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**FACTORS AFFECT EMPLOYEE ENGAGEMENT AND ITS EFFECT
ON ORGANIZATION PRODUCTIVITY: THE CASE OF EAST
AFRICA BOTTLING SC**

BY: TAMRAT SEYOUM

JUNE ;2024

ADDIS ABEBA, ETHIOPIA

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BY: TAMRAT SEYOUM

ADVISOR- SHEWA JEMAL (ASSISTANT PROFESSOR)

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Endorsement

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

Shewa Jemal (Assistant Professor) -----

Date and Signature-----

St. Mary's University, Addis Ababa

Declaration

I **Tamrat Seyoum**, declare that this thesis entitled **Factors affect Employee Engagement and its effect on Organization Productivity: The Case of East Africa Bottling S.C.** is my original work prepared under the follow-up and guidance of my Advisor. All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher-learning institution to earn any degree.

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ST. MARY'S UNIVERSITY
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**Factors Affect Employee Engagement and its Effect on Organization
Productivity: The Case of East Africa Bottling S.C**

BY: Tamrat Seyoum

APPROVED BY BOARD OF EXAMINERS

Dean, School of Business

Signature & date

Advisor

Signature & date

Internal Examiner

Signature & date

Gebre Sorsa (PHD)



External Examiner

Signature & date

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List of Acronyms/Abbreviations

EABSC.....	East Africa Bottling Share Company
HR.....	Human Resource
SPSS.....	Statically Package for social sciences
S.C.....	Share Company
CCBA.....	Coca Cola Beverages Africa
CASE.....	A measuring unit of soft drink,
SABCO.....	South Africa Bottling Company

Abstract

The primary objective of the study was to examine factors affect employee engagement and its effect on organizational productivity at East Africa Bottling Share Company. The researcher used an explanatory research design, a quantitative approach and a primary resource data. Data collection was carried out through structured questionnaires to the selected samples. A suitable sample of the population was taken through Stratified and Simple random sampling techniques. After conducting the reliability and validity of the questionnaire through pilot research and Cronbach's Alpha calculation, a total of 153 questionnaires handled to the respondents, out of which, 146 were completed and returned. Data analysis involved converting information into numerical codes and using SPSS V-27 for analysis. Descriptive statistics and the Pearson correlation coefficient were used to present demographic data and measure relationships between variables. The study's findings were presented in Inferential and descriptive analysis. The result of the descriptive statistics revealed that the impact of employee engagement on organizational productivity in EABSC is at a good level, with a mean value of 3.45 on a 5-point Likert scale. This suggests that the independent variables used by the researcher, Career development, Salary, nature of the job, and organizational culture have a positive impact on organizational productivity. Additionally, the result of the multiple linear regression output signals that the employee engagement dimensions' factors have affected the organization's productivity with varying effect levels such as every unite increase in career development, salary, nature of job, and organizational culture dimension lead to an enhancement in organizational productivity by 19.7%, 1.4%,21.4%, and 37% respectively. From this, the researcher suggested that EABSC should prioritize employee engagement to improve its organizational productivity.

Keywords: - *Organizational productivity, Career development, Salary, Nature of job, Organizational culture.*

CHAPTER ONE

INTRODUCTION

This chapter has included the background of the study, the problem statement, research questions and objectives, and the significance, scope, limitations and organization of the study.

1.1 Background of the Study

Employee engagement has become a critical aspect of organizational success in the modern business environment. The term "employee engagement" refers to the emotional and cognitive commitment employees have towards their work, their organization, and its goals. Engaged employees are motivated, productive, and willing to go the extra mile to contribute to organizational success (Harter, & Keyes, 2022).

A study by Harter, (2019) found that organizations with high levels of employee engagement are more profitable, have higher customer satisfaction, and experience lower turnover rates. Engaged employees are also more innovative, and collaborative, and have higher levels of job satisfaction compared to their disengaged counterparts. Studies have shown a positive correlation between employee engagement and organizational performance

Furthermore, research by Bakker (2014) highlights the impact of employee engagement on employee well-being and health. Engaged employees are less likely to experience burnout, stress, and mental health issues, which in turn leads to higher levels of productivity and organizational performance. Therefore, organizations need to invest in strategies and initiatives that promote employee engagement to improve overall performance and achieve sustainable growth.

Employee engagement has a significant impact on organizational performance in a number of ways. When employees are engaged, they are more committed to their work, more productive, more satisfied, and more likely to stay with the organization. This ultimately leads to higher levels of performance and success for the organization as a whole (Harter, & Keyes, 2022).

One of the key ways that employee engagement impacts organizational performance is through increased productivity. Engaged employees are more motivated to put in the effort required to

achieve their goals and contribute to the success of the organization. They are also more likely to go above and beyond their job requirements, taking on additional responsibilities and finding innovative solutions to problems (Gallup, 2016).

Engaged employees are also more likely to stay with the organization for the long term. This leads to lower turnover rates, which can be costly for organizations in terms of recruitment, training, and lost productivity. By keeping turnover rates low, organizations can maintain a stable workforce and benefit from the experience and expertise of their long-term employees (Kevin, 2012).

Employee engagement also has a positive impact on customer satisfaction. Engaged employees are more likely to provide high-quality service to customers, leading to increased customer loyalty and repeat business. Satisfied customers are more likely to recommend the organization to others, further enhancing its reputation and attracting new customers (Akanksha and Vashwee, 2016)

EABSC aims to increase profitability and long-term unit case sales of Coca-Cola products by pleasing new and current customers with great market execution and a growing return on investment. The company is working to achieve its goal of becoming one of the greatest bottlers in the world in terms of product, quality and packaging standards. Through these objectives, understanding the level of EABSC employee engagement, specifically, in production volume has played a significant role. In line with this, the purpose of this study was to analyze factors affect employee engagement and its effect on organizational productivity at EABSC."

1.2 Back ground of the organization

East Africa Bottling Share Company (EABSC), the sole bottler of Coca-Cola products in Ethiopia, is one of the players in today's fast-growing manufacturing sector. with an initial capital of birr 750,000, the East Africa Bottling Share Company was founded in 1959 by five Ethiopians with the first facility in Abinet, Addis Ababa. The second facility, which is located in Dire Dawa, was opened in 1965. One foreign national joined the five Ethiopians this time. In May 1999, the company took a big step forward by forming Coca-Cola South Africa Bottling Company, a joint venture with South Africa Bottling Company. Coca-Cola SABCO increased its share to 61 percent in 2001, and now controls the majority of the company's leadership and management. Coca-Cola SABCO was amalgamated with The Coca-Cola Company and

SABMiller on July 2, 2016, to establish Coca-Cola Beverages Africa (CCBA). Their respective stakes are as follows: SABMiller: 57.0%, Coca-Cola SABCO (Gutsche Family Investments): 31.7%, and the Coca-Cola Company: 11.3%.

Following the privatization and merger with the South African company, EABSC has continued to thrive, owing to the mother company's strategic leadership and many years of business experience. This has resulted in advancements in professionalism, expertise, and experience, which have benefited both parties over the previous 15 years and are projected to continue in the future. Now, CCBA serves 12 high-growth countries accounting for approximately 40 percent of all Coca-Cola beverage volumes in Africa.

CCBA now serves 12 fast-growing African countries, contributing for around 40% of total Coca-Cola beverage volumes.

EABSC opened its third facility at Bahir Dar on June 12, 2013, and began serving the northern Ethiopian market on November 16, 2016. In Sebeta, EABSC has built its fourth facility, which begun full production in June 2022.

EABSC, as a CCBA subsidiary, aspires to be the best Coca-Cola bottler in the world, outperforming all other Coca-Cola bottlers in terms of sales volume and return on capital used. EABSC's mission is to add value to everyone involved in the business by offering the appropriate refreshment at the appropriate price and location.

EABSC's value statement highlights that the organization will retain honesty, individual initiative, customer value, teamwork, people development, mutual trust, respect, and commitment in order to create an environment where employees are excited about the performance.

EABSC is governed by chief executive management team (CMT) consists of Ethiopians and internationals. The executive management team, led by the Chief Executive Officer and include competency/department Directors, reports to the Chief executive officer.

East Africa Bottling Share Company employs around 2000 regular people in its manufacturing factories in Addis Ababa (1500), Dire Dawa (317), Bahir Dar (200), and Sebeta (60) as of December 2021.

1.3 Statement of the Problem

Employee engagement is a critical factor in determining organizational performance, since engaged employees are more motivated, productive, and committed to their work. A study by (Gallup,2016) states that, Organization found with highly engaged employees experienced 22% higher profitability, 21% higher productivity, and 10% higher customer ratings compared to those with low engagement levels. Another study by Towers Watson found that companies with high levels of employee engagement had a 19% increase in operating income compared to those with low engagement levels (Watson, 2012). Furthermore, Watson points out, organizations with high levels of employee engagement tend to have lower turnover rates and higher productivity levels, ultimately leading to better financial performance.

In addition, Research has been consistently shows that, employees who feel fairly compensated and receive competitive pay and benefits are more likely to be engaged in their work. A study by Harter, Schmidt, and Hayes (2022) found that fair compensation signals to employees that their contributions are valued by the organization, leading to greater job satisfaction and motivation.

However, even if existing literature recognizes the positive relationship between employee engagement and organizational productivity, there is still a need of further research that explores deeper into how employee engagement independent variables such as career development, salary, nature of the job, and organizational culture affect organizational productivity in East Africa Bottling S.C.

In the past two years at EABSC, according to data from the planning department, there has been a decrease in production volume. In 2022, the actual production was 31,983,242 cases, representing a 22.0% deviation from the planned 41,067,304 cases. Similarly, in 2023, although the business year target plan aimed for 47,209,921 cases, the company only managed to produce 37,483,932 cases, indicating a 20.60% decrease from the plan. This decline may be attributed to various internal and external factors. However, the researcher has considered the volume reduction in relation to employee engagement. By examining employee engagement as a possible contributor to the decrease in production, the researchr seeks to understand whether a lack of engagement among staff might be undermining EABSC's production capacity. Furthermore, Factors affect Employee Engagement and its effect on Organizational Productivity in the Case of East Africa Bottling Share Company is the limited understanding of the specific

mechanisms through which employee engagement influences organizational productivity. This study aimed to address this limited understanding of the specific mechanisms over which employee engagement influences organizational productivity. Specifically, it investigated the effects of career development, salary, nature of the job, and organizational culture on the relationship between employee engagement and organizational productivity in the context of EABSC. By examining these employee engagement independent variables and their interactions with organization productivity, this study can contribute valuable insights to the case company and existing literature on the topic.

