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**ASSESSING THE EFFECT OF EMPLOYEE ENGAGEMENT ON
ORGANIZATIONAL PERFORMANCE: THE CASE OF ETHIOPIAN
AIRLINES**

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Declaration

I, **Mahlet Kebede**, the undersigned, declare that this thesis entitled: “**Assessing the Effect of employee engagement on job performance: the Case of Ethiopian Airlines**” is my original work. I have undertaken the research work independently with the guidance and support of the research advisor. This study has not been submitted for any degree or diploma program in this or any other institution all sources of materials used for the thesis have been duly acknowledged.

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This is to certify that the thesis prepared by Mahlet Kebede, entitled **Assessing the assessing effect of employee engagement on organization performance in the case of Ethiopian Airlines**’ and submitted in partial fulfillment of the requirements for the Degree of Master of Business Leadership complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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Acronym

ADD: Addis Ababa

ANOVA: Analysis of Variables

EAL: Ethiopian Airlines Enterprise

ET: Ethiopian Airlines

HR: Human Resources

U.S: United States

SPSS: Statistical Package for Social Science

ABSTRACT

The primary objective of the study was to assess the effect of employee engagement on organizational performance. To this purpose the researcher has studied the effect of employee engagement on organizational performance, the extent to which employee engagement is aligned with the organization performance. Additionally, the researcher used a quantitative approach. A convenience sample of the population was taken as part of the study. The study was conducted using SPSS software version 20. A total of 384 questionnaires were handled by the respondents, and 374 of them completed and returned their questionnaires. The study's findings were presented in inference and descriptive analysis, and the result of the descriptive statistics revealed that the impact of employee engagement on organizational performance is at a good level, with a mean value of 3.57 on a 5-point scale. This suggests that vigor, absorption, and dedication have an impact on organizational performance. In addition, the result of the multiple linear regression output signals that the employee engagement dimensions factors have affected the organization performance with different effect level such as every unite increase in vigor dimension, absorption dimension and dedication dimension lead to enhance the organizational performance by 26.9%, 43.0% and 22.8% respectively. From this the researcher suggested that Ethiopia Airlines should emphasize on the employee engagement to enhance its organizational performance.

Key word: - *organizational performance, vigor dimension, absorption dimension, dedication dimension*

CHAPTER ONE

1. Introduction

1.1. Background of the study

Over the past 20 years, employee engagement has emerged as a key managerial idea. Organizations use a variety of engagement-building tools to stay competitive and improve performance. Organizations have challenges retaining talented personnel in today's dynamic climate. Staff disengagement is rising while staff engagement is decreasing. A fully employed staff and an engaged employee can make a difference in a company's survival or success during a recession. Employee performance is critical to the success of service businesses like airlines. To grow market share, boost profit margins, and ultimately create happy customers, airline companies work hard to deliver the best service they can (Harter et al., 2002; Heim et al., 2007; Rana & Goel, 2017).

According to Harter et al. (2013), There is evidence to support a relationship between employee engagement and organizational performance, with stronger organizational performance being associated with more dedicated and engaged employees. According to Schaufeli et al., (2002) defined engagement as “a positive fulfilling, work related state of mind characterized by vigor, dedication, and absorption”.

This study examines the relationship between employee engagement and Ethiopian airlines performance and finds a significant association between employee engagement and customer retention, productivity, and profitability, as well as employee turnover, customer and employee safety, and absenteeism, loss, and disability.

Furthermore, the objective of the study is to determine the impact of employee engagement on airline performance. Employee engagement has been measured using three factors. Those are dimensions of vigor, devotion, and absorption. To improve organizational performance (financial, customer, internal process, learning, and innovation) and achieve employee satisfaction, these three factors collectively have a direct impact on the modern practice of employee engagement. Both airlines and airline employees are highly impacted by this; in addition, employee engagement has been found to significantly predict organizational performance.

1.2. Background of the Organization

On December 21, 1945, Ethiopian Airlines Enterprise (EAL) was founded, and on April 8, 1946, it started operating. Ethiopian Airlines is the country's national airline and one of the best on the continent. The cutting-edge, technologically advanced airline has grown to be one of Ethiopia's largest businesses and a true institution in Africa. Ethiopian Airlines has developed throughout the course of its 77-year existence to become a notable African aviation enterprise. One of the fully owned star-alien members of the government is Ethiopian Airlines.

The organization currently provides services to 22 domestic and over 131 foreign locations. Ethiopia has developed rapidly and has continued to deploy cutting-edge aviation technology and systems, many of which are firsts in African aviation history. The airline has proven its expertise in all sectors of the aviation industry, including network expansion, technical leadership, and aviation mentoring. 141 aircraft are presently owned by Ethiopian Airlines' businesses, which also include recently merged Ethiopian airport businesses, and they employ more than 17,000 employees.

With the motto "Bringing Africa Together and Beyond," Ethiopian Airlines is pursuing Vision 2035, a 15-year plan to grow into the continent's largest aviation group. Ethiopian Airlines is a multi-award-winning airline and has also reported an average growth of 25% in the recent years. Eight business areas make up Ethiopian International Service's operations: Ethiopian International Service, Ethiopian Cargo and Logistics Service, Ethiopian ADD Hub Ground Service, Ethiopian Airport Service, Ethiopian Skylight Hotel, Ethiopian Aviation University, and Express Service (domestic).

The growth of the aviation industry is seen as a key factor in Ethiopia's development because it is one of the most significant indicators of a nation's social and economic advancement globally. Ethiopian Airlines was established as a result of this ambition to influence a paradigm change in the growth of the aviation sector in order to support the nation's ongoing development.

Therefore, organizations like Ethiopian Airlines should support strong employee engagement as a strategic plan to gain a competitive edge for the company in order to sustain market competitiveness. The primary objective of this study was to examine the impact of employee engagement on organizational performance because all engaged employees are happy, but not all

happy employees are engaged. This study takes it a step further by examining employee engagement from the perspective of strategic human resource management.

1.3. Statement of the problem,

In a aggressively competitive global environment, organizations are constantly under pressure to keep their workforce (Deci, 2013). Any company benefits from having highly qualified, trustworthy, and experienced employees. High-engagement workers are more likely to deliver strong performance.

Building a team of highly engaged, motivated employees is essential to every company's success, according to Kelly (2019). No matter what the industry, low employee engagement adds to high turnover, which is expensive and can have a detrimental impact on a company's culture. Employees are the fundamental cornerstone of every firm. However, there is another factor to consider when it comes to aviation: low employee contribution can impact an organization's overall success. The potential for a great workplace culture to lower attrition and lower risk is there, but corporate aviation teams are usually dispersed and heading in various directions. Although a strong, safety-focused culture is just one advantage of a highly engaged workforce, statistics show that engaged employees are more likely to have productivity levels that are above average.

Furthermore, a Gallup survey of U.S. companies in 2015 revealed that 32% of employees were engaged, 50.8% were not involved, and the remaining 17.5% were actively disengaged, and employee engagement has continuously averaged less than 33%. Adkins (2015). Nearly 70% of all employees are uncommitted to the organization and lack excitement for their jobs, while 87% of employees worldwide are disengaged. Many businesses are suffering from an engagement issue and are unaware of it. Only 13% of people working for a company are engaged globally. However, the Middle East-North Africa (MENA) and Sub-Saharan Africa (SSA) areas had the greatest numbers of actively disengaged workers, at 35% and 33%, respectively.

When we contemplate the possibility of engaging even a small percentage of the disengaged population, the implications can be staggering. These high levels of employee disengagement at the global and national levels, the pressures of rising consumer empowerment, particularly on sales and service organizations, and the growing need to ensure the delivery of high-quality

customer experiences necessitate the development of a business solution to mitigate their negative impact on organizations' financial efficiency.

Employee engagement, despite this, is one of the major problems facing the airline business. To handle the risks of a volatile industry, this issue needs to be resolved right away. As Ethiopian airlines have been providing an international air service, their employees should be competence with the industry. Those article's goal is to look into how Ethiopian Airlines' organizational performance is affected by employee engagement.

