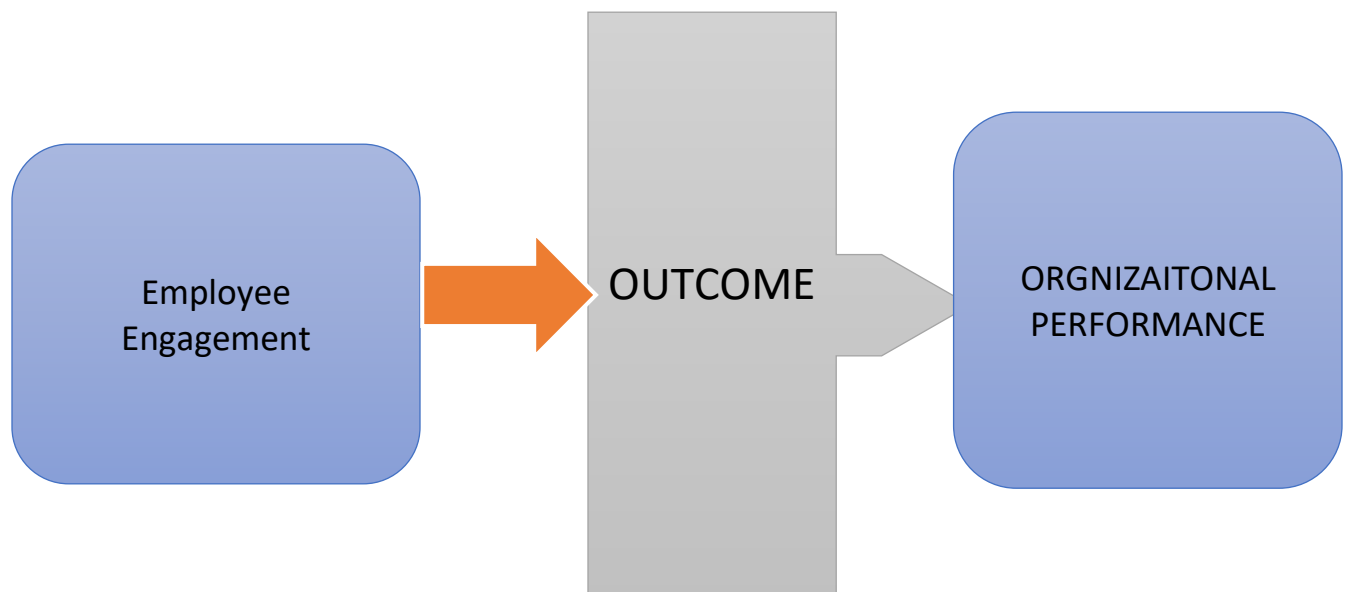
Employees who are not engaged are likely to be spinning, that means the staff is wasting his/her effort and talent on tasks that may not matter much. Unengaged staff cannot be settle, certainly do not show full commitment and dissatisfied enough to make a break. Lack of staff commitment in his/her work leads to splitting, which means they are not sticking around strive for change in their organization. It is also research evidenced that unengaged staffs have far more misgivings about their organization in terms of performance measures such as customer satisfaction (Blessing White, 2006; Perrin Report, 2003). Meere (2005) based on the survey conducted by ISR on 360,000 employees from 41 companies in the world's 10 economically strong countries finds that both operating margin and net profit margins reduced over a three-year period in companies with low engagement, while these measures increased over the specified period in companies with high levels of engagement.

Financial News, March 2001, as cited by Accord Management Systems (2004), reveals that disengaged employees are more likely to cost their organization. According to the report, Employees who are disengaged: Miss an average of 3.5 more days per year and are less productive that cost the US economy \$292 to \$355 billion per year.

2.3. Conceptual framework

The conceptual framework proposed in this paper derived from review of literature suggests investigating the relationships between employee engagement and organization performance. As depicted in the below figure 1 organizational performance is outcome of employee engagement. Theoretically employee engagement leads to organizational performance. In this paper the researcher investigates level of employee engagement in UNDP and its association with organizational performance.

Figure 1: Conceptual Framework



Adopted from: Paluku Kazimoto (2016)

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

The chapter entirely deals with methodology of the study. It explains the study design, target population, inclusion and exclusion criteria, sampling, data collection, data cleaning, data analysis and description of variables.

