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Factors Affecting Employee Engagement at Not-For-Profit Organizations: A Case in Vietnam

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Abstract

The paper examines the determinants of employee engagement in the not-for-profit organization (NFPO) sector. A structured questionnaire survey of 205 NFPO employees in Vietnam was employed, preceded by in-depth interviews with NFPO associates and managers. After a multiple regression analysis to study the impact of five independent variables on one dependent variable, the study reveals that Work design and Work-life balance are positively and significantly associated with employee engagement. Of which, Work design is measured by the level of job fit, job autonomy, job challenge, and job meaningfulness. On the other hand, Work-life balance involves measurement aspects consisting of how reasonable the workload is and organizational support. Meanwhile, different from the business world, Leadership, Learning and Development, and Recognition do not show statistically positive impacts on employee engagement in NFPOs. Still, they are crucial back-supporting factors to ensure employee experience at work. Further, the study finds that personal growth contributes a great part to keep employees in the sector motivated. This paper brings the area of study to the forefront in an effort to benefit the practice of human resources management in NFPOs as well as support employees in the sector with a higher quality working experience.

Keywords: Engagement, Not-For-Profit Organization, Human Resource Management, Internal Customer

JEL Classification Code: M1, M12, M54

1. Introduction

For a long time, the concept of employee engagement has existed as one of the prominent ideas in Human Resources (HR). However, for all the other departments in the business, it was lip service that they felt obliged to pay, but would basically disregard. All that has changed, however, after the Great Regression in 2009, which has by far been known as the worst global economic slowdown. It was not an option for organizations with weak financial health to keep in hands those laborers performing at less than 100%, while

job insecurity and outside opportunities made stagnating workers a threat for many. A decade later, which means today, history repeats itself with the global economic crisis caused by coronavirus pandemic. Assessing such situations, Robison (2009) comments: “In good times, employee engagement is the difference between being good and being great. In bad times, it’s the difference between surviving and not.” The management question on how to engage employees then could not be ignored. Numerous studies consistently have found more productivity and advantages from lower employee turnover and non-attendance rates in those organizations with more elevated levels of employee engagement.

For not-for-profit organizations (NFPOs) that provide services benefiting the public, the concerns towards how to increase employee engagement are even more pressing. According to Silverman and Taliento (2006), the nonprofit sector is underappreciated, underfunded, under-sourced, and understaffed, especially in comparison to the business world. Besides, a large number of laborers working for NFPOs are volunteers (Wisner, Stringfellow, Youngdahl, & Parker, 2004), which means there are no or only a few financial

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incentives to support their motivation to work. Instead, organizations must provide them with much higher values. Furthermore, it is explained that one of the biggest concerns of any service organization is to win customer satisfaction. Because in the process of exchanging goods and services, there is a significant part of what customers actually pay for is labors or activities performed by humans. Therefore, acquiring the best individuals, maintaining their motivation and commitment to engage becomes the great concern of leaders in NFPOs, especially in situations where the quality of service is the only unique selling point, and the benefits from the use are intangible.

Despite such critical needs in employee engagement in NFPOs, the academicians and practitioners seem to overlook this area when it accounts for only a small proportion contributing to the construct of engagement. Thus, the purpose of this article is to study the drivers of employee engagement in NFPOs. The following research objectives would facilitate the achievement of this goal: (1) review factors that positively affect employee engagement; (2) describe, analyze, and assess the situation of employee engagement in NFPOs; (3) infer and propose recommendations to NFPOs strategic level management in terms of enhancing employee engagement. Accordingly, except for the Introduction, this paper comes into four parts: (1) Literature review, (2) Research methods, (3) Findings, and (4) Conclusions.

2. Literature Review

2.1. The Definition of Employee Engagement

A lot of controversy and dialogue have been raised with respect to the definitions of employee engagement. For example, MacLeod (2011) finds more than 50 definitions. Despite the inconsistency in how the concept of employee engagement is being defined, Macey and Schneider (2008) state it can be shown through both behavioral and psychological sides which involves a high commitment to work. Concerning the nature of employee engagement, many researchers agree that it is a psychological state that manifests into tangible behaviors (Kahn, 1992; Macey, Schneider, Barbera, & Young, 2009; CIPD, 2006). For example, CIPD (2006) sees employee engagement as three dimensions: emotional engagement (attaching emotionally with one's work); cognitive engagement (striving at work); and physical engagement (showing a willingness to invest extra effort for the organizational development).

The inconsistency in whether employee engagement is considered personal engagement, job engagement, or organizational engagement also causes controversy. When writing about engagement, Kahn (1990) consistently refers it as personal engagement, which is how employees express

their preferred selves in a working environment, which furthers their bond with work and others, personal presence in terms of emotional, cognitive, and physical, as well as promotes their proactive behavior in job performance. However, Armstrong and Taylor (2014) commented: “the term engagement can be used in a specific job-related way to describe what takes place when people are interested in and positive – even excited – about their jobs, exercise discretionary behavior and are motivated to achieve high levels of performance. It is described as job or work engagement.” Truss, Soane, Edwards, Wisdom, Croll, and Burnett (2006) claim: “Put simply, engagement means feeling positive about your job.”