As a result, the goal of this study is to evaluate Ethiopian Airlines' employee engagement in terms of the organization's performance. In addition, this study tries to answer the question of which engagement aspect affects airline performance, specifically at Ethiopian Airlines. Furthermore, it covers contentious gaps in several research studies on employee engagement and organizational performance that have been undertaken. As a result, it has made a significant contribution to the growing body of literature and knowledge in this field of study in the aviation industry.

1.4. Research Questions

- What effect does employee engagements have on the performance of an organization?
- Which of the factors affecting employee engagement has the biggest impact on the performance of the airline?
- Does there a positive relationship between organizational performance and employee engagement?
- What is the most successful strategy for boosting employee engagement at work?
- What reward system is in place to boost participation and retention?

1.5. Objective

1.5.1 General Objective

The general objective of the study is to assess the effect of employee engagement on organizational performance in the case of Ethiopian Airlines.

1.5.2 Specific Objective

The specific objectives of the study are:

- To ascertain whether Ethiopian Airlines has implemented employee engagement.

- To assess the level of employee engagement at Ethiopian Airlines.
- To determine the relationship between organizational performance and employee engagement.
- To determine and measure how employee engagement affects Ethiopian Airlines' performance.

1.6. Significance of the Study

This research study may be the Ethiopian Airline's first empirical study into the effect of employee engagement on organizational performance. The research recommendation will help Ethiopian Airlines develop the best engaged human capital by giving organizations information on the level of their employees' engagement, contribution strategic implementation to organizations on the level of their employees' engagement and taking action against any signs of employee disengagement.

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 and limitation of the Study

The effect of employee engagement on organizational performance and related issues in the context of Ethiopian Airlines is the inclusive subject of this study. However, this study simply employed a quantitative research strategy in terms of its methodological scope. The rationale behind using a quantitative approach is the nature of the research questions and the best strategy to solve the research challenges. The study's three conceptual dimensions vigor, devotion, and absorption—represent its conceptual boundaries.

The major limitation of this study was, the study is limited to only Ethiopian Airlines' permanent personnel and managerial staff located in Addis Ababa only. Personnel working outside of Addis Ababa, in overseas stations, on contract or part-time, and junior personnel with less than one year of service are excluded from the target demographic. This is because employees with less than one year of service, contract workers, and part-timers may be uninterested in the engagement services.

1.8. Organization of the Proposal

This research report is divided into five sections. The first chapter introduces the issue and highlights the importance of employee involvement in assisting businesses in meeting organizational goals, objectives, and culture, as well as improving organizational performance.

The second chapter is about the literature review. This chapter discusses both a theoretical and empirical review of the subject under consideration.

The third chapter discusses the methods used in the study, including the description of the study, the research's design and methodology, the population, sample, and sampling procedure, a data collection instrument, a method of data analysis, validity, and reliability, and finally, ethical consideration. The next two chapters, which make up the fourth chapter, describe the data display, analysis, and discussion. A summary of the results, judgments, and recommendations is presented in the fifth and final chapter.

CHAPTER TWO

2. Literature Review

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

2.1. Definition and Concepts of Employee Engagement

Employee engagement is not a novel notion; it has been studied extensively for a long time by many academics using different terminology and somewhat different concepts (Lockwood, 2007). For instance, employee engagement has been described as the extent of one's commitment (Lockwood, 2007), a work-related mental state involving vigor, dedication, and absorption (Schaufeli & Bakker, 2004), job characteristics like performing well and speaking highly of one's employers (Gubman, 2004), and "the ultimate prize for employers" (Towers Perrin, 2003, p. 2).

The importance of an organization's interaction with its employees is known as employee engagement. Employee engagement, in other words, has to do with how committed mentally and emotionally staff members are to their work (Amhalhal et al., 2015). Additionally, according to Yalabik et al. (2017), employee engagement is a focused, delimited conceptualization of the employee-job connection. Employee engagement refers to the degree to which workers are content and happy with their jobs, as well as the atmosphere in which they work with their coworkers.

In addition, employee engagement is concerned with how their work performance is related to or aligned with the organization's outcomes (Amhalhal et al., 2015). Job satisfaction is related to perceived job quality, which is derived from an individual's assessment of all monetary and non-monetary components of employment (Di Paolo, 2016). As a result, it is often regarded as an individual's emotional reaction to the apparent fulfillment of important job values. If these values are met, the joyful emotion of pleasure is felt; if they are not met, the emotion of dissatisfaction is felt (Bednarska and Szczyt, 2015).

Furthermore, only a few studies have found direct connections between managerial actions and organizations that boost worker performance and engagement. It is challenging to create initiatives that organizations can easily implement because every organization that exists has

unique qualities and circumstances (Bandura and Lyons, 2014). Additionally, it has been shown that highly engaged workers have excellent relationships with their employers (Saks, 2006; Karatepe, 2011). As a result, these motivated workers complete their responsibilities more efficiently and go above and beyond to resolve client issues and meet client expectations. Although many studies, like this one, concur that engagement affects performance, there aren't many that disagree.

2.2. Organizational Performance

Organizational performance is a multi-dimensional concept, and the measurement thereof is a critical aspect of organizational leadership, as continuous improvement relies on the ability to evaluate the organization's performance continually (Shahin, Naftchali & Pool, 2014). Organization's risk jeopardizing future organizational performance, however, by over-emphasizing financial performance at the expense of overall strategic performance (Ireland et al., 2012). Ireland et al. (2012) state that organizational performance can be a measure of financial performance, customer performance, internal process performance as well as learning and innovation performance.

The financial performance variable selected for this study was measured through testing perceptions of organizational profitability. Profitability is defined as the efficiency with which an organization utilizes its capital to generate turnover (Els et al., 2014). Employee engagement contributes to increased profitability through employees exerting discretionary effort to increase revenue and reduce costs (Shuck, Reio & Rocco, 2011).

In addition, customer performance was operationalized and measured by two underlying variables, namely, customer satisfaction and customer loyalty. Customer satisfaction is defined as the specific measure of whether customer perceptions meet or exceed customer expectations (Hoffman, Czinkota, Dickson, Dunne & Griffin, 2004). Customer loyalty is defined as the repeat or consistent purchase behavior and favorable attitudes that result from psychological decisions made by customers (McCain, Jang & Hu, 2005). Harter et al. (2002) showed that the degree of employee engagement was positively related to customer satisfaction and customer loyalty.

Schaufeli and Salanova (2007:512) rationalized that increasing employee engagement improved the service climate of organizations, which, in turn, increased customer loyalty.

Internal process performance evaluates the processes that organizations are required to emphasize to utilize their competitive advantage successfully (Ireland et al., 2012). In this study, it was assessed by evaluating perceptions regarding organizational productivity and quality levels. Heizer and Render (2013) define productivity as the organization's ability to manage process outputs effectively as a proportion of process inputs. Quality is defined as the sum of features and characteristics of a product or service, which bears on its ability to satisfy stated or implied customer needs (Heizer & Render, 2013).

The learning and innovation perspective considers the ability of the organization to improve its performance and adapt to change (Perkins, Grey & Remmers, 2014). Organizational learning is defined as the process of collecting, sharing, and interpreting information, to promote organizational outcomes. Kataria, Rastogi and Garg (2013:62) concluded that engaged employees exert effort in increasing the efficiency with which products and services are delivered and in adapting to organizational changes (organizational learning).

2.3. Employee Engagement and Organizational Performance

Employees' contribution in terms of task proficiency, proactivity, mental resilience, and commitment is of utmost significance and acts as the building block for the sustenance and growth of any firm. Noted in this direction, employees' active commitment and involvement is of greater substance when it comes to innovation, organizational performance, and competitive advantage (Bakker & Schaufeli, 2008). There are two reasons that enable the study in linking employee engagement to organizational performances. First, employee engagement has emerged as a critical element for business success (Slatten & Mehmetoglu, 2011). Engagement is a pleasurable experience for employees (Sonnetag et al., 2012), which drives proactivity, innovation at workplace, and increases employees' ability to adapt to workplace changes in emergencies. Even more, they tend to be resilient in the face of difficulties and consequently drive organizational flexibility.