1.4 Research Questions

The study was guided by the following research questions

1. What is the relationship between employee engagement factors and productivity at EABSC?
2. To what extent does employee engagement factors affect the productivity of EABSC?
3. How does employee engagement factors affect the productivity of EABSC?
4. What is the current level of employee engagement in EABSC?

1.5 Objective

1.5 .1 General Objective

The general objective of the study was to analyze Factors affect Employee Engagement and its Effect on Organization Productivity the case of East Africa Bottling S.C.

1.5 .2 Specific Objective

Within the domain of the general objective, this study has been focused on the following specific objectives:

1. To determine the extent to which employee engagement factors affect the productivity of EABSC.
2. To investigate how employee engagement factors affect the productivity of EABSC.
3. To examine the relationship between employee engagement factors and productivity at EABSC.

4. To evaluate the current level of employee engagement within EABSC.

1.6 Significance of the Study

The result of the study on the Factors affect Employee Engagement and its effect on Organizational Productivity in the case of East Africa Bottling S.C. provides valuable insights into how employee engagement can affect organizational productivity. The organization that effectively applies the findings from this study can gain a strategic edge and enhance its overall productivity.

It would broaden the researcher's awareness of employee engagement concerns in addition to providing academic credentials. It can also be used as a resource for future scholars who want to study employee engagement.

1.7 Scope of the Study

To achieve the study's objective, this research paper conceptually investigated the effect of employee engagement on organizational productivity in the case of EABSC at Addis Ababa plant, spanning from December 2023 to June 2024. Although there are numerous variables related to employee engagement, the researcher focused exclusively on factors such as Career Development, Salary, Nature of the job, and Organizational culture in relation to organizational productivity. The study employed an explanatory research design and a quantitative research approach. The sample for the study consisted of 153 individuals selected from a population of 250, utilizing simple random sampling techniques. Therefore, all analyses and outcomes of the research are confined to the chosen case study location, and the conclusions and findings may not be applicable elsewhere.

1.8 Limitations of the Study

The study does not include all branches of EABSC found in other regions of the country. This exclusion is due to difficulties and constraints related to resources, time, budget, and expertise. Accordingly, the study was limited to the plant located in Addis Ababa. Therefore, the findings of this study do not reflect the overall impact observed in other regional plants of the case company.

1.9 Organization of the Study

The paper divided into five major chapters. The first chapter has an introductory section that includes the background of the study, a statement of the problem, research questions, and research objectives, as well as the significance of the study. The review of related theoretical and empirical literature and conceptual framework was the subject of the papers in the second chapter. The methodology of the study was addressed in detail in chapter three, including the approach and design, population, sampling technique, source of data, data collection tools, and data analysis mechanisms used to conduct the research. The fourth chapter was data analysis and presentation. The final one was chapter five which is the result discussion, conclusions, and recommendations.

CHAPTER TWO

RELATED LITERATURE REVIEW

The theoretical and empirical literature reviews relating to the topic under research are presented in detail in this section of the study. Hypothesis and conceptual framework are also developed in this section.

2. 1 Theoretical Literature

2.1.1 Employee Engagement

Employee engagement refers to the emotional connection that employees have with their work, organization, and goals. Engaged employees are deeply invested in their work, feel a sense of purpose and fulfillment, and are motivated to go above and beyond in their roles. Employee engagement is crucial for organizational success as it directly impacts employee morale, productivity, and overall performance. Engaged employees are more likely to be proactive,

innovative, and collaborative, leading to increased creativity and problem-solving within the organization (Gallup, 2016).

According to Kahn (2019), employee engagement refers to the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances. Kahn emphasizes the importance of employees' full involvement and investment in their work roles to achieve engagement.

Macey and Schneider (2018) define employee engagement as a motivational concept that reflects an employee's enthusiasm and commitment to their work. They highlight the psychological aspects of engagement, such as a sense of energy, dedication, and involvement with one's work tasks and responsibilities.

Kruse (2012) states that employee engagement is the emotional commitment an employee has to the organization and its goals. This definition emphasizes the emotional connection that employees have with their work and the organization, which drives their motivation and effort toward achieving organizational objectives.

2.1.2 Factors Affecting Employee Engagement

One of the key factors that contribute to employee engagement is strong leadership (Macey and Schneider, 2018). When leaders effectively communicate the organization's goals and values, provide support and feedback, and create a positive work environment, employees are more likely to feel engaged and motivated. Organizations with strong leadership are more likely to have higher levels of employee engagement (Macey and Schneider, 2018).

Another factor that influences employee engagement is opportunities for growth and development. Employees who feel that they are learning and growing in their roles are more likely to be engaged and satisfied with their jobs. Providing training and development opportunities, as well as clear paths for career advancement, can help to increase employee engagement (Saks, 2016).

To foster employee engagement, organizations need to create a culture that values and recognizes employees. Recognizing employees for their hard work and contributions can help boost morale and motivation, leading to higher levels of engagement. Additionally, involving

employees in decision-making processes and giving them a voice in the organization can also help to increase engagement (Bakker, Albrecht, and Leiter, 2021).

2.1.2.1 Career Development

Career development can be defined as the process of enhancing an individual's skills, abilities, and knowledge to advance in their chosen field or profession. It involves setting goals, acquiring new skills, and taking steps to progress in one's career path. Career development plays a crucial role in employee engagement as it allows individuals to feel motivated, satisfied, and invested in their work (Saks, 2016).

One of the main effects of career development on employee engagement is increased job satisfaction. When employees are given opportunities for career growth and advancement, they are more likely to feel fulfilled in their roles and remain committed to their organization. A study conducted by Gubler, Larkin, and Pierce (2012), it was found that employees who perceived greater opportunities for career development at their workplace had higher levels of job satisfaction and engagement which in turn increased the productivity of the organization.

Moreover, career development can also lead to higher levels of motivation and productivity among employees. When individuals have a clear path to advancement and can see how their skills and experiences are valued, they are more likely to be engaged in their work and perform at their best. According to a study by Borgogni, Callea, and Peiro (2013), employees who received career development support from their organizations reported higher levels of motivation and engagement.

Additionally, career development can also have a positive impact on retention rates within an organization. When employees are given opportunities to grow and advance in their careers, they are more likely to stay with their current employer rather than seek opportunities elsewhere. A study by Jimenez, Valle, and Amor (2017) found that employees who perceived their organizations as supportive of their career development were more likely to stay with their current employer and remain engaged in their work.

2.1.2.2 Salary

Salary is an essential component of employee engagement and organizational productivity. Pay refers to the financial compensation that employees receive for their work, while benefits include

non-monetary rewards such as health insurance, retirement plans, and paid time off (Watson, 2022). Research has shown that competitive pay and benefits are key drivers of employee engagement. When employees feel that they are being fairly compensated for their work, they are more likely to feel motivated, satisfied, and committed to their jobs. This, in turn, leads to higher levels of engagement, productivity, and job performance. According to a study by Watson (2022), companies with high levels of employee engagement experience a 19% increase in operating income and a 28% increase in earnings per share compared to companies with low levels of engagement.

Offering attractive pay and benefits packages can help organizations attract and retain top talent (Glassdoor, 2021). In today's competitive job market, employees are looking for more than just a paycheck, they want to work for companies that value and invest in their well-being. By offering competitive pay and benefits, organizations can differentiate themselves from competitors and create a positive employer brand that attracts and retains high-performing employees.

Pay and benefits are important components of employee engagement and organizational productivity (Gallup, 2017). By offering competitive compensation packages and investing in employee well-being, organizations can create a motivated and engaged workforce that drives success and growth.

2.1.2.3 Organizational Culture

Organizational culture refers to the values, beliefs, norms, and behaviors that guide how members of an organization interact with each other and with external stakeholders. It is often described as the personality of an organization, encompassing everything from its leadership style and communication practices to its dress code and office layout (Quinn, 2021).

The study by Cameron (2021), states that organizational culture plays a critical role in shaping employee engagement, which refers to the level of enthusiasm and commitment that employees have towards their work and their organization. When employees feel connected to the values and mission of the organization, they are more likely to be engaged, motivated, and productive. On the other hand, a negative or toxic culture can lead to disengagement, turnover, and poor performance.

Research has consistently shown that a strong organizational culture that promotes trust, transparency, communication, collaboration, and innovation is positively correlated with higher levels of employee engagement. A study conducted by the Queen's School of Business (2020), found that companies with a strong culture of engagement had 52% higher levels of employee retention and 18% higher levels of productivity compared to those with a weak culture.

Leaders play a crucial role in shaping and sustaining organizational culture (Gallup, 2017). They must model the values and behaviors they want to see in their employees, communicate effectively, and create opportunities for employees to contribute their ideas and feedback. By fostering a positive organizational culture, leaders can create a work environment where employees feel valued, supported, and motivated to do their best.

A study by Deloitte (2018), found that 94% of executives and 88% of employees believe a distinct workplace culture is important to business success. Additionally, a study by Gallup (2017), revealed that organizations with highly engaged employees have 21% higher profitability.

2.1.2.4 Nature of the Job

The nature of the job refers to the characteristics and requirements of a specific position within an organization. It includes factors such as the tasks and responsibilities involved, the level of autonomy and decision-making authority, the amount of recognition and rewards, the opportunities for career advancement, and the overall work environment (Bakker, 2021).

The nature of the job plays a crucial role in determining employee engagement, which is the extent to which employees feel committed to their work, motivated to perform well, and emotionally connected to their organization. When employees feel that their job aligns with their skills, interests, and values, they are more likely to be engaged and productive (Schaufeli, 2020).

Research has shown that job characteristics such as autonomy, variety, and opportunities for learning and growth are positively correlated with employee engagement. A study published in the Journal of Business and Psychology by Demerouti, (2020), found that employees who perceived their jobs as more challenging and meaningful were more engaged and satisfied with their work. Conversely, job characteristics such as excessive workloads, lack of recognition, and limited opportunities for advancement can hurt employee engagement.

