The Moderating Role of Trust in Supervisor in the Relationship Between Employee Engagement and Organizational Performance of Federal Public Service Organizations in Ethiopia

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Abstract
The effect of Employee Engagement on Organizational Performance and the nature of Engagement-Performance linkage is a new area of research in public service organizations of Ethiopia. Drawing on SET, the present study investigated the impact of Engagement on Performance of Public Service Organizations. The study also examined the moderating effect of Trust in Supervisor on the connection between Engagement-Performance. The study employed descriptive research design using cross-sectional data of 340 employees from nine federal public service organizations. The theorized three-factor model was validated through SEM. The legitimacy and reliability of the measurement and structural model was ensured using CFA. The finding of the study revealed that engagement has a direct and significant effect on organizational performance. It was also found that Trust in Supervisor has a significant effect on organizational performance. However, contrary to our expectation, the SEM analysis result demonstrated that Trust in Supervisor has no moderation effect on the relationship between Engagement and Performance, indicating that Trust in Supervisor has its own independent effect on performance of public service organizations. The result of the study adds to the current writing by incorporating the factors that help to improve performance. The study suggested that much investment should be made on the HR to build an engaged workforce to enhance performance.

Keywords: Organizational Performance, Employee Engagement, Trust in Supervisor, Public Service, Federal employees.

1. Introduction
In today's worldwide settings, the issue of public service performance is becoming highly critical. To tackle such challenges, the premise of upper hand has moved from physical assets into human asset (Dermol and Rakowska, 2014). Organizations are nothing but people who make a demarcation between effective and ineffective companies (Rao, 2010). In this dynamic and complex global environment, knowledge workers are much needed than ever to enhance performance. Mello (2005) posited Human Resource as one of the most critical factors among others that contributes a lot to the performance of successful organization. Yahiaoui, Anser and Lahouel (2015) also argued that efficiency of administration in the public service highly depends on human resource. Similarly, it was argued that having equipped and talented human resource is of utmost importance to the survival and success of any organization, indicating that HR is the most critical asset in the development process of a nation (Khan, 2015). In support of the above explanation, Gallup’s (2013) extensive research revealed that skilled and talented human resource is nothing unless they are fully engaged in their job. To improve performance, organizational concepts such as employee engagement and Trust are critical factors (Mayer and Gavin, 2005; Sundaray, 2011; Gallup, 2013; Alfes et al, 2013; Ogybannaya and Vazilade, 2016). By this logic, we postulate that building an engaged workforce can enhance performances of organizations and also it was assumed that employees with higher degree of trust with their immediate supervisor strengthen the link between employee engagement and organizational performance.

The public service is government organ which plans and executes policies and strategies to take care of the demand of its nationals (Obiageli et al, 2016). As indicated by the author, enhanced execution of the public service is requested most extreme as of late because of globalization and the expanding weight of nationals for better administration. The issue of public service performance according to Wright and Gardner (2003) is important because the public sector accounts for almost two-third of employment, more challenging and incurs 50% of labor cost than manufacturing sector. Notwithstanding the significance of the public sector, little effort has been made by analysts to empirically verify the influence of individual-level factors on the performance of public sector organizations (Kim, 2005; Sahin, 2010). Following the model of Kim, the present study considered employee engagement as key factor to predict performance.

Employee engagement is emerging as a critical organizational issue (Andrew and Sofian, 2012), indicating that it has turned into a famous research territory as of late for Scholars (Rich et al, 2010; HRMA, 2013; Bakker et al, 2015). It was recognized that employee engagement is considered as the key individual factor that leads to
organizational performance (Sundaray, 2011; Ogbonnaya & Valizade, 2016). Fully engaged employees are motivated and dedicated leading to higher organization performance (Sundaray, 2011; Whitman et al, 2010; HRMA, 2013; Markos and Sridevi, 2010; Gallup, 2013; Ogbonnaya & Valizade, 2016). There are growing claims in management writing that engagement is needed for high-level organizational performance and productivity (Andrew and Sofian, 2012). Likewise, scholars asserted that employee engagement is a better construct than satisfaction, commitment and motivation (Markos and Sridevi, 2010; Witemeyer, 2013; HRMA, 2013). Moreover, prominent scholars (Trust et al, 2013; Alfes et al, 2014) demanded future researchers to investigate on employee engagement and organizational performance (Chirsitian et al, 2011; Arrowsmith and Park, 2013; Trust et al, 2013).

Previous studies revealed that there is a link between employee engagement and Organizational Performance (James, 2012; Rashed et al., 2013; Brenda, Esther and Agnes, 2015; Singh and Karki, 2015). Nevertheless, prior studies demonstrated a weak correlation/insignificant relationship between employee engagement and organizational performance (Kazimoto, 2016), indicating mixed results. Thus, it is critical to introduce a moderator to strengthen the engagement-performance linkage (Marecy and Schenider, 2008; Alfes et al, 2013). In the Literature, it was examined that engagement is a sensitive construct which is highly affected by the working environment such as support, and trust (Wang and Hsieh, 2013; Kataria et al, 2013). As to Marecy and Schenider (2008), trust is a precondition for employee engagement. Likewise, Gallup (2013) revealed that employees’ engagement as an immediate result of their managers. Thus, immediate supervisor is considered as the most influential factors which affect employee engagement (HRM, 2013; Gallup, 2013; Shan, 2014). If employees have trust in their supervisor and feel secured and recognized, their engagement will be improved and contribute much for organizational performance. Along these lines, employee’s perception of immediate supervisor is critical in strengthening the relationship between employee engagement and organizational performance.