Nonetheless, Saks (2006) points out that organizational engagement should also be mentioned to complete the concept of engagement. His work has received a lot of agreements from researchers. Gibbons (2006) defines the deep relationship that employees feel about their organization is employee engagement. Robinson, Perryman, and Hayday (2004) combine the long-established concept of commitment and stress the organizational dimension of employee engagement: “a positive attitude held by the employee towards the organization and its values.”

While there are many different definitions, researchers collectively agree that employee engagement is a fundamental concept in an attempt to describe both the quality and quantity of the nature of the connection between an organization, a job and its employees. An “engaged employee” is characterized as those who are willing to bring their best selves to work, entirely passionate and enthusiastic about it, as well as possess a positive attitude towards the organization and its values, thus takes positive actions towards personal performance, job efficiency, as well as the reputation and benefits of the organization.

2.2. Importance of Employee Engagement

The existing research papers recognize that employee engagement is vital to organizational achievement as well as its competitive edge (Macey et al., 2009; Rich, Lepine, & Crawford, 2010; Saks & Gruman, 2014). Indeed, it is one amongst the only a few scientific theories which have caught the eye of specialists (Saks & Gruman, 2014).

The fact that employee engagement can benefit organizations at different levels explains why its construct has pulled in so much attention. In general, employee engagement has won praise from numerous scholars as it is considered a key to not only personal performance and functional operation in terms of HR and finance but also organizational success. It is stated as a critical driver of personal attitude, behaviors, and job fulfillment as well as organizational cashflow, retention, productivity, shareholder return, and overall growth (Bates, 2004; Harter, Schmidt, &

Hayes, 2002). In fact, Macey et al. (2009) indicate that in the ranking of engagement level in 65 organizations from various industries, the top 25% have higher profits, return on assets, and over double the shareholder value in comparison to those ranks at the bottom.

Given the importance of employee engagement to organizations, especially in the context of the high risk of disengagement and burnout among the workforce in the market today, a central issue is what and how to promote the index. As noted by May, Gilson, and Harter (2004): “Engagement is important for managers to cultivate given that disengagement, or alienation, is central to the problem of workers’ lack of commitment and motivation.”

2.3. Drivers of Employee Engagement

Many academicians and practitioners have conducted different studies to test various antecedents of employee engagement to find how organizations benefit from it. Among which, one of the most applicable frameworks was based on Kahn’s. Three psychological states playing a role as personal engagement components are listed down as psychological availability, psychological safety, and psychological meaningfulness (Kahn, 1990). The drivers of them were discovered by Kahn (1990) as task attributes, job qualities, work interactions, interpersonal relationships, stable and safe workplace, both group and intergroup dynamics, as well as leadership styles and team norms.

Another approach to study employee engagement drivers is proposed in the Job Demands-Resources (JD-R) model. It introduces the concept of job resources, which considers what triggers a motivational process in HR, and can be found from the following aspects: task assignment (e.g., skill variety, coaching, and task significance); job design (e.g., role transparent and autonomy); social network (e.g., support

from peers and immediate manager); and organizational setting (e.g., advancement opportunities and job security) (Bakker & Demerouti, 2007).

On the other hand, Armstrong and Taylor (2014) suggests that job design, learning and development, performance management, and reward program could reinforce engagement in organizations, while emphasizing the central role of immediate managers in facilitating such organizational initiatives. To strengthen the engagement between the organization and its workforce, Armstrong and Taylor (2014) proposes to focus on “ownership management” (to respect employees’ voice and benefits), “big idea” development (to set a meaningful and cultural climate), and last but not least, tackling the work environment systems. Studies show different results on the list of factors positively impacting employee engagement; however, most of them mention the following five work-experience aspects: Leadership, Work design, Learning and Development, Recognition, and Work-life balance.

2.4. Proposed Research Model

Based on the presented literature review, the research model is proposed to determine the drivers of engagement in NFPOs through five independent variables, namely, Leadership, Work design, Learning and development, Recognition, and Work-life balance, and one dependent variable, namely, Employee engagement (see Figure 1).

Out of which, the following hypotheses are raised:

H1. Leadership is positively associated with employee engagement.

H2. Work design is positively associated with employee engagement.

H3. Learning and Development is positively associated with employee engagement.

