THE EFFECT OF WORK ENGAGEMENT AND ORGANIZATIONAL CLIMATE ON JOB SATISFACTION IN A NONPROFIT ORGANIZATION

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ABSTRACT

The concept that work engagement facilitates the organizational climate is recognized widely, yet it has not been widely tested in nonprofit organization. To fill the gap between concept and practice, this study adopted the three-dimensional model of work engagement (vigor, dedication, and absorption) proposed by Salanova and colleagues (2005) with the aim of investigating the relationship between work engagement and job satisfaction mediated by organizational climate in a nonprofit organization, i.e., an educational institution. This study surveyed 99 workers. The effect of work engagement and organizational climate was explored. Furthermore, the mediating effect of organizational climate on job satisfaction was also examined. The study employing hierarchical linear modeling (HLM). The statistical analysis indicated that up to 66 percent variance in organizational climate could potentially be explained by job satisfaction. The three dimensions studied namely; vigor, dedication, and absorption were positively related and significant to organizational climate. However, the results showed the mediating role of organizational climate on the prediction of job satisfaction and work engagement of workers in a nonprofit organization. The results obtained were dissimilar to those found in prior studies. This result shed new insights on work engagement and organizational climate in nonprofit organizations. The implications of the study are discussed, together with limitations and suggestions are made for future research.

Keywords: Work Engagement, Organizational Climate, Job Satisfaction, Nonprofit Organization

INTRODUCTION

In nonprofit organizations, the job performance is a critical issue in human resource management (HRM) (Becker et al., 2011). The worker’s attitude is especially critical as indicated by Preston and Brown (2004): “One of the most important ingredients of a job performance is having workers who want to be there, who are willing to take the time to make the nonprofit organization successful.. This can be hard to come by—especially since it’s volunteer-based. If we don’t do our job, the whole organization suffers.” In spite of the acknowledgment that dedicated employees are essential, few research studies have considered the value of commitment to an organization (Wilson, 2000). Job performance estimates assist leaders or managers and others to evaluate employees’ development so enabling them to reach their potential. Consequently, job performances assessment is important and allows leaders to understand “how things stand.” This can facilitate progress towards maintain good outcomes or even achieving outstanding performance (Poister, 2008).

For nonprofit organizations, it is important to understand the variables determining job performance including organizational behavior that motivate workers to dedicate their working life to an institution (Durant et al., 2006). One factor of significance is work engagement. Work
engagement is best developed as the work activity experience, instead of a behavior determined by the relationship of a worker prescribed towards a task (Tims et al., 2011). Regarding organizational commitment, facilitating work engagement leads to fewer staff turnover issues and to an absence of health complaints (Hallberg & Schaufeli, 2006). Work engagement is influenced by elements that encourage motivation, while organizational commitment seems to be more reliant on job characteristics. Such characteristics do not have much to do with inherent motivation, but they establish favourable extrinsic conditions facilitating it (Hallberg & Schaufeli, 2006). Regarding well-being, engagement assumes that optimal functioning at work is facilitated by those experiencing optimum well-being (Hallberg & Schaufeli, 2006). Supporting this idea, work engagement seems to be moderately correlated to life satisfaction (Amutio & Smith, 2008).

In the nonprofit organization context, recent results suggest that both work engagement and commitment are differently related to intention of employees to stay. It seems that commitment mediates the relationship between work engagement and intention to remain in workers who have stayed in the same organization (Vecina et al., 2012). Nothing is known in this field regarding the connections between concepts of work engagement and organizational climate in nonprofit organization. Here, it is even more important, since workers in nonprofit organization can improve their performance only in the form of job characteristics (Millette & Gagne, 2008), job attitudes (Boezeman & Ellemers, 2009), leadership, climate, psychological capital, commitment, and well-being (McMuray et al., 2010) and job motivation (Lee & Wilkins, 2011).

