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Traits Engagement, Psychological State Engagement and Performance of Selected State Corporations in Kenya

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Abstract:

There is ample empirical support that employee engagement influences organisational performance. However, very scanty empirical studies on the role of employee engagement have been conducted in Africa in general and in the public sector in particular. Therefore, this study sought to investigate the influence of employee engagement on performance of selected state corporations in Kenya. The study is anchored on resource based theory while descriptive and explanatory research designs are used to describe the variables and establish the nature of the relationships. To test the hypotheses, multiple regression analysis was conducted. The result indicates that traits and psychological state engagement have a significant influence on performance of selected state corporations in Kenya.

1. Introduction

This section introduces the research problem that the article intends to address. Part one gives background information while part two introduces the construct

1.1. Background to the Study

The public service has over the years faced enormous pressure to improve performance and be accountable for use of public resources (Metawie & Gilman, 2005). This pressure triggered reforms that have now come to be referred as New Public Management that started in the 1970s and picked pace in the 90s. The reforms started mostly in developed economies of the West before spreading to other corners of the world (Gruening, 2001).

In Africa, most countries adopted various strategies to address perceived underperformance of public institutions. It is in this spirit that Kenya's public service reforms were introduced from the 1980s after realisation that the public wage bill was ballooning with no corresponding improvement in service delivery (Kobia & Mohammed, 2006).

The country adopted results based management systems; introduced performance contracting; divested in state corporations; introduced agencies to fight graft as well as encouraging ethical behaviour among public service employees (Kobia & Mohammed, 2006; Mutahaba, 2011). However, most of these efforts have not significantly improved performance of public institutions. This may partly be attributed to a weak human resource management capacity to attract and retain required skills (RoK, 2013).

The last two decades has witnessed considerable attention being focussed on performance of the public sector in general and state corporations in particular. However, little attention has been given to the construct of employee engagement especially in the African continent and in the public service. Most of the current empirical research has been based on private sector in developed economies of the West (Mulabe, 2009). The existence of a vibrant private sector however is highly dependent on an efficient and effective public sector (RoK, 2007). Therefore, this study is based on an investigation on the influence of employee engagement on performance of selected state corporations in Kenya.

2. Literature Review

This section is organised in two. Part one highlights the theoretical review while part two present a review of empirical literature.

2.1. Theoretical Review

This study is anchored on Resource Based Theory whose foundations can be traced to the works of Penrose (1959) and Chandler (1962). According to these early scholars, organizational internal resources are the most important source of organizational performance and competitive advantage. The theory was popularised by Wernerfelt in mid 1990s. Proponents of the theory posit that organisational performance is a product of the strategic choices that organisations make in identifying their unique resources and developing them for competitive advantage (Croucher, Stumbitz, & Michael, 2013). Resources are seen as scarce, valuable, inimitable and non-substitutable.

Organisations are viewed as bundles of tangible and intangible assets (Croucher *et al.*, 2013). Based on this view, performance of state corporations could be improved by creating conditions suitable for employee engagement and thus leading to positive employee outcomes. Thus, the resource based theory with its emphasis on resources being the source of an organisation's competitive advantage provides a suitable theory to anchor organisational performance.

Critics of the theory have pointed out that its weakness lies in ignoring the external environment. To address this gap, Porter (1991) advocated for a mixed approach that takes in to account the internal and external influences of performance. In spite of the criticism levelled against it, resource based theory has been widely used by researchers to underpin studies in organizational performance. The theory is very useful in studying how organisation's unique strengths give them competitive advantage that ensures their continued performance relative to their peers.

2.2. Empirical Review

This section presents a critique of related empirical studies while identifying the gaps that the current study seeks to address

2.2.1. Traits Engagement and Organisational Performance

The levels of employee engagement differ according to different biological and personality characteristics (Smith & Markwick, 2009). It is widely held that possession of certain traits predispose individuals to certain characteristics that affect their performance (Le, Oh, Robbins, Illies, Hollard & Westrick, 2011). For instance, conscientious employees are believed to be hard working, dependable, responsible and organised (Jackson, 2014) while employees with low emotional stability are believed to be moody, prone to stress, have low self-esteem and inadequate coping strategies and hence are less productive.

Personality characteristic of introversion and extraversion have been found to have a positive influence on organisational performance while extroversion have been found to lead to low level of performance (Ali, Azizollah, Zaman, Zahra and Mohtaran (2011). The big five personality characteristics (conscientiousness, agreeableness, extraversion, openness and emotional stability) have been found to be correlated with employees' performance through their influence on employees' adaptive behaviour (Echchakoui, 2013; Ghani, Yunus & Bahry, 2016). However, personality is modified by the environment and the individual capacity to engage hence the need to investigate whether demographic characteristics moderates the influence of engagement.