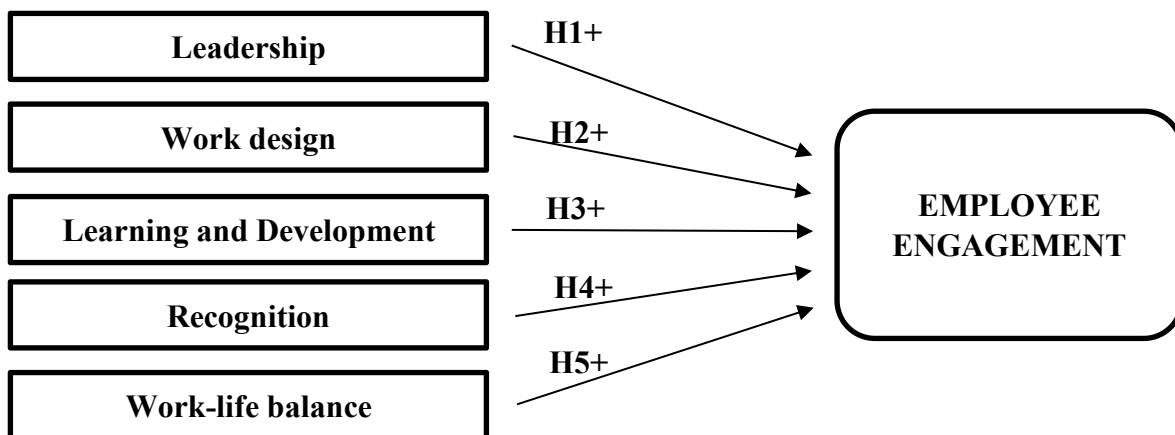


Figure 1: Proposed research model

H4. *Recognition is positively associated with employee engagement.*

H5. *Work-life balance is positively associated with employee engagement.*

The definitions of these drivers and the association between each of them and employee engagement are as follows:

2.4.1. Leadership

Employees typically spend a great portion of their working time communicating with their respective supervisors, sharing thoughts, and viewpoints on various matters. Thus, it is undeniable that the supervisor-subordinate relationships have a solid impact on the overall work experience, particularly on subordinates' fulfillment with their performance assessment and feedback as well as motivation to become better (Elicker, Levy, & Hall, 2006; Huynh, Do, & Truong, 2019). As leaders might be considered the front face of an organization, the way they display themselves and their relationships with direct subordinates is easily correlated with the employees' views on the workplace (Eisenberger, Fasolo, & Davis-LaMastro, 1990).

Leadership means inspiring and empowering others to strive for both personal development and mutual success. Supportive leaders enable greater engagement between an organization and its employees (Greenhaus, Callanan, & Godshalk, 2010), reconcile the conflicting demands occurring during the work process, and manage to resolve the possible contradiction to achieve the best possible performance. MacLeod and Clarke (2011) concur with that statement as they declare leaders are a crucial link in engagement promotion process by imparting purpose clarity, recognize subordinates' attempt and achievements, treating them as individuals, and establishing a productive work environment without unnecessary obstacles so that they could feel physically and emotionally supported in doing their job. In terms of everyday job-related behaviors, Hakanen et al.'s 2006 study (cited in Armstrong & Taylor, 2014) illustrates that leaders in organizations can increase employee engagement by having them involved in decision making and task and schedule autonomy. In greater details, the means of winning engagement are to make challenges available in daily assignments and job experiences, create a particular space for employees to take ownership, provide them with regular performance appraisals, and ask for their voice in decision-related (Potoski and Callery, 2018).

2.4.2. Work Design

The nature of a job clearly has an impact on how employees think, feel, say, and most importantly, do about

their job itself and their organization as it takes most time at work to handle; thus, it is the most significant attachment and commitment that an employee has. In fact, it is confirmed to have a positive influence on employee engagement (Demerouti, Bakker, Nachreiner, & Schaufeli, 2001; Bakker & Demerouti, 2007; Crawford Rich, Buckman & Bergeron, 2013; Armstrong & Taylor, 2014; Bersin, 2015). For instance, Bersin (2015) points out that some focus on job-related factors such as job-person fit, mastery, small team scale, and slack time as the necessary components having an impact on increasing employee engagement. Others contend such components include job resources and job characteristics (Mauno, Kinnunen & Ruokolainen, 2007; Crawford, LePine, & Rich, 2010).

In particular, Kahn (1990) claims that psychological meaningfulness heavily depends on task characteristics. By providing work of challenge, variety, creativity, and clarity, leaders can help their followers feel useful and worthwhile. Besides, other researchers have found job control and regular feedback in a positive correlation with individual performance (Bakker et al., 2007; Hakanen et al., cited in Armstrong & Taylor, 2014). Also, an alignment between employee skills, needs, and values is vital to employees' experience at work. Kahn (1990) asserts that when there is a certainty in a good fit between individuals and their social setting, they have more tendency to obtain meaning from it and then become engaged on a higher level. In contrast, feelings of insecurity and psychological unavailability exist when people are skeptical about if they belong to an organization.

This brings it to another important concept in work design: autonomy. Because employees understand their assets more than anyone, their viewpoint regarding what related to their job should be seriously listened to and considered (Bersin, 2015; Crawford et al., 2010), which is a manifestation of the respect and confirmation of a good fit the organization gives its employees, thus allows members to bring their true selves to perform a job and better engage (Nguyen, Nguyen, Ngo, & Nguyen, 2019).