Despite the recent focus of scholars on employee engagement, there are few studies that were conducted on the relationship between engagement and organizational performance (James, 2012; Rashed et al., 2013; Peter et al., 2014; Brenda, Esther and Agnes, 2015; Singh and Karki, 2015). In addition, the terms and practices of employee engagement are still under researched (Christian et al, 2011; Trust et al, 2013) in the African countries (Taj and Senneh, 2015). Moreover, there was limitation on methodology used, suggesting that using recent statistical techniques such as SEM in developing countries (Owor, 2016). Currently the Ethiopian government is undertaking various transformations of its public service due to huge pressure from its citizens for better performance (MoCS, 2015). It is known that the public sector is the largest labor intensive industry in Ethiopia, employing more than 1.5 million employees at regional and federal level (MoPS&HRD, 2016). Thus, more investment is required for public employees to become committed, satisfied and motivated (Kim, 2005) to enhance performance. Furthermore, to the best of my knowledge, there is no study on employee engagement-performance issue using moderation model in Ethiopian context. Thus; there is a need to study the effect of employee engagement on organizational performance in Ethiopia’s public service using employees’ perception via moderating effect of Trust in Supervisor. This article adds to the writing from numerous points of view. First, it focused on the relationship between Employee Engagement and Organizational Performance. Second, this article tested the moderation role of Trust in Supervisor in the relationship between Engagement and Performance. Third, this article provides first empirical evidence from developing countries public service organizations and finally, we measured the study constructs from perception of government employees in examining the Engagement-Performance equation. The purpose of this article was to examine the effect of Employee Engagement on Performance. This article likewise examined the moderation effect of Trust in Supervisor on the relationship between Engagement and Performance Linkage. The article is organized in four sections. The theoretical explanations and empirical evidences were described. Next, conceptual model and hypothesis was formulated and tested. And then, methodological perspectives are discussed. Moreover, findings and discussions were made. Finally, we displayed study implications, limitations and suggestions for future research.

2. Literature Review, Conceptual Model and Hypothesis Development
2.1 Definition of Key Constructs
2.1.1 Employee Engagement

Engagement is crucial construct in today’s ever changing and dynamic business environment (Sanneh and Taj, 2015; Srivastava and Bansal, 2016). Recently, it has turned into a well known research ponder region as of late (Markos and Sridavis, 2010; Rich et al, 2010; HRMA, 2013; Ahmed et al, 2016). There are distinctive meanings of engagement given by various researchers. The idea was initially acquainted with HRM writing by Kahn in 1990. He defined engagement as ‘harnessing of organization members’ selves to their work roles’. The author found that, ‘in engagement, people individuals utilize and communicate themselves physically, cognitively, and emotionally during role performances’. Harter et al (2002) additionally characterized engagement as “the
individual’s involvement and satisfaction as well as enthusiasm for work”. Robinson et al., (2004) defined engagement as ‘positive employee attitude to improve performance’. Likewise, Schaufeli and colleagues (2006) defined engagement as is ‘a positive, fulfilling, work-related state of mind. Whereas, Shuck & Wollard, (2010) defined employee engagement as “an individual employee’s cognitive, emotional, and behavioral state directed toward desired organizational outcomes”. Furthermore, Andrew and Sofian (2012) defined engagement as employees’ commitment and involvement in his/her organization. The literature review showed that the construct of employee engagement is has no consistently-accepted conceptualization (Marcey and Schenieder, 2008; Markos and Sridevi, 2010; Witemeyer, 2013)

In the academic literature, employee engagement is claimed to be a new construct (Witemeyer, 2013), suggesting for further investigation (Christian et al., 2011; Trust et al, 2013). It was claimed that employee engagement, commitment, job satisfaction, OCB, and job involvement are proximal factors (Christian et al, 2011) and considered employee engagement as broader construct than the other attitudinal variables. In this respect, Marcey and Schneider (2008) suggested that job satisfaction, organizational commitment and job involvement are part of employee engagement, but not sufficient for employee engagement. In this study, employee engagement is considered as attitudinal variable consistent with previous theoretical and empirical arguments (Robinson et al, 2004; Ericson, 2005; Trust et al, 2013; Witemeyer, 2013; Ruzic, 2015; Patterson et al, 2010; Owar, 2016).

With respect to measurement tools, diverse analysts utilized different measurement scales, proposing no consistently-accepted tool to measure employee engagement. In the engagement literature, there are different measurement scales in the measurement of engagement such as Gallup 12-items Worker Engagement Index; the Utrecht Work Engagement Scale (UWES); Job Engagement scale developed by Rich et al (2010), among others. The Utrecht employee engagement scale was widely used in several studies (Christian et al, 2011; Rich et al, 2011) and most accepted instrument with strong legacy in the literature (Witemeyer, 2013) because of its enormous validity in many of countries around the globe (Bakker et al., 2008). By this rationale, the present investigation utilized the Utrecht Work Engagement Scale (Schaufeli et al, 2006) as estimation instrument. Bakker & Schaufeli (2008) argued that organizations need more engaged employees who feel vigorous, devoted and fascinated by their work. It was claimed that modern organizations need engaged employees with energy, self confidence and passion to their work (Bakker & Schaufeli, 2008), indicating that engaged employees are the lifeblood of their organizations (Gallup, 2013) and hence, it is important to build engaged workforce in developing countries to enhance performances of public service organization.