Organizational climate is another very important factor in a nonprofit organization; the concept of organizational climate is related directly to the notion of the workplace performance (Agarwal & Maloy, 1999). Various studies have shown that leadership is linked to organizational climate (Kozlowski & Doherty, 1989), managerial practice, productivity, and innovation (Patterson et al., 2005) in addition to job involvement, effort, and performance (Brown & Leigh, 1996). In addition, the organizational climate in a nonprofit organization is also influenced by what is called ‘ethical climate’. The ethical climate has been defined by Victor and Cullen (1987) as "the shared perceptions of what is ethically correct behavior? and how ethical issues should be handled?" (p. 51). Cohen (1995, p. 387) summed up much of the current study on ethical climates as follows: (a) moral climate is an interfering variable - a purpose of administrative processes that affect worker behavior, (b) moral climate shows managerial prospect, (c) different moral climates can occur inside the same organization, (d) moral climate implies a specific standard of interest: the pursuit of addressing moral distress, and (e) moral climate is multilateral.

These studies have illustrated two vital elements concerning job performance in a nonprofit organization, namely, work engagement and organizational climate. Employees working in not-for-profit organizations appeared to be more dependable than other firms. The main task of non-profit employees is to deem to reside in improving the efficiency and effectiveness of performance instead of influencing the financial performance as in for-profit firms (Kong, 2008). As the result of the attitudes displayed by workers in not-for-profit organizations, there is perhaps a necessity to increase monetary rewards, express satisfaction on the completion of tasks well done, actively create a climate emphasizing the essential nature of contributions, and creating an interest in expression of opinions relevant to decision making
(Wright and Kim, 2004). However, detailed studies are lacking in work engagement and organizational climate that affect job performance in a nonprofit organization.

Therefore, it is our intention to study the relationship between work engagement factors—vigor, dedication, and absorption—in relation to organizational climate in a not-for-profit organization as illustrated in Figure 1.

**Figure 1:** A model of organizational climate as a mediator.

This study used a research methodology which is concerned with organizational climate effect involving three dimensions of work engagement in the context of nonprofit organizations. Surprisingly, the result showed differences from previous studies in that all of the sub-dimensions of work engagement interacted with organizational climate to modify the effect of job performance in a non-profit organizations. This appears to reflect the idea that vigor, dedication, absorption, and organizational climate are related to job performance in a different way in nonprofit organizations than in for-profit organizations.

This article is organized as follows. In the next section, we justify the key concept of work engagement, organizational climate, and non-profit organizational job performance. Then, to explain each hypothesis and research methodology, and finally discuss the result in relation to inclusion in order to guide future research and thinking in the areas of organizational climate.

**THEORETICAL FOUNDATION AND HYPOTHESES DEVELOPMENT**

**Work engagement**

Work engagement is defined as a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption (Schaufeli et al., 2002). Vigor is characterized by high levels of energy and mental resilience while working. Dedication refers to being strongly involved in one’s work and experiencing a sense of enthusiasm and challenge, and realizing its significance, Absorption is a term to encapsulate the idea that an individual has fully engaged and is happily engrossed in the assigned work, whereby time passes quickly and one has difficulty in detaching from work (Schaufeli & Bakker, 2004). In short, engaged employees have high levels of energy and are enthusiastic about their work. Moreover, they are often fully immersed in their work so that time flies (May et al., 2004).
Kahn (1990) was one of the first to theorize about work engagement. He described engaged employees as being fully physically, cognitively, and emotionally connected with their employment tasks. The concentrated energy that is aimed toward organizational goals is referred as engagement (Macey et al., 2009). Compared to disengaged workers, engaged workers are likely to work harder through demonstrating high levels of unrestricted effort. Engagement has several meanings (Albrecht, 2010; Bakker & Leiter, 2010), but Schaufeli and Bakker (2004) suggested it most often is used to mean work engagement: a positive, active occupational state that is described by dedication, absorption, and vigor. High levels of mental and energy pliability while working is referred as vigor, but dedication is a state of being characterized by intense concern in work assignments and feeling a sense of enthusiasm, challenge, and significance. Absorption is described by being completely focused and happily occupied in work, such that time passes quickly.

Work engagement is a combination of high activation (vigor, absorption) with high work pleasure (dedication), which makes it different from job satisfaction. The latter is normally a more inert form of worker welfare. Work engagement is not the same as work-related flow. Now, flow generally refers to the highest experience that may go on for at least 1 hour or even less, whereas work engagement involves an extended performance occurrence. Finally, work engagement is unlike motivation; motivation refers to effect (vigor) and cognition (absorption)—plus motivation (dedication). Not astonishingly then, work engagement is a preferable analyst of job performance than other earlier concepts. Most recent researchers have used the justified Utrecht Work Engagement Scale to identify dissimilarity between persons concerning work engagement. The likely cause for these differences has been suggested as residing in personal resources and working conditions (Schaufeli & Bakker, 2004; Xanthopoulou et al., 2009). On the other hand, recent researches have confirmed that engagement may also vary within individuals as time passes. Conditional on what has occurred during the day, workers present lower or higher degrees of engagement in their job undertakings.