A study conducted by Leiter (2010) found that employees who have jobs that are challenging, meaningful, and provide opportunities for growth and development are more likely to be engaged in their work. Jobs that are well-designed and aligned with employees' skills and interests are also more likely to promote engagement. On the other hand monotonous jobs, routine, and lack of opportunities for creativity and input can lead to feelings of disengagement and burnout. Organizations can foster employee engagement by designing jobs that are meaningful, and challenging, and provide opportunities for growth and development. This can be achieved through job enrichment, job rotation, and job crafting initiatives that allow employees to tailor their roles to align with their strengths and interests.

2.1.3 Organizational Productivity

Organizational performance can be defined as the overall effectiveness of an organization in achieving its goals and objectives. One key aspect of organizational performance is productivity, which is the measure of how efficiently inputs (such as labor, materials, and capital) are converted into outputs (such as products or services). Productivity is crucial for organizational success as it directly impacts the organization's ability to achieve its goals and objectives cost-effectively. According to Robbins and Judge (2017), productivity is a critical factor in determining an organization's competitiveness and profitability. A highly productive organization can produce more outputs with the same amount of inputs or produce the same amount of outputs with fewer inputs, leading to greater efficiency and effectiveness.

According to Robbins and Judge (2017), factors that can influence organizational productivity include leadership styles, employee motivation, work processes, technology, and organizational culture. Effective leadership can inspire and guide employees to work more efficiently, while a positive organizational culture can foster collaboration and innovation.

According to a study by Afridi and Khan (2016), productivity is a critical factor in determining the success of organizations. They found that organizations with higher productivity levels were more likely to be successful in achieving their goals and objectives. This highlights the importance of organizational performance in terms of productivity, as it can have a significant impact on the overall success and sustainability of an organization.

According to a study by Huselid and Becker (2016), productivity is a critical factor in determining a company's success, as it has a direct impact on profitability and overall performance. The study found that companies with high levels of productivity are more likely to outperform their competitors and achieve higher levels of financial success.

2.1.4 Effect of Employee Engagement on Productivity

Employee engagement has been widely recognized as a key factor in determining organizational productivity. Engagement refers to the level of emotional commitment and dedication employees have towards their work and organization. Engaged employees are more likely to be motivated, productive, and invested in achieving organizational goals (Fekadu, 2017).

One study by Harter, Schmidt, and Hayes (2012) found a strong positive relationship between employee engagement and organizational performance. The researchers found that engaged employees were more likely to go above and beyond their job requirements, resulting in higher levels of productivity and overall performance. Similarly, a meta-analysis by Bakker and Leiter (2010) found that engaged employees were more likely to exhibit positive behaviors, such as increased effort, creativity, and collaboration, leading to improved organizational outcomes.

Furthermore, research has shown that employee engagement can have a direct impact on key performance indicators such as employee retention, customer satisfaction, and profitability (Harter et al., 2012; Bakker & Leiter, 2010). Engaged employees are more likely to stay with the organization, provide better service to customers, and contribute to the bottom line. In contrast, disengaged employees are more likely to leave the organization, provide poor service, and negatively impact organizational performance.

Employee engagement is a concept that has gained increasing attention in organizational research and practice in recent years. It refers to the positive and fulfilling work-related state of mind characterized by vigor, dedication, and absorption in one's work (Schaufeli, Salanova, González-Romá, and Bakker, 2012).

Harter, (2012) conducted a study that found a significant positive relationship between employee engagement and organizational performance. They found that organizations with high levels of employee engagement experienced higher levels of profitability, productivity, and customer satisfaction.

Another study by Bakker and Demerouti (2018) explored the relationship between employee engagement and job performance. They found that employees who were engaged in their work demonstrated higher levels of job performance and were more likely to put in extra effort to achieve organizational goals.

2.2 Empirical Review

Maharani and Amalia (2020) examined the impact of employee salary on organizational performance in a manufacturing company in Indonesia. The results of the study showed a significant positive correlation between employee salary and organizational performance. Higher employee salaries were found to be associated with higher levels of productivity, job satisfaction, employee engagement, and overall organizational productivity.

A study by Harter (2012) found that highly engaged employees are more likely to go above and beyond their job requirements, resulting in increased productivity and performance. The researchers also found that organizations with high levels of employee engagement tend to have lower turnover rates and higher levels of customer satisfaction.

Another study by Macey and Schneider (2018) found a strong positive relationship between employee engagement and organizational productivity. The researchers found that engaged employees are more likely to be committed to the organization, have higher levels of job satisfaction, and demonstrate higher levels of discretionary effort.

A meta-analysis conducted by Christian, (2011) found that employee engagement was positively related to job performance, organizational commitment, and overall satisfaction. They also found that engaged employees were more likely to go above and beyond their job requirements, leading to increased productivity and performance.

The study conducted by Tsegay (2020), found a strong positive relationship between employee engagement and organizational productivity in Ethiopia. The study highlighted the importance of creating a work environment that fosters engagement and provides employees with opportunities to grow and develop professionally. By investing in employee engagement initiatives, organizations can create a motivated and committed workforce that is more likely to contribute to the success of the organization.

A study conducted by Wegari (2017), examined the relationship between employee career development and organizational performance in the Ethiopian banking sector. The study found that there is a positive and significant relationship between employee career development and organizational performance, indicating that investing in employee career development can lead to increased productivity within organizations.

Similarly, a study by Temtime and Solomon (2017) explored the impact of career development programs on employee performance in the Ethiopian civil service. The study found that employees who participated in career development programs were more likely to perform better in their roles, leading to increased organizational productivity.

One study by Berhanu (2019), investigated the relationship between employee satisfaction and organizational performance in the Ethiopian banking sector. The study found a positive relationship between employee satisfaction and organizational performance, suggesting that satisfied employees are likely to be more productive and contribute to the overall success of the organization.

Another study by Abate (2020) explored the impact of employee motivation on organizational productivity in Ethiopian manufacturing firms. The study concluded that motivated employees are more likely to be engaged in their work and achieve higher levels of productivity, highlighting the importance of incentivizing employees through pay and benefits.

Additionally, a study by Tekleab (2018) examined the role of human resource management practices on employee performance in Ethiopian public sector organizations. The study found that effective HR practices, including competitive pay and benefits, are positively associated with employee performance and overall organizational productivity.

Organizational culture has been found to have a significant impact on organizational productivity in various studies conducted in Ethiopia. One such study was conducted by Berhanu (2018), who investigated the relationship between organizational culture and employee productivity in Ethiopian manufacturing organizations. The study found that a strong organizational culture, characterized by clear communication, teamwork, and a focus on performance, was positively associated with higher levels of employee productivity.

Another study by Kebede (2017), examined the impact of organizational culture on organizational performance in Ethiopian public sector organizations. The study found that a positive organizational culture, characterized by a strong commitment to quality, innovation, and customer service, was positively related to higher levels of organizational productivity and performance.

Furthermore, a study by Gizaw (2016), explored the influence of organizational culture on employee engagement and productivity in Ethiopian service organizations. The study found that a supportive organizational culture, characterized by trust, fairness, and empowerment, was positively associated with higher levels of employee engagement and productivity.

A study by Tsegaye and Workneh (2018) found that job design factors such as task variety, autonomy, and feedback had a significant impact on job satisfaction and organizational productivity in Ethiopian organizations. Another study by Hailemariam and Tadesse (2016) found that job characteristics such as skill variety, task identity, task significance, autonomy, and feedback were positively related to job satisfaction and organizational performance in Ethiopian organizations.

The study conducted by Tura and Kugler (2011) on job satisfaction and productivity of employees in Ethiopian public sector organizations found a positive relationship between job satisfaction and productivity. The study highlighted that employees who were satisfied with their jobs were more likely to be productive.

A study by Asfaw and Alwan (2015) examined the impact of job design on employee performance in the Ethiopian banking sector. The study found that job design, including factors such as task variety, autonomy, and feedback, significantly influenced employee performance. Employees who had more control over their work and received feedback were more productive.

2.3 Conceptual Framework

A conceptual framework is set of ideas, theories, and concepts that provide the basis for understanding, analyzing, and interpreting a research problem or question. It serves as a theoretical foundation for the study and helps guide the research process by providing a clear and organized structure (Creswell, 2018)

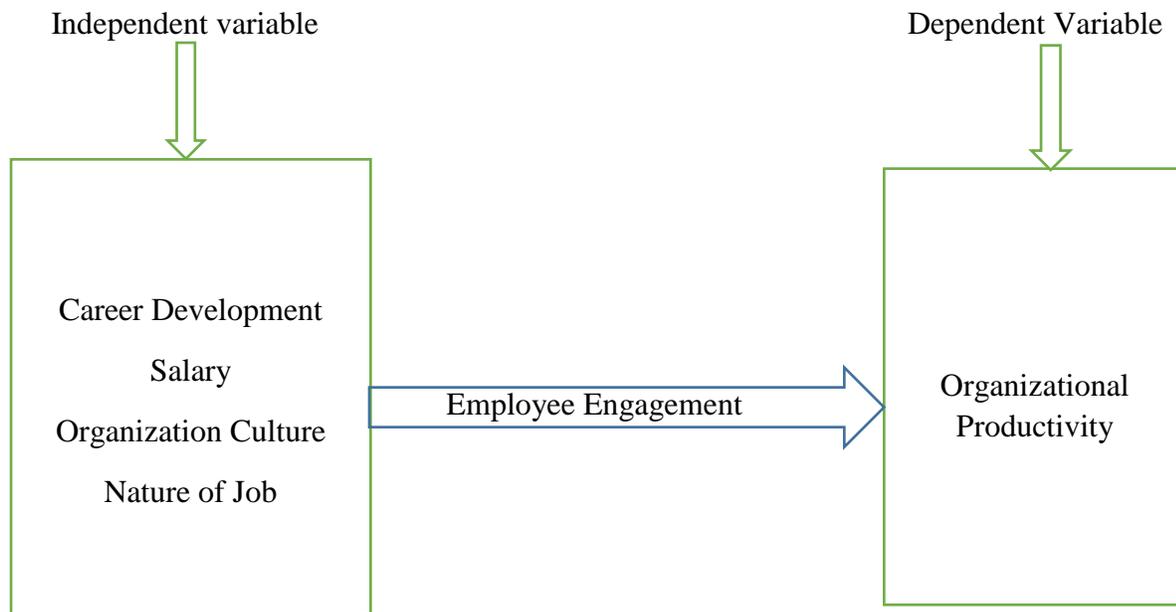


Figure 2.1 Conceptual Framework

Source : (Maharani and Amalia (2020), Wegari (2017), Kebede (2017), Tsegay (2020),) and others.