2.1.2 Organizational Performance
Organizational Performance is a definitive reason for most organizations in this perplexing and dynamic business environment. Different scholars defined and measured organizational performance differently as there is no theory of performance (Guest, 1997). On top of this, it is hard to define and measure organizational performance in public service (Brewer & Selden, 2000 and Kim, 2005; Vermeeren, 2014). In public service, since it is difficult to access objective data, perceptual measures of organizational performance are acceptable as number of studies supported that objective measures correlate significantly with perceived measures (eg. Huselid, 1995; Singh 2004; Alfes et al, 2013; Ko and Smith, 2013; Ahmed et al, 2016). Likewise, Tzabbar et al (2017) confirmed that HR practices have strong and positive effect on performance using subjective performance measures than objective ones. There are several scholars (Brewer and Selden, 2000; Kim, 2005; Shain, 2010; Ko and Smith, 2013; Vermeeren, 2014; Riaz, 2015) who measured organizational performance based on the perceptions of the organization’s members. In this respect, the current study, consistent with previous works, measured organizational performance in federal Public Service organization using employees’ perception.

Most of the previous studies measured organizational performance with respect to business organizations and economic point of view (Hueslided, 1995; Singh, 2004; Riaz, 2015). However, public service organizations have their own mission and purpose which is different from manufacturing, financial sector and private organizations. Governmental organizations seek out ways to enhance their productivity, levels of service, and overall effectiveness (Messersmith et al, 2011). In support of Messersmith and his colleagues, other scholars (Brewer & Selden, 2000; Kim, 2005; Sahin, 2011) argued that researchers should focus on both economic and social performance in measuring public organization performance. Economic performance includes efficiency, effectiveness, quality of service, (Boselie et al., 2005) and that of social performance includes legitimate and fairness (Roger and Wright, 1998; Paauwe (2009). In line with this, government of Ethiopia wants its public service organizations to provide basic public service to its citizens with efficiency, fairness and effectiveness (MoCS, 2015). Nevertheless, there are few studies that measure organizational performance in government organizations (Brewer & Selden, 2000; Kim, 2005; Sahin, 2011; Ko and Smith, 2013; Vereemen, 2014; Riaz, 2015). To fill this gap, the current study measured organizational performance in federal Public Service organization using the data collected from organizational members.

2.1.3 Trust in Supervisor
Trust is hard to define. Mayer et al. (1995) characterized trust as the “willingness of a party to be vulnerable to
the actions of another party based on favorable expectation from other party”. Mayer and colleagues argued that one party trust the other party irrespective of monitoring and controlling their intention and feelings. Colquitt et al (2012) defined trust as ‘uncertainty reducer’. They contended that trust can improve employee’s confidence for better engagement and outcomes. As Ellis & Pamela Shockley-Zalabak (2001) defined trust as “positive expectations about the behavior of others based on roles, relationships, experiences, and interdependencies”. There are different types of trust like organizational trust, supervisor trust, trust in management, trust in colleagues and so on (Das & Teng, 2001). For the present examination, we focus on trust in immediate supervisor. This is because trust is believed to be an important construct between employees and employers for better results in their organizations, suggesting that immediate leadership plays critical role in this regard than the other types of trust. Different scholars define trust in supervisor in various ways and it is hard to get uniform explanation for the construct. According to Dirks & Ferrin (2002), trust in supervisor refers to the level of trust that subordinates hold toward their supervisors. Podsakoff et al (2000) defined the term trust in supervisor to refer to employee's faith in supervisor. The implication is that if employees have high trust in their immediate supervisor then they expect positive attitude, respect, treatment and smooth employee-employer relationship. Alper Ertürk (2007) additionally characterized trust in supervisor as a sentiment of certainty and support in an employee that his/her supervisor will be straightforward and will follow through on commitments. Trust in supervisor is portrayed as subordinate's ability to be defenseless against their supervisor in view of desires that the aims, words, or activities of their immediate supervisor can be depended upon (Poon, 2006).

The study of Dirks & Ferrin (2002) identified two types of trust (trust in direct leaders and trust in executives). They investigated that both types of trust significantly related to attitudinal, behavioral and performance outcomes and empirically they found that trust in supervisor have solid connection with job satisfaction, organizational commitment, and Organizational Citizenship Behavior than trust in senior management. Furthermore, Dirks & Ferrin (2002) found that trust in Leadership (trust in supervisor and trust in management) is different from LMX (Leadership member Exchange). As per the hierarchy of companies in the public service, previous researchers argued that employees interact more with supervisors than the middle or top manager. For example, Shah (2014) claimed that trust in supervisor has more impact in shaping attitude and behavior of employees than trust in management. Likewise, employees who are unhappy and dissatisfied with their immediate supervisors are ultimately disengaged (HRMA, 2013; Gallup, 2013). Moreover, Arrowsmith and Parker (2013) noted that immediate supervisor is key in realizing the employee engagement-performance link. Employees who have trust in management were more fulfilled, conferred, connected with and accomplished higher organizational performance (Dirks and Ferrin, 2002). The Gallup (2013) discovered that employees’ engagement level is direct resulting of their immediate managers. The findings revealed that employees’ trust in supervisor play a major role in improving the level of engagement and performance. In UK, Rees et al (2013) claimed that high level of employees’ trust in immediate supervisor likely to respond positively and raise employee level. This all evidences revealed that trust in supervisor is very critical in engagement and performance link.