**Organizational climate**

The notion of organizational climate (motivation) developed from McClelland-Atkinson’s human motivation concept. Litwin and Stringer (1968) described organizational climate as the collection of quantifiable assets of the job environment that are either indirectly or directly observed by workers who work inside the administrative environment that motivate and influences their behavior. On a wholistic basis, the effective meaning of organizational climate is the total amount of individual opinions operating in a firm. Reichers and Schneider (1990) clarified this idea by saying it is “the way things are around here” (p. 22). Organizational climate is a notion that locates the organization’s means and goals to attain these goals. Organizational climate is the informal and formal common perceptions of administrative practices, procedures, and policies (Schneider, 1975). In the terminology of connections among administrative members, organizational climate is concerned with members’ opinions on the way things are. In other words, it is the workers’ attitudes and perceptions about their firm at any given time (Momeni, 2009).

Organizational climate is motivated by and influences of organizational culture (Hunt & Ivergard, 2007). Organizational climate is not defined as organizational culture; thus
organizational culture is an occupant arrangement coming from the workers’ clarification of the philosophies, values, and assumptions that make the qualified climate inside an organization (Brown & Brooks, 2002). Organizational climate is an appearance of the firm’s culture; it is the now and here (Sowpow, 2006). Organizational climate tries to recognize the environment that influences the employee behavior. It manages the way(s) workers understand their environment (Reichers & Schneider, 1990). It is chiefly realized through the socialization development and through representative relations among the firm’s members. If the common perceptions of procedures and practices differ or there are changes in any condition, then the outcomes of these differences or changes could make for a different organizational climate (Muchinsky, 1976). Recent studies on organizational climate in the nonprofit organization sector have emphasized ‘ethical climate (Deshpande, 1996; Agarwal & Malloy, 1999; Deshapande, et al., 2000; Malloy & Agarwal, 2001; Malloy & Agarwal, 2003; Tasi & Huang, 2008). Both work engagement and organizational climate are involved to job performance in a nonprofit organization. Therefore, this study highlights that work engagement is one factor to consider in nonprofit organization job performance.

H1: Work engagement (vigor, dedication, and absorption) is positively related to job performance in nonprofit organizations.

Work engagement, organizational climate, and job satisfaction

Job satisfaction is referred to as a positive or pleasurable emotional condition, arising from the review of job experiences (Locke 1976, p. 1304). Job satisfaction is an emotional or affective appraisal toward many facets of an individual’s job. Most researchers acknowledge that job satisfaction is a universal idea that includes various facets (Judge et al., 2001a). Job satisfaction is definitely correlated with job involvement, organizational citizenship behavior, motivation, life satisfaction, organizational commitment, job performance, and mental health. It is not related to turnover, perceived stress, and absenteeism (Judge et al., 2001; Kreitner & Kinicki, 2001; Spector, 1997). Furthermore, Holloway (2012) indicated that organizational climate is associated with different factors in not-for-profit organizations.

However, the exact connection between job performance and satisfaction is contentious. In an extensive analysis, involving results from seventy-four researchers with an overall 12,192 subject pool, Iaffaldano and Muchinsky (1985) found that there was a small positive connection between performance and satisfaction. Scholars have recognized many key causes associated with this result making the connection between performance and satisfaction uncertain (Judge et al., 2001b). A later analysis, based on 312 samples from a 54,417 mixed pool, showed that the mean real relationship between overall job performance and job satisfaction was approximately 0.30 (Judge et al., 2001b). Using the information collected from 13,808 teachers and 298 schools, Ostroff (1992) declared in favor of a positive correlation between organizational performance and employee satisfaction. Using a sample from a private and public employee in the United Arab Emirates, Yousef (1998) found that job performance is better when employees are satisfied with job security. Thus it is possible to assume that organizational climate will be improved by increasing job performance in a nonprofit organization. As the previous study above showed, organizational climate is positively related to job performance in a nonprofit organization.
H2: Organizational climate is positively related to the job performance of nonprofit organizations.

