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**WORK ENVIRONMENT AND EMPLOYEE ENGAGEMENT: A CASE OF  
L'ORÉAL EAST AFRICA**



**BY**

**PETER NDIRANGU**

**A DISSERTATION SUBMITTED TO THE STRATHMORE UNIVERSITY  
BUSINESS SCHOOL IN PARTIAL FULFILMENT OF THE REQUIREMENT  
FOR THE AWARD OF THE MASTER IN BUSINESS ADMINISTRATION**

**MAY, 2019**

## **DECLARATION**

I declare that this research is my original work and has not been previously submitted and approved by Strathmore University or any other Institution for the award of a degree. To the best of my knowledge and belief; this research is original and borrowed materials has been done with due reference.

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**Peter Ndirangu**



May 2019

## **Approval**

The thesis/ dissertation of Peter Ndirangu, was reviewed and approved by the following:

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## ABSTRACT

The objective of the study was to establish the effect of work environment on employee engagement at L'Oréal East Africa. Specific objectives: to establish the effects of physical environment on employee engagement at L'Oréal East Africa, to assess the effect of organizational climate on employee engagement at L'Oréal East Africa, to examine the effects leadership style on employee engagement at L'Oréal East Africa. This study was based on two theories; two-factor theory and the affective events theory. The study adopted a descriptive research design. The target population for this study was employees of L'Oréal East Africa. Sampling frame was the list of all 150 employees, from where the respondents were selected. Therefore, using Krejcie and Morgan formula, the sample size was 109 out of 150 employees. The questionnaire was the selected instrument or tool for data collection for the study. The questionnaire was administered to the respondents. Quantitative data collected was analyzed using SPSS (Version, 23) and presented through percentages, means, standard deviations and frequencies. The information was displayed by use of bar charts, graphs and pie charts and in prose-form. Content analysis was used to test data that is qualitative in nature or aspect of the data collected from the open ended questions. Correlation analysis was conducted to establish the relationship between the independent and the dependent variable. Multiple regressions were done to establish the effect of work environment on employee engagement at L'Oréal East Africa. Data was presented using tables, and pie charts. The study found that at 95% confidence level, physical environment had significant positive relationship with employee engagement at L'Oréal East Africa; organizational climate had significant positive relationship with employee engagement at L'Oréal East Africa and that leadership style had significant positive relationship with employee engagement at L'Oréal East Africa. The study thus recommends that the management of L'Oréal East Africa should better the physical environment of the workplace by improving spatial layout and functionality of the surroundings this will ultimately help improve the employees experience and necessitate better performance; the company should ensure that the organizational climate allows a high degree of autonomy and nurtures relationships among peers, supervisors and subordinates which will result in more satisfied workers and managers of the organization to use leadership style that will have a positive effect on the morale of the employee.

**Keywords:** Physical Environment, Organizational Climate, Leadership Style, Employee Engagement

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the Study**

The idea of engaging employees is very wide and there are more than 21 driving factors which improves the engagement of employees and they are inclusive of opportunities in career, corporate responsibility, benefit, health of employee, reputation of the company, pay, individuals or practices of HR, intrinsic motivation, saving for retirement, resources, balance of work-life, work duties, senior leadership recognition (Mishra, Boynton & Mishra, 2014).

On the other hand, the company tries figuring out how they can increase the level in which the engage employees. They do this with the aim of curbing workers disengagement in their duties and the company. Bakker (2011) indicated that productivity is influenced by workers engagement. Disengagement of workers results to low productivity. It I thus important for the management and the company in general to make sure that the staff in the company are engaged in work environment, activities in the company and the scope of their job. It's also crucial for management to make sure that the workers are assigned the right job and appropriate positions. The employees should also be provided with the mission and the vision of the company and compensation need to be done on every aspect that the employees contribute and therefore create a chance for them to earn a promotion (Yu, 2013). Macey and Schneider (2008) and Saks (2006) indicated that there are insufficient studies conducted on employee engagement and therefore calls for need for more researches to be conducted.

##### **1.1.1 Work Environment**

Engagement of employees and work environment are significantly related. The workplace conditions are very significant to the employee because they determine whether the employee will want to continue working there (Anitha, 2014). Workplace entails an environment in which the worker performs his work while an effective workplace is an environment where results can be achieved as expected by management (Mike, 2010). Physical working environment affect how employees in an organization interact, perform tasks, and are led. Physical working environment as an aspect of the work environment have directly affected the human sense and subtly changed interpersonal interactions and

thus productivity. This is so because the characteristics of a room or a place of meeting for a group have consequences regarding productivity and performance level. The physical workplace environment is the most critical factor in keeping an employee satisfied in today's business world (Humphries, 2005). Today's workplace is different, diverse, and constantly changing. The typical employer/employee relationship of old has been turned upside down. Workers are living in a growing economy and have almost limitless job opportunities. This combination of factors has created an environment where the business needs its employees more than the employees need the business (Smith, 2011).

Organisational climate is also an important factor of work environment. It is regarded as the shared perceptions employees have regarding the events, practices, and procedures of their organisation (Kuenzi & Schminke, 2009). Work environment or climate perception of employees has significant consequences for both individuals and organizational. Climate or atmosphere in workplace has impact on employee's motivation, behaviour, attitudes and potential, which, in turn is predicted to influence organizational productivity. Employees are engaged when organizations have healthy work culture and communication practices, where they can get platforms to express their concerns and opportunities to grow and develop their potential. The level of engagement in employees can be enhanced by identifying its drivers (influential factors) and work on them (Biloch & Lofstedt, 2013).

Leadership method is also a factor of work environment. Leadership is a process that is similar to management in many ways as it involves influence and requires working with people, which management requires as well (Northhouse, 2013). Ologbo & Saudah (2011) asserts that a manager's leadership style and support considerably add to employee engagement. Leadership is not "one size fits all" thing; often, a manager must adapt their style to fit a situation or a specific group and this is why it is useful to gain a thorough understanding of various leadership styles; after all, the more approaches the manager is familiar with, the more tools they will be able to use to lead effectively (Murray, 2013). In leadership styles, transformational (supportive), transactional (directive), and laissez-faire (non-involvement) styles have been shown to reflect the full-range of leadership styles (Leban, & Zulauf, 2004). Therefore organizations should focus

on physical environment, organization climate and leadership styles in their goal to ensure employee engagement

### **1.1.2 Employee Engagement**

Engagement of employees is very crucial in any company this is to ensure that the employees give their best in every task they are performing (Yu, 2013). Engagement of employees is what every company is interested in in order for them to have an effective competition with their rivals. There are a number of factors that determine the level of employee engagement. Saks (2016) indicated that some of the factors that determine engagement of employees are the character of the job, perception concerning support from the organization and supervisors. Other factors include procedural and destructive justice, recognition and also reward (Joshi & Sodhi, 2011). According to a recent study that was conducted by Bakker and Bal (2017) performance of employees in their tasks tend to be better more in those individuals who are engaged. Anitha (2014) indicated that engagement of employee is the level of their commitment and engagement of the workers which affects the values of the company and the company itself.

Anitha (2014) indicated that work environment and the engagement of the employees are significantly related. The decision made by an employee in whether to stay in a company is greatly influenced by conditions of the work environment. If the work environment is safe, it will attract more individuals to apply for vacant positions. Since individuals want to work in a safe environment, the workplace is very significant. Studies conducted early indicated that the work environment is a factor which can be applied in determining level of engagement of the workers employed in a company. Miles (2001) and Harter et al. (2001) in their studies established various variables in work environment can lead to different levels of engagement by workers.

Those companies that perform their duties and show that they are concerned with the needs of the employees and also their feelings, give a positive feedback and allow their staff to be aware of how concerned they are, develop new set of skills, solve issues that are related to work and therefore boost an environment that is considered to be supportive (Deci & Ryan, 2013). Kahn (2014) indicated that being supportive and interpersonal association that is supportive encourages safety psychologically. Members of a company felt that they were safe at work if the work environment has the following characteristics;

having openness and is supportive. An environment that is supportive ensures that members to experiment and explore new things without fearing of the consequences (Kahn, 2014). The environment of work affects the level of engagement of the employees. Studies previously conducted have shown that workplace environment is a significant factor in determining the level of engagement of employees (Popli & Rizvi, 2016; Anitha, 2014).

### **1.1.3 L'Oréal Group Limited**

L'Oréal Group is an acclaimed marketer of beauty products for both men and women and commands presence in nearly all countries in the world. The company operates seven regional creative product development centres and six advanced research centres globally. These centres are charged with the responsibility of new product development. In 2013 the company experienced a market growth of about 52% against an overall market growth for beauty products of 3.8%. The L'Oréal East Africa Ltd deals with the manufacturing and marketing of hair care and hairstyling products in various regions including Kenya, Tanzania, Rwanda, Uganda, Burundi and Ethiopia. The main office of the company is located in Nairobi, Kenya and the company was established in the year 2011. The company operates as a subsidiary of L'Oréal SA. L'Oréal acquired Inter-consumer Kenya Ltd in 2013 to form L'Oréal East Africa Ltd (L'Oréal, 2013). L'Oréal EA Ltd currently has over 250 employees in Kenya, with eyes set for expansions in other East African countries (L'Oréal, 2017).

From the year 2009, the company involved its workers in a day of volunteer activity which they call Citizen Day. In the year 2017, the company did support a total of 707 organizations; they had approximately 30,000 volunteers and volunteering for a total of approximately 166,000 across 68 countries. Regarding the environment, the company did pursue implementation of the programme of work sustainability with the aim of lowering environmental footprint of research centre and admin centres and engaging workers to adopt behaviours that are sustainable. The organization also uses the social media to increase employee engagement. Since the organization highly focuses on employee engagement this study sought to establish the effect of work environment on employee engagement at L'Oréal East Africa

## 1.2 Statement of the Problem

Based on a global survey that was carried out on engagement of employee it was established that one out of three employees are engaged and about one out of five get disengaged (Blessings White Inc., 2017). According to Gallup studies Australia lost \$39 billion as a result of disengagement, for USA \$350 billion, and for Germany 133.6 billion euros (Coffman & Noy, 2016; HC Online, 2017; Nink & Ott, 2017). Albrecht (2017) argued that motivation and engagement of employees should be done by creating open, supportive, and fair and supportive culture to make sure that there is clear alignment of the goals of the company and there are appropriate autonomy levels, support and opportunities to develop career.