According to a survey done by a Canadian consulting firm (Psychometric Canada Limited, 2011), employers believe that engaged employees are motivated to do more, are more productive, and have better working relationships. The study's conclusions, nevertheless, are based on HR managers' perceptions rather than those of actual workers. When conducted directly with employees rather than through proxies, engagement surveys are more successful. Employees are better suited to communicate their feelings regarding their workplaces and organizations.

A study that observed at the relationship between employee engagement and organizational performance also found a significant connection between employee engagement and client retention, productivity, and profitability, as well as with employee turnover, customer and employee safety, and absenteeism, loss, and disability. Evidence indicates a connection between employee engagement and organizational performance, with the more committed and engaged a person, the greater the organizational performance (Harteret et al., 2013).

Any company should focus its efforts on achieving organizational effectiveness to maximize employee task performance, dedication, and intrinsic motivation to work well under pressure. Therefore, efforts are made to advance. Organizational performance has just started to be infused with positive organizational principles, including optimism, trust, and involvement (Koyuncu et al., 2006).

2.4. Employee Engagement Theory

Considerable attention is given to the notion of employee engagement in contemporary organizations due to the recently reported positive relationship between engagement and direct measures of organizational effectiveness as job performance, output, quality, customer satisfaction, profits, and business growth (Buckingham & Coffman, 1999; Coffman & Gonzalez Molina, 2002; Buchanan, 2004; Gallup Organization, 2004; Hewitt Associates LLC, 2005; Fleming and Asplund, 2007; Lockwood, 2007; Sundaray, 2011).

Therefore, engaged employees nowadays are the central focus of various organizations. Though emergence and vast popularity of the concept has often been attributed to practitioners' community, yet a great deal of research from researchers and academicians establishing the instrumentality of the concept and identifying its differential antecedents and consequences has

been flourishing lately (Sonnetag, 2011; Rurkkhum & Bartlett, 2012). Kahn (1990), in his first and foremost qualitative study on engagement states, “Engaged employees drive personal energies (physical, cognitive, and emotional) into their work roles”. In this connection, psychological experiences were identified as significant and necessary for an employee to invest his/her personal energies into their work role performance. Three psychological conditions were also articulated as a result of this notion a) meaningfulness (identification with one’s work/creative and challenging work, autonomy etc.), b) safety (elements of social systems), and c) availability (sense of having physical and psychological resources). In this context, engagement was presumed as having positive outcomes for both individual as well as organizations. The fulgent beginning of engagement literature with the works of Kahn (1990) has drifted considerable attention and inclination of researchers in recent times. Hence, numerous definitions on engagement have been produced thereafter:

Harter et al., (2002) defined engagement as “the individual’s involvement and satisfaction with as well as enthusiasm for work”. Schaufeli et al., (2002) defined engagement as “a positive fulfilling, work related state of mind characterized by vigor, dedication, and absorption”. Robinson et al., (2004) defined engagement as “a positive employee attitude towards the organization and its values, involving awareness of business context, and work to improve job and organizational effectiveness”. Saks, (2006) defined employee engagement as “a distinct and unique construct that consists of cognitive, emotional, and behavioral components that are associated with individual role performance” (p. 602). Shuck & Wollard, (2010) distinctly defined employee engagement as “an individual employee’s cognitive, emotional, and behavioral state directed toward desired organizational outcomes”.

In sum, an emerging body of research is using a common conceptualization of employee engagement connoting it as high levels of personal investment in terms of physical, cognitive, and emotional energies in the work tasks performed on a job (e.g. Kahn, 1990; Macey & Schneider, 2008; Mayet et al., 2004; Rich, et al., 2010; Schaufeli et al., 2002; Christian et al., 2011). Bakker & Schaufeli (2008) claimed that organizations need more engaged employees who feel energetic, dedicated and absorbed by their work. Schaufeli’s three-factor model that captures engagement in terms of vigor, dedication, and absorption components has been one of the most

popular measures (Wefald et al., 2011) due to its vast validity in majority of countries across the world (Bakker et al., 2008).

Vigor- vigor refers to the positive core affect in employees that is characterized by the high levels of positive energy and mental resilience while working, and the willingness to invest time and efforts in job tasks.

Dedication- contains the emotional framework of engagement. It is a state in which employees perceive their work as a significant and meaningful pursuit.

Absorption- refers to the cognitive aspect where employees experience their work as engrossing and something on which they are fully concentrated, and one finds it difficult to detach himself from work.

Engaged employees are happily involved and experience their work as engrossing and something to which they can devote their full concentration (Bakker et al., 2010, 2011). Hence, engagement is inferred as a positive experience in itself which has positive consequences for the organizations (Bhatnagar, 2012) in terms of high commitment, task proficiency, less employee turnover, less absenteeism, higher productivity, and consequently, increased performance of the organization. Employee involvement, commitment, and performance are directly connected to the goals of an organization (Denison et al., 2004).

Engaged employees will make a big difference if organizations provide positive psychological climate, good working conditions, job resources, and organizational support to inspire them to give their best and go extra-mile to enhance the effective functioning of the organization. In addition, employees perform better when they experience positive practices at workplace for instance, being treated with respect, provided with opportunities to develop their career, adequate reward and recognition for high performance etc.

In fact, employees desire positive feelings about their work experiences that go beyond global attitudes of job satisfaction or commitment (Buckingham & Coffman, 1999; Harter, Schmidt, & Hayes, 2002; Harter, Schmidt, & Keyes, 2003; Wagner & Harter, 2006). Therefore, it is a two-way process and much effort is needed on the part of organizations to nurture and leverage

engagement. Providing employees with a positive work environment is of ominous significance where employees can improvise and consequently help their organization to flourish in the present scenario.

2.5. Review of Empirical Studies

Empirical evidence and study findings suggest that employee engagement has a favorable impact on organizational performance. Halbesleben and Wheeler (2008), for example, conducted a study on a sample of 587 employees in the United States from a variety of industries and discovered that work engagement has a major impact on performance. Furthermore, Gallup research found a low-to-moderate relationship between employee engagement and a variety of organizational outcomes such as customer happiness, profit, productivity, turnover, and safety (Harter et al.,

Even though **vigor** has the greatest influence on job happiness, earlier research has shown that dedication influences job satisfaction more than vigor and absorption (Alarcon and Edwards, 2011). Employees with vigor (positive affect) exhibit strong levels of positive energy and mental resilience when doing job responsibilities. Employees who are engaged see their work as stimulating and voluntarily commit their time and effort to it (Bakker et al., 2011).

Hypothesis(H1): The employee engagement of vigor has the positive effect on Organizational Performance.

Dedication is defined by a strong sense of significance, enthusiasm, inspiration, pride, purpose, and challenge in the pursuit of goals (Karatepe and Olugbade, 2009; Schaufeli et al., 2009). It is similar to participation and is characterized as a psychological affiliation with one's employment (Schaufeli et al., 2009). Dedication (the motivation element) addresses engaged employees' perceptions of the value and meaning of work. It defines employee engagement as the willingness of employees to commit significant time, stronger involvement, energy, and effort to achieving something worthwhile with greater excitement.

Hypothesis (H2): The employee engagement of dedication has the positive effect on Organizational Performance.