2.4.3. Learning and Development

Further attribution and development for employees is also a reason people sign up and work for a NFPO. From a different perspective, organizations that provide incentives in the form of learning or career development can look forward to the worthwhile return from improvement in performance and result of their work (Messmer, cited in Potoski and Callery, 2018). Schaufeli and Salanova (2007) confirm that by stimulating the acquisition of employees in development throughout their careers and preparing ways to meet their needs, the organization can effectively keep them engaged. Learning and development is defined as an organizational

process that equips its employees with desired changes in attitude, skills, knowledge, and other characteristics in order to activate individual potential and reach closer to the organizational goals (Armstrong & Taylor, 2014).

From the perspectives of the employees, learning and development connects them tighter with the organization and provides them with a sense of assurance that the organization would seek long term companionship from them. Likewise, organizations with a comprehensive learning and development program demonstrate that they would focus on building their own values and culture for the entity. From the viewpoint of employers, this program is instrumental in building HR that are not only experts in their respective fields, but also have the capability to collaborate and work out smoothly together, both amongst one team and cross-functional. Workers will have the opportunities to recognize the weaknesses in their daily work, remedy the deficiencies in their current practice as well as gain more skills to keep up with the expectation for the outcome of the work. Hence, organizations that offer more educational development incentives are more likely to engage their workforce better.

2.4.4. Recognition

Recognition, which is part of rewards, also called non-financial rewards, is the offer provided by the organization to the employees in response to their performance and contributions. This is expected by the employees and could be a pivotal tool to boost confidence in the workforce. Armstrong and Taylor (2014) states that different from financial rewards consisting of monetary forms, non-financial rewards or recognition refers to the mental needs of human beings to be recognized by performance feedback, congratulations, certificates, career advancements, etc.

The positive correlation between people's engagement and recognition has been proven through a variety of studies (Robinson et al., 2004; Saks, 2006; Alfes, Shantz, Truss, & Soane, 2013; Imperatori, 2017). For example, Robinson et al. (2004) mention recognition, including informal recognition, informal manager feedback, and formal, non-financial programs in their RBS employee engagement model as a salient driver of engagement in an organization. In fact, the dimension of rewards and recognition was recorded as the strongest driver of employee engagement in two consecutive years, 2016 and 2017 (Aon PLC, 2017). The role of recognition is especially important in the context of NFPOs, where there is a part of members working without compensations and other financial rewards.

From the organization's perspective, they are the views of the organization on what values should be promoted. In other words, non-financial rewards can carry an enduring impression to employees and act as a source of support for the perception that they are valued. Employees will have their

engagement further built up should they receive appropriate recognition from the related stakeholders (supervisors, coworkers, team members, and customers).

2.4.5. Work-life Balance

Despite all the dedication that employees might give to the organization, they are still bounded by other responsibilities and commitments in their life. Thus, highly demanding jobs that take away all opportunities to fulfill the personal needs of the workers would be less likely to hold them for long. To heighten employee engagement, an organization needs to support their employees' healthy and balanced life, thus setting a solid foundation for sustainable energy and initiatives. (Macey et al., 2009; Akob, Arianty, & Putra, 2020)

Work-life balance is characterized by Armstrong and Taylor (2014) as a fulfillment of the expectation of inclusion between the time and effort spent on one's job and their other roles in life. It is also defined as an organizational policy that includes flexibility in work alternatives, assistance to dependent care, and individual leaves (Armstrong & Taylor, 2014). For the most part, work-life balance contains flextime which permits a personal control in when to begin and finish a working day; compressed workweek which reduces a standard five-day or six-day workweek to a fewer number of days, job sharing which allows a sharing of a full-time job between two part-time workers; mobile working; eldercare-related or childcare-related services such as onsite childcare or financial assistance.

According to Armstrong and Taylor (2014), it is crucial for employees to live their personal lives and fulfill their time for different aspects of life in order to ensure a successful performance at their workplace. Employees with a better balance in work and life are believed to be less stressed and have a lower absence rate. Notwithstanding, Hallberg and Schaufeli (2006) come up with an opposite insight. Despite the fact that they also find an association between an immoderate amount of work and mental fatigue, they emphasize the positive correlation between increased workload and a more significant level of work engagement. Accordingly, the key here is to set a healthy boundary and keep the workload stretching enough for employees to be engaged in a way that results in growth, but not to be pushed into burn out.

3. Research Methods

The research focuses on two groups: (1) team members and (2) team leaders of NFPOs in Vietnam, specializing in all departments as they are the targets of the HR strategy regarding employee engagement. The emphasis on these two groups is intended to ensure the representativeness of

research results. All higher managerial positions including top-level managers and middle managers are excluded from the research since they highly involve in the engagement program delivery.