For the managers who seek to better the general performance can use intelligently their assets which are mainly people (Gebauer & Lowman, 2016; Macey, Schneider, Barbera, & Young, 2013). Operations of companies are in a complicated, dynamic and highly competitive environment with volatility and therefore they should be systematic in managing their HR (Tarique & Schuler, 2016). Physical work environment and the surroundings influence creative behaviour, whereby the environment simulates or acts as an obstacle to wards a creative behaviour (Dul & Ceynan, 2011). An employee who is happy, satisfied and hardworking is a great asset to a company. A work environment that is effective encourage employees that are happy with their work which influences growth in the company and also in the entire economy (Coffman & Noy, 2016).

50% of employee existence is spent within work environment and therefore greatly affects their state of mind, aptitude, and actions additional to their engagement (Sundstrom & Sundstrom, 2016). The environment of the work place is not secure and can harm the health of an individual (Perry & Porter, 2016). Value of the work environment has a great effect on quality of aspiration of workers, their engagement as well as productivity (Hughes, 2017). Recently, corporate environment that is competitive results to a situation where the company can't tolerate misusing abilities of their staff (Armstrong & Murlis, 2016). Because of that, companies have to do their best in creating a comfortable, safe and health work environment if their priority is to ensure productivity. It is against this background that the study sought to establish the effect of work environment on employee engagement at L'Oréal East Africa.

### **1.3 Objective of the Study**

#### **1.3.1 General Objective**

The general objective of the study was to establish the effect of work environment on employee engagement at L'Oréal East Africa

#### **1.3.2 Specific Objectives**

The study was guided by the following specific objectives:

- i. To establish the effects of physical environment on employee engagement at L'Oréal East Africa
- ii. To assess the effect of organizational climate on employee engagement at L'Oréal East Africa
- iii. To examine the effects leadership style on employee engagement at L'Oréal East Africa

#### **1.3.3 Research Questions**

The study sought to answer the following research questions

- i. To what extent does physical environment affect employee engagement at L'Oréal East Africa?
- ii. What are the effects of organizational climate on employee engagement at L'Oréal East Africa?
- iii. To what extent does leadership style affects employee engagement at L'Oréal East Africa?

### **1.4 Scope of the Study**

This study sought to establish the effect of work environment on employee engagement at L'Oréal East Africa. The main aim of the study was establishing the effects of physical environment, organizational climate and leadership style on employee engagement at L'Oréal East Africa. The study targeted the employees of L'Oréal East Africa subsidiary, in Nairobi.

### **1.5 Significance of the Study**

The study might of great importance to the management of L'Oréal East Africa, as they will get enlightened on how work environment affect employee engagement at their

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organization, this assisted them in designing appropriate strategies that will create conducive working environment, which will positively influence employee engagement to the company. The findings of the study will benefit policy makers as they understand how work environment affect employee engagement, this might assist them in designing policies that will assist organization in enhancing employee engagement through work environment. The findings might be important to the employees as they understand more about the work environment and how it affects their engagement in the organization, so they can give their opinions to the management about what is needed in their work environment, this will help in improving employee engagement. The study findings might greatly help scholars and academicians since it will act as the foundation for future research and contribute to the body of knowledge regarding work environment and engagement of employees.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

In this chapter, the theoretical review and the framework explaining the impact of employee engagement at L'Oréal East Africa are described. In particular, the study captured the theoretical review, empirical review, conceptual framework and summary of research gap.

#### **2.2 Theoretical Review**

There are several theories that have been developed with the aim of explaining the association between work environment and engagement of employees. This study was based on two theories; two-factor theory and the affective events theory.

##### **2.2.1 Herzberg Two Factor Theory**

Frederick Herzberg was the one who advanced this theory in the year 1959. In deciding the work attitude of the employee and their level of performance he mentioned two sets of factors which are motivation and hygiene (Robbins & Judge, 2007). He indicated that the factors of motivation are intrinsic factors which could lead to an increase in job satisfaction of workers while the factors of hygiene are the extrinsic factors preventing dissatisfaction of workers. In the theory it is indicated that bettering the environment where work is performed encourages workers to improve their performance.

The concentration of this theory is the advantage of factors of internal job and forces of motivation for the workers. His concentration was on creating opportunity for workers to participate in planning, performing and evaluation of their duties (Schultz *et al.*, 2010). The ideas of the theory are greatly accepted to be of great relevance in motivation of workers to offer their best to the company. Other studies have confirmed that employees get highly motivated by the intrinsic factors compared to other factors as shown in the Herzberg's motivator needs.

Not all schools of thought share the same opinions Herzberg's. One of them is King (2005) who eradicated and evaluated 5 other versions of the two factor theory. He reached a conclusion that two versions were not valid since there was no empirical study that supported it. It can be said that the theory of two factors is outstanding because it

lasted a long period of time without being disapproved. It has greatly influenced body of knowledge regarding performance and motivation at work. It has been the basis for other researches that have been conducted by many scholars. The foundation of this theory is the Maslow's hierarchy of needs and human behaviour. Because of the changing environment for companies and also changes in technology it has been necessary for new techniques of analysis to be created. Through this, it will create new methods of carrying out research and valuation of the outcome of the findings that exist.

In order for the company to motivate and engage its staff it should develop an open, supportive and team culture that is fair and supportive and make sure that there is a proper alignment of the goals of a company had have levels of autonomy that are appropriate and opportunities to develop career. There is need for the company to have a pay system that is proper to motivate workers to work in the company. With the aim of boosting the engagement of workers, the company should provide its staff with compensation and benefit. Researches have shown that there is a low level of engagement if the employee doesn't feel that they are secure at work. Every company should therefore embrace the appropriate techniques and systems to ensure safety and health of its staff. The theory helped in explaining the effect of work environment on employee engagement.

### **2.2.2 Affective Events Theory**

In the year 1996, Howard M. Weiss and Russel Cropanzano advanced this theory (Phua, 2012). This theory explains the association between the internal influence of workers and how they react to incidents that take place at their work place and influences how they perform, their commitment to the company and the level to which they are satisfied with their work. Its proposition is that inducing that is positive and also incidents of negative emotions at work significantly affect the psychology of the employee's level of satisfaction with their work. The effect leads to a reaction that lasts and it shows through job satisfaction, commitment to the company and work performance.

Research conducted by Ashton-James and Ashkanasy (2005) supports the tenets of this theory that events at work trigger responses from workers that are effective which affects behaviour and cognition at workplace. They indicated that the theory of Affective Events has theoretical and empirical restriction to events inside the company. Another

consideration of the theory is the way specific events at work apart from character of the work results to specific responses emotionally and behaviour wise (Briner, 2000). He also indicated that those things that take place at workplace do affect the well-being of the employee and therefore affects their level of engagement.

The family life of an individual also affects their work. Once an employee realizes that the company also considers the benefits of his family, he will develop an emotional attachment with the company and results to increased level of engagement. Having a clear understanding of a staff member and providing them with an opportunity to spend with their family leads to an increase in their level of engagement. For instance, providing them with a leave provides an employee with opportunity of spending time with their family and would lead to an increase in level of commitment of the employee to their work. The theory helped in explaining the effect of work environment on employee engagement.

### **2.3 Empirical review**

There are a number of studies that have been conducted on employee engagement and workplace environment.

#### **2.3.1 Physical environment and employee engagement**

Mohda, Shaha, and Zailana (2016) studied the way work environment influences engagement of workers in Telecom Company. The main aim of the study was exploring engagement of workers which is thought to be affected by workplace environment, rewards and balance of work life. The study also investigated the factors that had the greatest impact on engagement of employees. A questionnaire which was quantitative was used and it explored behavior, experience, feelings as well as perspective of the respondents regarding their level of engagement. In measuring the association between response and predictor variables, the study performed the following analysis Descriptive, reliability, Pearson's correlation and multiple regressions. The study used a sample of 250 respondents who were selected from a telecommunication organization in Klang Valley. Based on the findings of the study, it was established that the most influential factor was work environment since it contributed the highest towards engagement of the employees. Rewards and balance in work life followed consecutively. This study used a quantitative survey questionnaire in data collection, so only quantitative data was collected. The

current study will use a questionnaire with both open and closed ended questions. Through the closed ended questions quantitative data will be obtained while in using open ended questions qualitative data will be obtained since the respondents will be able to give their own opinions through such questions.

Stanley (2016) studied work environments, creative behaviours, and employee engagement. There is a very crucial role that is played by the processes in team meetings which is to facilitate collaboration, learning and debate and they act as key drivers in creative behavior and engagement of workers. From the findings, a model was created to illustrate the movement of ideas in an iterative shaping which is the work environment, creative behavior and smaller engagement of workers as more decision are reached and structures given. Regularity in stimulating, exploring and refining ideas by formally meeting with managed condensation around ideas, contributed by environment supporting creative behavior.

The values of the organization were found to influence indirectly the feelings of people, their thought and their behavior in their duties which had an influence their engagement and creative behavior. In order to better innovativeness of the company, there were deliberate measures that were taken through the establishment of autonomous culture that is informal and its organizational culture is flat; work environment that is like a family and is friendly; minimum processes in the organization and encourages fluid job responsibilities; and design of the office to be open (Stanley, 2016).

