

Self-efficacy, Organizational Commitment and Employee Engagement in Small and medium-sized enterprises

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ABSTRACT: China has been an important position in World Trade Organization, it leads to the global economic integration increasing and bring great benefit to Chinese small and medium-sized enterprises to grow faster. According to the latest national statistics, the number of SMEs in China accounts for 98% of the total number of the local companies in China. They are playing an important role in the development of the market economy. Under this situation, more attention should be paid to the development of private SMEs and human resources is still always strategic resource for modern enterprises, and play an important part of company's development (Lan, 2014). Employee engagement is considered as a major contributor and the most powerful measure towards a company's competitive advantage and high performance. Employee engagement is capable of affecting the prospect of organizations. The study seeks to assess the determinants of employee engagement in small and medium-sized enterprises in China. Quantitative research methods are used in this research. Based on the survey, the result obtained displayed that self-efficacy have positive correlation with organizational commitment and further organizational commitment has significant impact on employee engagement, as well as organizational commitment is a mediator between self-efficacy and employee engagement.

Key words: self-efficacy, organizational commitment, employee engagement

I. INTRODUCTION

Employee engagement plays as a key role for modern business environment, commended by business entrepreneurs and academic researchers. Baumruk (2004) noted that the precondition of success for every organization is employee engagement, it is the key to gain competitive advantage. In fact, employee engagement is considered as a best tool to measure a company's vigor and performance. Evidence outlined by Bloom and Michael (2002) indicated that the engagement efforts mainly refers to the team-building programs and non-financial rewards, whereas egalitarian compensation structures penetrating employee engagement respecting employee cooperation, involvement, satisfaction and commitment. Konard (2006) presented improve employee engagement respecting high-involvement in work practice and further contribute to achieve high performance among employees.

Whereas small and medium-sized enterprises in China lay a lot of emphasis on transformation to adapt to the current trend of development, and this goal would be achieved by employees. It identifies that challenge is to create motivated and engaged employees who can facilitate that endeavor. Employee engagement should be considered by management as it is related to work performance. It is critical to identify the factors affect employee engagement in order to create an environment for employee satisfaction and engagement (Heartfield, 2012).

II. LITERATURE REVIEW

Self-efficacy

Bandura (1994) described self-efficacy as a person's judgment of his or her ability to achieve or accomplish tasks and supports the importance of behavioral performance. If ones with beliefs of high self-efficacy would influence on feel and think of people surrounded him, further motivating them to good performance. In other words, individuals who are efficacious and competent of performing a given behaviour are often found to be socially to encourage others engaged in supportive services to peers, family relatives and

others in a target behaviour more smoothly than those ones who feel unskilled (Bandura, 1994; Schwarzer & Luszczuska, 2007). Based on the description of Bandura (2003) about the human cognitive self-regulation system, self-efficacy is a kind of beliefs that the most central and pervasive effect on people make decisions, their goals, the amount of effort they would like to pay on a particular task, the time they persevere at a task when facing on failure or difficulty, how to deal with the amount of stress they experience and the degree to the extent they might be susceptible to depression.

Organizational commitment

Adekola (2012) defines commitments as a positive assessment of organizational and organizational goals. Goutam (2004) argues that commitment is a link between an individual employee and an organization (employer). Miller and Lee (2001) identified three types of commitments, namely, emotional commitment, measure employee's emotional dependence, identity and participation in the organization, and the normative commitment refers to the pressure that employees rely on organizational obligations in the organization. Continued commitment is a commitment that is related to the costs that employees consider to be relevant to leaving the organization. Naser (2007) further pointed out that emotional communication is "when employees identify a particular organization and its goals to maintain membership to promote goals", the continued commitment is the retention of the organization's willingness to "non-transferable" investment, non-transferable investments, including retirement, relationships with other employees, or organization of special things.

Employee Engagement

Engagement refers to a persistent cognitive state that is pervasive effective rather than focused on any particular object, event or individual, which is neither a momentary nor a specific state, (Shimazu, et al., 2008). It creates prospect for organization to attach with their managers and colleagues. According to Khan (1990), work engagement is respecting workforce harnesses the roles of organizational members where people employ and express themselves physically, cognitively and emotionally during role performances. Schaufeli, Salanova, Gonzalaez – Roma, & Baker (2002) defined employee engagement is vigour dedication and absorption of organization members with character of positive, fulfilling, work-related state of mind. In other words, individuals engaged in their work with full of vitality, highly loyal and glued to their work, and positive to complete the job demands. Engagement is a perception that empathy with continuous improvement, change and flexibility. Employee engagement is key for organization development due to it closely relates with superior performance, enhances staff retention and improves the well-being of employees (Macey & Schneider, 2008; Hakanen et al., 2008). LePine, Erez, & Johnson (2002) presented that engaged employees take additional responsibility, better able to deal with jobs, share information with other employees and remain with the organization.

III. RESEARCH METHOD

In this research, Quantitative research approach was adopted attached with online survey. 5-point Likert scale was adopted to measure the correlation between dependent variable and independent variables.