The relationships that have been examined most frequently in the job domain deal with predictions concerning burnout, work engagement, and sickness leading to absenteeism. A three-dimensional survey was conducted among telecom managers. The Job Demands-Resources (JD-R) model used assumed that both inspirational processes and health damage processes would be operating. As theorized, and using a structural equation, analyses showed that: (1) As job demands increase (i.e., emotional demands, work-home interference, and overload) and job resources decrease (i.e., opportunities to learn, feedback, autonomy and social support) burnout could be forecast, (2) Job resource increases predict changes in work engagement, and (3) Engagement (negatively) and burnout (positively) forecast frequent “involuntary” absences and increases in sickness duration (involuntary absence). Lastly, coherent with predicted outcomes, the study suggested that an increase in job resources stimulated initial work engagement, which in turn led to additional work engagement improvement (Schaufeli et al., 2009).

Our research examined the three-dimensional relationships between personal resources, work engagement, and job resources. Based on the Conservation of Resources concept, we theorized that personal resources, work engagement, and job resources are all involved over time. The research was conducted among employees (n=163) who were followed-up over an 18 months period. Outcomes of structural equation analysis led to a number of conclusions. Specifically, we discovered that personal resources and job resources related definitely to work engagement. In addition, T1 work engagement definitely related to personal resources and T2 job. The model fitting best was the mutual dependency model, which demonstrated that not only work and resources engagement but also personal and job resources were reciprocally associated. These discoveries support the Conservation of Resources theory that numerous types of well-being and resource changes can result in the successful adaptation by employees to their work environment (Xanthopoulou et al., 2009).

The literature shows that factors directly related to work engagement and organizational climate are very important factors in nonprofit organizations. The administrative climate impacts job satisfaction and performance. Considering the results of communications between the individual regarding climate needs and the impact on satisfaction and performance (76 managers in two firms), it was discovered that climate was encouraged by both the total firm and by smaller divisions inside the organization. Climate was rather strongly connected to individual job satisfaction and subunit performance. There was some limited proof for individual and climate needs communication influencing satisfaction and performance (Pritchard & Karasick, 1973). Therefore, extending the empirical insights of organizational climate as a mediating tool between work engagement and job performance, this study hypothesized that:

H5: The effect of work engagement (vigor, dedication, and absorption) on a nonprofit Organization’s job performance is mediated by organizational climate
DATA AND METHOD

The model and hypotheses were tested using data divided into 3 parts as follow. Work Engagements were assessed according to Salanova et al. (2000). The instrument was made up of vigor (6 items), dedication (5 items), and absorption (6 items). All items were scored on a 5-point frequency rating scale ranging from 1 (never) to 5 (always). High scores on vigor, dedication, and absorption were indicative of engagement. Internal consistencies (Cronbach’s alphas) for the vigor, dedication, and absorption scales were 0.89, 0.87, and 0.86, respectively. Organizational Climate was measured using a tool developed by Chin and Gopal (1995). The questions contained ten items separated into three sub-dimensions. There were four items on affiliation, three items on innovativeness, and three items on fairness. Responses were scored using a five-point Likert-type scale (1 = "strongly disagree," 5 = "strongly agree"). All of the scales gave test reliabilities averaging 0.91. Job Satisfaction was evaluated using the questionnaire developed by Maclntyre, Thivierge and MacDonald (1997). Ten items were used to examine job satisfaction in nonprofit organization employees (n=999). Answers to these questions were scored on a five-point Likert scale (1 = "strongly disagree," 5 = "strongly agree"). The Cronbach’s alpha for nine items was 0.91. Survey forms were distributed to 120 employees through a questionnaire in a nonprofit organization; 70 employees completed questionnaires, yielding a response rate of 58.33 percent.

The majority of respondents were female (73.2 percent) and highly educated with a master degree (61.9 percent); 32 percent were between the ages of 41–50-year old, and 28.9 percent had 6 years to 10 years of work experience. The sample does created an impression that the data would be representative of the population.