3.1. Quantitative Research

The authors have conducted quantitative research to look for the answers for the relationship between five independent variables and employee engagement in the proposed research model in the context of NFPOs. Each independent variable is measured by five observed variables and the dependent one is measured by three, which makes a total of 28 observed variables. Based on this, a questionnaire has been designed and sent in the form of soft copies to internal forums of NFPOs in Vietnam by their insiders under the principle of anonymity to ensure the objectivity and integrity of the study. After recovering, the collected version is input into the analysis process in the Statistical Package for Social Sciences (SPSS). We have, respectively, performed an analysis of Cronbach's Alpha reliability test, Exploratory factor (EFA), Regression, and Descriptive statistics. Once the data analysis process is completed, we will summarize the findings of the research. From these conclusions, recommendations will be made to support the effort of HR of NFPOs in employee engagement.

3.1.1. Research Sample

In this study, the simple random sampling method is used, where everyone in the entire target population has an equal chance of being selected. Hair, Black, Babin, Anderson, and Tatham (1998) give a reference to the expected sample size for EFA as following formula: $n = 5 * m$

In which: (i) n : sample size; (ii) m : number of measurement scales. Accordingly, the minimum sample size is five times the total number of observed variables. Thus, the sample size should not below 135 respondents. Based on this calculated result, we have proposed to collect data from 200 participants to ensure the representativeness of the sample.

3.1.2. Sample Descriptive Statistics

In the period of a week, the total number of samples collected was 205, including 0 invalid forms. Thus, this number will be kept as the input of the study. The analysis is summarized in Table 1. When it comes to gender, the results show that the number of females makes up 75% of the survey participants, equivalent to 154 people. This is approximately three times the number of males, equal to 49 people. These figures reflect the reality in which women dominate service areas in general and NFPOs in particular, especially youth-run organizations. Besides, the remaining 1% is from the other gender shows a certain level of diversity in the working environment.

Role is one of the main modifying variables that set apart the situation. However, in this research from the results of the questionnaire, the gender equally contributes at an even ratio, with 49.8% for team leaders and 50.2% for team members, while in fact, because of the hierarchy in organizations' structures, the percentage of team leaders is much lower than the team members, which may show that the employees on a higher position put more interest in engagement. In terms of function, the greatest proportion takes place in Product, and the least one falls into Finance and Governance, which reflects the reality since NFPOs offers various services requiring a large number of members

Table 1: Sample descriptive statistics

| Category | Items | Frequency | Ratio (%) |
|----------|----------------------|-----------|-----------|
| Gender | Female | 154 | 75.1 |
| | Male | 49 | 23.9 |
| | Others | 2 | 1.0 |
| Role | Team leader | 102 | 49.8 |
| | Team member | 103 | 50.2 |
| Function | Product | 151 | 73.7 |
| | Marketing | 15 | 7.3 |
| | Talent Management | 14 | 6.8 |
| | Finance & Governance | 7 | 3.4 |
| | Business Development | 18 | 8.8 |

at the front office to deliver and a smaller one at the back office to support the organizational operation.

3.2. Qualitative Research

The qualitative research is conducted after having the results from the quantitative analysis for new findings related to the research topic that may have been missed during the implementation. In-depth personal interviews have been conducted mostly with associates who are not in managerial positions, as they are directly impacted by the factors contributing to employee engagement on a daily basis. Interview participants are also managers and above who are responsible for the work scope related to the topic

to collect multidimensional viewpoints. The results of the qualitative research are added as components during the process of analysis of data from quantitative research to further explain the results.

4. Research Results

4.1. Scale Reliability and Validity

The results of Cronbach's Alpha show that all six scales proposed in the research model are reliable and all 28 observed variables are retained for the next analysis of exploratory factor (see Figure 2).

Table 2: Cronbach's Alpha test results

| Scale | Cronbach's Alpha | Observed Variables | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|--------------------------|------------------|--------------------|----------------------------------|----------------------------------|
| Leadership | 0.810 | LEAD1 | 0.642 | 0.759 |
| | | LEAD2 | 0.526 | 0.795 |
| | | LEAD3 | 0.607 | 0.771 |
| | | LEAD4 | 0.662 | 0.753 |
| | | LEAD5 | 0.563 | 0.784 |
| Work design | 0.849 | WORK1 | 0.673 | 0.816 |
| | | WORK2 | 0.690 | 0.811 |
| | | WORK3 | 0.702 | 0.807 |
| | | WORK4 | 0.593 | 0.838 |
| | | WORK5 | 0.651 | 0.821 |
| Learning and Development | 0.840 | LND1 | 0.654 | 0.807 |
| | | LND2 | 0.680 | 0.797 |
| | | LND3 | 0.684 | 0.797 |
| | | LND4 | 0.694 | 0.792 |
| | | LND5 | 0.520 | 0.838 |
| Recognition | 0.871 | REC1 | 0.719 | 0.839 |
| | | REC2 | 0.614 | 0.863 |
| | | REC3 | 0.747 | 0.831 |
| | | REC4 | 0.726 | 0.837 |
| | | REC5 | 0.689 | 0.847 |
| Work-life balance | 0.816 | BAL1 | 0.610 | 0.779 |
| | | BAL2 | 0.586 | 0.787 |
| | | BAL3 | 0.555 | 0.794 |
| | | BAL4 | 0.626 | 0.774 |
| | | BAL5 | 0.658 | 0.763 |
| Employee engagement | 0.856 | EE1 | 0.787 | 0.753 |
| | | EE2 | 0.672 | 0.876 |
| | | EE3 | 0.758 | 0.777 |