### **2.3.2 Organizational climate and employee engagement**

Tamessek (2009) did a study where he analyzed the level to which the perception of employees regarding their work environment as satisfying their intrinsic, extrinsic, and social needs and their need to remain in the company. He also analyzed the effect of perception regarding the environment of the workplace on commitment of workers and turnover in the company and concluded that if workers are given support of workplace environment that is enabling, their level of satisfaction will increase and therefore their commitment levels will increase and lower the rate of turnover. This study focus was on work environment and employee retention, the current study will focus on work environment and engagement of employee.

Roelofsen (2002) conducted a research which established that bettering the work environment lowers complains and absenteeism and increases the level of productivity. A physical workplace environment that is better will improve the workers and their performance as well. Chevalier (2004) conducted a study and established that sound environmental support; it equips employees better to perform what is required of them. Chandrasekar (2003) did a study and established that the role played by workplace environment is great in improving the performance of employees. Ajala (2012) established that elements of workplace environmental like sufficient lighting, silence, proper ventilation systems, and office layout/arrangement does increase the productivity of the employees. Khan *et al.* (2011) did an investigation on the effect of work place environment and infrastructure on the performance of workers in Pakistan and established that the performance of employees was positively affected by incentives they were provided with at work. The above studies focused on work environment and employee performance or productivity, the current study will focus on work environment and employee engagement.

Hameed and Amjad (2009) conducted a survey on thirty one banks workers were motivated by ergonomic and comfortable designs of the office which increased performance of the banks. This study focus was on how office design motivates the employees; the current study will focus on work environment and employee engagement. Aisha et al. (2013) studied “Effects of Working Ability, Working Condition, Motivation and Incentive on Employees Multi-Dimensional Performance” and established that incentives, work conditions, and motivation significantly affected performance of employees of a university located in Indonesia. This study focused on Working Ability, Working Condition, Motivation and employee performance, the current study will focus on work environment and employee engagement.

### **2.3.3 Leadership style and employee engagement**

Bakker, Albrecht and Leiter (2011) did explain the level of engagement among workers improves when workers do experience trust, mutual benefit and respect. The way workers perceive their company creates a belief that the company has the ability of treating them fairly, equally and have the ability of facilitating more opportunities and growth. Also, Albrecht (2010) established that those workers feeling that they can trust and rely on fellow colleagues in the company, are highly confident regarding risk taking and attaining

their goals. In addition, there is a high likelihood that they will invest greatly in cognitive and emotional in their duties at work, therefore increasing the level of employee engagement.

Rasheed *et al.*, (2013) did argue that engagement of employee is a construct consisting of components of cognitive, emotional, and behavioral and relate to the performance of a person. The engagement of employee could have a correlation with how highly the totality of the worker towards their work is. It affects the performance of an employee; on the other hand, focus towards work and energy is attached to the engagement of workers which could make the worker put their all in performing their duties. The engagement of workers can be performance of extra-role. Flexibility, efficiency, integrity and efficiency will be improved by the positive emotions that are built in engagement of employees (Saks 2006).

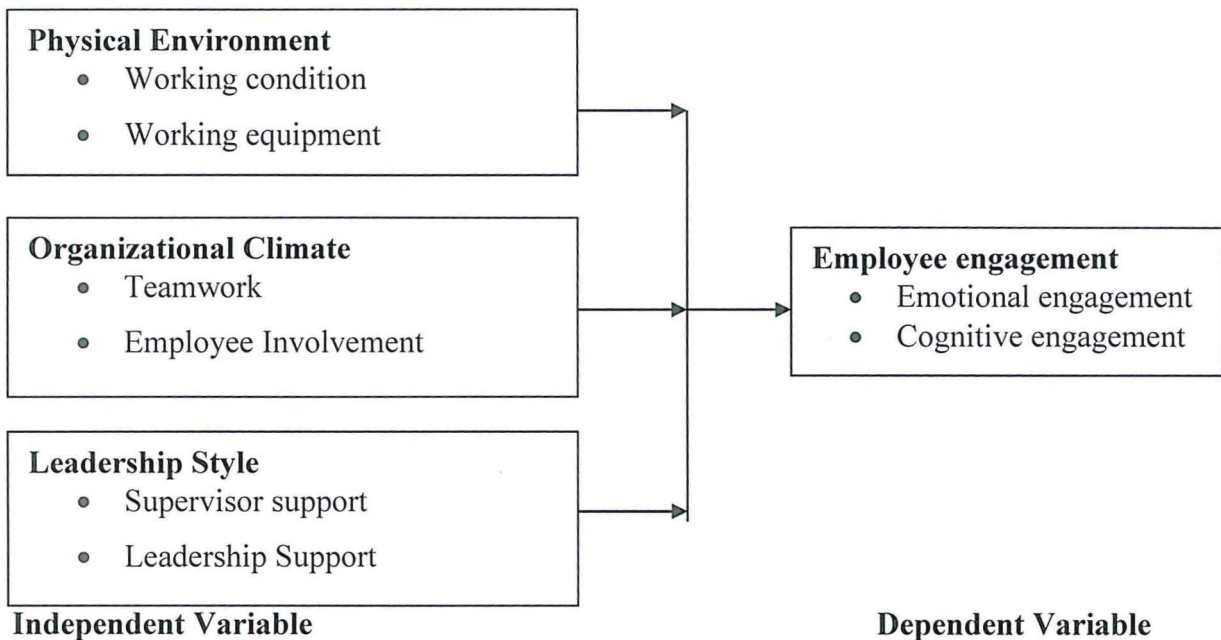
#### **2.4 Research Gaps**

The different researches that were conducted in Kenya include; Gitahi (2014) who studied impact of workplace environment on the way workers of commercial banks in Kenya perform in Nakuru town and from the findings it was established that psychosocial aspects are very crucial in improving the performance of workers compared to other factors like physical workplace and work-life. Naharuddin and Sadegi (2013) studied work place environment factors that affect the way employees perform in miyazu Malaysia.

From the findings, it was established that the support from supervisors was not significant towards the performance of employees but the physical environment and job aid significantly related with performance of employees. Amusa *et al.* (2013) did a study on work environments and performance of librarians in their work in South-West Nigerian public universities. From the findings it was established that work environment and job performance were significantly correlated. These studies don't establish the impact of work environment on engagement of employees in the Kenyan context. It is against this backdrop in research that the study seeks to establish the effect of work environment on employee engagement at L'Oréal East Africa

## 2.5 Conceptual Framework

Conceptual framework is diagrammatic representation of variables and how they relate with each other based on other research studies (Miles, Huberman, & Saldana, 2013). It's also explained as assumptions of a theoretical structure holding together ideas that comprise a wider idea. The idea constituting a conceptual framework is supportive of one another, articulating their respective phenomena and establishing a framework of specific philosophy (Jabareen, 2011).



**Figure 2.1: Conceptual Framework**

### 2.5.1 Physical Environment

The ability of physical work environment to affect the behaviour and create an image is very important especially for those businesses dealing with service provision like the banks. Physical environment is inclusive of those elements that are tangible in the workplace which comprise of the spatial layout and function ability what surrounds (Kohun, 2012). Spatial layout is how machines, equipment and furnishes are organized, the shape as well as size of the item and spatial association among them. Spatial furniture layout influences the nature and amount of conversation among people (Becker, 2012). Functionality is how able the items are in facilitating performance and attainment of goals. The manner in which performance will be attained is affected by the way people fit with the workspace and work environment (Srivastava, 2016).

The physical environment of the workplace in a wider perspective includes the level of comfort, heat, ventilation, lighting both natural and artificial and they are not limited to just that. Temessek, (2013) indicated that the features mentioned above helps in the side of functionality and aesthetic, the décor, and design which in turn assists in improving experience of the employees which improves performance in the long run. He insisted that the services offered by the banks “must insist on the utility and the role of environmental information, facilitating employees’ engagement with better space management, and the automation of certain tasks”. In addition, if the task to be done is complicated, functionality and efficiency of the layout is crucial as compared when the task being performed is simple.

The layout of the office and impressiveness of the design suggest that some dimensions symbolizes functions through connoting meaning as well as images of the company and the way the workers need to be engaged (Challenger, 2010). Basing on the above affordances, it’s suggested that workers will have a tendency of identifying more with features that improve their performance. Seating arrangements that are informal for example placing chairs in a right angle do facilitate social interaction while arrangement that is formal for example chairs placed back of each other does not encourage social interaction (Doman, 2016). This also assists in explaining the way furnishing designs and other symbols could serve symbolic function.

### **2.5.2 Organizational Climate**

Organizational Climate refers to properties in a work environment that can be measured and can be perceived either directly or indirectly by employees of a company which influences and motivates how they behave. According to Aishwarya and Ramasundaram (2011) Organizational Climate refers to patterns of behavior that recurs, attitude and feeling characterizing life in an organization which is highly related to values as well as the atmosphere.

Litwin and Stringer (2012) developed a tool to be used in measuring the climate of an organization and is referred to as Litwin and Stringer’s Organizational Climate Questionnaire. This tool employs 8 organizational climate factors, such as: 1) structure; this is the view of the employees regarding rules, policies and procedures in the company and the limitations of superiors or the company. 2) Responsibility; this is the view of the

employees on the feeling of responsibility growing in the work environment; the level of commitment by the workers towards completing their duties and issues that relate to their duties and the quality of the outcome of their duties. 3) Rewards and Punishments; this is the view of the employees on systems used in rewarding and punishing used in the company.

4) Risk taking; this are the employee's views on the organizational policies on how much was the trust given to the employees to take risks on making decisions, stemming from the chance to channel the employee's creativity as well as ideas. 5) Warmth and support; this is the view regarding the atmosphere of interacting socially with fellow members in work environment. 6) Work standards and targets; this are the views on how clear the expectation of the company are towards the workers performance and the way the process of work and outcome need to be fulfilled by an individual or a team. 7) Conflict Resolution; this is the view of workers towards the skills of organization's members in resolving conflicts, and views towards the wisdom of superiors and organization to solve emerging conflicts. 8) Organizational identity which is the views on the importance and loyalty towards the organization and work team, including pride of being a part of the organization.