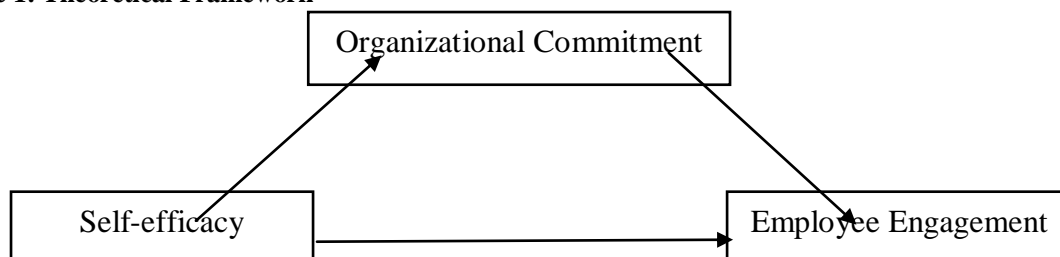
Research Hypotheses

H1: There is a positive relationship between Self-efficacy and Organizational Commitment.

H2: There is a positive relationship between Organizational Commitment and Employee Engagement.

H3: There is a mediating effect of Organizational Commitment between Self-efficacy and Employee Engagement.

Figure 1: Theoretical Framework



ANAYSIS AND FINDING

From table 1 it displayed that the links between IV and DV variables are statistically significant. These results indicate that the conditions necessary have been tested for the possible role of a mediator has been met. It conducted the Sobel test for mediation (Sobel, Michael E. 1982).

Firstly, the raw regression coefficient and the standard error have been computed for the association between the IV and the mediator, and then test the association between the mediator and the DV.

Table 1: Direct Relationship Correlations and P-value – Mediation Model

average_PC	average_PC	average_PU	average_BI
Pearson Correlation	1	.566	.411
Sig. (2-tailed)		.000	.000
average_PU		1	
Pearson Correlation	.566**		.510**
Sig. (2-tailed)	.000		.000
average_BI			1
Pearson Correlation	.411**	.510**	
Sig. (2-tailed)	.000	.000	

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

Table 2: Coefficient- Self-efficacy and Organizational Commitment

1	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	1.816	.128		14.243	.000
	average_EE	.513	.035	.567	14.877	.000

a. Dependent Variable: average_OC

Table 3: Coefficient– indirect relationship with mediation

1	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	1.381	.165		8.354	.000
	average_SE	.173	.045	.182	3.822	.000
	average_OC	.423	.050	.403	8.449	.000

Dependent Variable: average_EE

Table 4: Sobel test– P-value of indirect relationship with mediation

	Input		Test statistic	Std. Error	p-value
a	1.81	Sobel test	7.33870968	0.10358769	0
b	0.42	Aroian test	7.32643006	0.10376131	0
s _a	0.12	Goodman test	7.35105125	0.10341378	0
s _b	0.05				

It signifies that the direct relationships between IV and DV are significant at the 0.000 level (Table:1) Further to test the indirect effect of self-efficacy to employee engagement with the present of organizational commitment as a mediating factor is significant at $p < .000$ (Table:3) based on Sobel test described by Baron and Kenny (1986), Sobel (1982), Goodman (1960), and MacKinnon, Warsi, and Dwyer (1995) to test the indirect effect of the IV on the DV via the mediator is significantly different from zero through insert the a, b, s_a, and s_b into the cells (Table 4) and calculated the critical ratio. In this model, the test statistic of the Sobel test is 7.33, with an associated p-value of .00. The result revealed that the observed p-value is below the established alpha level of .05 indicates

that the association between the IV and the DV, which indicated there is mediating effect of organizational commitment between self-efficacy to employee engagement.

Summary of Findings

Hypothesizes Relationship	Path Coefficient	p-value	Conclusion
H1 There is a positive relationship between self-efficacy and organizational commitment.	0.566	0.00	Supported
H2 There is a positive relationship between organizational commitment and employee engagement.	0.411	0.00	Supported
H4 There is a mediating effect of organizational commitment between self-efficacy and employee engagement.		0.00	Supported

IV. RECOMMENDATION

Firstly the management of small and medium-sized enterprises should take account of recruitment and selection, establish complete well selection plan, it needs to be prospect and strategic which keep up with the development of enterprises. Enhancing the staff training and speedy set up a strong and qualified leadership as well as completely eliminate the phenomenon of privilege corruption, build up the scientific and standardized management. SMEs should clear responsibilities of employees, conduct mutual supervision and mutual restriction, and establish effective communication and highly coordinated mechanism. Clarify the responsibility of different departments in the enterprises. Furthermore, a good corporate culture not only affects view of employees to enterprises, but also affects employees' attitude to work, and finally build up a positive corporate atmosphere. It is an important factor to attract and retain talents.

V. CONCLUSION

Most of small and medium-sized enterprises in China are family business, which lead to the mode of management is order and obedience and neglecting the importance of personnel and regulation, it restricts fully exert the capacity of employees. As a result, the work pressure is high and the sense of occupational safety is low for the workforce and the treatment of unjust and unreasonable has already caused high proportion of turnover. The company would suffered direct economic losses as well as it would affect the stability of employees and their loyalty. Based on the research results, the small and medium-sized enterprises should set up a systematic and perfect enterprise incentive system and performance appraisal system and establishing a sustainable and effective human resource management mechanism. Further, setting up a variety of recruitment channels and attracting talent and offer a sound social security system and social welfare. Through all of these reformation to achieve the prospect of companies.

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