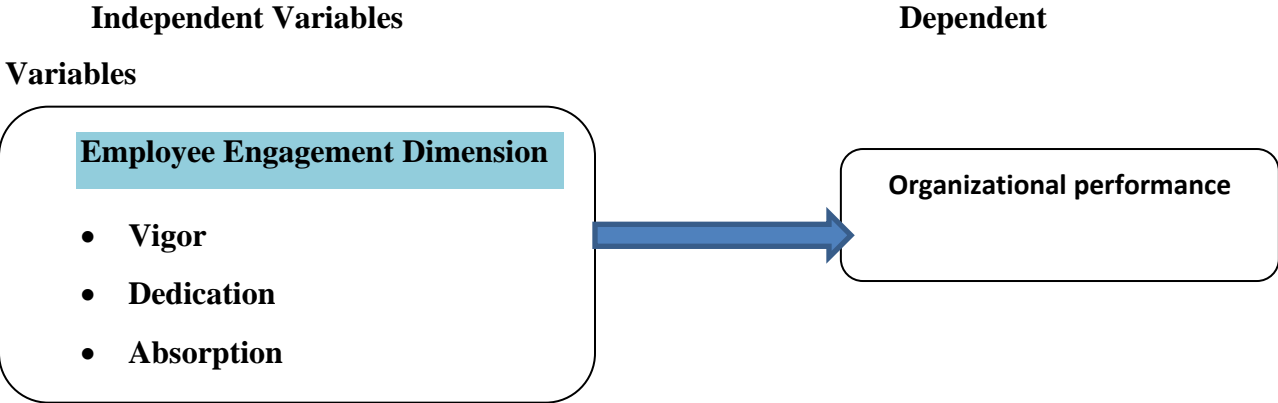
This dimension, in other words, captures one's **cognitive** beliefs and affective involvement with his or her works. Furthermore, devotion is an interactive mode in which employees obtain challenge, inspiration, pride, and a sense of meaning through engaging in their work. This participatory method of work involvement increases employee job satisfaction while suppressing quit inclinations. Absorption (the cognitive component) is characterized by employees' complete involvement and engrossment in their work to the point where it is impossible to disengage oneself from work. Employees that are engaged are happily immersed and see their work as captivating and something to which they can devote their whole attention (Bakker et al., 2011).

Hypothesis(H3): The employee engagement of absorption has a positive effect on Organizational Performance.

2.6. Conceptual Framework

Employee engagement is defined as a positive, fulfilling state of mind at work that is characterized by vigor, devotion, and absorption (Schaufeli et al., 2002). There are two types of variables: independent variables and dependent variables. In research, an independent variable is one that may be manipulated or controlled to assess its impact on the dependent variable and a dependent variable is one that is tested and measured. As a result, the researcher considers organizational performance to be the dependent variable with employee engagement as the independent variable, and employee engagement was operationalized using the dimensions of vigor, devotion, and absorption.

Figure 1: Conceptual Framework of the Research



Source: Schaufeli et al, 2002

CHAPTER THREE

3. Research Methodology

3.1. Description of the Study Area

This study explores the impact of employee engagement on organizational performance in the context of Ethiopian Airlines. Ethiopian Airlines (ET) is the government-owned flag carrier of Ethiopia. It is currently the largest airline in Africa in terms of fleet size, destination nations, number of people transported, and revenue and profit produced. The study focuses on the importance of employee engagement in increasing organizational performance and the airline's success. The following topics are discussed in this topic: research design and approach, target population and sample techniques, data collection and analysis methodologies, and instrument validity and reliability testing.

3.2. Research Design

The research design is the study's conceptual structure that outlines the methods and procedures for gathering, measuring, and analyzing the required data. It is a template for the research project's actions and activities. A research design is "the arrangement of conditions for data collection and analysis in a way that aims to combine relevance to the research purpose with procedure economy." Kothari et al.

The researchers employed both descriptive and explanatory research designs to reflect the logical framework of the study. This design clearly attests to the company's employee involvement as well as its effect on organizational performance. Explanatory research aids in the quest for reasons or causes as well as the provision of facts and explanations that support or reject an explanation. It aids in answering the why and how questions of the research question. This design aids in establishing a cause-and-effect relationship between employee engagement dimensions and organizational performance.

3.3. Research Approach

The suitable research strategy is defined by the nature of the data to be collected. There are three categories of research methods: qualitative, quantitative, and mixed. The researcher employed a quantitative research approach using closed-ended questions for this study. This strategy was chosen by Creswell (2014) because it aims to investigate the link between variables that are measured numerically and analyzed using a variety of statistical and graphical tools. Quantitative research has a distinct advantage in that it generates exact, numerical data from huge sample sizes. Furthermore, the results are more reliable and may be generalized and duplicated across a wide range of populations (Maxwell and Delaney, 2004). The method is selected as it helps produce reliable and quantifiable data that can potentially be generalized to a large population in a short period of time.

3.4. Population

The study's populations are Ethiopian Airlines' permanent employees and managerial staff located at the company's headquarters in Addis Ababa. According to the most recent Human Resources report, the overall number of permanent employees and managerial personnel serving the airline in different position in the Ethiopian Airlines is approximately 13,500. Around 9,000 regular employees are in Addis Ababa. Employees working outside of Addis Ababa, in the international station, contract, part-time, and junior personnel with less than a year of service are not included in the target demographic.

3.5. Sample Size Determination and Sampling Technique

1.5.3 Sample Size Determination

Due to difficulties such as feasibility, accessibility, and cost, it is not feasible to examine the entire population. As a result, it is critical to select a sample that is a true reflection of the population. The practical limitations of cost, time, and other constraints that are frequently present in the scenario prevent the research of the entire population (Singh, 2006). The sample size can be determined by several different methods. To get the sample size for this

study, the researcher used Cochran's sample size calculation for an infinite population. The formula for calculating sample size is shown below:

$$n = \frac{z^2 * p(1 - p)}{(e^2)} = \frac{1.96^2 * 0.5(1 - 0.5)}{(0.05^2)} = 384$$

Where “

$z = 1.96$ (Based on a 5% margin of error. Data are assumed two-tailed (i.e., a margin of error of 2.5% on each end of a normal distribution curve), thus a value of 0.9750 will be looked up within the z-score table.)

$\hat{p} = 50\%$ or 0.50 (This value is often pulled from previous research/ literature. If unsure, use 50%.)

$\epsilon = 5\%$ or 0.05 (Same value used to get the z-score estimate but provided as a decimal/ percentage.) “

Thus, the total sample size is 384.

3.6. Sample Technique

Following the calculation of the representative sample size, the next step is to select representative respondents and apply appropriate selection techniques. As a result, simple random sampling techniques are employed as a sampling technic. In this study, the sampling frame is separated into homogeneous, non-overlapping units termed strata, which are departments. Then, in accordance with employee size, proportionate stratified sampling was taken from each stratum. According to Sekaran (2003), The process of stratification and random selection of participants from each stratum is known as stratified random sampling.

Table 1: Sample size by division

No.	Division	Total No of Employees	Sample size for strata	Percentage of Strata
1	Addis Hub Ground Service	1890	81	21%

2	ET MRO	1350	58	15%
3	Customer Service	2070	88	23%
4	Ethiopian Cargo And Logistics	1530	65	17%
5	Corporate HR And Finance	990	42	11%
6	Other Functional Department	1170	50	13%
	Total	9000	384	100%

3.7. Data Collection Instrument

This study largely utilized primary data collected through the survey method by using standard questionnaires. According to Krishnaswami and Ranganatham (2007), the benefit of this method is that it is less expensive, allows for anonymity, and may yield more honest results. Secondary data is also acquired from both published and unpublished theoretical literature. Secondary source material was gathered from books, HR procedural manuals, Ethiopian Airlines quarterly reports, dissertations, web sources, and scholarly publications.

In the questionnaire, respondents' replies are obtained and measured using five-point Likert scales (strongly agree, agree, moderate agree, disagree, and strongly disagree). The benefits of utilizing the Likert scale include the ease with which a questionnaire can be constructed as well as the ease with which it can be read and completed. The questionnaire was created using previous literature on similar issues and was tailored to the research challenge. Sample questionnaires were circulated to pre-test and ensure their suitability for capturing the required information, with revisions made based on preliminary recommendations.

The questionnaire was chosen because it is a reasonably inexpensive, speedier, and more efficient technique for gathering extensive data at a lower cost and providing access to a wide geographical area in a very short period.

3.8. Method of Data Analysis

The quantitative data analysis method was used to analyze the acquired data. Data were coded and entered into the computer for analysis using the statistical package for social science (SPSS

Version 20). It provides means, standard deviations, correlations, coefficients of variables, and all ANOVA findings, as well as statistical model specification output and frequency distributions for each independent and dependent variable. With multiple regression models and ANOVA, inferential statistics are employed for employee engagement regression against three independent variables. The mean and standard deviation, which are the most descriptive statistics, were employed to characterize the data in this study.