4.2. Exploratory Factor Analysis (EFA)

The first round of EFA shows that in the Rotated Component Matrix, except for 23 items or observed variables meeting the criteria of factor loading value, the item of LND5, of which the factor loading is less than 0.5, and the item of WORK5, which is loaded onto two different components, must be put into consideration. The author decides to remove the former before the second round of EFA. The second round of EFA shows that the value of Kaiser-Meyer-Olkin (KMO) is 0.899 ($0.5 \leq \text{KMO} \leq 1$) and the p-value in Bartlett's test is equal to 0.000 (< 0.05), which indicates that the data and sample size are appropriate to conduct EFA and the correlations between items are significantly large for the Principal Component Analysis. After factor extraction with Eigenvalues = 1.284 (> 1), the second round of EFA shows six major variables are retained. The cumulative percentage

of variance extracted is 65.318% ($> 50\%$), indicating that 06 variables explain 65.318% of the variance in the data. Generally, the data is proved to be suitable to conduct the EFA.

Table 3 presents that there are no variables with a factor loading value smaller than the standard (0.5), measure more than one factor, or uniquely isolated onto a component. There is no new factor having been observed, either. The results of EFA have identified six major representative variables reduced from 25 original scale items, including: (1) Leadership (LEAD1, LEAD2, LEAD3, LEAD4, LEAD5), (2) Work design (WORK1, WORK2, WORK3, WORK4, WORK5), (3) Learning and Development (LND1, LND2, LND3, LND4), (4) Recognition (REC1, REC2, REC3, REC4, REC5), and (5) Work-life balance (BAL1, BAL2, BAL3, BAL4, BAL5).

Table 3: Exploratory factor analysis results

| Scale | Observed Variable | Component | | | | |
|--------------------------|-------------------|-----------|-------|-------|-------|-------|
| | | 1 | 2 | 3 | 4 | 5 |
| Recognition | REC3 | 0.794 | | | | |
| | REC2 | 0.741 | | | | |
| | REC1 | 0.707 | | | | |
| | REC4 | 0.698 | | | | |
| | REC5 | 0.615 | | | | |
| Work-life balance | BAL2 | | 0.795 | | | |
| | BAL5 | | 0.689 | | | |
| | BAL3 | | 0.670 | | | |
| | BAL1 | | 0.614 | | | |
| | BAL4 | | 0.558 | | | |
| Work design | WORK3 | | | 0.836 | | |
| | WORK2 | | | 0.771 | | |
| | WORK1 | | | 0.737 | | |
| | WORK4 | | | 0.643 | | |
| | WORK5 | | | 0.559 | | |
| Leadership | LEAD4 | | | | 0.749 | |
| | LEAD1 | | | | 0.731 | |
| | LEAD3 | | | | 0.680 | |
| | LEAD2 | | | | 0.652 | |
| | LEAD5 | | | | 0.553 | |
| Learning and Development | LND2 | | | | | 0.802 |
| | LND1 | | | | | 0.686 |
| | LND3 | | | | | 0.651 |
| | LND4 | | | | | 0.634 |

Table 4: Multiple linear regression analysis

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|------------|-----------------------------|------------|---------------------------|-------|-------|-------------------------|-------|
| | B | Std. Error | Beta | | | Tolerance | VIF |
| (Constant) | 1.726 | 0.234 | | 7.361 | 0.000 | | |
| LEAD | 0.010 | 0.061 | 0.011 | 0.165 | 0.869 | 0.592 | 1.688 |
| WORK | 0.353 | 0.060 | 0.391 | 5.853 | 0.000 | 0.600 | 1.667 |
| LND | 0.070 | 0.055 | 0.091 | 1.279 | 0.202 | 0.524 | 1.907 |
| REC | 0.021 | 0.066 | 0.024 | 0.317 | 0.751 | 0.475 | 2.106 |
| BAL | 0.243 | 0.057 | 0.299 | 4.254 | 0.000 | 0.542 | 1.844 |

Table 5: Coefficients^b

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|-------|------------|-----------------------------|------------|---------------------------|-------|-------|-------------------------|-------|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | 1.828 | 0.208 | | 8.770 | 0.000 | | |
| | WORK | 0.388 | 0.055 | 0.430 | 7.111 | 0.000 | 0.728 | 1.373 |
| | BAL | 0.282 | 0.049 | 0.347 | 5.728 | 0.000 | 0.728 | 1.373 |

4.3. Hypothesis Testing

In this study, a multiple linear regression is performed to test five hypotheses or how well five independents can explain the dependent variable. In Table 4, the p-value of LEAD, LND, and REC is greater than 0.05. Therefore, there is no statistically significant relationship between Leadership, Learning and Development, Recognition, and Employee engagement. The hypothesis H1, H3, and H4 are rejected. On the other hand, the p-value of WORK and BAL is less than 0.05, suggesting there is a positive and statistically significant relationship between Work design, Work-life balance and Employee engagement. The hypothesis H2 and H5 are supported.