3.1. Research Design

The study employs explanatory cross-sectional study design. Primary cross-sectional data gathered from study population to analyze association between UNDP Ethiopia country office employees' engagement with organizational performance.

3.2. Target population

In this study all UNDP Ethiopia country office employees participated. The units involved in this study are country director office, UN resident coordination office, programme management support unit, finance unit, Climate change and adaptation unit, Economic growth unit and governance unit. At the time of data collection UNDP Ethiopia country office has 110 fixed term and service contract holder employees assigned to the above-mentioned units.

In order to increase precision and minimize sampling error, the study conducts census study collecting data from all UNDP Ethiopia country office FT and SC contract holder employee using structured questionnaire. Intentionally the study excludes non- staff employees who hold contract less than 1 year.

3.3. Instrument Development

In this study the researcher adopts Saks (2008) questionnaire to conduct this study. The study used a structured questionnaire that was filled up by the participants. The questionnaire has three sections: the first section deals with respondents' profile, such as work experience respondents have in UNDP and outside UNDP, their contract type in UNDP, level of education and their sex. The second section related to employee engagement parameters, which asks respondents about job satisfaction, their commitment to their work, their motivation, difficulty of their job, their physical, emotional and psychological engagement, their attachment to work, recognition by others, their creativity, self-esteem and their supervisor. The third section is about measuring organizational

performance, where respondents asked about their perception about key organizational performance indicators.

For all questions under 2nd and 3rd part of the questionnaire in this study, Likert Scale that measures respondents' level of consent on the questions attached utilized. Numbers ranging from 1 to 5 assigned to each question to represent low to high rate of respondents' consent on the question.

3.4. Data Collection and Processing

In this research the researcher gathers information from diverse sources, both secondary and primary sources of data used to conduct the study. Human resource reports, UNDP staff survey report, bulletins, human resource policies and guides, annual delivery and budget utilization reports consulted to collect secondary data.

Survey using structured questionnaire is third data collection tool used in this study. The researcher distributed the questionnaire to all selected staffs and gave reasonable amount of time to complete the questions. Within a week time the researcher went back to the respondents to collect the questionnaires. One additional week added to respondents who were not in office during the first week. Within two weeks the researcher managed to gather 87% of the distributed questionnaire. The remaining 13% of the questionnaire has been collected within two consecutive weeks through conducting face to face interview.

The collected survey question encoded to SPSS for data processing and tabulation. The descriptive data obtained from focus group discussion and key informant in depth interview used to substantiate the data obtained from the survey.

3.5. Data analysis

Descriptive statistics such as percent and ratio employed to analyze the data obtained from the survey. Inferential statistics such as correlation and linear regression used to analyses association between employee engagement and organizational performance. The researcher, to visualize the data, use tables, graphs and charts.

To describe respondents profile, age, sex, work experience and type of current contract respondents hold with UNDP the researcher uses percentage and ratio. In addition to this respondents' level of agreement, as measured by Likert scale, on different employee engagement indicators and UNDP's organizational performance indicators analyzed using percentage.

To show association between employee engagement and organizational performance, the researcher run correlation and regression models.

Triangulation of data sources employed to substantiate the results, accordingly the data obtained from focus group discussion and key informant in depth interview used to explain the reason for the observed results.

3.6. Reliability Test

According to Morgan (2004) Cronbach's Alpha is a very common measure of reliability (internal consistency) in the research literature. If alpha value greater than 0.7 indicates good reliability, which indicates good and acceptable value to undertake the research. As indicated below table 1 for all sets or questions except measure of others perception on employee engagement, alpha value greater than 0.7 and the overall alpha value 0.854. Cronbach's alpha value for reliability test shows the instrument is reliable to measure association between employee engagement and organizational performance.