There are several challenges that are faced by companies in this 21<sup>st</sup> century compared to before. The challenges are not unique to particular business of sector, but affect all companies, without considering how they are structured or its size. The climate of the organization is constantly influenced by changes affecting companies today (Nair, 2016). In order to survive and perform better than the rival companies, companies need to better how they perform. Brown and Leigh (2016) thinks that the climate of the organization is increasingly becoming important because companies need to make sure that the people adding value will want to remain in the company and will want to contribute their effort in their duties with the aim of benefiting the company.

Watkin and Hubbard (2013) indicated that companies that perform highly have climates measuring particular characteristics showing the way the climate of an organization can account directly up to 30% variation in performance of key measures of performance of businesses. It is supported by research examining association between how workers

describe their work environment and related performance success of the environment (Wiley & Brooks, 2010). Watkin and Hubbard (2013) indicated that climate doesn't bring about any difference in the performance of the organization since it indicates the way energizing the work place environment is for its workers'. To the performance of an organization, there is more than just to energize the workers or presence of organizational or leadership characteristics: 'morale governing discretionary effort is also another factor determining level of productivity.

The interest of several researchers has been to establish the way perception of workers regarding their work environment affect their level of engagement. Mayo's (1933) conducted studies in Western Electric; the studies established that productivity of employees and their morale is influenced by environmental factors. Bisconti and Solomon (Peek, 2013) reported that the climate of an organization allows high autonomy levels and encourages association among peers, subordinates and supervisors and the result is that the employees are highly satisfied. A company with the ability of creating an environment perceived by workers as benign and where they have the ability of achieving their full potential are regarded as key element of attaining competitive advantage (Brown & Leigh, 2016). The climate of an organization can thus be said to be the main variable towards success of a company.

### **2.5.3 Leadership Style**

The presence of a leader is associated with the changes as well as developments that are made by either an individual or a team. Each manager applies their own style of leadership which they find to have significant influence on the morale of the workers. The morale of the workers has effects of the way they will perform. Storey (2014) indicates that transformational leadership style which constitutes of inspiration and motivation, influence, ideals, intellectual stimuli and considerations that are individualized is among the leadership styles that are very effective. The components of transformational leadership results to high performance and have high effect on satisfaction level of employees.

Another leadership style is pragmatic oriented leadership whose emphasis is equality of the subordinates and their leaders. The law that governs all the members of the company is the same, the perspective as well as information and the duties of leaders in facilitating

the creation of the company (Duckett & Macfarlane, 2003). This leadership style is very successful. A leadership style that is successful is crucial in order to have an organization that is effective and improve the performance of the workers. There are a number of factors that are affected by Leadership style and they include level of work satisfaction, turnover intents and therefore contributing to successfulness of the company. It is therefore important that managers select the appropriate leadership behavior to better the performance of workers.

#### **2.5.4 Employee Engagement**

Engagement of Employee is one of the key factors that every company tries to maintain in order to make sure that their workers give their whole in performing their duties. Engagement of workers is of great interest to every company in order for them to have an effective competition with their rivals. Studies conducted previously have indicated that prediction can be made on the results of the way workers will perform, the flow of finances and stability and also attainment of success of the company (Bates, 2014; Harter *et al.*, 2012; Richman, 2016). On the other hand, studies by Bates (2014) and Richman (2016) indicated that once workers enter a company, they should take part in every activity that is provided by the company like the induction, programs of development, training, etc.

The degree to which workers take part is based on some factors. Saks (2016) indicated that some of the factors that determine engagement of employees are the character of the job, perception concerning support from the organization and supervisors. On the other hand, Joshi and Sodhi (2011) indicated that the factors determining the engagement of employees are content of the task that relate to autonomy and opportunities that are challenging, compensation, and the benefits gained by the workers regarding improvement of their skills, abilities, knowledge to the organization, balance of work-life which makes it possible for the worker to balance their personal life and their work life, the association of the worker and their employer, advancing growth in career and finally working as a team. According to a recent study that was conducted by Bakker and Bal (2017) performance of employees in their tasks tend to be better more in those individuals who are engaged. Anitha (2014) indicated that engagement of employee is the level of their commitment and engagement of the workers which affects the values of the company and the company itself.

Kahn, (2010) conceptualizes that engagement at work as ‘harness of members of the organization’ selves to their roles in their duties. In engagement individuals use and express themselves cognitively, physically and emotionally when they are performing their roles. Kahn (2010) further suggests that workers do experience dimensions of individual engagement in their performance of their daily duties. Engagement takes place when an individual is vigilant cognitively or emotionally connected with the rest. This implies that workers who have the knowledge on what is expected of them, forming a strong association with managers and coworkers or experience meaning in their work get engaged. Workers, who are disengaged, disconnect themselves from roles and cognitively withdraw and also withdraw emotionally. Those workers who are disengaged show uncompleted performance in their duties as well as becoming effortless in their task (Hochschild, 2013).

Hochschild (2013) indicated that unemployment of self in their roles is regarded as robotic or behavior of apathetic. Engagement of Employees aims at the way the experience of the psychology of work and concepts of work shapes the process of peoples presenting or absenting themselves when a task is being performed. Kahn (2010) indicated that the main dimensions of engagement are cognitive and emotional. Emotional engagement is taking part in meaningful connection with others and experiencing concern and empathy for hoe other feel. Contrary to that, cognitive engagement is being acutely aware of one’s mission and its role in the environment of work. Kahn (2010, 2012) indicated that workers can take part in one of the dimensions and no other. When an employee takes part in both dimensions, then their personal engagement will be higher.

## **2.6 Summary of Study the Literature Review**

High level of employee involvement results to outstanding performance in their duties. In addition, employees’ positive attitude towards their company and its system of values will be referred to as positive relationship of emotional aspect and work performed by the worker; this implies that workers have the ability of managing their emotions and perform their duties showing that the employee has a positive attitude regarding the association they have with their company. Aside from that, employees do their work above the excellence standard when they get fully engaged in performing their duties.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

In this chapter, the methodology to be adopted in this study is described. The research techniques that were applied and the reasons why they were selected are explained. The chapter specifically covers the source of data used, population being studied, the sample size that was used, methods that were used in sampling, the design of the questionnaire used, the interview guide and tools that were used to analyze the data.

#### **3.2 Research Design**

Descriptive research design was adopted. This type of research design is applied in collecting information regarding the current state of an element (Mugenda & Mugenda, 2008). The data is gathered without interfering with any aspect of the environment; and is also referred to as an observational study. The study could be qualitative or quantitative. This design was considered to be appropriate because it made it possible for the researcher to take breadth of observations regarding the phenomenon that is being studied. It also provided descriptive statistics that were accurate on the character of the population from which the sample used in the study was selected from to make inference of the entire population. This study sought to establish the effect of work environment on employee engagement at L'Oréal East Africa.

#### **3.3 Population and Sampling**

##### **3.3.1 Target Population**

Ngechu (2011) indicated that a target population is a set of elements or individuals that are well defined and are under investigation. The population being targeted needs to meet some specifications being researched in the study and the population need to be homogenous. The population that was being targeted in this study was staff members of L'Oréal East Africa. Keya (1989) defined a population as elements fitting specifications of a research study. 150 staff members of L'Oréal East Africa formed the target population. The population could be grouped into strata that are mutually exclusive.

Mugenda and Mugenda (2008), indicated that the population targeted needs to have characteristics that are observable and which the researcher aims to make generalization

of the findings of the study. The targeted population in this study was grouped into strata through top, middle and entry level employees. The population that was being studied was 150 staff members of L'Oréal East Africa at their headquarters located in Nairobi.

**Table 3.1: Target Population**

Category	Target Population	Percentage (%)
Top level employees	8	5
Middle level employees	18	12
Entry level employees	124	83
<b>Total</b>	<b>150</b>	<b>100</b>

### 3.3.2 Sampling Frame

Cooper and Schindler (2006) indicated that a sampling frame is a comprehensive list of the elements of the population that is being targeted and is where the sample to be used in the study is selected from. Ngechu (2004) insisted on the advantaged of using a sampling frame to draw a sample that is representative. The needed sample of elements is then selected from the sampling frame. The respondents to be used in the study were selected using the techniques of Stratified random sampling.

### 3.3.3 Sampling Technique and Sampling Size

The sampling frame was a list of all the 150 staff members where the study sample was drawn. Krejcie and Morgan (1970) formula was used in determining the sample size. The formula was:

$$n = \frac{N}{1 + (N-1)e^2}$$

Where n= sample size

N = Targeted Population (150 staff members)

e = accuracy level required. Standard error = 5%

Sample calculation

$$n = \frac{N}{1 + (N-1)e^2}$$

$$n = \frac{150}{1 + (150-1)0.05^2}$$

$$n = \frac{150}{1 + (149)0.05^2}$$

$$n = \frac{150}{1.3725}$$

$$n = 109.28$$

n=107 Respondents

The sample was 109 employees, which is a representation of 72.7% of the entire population that was targeted. The sample was selected using stratified random sampling. The advantage of using Random sampling is that it reduces the error accruing from sampling in the population which leads to increase in precision in estimations and techniques that is applied in making estimations (Cooper & Schindler, 2003).

**Table 3.2: Sample size**

Category	Population	Proportion	Sample Size
Top Level employees	8	72.7%	6
Middle Level employees	18	72.7%	13
Entry level employees	124	72.7%	90
<b>Total</b>	<b>150</b>	<b>72.7%</b>	<b>109</b>

### 3.4 Data Collection

Questionnaire was selected to be used in collection of data. Chandran (2009), defined a questionnaire as a tool of measure mainly purposed to communicate to the researcher what is needed and obtain the needed responses from the respondents with the aim of answering the research questions. Kothari (2004) indicated that the best type of questionnaire for a descriptive research study is structured questionnaires because that are easy to apply and the skill needed is minimal.