After having the regression run with data of two supported variables, the results indicate that 45.6% of the variance in the dependent variable (Employee engagement) can be explained by two independent variables supported since the value of Adjusted R Square is equal to 0.456. Remaining 54.4% of the variance is explained by other factors, which are not included in this study.

According to Table 5, the regression equation can be written as follows:

$$EE = 1,828 + 0,388 * WORK + 0.282 * BAL$$

The standardized β coefficient tells that the variable of WORK ($\beta = 0.430$) has a stronger impact on Employee engagement than that of BAL ($\beta = 0.347$).

4.4. Findings

After analysis, there are some results presented as follows: First, even though when it comes to employee engagement, many drivers have been mentioned by scholars, the study has found only two factors driving employee engagement in the context of NFPOs, which are Work design and Work-life balance. Of which, Work design is measured by the level of job fit, job autonomy, job challenge, and job meaningfulness. On the other hand, Work-life balance involves measurement aspects consisting of how reasonable the workload is and organizational support. These two factors explain 45,6% of the variance in employee engagement.

Second, Work design is the driver that needs to draw attention to when it has a powerful impact on NFPO employees since its β coefficient is 0,388. Work design is positively associated with employee engagement because personal growth, which has shown up consistently as the answer to the question about the biggest reason keeping employees staying and contributing, could be achieved mostly through learning by doing. This refers to the process from which employees gain knowledge, develop skills, change attitude, and other characteristics due to daily practice with hands-on experience in their job. The importance of the job here leads to the significance of its design. From work experience, employees seek personal development in leadership, functional expertise, and soft skills.

Third, not as significant as Work design, but Work-life balance also proves itself to be a factor that is likely to have a profound effect on the success of NFPO engagement with the β coefficient of 0,282. It is necessary to distinguish that the biggest reason keeping employee engaged is not career growth but personal growth, which means not only fulfillment in the working experience, but employees also need from the organization the positive changes in all other aspects of life such as friendships, family, and health. Having said that, if the engagement with NFPOs causes any conflicts with the other roles in life, it is not a good sign showing that its members are changing positively and should continue. In fact, all participants of in-depth interviews have said that, hypothetically, if they were about to leave the organization, it would be because they have changed their priorities, which makes them no longer in line with the path of the organization. Furthermore, different from business firms, Leadership, Learning and Development, and Recognition are not counted as drivers of NFPO engagement. This is because members are empowered by the organization's culture to take ownership of their journey and less dependent on external factors, especially ones, which are in their control to some extent. And yet, employees consider them indispensable elements to their working experience as they still influence and support for an ideal condition of Work design and Work-life balance.

In particular, regarding Leadership, it plays a role as an experience facilitating factor and thus does not significantly contribute to employee engagement improvement. Line managers have the most remarkable impact on those who have been in the organization for less than 6 months since this is the period when they are newbies getting to know the new environment and really in need of a lead. But during this phase, they stay closer with other internal stakeholders such as their buddies (seniors assigned to help newbies engage with the organization personally) and their newbie teams (team of newbies assigned to work together during the probation time). They are the very first touchpoints that provide emotional attachment to newbies when they are new, vulnerable, and need emotional support the most. These touchpoints somehow decrease the role of line managers who seem to have more influence in the job-related experience while blending in a new culture is the priority during this phase in the employee cycle. After becoming seniors in the organization, employees start to understand the working process and less is required of the role of their direct leaders. Besides, employees in NFPOs are encouraged to take ownership of their job, thereby working on their own or seeking help from their peers are much more common than being dependent on their leaders.

Concerning Learning and Development, while being considered important in the member experience, it shows a

minor impact on NFPO employees due to two main reasons: its insignificant contribution to personal growth and the disadvantages in most common forms of it. As presented, personal growth is the biggest motivation for employees to commit, but interviewees have said that Learning and Development only accounts for a very small part of contribution to their personal goals. This is explained that the time employees spend on these activities is inconsequential. Additionally, their real impact is also contentiously embodied in different forms. For example, content delivered in pieces of training – one form in the Learning and Development program – is questionable, since it is more about internal guidelines without theoretical background or real business case base. This is not to mention the duration for each training is usually too long, causing an overwhelming feeling and arduousness in absorption; its expected outcome is not tracked properly. In addition, learning materials are mostly unsystematic and unorganized, causing difficulty not only in access but also in the credibility of them.

When it comes to Recognition, it is explained not to be a positive factor of employee engagement because of two reasons: their perception towards the concept, and controversial standards of a good performance. Recognition is perceived as cliché, comparing to what employees believe should be the true motivation or the lag goal to work for: social impact. This sense of value is developed from the visions and missions of the organizations and has been passed down through generations since they were established. Also, the criteria system as a tool for employee performance assessment is immature, which makes the existence of recognition less seriously taken. More than key performance indexes, employees' performance is also assessed by other intangible criteria such as attitude towards the job depending on each leader. Yet, they are sometimes not communicated, making it hard to put all employees under the same assessment and for them to feel the fairness thereof.