Table 1: Reliability Statistics

Scale	Cronbach's Alpha	N of Items
Employee Engagement indicators	0.882	17
Employee Disengagement indicators	0.758	2
Others Perception on Employee engagement	0.683	4
Measure of Organizational Performance	0.754	5
Over all	0.854	34

CHAPTER FOUR: RESULTS AND DISCUSSION

To analyze association between UNDP Ethiopia country office employees' engagement and UNDP organizational performance primary data collected from 110 UNDP employees. All 110 respondents' response included in the analysis. This section contains four sub sections, where the first sub section deals with analysis of respondents' profile and the second sub section present descriptive analysis of variables. Inferential analysis, correlation and regression analysis between employee engagement and organizational performance presented in third sub section. The last, fourth sub section deals with discussion on key findings.

4.1.Results

4.1.1. Description of the study population

As indicated in table 2 below among 110 respondents 55% are male and the remaining 45% females. This male to female ratio (1:0.8) shows that UNDP employees are nearly close to maintain gender balance. Marital status data for the study participants shows that majorities are married, 85% followed by divorced, 11% and the remaining 5% are single.

Educational status of the study participants, as presented in below table 2, shows that 57% of the study participants are MSc/MA degree holders. BSc/BA degree holders are the second highest in number, which consists 31% of the total study participants. Diploma and certificate holders, among study participants are only 9% and 3% of the study participants respectively.

Analysis of study participants educational status by sex shows that 28% of female study participants are BA/BSc degree holders and 52% are MA/MSc degree holders. Proportion of level of education among male study participants follows the same pattern as female study participants. Majority of the male study participants, 37% are MA/MSc degree holders. Male BA/BSc degree holders are 33% of the total male study participants.

Table 2- Demographic Characteristics of the respondents

S. N	Variables	Type	Count	%
1	Gender	Male	60	55%
		Female	50	45%
Total			110	100%
2	Marital Status	Married	93	85%
		Divorced	5	5%
		Single	12	11%
Total			110	100%
3	Education qualification	MSc/MA	63	57%
		BSc/BA	34	31%
		Diploma	10	9%
		Certificate	3	3%
Total			110	100%

Below Table 3: presents study participants work experience history. Analysis of study participants work experience shows that no respondent has work experience below 1 years, it is only 5% of the total study participants who have less than 5 years of work experience. The statistics shows that UNDP is not the first organization for all study participants, they came to UNDP after serving for more than 1 year for another organization. Majority of the study participants, which is 42% of the total study participants, have work experience between 6 to 10 years. Study participants who have work experience above 15 years old are the second highest proportion of study participants, 38%. Out of the total study participants 15% have work experience between 11 and 15 years old.

Study participants work experience in UNDP statistics shows that 15 out of 110 (14%) study participants worked for UNDP for less than 1 year. Majority of the study participants (48%) have served UNDP for less than 5 years. Among the total study participants 17% served UNDP for

between 11 and 15 years. It is only 12 (11%) of the study participants who worked in UNDP for more than 15 years.

Study participants statistics on their years of service on current position shows that none of the UNDP staff served in their current position more than 10 years. Only 8% of the staffs have between 6 and 10 years of service in their current position. Majority of UNDP staffs (71%) have been serving the organization between 1 and 5 years in their current position. The staffs who served UNDP for less than 1 years in their current position accounts 21% of the total employee.

Analysis of study participants' total years of work experience in UNDP by sex shows that among female employees 82% worked for UNDP between 1 and 5 years. Female workers who serve UNDP for less than 1 year are only 4% of the total female study participants. No female study participant worked between 11 and 15 years, however, 6% of the females served UNPD for more than 15 years. The statistic for male study participants shows slight difference from the female. Unlike the female study participants out of the total males 32% served UNDP between 11 and 15 years. Those who worked for UNDP for more than 15 years account 15% of the total male study participants. Out of the total male study participants 22% served UNDP for less than 1 year.

Table 3: History of Respondents work experience

S. N	Variables	Type	Count	%
1	Total years of work Experience	Below 1 year	0	0%
		1 - 5 years	6	5%
		6 - 10 years	46	42%
		11 - 15 years	16	15%
		Above 15 Years	42	38%
Total			110	100%
2	Total years of work Experience in UNDP	Below 1 year	15	14%
		1 - 5 years	53	48%
		6 - 10 years	11	10%
		11 - 15 years	19	17%
		Above 15 Years	12	11%
Total			110	100%
3	Total years of work Experience in UNDP on current Position	Below 1 year	23	21%
		1 - 5 years	78	71%
		6 - 10 years	9	8%
		11 - 15 years	0	0%
		Above 15 Years	0	0%

The below Table 4 tells total years of experience UNDP employees have in UNDP by type of contract they hold with the organization. Out of the total 70 employees who hold fixed term contract with UNDP 36% served UNDP between 1 and 5 years. Among the total FT contract holders those who work for UNDP between 11 and 15 years are 27%, which is the second highest proportion among fixed term contract holders. 17% and 4% of the total fixed term contract holders in UNDP served the organization for more than 15 years and less than 1 year respectively.