All the selected respondents were issued with a questionnaire. Development of the questionnaire was in line with the objectives of the study and it constituted of both open and closed ended questions. Through the open ended questions the study researcher was

able to obtain responses that were more structured which facilitated recommendations that were tangible. Through the closed ended questions the researcher was able to rate different attributes and it assisted in reducing the number of responses that are related and therefore attaining varied responses. Additional information that was not captured in the closed ended questions was provided by the open ended questions.

Based on the definition of Saunders, Lewis and Thornhill (2007) of a questionnaire, it is an inclusive term used to refer to all the procedures that are used to gather data in a manner that subjects are asked questions in a predetermined order. It is inclusive of structured interviews and telephone questionnaires inclusive of questions responded to without the interviewer present. Questionnaires were administered by the researcher using the drop and pick later method. Care and control was practiced in order to make sure that the issued questionnaires were returned; this was achieved by maintaining a register of questionnaires administered and those returned.

### **3.5 Analysis of Data and Presentation**

Analysis of the quantitative data gathered by use of descriptive statistics be analysed using SPSS (Version, 23) and presentation was done by use of percentages, means, Std. Dev. and frequencies. Displaying of the information was by use of graphs, charts and in prose. To achieve this, the responses were tallied, percentages computed and interpretation of the data done in line with the objectives of the study all done in Spss version 23 with the aim of communicating the findings of the study.

Correlation analysis is a tools used in establishing how two variables are related (Levin & Rubin, 1998). Correlation analysis was performed to establish how strong the association of predictor and dependent variable are. Correlation value of 0 indicates there is no association between the variables; a correlation of  $\pm 1.0$  indicates a perfect positive or negative association (Hair et al., 2010). Interpretation of the values was between 0 (no association) and 1.0 (perfect association). The association is small when  $r = \pm 0.1$  to  $\pm 0.29$ ; it is medium when  $r = \pm 0.3$  to  $\pm 0.49$ , and when  $r = \pm 0.5$  and above, it is strong.

The association of work environment and engagement of employees was shown using multiple regressions. The association between the predictor and response variables was shown using multiple regressions. Presentation of the findings was done in tables. The regression equation was:

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

Where:

Y-dependent variable (Employee Engagement),

$\beta_0$ - regression constant,

$\beta_1$ ,  $\beta_2$ ,  $\beta_3$  and  $\beta_4$ - coefficients of independent variables,

$X_1$  is physical environment,  $X_2$  is organization climate,  $X_3$  is leadership style.

### **3.6 Research quality**

#### **3.6.1 Pilot Study**

Pretesting and validation of the questionnaire was facilitated by pilot test. Cronbach's alpha will be used. Cronbach's alpha whose basis is internal consistency provides the measures for items that are measurable and their correlations. The methodology that was used in this study is in line with the technique applied. The reliability of the research tool was tested through pilot study. The pilot study was conducted in PZ Cussons East Africa Limited. Twenty individuals were selected to be used in the pilot study and they were randomly selected from the target population and were excluded from the actual study. The selected sample represented ten percent of the population being studied. The data obtained from the pilot test was not included in the actual study.

#### **3.6.2 Validity of Instrument**

The main concern of validity is if the measure gives the measurements of what it was designed to measure (Zikmund, 2003). Thietart (2001) it is mainly concerned with precision which facilitates generalization of the findings. The study will be mainly concerned with whether the researcher measures in the right way and if the questions were structures accordingly and in tandem with the research questions. To assist the researcher in determining whether the main aspect of what was required is captured by the questionnaire, the selected 20 respondent assisted in that. Expert input will be used to check the validity of the instrument.

#### **3.6.3 Reliability of instrument**

Mugenda and Mugenda (2008) indicated that reliability is the measure of the level to which the instruments result to output that is consistent even after the process has been

repeated a number of times. Silverman (1993) indicated that there are a number of ways through which reliability can be attained and they include prior testing of the interview protocols and questions, the use of responses that are fixed choices, systematic collection, transcription and report of field notes.

Through the pilot test, pre-trial of the exploration instruments was done to guarantee dependability by correcting irregularity that may have emerged from the instruments which ensured that they give the proportions of whatever they were intended to quantify it is likewise essential to ensure that the items are clear to the respondents this likewise helped the unwavering quality of the instrument. Another manner by which unwavering quality was enhanced is by including numerous items that are alike in a measure, testing a sample that is assorted, and by utilization of test strategies that are comparable.

The investigation utilized Cronbach's Alpha which estimates internal consistency to build up the unwavering quality of the data. The calculations were analyzed utilizing SPSS. The scope of the alpha coefficient is 0-1 and is utilized in clarifying the unwavering quality of the elements. If the alpha coefficient esteem is high then it infers that item is reliable. Cooper and Schindler (2008) expressed that the acknowledged coefficient value is 0.7.

According to Gliem and Gliem (2003) 0.7 is the threshold value of Alpha which was used as the benchmark in this study. Reliability of each objective was determined using Cronbach's alpha. From the findings shown in Table 3.3, physical environment, as an alpha of 0.793, organizational climate as an alpha of 0.764, leadership style as an alpha of 0.759 and Employee Engagement an alpha of 0.783. This shows that all the variables are reliable.

**Table 3.3: Reliability Analysis**

Scale	Cronbach's Alpha	Number of Items
Physical environment	0.793	5
Organizational climate	0.764	7
Leadership style	0.759	8
Employee Engagement	0.783	7

### **3.7 Ethical Issues**

The respondents were told about the research and that the main reason for the study is academic. The respondents were also told that the participating in the study is voluntarily and they were free to withdraw from the research. Respondents were not coerced to take part in the study. The respondents made an informed consent in taking part in the study. The respondents were assured that their privacy will be maintained and anonymity will be maintained. To ensure anonymity the name of respondents did not appear in the questionnaires.

## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND INTERPRETATION

#### 4.1 Introduction

Data analysis, presentation, interpretation, and discussion of findings obtained from data collection are discussed in this chapter. This chapter also presents background information of the respondents and findings of the analysis based on study objectives. To discuss the study findings inferential statistics and descriptive statistics were applied.

#### 4.2 Response Rate

The respondents that were used in the study was 109 and all of them were issued with questionnaires, out of which 96 of them dully filled and returned the questonnaires which translated to a response rate of 88.1%. The rate of response was considered excellent and suitable to make inference on the study population because according to Mugenda and Mugenda (1999), a rate of response of 50% is considered to be adequate to make analysis and make a report, while a rate of 60% is considered to be good and that of 70% and above is considered to be excellent. In this study our response rate was above 70% and was therefore considered to be excellent.

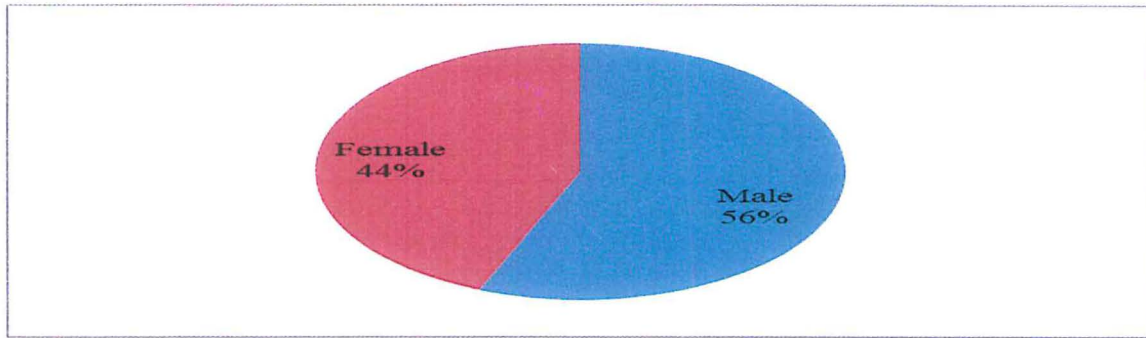
**Table 4.1: Response rate**

Category	Frequency	Percent
Response	96	88.1
Non-Response	13	11.9
<b>Total</b>	<b>109</b>	<b>100.0</b>

#### 4.3 Demographic Information

##### 4.3.1 Gender of the Respondents

Respondents were asked to indicate their gender. The results are as shown in Figure 4.1.

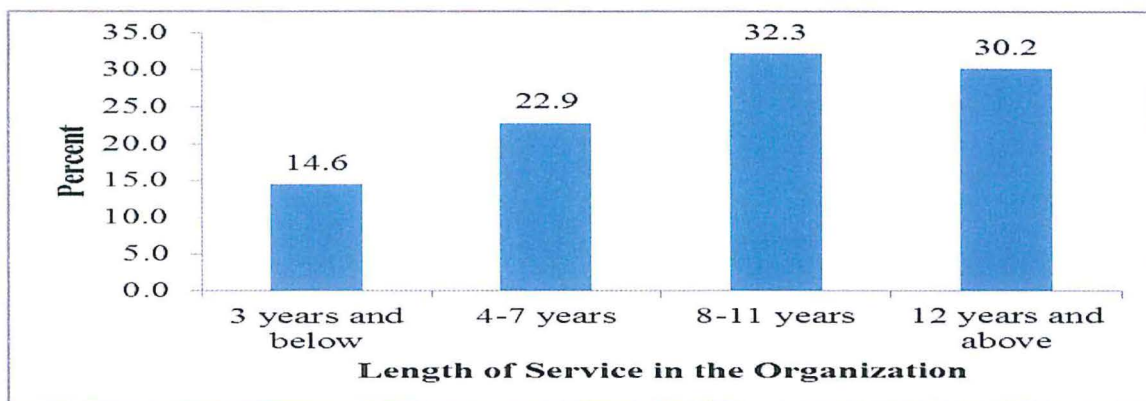


**Figure 4.1: Gender of the Respondents**

From the findings, 56% of the respondents were male while 44% were female. This is an indication that the study used respondents of both genders and therefore it did not suffer from gender biasness. It also shows that L'Oréal East Africa is not gender biased when employing their staffs. The organization should incorporate both the male and female in their work environment. This implies that gender in the work environment influences employee engagement.