RESULTS

The correlations, means, standard deviations and coefficient alpha for the study variables are shown in Table 1. The correlation values displayed the relationship between independent variables. As predicted, significant correlations were found between work engagement, organizational climate, and job performance. This study found a positive correlation between work engagement and organizational climate in three sub-factors; vigor, dedication, and absorption, as well as between job performance and organizational climate in each sub-factor; vigor, dedication, and absorption. Organizational climate and job performance were significantly correlated (r = 0.66, p < .01), respectively.

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<td>1. Job performance</td>
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<td>3. Vigor (EV)</td>
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<td>4. Dedication (ED)</td>
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<td>5. Absorption (EA)</td>
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* p ≤ 0.05 (1-tailed)
Hypothesis 1 predicted that the work engagement involving three linked sub-factors would have a positive effect on organizational climate as assessed from a worker who works in a nonprofit organization. Table 2 shows, for nonprofit workers’ ratings, that work engagement involving vigor, dedication, and absorption are linked to organizational climate. Very strong associations were found for all of work engagement sub-factors, e.g., vigor (EV in Model 5) ($\beta = .66$, $p < .000$), dedication (ED in Model 6) ($\beta = .59$, $p < .000$), and absorption (EA in Model 7) ($\beta = .49$, $p < .000$). These results provide support for Hypothesis 1.

Hypothesis 2 expected a positive and significant relationship of organizational climate to job performance ($\beta = .66$, $p < .000$) in a nonprofit organization. The result can be evaluated by determining whether an organizational climate relationship term significantly increased the level of explained variation in a hierarchical regression analysis approach. This study provides such an explanation, as derived from the regression results. Therefore, Hypothesis 2 was supported.

**DISCUSSION**

The aim of this study to examine interactions between work engagement (vigor, dedication, and absorption) and organizational climate in a nonprofit organization that influences job performance. The result of the study demonstrated strong relationships among

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<th>Variables</th>
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*Value shown are the standardized regression coefficients n = 70
** $p \leq .01$
*** $p \leq .001$
three sub-factors—work engagement, organizational climate, and job performance in a nonprofit organization. This study showed different results from previous studies on account of the study focusing on job performance in the nonprofit organization context. The result confirmed evidence mentioned in the literature review, namely work engagement can be positively and significantly related to job performance. Therefore, this result is consistent with prior studies between organizational climate and job performance in nonprofit organizations (Judge et al., 2001a) and personal resources and working conditions (Schaufeli & Bakker, 2004; Xanthopoulou et al., 2009).

Not all aspects of work engagement in nonprofit organizations and job performance has not been empirically tested or made theoretically explicit. The current study is the first empirical study we are aware of that has sought to integrate the job performance views of individual workers into the emerging picture. The results support the individual-level conceptualization implicit in the literature and suggest that work engagement and organizational climate must be considered an important aspect of a job performance so as to foster workers' responsibilities towards their tasks in an organization. The significance of work engagement and organizational climate to job performance is consistency with prior studies and confirms the strong evidence obtained by Reichers and Schneider (1990), Schaufeli and Bakker (2004), and Xanthopoulou et al (2009). Work engagement (vigor, dedication, and absorption) is positively related to organizational climate and our results also indicate that organizational climate affects job performance. This has important implications for advancing job performance in nonprofit institutions. Surprisingly, the concept of organizational climate mediating between work engagement (vigor, dedication, and absorption) and job performance was not as clear cut as expected. Vigor and dedication are involved but absorption is not. This finding sheds new insights on the influence of organizational climate on job performance.

Although this research makes numerous contributions to the present literature, there are things to acknowledge such as its limitations. Firstly, our results may have troubles associated to common method variance (CMV; variance attributed to the measurement method) and the common source used. Especially, in this study, every variable were observed from a similar source. Additionally, this study was not subjected to a Harmon one-factor test; this test is considered essential to empirical research (Podsakoff & Organ, 1986). Since the outcomes of this were not inspected, the present study is inconclusive on the problem of CMV.

In this research, the organizational climate and work engagement were intimately associated with job performance in the not-for-profit organizational context. A future study might look to increase the conceptualization of organizational climate and work engagement used in this research by recognizing other managerial practices and structures that might be combined into the concept. An essential question for research yet to come is whether these factors have a precise effect on job performance in a not-for-profit firm or a vicarious effect on job performance.

REFERENCES