2.4 Hypothesis

Depending on the result of the empirical review; the researcher states the following hypothesis.

H1: Career Development has a positive relation with organizational productivity

H2: Salary has a positive effect on organizational productivity.

H3: Organizational Culture has a positive relation with organizational productivity.

H4: The nature of the job has a positive effect on organizational productivity.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This study is conducted to measure Factors affect Employee engagement and its effect on organization productivity in EABSC. To realize the objectives and answer the basic research questions, the following research methodology has been used.

3.1 Research Design and Approach

In this study, the researcher applied an explanatory research design. An explanatory research design is used to establish the cause-and-effect relationship between variables i.e. factors of employee engagement and organizational productivity. Explanatory research looks for causes

and reasons. It aims to understand phenomena by discovering and measuring causal relations among them (Mitchell and Jolley, 2004).

The study employed a quantitative research approach to address the proposed research questions. (Kothari, 2004) states that quantitative data was gathered and examined in an integrated method using a quantitative research approach to characterize the numerical aspects. The main justification for this study's selection of a quantitative research approach is that the respondent's objective was permitted to emerge. The conclusions drawn from the study's findings are greatly enhanced by this in turn.

3.2 Population, Sample Size and Sampling Techniques

3.2.1 Research Population

Kumekpor (2002) a population as the total number of all units of the issue or phenomenon to be investigated which is “all possible observations of the same kind”. The population can be defined as the total group of people or entities from which research information is intended to be obtained.

As of December 2023, East Africa Bottling Share Company has a total of above 2000 permanent employees. who are working in Addis Ababa (1500), Dire Dawa (317), Bahir Dar (200), and Sebeta (60). Due to the stated reasons on the scope of the study, the researcher does not include Dire Dawa, Bahir Dar, and Sebeta Plants.

In addition, not all employees in the Addis Ababa plant had been part of the study. The researcher used his preliminary observation to identify the right respondents, who had pertinent knowledge, Experience, and ability to respond to the research questions. Accordingly, the employees of EABSC are grouped into professional, semi-professional, and nonprofessional employees.

Per the people plan (name of the employee engagement management the company uses) policy of the company, the implementation of the engagement management focuses on professional and semi-professional workforce categories, i.e. employees with educational qualifications of Diploma and above. Thus, as per the company’s qualification manual, those employees who are in positions that require the aforementioned educational level at a minimum were included in this

study. On the contrary, those employees categorized under the non-professional employee category are engaged in low-level routine and labor tasks and are not part of this study.

Professional and semiprofessional employees comprise managers, engineers, team leaders and supervisors, accountants, Salesmen, electricians, technicians, data encoders, machine operators, cashiers, storekeepers, and officers all of whom make up the target population of the study. Response from such diverse employees on the relationship between the dependent (organizational productivity) and independent variables (career development: salary: organizational culture: nature of the job) enabled us to avoid common respondent bias and to have more reliable data. Hence, the total target population for the study is professional and semi-professional employees who are 250 in number out of 1500 employees working in the Addis Ababa plant. The number of professional and semi-professional employees under each competency is as follows:

Table 3.1 Total Population Distribution

No	Competency	Count
1	Manufacturing and engineering	147
2	Logistics	33
4	Human resource	20
5	Sales and marketing	33
6	Finance	17
	Total	250

Source: HR of EABC

3.2.2 Sampling size and sampling Techniques

The sample size is a smaller set than the larger population (Cooper and Schindler, 2003). They argue that the sample must be carefully selected to be representative of the population and the need for the researcher to ensure that the subdivisions entailed in the analysis are accurately provided for. Simple random sample, the technique used from each stratum in proportion to the population from each of the strata created as shown in Table 3.2

The total population of the study is 250, which is segmented into five competencies as shown in Table 3.1 the sample was determined using Taro Yemani's (1964) statistical formula as follows:

$$n = \frac{N}{1+N(e)^2}$$

Where

n = sample size to be determined

N = population of interest

e = error margin (0.05)

1 = constant value

$$n = \frac{250}{1+250(0.05)^2}$$

$$n = 153.84=153$$

Thus, 153 is the sample size

Table 3.2 Population and Sample Proportion

No	Competency	Population	Sample portion	% Total
1	Manufacturing and engineering	147	90	58.8
2	Logistics	33	20	13.2
3	Human resource	20	12	8
4	Sale and marketing	33	20	13.2

5	Finance	17	11	6.8
	Total	250	153	100

Stratified and Simple random probability sampling is used as a sampling technique so that, every element of a sample has an equal chance of being included in the sample. The researcher chose this sampling because it needs more generalizability from the research findings.

3.3 Source of Data

To fulfill the purpose of the study, the researcher used both primary and secondary data sources. The primary data was collected through a questionnaire. The questionnaire method was chosen as the instrument for data collection because it offers broader coverage to the sample and enables the collection of a large amount of data. Closed (fixed response options) questions were utilized since the research approach was quantitative. Employees of EABSC served as the main source of primary data. Secondary data have been gathered from reference books, journals, the internet, and company document analysis.

3.4 Data Gathering instrument

The data used in this study were collected through questionnaires from the selected target group population sample. The researcher distributed 153 questionnaires to the randomly selected respondents by the system of simple random sampling technique at Addis Ababa plant employees of the case company.

3.5 Validity

Validity is the extent to which differences found with a measuring instrument reflect true differences among those being tested (Kothari, 2004). The extent to which differences detected with a measuring instrument represent genuine differences among the persons being evaluated is referred to as validity (Kothari, 2004). In other words, validity is a measure of the degree of validity or the validity of the research instrument. Test the validity of the questionnaire was conducted using person-product moment correlation using SPSS. The validity test product Moment Pearson correlations were done by correlating each item questionnaire score with the total score. Item to Item questionnaire that significantly correlated with the total score indicates that the items are valid which means if the significance value is 0.05, the instrument is declared

invalid. All the listed significant values of the questions or sub-items of the demission obtained by the Sig. (2-tailed) of $0.000 < 0.05$, so it can be concluded that all items were valid.

3.6 Reliability

According to (Carmines and Zeller, 1979), Reliability is concerned with the degree to which the measurement of a phenomenon produces stable and consistent results. Reliability is also related to repeatability. Reliability testing is important because it indicates the uniformity of measuring equipment components (Huck, 2007). A scale is said to have high internal consistency reliability if the scale items are “related to each other” and measure the same construct (Huck, 2007, Robinson, 2009). The most commonly used method to measure internal consistency is Cronbach's Alpha. This is considered the most appropriate measure of reliability when using a Likert scale (Whitley, 2002, Robinson, 2009). Although there are no absolute rules regarding internal consistency, most agree on a minimum internal consistency coefficient of 0.70 (Whitley, 2002, Robinson, 2009). Hinton et al. (2004) proposed four reliability thresholds, including excellent reliability (above 0.90), high reliability (0.70–0.90), moderate reliability (0.50–0.70), and low reliability (below 0.50). Therefore, the reliability of the data checked by Cronbach Alpha.

Table 3.3 Reliability Test

Description	No of items	Cronbach's Alpha
Related to Career Development	5	.770
Related to Salary	4	.783
Related to the Nature of job	5	.701
Related to organizational culture	4	.797
Organizational productivity	4	.727

Source researcher survey,2024

As shown in Table 3.3, the Cronbach's alpha coefficients for each statement's result for career development, salary, and nature of job, were 0.77, 0.783, and 0.701, respectively. For organizational culture and organizational productivity, the coefficients were 0.797 and 0.727. According to Hinton (2004), these data values are highly reliable.

3.7 Methods of Data Analysis

The 27th version of the Statistical Package for Social Sciences (SPSS) used in the analysis of the collected quantitative data. The researcher utilized descriptive statistics, including frequencies, percentages, mean, median, mode, and standard deviation, to analyze the demographic characteristics of the respondents. Additionally, inferential analysis, such as multiple regression analysis and correlation, was used to explain the impact of the independent variable on the dependent variable and to assess the strength of relationships among the variables.

The multiple regression models used are:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e.$$

When items are mixed, regression is performed to determine the level of significance. The analysis process involves converting the raw data into tables and graphs containing frequency distributions and percentages that answer the research questions.

3.8 Ethical Considerations

Before conducting the study to the respondents, the researcher informed to the respondents about the objectives of the research also guaranteed that the chosen respondents would be willing to supply the required information. The responders' answers were kept private. It was not required of respondents to answer any questions they did not want to answer. All responses from respondents were honored and presented in the report in an ethical manner. The participants received assurances that their personal information was only utilized for academic research.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

This chapter provides an explanation of the analysis and interpretation of the research findings related to the factors and effect of employee engagement on EABSC productivity. The questionnaire results were the basis for the analysis and interpretation of the data, the gathered data were analyzed using the Statistical Package for the Social Sciences (SPSS) version 27.

4.1 Response Rate of Respondents

Table 1.1 Response Rate of Respondents

Questionnaire	Frequency	Percentage
Total number of questionnaires distributed	153	100%
Total number of questionnaires returned	146	95.42%
Total number of questionnaires unreturned	7	4..58%

The total number of questionnaires rejected	---	---
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Source : Researcher survey,2024

The response rate, which indicates the proportion of participants in the sample who completed and returned the survey plays a significant role in evaluating survey effectiveness. In the scope of this study, precisely 153 questionnaires were distributed to individuals holding Manufacturing and Engineering, logistics, Finance, sales, and HR. Out of the total distribution, 146 questionnaires were completed, which reflecting a remarkable response rate of 95.42%. It is worth noting that 7 individuals did not return the questionnaire, and their responses are not included in the final analysis.