To avoid biased results, the study employed statistical model definition methods to identify which independent variables to include and exclude from a regression equation. The specifications of these statistical models are chosen models with larger adjusted and predicted R-squared values, p-values less than the significance level, reducing the model until it contains only significant terms, and omitting variable bias in multiple regression models.

The model specification equation multiple regression models are as follows.

$$ETP = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where:

- ETP (Ethiopian Airlines Performance) in the dependent or predicted variable.
- X_1 , X_2 and X_3 are represented vigor, dedication, and absorption respectively.
- β_0 is the ETP- intercept, i.e., the value of ETP when X_1 , X_2 and X_3 are 0.
- β_1 , β_2 , β_3 and β_4 are the regression coefficients representing the change in ETP relative to the one-unit change in X_1 , X_2 , and X_3 respectively.
- ε is the model's random error (residual) term.

3.9. Reliability Test

This study used Cronbach's alpha, a common approach to assess the overall instrument's internal consistency. A 0.70 score is suggested. The consistency or trustworthiness of a construct's measure is how reliable it is. Items that scored higher than the allowed value were kept after the Cronbach's alpha reliability test. According to Tavakol & Dennis (2011), it may not be wise to publish an alpha score for a test that contains several ideas or constructs because the greater number of questions will undoubtedly inflate the alpha's value. Therefore, rather than determining alpha for the entire test or scale, it should instead be done for each of the ideas.

According to Ramayah (2011), the coefficient of alpha has a range of 0 to 1, with 0.5 denoting mediocre internal consistency and reliability and being undesirable. According to Zikmund et al. (2000), scales with a coefficient alpha between 0.6 and 0.7 indicate fair reliability and acceptability.

Table 2: Reliability Test

Each Variable Reliability Statistics

	Item	N	Cronbach's Alpha
Vigor Dimension	6	35	.965
Absorption Dimension	5	35	.971
Dedication Dimension	5	35	.970
Organization Performance	14		.955
Total	30		

(Source: Researcher's Survey, 2022)

Based on the above range, all 30 defined variables were discovered to be a good measure of internal consistency. The alpha coefficient of the variable is better than 0.9, indicating that the data's dependability is excellent and acceptable.

3.10. Validity Analysis

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 research instrument. Test the validity of the questionnaire was conducted using person product moment correlation using SPSS. The validity test product Moment Pearson correlations done by correlating each item questionnaire score with the totally score. Item to Item questionnaire that significantly correlated with total score indicates that the items are valid which means if the significance value <0.05. then the instrument is declared invalid otherwise if the significant values

> 0.05, the instrument is declared invalid. Accordingly, the researcher used the questionnaire to measure the effects of employee engagement on organizational performance using 5 liker scale such as 5=strongly agree, 4=Agree, 3= neutral, 2= disagree and 1=strongly disagree. The questionnaire was given to 35 respondents with several questions and there are 30 items.

Table 3: Validity Test

	Correlations	Totally Score
I'm brimming with enthusiasm at work.	Pearson Correlation	.243
	Sig. (2-tailed)	.160
	N	35
I feel powerful and vigorous at work.	Pearson Correlation	.659**
	Sig. (2-tailed)	.000
	N	35
I feel like going to work when I wake up in the morning.	Pearson Correlation	.519**
	Sig. (2-tailed)	.001
	N	35
Can work for very long periods of time.	Pearson Correlation	.274
	Sig. (2-tailed)	.111
	N	35
Mentally, I am highly resilient at my job.	Pearson Correlation	.519**
	Sig. (2-tailed)	.001
	N	35
Even when things aren't going well at work, I always persevere.	Pearson Correlation	.659**
	Sig. (2-tailed)	.000
	N	35
When I'm working, time seems to fly by.	Pearson Correlation	.519**
	Sig. (2-tailed)	.001
	N	35
When I'm working, I forget about anything else.	Pearson Correlation	.274
	Sig. (2-tailed)	.111
	N	35
I'm completely absorbed in my task.	Pearson Correlation	.139
	Sig. (2-tailed)	.426
	N	35
I get carried away when I am working.	Pearson Correlation	.659**
	Sig. (2-tailed)	.000
	N	35
It is difficult for me to separate myself from my profession.	Pearson Correlation	.519**
	Sig. (2-tailed)	.001
	N	35
I consider my work to be important and meaningful.	Pearson Correlation	.139
	Sig. (2-tailed)	.426
	N	35
I'm excited about my job.	Pearson Correlation	.519**
	Sig. (2-tailed)	.001
	N	35
My job motivates me.	Pearson Correlation	.659**
	Sig. (2-tailed)	.000
	N	35
I feel comfortable doing my job.	Pearson Correlation	.659**
	Sig. (2-tailed)	.000
	N	35
My job is difficult for me.	Pearson Correlation	.243
	Sig. (2-tailed)	.160
	N	35
	Pearson Correlation	.278

Ethiopian Airlines' profitability grows faster than the industry average.	Sig. (2-tailed)	.105
	N	35
The airlines' return on assets (ROA) is much higher than the industry average.	Pearson Correlation	.597**
	Sig. (2-tailed)	.000
	N	35
The average value added per employee is much higher	Pearson Correlation	.243
	Sig. (2-tailed)	.160
	N	35
We manage to keep existing clients while also attracting new ones.	Pearson Correlation	.344*
	Sig. (2-tailed)	.043
	N	35
The number of client complaints has significantly increased in the last few months.	Pearson Correlation	.352*
	Sig. (2-tailed)	.038
	N	35
From the perspective of our passengers, our company's reputation has increased.	Pearson Correlation	.139
	Sig. (2-tailed)	.426
	N	35
We regard our supplier relationships as excellent since we maintain true interactions with them.	Pearson Correlation	.659**
	Sig. (2-tailed)	.000
	N	35
Our organization and its suppliers have mutual trust.	Pearson Correlation	.519**
	Sig. (2-tailed)	.001
	N	35
Our service quality considerably exceeds the industry standard.	Pearson Correlation	.659**
	Sig. (2-tailed)	.000
	N	35
Employee net fluctuation is relatively large in our organization.	Pearson Correlation	.519**
	Sig. (2-tailed)	.001
	N	35
Employee productivity is significantly higher than the industry average.	Pearson Correlation	.659**
	Sig. (2-tailed)	.000
	N	35
Employees do not feel a special commitment to the organization.	Pearson Correlation	.139
	Sig. (2-tailed)	.426
	N	35
Employees do not have a strong attachment to the organization	Pearson Correlation	.519**
	Sig. (2-tailed)	.001
	N	35
Our organization has an extremely high absenteeism rate (in comparison to the com	Pearson Correlation	.659**
	Sig. (2-tailed)	.000
	N	35
Total Score	Pearson Correlation	1
	Sig. (2-tailed)	
	N	35

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

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

Sources: Own Survey 2023

Based on the output above table shows that person correlation or correlation value between of the items or the items with a total score. Accordingly, the Sig.(2-tailed) was a significance level of 5%, while n is the total of sample survey respondent is 35 permanent employees of Ethiopian Airlines. all the listed significant values of the questions or sub-items of the dismissions obtained by the Sig. (2-tailed) of $0.000 < 0.05$, so it can be concluded that all items were valid.

3.11. Ethical Consideration

The personal integrity of each participant was preserved throughout the research procedure. Before any information was requested, each participant in the study was adequately informed about the goal of the study, and his or her agreement was obtained orally. Without the participant's prior consent, no information was obtained. Each respondent's information was kept anonymous and was only used for research purposes.

CHAPTER FOUR

4. Data Presentation, Analysis, and Interpretation

4.1. Response Rate

The respondents personally handled 384 questionnaires in all, and they followed up with and helped 374 respondents complete and submit their questionnaire. Consequently, more than 97% of the questionnaires are returned, as opposed to 10% of respondents—or roughly 3%—who never responded and never sent the form. A questionnaire survey with a response rate of 70% or above, according to Saunders (2002), is sufficient to undertake the analysis.

The questionnaire has sub-questions that assess the impact of employee engagement on Ethiopian Airlines performance. The questionnaires were distributed to Ethiopia Airlines employees at the company's main headquarters. The basic dimensions of employee engagement attributes, namely vigor, absorption, and dedication, have an impact on organizational performance. As an effective tool for studying the linkages, a multiple regression modeling strategy was presented.