Traits have been found to mediate the influence of emotional intelligence on performance (Jackson, 2014). People with positive emotions exhibit broader scope of attention which is linked to higher output and by extension, performance. Further, the study found that emotional intelligence predicts work engagement as effective management of emotions, social skills and self-control leads to improved performance. However, the study was based on a sample selected from one institution and may not be used to make generalisation.

Albrecht, Bakker, Grumman and Macey (2015) found that selection of candidates that have specific personality traits that predicts engagement, results in having higher levels of employee engagement when combined with other factors such as properly structure performance management processes, organisational conditions as well as giving employees opportunities for learning and development.

2.2.2. Psychological State Engagement and Organisational Performance

An organisation's human resource management practices are positively related to psychological empowerment which in turn is related to intrinsic motivation and hence have an influence on work performance and organisational outcomes (He, 2014). Employee engagement is therefore a product of a healthy work culture and institutional support.

Job autonomy, cognitive ability and job related skills have been found to influence job performance (Morgeson, Klinger and Hemingway, 2005). Individuals with greater discretion in their work were found to be more likely to expand their jobs beyond the job description. Possession of necessary job skills gives employees the confidence to add more tasks. Autonomy and constant feedback from supervisors are positively related to work engagement which in turn was found to influence performance (Bakker and Bal, 2010). However, Morgeson, Klinger and Hemingway (2005) collected data from employees of only one organisation while Bakker and Bal (2010) used a relatively small sample and hence both studies may not be used to make generalisation.

Grants (2008) found that task significance increases job dedication and cooperative behaviour among employees. It enables employees to find meaning in their work leading to more involvement. This elicits discretionary effort from the employee and thus positively influences performance. Similar findings were found by Wright, Gardener, Moynihan and Allen (2004) who established that superior human resource practices increases employees discretionary efforts.

Trust between employee and the manager and especially the immediate supervisor has also been found to affect employees' output. Employees who perceive that they are trusted normally exhibit positive behaviour that supports organisational outcomes. For instance, Brown, Gray, Mchardy and Taylor (2011) found that higher levels of trust are related to positive financial outcomes, labour productivity and product and service quality. Similar findings were reported by Salamon and Robinson (2011); Paliszkiwicz (2012); Usikalu, Ogunleya and Effion (2015). However, traits consist of several indicators with trust being one of them. It's therefore necessary to use more indicators of traits to fully investigate its influence on organisational performance.

Meyerson and Dewettinck (2012) found that empowering employees increases performance. Using delegation, participatory management, encouragement and reward to conceptualise empowerment, they study found that each of the variables were positively related to organisational outcomes confirming the widely held believe that empowerment is a predictor of performance. However, the findings need to be treated with caution as they were based on one organisation.

Employees who have capacity and latitude to redefine their roles have been found to exhibit high levels of work commitment which in turn has been found to be positively related to performance (Bakker, Tims & Derks, 2012). Further, Celeik, Iraz, Casiki and Celik (2014) found that empowered employees have higher levels of creativity. They use their discretion to solve complex challenges that they encounter in performing their daily tasks. Similarly, Malik (2013) found that efficacy, optimism and resilience influences organisational performance.

3. Research Design

A research design does not exist in isolation and a researcher may choose to use more than one design (Saunders, Lewis & Thornhill, 2007). To increase validity of the findings, the study using both descriptive and explanatory research designs. The purpose of the descriptive design was to provide information on population characteristics and testing of hypothesis (Cooper & Schilnder, 2008). Explanatory design on the other hand was used to investigate cause and effect relationships among the different variables (Saunders, 2009).

3.1. Target Population and Sampling

The study population consisted of 5728 employees of nine state corporations in research and training in the republic of Kenya. A sample of 378 respondents was drawn using multi stage sampling. The first stage involved purposeful selection of state corporations in the category of research and training out of a category of eight. In the second stage, each state corporation in this category was allocated respondents proportional to its population using Yamane (1967) formula. In the final stage, participants were selected randomly.

4. Research Findings

The first objective of the study was to investigate the influence of traits engagement on performance of selected state corporations in Kenya. The regression results obtained indicated that the coefficient for traits engagement is 0.333, t-statistics is 5.26 with a corresponding p-value of 0.00 ($p\text{-value} < 0.01$) which implies that the relationship with the dependent variable is significant. The relationship is positive implying that trait engagement has a positive influence on organisational performance. Hence, holding all things constant, it could be concluded that a unit change in traits engagement leads to 0.333 unit change in organisational performance. Therefore, the null hypothesis was rejected implying that traits engagement has a significant influence on performance of state corporations in Kenya.