4.2 Demographic Characteristics of the Respondents

Table 4.2 Demographic Characteristics of the Respondents

Gender of the respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	82	56.2	56.2	56.2
	Female	64	43.8	43.8	100.0
	Total	146	100.0	100.0	
Age of the respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-29 Years	57	39.0	39.0	39.0
	30-39 years	77	52.7	52.7	91.8
	40-49 Years	8	5.5	5.5	97.3
	Above 50 Years	4	2.7	2.7	100.0

	Total	146	100.0	100.0	
Educational Background of the Respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	38	26.0	26.0	26.0
	Degree	90	61.6	61.6	87.7
	Master	18	12.3	12.3	100.0
	Total	146	100.0	100.0	
Work Experience of the Respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 5 Years	28	19.2	19.2	19.2
	6-10 Years	92	63.0	63.0	82.2
	11-20 Years	16	11.0	11.0	93.2
	Above 20Years	10	6.9	6.9	100
	Total	146	100.0	100.0	
Competency of the Respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	HR	12	8.2	8.2	8.2
	Finance	8	5.5	5.5	13.7
	Sales and marketing	16	11.0	11.0	24.7
	Logistics	20	13.7	13.7	38.4

	Manufacturing	90	61.6	61.6	100.0
	Total	146	100.0	100.0	

Source researcher survey,2024

According to the data presented in Table 4.2, out of 146 respondents, 82(56.2%) were male, while 64 (43.8%) were female. These findings highlight that male employees significantly outnumber their female counterparts within East Africa Bottling Share Company.

In terms of educational background, the majority of the participants, 90 (61.6%), hold a bachelor's degree. Following closely behind, 38 (28%) respondents possess diplomas. Additionally, the response indicates 18(12.3%) of the respondents have a Master's degree. These results imply a significant proportion of employees working in the study area possess diverse educational backgrounds, with a notable emphasis on degrees and advanced degrees. This level of qualification plays a crucial role in providing valuable insights for addressing the research questions.

Regarding work experience, the survey results revealed that the majority of respondents, comprising 92 individuals (63%), had 6-10 years of experience within the organization. Following closely behind, 28 respondents (19.2%) had worked in the organization for a period of 1-5 years. Additionally, 16 respondents (11%) reported having eleven up to twenty years of experience, while 10 respondents (6.9%) had more than twenty years. Given this result, the majority of respondents worked in the company for 6-10 years and were familiar with employee engagement, which helps them to understand the questionnaire and provide a response that was appropriate and essential for the research's validity and reliability.

4.3 Descriptive Analysis

Descriptive analysis is a type of statistical analysis that aims to summarize and describe the main features of a dataset, typically visually and quantitatively. It is the first step in data analysis, and it provides a foundation for further analysis, such as inferential statistics. For this study, Quantitative data obtained from the questionnaires were analyzed descriptively in terms of mean, overall mean, and standard deviation. All analyses were performed using the Statistical Package for the Social Sciences (SPSS) software version 27. Interpretations were made for all dimensions

on a 5-point Likert scale based on: Scale: 5 =Strongly Agree; 4=Agree; 3=Medium; 2=Disagree; 1 = Strongly Disagree. Thus, the scales were averaged and neutral posture “3” was taken as the reference point. That is, the average you get the same score as above 3 (neutral) if the opinion favors the given view, and below 3 (Neutral) when opinions tend to be unfavorable to a particular point of view.

Moidunny (2009) describes the interpretation of Likert scales, accordingly, in this study the essence of the interpreted data is as follows: 1.0–1.8 = Strongly Disagree, 1.81–2.6 =Disagree, 2.61–3.20 =Medium, 3.21–4.20 = Agree, 4.21–5.00 = Strongly Agree.

4.3.1 Career Development

Table 4.3 Descriptive Statistics of Career Development

Statements	No	Mean	Std. Deviation
The organization provides opportunities for continuous learning and development	146	3.55	.86
The organization encourages employees to set clear career goals.	146	3.37	.87
Within the organization, employees are encouraged to take on new challenges and responsibilities.	146	3.41	.88
The organization regularly conducts performance reviews.	146	3.49	.86

In the organization senior leaders support employees to advance their careers.	146	3.49	.82
Grand Mean		3.46	.86

Source researcher survey,2024

As shown in Table 4.3, respondents agreed with a mean of 3.55 and a standard deviation of 0.86 that EABSC provides opportunities for continuous learning and development. Furthermore, the organization encourages employees to set clear career goals, with respondents indicating agreement with a mean of 3.37 and a standard deviation of 0.87. These findings imply that EABSC actively encourages employees to establish clear career goals.

For the statement 'The organization regularly conducts performance reviews,' respondents agreed with a mean of 3.49 and a standard deviation of 0.86. This indicates that in EABSC, the organization regularly conducts performance reviews. Similarly, for the statement 'In the organization, senior leaders support employees in advancing their careers,' respondents agreed with a mean of 3.49 and a standard deviation of 0.82. This result suggests that senior managers support employees in advancing their careers

In general, on the topic of employee career development in EABSC, the grand mean was 3.46. This shows that EABSC has a good career development culture that fosters a supportive and collaborative environment where employees can grow and develop their skills, knowledge, and abilities to achieve their career goals. Employee career development is a critical component of organizational productivity, as it helps employees acquire new skills, increase job satisfaction, reduce turnover, and improve collaboration and communication within the organization.

4.3.2 Salary

Table 4.4 Descriptive Statistics of Salary

Statements	No	Mean	Std. Deviation
------------	----	------	----------------

The salary offered by the organization is competitive as compared to other similar companies	146	2.60	1.17
My salary can handle my living costs	146	2.20	1.13
My salary is comparable with my level of experience and job responsibilities.	146	2.32	1.02
The organization's salary structure is transparent	146	2.27	1.06
Grand Mean		2.34	1.09

Source researcher survey,2024

Based on table 4.4 descriptive statistics of salary, regarding, for the statement of salary offered by the organization is competitive as compared to other similar companies, the respondent disagrees with a mean of 2.6 and a standard deviation of 1.17. This implies that at EABSC, the salary provided to the employee was not competitive with that of other similar companies. In the case of salary, which can cover living costs, the respondent disagrees with the mean of 2.2 and standard deviation of 1.13. which shows the salary paid by EABSC cannot cover living costs. This may impact the productivity of the organization.

In the statement that asks the employees regarding the comparability of their salary with the level of experience and job responsibilities, the respondent disagreed with a mean of 2.27 and a standard deviation of 1.06. This shows the salary paid by the company was not comparable with employee experience and responsibilities.

In general, the grand mean of salary-related factors was 2.34; this implies the company paid lower salaries for employees. A lower salary on an employee's payment can create decreased motivation job dissatisfaction and high turnovers.

4.3.3 Nature of the Job

Table 4.5 Descriptive Statistics of the Nature of the Job

Statements	No	Mean	Std. Deviation
There is much autonomy in my job to make decisions.	146	3.40	1.01
I receive regular and constructive feedback on my job, which helps me to improve and grow in my role	146	3.50	.85
My job helps me to learn new knowledge.	146	3.51	.87
The job requires, using a variety of my skills and talents	146	3.55	.88
The tasks I perform in my job have significant importance to the company's productivity.	146	3.24	.92
Grand Mean	146	3.44	0.91

Source researcher survey,2024

As shown in Table 4.5, Descriptive Statistics of the Nature of the Job at EABSC, there is much autonomy in the employee's job to make decisions, since the respondent agrees with the mean of 3.4 and standard deviation of 1.01. The result shows that EABSC in the workplace had the freedom and authority to make decisions and take actions without being dictated by others. It means that employees have the discretion to make choices, take ownership of their work, and exercise their judgment without needing to consult or seek approval from others.

In the case of receiving regular and constructive feedback on their job, which helps them improve and grow in their role, the respondent agrees with a mean of 3.5 and a standard deviation of 0.85. Receiving regular and constructive feedback on the job is a crucial aspect of personal and professional growth. It allows the employee to refine their skills, adapt to new situations, and make meaningful contributions to their organization. In the case of the tasks performed by employees, jobs have significant importance to the company's productivity since the respondents agree with the mean of 3.24 and standard deviation of 0.92.

Overall, in the case of factors related to the nature of the job, the grand mean of the respondents was 3.44. It implies that in EABSC, the job's responsibilities are well-suited to the individual's skills, interests, and values and that the job provides a sense of fulfillment and purpose. The good nature of the job is essential for organizational productivity because it leads to happier, more engaged, and more productive employees who are more likely to contribute to the organization's success.

4.3.4 Organizational Culture

Table 4.6 Descriptive Statistics of the organizational culture

Statements	No.	Mean	Std. Deviation
In my organization, my immediate manager motivates me to do my best.	146	3.80	.87
Our organization's values encourage employees to strive for excellence in all aspects of their work.	146	3.81	.91
Taking risks and thinking outside the box is seen as a positive trait within our organizational culture	146	4.02	.92
Our organization gives recognition for outperforming employees.	146	4.06	.89
Grand Mean		3.92	0.89

Source researcher survey,2024

As shown in Table 4.6 the Descriptive Statistics of the organizational culture, in the organization, immediate managers motivate employees to do their best, since the respondents agree with a mean of 3.8 and st. deviation of 0.87. The result indicates that in EABSC the immediate supervisor motivates the employee to do their job as best as possible. Our organization's values encourage employees to strive for excellence in all aspects of their work, for this statement, the response of the respondents was agreed with a mean of 3.81 and st. deviation of 0.91.

Taking risks and thinking outside the box is seen as a positive trait within EABSC since the respondent agreed with the mean of 4.02 and the st. deviation of 0.92. Taking risks and thinking outside the box are valued traits because they promote innovation, personal growth, learning from failure, and adaptability. They enable individuals and organizations to stay ahead of the curve, develop new solutions, and respond effectively to changing circumstances.

The organization also gives recognition for outperforming employees, since the respondent gives the mean of 4.06 and st. deviation of 0.89. It means that they are acknowledging and rewarding individuals who have exceeded their expected performance goals or have demonstrated exceptional achievements in their roles was the culture of EABSC. By fostering a positive organizational culture, organizations can create an environment that supports employee engagement, motivation, and productivity, ultimately leading to improved business outcomes.

4.3.5 Organizational Productivity

Table 4.6 Descriptive Statistics of the Organizational Productivity

Statements	No.	Mean	Std. Deviation
Engaged employees are more likely to actively seek out opportunities to increase organizational productivity	146	3.53	.87
Organizations that prioritize employee engagement tend to see higher levels of productivity.	146	3.62	.93

Strong employee engagement fosters a positive work environment, ultimately increasing organizational productivity	146	3.51	.82
Organizations with high levels of employee engagement typically experience lower turnover rates	146	3.64	.92
Grand mean		3.58	0.89

Source researcher survey,2024

Table 4.6 Descriptive Statistics of the Organizational Productivity shows that Engaged employees are more likely to actively seek out opportunities to increase organizational productivity since the respondents agree with the mean of 3.53 and st. deviation of 0.87. Organizations that prioritize employee engagement tend to see higher levels of productivity, the respondent also agrees with the mean of 3.62 and st. deviation of 0.93. This implies that the respondent argues that organizations paying attention to employee engagement can increase organizational productivity and the respondent also agrees that Strong employee engagement fosters a positive work environment, ultimately increasing organizational productivity.