2.2 Empirical Literature

My literature review shows that there are few studies existed in the employee engagement literature in examining the effect of individual level factors on organizational performance. For example, Kim (2005) conducted a research on the effect of job satisfaction, Public service motivation, OCB and organizational commitment on performance of federal government organizations and it was found that all the individual factors have direct and significant effect on organizational performance. In Turkey, Sahin (2010) investigated the effect of social capital on organizational performance of police department and it was found that social capital and its elements have strong and positive effect on organizational performance. Specifically, there are few studies that focused on the role of employee engagement on organizational performance. For example, Singh and Karki (2015) studied the effect of employee engagement and organizational commitment on organizational performance in the healthcare setting and it was found that both employee engagement and organizational commitment have relevant effect on performance of healthcare services. Likewise, Peter et al., (2014) investigated the relationship between employee engagement and organizational performance in public sector and found that employee engagement as a determinant factor for organizational performance.

In Kenya, Brenda and colleagues (2015) found that employee engagement as a very critical predictor of organizational performance. By conducting meta-analysis, James (2012) found a positive and significant relationship between employee engagement and organizational outcomes such as productivity, quality, absenteeism, profitability, turnover, patient safety incidents, safety incidents and shrinkage, showing all the positive relationship between employee engagement and organizational performance. In their study, Rashid et al (2013) demonstrated that employee engagement is considered as a critical indicator for the success of the organizations. Hence, literature revealed that there are few studies that considered employee engagement as predictor of organizational performance. In addition, the terms and practices of employee engagement is still
under researched (Christian et al., 2011; Trust et al., 2013). Moreover, there is no research conducted in the relationship between Engagement and performance using moderation model in developing countries like Ethiopia. Taken together, this study further advances the stream by examining the effect of engagement on performance of federal public service organizations in Ethiopian settings using Structural Equation Modeling through moderation model.

2.3 Conceptual Model

Figure 1.1 depicts the theoretical framework for this study. According to the research objectives and literature reviews, we developed the following conceptual framework. The study used Employee Engagement as independent variable, Trust in Supervisor as moderating variable and Organizational Performance as dependent variable. It is proposed in the conceptual framework that, assume other things being equal, an engaged workforce will enhance Organizational Performance and the level of engagement will be continued to be improved if there is higher trust by employees on their immediate supervisors.

![Conceptual Model Diagram]

This article was based on the Kim (2005) model, claiming that individual factors can affect performance of government organizations through perception of government employees. Accordingly, drawing on the social exchange theory, we tested the scheme of this study using data obtained from clerical, sub-professional, administrative and professional employees of nine federal public service organizations in Ethiopia.

2.4 Hypothesis Development

2.4.1 Employee Engagement and Organizational Performance

The ultimate essence of employee being engaged at workplace is to enhance Organizational Performance (Rich et al., 2010; Sundaray, 2011, Singh and Karki, 2015; Ogbonnaya and Valizade, 2016). Previous studies found a positive and significant relationship between perceptions of employee engagement and organizational performance (James, 2012; Rashid et al., 2013; Peter et al., 2014; Brenda, Esther and Agnes, 2015). For instance, Peter et al., (2014) investigated the relationship between employee engagement and organizational performance in public sector and found that employee engagement as a determinant factor for organizational performance. In Kenya, Brenda and colleagues (2015) found that employee engagement as a very critical predictor of organizational performance. By conducting meta-analysis, James (2012) found a positive and significant relationship between employee engagement and organizational outcomes such as productivity, quality, absenteeism, profitability, turnover, patient safety incidents, safety incidents and shrinkage, showing all the positive relationship between employee engagement and organizational performance. In their study, Rashid et al (2013) demonstrated that employee engagement is considered as a critical indicator for the success of the organizations. Similarly, Singh and Karki (2015) analyzed the effect of job engagement and organizational commitment on organizational performance and found a positive connection between job engagement and organizational performance. Moreover, Taj and Sanneh (2015) found that there is positive relationship between employee engagement and organizational performance in public service. Thus, it was hypothesized that:

Hypothesis 1: there is a positive and significant relationship between employee engagement and
organizational performance in public service organizations.

2.4.2 Moderation role of Trust in Supervisor

In the engagement literature, there is scarcity of studies in using moderation variable between employee engagement and organizational performance. Nevertheless, previous literatures (eg. Macey and Schneider, 2008; Alfes et al, 2013; Witemeyer, 2013) argued that some variables can act as a moderator in between employee engagement and organizational outcomes. This is because employee engagement is sensitive construct and influenced by many factors in the workplace. Witemeyer (2013) contended that engagement level likely to fluctuate over time in response to changes in organizational environment. Similarly, Alfes and colleagues (2013) argued that relationship between employee engagement and organizational outcomes is not straightforward. They focused that there is no assurance that engaged employees can be productive in the same way as usual, of course, proposing for trusted working environment. HRMA (2013) noted that fully engaged employees are happy and more productive unlike to employees who develop poor relationship with their supervisors leading to disengagement. Thus, this study considered trust in supervisor as moderation variable in the link between employee engagement and organizational performance. Some scholars (Arrowsmith and Parker, 2013; Wang and Hsieh, 2013; Shah 2014) asserted that immediate supervisor plays key role in realizing the employee engagement-performance link. Wang and Hsieh (2013) demonstrated that employees become more engaged when they perceive supervisor trust. Shah (2014) confirmed that trust in supervisor has more impact in shaping and building attitude and behavior than trust in top management. Employees who are unhappy and dissatisfied with their supervisors are likely to be disengaged (HRMA, 2013; Gallup, 2013).

There are some empirical evidences which show the moderating role of trust in supervisor in the employee engagement and performance outcomes. For example, Alfes et al (2013, 2014) used moderating variables in engagement and outcome equation. Likewise, Alper Ertürk (2012) tested he moderating role of trust in supervisor between psychological empowerment and innovation capability. This implies that trust in supervisor can moderate the relationship between employee outcomes and organizational outcomes. Likewise, Macey and Schneider (2008) proposed trust in top management as a moderator between engagement and its outcomes. Furthermore, previous studies (e.g., Dirks, 1999; Simons & Peterson, 2000) claimed that trust in supervisor play a moderating role in various organizational processes. Thus, based on the above arguments, it was proposed as follows:

Hypothesis 2: The relationship between employee engagement and organizational performance will be stronger for employees who have higher supervisor trust as compared to employees with lower supervisor trust.