In this chapter, the findings of this multiple regression model are examined and discussed. The results of the investigation are shown in the inference and descriptive sections. The statistical analysis of this study was carried out using SPSS version 20. In the descriptive phase, tables and charts were used, and in the inference portion, the outcomes of numerous linear regressions were evaluated.

4.2. Demographic characteristics of Respondents

A component of the employee profile, which covers a range of demographic data and other factors that may have an impact on Ethiopian Airlines' level of organizational performance in terms of staff engagement, is included in the questionnaire. In research like this, it is crucial to investigate the respondents' backgrounds.

This is because people's social backgrounds influence their thought patterns and, to a lesser extent, what they do. The background information included the age, gender, educational level, and gender

of respondents, with 66.0% being male and 34% being female. This demonstrates that most Ethiopia Airlines' personnel are men.

Table 4: Demographic characteristics Analysis of Respondents

No of Item	Item	Characteristics	Frequency	Percentage
1	Gender	Male	247	66.0
		Female	127	34
2	Age	20-30	209	55.9
		31-40	116	31.0
		41-50	36	9.6
		51-60	11	2.9
		61 and above	2	0.5
3	Educational Level of Participant	Diploma	30	8.0
		Degree	275	81.6
		Masters	69	18.4
4	Work experience	1-5 years	214	57.2
		5-10 years	122	32.6
		11-15 years	18	4.8
		16-20 years	12	3.2
		Above 20 years	8	2.1

Source: own survey 2023.

The majority which the age group 20–30 years accounted for 55.9% of all respondents, followed by 31–40 years (31.0%), 41–50 years (9.6%), and 51–60 years (2.9%). This demonstrates that most airline employees are between the ages of 20 and 40. It implies that adults make up most airline employees, and these findings suggest that most employees are adults.

In terms of education, 18.4% of respondents had a master's degree, while 81.6% of respondents had a bachelor's degree. Only 8.0% of those surveyed have completed high school. The respondents had a high level of literacy.

In terms of length of working service year with ET, 57.2% have been with the company between 1 and 5 years. 32.6% of employees have worked with the company for 6–10 years, 4.8% for 11–15 years, 3.2% for 16–20 years, and the remaining 2.1% for more than 20 years.

4.3. Descriptive Analysis

In order to examine this study, the researcher used descriptive statistics, and from these, the mean scores for each variable were computed. The main goal of using this measurement was to display the typical responses of survey participants for each question contained in each predictor variable dimension. The following measurement scale intervals or ranges affect the interpretation. According to Hailu (2013), the mean scores are 4.51–5.00 excellent or very good, 3.5–1.50 good, 2.5–1.50 ordinary or moderate, 1.5–1.50 fair, and 1.00–1.50 poor (Poonlar Btawee: 1987).

Employee engagement on organizational performance is high, with a mean score of 3.57 on a 5-point Likert scale, according to this descriptive statistic vigor, absorption, and devotion dimensions all have an impact on organizational success.

Table 5: Descriptive Analysis

Descriptive Statistics

	N	Mean	Std. Deviation
Vigor Dimension	374	3.6025	.54501
Absorption Dimension	374	3.5230	.55270
Dedication Dimension	374	3.5107	.64041
Organization Performance	374	3.4347	.52522
Valid N (listwise)	374		

Source: own survey 2023.

According to table 4, all employee engagement parameters were assessed as good. In terms of mean values, the employee engagement vigor dimension (mean of 3.6021), observation dimension (mean of 3.5230), and dedication dimension (mean of 3.5107) all play significant roles in employee engagement and, as a result, overall 'organizational performance. As a result, we can conclude that all explanatory variables play a critical role in Ethiopian Airlines' organizational performance in terms of employee engagement.

4.4. Inferential Analysis

In this part, regression analysis for dimensions of employee engagement on organizational performance has been conducted to better understand the relationship between explanatory factors for employee engagement and air transport performance.

4.4.1 Assumption Tests

The following checks were made to ensure that the data was suitable for regression analysis before utilizing it:

4.4.1.1 Correlation Analysis

According to Marczyk, Dematteo, and Festinger (2005), correlation is the most fundamental and useful way to measure the relationship between two or more variables. A correlation coefficient between explanatory variables that is higher than 0.8, according to Cooper and Schindler (2009), should be corrected because it suggests multi-collinearity problems. Malhotra (2007) estimates that the correlation coefficient may be 0.75. Finally, Hair et al. (2006) argued that a correlation value less than 0.9 does not always signify a serious multi-collinearity issue.

The organizational performance variable is the dependent variable, and independent variables like the vigor, absorption, and dedication dimensions are the independent variables. The correlation matrix in Table 5 uses the Pearson correlation coefficient to show the correlation between variables and the strength of the relationship between the variables. Convergent validity was demonstrated using Pearson correlation analysis, and Pearson correlation coefficients show the magnitude and direction of positive and negative relationships in addition to the strength of the relationship.

Table 6: Correlation matrix of dependent and independent variable

Correlations

		Vigor Dimension	Absorption Dimension	Dedication Dimension	Organization Performance
Vigor Dimension	Pearson Correlation	1	.872**	.917**	.932**
Absorption Dimension	Pearson Correlation	.872**	1	.863**	.941**
Dedication Dimension	Pearson Correlation	.917**	.863**	1	.935**
Organization Performance	Pearson Correlation	.932**	.941**	.935**	1

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

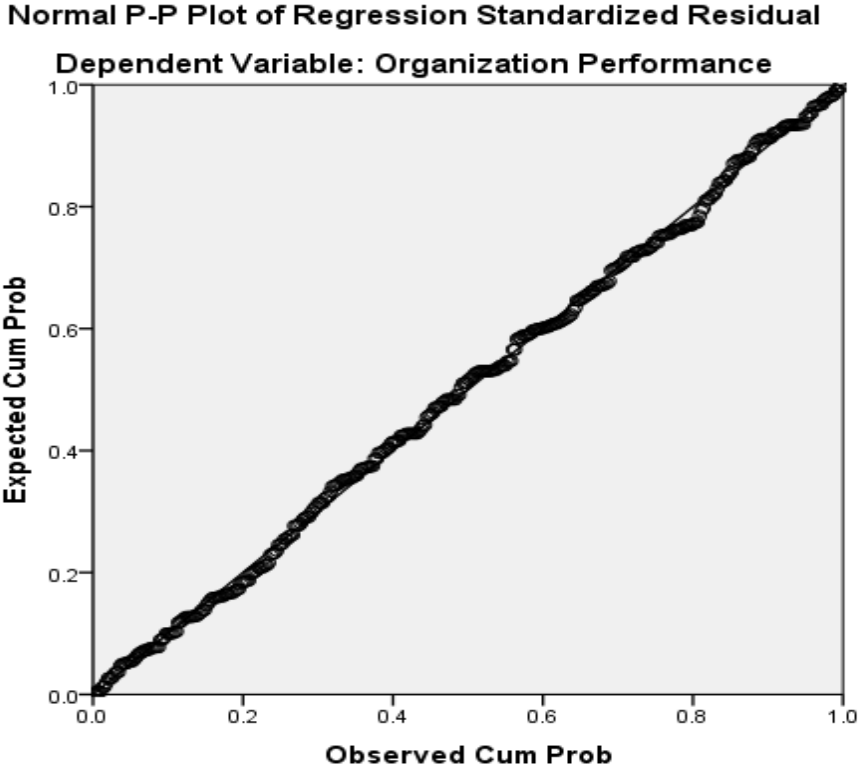
Source: Own Survey 2023

According to the above correlation coefficient result table, the correlation coefficients of vigor, absorption, and dedication have a positive and strong link with organizational performance, with coefficients of 0.932, 0.941, and 0.935, respectively. This finding indicates that aspects of employee engagement have a substantial association with organizational performance.

4.4.1.2 Linearity Test

The degree to which a change in the dependent variable is related to a change in the independent variables is referred to as linearity. Plots of the regression residuals using SPSS software were utilized to determine whether the connection between the dependent variable and the independent variables (vigor dimension, absorption dimension, and dedication dimension) is linear. In figure 3, the scatter plot of residuals indicates no significant difference in the distribution of residuals from left to right. This result indicates that the relationship we are attempting to forecast is linear.