In general, the respondents agree organizational productivity of EABSC was strongly aligned with employee engagement since the respondent mean was 3.58. This shows that engaged employees are more productive, efficient, and motivated to achieve their goals. They are more likely to take ownership of their work, prioritize tasks, and manage their time effectively.

4.4 Inferential Analysis

Inferential analysis in research refers to the process of making predictions, generalizations, or concluding a larger population based on findings from a sample or subset of that population. This type of analysis involves using statistical techniques to infer or deduce patterns, trends, or relationships that may exist in the data.

4.4.1 Correlation

To determine whether there are relationships between the variables as well as to characterize the direction and strength of those relationships, Pearson's correlation is utilized. As per Berndt

(2005), the degree of correlation between the two variables, determined by Pearson's coefficient, ranges from -1 to +1 points, signifying the degree and direction of the association.

Table 4.7 Correlation

		Organizational Productivity	Career Development	Salary	Nature of Job	Organizational Culture
Organizational Productivity	r	1				
Career Development	r	.480 ^{**}	1			
Salary	r	.081 ^{**}	.162 ^{**}	1		
Nature of Job	r	.477 ^{**}	.541 ^{**}	.105 ^{**}	1	
Organizational Culture	r	.548 ^{**}	.447 ^{**}	.034 ^{**}	.417 ^{**}	1
**. Correlation is significant at the 0.01 level (2-tailed).						

Source researcher survey,2024

As (Ogarah; 2011) states, a correlation result between 0 and 1 suggests a positive relationship, 0 (zero) indicates no relationship, 1 shows a perfect positive relationship, -1 indicates a perfect negative relationship and a result from -1 to 0 specifies a presence of negative relationship. While the results below ± 0.61 designate the presence of a positive or negative relationship. According to Table 4.7, the person correlation coefficients for the independent and dependent variables of salary, nature of job, career development, and organizational culture were (0.081, 0.477, 0.480, and 0.548) respectively. Which proofs all independent variables of employee engagement have a positive correlation with the dependent variable organizational productivity.

4.4.2 Regression Analysis

One or more independent variables are used in regression analysis to determine the effect on a dependent variable (Albaum, 1997). A statistical tool used to examine relationships between variables is regression analysis. Most of the time, the goal of research is to determine the causal relationship between factors. Gathering information on the underlying variables of interest and using regression to calculate the quantitative impact of the causative variables on the variable

under investigation, the researcher investigates such problems. Additionally, the investigator normally evaluates the "statistical significance" of the estimated relationships or the degree to which the true relationship is believed to be closely related to the estimated relationship (Malhotra, 2007). Before performing the regression analysis, the researcher in this study attempted to test the assumptions.

4.4.3 Assumption Testing

To preserve the validity and robustness of the research's regressed result under multiple regression models, the fundamental assumptions must be met. Thus, assumption tests like multicollinearity, linearity, Normality, and Heteroscedasticity test have been carried out in this study.

4.4.3.1 Linearity

As stated by (Hayes, 2012) to perform a linear regression analysis, the relationship between the independent and dependent variables must be a linear function. Consequently, as shown below in Figure 4.1, scatter plots illustrate the relationship between the two variables (IV and DV). SPSSV-27 software was used to test the linearity of the relationship between independent and dependent variables. The residuals scatter plot shows that the points were arranged from bottom left to top right in a fairly straight line. As such, it exhibits linearity. Regression analysis relies on the fundamental premise that there is a linear relationship between the variables, meaning that the patterns formed by the points in the straight-line plot can be roughly represented by a straight line.

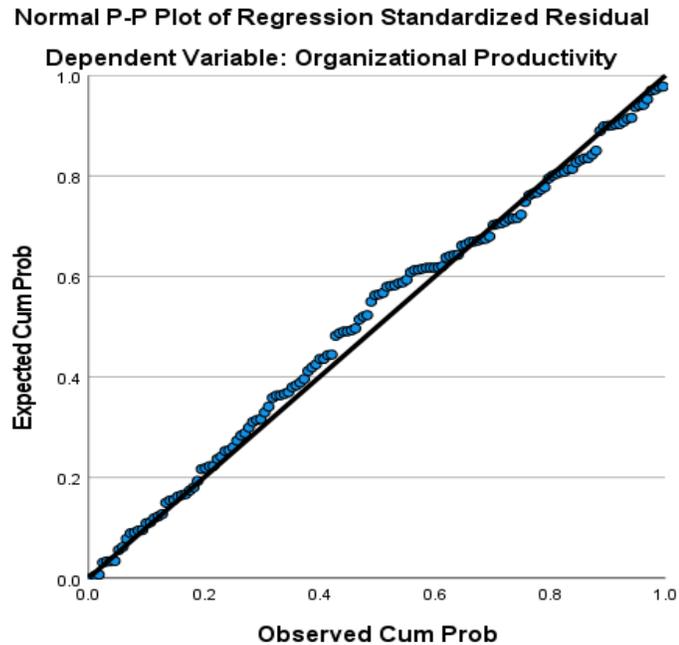


Figure 4.1 Linearity test

4.4.3.2 Normality Test

The assumption of normality assumes whether the error terms are normally distributed or not. In a regression analysis, the normality of errors is indicated when the standardized residual becomes bell-shaped (Gujarati, 2004).

Figure 4.2 Below shows the errors are normally distributed since the Histogram result indicated bell-shaped. So we can say that the errors are approximately normally distributed.

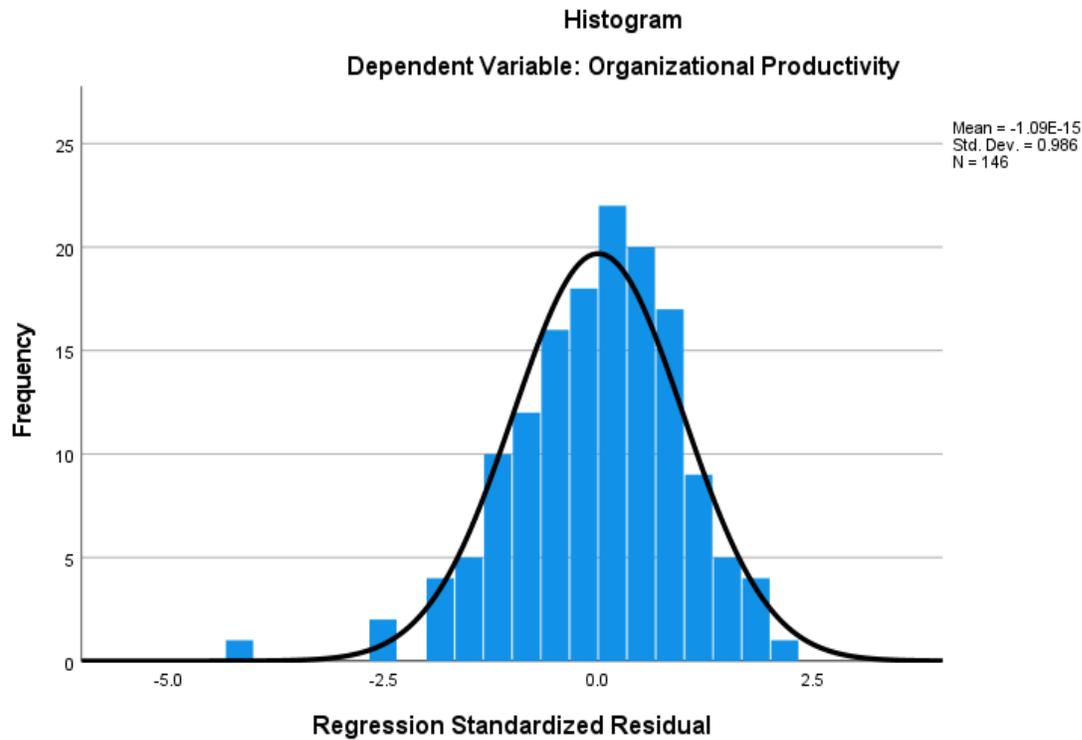


Figure 4.2 Normality test

4.4.3.3 Multi-Co linearity

Multi collinearity test is a statistical test used to assess the degree of correlation between two or more independent variables in a regression analysis. Multi-collinearity can cause problems in regression analysis, such as inflated standard errors and unstable coefficients.

As stated by (McClelland 2017), the majority of regression software can calculate the variance inflation factor (VIF) for every variable. Generally speaking, a VIF greater than 10 points indicates issues with the multi-collinearity test. (Erik, 2014) and the values for Tolerance values below 0.1 indicate serious issues.

Variance Inflation Factor (VIF): VIF measures how much the variance of an estimated regression coefficient is increased due to collinearity. A VIF greater than 10 is often considered indicative of multi-collinearity.

Tolerance: Tolerance is the reciprocal of VIF and measures the proportion of variance in an independent variable that is not explained by other independent variables. A tolerance value less than 0.1 is considered indicative of multi-collinearity.

Table 4.8 Multi-collinearity Test

Description		Collinearity Statistics	
		Tolerance	VIF
1	Salary	0.97	1.30
	Nature of job	0.69	1.50
	Career Development	0.64	1.57
	Organizational culture	0.76	1.33
a. Dependent Variable: Organizational productivity			

As shown in Table 4.11 the multi-collinearity test for all independent variables the tolerance is greater than 0.1 and the VIF is less than 10, therefore there is no multi-collinearity.

4.4.3.4 Heteroscedasticity

The heteroscedasticity test is a statistical test used to check for the presence of heteroscedasticity, which is a violation of the assumption of homoscedasticity in regression analysis. Homoscedasticity means that the variance of the errors is constant across all levels of the independent variables. Heteroscedasticity, on the other hand, occurs when the variance of the errors is not constant.

Error terms don't have a continuing variance, according to this assumption. Hypothesis testing is no longer valid or reliable if heteroscedasticity occurs because the standard least square method's estimators become inefficient and underestimate variances and standard errors. The variance of the error term that is constant across all model measures is used to test heteroscedasticity graphically or visually. This implies that, in the absence of heteroscedasticity, the data is not heteroscedastic.