3. Research Methods

3.1 Data

The target population of the study was permanent employees of federal public service organizations. The study employed descriptive – cross sectional research design. The study was based on a sample of nine (9) federal public service organizations. In the survey method, a multi-stage random sampling technique was used. First, nine federal public service organization out of 30 offices were selected randomly through simple random sampling methods, representing 30% of the study organizations. In the second stage, simple random sampling is used for selecting 400 employees from different departments and hierarchy level of the sample organizations based on the personnel list.

The responding employees of the federal public service organizations were characterized as follows: the majority is male (60%), married (57%), holds bachelor’s degree (56%), matured, experienced and fall under the category of professional science job grade. In this respect, the respondents constitute a representative sample (MoPS&HRD, 2016). Thus, the study can be generalized because respondents are representative of the population in terms of sex, age, education and service year. In this article, the researcher distributed 400 questionnaires in the official language (Amharic) of the country to permanent employees of the federal public service organizations in Ethiopia. From the distributed questionnaires, 355 were returned but 15 of them were not properly filled. Accordingly, we used 340 properly filled questionnaires for final data analysis and the effective rate of return was 85%. This response rate is considered to be a very good in organizational and behavioral science survey.

3.2 Measurement

Standard questionnaire from previous studies conducted in public sector were used to measure all the study variables. Responses to all questionnaire items were on a five-point Likert scale in which 1 = “Strongly disagree” and 5 = “Strongly agree”. As the official language of Ethiopia is Amharic, the questionnaires were administered in Amharic which was originally in English and translated into the official language of the organization through the help of two academicians and two practitioners. During the process of interpretation from English into Amharic and then back into English to ensure its consistency, we did it with the help of HR professionals to
minimize research bias. Before final data collection, pilot test was conducted on 50 randomly selected employees (45 questionnaires were properly filled and returned) from three sampled and non-sampled organizations and it was found that the instrument is reliable enough to be applicable in Ethiopia. The back-interpreted version was contrasted with the first with guarantee precision and consistency of significance and didn't perceive any legitimacy issue. After some minor change, data was gathered from October to December, 2017

The questionnaire survey has four parts. Part one is about demographic variables whereas the other parts from part two to part four deals with the variables under investigation. The questionnaire survey includes questions related to Employee Engagement (independent variable) measured using 9 items short version of the Utrecht Work Engagement Scale (UWES-9) which was used developed by Schaufeli et al (2006). The scale had a reliability coefficient of 0.92. Trust in Supervisor, as moderating variable in the engagement and performance relationship, was measured using 14 item scale adopted by Ellis and Shockley Zalabak (2001). The scale had a reliability coefficient of 0.95. Organizational Performance is measured using 12 items representing various aspects organizational performance, which are broadly categorized under efficiency, effectiveness, and fairness. The estimation scale was produced by Kim (2005) that was initially created by Brewer and Selden (2000) and altered by Park et al (2001). The scale had a reliability coefficient of 0.875. Finally, Gender, Age, Marital Status, Experience, Education and job grade were used as control variables. The assumption about the controls is that different groups within the organizations may be treated differently.

3.3 Data Collection and Analysis Techniques
Both primary and secondary data source are used in the study. A questionnaire survey and document review was the main tools used. An employee survey was used to collect perception data on the relationships between Employee Engagement and organizational performance from different groups of employees (Boselie, 2010) to enhance the quality of the data and minimize common method bias (Wright et al, 2003). In the survey method, data collection was done through the following steps. First, the researchers personally contacted the sample organizations through the official permission letter of our University. Second, the researcher discussed the research objective with the HR Directorate Office and assigned a focal person. Third, the researcher reached the respondents with the help of the focal person. Finally, to improve response rate, the researcher requested the respondents to properly fill the questionnaire with care and full confidence for better result. In this manner, 85% of the respondents who received the questionnaire properly filled the data, showing sufficiently satisfactory for measurable examination.

The collected data through questionnaire were coded, cleaned, and entered in to computer and presented and described with the help of SPSS version 24. Analysis was done using SEM through the AMOS Software version 23. The rational to use SEM as data analysis statistical technique was that it is the most appropriate statistical method (Hair et al, 2010); and appropriate while testing direct and indirect relationships of the study variables (Dyer & Reeves, 1995). Furthermore, some researchers (Ovar, 2016; Ogunyomi and Bruning, 2016) suggested to employee SEM in Employee Engagement-Performance relationship in developing countries. Taken together, the present investigation was utilized SEM as data analysis method.

4. Analysis and Results
The hypothesized relationship was tested using SEM, a second generation multivariate analysis that examines the inter-relationship among latent constructs with efficiency, effectiveness, and accuracy (Zainudin Awang, 2012) through Maximum Likelihood Estimation Method (Anderson & Gerbing, 1988). It is broadly perceived that data entering, screening, coding and cleaning are basic issues in SEM Analysis (Bryne, 2001, 2010; Kline, 2005; Hair et al, 2010), claiming that such analysis helps to reduce insignificant results and bias. Along these lines, before to assess the measurement and structural model, Hair et al (2010) recommended researchers to check for violation of assumptions of multivariate analysis such as missing data, outlier, normality of the data distribution and multicollinearity issues. Appropriately, the current work examined the missing data, outlier, normality and multicollinearity issues and didn't perceive any infringement.