None of the service contract holders in UNDP worked for more than 5 years for the organization. Out of the total service contract holder employees in UNDP 70% worked for UNDP between 1 and 5 years and the remaining 30% worked for less than 1 year.

Table 4: UNDP Employee's year of work experience in UNDP and contract type cross tabular

Current contract type	Frequency	Years of work experience in UNDP					Total
		Below 1 year	1 - 5 years	6 - 10 years	11 - 15 years	Above 15 Years	
Fixed Term Contract	Frequency	3	25	11	19	12	70
	%	4%	36%	16%	27%	17%	100%
Service Contract	Frequency	12	28	0	0	0	40
	%	30%	70%	0%	0%	0%	100%
Total	Frequency	15	53	11	19	12	110
	%	14%	48%	10%	17%	11%	100%

As shown in Table 5, below 64% of female employees are fixed term contract holders and the remaining 36% are service contract holders. Among male employees who have fixed term contract with UNDP are 63% and the remaining 37% are service contract holders.

Table 5: Employees Contract type by sex

Sex	Frequency	Current Contract Type		Total
		Fixed Term contract	Service Contract	
Female	Frequency	32	18	50
	%	64%	36%	100%
Male	Frequency	38	22	60
	%	63%	37%	100%
Total	Frequency	70	40	110
	%	64%	36%	100%

4.1.2. UNDP Ethiopia country office employees' engagement and organizational performance

In this part of the study the researcher describes perception of UNDP Ethiopia country office employees' engagement, employees' disengagement and organizational performance in UNDP Ethiopia country office. Percentage, measure of central tendency and dispersion used to describe the variables.

4.1.2.1. Employee's engagement to their organization

To describe level of UNDP employees' engagement to their organization the researcher analyzes 15 employee engagement indicators. Findings of UNDP employee engagement to their organization presented in table 7 below. Majority of the respondents, 57.3% of the total respondents feel that their work gives full meaning and purpose. Only 17% of the total respondent disagree on this indicator. Mean value for this employee engagement indicator is 3.4 and SD value 1.01. Among study participants those who feel strength and energetic when they work are 51% (56). Those who disagree that they feel strength when they work are 19% of the total respondents. Mean and SD value for employee engagement indicator "I feel strong and vigorous when I am working" is 3.3 and 1.02 respectively. Study participants who agree on employee engagement indicator "My job inspires me to do my best." are 45.5% of the total respondents with mean value of 3.3 and SD value 1.06. Out of the total study participants 66 (60%) are happy when they work intensively. It is only 15% of the total respondents who disagree with this indicator. Mean and SD value for this indicator is 3.5 and 0.99 respectively.

Study participants who agree with employee engagement indicator "I always prefer to stay at my job even when things do not go well" are 49% and who disagree 22.7% of the total respondents. Those who either agree or disagree to this indicator account 28% of the total respondents. Mean value for this indicator is 3.3 with SD value 1.04. Study participants who always take initiative and who know what is expected from them at work are 48% and 49% of the total study participants respectively. Mean value for these indicators is 3.3 and 3.1 with SD value 1.05 and 1.1 respectively.

Among the 15 employee engagement indicators, majority of the study participants agreed with employee engagement indicators “I am proud of the work that I do” 58% “I get carried away when I am working” 56.4% and “Time passes quickly when I am at work” 56.4%.

In conclusion, as responded by majority of the respondents for all employee engagement indicators positively, we can conclude that employee engagement in UNDP Ethiopia country office is high. Even though staff recognition for performance as engagement is low this study found out that all UNDP Ethiopia country office staffs are engaged to their organization. Key informant interview result with team leaders also in line with this finding. Low staff turnover, as witnessed by human resource section during FGD, is also indication of employee engagement.