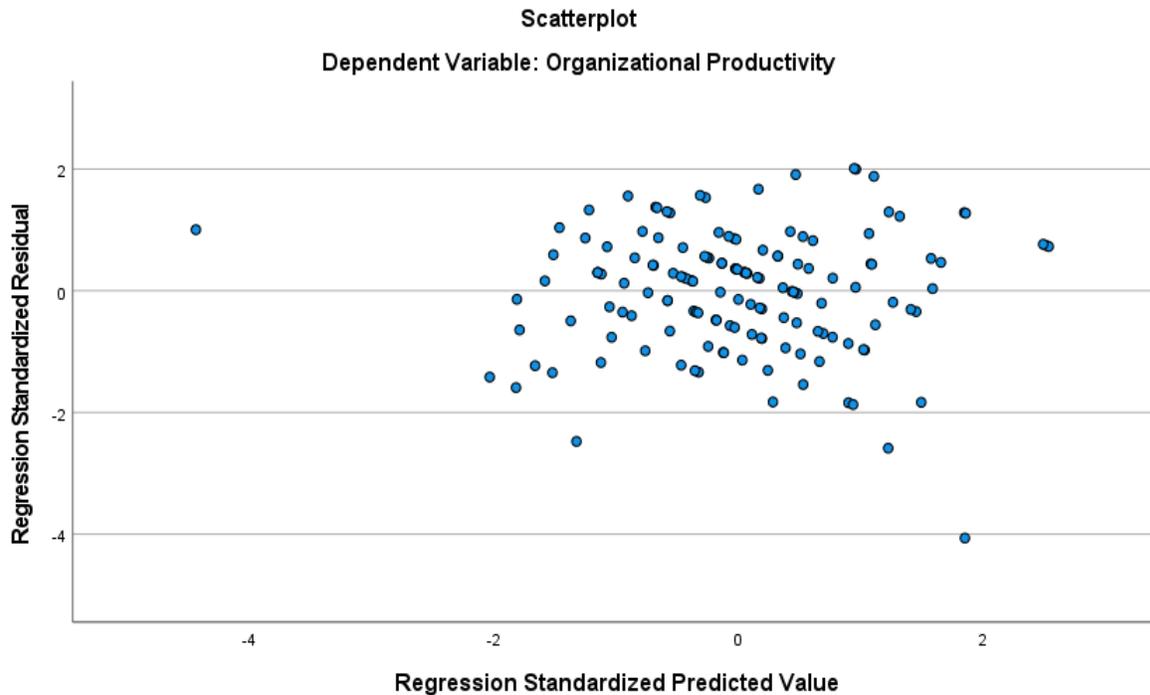


Figure 4.3 Heteroscedasticity test

As shown in the above graph the residuals do not make regular patterns, therefore there is no heteroscedasticity.

4.4.4 Multiple Linear Regression Analysis

Multiple linear regression analysis is a statistical method used to examine the relationship between two or more independent variables and a single dependent variable. For this research, the researcher examined the relationship between employee engagement (independent variables) and organizational productivity (dependent variable).

The regression analysis helps us understand how these different employee engagements impact organizational productivity and to what extent. By analyzing the data and calculating regression coefficients, the researcher can determine the strength and direction of these relationships.

The results of the regression analysis can provide valuable insights for organizations looking to improve organizational productivity. By understanding which employee engagement factors have the greatest impact on organizational productivity. Organizations can make informed

decisions about how to create a more supportive and conducive work environment for their employees.

Table 4.9 ANOVA Result

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.940	4	6.235	23.550	.000 ^b
	Residual	37.331	141	.265		
	Total	62.271	145			
a. Dependent Variable: Organizational Productivity						
b. Predictors: (Constant), Organizational Culture, Salary, Nature of Job, Career Development						

Source: Own survey 2024

Since Sig. value for ANOVA is less than .05, F=23.550 which indicates that the model is significant.

Table 4.10 Multiple Linearity Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.633 ^a	.401	.384	.51455	1.735
a. Predictors: (Constant), Organizational Culture, Salary, Nature of Job, Career Development					
b. Dependent Variable: Organizational Productivity					

Source researcher survey, 2024

Generally, Table 4.10 exposed that, all independent variables accounted for 40.1 % of the contribution to organizational productivity. Thus, 40.1% of the variation in organizational productivity can be explained by salary, nature of the job, career development, and organizational culture. The remaining 59.9% were other factors that limit organizational productivity of EABSC.

R: Indicates the value of the multiple correlation coefficients between the predictors and the result, with a range from 0 to 1, a larger value indicating a larger correlation, and 1 representing

an equation that completely predicts the observed value (Pedhazur, 1982). The model summary ($R=.633$) indicated that the linear combination of the four independent variables (salary, nature of job, career development, and organizational culture) strongly predicted the dependent variable (organizational productivity).

R Square (R^2): Indicates the proportion of variance that can be explained in the dependent variable by the linear combination of the independent variables. In other words, R^2 evaluates how much of the variability in the outcome is accounted for by the predictors. The values of R^2 also range from 0 to 1 (Pedhazur, 1982). The linear combination of employee engagement variables or predictors“ explains 40.1% of the variance in organizational productivity and the remaining 59.9% is explained by extraneous variables, which have not been included in this regression model. In other words, 40.1% of the variation in organizational productivity is explained by the changes in the above-mentioned independent variables while the rest 59.9% is explained by other factors.

Adjusted R Square (R^2): The adjusted R^2 gives some suggestion of how well the model generalizes and its value to be the same, or extremely close to the value of R^2 . That means it adjusts the value of R^2 to more correctly represent the population under study (Pedhazur, 1982). The difference for the final model is small (the difference between R^2 and Adjusted R^2 is $(0.401 - 0.384 = 0.017)$ which is about 0.17%. This reduction means that if the model were derived from the population rather than a sample it would account for approximately 0.17% less variance in the conclusion.

Durbin-Watson: The Durbin–Watson statistic expresses whether the supposition of independent errors is acceptable or not. As the conservative rule suggested, values less than 1 or greater than 3 should raise alarm bells (Field, 2005). So that the desired result is when the value is closer to 2, and for this data, the value is 1.735, which is so moderate to 2 that the assumption has almost certainly been met.

4.4.5 Coefficient Analysis

Table 4.11 Coefficient Analysis

Model		Unstandardized Coefficients	Standardized Coefficients	t	Sig.
		B	Beta		
1	(Constant)	.673		2.145	.034
	Career Development	.209	.197	2.412	.017
	Salary	.011	.014	2.210	.034
	Nature of Job	.229	.214	2.685	.008
	Organizational Culture	.342	.370	4.930	.000
a. Dependent Variable: Organizational Productivity					

Source own survey, 2024

The marked column B is the value for the intercept (a) in the regression equation on the first row, labeled (constant). The numbers below the column “beta” are the values for the regression coefficients for career development, salary, Nature of job and Organizational culture. In the multiple regressions, the standardized regression coefficient Beta (β) is useful, because it permits us to contrast the relative strength of each independent variable's effect on the dependent variable (Pedhazur, 1982). Above table 4.11 presents the result of the regression analysis; the result of regression analysis is based on employee engagement factors as an independent variable and organizational productivity measures as dependent variable. According to the regression analysis shown in the above table, organizational culture affects organizational productivity with a beta weight of 0.370, which means that independent variables greatly affect the dependent variable which is the organizational culture. Nature of job, Career development, and salary affect organizational productivity at 0.214, 0.197 and 0.014 respectively.

Based on these results, the regression equation that predicts the effect of employee engagement on organizational productivity was:

$$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + E$$

Where Y=organizational productivity

X1=Organizational culture

X2=Nature of job

X3=Career development

X4=Salary

$$Y = 0.673 + 0.370 X_1 + 0.214 X_2 + 0.197 X_3 + 0.014 X_4$$

As indicated in table 4.11 the standardized coefficient beta and P-value table result, the organizational culture is 0.370 and a significant level of 0.05. The P-value is 0.000, which is less than 0.05. According to the analysis organizational culture has a positive influence on organizational productivity. The result of the study was supported by Berhanu (2018), who investigated the relationship between organizational culture and employee productivity in Ethiopian manufacturing organizations. The study found that a strong organizational culture, characterized by clear communication, teamwork, and a focus on performance, was positively associated with higher levels of employee productivity.

As indicated in the standardized coefficient beta and P-value table result, the Nature of the job was 0.214 and had a significant level of 0.05. The P-value is 0.008, which is less than 0.05. According to the analysis, the nature of the job has a positive influence on organizational productivity.

As indicated in the standardized coefficient beta and P-value table result, the career development is 0.197 and a significant level of 0.05. The P-value is 0.017, which is less than 0.05. According to the analysis, career development has a positive influence on organizational productivity. This is also supported by Wegari (2017), who examined the relationship between employee career development and organizational performance in the Ethiopian banking sector. The study found that there is a positive and significant relationship between employee career development and organizational performance, indicating that investing in employee career development can lead to increased productivity within organizations.

As indicated in the standardized coefficient beta and P-value table result, the salary is 0.014 and a significant level of 0.05. The P-value is 0.017, which is less than 0.05. According to the analysis, salary has a positive influence on organizational productivity. The result strengthened by Maharani and Amalia (2020) examined the impact of employee salary on organizational performance in a manufacturing company in Indonesia. The results of the study showed a significant positive correlation between employee salary and organizational productivity. Higher employee salaries were found to be associated with higher levels of productivity, job satisfaction, employee engagement, and overall organizational productivity.

4.5 Hypothesis Testing

The researcher stated four hypotheses in this study that were obtained from independent variables or predictors (Career development, Salary, Nature of job, and Organizational culture) that had significant associations with organizational productivity. The researcher compared these assumptions to the p-values determined by the regression approach. As a result, the hypotheses that were tested are given below:

H₁: Career Development has a positive relation with organizational productivity

The unstandardized beta coefficient with ($\beta_1 = 0.197$, $p < 0.05$) indicated that Career development has a positive and substantial effect on Organizational Productivity. Therefore the hypothesis is accepted.

H₂: Salary has a positive effect on organizational productivity.

The unstandardized beta coefficient with ($\beta_2 = 0.014$, $p < 0.05$) indicated that salary has a positive and substantial effect on Organizational Productivity. Therefore the hypothesis is accepted.