Figure 2: The scatter plot of residuals



Source: own survey 2023

4.4.1.3 Test of Normality of The Data

When using data with a normal distribution, it is assumed that the data is drawn from one or more populations with a normal distribution. One of the presumptions was that before performing the analysis utilizing skewness and kurtosis, the data's normalcy should be verified. According to Fieled (2005), the rationale behind hypothesis testing is predicated on the assumption that populations are regularly distributed, therefore it is invalid if these conditions are not true.

As a result, the values of S (skewness) and K (kurtosis) were calculated, together with the corresponding standard errors. At p 0.05, a skewness and kurtosis absolute value between -2 and +2 is anticipated to be significant. When sample sizes are large, significant values result from even slight deviations from normalcy for both skewness and kurtosis (Fieled, 2005). This is because the large sample will result in small standard errors.

Table 7: Test of normality of the Data

Descriptive Statistics

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Vigor Dimension	374	-.187	.126	-.041	.252
Absorption Dimension	374	-.017	.126	-.139	.252
Dedication Dimension	374	-.217	.126	-.386	.252
Organization Performance	374	-.060	.126	-.228	.252
Valid N (listwise)	374				

Source: own survey 2023.

As shown in Table 6, all the absolute values of skewness and kurtosis statistics are between -2 and +2, indicating that all independent variables are significantly affected by the dependent variables and their p-values are less than 0.05.

4.4.1.4 Multicollinearity Test

To avoid habits in the decision-making process regarding the partial effect of independent factors on the dependent variable, a multicollinearity test was performed. A good regression model should avoid correlations between independent variables and multicollinearity. Using SPSS, test multicollinearity as the basis for the VIF (variance inflation factor) value of the multicollinearity test results. If the VIF value falls between 1 and 10, there is no multicollinearity; otherwise, there is multicollinearity.

Table 8: Multicollinearity Test

Coefficients^a		
Model	Collinearity Statistics	
	Tolerance	VIF
1	Dedication Dimension	.143
	Absorption Dimension	.214
	Vigor Dimension	.133

a. Dependent Variable: Organization Performance

Source: Own survey 2023

Based on the preceding coefficient output collinearity statistics, the VIF values of the independent variables range from 1 to 10, indicating that no multicollinearity issues exist.

4.4.2 Regression Result

The overall regression model and its ANOVA are summarized as follows:

Table 9: The overall regression model (ANOVA and Adjusted R Square)

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.976^a	.952	.952	.11514	.952	2463.873	3	370	.000

a. Predictors: (Constant), Vigor Dimension, Absorption Dimension, Dedication Dimension

b. Dependent Variable: Organization Performance

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	97.989	3	32.663	2463.873	.000 ^b
	Residual	4.905	370	.013		
	Total	102.894	373			

a. Dependent Variable: Organization Performance

b. Predictors: (Constant), Vigor Dimension, Absorption Dimension, Dedication Dimension

Source: Own survey 2023

R-squared was used to assess the goodness of fit of explanatory factors in explaining variations in employee engagement measures (vigor dimension, absorption dimension, and dedication dimension). As shown in Table 8, the Adjusted R-square value for the regression model was 0.952. This means that the explanatory variables in this study, the vigor dimension, the absorption dimension, and the dedication dimension, explain approximately 95 percent of the variation in the level of organizational performance. Only 5 percent of the variation in organizational performance with employee engagement at Ethiopia Airlines is explained by other variables not included in the model.

Therefore, the employee engagement dimensions (vigor dimension, absorption dimension, and dedication dimension) are excellent explanatory variables of Ethiopian Airlines' organizational performance level through employee engagement; however, this does not imply that all of the

employee engagement dimensions have an equally significant correlation with organizational performance level.

Multiple linear regression analysis results showed that different employee engagement elements have different effects on organizational performance. The null hypothesis may be rejected since the p-value is 0.000, which is sufficiently low, and the model is well fitted at a 5% level of significance, in addition to the F statistics, which are used to gauge the model's overall test of significance.

Similarly, the regression table displays the overall statistical significance and acceptability of the model. The significance value of F statistics is (.000), which is less than 0.05. As a result, the model is significant, implying that the variance explained by the model is not due to chance.

A unit change in the independent variable causes a certain amount of change in the dependent variable, as indicated by the regression coefficient. The importance of an independent variable in predicting the dependent variable increases with the beta coefficient's value. The following key inferences can be made from the above table: The correlations between the dependent and independent variables are shown by the coefficient analysis.

As a result, they were statistically significant at the 5% level, supporting the hypothesis. This suggests they have a significant impact on increasing organizational performance. We may create the following regression model based on the findings in Table 8.

The model specification equation multiple regression models are as follows.

$$ETP = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3$$

Where:

- ETP (Ethiopian Airlines Performance) in the dependent or predicted variable.
- X_1 , X_2 and X_3 are represented dedication, absorption, and vigour, respectively
- β_0 is the ETP- intercept, i.e., the value of ETP when X_1 , X_2 and X_3 are 0.
- β_1 , β_2 , β_3 and β_4 are the regression coefficients representing the change in ETP relative to the one-unit change in X_1 , X_2 , and X_3 respectively.

Table 10: Coefficient of Variables

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.156	.042		3.694	.000
1 Dedication Dimension	.269	.025	.327	10.889	.000
Absorption Dimension	.430	.023	.452	18.431	.000
Vigor Dimension	.228	.030	.237	7.621	.000

a. Dependent Variable: Organization Performance

Source: Own survey 2023

Based on Table 9 and taking the unstandardized beta value into account, the regression equation for this study is as follows:

$$\text{ETP} = 0.156 + 0.269X_1 + 0.430X_2 + 0.228X_3$$

Interpretations from the equation

- The multiple regression analysis results shows that the absorption dimension of staff engagement has a positive effect on Ethiopian airline performance, with a coefficient value is 0.430 and significance level of 0.000. this implying that for every unit or 100% increase in the value of the absorption dimension of employee engagement in the airlines, while all other predictor (independent) variables remain constant, the value of the response (dependent) variable, which is organization performance, will increase by 0.430 units, or 43.0%.
- In addition, the overall result of the multiple regression analysis shows that the dedication dimension of employee engagement has a strong positive effect on organizational performance, with coefficient values of 0.269 and a significance level of 0.000. This implying that for every unit or 100% increase in the value of the dedication dimension of employee engagement in the airlines, while holding all other predictor (independent) variables constant,

the value of the response (dependent) variable, which is organizational performance, will increase by 0.269 units, or 27%.

- Furthermore, the results of the multiple regression analysis shows that the vigor dimensions of employee dimension have a significant positive effect on organizational performance, with coefficient value of 0.228 and a significance level of 0.000. this implying that for every unit or 100% increase in the value of the vigor dimensions of employee engagement in the airlines, while holding all other predictor (independent) variables constant, the value of the response (dependent) variable, which is organizational performance, will increase by 0.228 units, or 23%.

Finally, all explanatory variables have a positive effect on the performance of Ethiopian Airlines. The findings give strong support for the literature arguing that vigor dimensions, dedication dimension, and absorption dimension all affects Ethiopia Airlines success.

This result has been supported and aligned with different empirical evidence such as: According to Halbesleben and Wheeler (2008), they conducted a study on a sample of 587 employees in the United States from a variety of industries and discovered that work engagement has a major impact on performance, and these study findings suggest that employee engagement has a favorable impact on organizational performance.

4.4.3 Hypothesis Testing Statements Interpretation

The researcher stated three hypotheses in this study that were obtained from three independent variables or predictors (vigor dimension, absorption dimension, and dedication dimension) that had significant associations with organizational performance. 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.