4.1 Assessment of the Measurement Model
The reliability and legitimacy of the measurement model was approved utilizing CFA in two stages: initial step is assessing the CFA for every individual constructs and overall CFA by joining every construct together. It was known that measurement model should be validated using CFA prior running to structural model evaluation (Ziandin Awang, 2012. In CFA, a great model fit offers help for the hypothesis and proof of legitimacy of the instrument (Ellis and Shockley Zalabak, 2001). To validate the model fitness for the hypothesized model, the current study used both absolute and relative indices. In my literature review, most of the reputable journals includes Chi Square ratio ($\chi^2$/df), Standardized Root Mean Square Residual, Goodness fit index, Normed fit index, comparative fit index, Tucker-Lewis index, Root Mean Square Error of Approximation, indicating that both absolute and relative indices were critical. In this respect, Byrne (2001) and Kline (2005) claimed that a
measurement model properly fits with the data if $\chi^2$/df $\leq$ 2; RMR $\leq$ 0.05; NFI, CFI, TLI and GFI $\geq$ 0.90 and RMSEA $\leq$ 0.05 and also if it is $\leq$0.08, suggesting reasonable fit. The present investigation hypothesized three-factor measurement model (Employee Engagement, Trust in Supervisor and Perceived Organizational Performance) went for confirming the suitable wellness of the model with the data assembled from the field. Previous to conducting overall CFA for the hypothesized model, the present study first run CFA for each individual constructs and tests the validity of the model. To test CFA of each constructs, item parcels were developed for Trust in Supervisor construct (seven parcels, including two items each) because it has several advantages such as improving normality; reduces standard error by improving sample size to parameter ratio and produces stable parameter estimators (Liao et al., 2009; Landis et al., 2000). In the case of employee engagement, and Organizational Performance, we created three parcels for each constructs. However, the item parceling result established with no chi square ratio, probability, Tucker-Lewis index and unacceptable RMSEA. So, the researcher runs CFA for both employee engagement and Organizational Performance through higher order factor item level solution consistent with previous studies.

<table>
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<th>Table 1: CFA results of individual constructs</th>
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<td>Second Order Factors</td>
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<td><strong>Employee Engagement</strong></td>
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<td>TLI = 0.992; RMSEA = 0.045</td>
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<td>Fit Measures: $(\chi^2$/df = 1.680; GFI = 0.974; NFI = 0.988; RMR = 0.013; CFI = 0.995; TLI = 0.992; RMSEA = 0.045)</td>
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<td>Vigor &lt;-- Engagement</td>
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<td>Dedication &lt;-- Engagement</td>
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<td>Absorption &lt;-- Engagement</td>
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<td><strong>Trust in Supervisor</strong></td>
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<td>TS1 &lt;-- Trust in Supervisor</td>
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<td>TS3 &lt;-- Trust in Supervisor</td>
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<td>TS4 &lt;-- Trust in Supervisor</td>
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<td>TS5 &lt;-- Trust in Supervisor</td>
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<td>TS6 &lt;-- Trust in Supervisor</td>
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<td>TS7 &lt;-- Trust in Supervisor</td>
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<td><strong>Perceived Organizational Performance</strong></td>
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<td>Efficiency &lt;-- Performance</td>
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<td>Effectiveness &lt;-- Performance</td>
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<td>Fairness &lt;-- Performance</td>
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As it is shown (table 1), the CFA result uncovered that the constructs were both reliable and valid. The reliability of the items was measured using the internal consistency approach. The reliability result indicated that all factors have a reliability of above the threshold. Similarly, the individual constructs were also valid in terms of convergent validity (displayed in table 2). In order to validate the measurement model, both convergent and divergent validity were assesses by considering three major criteria (Hair et al., 2010), suggesting that factor loading $> 0.55$; Composite Reliability (CR) $> 0.8$ and that of Average Explained Variance (AVE) should exceed 0.5. Thus, convergent validity of the constructs was established as displayed in table 2.

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<th>Table 2: Convergent validity results of the individual constructs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construct</td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td>Employee Engagement</td>
</tr>
<tr>
<td>Trust in Supervisor</td>
</tr>
<tr>
<td>Perceived Organizational Performance</td>
</tr>
</tbody>
</table>

Once, the reliability and convergent validity of each construct was set up and guaranteed, we run the overall CFA of the model by considering the construct together and it was found that the measurement model of the three-factor show built up appropriate model fit with the data. The divergent validity was analyzed by looking at relationships between constructs and square root of AVE of every constructs (Hair et al, 2010; Zainudin Awagn, 2012). The finding of the examination uncovered that the square root of AVE for every construct were higher than the connection between constructs (see table 3), showing that the constructs are distinct concepts.
Table 3: Divergent Validity Result

<table>
<thead>
<tr>
<th>Constructs</th>
<th>EE</th>
<th>Trust</th>
<th>Organizational Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement</td>
<td>0.9827</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust in Supervisor</td>
<td>0.233</td>
<td>0.8229</td>
<td></td>
</tr>
<tr>
<td>Perceived Organizational Performance</td>
<td>0.759</td>
<td>0.484</td>
<td>0.9700</td>
</tr>
</tbody>
</table>

\( (\chi^2/df = 1.256; \text{RMR} = 0.027; \text{NFI} = 0.949; \text{CFI} = 0.989; \text{TLI} = 0.988; \text{and RMSEA} = 0.027) \)

The current study evaluated the common method variance because data was collected for all study variables from same sources (Podsakoff et al., 2003, 2012). Markedly, we psychologically separated the study variables; making the questionnaire simple to understand, ensure confidentiality and use clear procedures in answering questions. In addition, Podsakoff et al., (2003, 2012) recommended using statistical techniques. The result of Harman’s one-factor test indicated that the total variance explained was 28.90%. And, using SEM, the model fitness of one factor measurement model poorly fits with the data \( (\chi^2/df = 6.991; \text{GFI} = 0.406; \text{NFI} = 0.606; \text{RMR} = 0.105; \text{CFI} = 0.641; \text{TLI} = 0.618; \text{and RMSEA} = 0.133) \). Likewise, the SEM result of Common Latent Factor had an adequate fit the model \( (\chi^2/df = 1.284; \text{RMR} = 0.029; \text{CFI} = 0.983; \text{TLI} = 0.982; \text{and RMSEA} = 0.029) \), indicating that the current study doesn’t suffer from common method bias.

4.2 Structural Model Evaluation

It was recognized that structural model specify both the direct and indirect association of latent constructs (Hughes et al., 1986; Schumaker & Lomax, 1996; Hair et al, 1998). The CFA result uncovered that the structural model fits with the hypothesis appropriately \( (\chi^2/df = 1.256; \text{RMR} = 0.027; \text{NFI} = 0.949; \text{CFI} = 0.989; \text{TLI} = 0.988; \text{and RMSEA} = 0.027) \). In the structural model, the path from Employee engagement and Trust in Supervisor to Organizational Performance were positive and statistically significant \( (\beta = 0.68, \text{p} < .001; \text{and } \beta = 0.32, \text{p} < .001, \text{respectively}) \). In combination, Employee Engagement and Trust in Supervisor explained 58% of variance in perceived organizational performance. Therefore, in light of Cohen (1988) benchmark on effect size, the effect of Employee engagement and Trust in Supervisor on organizational performance was very large, proposing that the two constructs are critical factors in improving performance of public service organizations.

4.3 Hypothesis Testing

In the current study, the postulated hypotheses were validated by employing SEM based on maximum likelihood estimation method to test the path relationship among the study variables based on the structural model established as indicated below.

4.3.1 Direct Relationship between Employee Engagement and Organizational Performance

The present study hypothesized the direct and positive effect of employee engagement on perceived organizational performance. The structural model demonstrated that the path from employee engagement to perceived organizational performance was positive and statistically significant \( (\beta = 0.759, \text{p} < .001) \). Accordingly, the hypothesis was accepted.

<table>
<thead>
<tr>
<th>Structural Path</th>
<th>SWR</th>
<th>S.E</th>
<th>C.R</th>
<th>P-Value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>OP&lt;-- EE</td>
<td>0.759</td>
<td>0.037</td>
<td>14.073</td>
<td>***</td>
<td>Significant</td>
</tr>
</tbody>
</table>

\( (\chi^2/df = 1.431; \text{GFI} = 0.931; \text{RMR} = 0.024; \text{NFI} = 0.960; \text{CFI} = 0.987; \text{TLI} = 0.986; \text{and RMSEA} = 0.036) \)

\( *** \text{p-value is } <0.001 \)

4.3.2 Moderating role of Trust in supervisor

The second hypothesis proposed was to examine the moderating role of supervisor trust on the link between employee engagement and perceived organizational performance. To examine the moderation effect, first, one additional variable called an interaction effect was created by multiplying both employee engagement and supervisor trust. To test the proposed hypothesis, the model was verified for its fitness with the data by correlating the main effect variable (EE and Trust in Supervisor) each other. However; it is not allowed to correlate the interaction effect with the main effect variables (Little et al, 2006). As a result, the structural model evaluation demonstrated that the moderation model properly fit with the data \( (\chi^2/df = 1.312; \text{RMR} = 0.044; \text{GFI} = 0.911; \text{NFI} = 0.943; \text{CFI} = 0.986; \text{TLI} = 0.984; \text{and RMSEA} = 0.03) \). In this model, the path from Employee Engagement and Trust in Supervisor were found statistically significant and in the same direction, whereas, the path from the interaction effect of both employee engagement and trust in supervisor was statistically insignificant, suggesting that there is no moderation effect. Thus, the hypothesis was rejected.
5. Discussion

The goal of this article was to investigate the effect of employee engagement on performance of public service organizations. It was also investigated the moderation effect of Trust in Supervisor on the Engagement and Performance research. The result of SEM analysis established that employee engagement has strong predictor of organizational performance in public service organizations. Surprisingly, our result displayed that trust in supervisor has no moderation effect on the link. This article proposed that employee engagement leads to performance.

The findings of the study demonstrated a positive and significant correlation between employee engagement and perceived organizational performance. The result of this study was consistent with previous research findings (Harter et al, 2002; Markos & Sridevi, 2010; Sundaray, 2011; James, 2012; Rashid et al., 2013; Peter et al., 2014; Brenda et al, 2015; Singh and Karki, 2015; Rashid et al, 2011; Rees et al, 2013; Singh and Karkari, 2015). It was found that employee engagement is an instrument and strong predictor of performance of public service organizations. A highly engaged workforce can do beyond expectation (Harter et al, 2002). Likewise, Rees et al (2013) posited that enhancing engagement level boosts organizational performance. Moreover, Sundaray (2011) noted that engagement is a deciding factor for organizational effectiveness, measured in terms of higher productivity, profits, quality, and others. The implication of the study portrayed that if employees are engaged, they can fully contribute for performance of their organization with happiness, dedication and motivation.

In Ethiopian context, the public service is the government’s operational area to deliver basic services such as education, water, electricity, health, transport, and others. Such services are provided with the help of employees available in the federal public service organizations. Thus, the employees in the public service organizations should be engaged so as to enhance performance of public service in terms of efficiency, effectiveness and fairness. Some scholars recognized that employee engagement was a strong predictor of organizational performance in public service organizations (Andrew & Sofian, 2012; Sundaray, 2011; Singh and Karkari, 2015). In this research, employee engagement was considered as broad concept, including job satisfaction, commitment (Marcy and Shneider, 2008) and hence empirically tests its effect on performance of federal public service organizations.

In addition, it was proposed that the link between employee engagement and organizational performance is too long and needs a moderator to strengthen the linkage. Drawing on the social exchange theory, it was argued that an engaged employees may not always stay with the same mode due to uncertainty of the working conduction (Alfes et al, 2013). Thus, Trust in Supervisor was introduced as a moderator between the link and assumed that higher level of employee’s trust in immediate supervisor could strengthen the relationship between employee engagement and organizational performance. The finding of the study has demonstrated that trust in supervisor has direct and significant effect on organizational performance, indicating consistent with previous studies (Mayer and Gavin, 2005; Sakes, 2006; Alfes et al, 2013; Macey and Schneider, 2008). However, contrary to our expectation, this article didn’t find a moderating effect of Trust in Supervisor in the relationship between Employee Engagement and Perceived Organizational Performance in federal public service organizations. There are also empirical studies in line with this finding. For example, Rukkhum and Bartlett (2012) investigated the moderating role of Human Resource Development in the relationship between Employee Engagement and outcome variable and it was found no moderating role in the link between engagement and performance. In their studies in UK, Alfes et al (2014) confirmed that there is no moderation role of organizational trust in the relationship between employee engagement and organizational outcomes. Similarly, Macey and Schneider (2008) confirmed no moderating role of trust in management in the relationship between employee engagement and organizational outcomes. From this finding, we can infer that trust in supervisor is an independent variable and it has its own effect.

6. Conclusion

Understanding the nexus between Engagement and Organizational performance is among the few studies using moderation model in public service organizations and developing countries context. Drawing on social exchange theory, the present study hypothesized to investigate the effect of employee engagement on perceived

<table>
<thead>
<tr>
<th>The causal effect</th>
<th>SWR</th>
<th>S.E</th>
<th>C.R</th>
<th>P-Value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>OP&lt;- Interaction Effect</td>
<td>0.015</td>
<td>0.026</td>
<td>0.431</td>
<td>0.664</td>
<td>Insignificant</td>
</tr>
<tr>
<td>OP&lt;- EE</td>
<td>0.686</td>
<td>0.039</td>
<td>13.663</td>
<td>***</td>
<td>Significant</td>
</tr>
<tr>
<td>OP&lt;- Supervisor Trust</td>
<td>0.322</td>
<td>0.035</td>
<td>7.789</td>
<td>***</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Survey 2017

***p-value < 0.001
organizational performance and examining the moderating effect of Trust in Supervisor in the relationship between employee engagement and Organizational Performance research. The findings of the study demonstrated a positive and significant relationship between employee engagement and perceived organizational performance. It was also found that Trust in Supervisor has positive and significant effect on organizational performance. However, contrary to our expectation, there was no moderation effect of Trust in Supervisor in the link between employee engagement and organizational performance, indicating that Trust in Supervisor has its own independent effect on performance.

Conclusively, this article contributes to the body of knowledge in the engagement-Performance debate in the developing country’s public service organizations. However, it has some limitations. The first limitation is related to the duration of study. This study is cross-sectional in nature where data needed for all the study constructs were collected in one period in time. Cross-sectional studies didn’t provide the opportunity see the cause effect between constructs. Thus, it is better to conduct longitudinal studies in the future to conclude sound and robust causality. Second, this study collects data from same sources for all the constructs (engagement, Trust in Supervisor and performance) which may lead to common method variance. However, the present study collected data from different types of employees from different public service organizations in various hierarchies. To minimize the common method variance, the study took after the suggestion of Podsakoff, MacKenzie, Lee, and Podsakoff (2003, 2012) such as ensuring privacy of respondents, psychological separation of measurement scales as independent variables, moderator and dependent variable, application of simple and easy language in the survey questionnaire. In addition, this study confirms that common method variance is not a serious problem using Herman’s Single Factor and Common Factor Latent Method. In the future, researchers are suggested to collect data from different sources and raters to avoid common method variance.

The third limitation of the study was measuring organizational performance subjectively. It can be measured through both objective as well as subjective measures. However, objective measure of organizational performance was difficult to get in public government organizations. Other prominent researchers were also relied on subjective evaluation of organizational performance (Berewer and Senden, 2000; Kim, 2005; Sahih, 2010; Ko and Smith, 2013; Vermeeren, 2014; Riaz, 2015). Sixth, the concept of organizational performance is a multidimensional. But, this study didn’t examine the effect of employee engagement on the different aspects of organizational performance. So, future researchers can investigate the effect of employee engagement on aspects of organizational performance such as effectiveness, efficiency and fairness. Finally, the present study didn’t take into account the cultural influence in the link between employee engagement and Organizational Performance. But, it is important to consider and understand the cross-cultural issues in measuring employee engagement (Trust et al, 2013). In addition, Hofstede (2001) argued that different people behave differently due to the existence of national culture. He further explained that national cultures are categorized as individualism, masculinity, and power distance. The practice of employee engagement and Performance may be affected by the presence of national culture. So, it is recommended for future researchers to consider cultural differences in the employee engagement -Performance Equation.

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