H₃: Organizational Culture has a positive relation with organizational productivity.

The unstandardized beta coefficient with ($\beta_4 = 0.370$, $p < 0.05$) indicated that organizational culture has a positive and substantial effect on Organizational productivity. Therefore the hypothesis is accepted.

H₄: The nature of the job has a positive effect on organizational productivity.

The unstandardized beta coefficient with ($\beta_3 = 0.214$, $p < 0.05$) indicated that the nature of the job has a positive and substantial effect on Organizational productivity. Therefore the hypothesis is accepted.

Table 4.12 Summary of Hypothesis Testing

Hypothesis	P-value	β -value	Expected effect	Result	Decision
H1: Career Development has a positive relation with organizational productivity	0.017	0.197	Positive	Positive	Accepted
H2: Salary has a positive effect on organizational productivity.	0.034	0.014	Positive	Positive	Accepted
H3: Organizational Culture has a positive relation with organizational productivity	0.00	0.370	Positive	Positive	Accepted
H4: The nature of the job has a positive effect on organizational productivity.	0.008	0.214	Positive	Positive	Accepted

Source: Researcher survey,2024

CHAPTER FIVE

FINDING SUMMARYS, CONCLUSIONS, AND RECOMMENDATIONS

This chapter provides a summary of the study findings and results. Based on the key findings conclusions, and recommendations are drawn and future studies are indicated.

5.1 Summary of Major Findings

The results of the data analysis, which included regression analysis, correlation analysis, and descriptive statistics, are summarized in this section. It is important to stress that the goal of this study was to ascertain and assess factors affect employee engagement and its effect at EABSC productivity. The employee engagement aspects of career development, salary, nature of the job and organization culture, were employed as independent variables. Organization productivity was the dependent variable.

Descriptive Analysis: The study guided by four specific objectives, each of which was accompanied by a hypothesis that was tested:

- To determine the extent to which employee engagement factors affect the productivity of East Africa Bottling S.C.
- To investigate how employee engagement factors, affect the productivity of East Africa Bottling S.C.
- To examine the relationship between employee engagement factors and productivity at East Africa Bottling S.C.
- To evaluate the current level of employee engagement within East Africa Bottling S.C.

For the study, an explanatory survey research design was chosen. A basic random sampling technique was utilized to choose 153 respondents from the population of 250 employees of EABSC. The majority of the primary data used in the study came from a survey questionnaire that had structured questions and was 146 completed by the sample respondents. To ascertain the validity of the instrument, thirty randomly chosen respondents participated in a pilot test. Cronbach's alpha was employed to assess the questionnaire's reliability. Using SPSS version 27,

descriptive and inferential statistics were employed to analyze the data. Tables and figures were also employed in the study to show the results.

One hundred forty-six responses were considered valid for analysis, representing a 95.42 percent response rate. Descriptive demographic information indicates the majority of respondents were male, accounting for 56.2% while female respondents made up 43.8% of the sample. When considering the level of education, the highest proportion of respondents held a degree (61.6%), followed by diploma holders (28%). Job experience at EABSC revealed that a significant number of employees had 6-10 years of experience (63%), with smaller percentages in other experience categories. Regarding job positions, the Manufacturing department had the highest representation at 61.6% followed by the logistic department at 13.7%

The highest mean score (3.92) for measures of organizational culture suggests EABSC can create an environment that supports employee engagement, motivation, and productivity which ultimately leading to improved its business outcomes. Career development and nature of the job have nearly identical mean scores (3.46 and 3.44) Consistency, on the other hand, has the lowest mean (2.34), meaning that most respondents only slightly agree on the salary metrics. The overall mean score of the independent variables is 3.45, organization productivity, the dependent variable, computes by EABSC to a level mean of 3.58 with a standard deviation of 0.89.

Correlation Analysis: The correlation coefficients between organizational productivity and career development, salary, nature of the job, and organizational culture dimensions are all positive with coefficients of 0.480, 0.081, 0.477 and 0.548, respectively. The positive correlation coefficients also imply that the dimension of employee engagement is a critical factor in determining organizational productivity. The fact that all four variables are positively correlated with organizational productivity suggests that investing in employee engagement, through initiatives such as career development programs, competitive salaries, and a positive work culture, can lead to improved productivity and overall organizational performance. This finding has important implications for organization as it highlights the importance of prioritizing employee engagement and well-being in order to drive business success.

Rregression analysis : The R-square value of 0.401 in the regression model means that the factors studied (career development, salary, nature of job, and organizational culture) explain about 40.1% of the changes in organizational productivity at East Africa Bottling S.C. This indicates that there are other factors not included in the study that contribute to the remaining 59.9% of the variations in organizational performance.

The analysis showed that not all employee engagement dimensions have the same impact on organizational productivity. Specifically, career development, salary, nature of job, and organizational culture had varying effects on productivity. Career development led to a 19.7% increase, salary had a 1.4% increase, nature of job showed a 21.4% increase, and organizational culture had a 37% increase in organizational productivity.

Overall, the study's hypothesis was supported, indicating that these employee engagement factors significantly influence organizational productivity at East Africa Bottling S.C. The results were found to be statistically significant at a 5% level of precision.

5.2 Conclusion

The research aimed to investigate how employee engagement influences the production volume deviation at East Africa Bottling S.C. The findings concluded that employee engagement indeed plays a significant role in enhancing organizational productivity at EABSC. The study highlighted that, factors such as organizational culture, career development, and job nature were rated positively, indicating a high level of employee engagement within the company. However, the research identified low salary as a key factor negatively impacting productivity. This suggests that while EABSC has successfully fostered employee engagement in various aspects, the issue of inadequate compensation can act as a major obstacle to overall productivity.

Moreover, the regression analysis revealed that EABSC's productivity increased with each incremental unit of employee engagement factors. This underscores the strong relationship between employee engagement and organizational productivity within the company. The results emphasize the importance of addressing employee engagement variables, particularly organizational culture, career development, and job nature, to optimize productivity levels at EABSC. By recognizing the significance of these factors and addressing the issue of fair

compensation, EABSC can further enhance employee engagement and ultimately improve organizational productivity.

5.3 Recommendations

Based on the study finding and overall result, the following recommendations are forwarded to EABSC.

- ❖ Employee engagement dimensions Career development, Salary, Nature of the job and Organizational culture have a considerable positive effect on the level of organization productivity. Due to this, EABSC should prioritize those dimensions to improve its organizational Productivity.
- ❖ To promote a culture of appreciation for individuals, the EABSC management should exhibit a genuine understanding and recognition of each employee's unique strengths and objectives
- ❖ To foster employees' career development and encourage personal growth, it is essential for the company to offer consistent training and development opportunities. This includes supporting individuals in setting goals and creating personalized development plans
- ❖ Even if salary is not everything for an employee, the company shall conduct regular market research to ensure its employees are competitively paid with similar industry standards

5.4 Recommendation for Future Research

This study investigates the dimension of employee engagement that has a significant effect on EABSC organizational productivity. However, the study's variables were not complete. Other variables not included in this study could be incorporated into future studies. Due to the cross-sectional nature of the study, which employed a quantitative research approach to gather responses from employees, this research was limited to a particular time frame. To get more information about how each component of employee engagement affect organization productivity, future research may include a longitudinal design and qualitative data gathering method.

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APPENDICES

Questionnaire



ST. MARY'S UNIVERSITY

SCHOOL OF POST-GRADUATE STUDIES

Dear Participants,

This questionnaire is designed to collect primary data that support my research on the ‘**Effect of Employee Engagement on Organizational Productivity in the Case of EABSC**’ that I am conducting as a partial fulfillment of the requirements for the Masters of Business Administration. The findings of the research are used only for the academic purposes authorized by ST. MARY'S UNIVERSITY.

Sincerely

TAMRAT SEYOUM

Part One: Demographic Information of the Respondents.

Place an (√) or (X) in the applicable box

Please mark one item only per question.

1. Gender Male Female
2. Age 18-29 30-39 40-49 50 and above
3. Educational Qualification Diploma First Degree Master
PhD
4. Work Experience 5 and below 6-10 years 11-20 years above
20 years
5. Competency in HR Finance Sales and Marketing
Logistics Manufacturing

Part Two: Opinion Survey on Effect of Employee Engagement on Organizational Productivity.

Please read each statement carefully and indicate your level of agreement with each statement on a scale of 1 to 5.

Strongly Disagree (SD) =1, Disagree (DA) =2, Neutral (N) =3. Agree (A) =4, strongly Agree (SA) =5

2.1 Career Development

No	Statements	Scale				
		1	2	3	4	5
1	The organization provides opportunities for continuous learning and development.					
2	The organization encourages employees to set clear career goals.					
3	Within the organization, employees are encouraged to take on new challenges and responsibilities.					

4	The organization regularly conducts performance reviews.					
5	In the organization senior leaders support employees to advance their careers.					

2.2 Salary

No	Statements	Scale				
		1	2	3	4	5
1	The salary offered by the organization is competitive as compared to other similar companies.					
2	My salary can handle my living costs.					
3	My salary is comparable with my level of experience and job responsibilities.					
4	The organization's salary structure is transparent.					

2.3 Nature of the job

No	Statements	Scale				
		1	2	3	4	5
1.	There is much autonomy in my job to make decisions.					
2	I receive regular and constructive feedback on my job, which helps me to improve and grow in my role					
3	My job helps me to learn new knowledge.					
4	The job requires, using a variety of my skills and talents.					

5	The tasks I perform in my job have significant importance to the company's productivity.					
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2.4 Organizational culture

No	Statements	Scale				
		1	2	3	4	5
1	In my organization, my immediate manager motivates me to do my best.					
2	Our organization's values encourage employees to strive for excellence in all aspects of their work.					
3	Taking risks and thinking outside the box is seen as a positive trait within our organizational culture					
4	Our organization gives recognition for outperforming employees.					

2.5 Employee Engagement versus Organizational Productivity

No	Statements	Scale				
		1	2	3	4	5
1	Engaged employees are more likely to actively seek out opportunities to increase organizational productivity.					

2	Organizations that prioritize employee engagement tend to see higher levels of productivity.					
3	Strong employee engagement fosters a positive work environment, ultimately increased organizational productivity.					
4	Organizations with high levels of employee engagement typically experience lower turnover rates.					