Table 6: Employee Engagement Indications

No	Indicators		Level of Agreement			Total	Mean	SD
			Agree	Neither agree nor disagree	Disagree			
1	I find my work full of meaning and purpose	Count	63	28	19	110	3.4	1.01
		%	57.3%	25.5%	17.0%	100%		
2	I feel strong and vigorous when I am working.	Count	56	33	21	110	3.3	1.02
		%	51.0%	30.0%	19.0%	100%		
3	My job inspires me to do my best.	Count	50	34	26	110	3.3	1.06
		%	45.5%	30.9%	23.6%	100%		
4	I feel happy when I am working intensely	Count	66	27	17	110	3.5	0.99
		%	60.0%	24.5%	15.5%	100%		
5	I am proud of the work that I do	Count	64	29	17	110	3.5	1.02
		%	58.2%	26.4%	15.5%	100%		
6	I get carried away when I am working.	Count	62	30	18	110	3.4	0.96
		%	56.4%	27.3%	16.4%	100%		
7	I am physically energized when I am at work	Count	52	35	23	110	3.26	1.02
		%	47.3%	31.8%	20.9%	100%		
8		Count	62	26	22	110	3.4	1.13

	Time passes quickly when I am at work	%	56.4%	23.6%	20.0%	100%		
9	When I am working, I forget everything else around me.	Count	63	31	16	110	3.5	0.95
		%	57.3%	28.2%	14.5%	100%		
10	I can continue working for long periods of time.	Count	59	30	21	110	3.3	1.09
		%	53.6%	27.3%	19.1%	100%		
11	I find it difficult to detach myself from my job	Count	54	32	24	110	3.27	1.03
		%	49.1%	29.1%	21.8%	100%		
12	I always prefer to stay at my job even when things do not go well.	Count	54	31	25	110	3.3	1.04
		%	49.1%	28.2%	22.7%	100%		
13	I am confident in my abilities.	Count	61	29	20	110	3.4	1.03
		%	55.5%	26.4%	18.2%	100%		
14	I often take the initiative to get a job done.	Count	53	32	25	110	3.3	1.05
		%	48.2%	29.1%	22.7%	100%		
15	I know what is expected from me at work	Count	54	29	27	110	3.2	1.1
		%	49.1%	26.4%	24.5%	100%		

4.1.2.2. UNDP Employees Disengagement to their organization

As presented in table 9 below for the selected three employee disengagement indicators majority of the respondents disagree at all. Proportion of respondents those who agree to these disengagement indicators ranges between 16% to 12% of the total respondents with mean value or 2.4 and 2.5. Respondents those who agreed their job is challenging are 12% and those who disagree 63% of the total respondent with 2.4 mean value and 0.93 SD value. Respondents those who feel stress when they go to work are only 16% and those who disagree with this indicator are 56% of the total respondents with 2.5 mean value and 1.04 SD value. Respondents who disagree to the indicator “Last 6 month someone talked to me about my work” are 62% of the total respondents with 2.4 mean value and 0.89 SD value.

In conclusion employee disengagement indicators shows that majority of UNDP employees engaged to their organization. The result is also supported by the above discussed two variables.

Table 7: UNDP Employees Disengagement to their organization

No	Indicators		Level of Agreement			Total	Mean	SD
			Agree	Neither agree nor disagree	Disagree			
1	My job is challenging to me	Count	13	28	69	110	2.4	0.93
		%	11.8%	25.5%	62.7%	100%		
2	When I know I am going to work I feel stressed	Count	18	30	62	110	2.5	1.04
		%	16.4%	27.3%	56.4%	100%		
3	Last 6 month someone talked to me about my work	Count	16	26	68	110	2.4	0.89
		%	14.6%	23.6%	61.8%	100%		