#### 4.3.2 Respondents Length of Service

Respondents were asked to indicate the length of time they have served in the organization. The results are as shown in Figure 4.2.



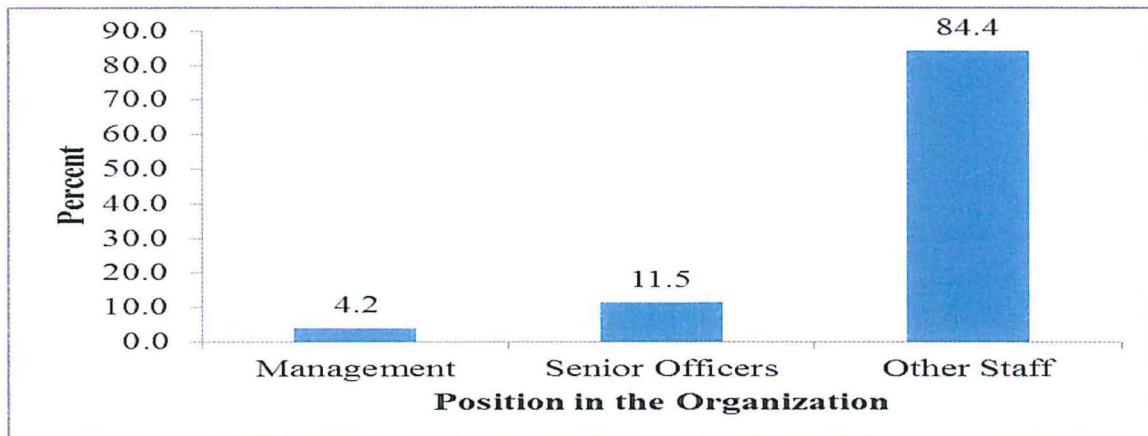
**Figure 4.2: Respondents Length of Service**

From the findings, 32.3% of the respondents indicated that they had served in the organization for 8 to 11 years, 30.2% had served for 12 years and above, 22.9% for 4 to 7 years, and 14.6% for 3 years and below. This showed that the respondents had served in the organization long enough and provided the information that was needed in the study. Most (32.3%) had served for 8 to 11 years. Employees with different length of experiences are important to an organization. This may result to better work climate

because they are able to share their experiences with their colleagues. This shows that length of service affects the organization climate and employee engagement.

### 4.3.3 Respondents Position in the Organization

Respondents were asked to indicate their position in the organization. The results are as shown in Figure 4.3.



**Figure 4.3: Respondents Position in the Organization**

From the findings, 84.4% of the respondents indicate that their position in the organization was other staff, 11.5% indicated senior officers and 4.2% indicated management. This showed that the study used respondents with different positions in the organization. Majority (84.4%) were other staff. The study sought the opinion of all the respondents in different positions in the organization. Employees in different levels should be able to interact in the organization environment. This implies that work environment influences employee engagement.

### 4.4 Effects of Physical Environment on Employee Engagement

Respondents were asked to indicate the level to which they agreed with some statements on the variables that were under study. They used a 5-point Likert scale where 1- Strongly disagree, 2- Disagree, 3- Neutral, 4- Agree, and 5- Strongly agree. The results are presented in subsections hereunder.

Respondents were asked to give their level of agreement or disagreement on various statements on whether of physical environment affect employee engagement at L'Oréal East Africa. The results are as shown in Table 4.2.

**Table 4.2: Effects of Physical Environment on Employee Engagement**

	1	2	3	4	5
My physical conditions in my job allow me to be as efficient as I can be	2%	2%	3%	44%	49%
The furniture I use allow comfort and I can do my work with comfort	4%	4%	7%	40%	45%
There is no disturbance at work and therefore I have alone time to perform my work	2%	3%	6%	45%	44%
The arrangement of the office pleases me	5%	3%	8%	42%	42%
My performance at work will improve with improved work environment (spacious office, enough lighting etc.).	2%	5%	15%	42%	36%

From the findings, 49% of the respondents agreed that their physical conditions in their job allow them to be as efficient as they can be, 45% agreed that there is no disturbance at work and therefore they have alone time to perform my work, 45% agreed that the furniture they use allow comfort and they can do their work with comfort, 42% agreed that the arrangement of the office pleases them and that their performance at work will improve with improved work environment (spacious office, enough lighting etc.). These findings are in agreement with the conclusion of Tamessek (2009) who did a study where he analyzed the level to which the perception of employees regarding their work environment and established that that if workers are given support of workplace environment that is enabling, their level of satisfaction will increase and therefore their commitment levels will increase and lower the rate of turnover. Also Roelofsen (2002) conducted a research which established that bettering the work environment lowers complains and absenteeism and increases the level of productivity. A physical workplace environment that is better will improve the workers and their performance as well.

The respondents further indicated that a work environment that is conducive attracts workers to the company and motivates them to remain in the job and ensures that their performance in their duties is effective. Such an environment also gives conditions enabling employees' performance to be effective, applying knowledge in the most effective way, competency and skills and the resources that are available which are of high quality.

#### 4.5 Effect of Organizational Climate on Employee Engagement

Respondents were asked to give their level of agreement or disagreement on statements focusing on investigating whether organizational climate affect employee engagement at L’Oréal East Africa. The results are as shown in Table 4.3.

**Table 4.3: Effects of Organizational Climate on Employee Engagement**

	1	2	3	4	5
There is effective collaboration among all departments	3%	3%	6%	38%	50%
There is preparedness in sharing information by individuals in different departments	3%	3%	8%	42%	44%
Minimal conflict exists in the departments	4%	1%	10%	38%	47%
We work as one big team	3%	4%	3%	43%	47%
My supervisor is supportive when I have a work problem	1%	3%	3%	49%	44%
Supervisors and managers provide recognition to the staff in an effort to support the activity	3%	4%	1%	51%	41%
Designing of jobs in the company is in an effort to promote continued learning and also give flexibility to acquire new skills as well as knowledge	1%	2%	2%	49%	46%

From the findings, 49% of the respondents agreed that designing of jobs in the company is in an effort to promote continued learning and also give flexibility to acquire new skills as well as knowledge, 50% agreed that there is effective collaboration among all departments, 51% agreed that supervisors and managers provide recognition to the staff in an effort to support the activity, 47% agreed that minimal conflict exists in the departments and 44% agreed that there is preparedness in sharing information by individuals in different departments. These findings concur with Stanley (2016) studied work environments, creative behaviours, and employee engagement and found that there is a very crucial role that is played by the processes in team meetings which is to facilitate collaboration, learning and debate and they act as key drivers in creative behavior and engagement of workers.

The respondents further indicated that proper communication channels are important for the engagement of employees. The availability of platforms for employees to express

their concerns and opportunities to grow and develop their potential is also important. Fostering good relations in the organization motivates employees.

#### 4.6 Effects Leadership Style on Employee Engagement

Respondents were asked to indicate their level of agreement or disagreement with statements concerned with investigation of whether leadership style affects employee engagement at L'Oréal East Africa. The results are as shown in Table 4.4.

**Table 4.4: Effects of Leadership Style on Employee Engagement**

	1	2	3	4	5
The leadership team in my department is effective at making things move forward	2%	1%	2%	53%	42%
I am clear about what my direct manager expects from me	3%	3%	5%	47%	42%
My direct manager drives our team towards a shared vision and common objectives	2%	2%	4%	43%	49%
I get clear and regular feedback from my direct manager about my performance and what I need to do to improve	4%	2%	6%	47%	41%
My direct manager is entrepreneurial in the way he or she acts	1%	1%	3%	49%	46%
My direct manager has a balanced approach to recognizing both individual and team achievements	1%	0%	2%	58%	39%
My direct manager actively supports initiatives and co-operation with teams from other Brands and / or Functions	3%	2%	3%	38%	54%
My direct manager's behaviour are consistent with L'Oréal Ethical principles	4%	4%	8%	34%	49%

From the findings, 54% of the respondents agreed that their direct manager actively supports initiatives and co-operation with teams from other Brands and / or Functions, 49% agreed that their direct manager is entrepreneurial in the way he or she acts, 49% agreed that their direct manager drives our team towards a shared vision and common objectives, 58% agreed that their direct manager has a balanced approach to recognizing both individual and team achievements, 53% agreed that the leadership team in their department is effective at making things move forward, 47% agreed that they are clear about what their direct manager expects from them, 49% agreed that their direct manager's behaviour are consistent with L'Oréal Ethical principles and 47% agreed that they get clear and regular feedback from their direct manager about their performance and what they need to do to improve. These findings concur with Duckett and Macfarlane, (2003) who stated that there are a number of factors that are affected by Leadership style

and they include level of work satisfaction, turnover intents and therefore contributing to successfulness of the company. It is therefore important that managers select the appropriate leadership behavior to better the performance of workers.

The respondents further indicated the company should come up with strategies that are comprehensive for executives which will give them the tool for developing skills, building trust, share their vision, and create a relationship that is effective between the company and the staff. Those leaders that use these skills are considered by their employees in a more positive way.

#### 4.7 Employee Engagement at L'Oréal East Africa

Respondents were asked to indicate their level of agreement or disagreement on statements concerned with assessing the employee engagement at L'Oréal East Africa. The results are as shown in Table 4.5.