Finally, employee engagement can be obtained by facilitating personal growth. Personal growth has been recorded as the biggest reason for keeping employees staying and contributing to the success of the organization because the environment at the organization creates practical opportunities and a stepping-stone for members of NFPOs to prepare themselves with a needed set of skills for their career path after university.

5. Recommendations and Conclusion

5.1. Recommendations

5.1.1. To Employers

Employee engagement, undoubtedly, is one of the top priorities for organizations today, especially for service

organizations where the labor accounts for a large ratio of what customers pay for. Because work design is proven to be a significant driver of employee engagement in NFPO setting, it should receive an appropriate concern from the organization about the following aspects: skills variety (work gives employees a space to utilize different skills), task identity (here in the entire job is viewed from a holistic view and not viewed for its components), task significance (the meaningfulness behind one's work that makes positive impacts on others), autonomy (a sense of control over one's work and its outcome), and feedback (clear, constructive information to keep, stop, or start doing things to improve personal performance) (Robertson & Smith, 1985). These aspects of work design are expected to limit individuals from boredom and dissatisfaction while promoting innovation, creativity, and fulfillment. Besides, communication during the working process is also likely to have a profound effect on NFPO members since it helps collect valuable insight and generate a sense of involvement for employees to bring their best selves to the job and thereby achieve a better job fit.

Work-life balance is also a factor of great value. NFPOs need to ensure an indispensable number of members so that they can take turns taking time off when inevitable events happen. By allowing employees to have necessary breaks, the organizations can reinforce employee satisfaction and perceived values through greater trust, team collaboration, and performance efficiency. This is also part of flexible work policies to foster an adaptable work environment. They contain, but not limited to: flextime (which permits a personal control in when to begin and finish a working day); compressed workweek (which reduces a standard five-day or six-day workweek to a fewer number of days); job sharing (which allows a sharing of a full-time job between two part-time workers); mobile working; and eldercare-related or childcare-related services such as onsite childcare or financial assistance.

Despite being rejected, other factors of employee experience, namely, Leadership, Learning and Development, and Recognition, are still crucial as back-supporting factors to Work design and Work-life balance. Especially, appropriate attention should be put on Leadership. There were various means of engaging employees: flexible work options, full utilization of advantages, and offering a trustful and valuable employer brand. These were all identified by employees as essential aspects, but it is immediate managers who could represent the moment of truth for such enablers. A program of leadership development in line with the vision and goals of the organization would help reach that expected outcome.

There are various methods to reinforce employee engagement, depending on the objectives of the organization. However, the common end to all engagement approaches in NFPOs is to improve workplace climate by tapping into what

motivates each employee and create a unique employee-centric work culture.

5.1.2. To Employees

It is necessary to state that employees are not “working for” their organizations, but they are in a win-win relationship with them. Therefore, employees should be well aware of their own rights and benefits, and employee engagement is included. This idea facilitates employees' personal development. And, along with higher productivity generated from higher engagement, employees could feel more valuable and worthwhile for their current job, hence adopt better self-esteem. Besides, Maslach, Schaufeli, and Leiter (2001) claim that a difference between engaged and disengaged employees is the former group feel happier. Hence, employees need to develop an awareness that they should look for and can ask for an employee-centric working culture.

When it comes to Work design, it is ideal to have personal perspectives and be proactive in raising voice about how members think their job should be assigned so that they can simultaneously strive for the work and their personal goals, bring their best selves to it, as well as gain personal development. Similarly, individuals at their workplace should take ownership of their work-life balance instead of depending on their employers. The first step is to provide themselves with related topics such as mental health or stress management. Next, it is helpful to set and keep healthy, reasonable limitations to let coworkers know where an employee's needs and limits are. And when inevitably stressful situations come up and become out of control, employees need to know that they can and should ask for their leader or their team for help.

After all, the recommendations above may not fit all. Yet, it is essential for everyone to keep an open-minded progressive attitude and a spirit of dedication, simultaneously avoid thoughts of personal gains. They need to keep realistic expectations concerning what their organizations should and can provide for them and balance between individuals' benefits and group or the organization's benefits. No working environment is entirely perfect, which is a fact that should be reminded about.

5.2. Conclusions

Through this research, we help future researchers address the concept of engagement in the context of NFPOs. We provided information including definitions of employee engagement, its importance, theoretical models, research, and analysis methods. Five factors have been tested to determine their correlation to Employee engagement. As a

result of the study, the most influential factor on Employee engagement is Work design, followed by Work-life balance. The research found no statistical significance in the effect of Leadership, Learning and Development, Recognition to Employee engagement. The results are the basis for us to propose appropriate recommendations for both employers and employees. Such pieces of information might be useful for future research in guiding their choices of study.

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