The results are consistent with previous findings. For instant, Ali *et al.* (2011) found that personality of school principals have significant influence on school performance. Further, Echchakoui (2013) found that traits (openness, adaptive behaviour, agreeableness, conscientiousness) influence performance. Employees employed in training and research institutions are intelligent (average level of education was a first degree) and therefore are better able to manage their emotions and manage relationships (Koydemir, Simsek, Schutz & Tipandjan, 2013) and hence positively impact performance of their respective organisations.

It is widely believed that workers who have positive emotions are better adapted to dealing with job demands and develop strong relationships and generally have higher levels of job performance (Bakker & Bal, 2010). Therefore, it may be concluded that traits engagement has had a considerable influence on performance of state corporations in Kenya.

The second objective was to investigate the influence of psychological state engagement on performance of selected state corporations in Kenya. The regression results of the hypothesis test indicated that the coefficient for psychological state engagement was 0.223, t-statistics of 3.72 and a corresponding p-value = $0.000 < 0.01$ which indicates that the relationship is significant. Therefore, the null hypothesis was rejected implying that psychological state engagement significantly influence performance of state corporations in Kenya. The beta scores are positive an indication that the influence is positive. From the findings, it can be concluded that holding all things constant, a unit change in psychological state engagement would lead to 0.223 units of change in performance of state corporations in Kenya.

These findings are in agreement with earlier empirical studies. For instance, Brown, Gray, McHardy and Taylor (2014) found support for positive relationship between trust and performance using the measures of financial performance, labour productivity and product and/ or service quality. Similarly, Uskalu, Ogunleye and Effiong (2015) found a strong relationship between trust and teachers performance in Nigeria. Positive treatment of employees by the employer through

better job design and fair practices leads to positive attitude about the organisation and better performance (Powell, Dawson, Topakas, Durose & Fewtrell, 2014)

5. Conclusions

On the basis of the findings, the researcher arrived at several conclusions based on the objectives of the study. Based on the first objective, personality traits should be an important consideration in recruitment, promotion and assigning of responsibilities to employees in any organisation. They predispose one to engagement. People with certain traits given the right conditions will be engaged while others will not. Employers should therefore use a selection process that effectively assesses personality traits.

The second objective of study was to investigate the influence of psychological state engagement on performance of selected state corporations in Kenya. Based on the findings, it is recommended that human resource policies should be geared towards giving employees autonomy and latitude in decision making while making the work place secure and friendly. Such jobs and work environment makes the job worthwhile and hence more meaningful which has the potential of boosting employee job performance and by extension, organisational performance

5.1. Contribution to Knowledge

The study contributes to knowledge in the area of employee engagement and organisational performance in several ways. Previous studies on influence of employee engagement on organisational performance were mostly conducted in developed countries of Western Europe and the USA with very few studies being based on developing countries especially from the African continent. The current study was based on Kenyan context where very little research has been conducted on employee engagement. This gap in knowledge has therefore been addressed through this study.

Further, most of the past empirical studies on employee engagement have been conducted in the private sector with very little attention being given to the public sector. This may not be surprising given that most of the previous studies have been conducted mostly in developed economies where the private sector is the biggest employer while the public service employs only a few. However, in Africa in general and in Kenya in particular, the government is the biggest employer and hence it is vital to investigate the contribution of employee engagement on performance of public entities. The study provides empirical evidence that employee engagement has significant influence on performance of public entities.

On a theoretical level, this study contributes to empirical evidence that supports the resource based theory by demonstrating that employees are a critical ingredient in organisational performance and ought to be well managed. By providing employees with a challenging, secure and safe work environment, employers reap the benefits of engaged employees which in turn positively influences organisational performance.

On a policy level, there is need to pay special attention to institutional arrangements that creates conditions necessary for employee engagement or alternatively address factors that may hinder it. Unlike the private sector, the public service does not enjoy the same level of flexibility in for instance adjusting employees pay and benefits. It is therefore important for policy makers to examine non-cash incentives to improve and create conditions that optimise employees' performance.

5.2. Recommendations for Further Research

This study is subject to certain limitations. First, the study was cross sectional in nature. Although a robust design was used to determine causal relationship between variables, cross sectional data does not achieve the same level of confidence as longitudinal analyses. It is recommended that future studies adopt a longitudinal approach.

The study focussed on influence of employee engagement on organisational performance but did not investigate the antecedent of employee engagement. Future studies should include the antecedents of employee engagement in order to have a clearer picture of the relationship between employee engagement and organisational performance.

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