**Table 4.5: Employee Engagement at L'Oréal East Africa**

	1	2	3	4	5	Mean	Std. Dev.
I feel proud to work for L'Oréal East Africa	3%	3%	6%	39%	49%	4.271	1.091
L'Oréal East Africa motivates me to give my best everyday	6%	3%	9%	34%	47%	4.125	1.008
I have opportunities to grow within L'Oréal East Africa	4%	2%	4%	33%	56%	4.354	1.216
I have the training I need to offer a great customer experience	3%	3%	6%	38%	50%	4.281	1.104
Information and communication I receive makes me feel part of the L'Oréal Group	3%	3%	8%	41%	45%	4.208	1.022
I am encouraged to think and act as if it were my own business	4%	2%	9%	36%	48%	4.219	1.048
I would recommend L'Oréal East Africa to friends as a place to work	3%	4%	2%	43%	48%	4.281	1.119

From the findings, 56% of the respondents agreed that they have opportunities to grow within L'Oréal East Africa, 50% agreed that they have the training they need to offer a great customer experience, 48 indicated that they would recommend L'Oréal East Africa to friends as a place to work, 49% of the respondents feel proud to work for L'Oréal East Africa, 48% of the employees are encouraged to think and act as if it were their own business, 45% agreed that information and communication they receive makes them feel part of the L'Oréal Group and 47% agreed that L'Oréal East Africa motivates them to give their best every day. The findings concur with Bates (2014) and Richman (2016) who indicated that once workers enter a company, they should take part in every activity that is provided by the company like the induction, programs of development, training, etc. Joshi and Sodhi (2011) also indicated that the factors determining the engagement of employees are content of the task that relate to autonomy and opportunities that are challenging, compensation, and the benefits gained by the workers regarding improvement of their skills, abilities, knowledge to the organization, balance of work-life which makes it possible for the worker to balance their personal life and their work life, the association of the worker and their employer, advancing growth in career and finally working as a team.

The respondents also indicated that provision of incentives and other rewards, recognizing employees, proper problem solving skills and provision a safe work environment for instance with good ventilation and minimal accidents helps employee to be more engaged in the organization.

## **4.8 Inferential Statistics**

### **4.8.1 Correlation Analysis**

The relationship that existed between the response and the predictor variables was analysed using correlation analysis. This study used PMC in determining the relationship between physical environment, organizational climate, and leadership style with employee engagement. The results were as shown in Table 4.6.

**Table 4.6: Correlations Coefficient**

		Employee engagement	Physical environment	Organizational climate	Leadership style
<b>Employee engagement</b>	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	96			
<b>Physical environment</b>	Pearson Correlation	.821**	1		
	Sig. (2-tailed)	0.003			
	N	96	96		
<b>Organizational climate</b>	Pearson Correlation	.836**	0.478	1	
	Sig. (2-tailed)	0.001	0.002		
	N	96	96	96	
<b>Leadership style</b>	Pearson Correlation	.803**	0.463	0.421	1
	Sig. (2-tailed)	0.004	0.001	0.000	
	N	96	96	96	96

The results established physical environment and employee engagement at L'Oréal East Africa were strongly and positively correlated as shown by  $r = 0.821$ , statistically significant  $p = 0.003 < 0.01$ ; organizational climate and employee engagement at L'Oréal East Africa were strongly and positively correlated as shown by  $r = 0.836$ , statistically significant  $p = 0.001$ ; leadership style and employee engagement at L'Oréal East Africa were strongly and positively correlated as shown by  $r = 0.803$ , statistically significant  $p = 0.004$ . This suggests that physical environment, organizational climate, and leadership style have effects on employee engagement at L'Oréal East Africa.

#### 4.8.2 Multiple Regression Analysis

##### 4.8.2.1 Model summary

Changes in response variable as a result of changes in predictor variables were determined using the model summary. Variations of employee engagement at L'Oréal East Africa due to the changes of physical environment, organizational climate, and leadership style was analysed in this study.

**Table 4.7: Regression Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.793 <sup>a</sup>	0.629	.601	0.02457

Adjusted R<sup>2</sup> was 0.629 which suggests that there existed 62.9% variation employee engagement at L'Oréal East Africa due to the changes of physical environment, organizational climate, and leadership style. The remaining 37.1% suggest that there exist other factors that affected employee engagement at L'Oréal East Africa that were not covered in this study. Correlation coefficient which is R shows the association that exists between the variables that are being studied. The findings reveal that the variables being studied were strongly and postively relates as shown by a correlation coefficient value of 0.793.

#### 4.8.2.2 Analysis of Variance

In order to determine whether the data that was used in the study was significant, ANOVA was performed. The findings from ANOVA analysis found that the population parameters had a p-value of 0.001. This suggests that the data is suitable for making conclusion on the population under investigation because the p-value is less than 0.05.

**Table 4.8: Analysis of variance**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	6.441	3	2.147	10.127	.001 <sup>b</sup>
Residual	19.504	92	0.212		
<b>Total</b>	<b>25.945</b>	<b>95</b>			

The F critical was less than F calculated (10.127 > 2.704). This shows that physical environment, organizational climate, and leadership style significantly influence employee engagement at L'Oréal East Africa.

#### 4.8.2.3 Beta Coefficients of the study Variables

The regression equation was

$$Y = 0.120 + 0.089X_1 + 0.053X_2 + 0.031X_3 + \varepsilon$$

The equation above revealed that holding physical environment, organizational climate, and leadership style variables to a constant zero, will significantly influence employee engagement at L'Oréal East Africa as shown by constant =0.120 as shown in Table 4.9 below.

**Table 4.9: Regression Coefficients**

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
<b>1 (Constant)</b>	<b>0.120</b>	<b>0.029</b>		<b>4.138</b>	<b>0.000</b>
Physical environment	0.089	0.031	0.074	2.871	0.001
Organizational climate	0.053	0.017	0.036	3.118	0.003
Leadership style	0.031	0.010	0.029	3.100	0.005

The study sought to establish the effects of physical environment on employee engagement at L'Oréal East Africa. From the findings in Table 4.9, physical environment is statistically significant to employee engagement at L'Oréal East Africa as shown by ( $\beta = 0.089$ ,  $P = 0.001$ ). This suggests that, physical environment had significant positive relationship with employee engagement at L'Oréal East Africa. This suggests that increasing physical environment by a single unit would lead to an increase in employee engagement at L'Oréal East Africa.

The study sought to assess the effect of organizational climate on employee engagement at L'Oréal East Africa. The study established that organizational climate is statistically significant to employee engagement at L'Oréal East Africa as shown by ( $\beta = 0.053$ ,  $P = 0.003$ ). This suggests that organizational climate significantly and positively relate with employee engagement at L'Oréal East Africa. Therefore increasing organizational climate by a single unit would lead to an increase in employee engagement at L'Oréal East Africa.

The study finally sought to examine the effects leadership style on employee engagement at L'Oréal East Africa. The study found that leadership style is statistically significant to employee engagement at L'Oréal East Africa as shown by ( $\beta = 0.031$ ,  $P = 0.005$ ). This indicates that leadership style significantly and positively relate with employee engagement at L'Oréal East Africa. It suggests that increasing org leadership style by a single unit would lead to an increase in employee engagement at L'Oréal East Africa.

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## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

Summary of the findings, conclusions and recommendations are presented in this chapter. The objectives of the study were addressed by the conclusions and recommendations made.

#### **5.2 Summary of Findings**

##### **5.2.1 Physical Environment**

The study found that physical conditions in their job allow them to be as efficient as they can be, there is no disturbance at work and therefore they have alone time to perform my work, the furniture they use allow comfort and they can do their work with comfort, the arrangement of the office pleases them and that their performance at work will improve with improved work environment (spacious office, enough lighting etc.).

Managing the work environment is about optimising the workplace so that the organization can get the best from your employees. It's about creating a positive physical and mental work environment where fairness, respect and safety sit alongside primary concerns of the balance sheet. These important aspects of management are in fact complementary, each helping to improve the other. Employee wellbeing impacts positively on workplace performance. When staff feels safe, respected and valued they perform better and tend to be more loyal to a company. In other words, the quality of the work environment affects employee engagement. Providing the required working equipment makes employee feel comfortable in their work because they are able to perform their tasks as require. The equipment should also be safe to use so that it does not harm employees.

These findings are in agreement with the conclusion of Tamessek (2009) who did a study where he analyzed the level to which the perception of employees regarding their work environment and established that that if workers are given support of workplace environment that is enabling, their level of satisfaction will increase and therefore their commitment levels will increase and lower the rate of turnover. Also Roelofsen (2002) conducted a research which established that bettering the work environment lowers

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complains and absenteeism and increases the level of productivity. A physical workplace environment that is better will improve the workers and their performance as well. The findings of the study are also supported by Herzberg to factor theory. The theory focuses on employee's motivation. In the theory it is indicated that bettering the environment where work is performed encourages workers to improve their performance.

### **5.2.2 Organizational Climate**

The study found that the designing of jobs in the company is in an effort to promote continued learning and also give flexibility to acquire new skills as well as knowledge, there is effective collaboration among all departments, supervisors and managers provide recognition to the staff in an effort to support the activity, minimal conflict exists in the departments and there is preparedness in sharing information by individuals in different departments.

There is positive effect brought about by team building that is effective which in turn affects their level of engagement. The level of engagement is improved by those activities as well as events that are specifically tailored to improve bilateral communication and ensure that it is effective. Through this, interpersonal connection is forged between the staff and having friends at workplace has positive outcome. Participation of staff results to more efficient and innovative techniques and processes at work environment which betters communication within the company increase in level of involvement of staff leads to level of satisfaction and reduces the rate of turnover. Furthermore, participation of staff concern training and working as a team, and also results to great flexibility of staff and increase in work motivation

These findings concur with Stanley (2016) who studied work environments, creative behaviours, and employee engagement and found that there is a very crucial role that is played by the processes in team meetings which is to facilitate collaboration, learning and debate and they act as key drivers in creative behavior and engagement of workers. The findings of the study are supported by Herzberg to factor theory. The theory notes that in order for the company to motivate and engage its staff it should develop an open, supportive and team culture that is fair and supportive and make sure that there is a proper alignment of the goals of a company had have levels of autonomy that are appropriate and opportunities to develop career.