4.1.2.3. UNDP Ethiopia country office organizational Performance

UNDP Ethiopia country office’s organizational performance measured with 5 indicators has presented in the below table 10. Study participants those who agree to the organizational performance indicator “UNDP always deliver service to clients timely” are 15.5% of the total respondents. Those who disagree to this indicator are 81% of the total respondents. Mean value and SD value for this indicator is 1.99 and 0.25 respectively. Out of the total respondents 39% agreed to the organizational performance indicator “UNDP always implement planned activities as per the plan” and 43.6% either agree or disagree. Those who disagree are 17% of the respondents. Mean and SD values of this indicator is 3.29 and 0.96 respectively. Forty five percent and forty four percent of the respondents agree and indifferent to the organizational performance indicator “UNDP always utilize annual budget timely”. Mean and SD values of this indicator is 3.42 and 0.92 respectively. Response for the organizational performance indicator “UNDP clients always satisfied with the service they get” shows that majority of the respondents 42% disagree and 41% are indifferent to the indicator. The observed mean value for this indicator is 2.8 and SD value 0.95. It is only 14% of the total respondent who agree on UNDP always publish annual report timely. Majority of the respondents, 43.4%, are indifferent to this indicator of organizational

performance. Those who disagree with this indicator are 42.7% of the total respondents. Mean and SD values for this indicator is 2.68 and 0.9 respectively.

In conclusion most of the responses for the organizational performance indicators is indifferent. This implies that employees of UNDP know little about their organization performance. From this response it can be concluded that UNDP organizational performance as perceived by employees is low.

Table 8: UNDP organizational performance

No	Indicators		Level of Agreement			Total	Mean	SD
			Agree	Neither agree nor disagree	Disagree			
1	UNDP always deliver service to clients timely	Count	17	4	89	110	1.99	0.25
		%	15.5%	3.6%	80.9%	100.0%		
2	UNDP always implement planned activities as per the plan	Count	43	48	19	110	3.29	0.96
		%	39.1%	43.6%	17.3%	100.0%		
3	UNDP always utilize annual budget timely	Count	49	48	13	110	3.42	0.92
		%	44.6%	43.6%	11.8%	100.0%		
4	UNDP clients always satisfied with the service they get	Count	19	45	46	110	2.8	0.95
		%	17.3%	40.9%	41.8%	100.0%		
5	UNDP always publish annual report timely.	Count	15	48	47	110	2.68	0.9
		%	13.64%	43.64%	42.72%	100.0%		

4.1.3. Association between UNDP employees' engagement and organizational performance

4.1.3.1. Correlation between employee engagement and organizational performance

Below table 11 shows correlation between selected variable such as UNDP employees' engagement and organizational performance.

There is strong positive significant correlation, R value 0.227 (P= 0.017) between organizational performance and employee engagement in UNDP Ethiopia country office.

In conclusion employee engagement and organizational performance in UNDP have significant strong positive correlation.

Table 9: Correlation between employee engagement and organizational performance

Variables	Measurement	Employee engagement	Organizational Performance
Employee engagement	Pearson Correlation	1**	.227*
	Sig. (2-tailed)	0.000	0.017
Organizational performance	Pearson Correlation	.227*	1
	Sig. (2-tailed)	0.017	0.021

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

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

4.1.3.2. Effect of employee engagement on organizational performance

To test if there is association between UNDP employees' engagement to UNDP organization performance, regression analysis between employee engagement and organizational performance indicators done.

Table 12, below shows regression model summary with R square 0.051 and adjusted R square 0.043. The model summary shows that regression model is reliable and good model to show association between employee engagement and organizational performance of UNDP Ethiopia country office.

Table 10: Model Summary

Regression Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.227 ^a	0.051	0.043	0.50002

a. Predictors: (Constant), Employee engagement

Similar to above table 12 the below table 13 analysis of variance (ANOVA) used to test if there is linear relation between dependent and independent variables, employee engagement and organizational performance. The table shows linear relation between dependent and independent variables.

Table 11: ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	1.465	1	1.465	5.86	.017 ^a
Residual	27.002	108	0.25		
Total	28.467	109			

a. Predictors: (Constant), Employee engagement

b. Dependent Variable: Organizational Performance

As presented in table 14 below, linear regression model shows positive significant association between employee engagement and organizational performance in UNDP Ethiopia country office. Beta value (B) 0.19 (p= 0.017) shows that as employee engagement increase by one-unit organizational performance also increase by 0.19 unit significantly.

In general, from this regression model it can be concluded that there is significant strong positive association between UNDP employees' engagement and UNDP organizational performance.