Table 11:Hypothesis Testing Statements Interpretation

Hypothesis No.	Hypothesis	Result	Reason
Hypothesis 1.	The employee engagement of vigor has the positive effect on Organizational Performance.	Accepted	P=0.000 <0.05 $\beta =0.228$
Hypothesis 2.	The employee engagement of dedication has the positive effect on Organizational Performance.	Accepted	P=0.000 <0.05 $\beta =0.269$
Hypothesis 3.	The employee engagement of absorption has the positive effect on Organizational Performance.	Accepted	P=0.000 <0.05 $\beta =0.430$

CHAPTER FIVE

5. Findings, Conclusion and Recommendation

Introduction

The conclusions and suggestions from the study were discussed in this chapter. On the other hand, the recommendations were split into two groups. It contains both key pieces of advice and ideas for additional investigation. It is also essential to point out that the suggestions made are supported by the study's findings.

5.1 Summary of Finding

Hence, this study has attempted to identify which determinants of employee engagement have the highest effect on the organizational performance of Ethiopia Airlines. To undertake the study, 384 questionnaires were distributed, and 374 have been duly filled and returned. Descriptive analysis revealed that most of the employees of Ethiopian Airlines were male, and most of the respondents fall between the ages of 20 and 40, meaning adult age group. Regarding the education level, 74.4% of the respondents are first degree holders.

The descriptive statistic result revealed that the effect of employee engagement on organizational performance is of good level, with a mean score of 3.57 on a 5-point Likert scale. This suggests that the dimensions of vigor, absorption, and dedication all influence organizational performance. As a result, the effects with the highest means included vigor dimension employee engagement (mean of 3.6021), observation dimension employee engagement (mean of 3.5230), and dedication dimension employee engagement (mean of 3.5107), all of which play significant roles in employee engagement and, as a result, overall 'organizational performance.

The correlation coefficients between organizational performance and the vigor dimension, absorption dimension, and dedication dimension are all positive and strong, with coefficients of 0.932, 0.941, and 0.935, respectively. This finding indicates that the dimension of employee engagement has a positive relationship with organizational performance.

The adjusted R-square values for the regression model is 0.952. This means that the explanatory variables in this study, the vigor dimension, the absorption dimension, and the dedication dimension, explain approximately 95 percent of the variation in the level of organizational performance. Only five (5) percent of the variation in organizational performance with employee engagement at Ethiopia Airlines is explained by other variables not included in the model. Therefore, the employee engagement dimensions (vigor dimension, absorption dimension, and dedication dimension) are excellent explanatory variables of Ethiopian Airlines' organizational performance levels; however, this does not imply that all the employee engagement dimensions have an equally significant correlation with organizational performance levels.

As a result of the multiple linear regression analysis, the employee engagement dimension factors have affected organizational performance with varying degrees of effect, such that every unit or 100% increase in the vigor dimension, absorption dimension, and dedication dimension leads to an increase in organizational performance of 26.9%, 43.0%, and 22.8%, respectively. This study's null hypothesis statement is accepted, and the results are significant at a 5% level of precision.

5.2 Conclusion

The major objective of this study was to investigate the effect of employee engagement on organizational performance in the context of Ethiopian Airlines. To accomplish this, the determinants of engagement variables (vigor dimension, absorption dimension, and dedication dimension) are used, and the study also attempts to address the research objectives given in the introductory section. The self-administered questionnaire utilized in the study includes 30 statements about the three elements of employee engagement and organizational success. The data is analyzed using descriptive and inferential statistics in the Statistical Package for Social Science (SPSS) software version 20. The researcher has put all the multiple regression assumptions to the test.

According to the findings of the report, the descriptive statistic result indicated that the effect of employee engagement on organizational performance is at a good level, with a mean value of 3.57 on a 5-point Likert scale. This means that the Vigor, absorption, and devotion dimensions all have an impact on organizational success.

Furthermore, the staff engagement dimensions (vigor dimension, absorption dimension, and dedication dimension) are excellent explanatory factors of Ethiopian Airlines' organizational success.

Moreover, employee engagement dimensions factors have affected the organization's performance with varied effect levels, such as every unit or 100% increase the vigor dimension, the absorption dimension, and the dedication dimension, which enhance the organizational performance by 26.9%, 43.0%, and 22.8%, respectively. All the indicated null hypothesis statements of this research are accepted, and these results are significant at a 5% level of precision.

As a result, it is feasible to conclude that employee engagement elements such as the vigor dimension, the absorption dimension, and the dedication dimension have had a positive effect on employee work satisfaction and the overall performance of Ethiopian Airlines.

5.3 Main Recommendation

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

- Employee engagement dimensions like vigor, absorption, and dedication have a considerable positive effect on the level of organization performance. Due to this, Ethiopian Airlines should prioritize those dimensions to improve its organizational performance.
- The airline's management have to demonstrate a strong appreciation for each unique individual by recognizing each employee's strengths, objectives, and preferred working style.
- Because money is not everything for an employee. Airlines must prioritize employee belonging, learning, and development.
- The airline shall continue to provide opportunities for its employees to contribute their greatest ideas by listening with an open mind, using those ideas to develop the future vision, and communicating openly with the business.
- Ethiopia Airlines must create a system that will motivate its personnel and offer them complete authority by establishing a reward mechanism for their productivity.

- Ethiopian Airlines' management must devise a strategy to improve employee performance by providing higher compensation, creating a comfortable work environment, and providing training for underperforming employees.
- Ethiopian Airlines will continue to promote and support employees' lives in a more positive way, allowing employees to become more acquainted with the company.
- Finally, the airline must continue to provide training to its staff that is tailored to their specific needs.

5.4 Recommendation for Future Research

This study also investigates the dimension of employee engagement that have a significant effect on Ethiopia Airlines' organizational success. However, the study's variables were not complete. Other characteristics not included in this study could be incorporated into future studies. Given the foregoing, the researcher proposes that funding be made available for the study to be reproduced in other private airlines in Ethiopia, as the current study's findings suggest that there are various problems as well as benefits to employee engagement. Recommendations from such a study would result in significantly improved administration and patronage in the air transportation sector.

Appendix I: Questionnaire



Addis Ababa University School of commerce Master of Business Leadership Program

Questionnaire to be filled by Ethiopian Airlines Permanent Employees

Dear Respondents,

This questionnaire is aimed at collecting data about “Assessing the effect of employee engagement on organizational performance: the case of Ethiopian Airlines”. The information you offer through this questionnaire will be utilized as primary data in the case study I am doing as partial satisfaction of the criteria for a Master of Arts Degree in Business Leadership Management.

Confidentiality

Please be assured that this study is only being done for academic purposes that the Addis Ababa University School of Commerce has approved. The information that has been gathered is private. I will make sure that there is no information that could be used to identify any responders in any report I publish. Please take a few minutes to complete the questionnaire, if possible.

General Guidelines

1. Your name need not be written down.
2. Please utilize the following contact information if you have any questions.

For any information:

The Researcher: Mahlet Kebede

Telephone Number: (251) 91-121-7137

Email address: mahletkzw@gmail.com

I feel like going to work when I wake up in the morning.					
Can work for very long periods of time.					
Mentally, I am highly resilient at my job.					
Even when things aren't going well at work, I always persevere.					
Absorption Dimension					
When I'm working, time seems to fly by.					
When I'm working, I forget about anything else.					
I'm completely absorbed in my task.					
When I'm working, I get carried away.					
It is difficult for me to separate myself from my profession.					
Dedication (Dimension)					
I consider my work to be important and meaningful.					
I'm excited about my job.					
My job motivates me.					
I feel comfortable doing my job.					
My job is difficult for me.					
Organizational performance as measured by financial and non-financial dimension					
Ethiopian Airlines' profitability grows faster than the industry average.					
The airlines' return on assets (ROA) is much higher than the industry average.					

The average value added per employee is much higher					
We manage to keep existing clients while also attracting new ones.					
The number of client complaints has significantly increased in the last few months.					
From the perspective of our passengers, our company's reputation has increased.					
We regard our supplier relationships as excellent since we maintain true interactions with them.					
Our organization and its suppliers have mutual trust.					
Our service quality considerably exceeds the industry standard.					
Employee net fluctuation is relatively large in our organization.					
Employee productivity is significantly higher than the industry average.					
Employees do not have a strong attachment to the organization					
Our organization has an extremely high absenteeism rate (in comparison to the com					

Thanks again for your time!!!

Appendix I:References

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