### **5.2.3 Leadership Style**

The study found that direct manager actively supports initiatives and co-operation with teams from other Brands and/or Functions, direct manager is entrepreneurial in the way he or she acts, direct manager drives the team towards a shared vision and common objectives, direct manager has a balanced approach to recognizing both individual and team achievements, the leadership team in department is effective at making things move forward, employees are clear about what their direct manager expects from them, their direct manager's behaviour are consistent with L'Oréal Ethical principles, and employees get clear and regular feedback from their direct manager about their performance and what they need to do to improve.

Furthermore, Goleman (2000) indicated that a supervisor is considered to be good if they have the ability of developing targets that are achievable, share a positive attitude in the entire company, and increase awareness of staff members on reasons for training and why it's of great importance to them. All these can be attained if the employees get full support from their supervisors. Support from supervisors that is effective is based on the way the supervisors deal with those staff members who do not want to take part in the training activity, competency of the leaders is insisted by Wallace and Trinkka (2009) while noting that with the aim of impacting engagement of staff; coaching that efficient, being interested in the development of follower's careers and communication regarding performance of individuals. With regard to coaching, the staff members will feel coached is their leaders spare some of their valuable time for coaching. Duckett and Macfarlane, (2003) stated that there are a number of factors that are affected by Leadership style and they include level of work satisfaction, turnover intents and therefore contributing to successfulness of the company. It is therefore important that managers select the appropriate leadership behavior to better the performance of workers. The findings of the study are also supported by Herzberg to factor theory. The theory focuses on the advantage of factors of internal job and forces of motivation for the workers. It is important for organizations to create opportunities for workers to participate in planning, performing and evaluation of their duties through proper leadership methods.

#### **5.2.4 Employee Engagement**

The study established that employees have opportunities to grow within L'Oréal East Africa, employees have the training they need to offer a great customer experience, employees would recommend L'Oréal East Africa to friends as a place to work, employees feel proud to work for L'Oréal East Africa, employees are encouraged to think and act as if it were their own business, information and communication they receive makes them feel part of the L'Oréal Group, and L'Oréal East Africa motivates employees to give their best every day.

Personalization of work is done by employees by the emotions they feel regarding the actions of the company or those of their immediate supervisors. Those employees with positive connection with the company feel a sense of ownership and there is a high likelihood of them staying with it, the work they deliver will be superior using a short period of time and reducing cost incurred due to turnover. Cegala (2001) stated that people with flexibility cognitively have high level of attentiveness, perceptiveness and are very responsive to interactions socially compared to less flexible ones. Those staff with high levels of flexibility cognitively is expected to be more willing and capable of accepting transitions in their duties which entails the chances of failing

Bates (2014) and Richman (2016) noted that once workers enter a company, they should take part in every activity that is provided by the company like the induction, programs of development, training, etc. Joshi and Sodhi (2011) also indicated that the factors determining the engagement of employees are content of the task that relate to autonomy and opportunities that are challenging, compensation, and the benefits gained by the workers regarding improvement of their skills, abilities, knowledge to the organization, balance of work-life which makes it possible for the worker to balance their personal life and their work life, the association of the worker and their employer, advancing growth in career and finally working as a team. The findings of the study are also supported by Affective Events Theory. This theory explains the association between the internal influence of workers and how they react to incidents that take place at their work place and influences how they perform, their commitment to the company and the level to which they are satisfied with their work.

### **5.3 Conclusion**

The first objective of the study was to establish the effects of physical environment on employee engagement at L'Oréal East Africa. The study found that physical environment is statistically significant to employee engagement at L'Oréal East Africa. The study further established that physical environment had significant positive relationship with employee engagement at L'Oréal East Africa. The study therefore concludes that an increase in physical environment will result to increase in employee engagement at L'Oréal East Africa.

The second objective of the study was to assess the effect of organizational climate on employee engagement at L'Oréal East Africa. The study established that organizational climate is statistically significant to employee engagement at L'Oréal East Africa. The study also found that organizational climate had significant positive relationship with employee engagement at L'Oréal East Africa. The study this concludes that a unit increase in organizational climate will result to increase in employee engagement at L'Oréal East Africa.

The final objective of the study was to examine the effects leadership style on employee engagement at L'Oréal East Africa. The study found that leadership style is statistically significant to employee engagement at L'Oréal East Africa. The study also established that leadership style had significant positive relationship with employee engagement at L'Oréal East Africa. The study this concludes that a unit increase in leadership style will result to increase in employee engagement at L'Oréal East Africa.

### **5.4 Recommendations**

The conclusion of the study was that an increase in physical environment will lead to increase in employee engagement. The study thus recommends that the management of L'Oréal East Africa should better the physical environment of the workplace by improving spatial layout and functionality of the surroundings this will ultimately help improve the employees experience and necessitate better performance.

It was established that organizational climate has significant positive relationship with employee engagement at L'Oréal East Africa. The study therefore recommends that the company should ensure that the climate of the organisation allows high levels of autonomy and encourages association among peers, supervisors and subordinates and the

result will be increased level of satisfaction among employees. The company should also create an environment where the perception of workers is benign and have the ability of achieving their full this will enable the organization to attain competitive advantage.

Increasing leadership style will result to an increment in employee engagement at L'Oréal East Africa. The study recommends managers of the organization to use leadership style that will have a positive effect on the morale of the employee; they can apply transformational leadership style which is composed of ideals, influence, inspirational motivation, intellectual stimulation and individualized consideration this will lead to high performance and improves the level of employee satisfaction.

### **5.5 Suggestion for further studies**

This study sought to establish the effect of work environment on employee engagement at L'Oréal East Africa. The study mainly focused on L'Oréal East Africa, the study therefore recommends replication of the study in other organization in the first moving consumer goods industry. The study also recommends a study to be conducted on the effects of workplace environment on employee performance at L'Oréal East Africa.

There is need for further review to be done on existing literature on the association between work environment and performance of employees. This will enable identification of factors of work environment that were not covered in this study.

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## APPENDICES

### Appendix I: Questionnaire

This questionnaire is divided into six short sections that should take only a few moments of your time to complete. Please respond by ticking the appropriate box or filling in your answers in the blank spaces provided. This is an academic exercise and all information collected from respondents will be treated with a strict confidentiality. Thank you very much for your cooperation

#### Section A: General Information

##### Instructions

Kindly tick or write in the spaces provided as appropriate.

1. Kindly indicate your gender.

Male            Female

2. For how long have you worked in the organization?

3 years and below       

4-7 years                   

8-11 years                  

12 years and above       

3. What is your position in this organization?

Management               

Senior Officers            

Other Staff                  

#### Section B: Physical Environment

4. This subsection is concerned with investigation of whether of physical environment affect employee engagement at L'Oréal East Africa. Please mark (x) in the box which best describes your agreement or disagreement.

Statements	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	1	2	3	4	5

My physical conditions in my job allow me to be as efficient as I can be					
My furniture is comfortable enough to enable me perform my jobs without getting					
My workplace provides an undisturbed environment without any noise that gives me alone time to perform my duties					
I am happy with my office space and arrangement					
A better work environment (spacious office, enough lighting etc.) will make me perform better at my job.					

5. How else does physical environment affect employee engagement at L’Oréal East Africa?

.....  
 .....

6. What do you think should be done on physical environment to improve employee engagement at L’Oréal East Africa??

.....  
 .....

**Section C: Organizational Climate**

This subsection is concerned with investigation of whether organizational climate on employee engagement at L’Oréal East Africa. Please mark (x) in the box which best describes your agreement or disagreement.

Statements	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	1	2	3	4	5
Collaboration between departments is very effective					
People in different departments are prepared to share information					
There is very little conflict between departments					
We work as one big team					
My supervisor is supportive when I have a work problem					
Supervisors and managers provide recognition to employees in support of these activities					

In the organization jobs are designed to promote continues learning and provide flexibility for acquiring new knowledge and skills					
--	--	--	--	--	--

7. How else does organization climate affect employee engagement at L'Oréal East Africa?

.....  
 .....

8. What do you think should be done on organization climate to improve employee engagement at L'Oréal East Africa??

.....  
 .....

**Section D: Leadership Style**

This subsection is concerned with investigation of whether leadership style affects employee engagement at L'Oréal East Africa. Please mark (x) in the box which best describes your agreement or disagreement.

Statements	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	1	2	3	4	5
The leadership team in my department is effective at making things move forward					
I am clear about what my direct manager expects from me					
My direct manager drives our team towards a shared vision and common objectives					
I get clear and regular feedback from my direct manager about my performance and what I need to do to improve					
My direct manager is entrepreneurial in the way he or she acts					
My direct manager has a balanced approach to recognizing both individual and team achievements					
My direct manager actively supports initiatives and co-operation with teams from other Brands and / or Functions					
My direct manager's behaviour are consistent with L'Oréal Ethical principles					

9. How else does leadership style affect employee engagement at L'Oréal East Africa?

.....  
 .....

10. What do you think should be done on leadership style to improve employee engagement at L'Oréal East Africa?

.....  
 .....

**Section E: Employee Engagement**

11. This Section is concerned with assessing the employee engagement at L'Oréal East Africa?. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements.

Statements	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	1	2	3	4	5
I feel proud to work for L'Oréal East Africa					
L'Oréal East Africa motivates me to give my best everyday					
I have opportunities to grow within L'Oréal East Africa					
I have the training I need to offer a great customer experience					
Information and communication I receive makes me feel part of the L'Oréal Group					
I am encouraged to think and act as if it were my own business					
I would recommend L'Oréal East Africa to friends as a place to work					

12. How else does to work environment affects employee engagement at L'Oréal East Africa?

.....

What do you think should be done on work environment to enhance employee engagement at L'Oréal East Africa?

.....

**Thank you**