Table 12: Correlation Coefficients

Model	Un standardized Coefficients		Standardized	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.197	0.265		8.284	0.000
Employee engagement	0.189	0.078	0.227	2.421	0.017

a. Dependent Variable: Organizational Performance

4.2. Discussion

This study result shows that employee recognition by the organization leadership is observed to be minimum. In addition, employee engagement indicators show UNDP employees are highly engaged to their organization. Similar studies like Brenda Bery, Esther et al. (2015), in their research find out that 55% of the respondents agreed to 10 employee engagement indicators. The findings further revealed that 50% of the respondents strongly agreed to 10 employee engagement indicators. Other study conducted on Effect of Employee engagement on organizational performance: Case of African Evangelistic Enterprise has also come up with the result in all the employee engagement indicators 25% feel extremely engaged, 23% feel very much disengaged, 18% extremely disengaged, 18% very much disengaged and 16% indifferent (Ruganzi Diogene, 2017).

Findings of this study came up with the conclusion most of the responses for the organizational performance indicators is indifferent. This implies that employees of UNDP know little about their organization performance. Similar studies on employee engagement and organizational performance came up with slight different result (Ruganzi Diogene, 2017), In these studies respondents' response to most of the organizational performance indicators are positive. Neither agree nor disagree response is minimum.

Findings of this study show strong positive significant correlation, R value 0.227 (P= 0.017) between organizational performance and employee engagement in UNDP Ethiopia country office. This result can lead to the conclusion employee engagement and organizational performance in UNDP have significant strong positive correlation.

Many researches on employee engagement and organizational performance correlation found out similar result with this study. For instance, study conducted on Employee Engagement and Organizational Performance of Retails Enterprises (Paluku Kazimoto, 2016) confirm positive significant correlation between employee engagement and organizational performance, employee commitment for activities ($r = 0.486$, $p = 0$), image of the company in the industry sector ($r = 0.477$, $p = 0$), provision of fair rewards for work ($r = 0.403$, $p = 0$) and job satisfaction and

availability, resources in the organizations ($r = 0.326$, $p = 0.001$). Another studies Brenda Bery, Esther et al. (2015), Ruganzi Diogene (2017) and Artody, Vitayala and Dadang Sukandar (2016) also revealed similar result.

In this study the linear regression model shows significant positive association between employee engagement and organizational performance in UNDP Ethiopia country office. Beta value (B) 0.19 ($p= 0.017$). In general, from this regression model it can be concluded that there is significant strong positive association between UNDP employees' engagement and UNDP organizational performance.

Similar to this study, most of the research reviewed done on employee engagement and organizational performance shows positive significant association Brenda Bery, Ruganzi Diogene (2017) and Artody, Vitayala and Dadang Sukandar (2016).

Regression analysis done to determine the relationship between employee engagement and organization performance came up with B coefficient 0.284 at 0.05 significant level.

CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

With the objective of assessing association between employees' engagement and organizational performance in case of UNDP Ethiopia country office researcher conduct this study. To assess organizational level of employee engagement in UNDP described.

Findings of the study shows that recognition for staff performance by the organization leadership is observed to be minimum. Findings on level of employee engagement shows that responded by majority of the respondents for all employee engagement indicators positively, we can conclude that employee engagement in UNDP Ethiopia country office is high.

Even though staff recognition by UNDP is low, this study found out that all UNDP Ethiopia country office employees are engaged to their organization. Key informant interview result with team leaders also in line with this finding. Low staff turnover, as witnessed by human resource section during FGD, is also indication of employee engagement.

Level of employee disengagement in this study can be concluded as employee disengagement indicators shows that majority of UNDP employees engaged to their organization. The result is also supported by the above discussed two variables. Analysis of organizational performance came up with the conclusion most of the responses for the organizational performance indicators is indifferent. This implies that employees of UNDP know little about their organization performance. From this response it can be concluded that UNDP organizational performance as perceived by employees is minimum.

Inferential analysis of this study shows strong positive significant correlation between organizational performance and employee engagement in UNDP Ethiopia country office. Regression analysis between employee engagement and organizational performance in UNDP shows positive significant association.

5.2 Recommendations

Based on findings of this study the researcher would like to forward the following recommendations for policy makers and practitioners.

In order to increase staff engagement with in the organization UNP need to increase staff motivational incentives.

UNDP should also continue to prioritize employee engagements processes regularly and conduct an assessment at least once a year.

Management need to provide opportunities for employees to practice best skills at work. In complement regularly, the employees should as well receive appreciation or reward for the work well done and measures should be undertaken to stimulate the care of the supervisor or any other colleague.

Outstanding employees need to be awarded with special recognition award who are highly engaged in their current work.

5.3 Limitations of the Study

Limitation of this thesis can be described in terms of resource and thematic area. Due to resource limitation, time and budget, the researcher limits the study on one organization. It would be comprehensive and strong if other types of organizations such as Governmental, Non-Governmental charity organizations, private companies and companies for profit included in this study.

As described is a function organizational communication and organizational culture. These two variables, in other word, are driving factors for employee engagement. However, this study did not address organizational communication and culture in UNDP as a driving factor for employee engagement. This study focuses only on employee engagement in UNDP and its effect on organizational performance.

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Survey Instrument

Demographic Information

1. Number of years in current position: _____
2. Total years employed in UNDP: _____
3. Total years of work experience: _____
4. Current employment status: Fixed term Service contract Other
5. Highest level of education:
 - High School
 - Diploma
 - B.S./B.A.
 - M.S./M.A.
 - Doctorate
6. Work related professional certification(s) (please specify) _____
7. Gender: Male Female
8. Current marital status: Single Married Other

Employees' Engagement Survey Questionnaire

The following statements are used to measure your level of engagement in your work with UNDP.

Please read each statement carefully and circle the response that reflects your level of agreement,

where: 1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree or Disagree, 4 = Agree, and 5 =

Strongly Agree

	Statement	Ratings				
		1	2	3	4	5
1.	I find my work full of meaning and purpose.	1	2	3	4	5
2.	I feel strong and vigorous when I am working.	1	2	3	4	5
3.	I am enthusiastic about my job.	1	2	3	4	5
4.	My job inspires me to do my best.	1	2	3	4	5
5.	I feel happy when I am working intensely.	1	2	3	4	5
6.	I am proud of the work that I do.	1	2	3	4	5
7.	My job is challenging to me.	1	2	3	4	5
8.	I get carried away when I am working.	1	2	3	4	5
9.	I am physically energized when I am at work.	1	2	3	4	5
10.	Time passes quickly when I am at work.	1	2	3	4	5
11.	When I am working, I forget everything else around me.	1	2	3	4	5

12.	When I get up in the morning I feel like going to work.	1	2	3	4	5
13.	I can continue working for long periods of time.	1	2	3	4	5
14.	I find it difficult to detach myself from my job.	1	2	3	4	5
15.	I always persevere at my job even when things do not go well.	1	2	3	4	5
16.	My colleagues perceive me as conscientious.	1	2	3	4	5
17.	My supervisor would describe me as hard working.	1	2	3	4	5
18.	My friends view me as ambitious.	1	2	3	4	5
19.	I am confident in my abilities.	1	2	3	4	5
20.	My co-workers appreciate my resourcefulness.	1	2	3	4	5
21.	I am a more proactive, than reactive person.	1	2	3	4	5
22.	I often take the initiative to get a job done.	1	2	3	4	5
23.	I know what is expected of me at work.	1	2	3	4	5
24.	I have the materials and equipment I need to do my work.	1	2	3	4	5
25.	In the last seven days, I have received recognition or praise for doing good work.	1	2	3	4	5
26.	There is someone at work who encourages my development.	1	2	3	4	5
27.	The mission or purpose of my company makes me feel my job is important.	1	2	3	4	5
28.	My associates or fellow employees are committed to doing quality work.	1	2	3	4	5
29.	In the last six months, someone at work has talked to me about my progress.	1	2	3	4	5

Organizational Performance questions

	Statement	Ratings				
1.	UNDP always deliver service to clients timely	1	2	3	4	5
2.	UNDP clients are always satisfied with the service they get	1	2	3	4	5
3.	UNDP always execute planned activities timely	1	2	3	4	5
4.	UNDP always utilize planned annual budget timely	1	2	3	4	5
5.	UNDP always produce and submit financial and physical reports on time	1	2	3	4	5

Any suggestion you have:
