

**EFFECT OF LEADERSHIP STYLES ON EMPLOYEE ENGAGEMENT: IN
THE CASE OF DASHEN BANK SHARE COMPANY, ADDIS ABABA**



**A THESIS SUBMITTED TO OFFICE OF GRADUATE STUDIES OF
ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE IN PARTIAL
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HUMAN RESOURCE MANAGEMENT**

BY

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DECLARATION

I, the undersigned, declare that this study entitled “Effect of Leadership Styles on Employee Engagement in Dashen Bank S.C Addis Ababa” is my original work and has not been presented for a degree in any other university, and that all sources of materials used for the study have been duly acknowledged.

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CERTIFICATE

This is to certify that this study, “Effect of Leadership Styles on Employee Engagement in Dashen Bank S.C Addis Ababa.”, undertaken by ALEM TESHOME for the partial fulfillment of the Requirements for the Degree of Master of Arts in Human Resource Management at Addis Ababa University College of Business and Economics School of Commerce, is an original work and not submitted earlier for any degree either at this University or any other University.

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Effect of Leadership styles on Employee Engagement

in Dashen Bank S.C Addis Ababa

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Table of Contents

Contents

Table of Contents	v
List of Tables	viii
List of Figures	ix
Acknowledgement	x
List of Acronyms and Abbreviations	xi
Abstract	xii
CHAPTER ONE	1
INTRODUCTION	1
1.1. Background of the Study.....	1
1.2. Background of the organization.....	2
1.3. Statement of the Problem.....	3
1.4. Research Questions	4
1.5. Objective of the Study.....	4
1.5.1 General Objective	5
1.5.2 Specific Objectives	5
1.6. Significance of the Study	5
1.7. Scope of the study	6
1.8. Limitation of the study	6
1.9. Definition of Key Terms	7
1.10. Organization of the Paper	7
CHAPTER TWO	9
LITERATURE REVIEW	9
2.1 Introduction.....	9
2.2 Definitions of Employee Engagement	9
2.2.1 Types of Employee Engagement	11
2.2.2 Characteristics of Engaged Employees.....	11
2.2.3 Benefits of Employee Engagement.....	12
2.2.4 Measuring Employee Engagement	12
2.2.5 Outcomes of Employee Engagement.....	14

2.2.6 Factors Influencing Employee Engagement	15
2.2.7 Measures to Improve Employee Engagement for Organizations	16
2.3 Concept of Leadership	17
2.3.1 The Full Range Leadership Approach	17
2.3.2 Transformational Leadership Style.....	17
2.3.3 Transactional Leadership Style.....	19
2.4 Leadership Styles and Work-Related Outcomes.....	21
2.5 Employee Engagement and Leadership Styles	21
2.6 Empirical Review of Related Studies	21
2.7 Hypothesis of the Study	22
2.8 Conceptual Framework	23
CHAPTER THREE	25
RESEARCH METHODOLOGY	25
3.1 Description of the Study Area.....	25
3.2 Research Approach	25
3.3 Research Design.....	25
3.4 Population of the Study.....	26
3.5 Sample Size Determination.....	26
3.6 Sampling Technique	27
3.7 Data Type and Sources	31
3.8 Instrument of Data Collection.....	31
3.9 Method of Data Analysis and Interpretation	32
3.10 Measurement and Operational Definition of Variables	33
3.11 Validity and Reliability.....	33
3.12 Model Development & Specification.....	34
3.13 Ethical Considerations	35
CHAPTER FOUR.....	36
DATA PRESENTATION, ANALYSIS AND INTERPRETATION	36
4.1. Response Rate of Questionnaire	36
4.2. Demographic Profile of the Respondents	36
4.3. Descriptive Statistics.....	38
4.3.1 Descriptive Statistics on Transactional Leadership Style.....	39

4.3.2	Descriptive Statistics on Transformational Leadership Style.....	43
4.3.3	Descriptive Statistics on Employee Engagement	46
4.3.4	Summarized Descriptive Statistics	48
4.4	Inferential Statistics	49
4.4.1	Correlation Analysis	49
4.5	Test for Assumptions of Linear Regression Model/Regression Diagnostics.....	52
4.5.1	Linearity Test.....	52
4.5.2	Normality Test.....	52
4.5.3	Multi-Collinearity Test	52
4.5.4	Test of Homoscedasticity.....	53
4.6	Regression Analysis.....	54
4.6.1	Model Summary	54
4.6.2	Analysis of Variance (ANOVA) or F-Test.....	54
4.6.3	Coefficients of Variables	55
4.7	Discussion	56
4.8	Testing the Research Hypotheses	57
	CHAPTER FIVE	58
	SUMMARY, CONCLUSION AND RECOMMENDATION	58
5.1	Summary of Key Findings	58
5.2	Conclusion.	59
5.3	Recommendation	60
5.4	Suggestions for Future Research.....	61
	REFERENCES	62
	Appendix 1: Probability-Probability (P-P) Plot of the Standardized Residual	71
	Appendix 2: Frequency Distribution of Standardized Residual	71
	Appendix 3: Scatter Plot	72
	Appendix 4: Questionnaire	73

List of Tables

Table 1 People Engagement in Academic Research.....	10
Table 2 Total Number of Population in the target study Area.....	26
Table 3 Proportionate Stratified Sample Size of Participants.....	27
Table 4 Total number of branches in the four Districts of Addis Ababa with their current grade	28
Table 5 Proportionate Sample Size of HO.....	30
Table 6 Description of variables used in the Regression Model.....	33
Table 7 Reliability Analysis of the items.....	34
Table 8 Case Processing Summary.....	36
Table 9 Frequency Table of Demographic Profile of the Respondents.....	37
Table 10 Descriptive Statistics Result of Transactional Leadership Styles/Behaviors.....	42
Table 11 Descriptive Statistics Result of Transformational Leadership Style.....	45
Table 12 Descriptive Statistics Result of Employee Engagement.....	47
Table 13 Descriptive Statistics of Variables.....	48
Table 14 Pearson Correlation.....	50
Table 15 Co linearity Diagnosis.....	53
Table 16 Breusch-Pagan Test for Hetero-skedasticity.....	53
Table 17 Model Summary	54
Table 18 Analysis of Variance (ANOVA) Table.....	55
Table 19 Coefficients of Variables	55
Table 20 Summary of Hypotheses.....	57

List of Figures

Figure 1: Conceptual Framework	24
Figure 2: Probability-Probability (P-P) Plot of the Standardized Residual	71
Figure 3: Frequency Distribution of Standardized Residual.....	71
Figure 4: Scatter Plots of Regression Standardized Residual against Standardized Predicted Value	72
Figure 5: Partial Regression Plot (1).....	72

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List of Acronyms and Abbreviations

- ANOVA** = Analysis of Variance
- CLRM** = Classical Linear Regression Model
- H.O** = Head Office
- MLQ** = Multi factor Leadership Questionnaire
- OLS** = Ordinary-Least Square
- SPSS** = Statistical Package for the Social Sciences
- UWES** = Utrecht work Engagement Scale
- S.C** = Share Company
- DB** = Dashen bank

Abstract

The purpose of this research is to examine the Effect of Leadership Styles on Employee Engagement in Dashen bank S.C Addis Ababa .The study followed Correlational type of research design and quantitative study approach .Proportional Stratified sampling technique was used in order to select the samples from the total population Accordingly from 2,396 professional employees of the bank in Addis Ababa, 343 employees were selected as sample and 343 questionnaires were distributed and 318 were obtained and used for further analysis. The collected data was analyzed using spss software version 25. Standardized questionnaires of leadership behavior (Multi Factor Leadership Questionnaire) and Utrecht work Employees engagement rating scale was used to conduct the study. Correlation and linear multiple regression were used to examine the effect of the two leadership style transformational and transactional on employees' engagement. The result obtained from regression analysis shows that Transformational leadership styles have positive and significant effect on employees' engagement. Whereas transactional leadership styles have no significant effect on employees' engagement. The dominant leadership style in Dashen bank is transformational .Based on the findings the researcher forwarded some recommendations for the bank which would be helpful for creating an atmosphere for employee engagement these include more work need to be done in the HR department in recruiting and selecting more transformative leader from within the bank or from outside and provide the necessary training to align their skill with the bank vision, regular employees' engagement review shall be developed by the executive of Dashen Bank . In addition to enhance employee engagement level the bank need to design new strategy Such strategies include, sharing good practice and ideas between teams, have an employee voice, understanding their individual learning styles and preference, provide career paths and opportunities for growth and recognize top performers.

Key words: Leadership style, Employee Engagement, Dashen Bank S.C

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Organizations in order to be competent in the existing global environment not only they need knowledgeable employees but also employees who are engaged to their jobs and organization (Fallen Mendes and Marius W, 2011). In addition, engagement is also found to be positively related with motivation, and positive workplace attitudes (Schaufeli and Salanova, 2007).

Most if not all other key measures that drive organizational performance like (customer satisfaction, innovation, profitability, productivity, loyalty and quality) are the result of engaged and committed employees (Siddhanta and Roy ,2010). For the past several years' employee engagement has been a hot topic in the business circle and although employers think they understand employee engagement but they usually face difficulties and challenges while practicing it (Siddhanta and Roy ,2010).

Vidyakala. K (2015), Proper leadership style can persuade employees engagement by supporting employees in order to perform competently by creating a sense of belongingness and responsibility. Dubrin (2012) Leadership is characterized as "the capacity to rouse certainty and backing among the general population who are expected to accomplish the association's objectives". Lieli Suharti and Dendy Suliyanto (2012), stated leadership styles have rather considerable effect on employee engagement, good leadership style will create positive impression in the employees' mind and the employees will have a strong engagement with their job and the organization as a feedback from that positive impression

The current study was conducted in Dashen bank S.C which is among 18 banks currently operating in the Ethiopian banking industry. Among the 18 banks 16 are private and the two are public as per (NBE report 2017/18). These banks are in a constant battle to attract competent manpower and customers and provide quality service. Considering the current competition in the banking industry, it's important to have a clear understanding about the effect of proper leadership style on employee engagement for the achievement of the bank vision.

Every organization in order to produce a conducive atmosphere for existence of employee engagement it is very mandatory to know those factors that affect it. However, even if there are number of researches conducted on the topic worldwide however the number of research conducted in Ethiopian banks most specifically in Dashen Bank is not enough in order to give a full insight on the subject matter.

Therefore, employee engagement can be affected by a number of factors. Among those factors that affect employee engagement, this study focus basically on leadership styles of the management. Finally, various strategies to improve or sustain the engagement of employees was discussed in the final chapter.

1.2. Background of the organization

This study was carried out in Dashen Bank S.C which was established in September 20, 1995 G.C. (www.dashenbanksc.com). Dashen Bank was inaugurated by eleven visionary shareholders and veteran bankers with initial capital of Birr 14.9 million in September 1995. Upon receiving license from the National Bank of Ethiopia, Dashen opened its doors and start providing service on the 1st of January 1996 with eleven fully-fledged branches. ([https:// www. dashenbanksc. com/companyprofile/index.htm](https://www.dashenbanksc.com/companyprofile/index.htm)).

The vision statement of the Dashen bank is “To be Best-in-Class Bank in Africa” and the mission statement is “To provide efficient, customer-centric banking services, using the expertise of inspired professionals and cutting edge technology, while creating sustainable value for our stakeholders”. The bank's core business values are customer centricity, professionalism, diversity, teamwork, social, responsibility and integrity. ([https://www.dashenbanksc. com/companyprofile/index.htm](https://www.dashenbanksc.com/companyprofile/index.htm)).

There are 5,519 employees and around 418 branches all over the country. Among those 180 branches are found in Addis Ababa with total number of 2396 professional employees under the four districts and head office as of November,2019. ([https://www.dashenbanksc. com/companyprofile/index.htm](https://www.dashenbanksc.com/companyprofile/index.htm))

1.3. Statement of the Problem

In recent years, there has been a number of interest on the subject of employee engagement. Employee engagement predicts employee outcomes, organizational success, and financial performance (e.g. total shareholder return) Bates (2004). According to Saks (2006), highly engaged employees can make a substantive involvement to their organization and can forecast organizational achievement. Although there is a growing in number of literature investigating employee engagement, scholars have distinguished that academic research is behind practitioner developments and this is primarily remarkable with respect to the effect of leadership on employee engagement.

Ayree and walumbwa, (2012) investigated leadership as a vital element in the improvement of employee engagement, but still there remains a gap in understanding which leadership styles could affect employee engagement.

In our country, Dashen bank has been operating in highly aggressive banking industry, the bank has been taking a range of actions anticipated to beat competitors, increase its market share and attract and retain customers. However, the bank is showing increasing financial performance but its performance growth isn't encouraging over the past few years and showing slow movement (Private bank financial performance data (5 years) 2017/2018). For illustration, Dashen bank's profit after tax showed 88 million increase to reach 1.01 billion in 2019 while Awash Bank, the main competitor of Dashen Bank, increased by 940 million to reach 2.4 billion in the same period. This apparently indicates the gap between the two close competitors is increasing, which might be amongst others factors due to employees' engagement.

Although lack of engagement is a challenge for many organizations these days, the preliminary informal interview indicated that Dashen Bank is highly affected by employee's turnover. Additionally, the interview showed leadership styles, amongst others, is the possible reason for high turnover. In addition, informal interview conducted with some employees of the bank shows that they are continuously looking newspapers to get better job and looking other Medias outlets to find out about open posts in other competitors banks. Even though different measures have been taken by the bank to overcome this challenge, Dashen Bank didn't give much consideration

and focus regarding the effect of leadership style practiced by managers/ immediate supervisor on employee engagement.

The employees' engagement gap observed in Dashen bank initiated the researcher to conduct a research whether or not leadership styles of the Bank have contribution to employee engagement gap and financial performance issues of the bank. This study tried to fill the observed gap by looking at which leadership style could contribute more for the engagement of employees.

Therefore, the basic problem of the study is with the rising rivalry in the banking industry in our country, with the different initiatives undertaken by Dashen bank to increase employees' engagement level, with the current financial performance growth of Dashen Bank and shortage of studies in the area, the current study investigates the effect of leadership styles on employee engagement.

1.4. Research Questions

The main research question that the research attempts to answer are:

What are the effects of leadership styles on employees' engagement in Dashen Bank S.C in Addis Ababa?

The specific research questions the research attempts to answer are: -

1. Does transformational leadership style have positive significant effect on employees' engagement levels in Dashen Bank?
2. Does transactional leadership style have positive significant effect on employees' engagement levels in Dashen Bank?
3. What is the dominant leadership style in Dashen Bank S.C?

1.5. Objective of the Study

This part of the study present the general and specific objectives the research aims to address after its completion.

1.5.1 General Objective

The main intention of the study is to examine the effect of leadership styles on employee engagement of Dashen Bank S.C. in Addis Ababa.

1.5.2 Specific Objectives

Specifically, the research aims to: -

1. Examine the effect of transformational leadership style on employees engagement levels of Dashen Bank S.C.
2. Examine the effect of transactional leadership style on employees engagement levels of Dashen Bank S.C.
3. Identify the dominant leadership style of Dashen Bank S.C.

1.6. Significance of the Study

This study investigated the effect of leadership styles on employee engagement of Dashen Bank employees found in Addis Ababa. The results of this study were to provide insight and information for management of the bank as well as practitioners about the effect of the two leadership styles (Transformational and Transactional) on employee engagement. The top management in Dashen Bank were benefited from the survey response collected from participants and could implement different strategies to address the issue.

In addition to the above mentioned benefits conducting this study were useful:

1. For Dashen Bank: To demonstrate or simplify the nature of leadership style implemented by Dashen Bank. This study benefited Dashen Bank with insight of identifying and increasing better leadership style that can maximizes employee's engagement. Knowing the existing situation is in turn significant as it helps the bank to point out any weakness and strength of the issue under study.
2. For Other Researchers: It added to literature in determining the effect of transformational and transactional leadership styles on employees' engagement. It also helps as a reference or source document for those who want to pursue further study on the topic.

1.7. Scope of the study

Due to different constraints (resource, time), among the different variables affecting employee engagement; This study mainly investigates extent of transformational and transactional leadership styles as independent variables to determine their effect on dependent variables which are dimensions of employee engagement. In addition, Dashen Bank have employees working in different cities in Ethiopia, but the research has been conducted only on professional employees which are located in Addis Ababa, Ethiopia.

The methodological scope of the study is applying a purely quantitative approach by using a questionnaire which contains close ended questions as the main source of primary data collection. The study focuses mainly on professional employees of the bank found in Addis Ababa only.

Geographically the scope of the study is surrounded to Dashen bank branches found in Addis Ababa only specifically selected branches under the four districts of Addis Ababa and head office.

1.8. Limitation of the study

During the course of this research the researcher face some limitations during administration and analysis of data collection which ultimately affect the quality of the study. The first and the most frustrating problem was distributed questionnaires were not returned on time or not returned at all.

Failure on the part of respondents to provide genuine responses since some of the questionnaires items measures their attachment with their organization, their supervisors and their job. The other limitation during this research was neglect respondents who fails to properly fill the questionnaire according to the instruction given at the beginning of the questionnaire.

In this study the respondent's participation was voluntary and was conducted at one organization at Dashen Bank. These factors limit the possibility of generalizing from the study findings.

However, the researcher assured participants that their response was kept confidential and their secrecy were maintained at at most level. Finally, the researcher carefully checked and removed inappropriately filled questionnaire.

1.9. Definition of Key Terms

Engagement: Schaufeli et al. (2002, p. 74) define engagement “as a constructive, satisfying, job-related condition of mind that is characterized by vigor, dedication, and absorption.”

Vigor: Schaufeli et al. (2002, p. 417) defined as "Elevated stage of power and flexibility, the enthusiasm to devote attempt in one's work, the capability to not be simply exhausted, and determination in the face of hard times".

Dedication: Schaufeli et al. (2002, p. 417) defined as a "well-built participation in one's job, accompanied by thoughts of passion and importance and by a sense of satisfaction and encouragement".

Absorption: Schaufeli et al. 2002, p.417) defined as "enjoyable condition of full captivation in one's job, characterized by time flying rapidly and being incapable to separate oneself from the work".

Leadership Bass (1990, p. 11) defines leadership as “the center of collection process, as a matter of individuality, as a matter of counting fulfillment, as the implementation of pressure, as particular behaviors, as a form of influence, as a authority relation, as an tool to attain targets, as an effect of interface, as a differentiated responsibility, as a beginning of arrangement and as many combination of these definitions.”

Transformational Leadership (Simola et al. 2012) define transformational leadership as a type of leadership in which communications amongst concerned parties are structured “approximately on a joint reason” in such a way that “change, inspire, and improve the events and ethical aspirations of supporters.”

Transactional Leadership (Robbins, 2012) defined transactional leadership as a procedure where the leader uses social exchanges for employees to complete a specific transaction.

1.10. Organization of the Paper

This study is organized under five chapters. They are discussed below;

Chapter one is concerned with introduction that includes the study background , statement of the problem, research questions that needs to be answered, general and specific objectives that the

research needs to be attained at the end, importance of the study, range of the study, curb of the study, overall meaning of key terms used throughout the research and organization of the study. Chapter two includes review of literature hence it contains a review of existing literatures written on the area of leadership and employee engagement, empirical review of related studies, hypothesis of the study and finally conceptual framework. Chapter three is about research methodology that consists of description of the study area, organizational context , research design, research approach, population of the study , sample size, sampling procedures, method of data collection and data analysis, variables of study ,validity and reliability of the study , model specification and ethical considerations has been discussed. Chapter four and Chapter five presents findings from the survey result, general conclusions and possible recommendations to the problems drawn from the survey result. Furthermore, suggestion for future area of studies were discussed respectively.

At the back of the research document a set of appendixes that contain the questionnaires which were used to collect the primary data for the study and figures that display the diagnostic test result were attached.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The literature review chapter describes and examines related and supporting theories, approaches of the research problem. The definitions and concepts of employee engagement and leadership style have been reviewed, the factors and variable that influence each concept will be identified, the relationship between the two concepts from previous researches is summarized, empirical studies are presented and to conclude conceptual frame work of the research is illuminated.

2.2 Definitions of Employee Engagement

Kahn (1990), one of the first to theorize concerning work- related engagement, explaining engaged employees as being entirely physically, cognitively and emotionally associated with their work roles. Perhaps the most broadly cited definition of engagement is that presented by Schaufeli et al. (2002, p. 74), who defined engagement as “a positive, fulfilling, work- related state of mind that is characterized by vigor, dedication, and absorption”. Schaufeli et al. (2006) emphasized the disperse and state- like (versus trait- like or momentary emotion- like) nature of engagement, arguing that engagement is a “more constant and pervasive affective–cognitive state that is not concentrating on any specific object, event, individual, or behavior” (p. 702).

Common to many definitions presented by researchers and practitioners is the idea that engagement is a positive work-related psychological state (reflected in words like enthusiasm, energy, passion and vigor) and that engagement is also a motivational state reflected in a genuine willingness to invest focused effort toward organizational goals and success (Albrecht, 2010).

Dernovsek (2008) likens employee engagement to a positive employees’ emotional association and employees’ commitment. Work engagement mostly focuses on human strengths and positive experiences at work and has been lately discussed by the organizational behavior researchers (Schaufeli et al., 2002 and Bakker and Schaufeli, 2008).

Bakker et al. (2008), for example, argued that engagement is best conceptualized and characterized by “a high level of energy and a strong identification with one’s work” (p. 189).

Employee Engagement defined by Schaufeli et al. (2002, p. 74) define “as a affirmative, satisfying, job-related state of mind that is characterized by energy, devotion, and absorption.

Academic literature used a range of engagement definitions and, accordingly, its operationalization (see Table 1).

Table 1 People Engagement in Academic Research

	Definition	Author/s
A	“... the harnessing of organization members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances”	Kahn (1990)
B	“... the opposite pole of burnout...an energetic experience of involvement with personally fulfilling activities that enhance a staff member’s sense of professional efficacy”	Leiter and Maslach (1998)
C	“A persistent, positive affective-motivational state of fulfillment in employee that is characterized by high levels of activation and pleasure”	Maslach et al. (2001)
D	“... it involves two critical components: attention and absorption. Attention refers to cognitive availability and the amount of time one spends thinking about a role while absorption means being engrossed in a role	Rothbard (2001)
E	“...is considered to be the antipode of burnout... Work engagement is defined as a positive, fulfilling work-related state of mind that is characterized by vigor, dedication, and	Schaufeli et al. (2002) (Utrecht scale)
F	“... the individual’s involvement and satisfaction with as well as enthusiasm”	Harter et al. (2002) (Gallup Q12 questionnaire)
G	“... meaningfulness, safety, and availability were significantly related to engagement”	May et al. (2004)
H	“...the extent to which an individual is psychologically present in a particular organizational role. The two most dominant roles for most organizational members are their work role and their role as a member of an organization”	Saks (2006)

Source: Imperatori, B. (2017). Engagement and Disengagement at Work (p.22)

2.2.1 Types of Employee Engagement

Engaged Employees An engaged employee is taken as the found of the organizational development. Such kind of employees take the organization in positive course. They not only carry out their work but also take part in an important position in fulfilling the organizational goals and objectives. Engaged employees want to apply their talent and strength at work every day. They perform with excitement, drive innovation and shift their organization forward through their performance (Vazirani, 2007).

Not Engaged These type of employees be concerned only about their work not any other things like goals, objectives and development of the organization. They do not have energy and enthusiasm in their work (Reilly, 2014). These type of employees do not have supportive association with their colleagues as well as the employers also. Their input is little in the achievement and development of the organization.

Actively Disengaged Actively disengaged employees do not carry out their work in a appropriate way and do not finish their work timely. Their contribution is almost insignificant in the accomplishment and development of the organization. They are unhappy at work and look after the work of the other member of the organization. Such kind of employee take the organization in the negative path and organization suffers in achieving its goals and objectives (Vazirani, 2007).

2.2.2 Characteristics of Engaged Employees

According to Robinson, Perryman, and Hayday (as cited in IES, 2003) an engaged employee has the following characteristics:

- Engaged employees have emotional connection with their job as well as the organization.
- They have faith in the employers of the organization.
- Engaged employees are more dedicated towards their work as well as organization also.
- Produce healthy working atmosphere and respect other employees of the organization.
- Collaborate with their colleagues to carry out successfully.
- Engaged employees perform outside the expectation of the employers.
- Achieve their work in view of goals and objectives of the organization.

- Engaged employees make essential change as per prerequisite and keep update with the knowledge in their field.

2.2.3 Benefits of Employee Engagement

The significance of employee engagement is that it is at the heart of the employment relationship. It is about what people do and how they behave in their roles and what makes them act in ways that further the achievement of the objectives of both the organization and themselves (Armstrong, 2010).

In a brief review of literature Bakker and Schaufeli (2008) note that engaged employees are more creative, more productive, and more willing to go the extra mile. Below are benefits of engaged employees:

- Motivates employees: when employees engaged and take part in the organization, their level of feeling and support will be motivated to further achievement (Bass, 1990).
- Create positive expectation: These make employees to start performing better for the organization ultimate goal (Waltair, Visakhapatnam and Andhra Pradesh, 2010).
- Make decision making more effective: when employees are engaged, their viewpoint and conceptualization will get expanded, which helps the management to make an valuable decision making by involving them (Avolio and Bass, 1995).
- Employees with higher work engagement have higher level of confidence and a high quality relationship with their employers (Saks, 2006).
- Increase employees working capacity: In this movement they will acquire huge capacity to perform well and increase their potential (Towers Perrin, 2003).

2.2.4 Measuring Employee Engagement

Engagement surveys are a device for employee feedback which can be used periodically as a tester to show how well the organization is doing. Due to the difference in assumption, Usage and requirement of organizations various employees' engagement measuring tools are developed to enable organizations benchmark with caution. Among this the current study will use Utrecht work engagement scale to measure engagement level of employees of the sample company.

Schaufeli and colleagues (2002) first proposed the UWES as a 17-item scale. Using exploratory factor analysis, they found three distinct factors of employee engagement: vigor, absorption, and dedication, consistent with their conceptualization.

The model fit that emerged from the Confirmatory Factor Analysis was slightly worse than the 17-item scale. Fit, or goodness of fit, indicates how well a statistical model describes or explains a set of real world observed data (Brown, 2006). When comparing the fit of two models, a worse fit indicates that the comparison model does not relate as closely to the observed data as the previous model, but in this case the difference between the 17-item and 9-item versions was considered negligible.

Engagement is build up from three scales each measure one of its constructs. The tests conducted have shown that the three scales have good internal consistency and Reliability, which indicates the scale, is reliable (Schaufeli et al., 2002).

Kahn formed his paper, *Psychological Conditions of Personal Engagement and Disengagement* (*Academy of Management Journal*, December 1990, Vol. 3, no. 4, pp 692-724), next his research to check the basis that individuals not only can bring different levels of themselves physically, cognitively and emotionally to their work, but that those levels affected their experiences of work and therefore their performance.

Within his work, Kahn identified three principle dimensions of employee engagement - physical, cognitive and emotional. These are defined as follows:

Physical engagement - This relates to the degree to which employees utilize their efforts, both physical and mental, as they go about their jobs. Kahn used examples of employees telling themselves as 'flying around' during their work, and experiencing high levels of personal engagement during that time. He connected the ability to use physical and mental energy at work with increased feelings of confidence. Kahn (1990)

Cognitive engagement - To be engaged at this level, employees require to know what their employer's vision and strategies are, and what performance they need to deliver to add to them as much as possible. Kahn also drew consideration to the meaning that people attached to their

work, theorizing that more knowledge encouraged more originality and confident decision making.

Emotional engagement - This is based upon the emotional association that employees experience with their employer. A positive relationship will need the organization to find out how to create a sense of belonging at work, encouraging employees to trust and buy in to the values and mission of the company. Kahn cited the likes of positive interpersonal relations, group dynamics and management styles as practices that would make people feel safe and trusted.

According to Maslach (2001) burnout model, the three dimensions of engagement are Vigor, Dedication, and Absorption. The existence of these three characteristics, produce positive work fulfillment towards employees.

In Schaufeli (2002) , employees who are not burnt out are not automatically engaged rather only those employees that are satisfied on some dimensions may be classified as engaged. The following are dimension of employee engagement :

Vigor Defined as "Elevated stage of control and flexibility, the enthusiasm to devote attempt in one's work, the capability to not be simply exhausted, and determination in the face of hard times" (Schaufeli et al. 2002, p. 417).

Dedication A "well-built participation in one's job, accompanied by thoughts of passion and importance and by a sense of satisfaction and encouragement" Schaufeli et al. (2002, p. 417).

Absorption is a "enjoyable condition of full captivation in one's job, characterized by time flying rapidly and being incapable to separate oneself from the work" (Schaufeli et al. 2002

As discussed by Bakker and Schaufeli (2008), recognizing the positive aspects of work is significant, because organizations are in need of employees who feel pleased, vigorous and dedicated and who are absorbed by their work.

2.2.5 Outcomes of Employee Engagement

One of the reasons that employee engagement has received so much attention is that it is believed to be associated with important employee and organization outcomes. For example,

(Saks, 2006) states that there is a reason to expect employee engagement to be related to individuals attitudes, intentions & behaviors i.e. individuals who are more engaged are likely to be in more trusting and high quality relation with their employer and will be more likely to report more positive attitudes and intentions toward the organization.

According to (Armstrong, 2010) high levels of engagement result in behaviors such as maximizing discretionary effort, taking initiative, wanting to develop or aligning actions with organizational needs. That in turn delivers a range of organizational benefits like higher productivity or performance, lower staff turnover & improved safety.

Markos and Sridevi (2010) state that an engaged employee consistently demonstrates three general behaviors which improve organizational performance

- ✓ **Say:** the employee advocates for the organization to coworkers and refers potential employees and customers
- ✓ **Stay:** the employee has an intense desire to be a member of the organization despite opportunities to work elsewhere
- ✓ **Strive:** the employee exerts extra time, effort and initiatives to contribute to the success of the business

2.2.6 Factors Influencing Employee Engagement

There are a range of factors which influence employee engagement. These factors are common to all organizations and make a feeling of value and involvement between the employees. But the components of feeling appreciated and involved and the relative strength of each factor are likely to differ from organization to organization. Among the factors affecting employee engagement like recruitment and selection, Job designing , Career development opportunity, empowerment, Leadership etc among this factors affecting employee engagement this study focus mainly on the effect of leadership style .

Leadership Mutunga (2009) argued that effective leadership is very important for smooth performance of the organization. Organizational environment is directly influenced by the excellence of leadership in human resource managers. A leader should have the quality to add to the level of engagement among the employees and without effective leadership, an organization

cannot survive for a longer period of time. Leaders require to actively show the organization's values and goals. They require to align themselves with the company values and build an open and fair work environment for employees within the organization (Mortimer, 2010).

2.2.7 Measures to Improve Employee Engagement for Organizations

According to Reilly (2014) there are five strategies which the organizations can use to build engagement among the employees working in the organization. These are:

Use the Right Employee Engagement Survey: When organization request its employees for their opinions, those employees expect to execute their opinion and suggestion, but organization often makes the mistake of implementing that survey. Employee survey data must be exact, appropriate and actionable for any team at any organizational level. Reilly (2014)

Focus on Engagement at the Local and Organizational Levels: The organization should follow the engagement policy at local level and organizational levels because change in organization occurs at local work group levels. Managers and employees must feel empowered to make a important difference in their immediate environment. Reilly (2014)

Select the Right Managers: A successful leader understands the organizational goals and objectives and cares about the employees working in the organization. They seek to understand each employee's strength and provide every opportunity to use their strengths in their job. Effective managers empower their employees, recognize and value their contributions and actively seek their ideas and suggestions. Reilly (2014)

Trained Managers: Gallup research has found that managers are responsible for the engagement of the employees. Therefore, the organization should give training and orientation to the managers to take active role in building employee engagement.

Define Engagement Goals in Realistic, Everyday Terms: Leaders must make engagement goals meaningful to employee's day to day experiences. Managers should talk about employee engagement at weekly meetings, in action-planning sessions and meetings with employees to weave engagement into daily interactions and activities and to make it part of the workplace. Reilly (2014)

2.3 Concept of Leadership

Leadership is perhaps one of the most important aspects of management (Wehrich, et al, 2008). Organizations such as General Electric and Chrysler had been turned around from the edge of bankruptcy to become two of the world most profitable organizations through the successful leadership of Jack Welch and Lee Iacocca (Robbins & Coulter, 2007).

Bass' (1990) theory of leadership states that there are three basic ways to explain how people become leaders. The first two explain the leadership development for a small number of people. These theories are Some personality traits may lead people naturally into leadership roles. This is the Trait Theory. A crisis or important event may cause a person to rise to the occasion, which brings out extraordinary leadership qualities in an ordinary person. This is the Great Events theory People can choose to become leaders. People can learn leadership skills. This is the Transformational Leadership Theory. It is the most widely accepted theory today and the premise on which this guide is based.

2.3.1 The Full Range Leadership Approach

The Full-Range Leadership is an approach of leadership its goal is stimulating employees in the sense of raising their motivation and their sense of higher purpose to make their performance optimal while adopting participative, transactional and delegative leadership styles. (Avolio, 2010 p.51, Bass ,1990)

According to (Avolio ,2010, p.49; p.69), the assumption under Full - Range model is that every leader displays the three leadership styles– transformational, transactional and passive- but at different level (Avolio 2010, p. 66).

In fact, the Full-Range Leadership theory does not only picture the different characteristics that a leader has, it also shows an arrangement of them and suggests at which amount each dimension and sub-dimension should be enacted in order to have effective leadership in organizations (Avolio 2010, pp. 66-67;).

2.3.2 Transformational Leadership Style

A transformational leader is a person who stimulates and inspires followers to achieve extraordinary outcomes. Transformational leaders pay attention to concern and developmental needs

of individual followers, they change followers' awareness of issues by helping them to look at old problems in a new way and they are able to arouse, excite and inspire followers to put out extra effort to achieve group goals (Odumeru & Ifeanyi, 2013).

Transformational leaders seek to change those they lead. In doing so, they can represent sustainable, self-replicating leadership. Transformational leaders represent the most valuable form of leadership since followers are given the chance to change, transform and, in the process, develop themselves as contributors. Organizationally this achieves the best leadership outcome since transformational leaders develop people (Odumeru & Ifeanyi, 2013).

Taking all aspects of transformational leadership into consideration, Northouse (2001) described the following qualities of a successful transformational leader:

- Empowers followers to do what is best for the organization,
- Is a strong role model with high values?
- Listens to all viewpoints to develop a spirit of cooperation,
- Creates a vision, using people in the organization,
- Acts as a change agent within the organization by setting an example of how to initiate and implement change,
- Helps the organization by helping others contribute to the organization.

(Sadeghi and Pihie ,2012) perceived that transformational leadership created through consolidating quality, behavioral, and possibility approaches. (Sadeghi and Pihie ,2012) and recognized different scholars who added to the start of transformational leaders.

Employees can without much of a stretch share their insight among them when organization utilized transformational leadership style (Behery, 2008). (Zafra, Retamero and Landa ,2008) wrap up that transformational leader have high enthusiastic knowledge and they rise as pioneer amid gathering cohesiveness, it additionally inspires the resolve, inspiration, and ethics of their adherents (Bass, 1990). It additionally concentrates on touchier side of authoritative communications like vision, society, values, improvement, cooperation, and administration (Fairholm, 2001).

2.3.2.1 Dimension of Transformational Leadership

The following identified as the four distinctive components of transformational leadership.

- i. Idealized Influence:** Gives a responsibility model for towering moral deeds, instills delight, achieve admiration and faith. Suck kind of leaders are captivating, admirable, and trusted. supporters recognize with and want to imitate their leaders. Provides dream and sense of assignment instills delight, gains admiration and faith . (Bass ,B.M., and Avoilio ,B. J. 2003)
- ii. Inspirational Motivation:** Transformational leader present organization's vision in order to please and support followers. Leaders with hopeful encouragement, face followers with high values, sustain positive opinion about prospect goals, and award meanings for tasks at hand. (Bass ,B.M., and Avoilio ,B. J. 2003)
- iii. Intellectual Stimulation:** It is the level, to which leader impose assumptions, assume risks and solicits supporters thoughts. Leaders with transformational style stimulate and enhance innovation in their supporters. (Bass, B.M., and Avoilio ,B. J.,2003)
- iv. Individualized Consideration:** It is the degree to which the leader believe about each follower's desires, acts as a adviser or instruct the follower and aggressively pay attention to desires and issues of followers. The leader affords understanding and support, build up open contact and struggle challenges before the subordinates. (Bass ,B.M., and Avoilio ,B. J.,2003)

2.3.3 Transactional Leadership Style

Transactional leaders sometimes display the traits or behaviors of charismatic leaders and can be quite effective in many circumstances while creating motivated players. They are adept at making deals that motivate and this can prove beneficial to an organization. The issue then is simply one of sustainability (Odumeru & Ifeanyi, 2013).

Robbins (2012) defined transactional leadership as a process where the leader uses social exchanges for employees to perform a specific transaction. Transactional leadership is based on extrinsic motivation for improved productivity of employees (Kreitner & Kinicki, 2009).

Ma Yun professionally known as Jack Ma, executive chairman of Alibaba Group Holding Ltd. Is an example of a transactional leader. Ma Yun is a Chinese business magnate, investor, and philanthropist. He is the co-founder and executive chairman of Alibaba Group, a multinational technology conglomerate.

Transactional leadership focuses on identifying and role clarification of employees and providing rewards associated with followers' performance. The component of Transactional leadership is made up of the basic managerial actions of setting goals, follow up and monitoring progress towards goal achievement and rewarding as well as punishing individuals for their level of goal achievement. From this explanation, it is clear that transactional leadership is based on extrinsic motivation for improved productivity of employees (Kreitner & Kinicki, 2009).

2.3.3.1 Dimensions of Transactional Leadership

Transactional leadership contain three dimensions they are presented as follow:

- i. Contingent Reward:** It focus on substitute of rewards for attempt, promises giving of rewards for those who achieve superior performance, take in to consideration activities, and such rewards are allied to the performance of the employee. When employee exert effort it is accompanied by reward. (Bass, B.M., and Avoilio, B. J, 2003)
- ii. Management-By-Exception (Active):** When this transactional style is functional in an organization, the leader monitors follower act/activities closely and so that to takes remedial action when ever performance deviates from the rule or regular expectations. This dimension of transactional leadership is all above taking means when followers action deviates from standards. (Bass, B.M., and Avoilio, B. J, 2003)
- iii. Management-By-Exception (Passive):**. This basically shows that the association in this leadership style is based on exchange between the leaders and followers are prize, punishments, reciprocity, interactions whether its economic or physical passive and interference. Such kind of transactional leadership is all about giving all the responsibility to the followers as the name implies its passive means it waits until problem occur to interfere (Bass, B.M., and Avoilio, B. J, 2003)

2.4 Leadership Styles and Work-Related Outcomes

Transformational leadership appear for high range of changes in subordinates, such shifts like in attitudes, principles, morals, beliefs, and needs, transactional leadership endeavors to advance the amount and worth of performance on subordinates, replacing one goal for another, and decreasing resistance to action (Bass,1995).

Bass and Avolio (2003) used the public-school setting as an example. In such a setting, transactional leadership can operate effectively when students chase their goals, such as good grades and parental or teacher approval.

2.5 Employee Engagement and Leadership Styles

Employee engagement is perceived as subsuming negative outcome from the employees when the supervisors are adopting classical or transactional leadership styles. Whereas when the leaders are embracing visionary and organic leadership, employee engagement is regarded as having positive association with the employees' perception. (Ayree & Walumbwa, 2012).

These different perceptions are actually caused by embedded apprehension that the traditional type of leadership styles is only suitable for certain age and generations. (Ayree & Walumbwa, 2012).

2.6 Empirical Review of Related Studies

Li (2018) conducted a study underlying the effects of leadership styles on work engagement among knowledge workers. Data were collected among employees working in three IT enterprises in Henan, China. We adopted a two-wave cross-lagged design with a time gap of four months. The statistical methods included descriptive statistics, structural equation modeling (SEM), and bootstrap analysis. The results showed: (1) transformational and transactional leadership positively predicted knowledge workers' psychological capital and work engagement; in comparison to transactional leadership, transformational leadership had stronger effects on knowledge workers' psychological capital and work engagement; (2) knowledge workers' psychological capital positively predicted their work engagement; and (3) knowledge workers' psychological capital partially mediated the effects of leadership styles on their work engagement.

Kebu & Lee (2020) examined the relationships among leadership styles, work engagement and work outcomes designated by task performance and innovative work behavior among information and communication technology professionals in two countries: Ethiopia and South Korea. In total, 147 participants from Ethiopia and 291 from South Korea were made to fill in the self-reporting questionnaire intended to assess leadership styles, work engagement, task performance, and innovative work behavior. To test the proposed hypotheses, multiple linear regression analysis was utilized. The results showed that transformational leadership style had a significant positive relationship with employees' work engagement and innovative work behavior, while transactional leadership style had a significant positive relationship with employees' task performance.

Ermiyas (2017) who investigated using a sample of 370 employees. The data was collected using multi factor leadership questionnaire and Utrecht work engagement scale in Ethiopian airlines. The regression results showed that transactional and transformational leadership styles have positive relationship with employees' engagement.

Zhang (2010) conducted a study on the relationship between leadership style and employee engagement among 439 sales assistants in Sidney Australia. The results showed that employee engagement is associated with an employees' perception of leadership style in his or her direct supervisor, negatively when classical or transactional leadership styles are perceived and positively in the case of visionary or organic leadership.

Kidist (2018) The data collected using multi factor leadership questionnaire and Gallup engagement survey to measure the engagement level of employees using a sample of 199 in commercial bank. The correlation & regression analysis showed that there is significant association exist between leadership styles and employee engagement

2.7 Hypothesis of the Study

Hypothesis testing is used to explore a problem using several hypotheses (Sekaran, 2000). Hence, as per the literature review the researcher hypothesized the following propositions: -

H11: Transformational leadership style has positive significant effect on employees' engagement levels in Dashen Bank S.C.

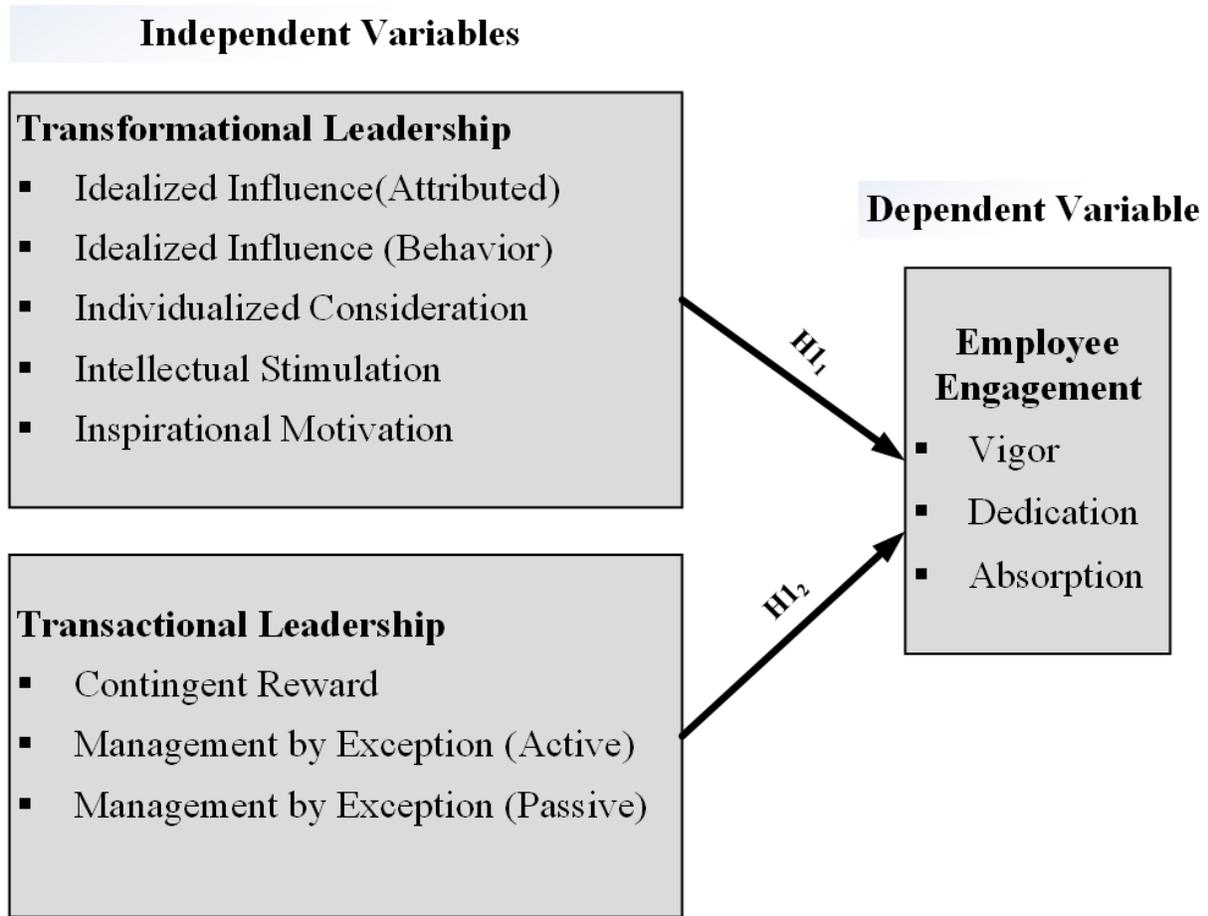
H12: Transactional leadership style has positive significant effect on employees' engagement levels Dashen Bank S.C.

2.8 Conceptual Framework

Based on the general analysis of associated literatures conducted in this chapter, the following conceptual framework was developed. The model precisely demonstrates that there are two independent variables which are transformational and transactional leadership styles and the dependent variable Employee Engagement. These two leadership styles are selected because of the distinct characteristics each leader display. This help to see what will happen to employee engagement when leader adopt such distinct leadership behavior in an organization.

Each dimension for both the dependent and independent variable of the study are presented on the conceptual framework. There are five dimensions of transformational leadership style namely idealized influence (behavior), idealized influence (attributed), inspirational motivation, intellectual stimulation and individualized consideration. It is assumed that each of these styles relates to employee engagement in a certain way. There are three dimensions of transactional leadership style that relate to employee engagement. These are contingent rewards, management by exception (active) and management by exception (passive). Each of the three dimensions is also assumed to be related to employee engagement in a certain way.

Figure 1: Conceptual Framework



Source: Literature Review

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Description of the Study Area

As per Dashen bank 25th annual report for the fiscal year 2019, the bank stated that it has a total of 12 District Offices and around 418 branches all over Ethiopia. From the total districts, four are found in Addis Ababa and contain 180 branches under them. In addition, there are twenty-Seven Departments, two Offices under Deputy Chiefs and two Branches residing under Head Office. (www.dashenbanksc.com)

Therefore, this research was conducted on professional employees of the dashen bank found in selected branches under the four districts of Addis Ababa and Head Office where the effect of leadership styles on employee engagement examined.

3.2 Research Approach

There are some consideration the researcher need to give attention in order to choose which approach to use: the research problem, the personal experiences of the researcher and the audience for whom the research report will be written.

To achieve the aforementioned research objectives, this study was conducted using purely quantitative research approach, using close ended questionnaire.

3.3 Research Design

The study was conducted using a Correlational survey research design. Correlational survey was selected for this study because the researcher essentially aims to examine any positive or negative correlations/effect that could exist between different dimension of leadership styles and employee engagement.

According to (Muhammad & Kabir ,2018) a Correlational study determines whether or not two variables are correlated. This means to study whether an increase or decrease in leadership style variable corresponds to an increase or decrease in employee engagement.

3.4 Population of the Study

The report of Dashen Bank Human Resource Department indicates that there are 2,396 professional employees working in branches under the four districts of Addis Ababa and Head Office as of November 20, 2019 which represent the total population of the study.

Table 2 : Total Number of Population in the target study Area

No.	Area of target participant	Number of professional employees	Total
1	South Addis Ababa District	416	17%
2	West Addis Ababa District	451	19%
3	North Addis Ababa District	468	20%
4	East Addis Ababa District	458	19%
5	Head Office	603	25%
	Total	2,396	100%

Source: Dashen Bank S.C Human Resource Management Department (November 20, 2019)

3.5 Sample Size Determination

The sample size of the study was calculated using Yamane, T (1967:886). According to Yamane for any sample, given the level of precision of 0.05 and 95% confidence level, the Sample size is given by

$$n = \frac{N}{1 + N(e)^2}$$
$$n = \frac{2396}{1 + 2396(0.05)^2}$$
$$n = 342.8$$
$$\approx 343$$

Where

n is the sample size,

N is the population size,

e is the level of precision (5%).

Following the above formula provided by Yamane, T (1967) the sample size considered for this study is determined to be 343 professional employees of the bank working at branches under the four districts of Addis Ababa and head office.

3.6 Sampling Technique

The sampling technique used was proportional stratified sampling. The sample was drawn from the existing professional employees of the Bank found in Addis Ababa by taking the four Districts and H.O.

A formula is provided by (Kothari, 2004) to calculate the number of elements selected from each stratum

$$i = n \cdot pi \quad pi = \frac{\text{strata } i}{N}$$

Where

i =number of items selected from stratum *i*

pi =proportion of population included in stratum *i*

n= total sample size

N= total population size

Accordingly, after applying the formula by (Kothari, 2004) the number of participants selected from each stratum was obtained which is illustrated in the following table 3.

Table 3 Proportionate Stratified Sample Size of Participants

No.	Strata	Total size of strata	Proportionate sample of the Participants
1	North Addis Ababa	468	69
2	East Addis Ababa	458	65
3	South Addis Ababa	416	58
4	Head Office	603	86
5	West Addis Ababa	451	65
Total		2,396	343

Because of several constraints, the researcher take in to consideration only a total of 32 branches as a sample from the four districts found in Addis Ababa and head office.

There are two branches under head office which are Dashen main and Premium branch both of them were included in the study. To select the remaining 30 specific branches from each of the four districts of Addis Ababa to whom the questionnaires were handed over, a systematic selection formula by Opsomer and Francisco (2011) is used after ranking the branches in each of the four districts as per their grades. The formula states

$$Kth = N \setminus n$$

Where

K the interval that n numbers of branches are to be taken for sample

N total number of branches in the district

n the desired sample of branches. The following table shows the total number of branches found in each district with their current grade

Table 4 Total number of branches in the four Districts of Addis Ababa with their current grade

No.	Strata	Number of Branches with current Grade					Total
		Sub-Branch	Grade-1	Grade-2	Grade-3	Grade-4	
1	East Addis		43	0	4	3	50
2	North Addis		39	4	2	2	47
3	West Addis		38	2	1	2	43
4	South Addis	1	31	4	2	2	40
	Total	1	151	10	9	9	180

As can be seen from the above table 3, the total number of branches found in the four districts of Addis Ababa as of November, 2019 is 180. East Addis Ababa district has 50 branches under it

which means it contains 28% of the branches from the total number of branches found in the four districts of Addis Ababa. Out of the total sample of 30 branches ($0.28 \times 30 = 8$) therefore 8 branches were selected from east district to participate in the study. To identify the specific branches, the above systematic selection formula by Opsomer & Francisco (2011) was used which states $K_{th} = N/n = 50/8 = 6$ Based on this 6th, 12th, 18th, 24th, 30th, 36th, 42th & 48th branches were selected. These are Kotebe, Edna mall, Bambis, Bole preparatory school branch, Century Mall, Summit Safari, Olympia and Imperial Akababi branches.

North Addis Ababa District has a total of 47 branches. Which means it contains 26% of the branches from the total number of branches found in the four districts of Addis Ababa. Out of the total sample of 30 branches ($0.26 \times 30 = 8$) therefore, 8 branches were selected from this district to participate in the study. To identify the specific branches, the above systematic selection formula Opsomer & Francisco (2011) was used which states $K_{th} = N/n = 47/8 = 6$ based on this the 6th, 12th, 18th, 24th, 30th, 36th 42th & 48th Branches were selected. These are: Balderas, Kazanchis menaheria, Arada branch, Berhanena Selam, Tikur anbessa, Amist Kilo, Commerce akababi & Golla branches.

South Addis District it has 40 branches. Which means it contains 22% of the branches from the total number of branches found in the four districts of Addis Ababa. Out of the total sample of 30 branches, ($0.22 \times 30 = 7$) therefore 7 branches are selected from this district to participate in the study. To identify the specific branches, the above systematic selection formula Opsomer & Francisco (2011) was used which states $K_{th} = N/n = 40/7 = 6$ based on this the 6th, 12th, 18th, 24th, 30th, 36th & 42th branches were selected. These are: Bole Michael, Mekanisa, Gotera, Bole bulbula, Stadium, Bistrate gabriel and Africa Andinet branches.

West Addis District it has a total of 43 branches which means it contains 24% of the branches from the total number of branches found in the four districts of Addis Ababa. Out of the total sample of 30 branches, ($0.24 \times 30 = 7$). Therefore, 7 branches are selected from this district to participate in the study. To identify the specific branches, the above systematic selection formula Opsomer & Francisco (2011) was used which states $K_{th} = N/n = 43/7 = 6$ based on this the 6th, 12th, 18th, 24th, 30th, 36th & 42th branches were selected. These are: Torhayloch, Balcha, Lideta, Merkato, Tekelehaimanot, Mexico and Tana branches.

Table 5 Proportionate Sample Size of HO

S. No	Head Office Departments	Target Population	Sample size
1	Corporate Banking Dept.–Manufacturing & Agric. Sector	4	1
2	Corporate Banking Dept. –DTS Sector	12	2
3	Corporate Banking Dept.– Government Agencies, NGO and Int'l Banking Sector	5	1
4	Enterprise Program Management Dept.	8	1
5	Strategy & Innovation Dept.	19	4
6	Marketing & Customer Experience Dept.	18	4
7	Applications Support & Development Dept.	25	4
8	Systems Security Dept.	8	1
9	IT Infrastructure Dept.	28	4
10	Credit Analysis & Appraisal Dept.	17	2
11	Credit Recovery & Portfolio Mgt. Dept.	27	4
12	Central Processing & Customer Accounts Dept.	23	3
13	International Banking Services Dept.	68	10
14	Finance & Accounts Dept.	41	6
15	Treasury Management Dept.	4	1
16	Facilities Management Dept.	10	1
17	Supply Chain Management Dept.	23	3
18	Engineering Services Dept.	14	2
19	Talent Management Dept.	10	1
20	Talent Development Dept.	12	2
21	HR Operations & Partnership Management Dept.	37	5
22	Legal Services Dept.	22	3
23	Alternate Channels Dept.	24	3
24	Internal Audit Dept.	47	7
25	Enterprise Risk Management & Compliance Dept.	41	6
26	Retail & MSME Banking Office	3	1
27	Interest Free Banking Office	28	4
	Total	603	86

3.7 Data Type and Sources

To conduct this study, the researcher made use of both primary and secondary data sources. Primary data were collected through questionnaires which was filled by the current professional employees of the Dashen Bank. Appropriate and trustworthy secondary information was collected from different documents obtained from relevant documents, website (Internet), human resource books, annual reports, articles and other available sources.

3.8 Instrument of Data Collection

The data collection instrument was questionnaire organized in the form of a five-point scale for Leadership styles and Seven-point scale for employee engagement to investigate the effect of leadership styles on employee engagement.

The instruments which was used in this study is close-ended questionnaire which is adopted from previous studies. The validity and reliability of Multifactor Leadership Questionnaire is proved by various researches and Bass himself has tested the questionnaire for its validity and reliability and proved it right.

Utrecht 17 items Work engagement questions. UWES is designed to determine job engagement characterized by vigor, dedication, and absorption". The tests conducted have shown that the three scales have good internal consistency and Reliability, which indicates the scale, is reliable (Schaufeli et al., 2002).

Leadership related questions were prepared using a five-point scale such that scale 0=Not at all to 4=Frequently, if not always. Work engagement related questions were prepared using a seven-point scale where 0=Never to 6=Every day.

To collect data for the study first document and literature review was made. Next questionnaires were developed for the study. Before distributing the questionnaire to the respondents, the researcher plans to obtain a letter of cooperation from Addis Ababa University School of Commerce. Then, a meeting was held with HR Manager of the bank to get an approval for distributing the questionnaires to the selected branches. Next the questionnaires were distributed to 343 professional employees of the bank working in the four districts of Addis Ababa and H.O.

Subsequently, the data collected was carefully checked to eliminate improperly filled questionnaires so that only usable questionnaires was considered for analysis. Finally, the data obtained after analysis was presented using different statistical tools and models.

3.9 Method of Data Analysis and Interpretation

In order to investigate and present the findings of the study, Statistical Package for Social Science (SPSS) Software program version 25 was used. Each response of the respondents on the effect of leadership styles on employee engagement and level of employee engagement was coded and inserted to the software and analyzed using descriptive and inferential statistical tools.

From descriptive statistical tools, frequency distribution was used and from inferential statistical tools, correlation, ANOVA (F-test), multiple regression analysis was used. Multiple Regression Analysis was conducted to analyze the effect of leadership styles on employee engagement. Before, conducting the analysis to ensure reliability and consistency of the data collection instrument, Cronbach's Alpha (α) test was made.

3.10 Measurement and Operational Definition of Variables

The measurement and operational definition of the variables is shown below in table.

Table 6 Description of variables used in the Regression Model

No	Variables	Definition	Measurement	Expected sign (+/-)
	Dependent Variable (DV)			
1	Employee Engagement	Schaufeli et al. (2002, p. 74) define “as a constructive, satisfying, job-related condition of mind that is characterized by vigor (energy), devotion, and absorption.”	Seven-point Scale (0= Never, 6= Every day)	+
	Independent Variables (IVs)			
1	Transformational Leadership Style	Simola et al. 2012) define transformational leadership as a type of leadership in which communications amongst concerned parties are structured “approximately a joint reason” in such a way that “change, inspire, and improve the events and ethical aspirations of supporters.”	Five-point scale (0= Not at All, 4= Frequently, if not always)	+
2	Transactional Leadership Style	(Robbins, 2012) defined transactional leadership as a process where the leader uses social exchanges for employees to perform a specific transaction.	Five-point scale (0= Not at All, 4= Frequently, if not always)	+

3.11 Validity and Reliability

(George and Mallery, 2003) provide the scale of Cronbach alpha coefficient: 0.9 excellent, 0.8 Good, 0.7 Acceptable, 0.6 questionable, ≥ 0.5 poor, and on the other hand, reliability is concerned with the internal consistency of the items.

As indicated in the above table, the Cronbach's alpha coefficients for Transformational Leadership Style, and Employee Engagement were 0.934 and 0.935 respectively and they showed excellent reliability (internal consistency) in the variables of measurement and they were considered as acceptable. The Cronbach's alpha coefficient of Transactional Leadership Style was 0.756 which showed fairly reliability and it was still in an acceptable range. Thus, the general internal consistency of the measures used in this study can be taken as acceptable.

Based on the above scale of Cronbach alpha coefficient the Cronbach's alpha value for each variables of the study are presented table 7 below:

Table 7 Reliability Analysis of the items

S.N	Variables of the Study	Cronbach's Alpha Value	No. of Items
1	Transformational Leadership Style	.934	20
2	Transactional Leadership Style	.756	12
3	Employee Engagement	.935	17

3.12 Model Development & Specification

The research model for this study is Classical Linear Regression Model (CLRM) of OLS. As stated by Gujarati (2011), CLRM makes the following assumptions.

- a) The regression model is linear in the parameters; it may or may not be linear in the variables Y and the Xs.
- b) The repressors are assumed to be fixed or non-stochastic in the sense that their values are fixed in repeated sampling.
- c) Given the values of the X variables, the expected, or mean, value of the error term is zero.
- d) The variance of each u_i , given the values of X, is constant, or homoscedastic (homo means equal and scedastic means variance).
- e) There are no perfect linear relationships among the X variables. This is the assumption of no multi-collinearity.

Under the assumed conditions, OLS estimators are BLUE: Best Linear Unbiased Estimators. This is the essence of the well-known Gauss–Markov theorem, which provides a theoretical

justification for the method of least squares (Gujarati, 2011). Finally, the research will conduct post-estimation (diagnostic) tests to verify whether the above CLRM assumptions are met or not.

The goal of this analysis was to know the level to which employee job engagement is determined by leadership styles (i.e. Transformational & Transactional Leadership styles) by considering R square value, beta coefficient and P-value for the significance of the relation.

The multiple regression equation is: -

$$\gamma = \alpha + \beta_1\chi_1 + \beta_2\chi_2 + \varepsilon$$
$$EEgmt = \alpha + \beta_1TrsctLS + \beta_2TrfrmLS + \varepsilon$$

Where:

EEgmt = Employee Engagement

TrsctLS = Transactional Leadership Style

TrfrmLS = Transformational Leadership Style

$\beta_1 - \beta_2$: parameters or coefficients of explanatory variables to be estimated

α = Intercept of the regression line

ε = *Residual*/error term of the model

3.13 Ethical Considerations

Ethical considerations are anticipated to happen in any kind of research study. This research took into concern those ethical issues on using proper citation, access and use of data, analysis and reporting of the findings in a moral and accountable way. The researcher tried to get the permission of the participants and guaranteed them that the source of data collected would stay confidential and that their secrecy was maintained. In addition, the participants were provided with a covering letter stating the purpose of the questionnaire in order to give them brief understanding the purpose of the study.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

In this chapter analysis will be conducted to examine the effect of leadership style on employee engagement in dashen bank s.c. The questionnaire were developed in five point scales ranging from four to zero; where 4 represents frequently always, 3 fairly often, 2 sometimes, 1 once in a while, and 0 Not at all for leadership related questions and 7 point scales (0 to 6) for engagement related questions The collected data from respondents were analyzed using SPSS 25 software version.

4.1. Response Rate of Questionnaire

Based on the sample size determined in the previous chapter, 343 questionnaires were distributed to the sampled respondents. Out of the total questionnaires distributed, 318 (91%) valid questionnaires were obtained and used for further analysis.

Table 8 Case Processing Summary

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Transactional LS	318	100.0%	0	0.0%	318	100.0%
Transformational LS	318	100.0%	0	0.0%	318	100.0%
Engagement	318	100.0%	0	0.0%	318	100.0%

Source: Own Survey (2020)

4.2. Demographic Profile of the Respondents

Descriptive statistics using frequencies was used to analyze the demographic characteristics of the respondents. This section present demographic profile of respondents of study which include gender, age, level of education, work experience in the Bank and job title/ position. The result of the frequency analysis is presented in Table 9 below.

Table 9 Frequency Table of Demographic Profile of the Respondents

Ser. No.	Background	Distribution	Frequency	Percentage
1	Gender	Female	102	32.1%
		Male	216	67.9%
		Total	318	100%
2	Age	Under 25 years	32	10.1%
		25-34 years	198	62.3%
		35-44 years	78	24.5%
		45-54 years	9	2.8%
		55 & above years	1	.3%
		Total	318	100%
3	Level of Education	First Degree	228	71.7%
		Masters	90	28.3%
		Total	318	100%
4	Work Experience	Up to 5 years	138	43.4%
		6-10 years	89	28.0%
		11-15 years	72	22.6%
		16-20 years	14	4.4%
		Over 20 years	5	1.6%
		Total	318	100%
5	Job title/ Position	Customer Service Agent	60	18.9%
		Auditor	25	7.9%
		Cashier	11	3.5%
		Officer	135	42.5%
		Expert	28	8.8%
		Analyst	17	5.3%
		Other	42	13.2%
		Total	318	100%

Source: Own Survey (2020)

Table 9 presents the demographic information of the respondents. From the overall respondents of the survey 32% were female and 68% were males. This implies that both genders were involved fairly in the study and thus the finding of the study did not experience gender bias.

The frequency table results showed that 10% of the respondents belong to age group of under 25 years, 62% of them belong to 25-34 years of age group, 25 % of them are between 35-44 years of age, 3% of them are between ages of 45-54 years and the remaining 0.3% belongs to 55 &

above years of age group. This indicates that the sample is regular with the distribution of young employees in the bank as majority of the bank's employees are found to be young under the age of 25-34.

The result shows that even though majority of the respondents belong to 25-34 years of age group, other age groups are also fairly included in the study. This implies that the respondents were comprised of varied age groups; which in turn helps the researcher to get diverse responses of different age groups across the sample units. Hence, the study did not suffer from age group bias.

Regarding level of education, 72% of the respondents are first degree holder and the remaining 28% of them are masters/second degree holders. This result indicates that majority of the respondents can easily understand and fill out the questionnaires.

Concerning work experience of the respondents, 43% of them have up to 5 years of service at Dashen Bank. 28% of the respondents replied that they served the bank for a period ranging 6-10 years, 23% served between 11-15 years, 4% of them reported that they have worked between 16-20 years and the remaining 2% of them have work experiences over 20 years in the Bank. The frequency analysis result of the employee service year shows that the majority of the respondents have up to/less than five years of experience. This shows that majority of the respondents are young and at their early stage of their career.

Regarding job title/position, 19% of them work as the position of Customer Service Agent, 8% of them work as Auditor, 4% of them as Cashier, 43% work as Officer, 9% of them as Expert, 5% of them as Analyst and the remaining 13% are reported that they work in other job positions. From this we can understand that, most of the respondents are bank officers and we can also conclude that the sample includes different career positions, which enabled the researcher to obtain varied responses from different job holders.

4.3. Descriptive Statistics

Descriptive statistics was employed to examine the mean & standard deviation of the responses of respondents with regard to the two leadership styles affecting employee engagement (transformational and transactional leadership) and employee engagement.

4.3.1 Descriptive Statistics on Transactional Leadership Style

This section presents in detail the descriptive statistics results like frequency, percentage, mean and standard deviation for each dimensions of transactional leadership behaviors/styles. Hence, the descriptive statistics results of Contingent Reward, Management by Exception (Passive) and Management by Exception (Active) were presented next.

With regard to contingent reward dimension of transactional leadership style, the majority (65%) of the respondents reported that their supervisors/managers provided them with assistance in exchange for their efforts in a frequent or regular manner. Likewise, the majority (64%) of the respondents believed that their supervisors/managers discussed in specific terms who was responsible for achieving performance targets. Also, 62% of the respondents believed that their supervisors/managers often and frequently, if not always made obvious what one can anticipate to obtain when performance target are fulfilled. Similarly, above average (59%) of the respondents assumed that their supervisors/managers expressed their satisfaction when they met expectations. In a nut shell, the study result indicated that the supervisors/managers in Dashen Bank most of the time demonstrated contingent reward behaviors to raise engagement levels of the employees. Amongst the three leadership behaviors, the majority of the respondents believed that their supervisors/managers were often and frequent times (if not always) described by contingent reward behavior (Mean=2.6 & SD=1.0) than Management by Exception-Passive (Mean=1.7 & SD=1.3) and Management by Exception-Active (Mean=2.1 & SD=1.2). This implies that contingent reward behavior was the most dominant behavior followed by Management by Exception-Active, and the least practiced behavior/style was Management by Exception-Passive in Dashen Bank context. For further detail the summary is presented under Table 10.

Regarding Management by Exception (Passive), nearly half of the respondents (41%) believed that their supervisors/managers have no times and rarely failed to interfere until problems become serious. Nearly to this figure, 31% of the respondents believed that their supervisors/managers failed to interfere sometimes while the remaining 29% assumed that their supervisors/managers failed to interfere often times and frequently (if not always). Refer to Table 10.

Almost half of the respondents (51%) believed that their supervisors/managers in no times and rarely waited for things to go wrong before taking action. 21% of the respondents believed that their supervisors/managers sometimes waited for things to go wrong while the remaining 27% assumed that their supervisors/managers often times and frequently (if not always) waited for things to go wrong. This result implies that, on average, supervisors/managers in DB took action and didn't wait for things to go wrong. Here, we can conclude from the result is that, on average, supervisors/managers in DB didn't wait for things to go wrong.

46% of the respondents reported that their supervisors/managers in no times and rarely display that he/she is a solid advocate in "Don't repair it till it get ruined" or wait things till it gets bad. 24% of them assumed that the supervisors/managers in DB sometimes display that he/she is a solid advocate in "Don't repair it till it get ruined". 38% respondents reported that their supervisors/managers in no times and rarely demonstrated that problems must first become chronic before taking action. On other hand 24% of them assumed that the supervisors/managers in DB sometimes demonstrated that problems must become chronic before taking action.

Management by Exception (Active) leadership behavior was the second dominant behavior exercised in DB. In this regard, 46% of the respondents assumed that their supervisors/managers often times and frequently (if not always) focused attention on irregularities, mistakes, exceptions, and deviations from standards and 29% of them assumed that their supervisors/managers sometimes focused attention on irregularities...etc. This implies that, above average participants reported that their supervisors/managers focused attention on irregularities, mistakes, exceptions, and deviations. Refer to Table 10.

37% of the respondents believed that their supervisors/managers sometimes concentrate his/her complete concentration on fixing failures or wrong deeds, complaints and malfunction. Also 29% believed that their supervisors/managers often times and frequently (if not always) concentrated his/her complete concentration on dealing with failures. This also imply that above average respondents reported that their supervisors/managers concentrated his/her full attention on dealing with mistakes, complaints and failure.

Almost half of the respondents (49%) believed that their supervisors/managers often times and frequently (if not always) directed their attention towards failures to meet standards. 23% of the

participants also believed that their supervisors/managers sometimes directed their attention towards failures to meet standards. This indicates that above average respondents reported that their supervisors/managers directed their attention towards failures to meet standards. The Overall descriptive statistic result of transactional leadership style is demonstrated in table 10.

Table 10 Descriptive Statistics Result of Transactional Leadership Styles/Behaviors

Transactional Leadership Style Items	Not at All		Once in a while		Sometimes		Fairly often		Frequently, if not always		Total		Mean	SD
	F	%	F	%	F	%	F	%	F	%	F	%		
Contingent Reward														
Provides me with assistance in exchange for my efforts.	10	3.1	30	9.4	71	22.3	156	49.1	51	16	318	100	2.7	1.0
Discusses in specific terms who is responsible for achieving performance targets.	14	4.4	29	9.1	70	22	155	48.7	50	15.7	318	100	2.6	1.0
Makes clear what one can expect to receive when performance goals are achieved.	10	3.1	42	13.2	68	21.4	154	48.4	44	13.8	318	100	2.6	1.0
Expresses satisfaction when I meet expectations.	10	3.1	29	9.1	91	28.6	115	36.2	73	23	318	100	2.7	1.0
Sub-Total Mean	11	3.43	32.5	10.2	75	23.58	145	45.6	54.5	17.13	318	100	2.6	1.0
Management By Exception (Passive)														
Fails to interfere until problems become serious.	75	23.6	54	17	97	30.5	67	21.1	25	7.9	318	100	1.7	1.3
Waits for things to go wrong before taking action.	114	35.8	49	15.4	68	21.4	64	20.1	23	7.2	318	100	1.5	1.3
Shows that he/she is a firm believer in "If it ain't broke don't fix it".	87	27.4	58	18.2	77	24.2	73	23	23	7.2	318	100	1.6	1.3
Demonstrates that problems must become chronic before taking action.	69	21.7	51	16	87	27.4	87	27.4	24	7.5	318	100	1.8	1.3
Sub-Total Mean	86.25	27.13	53	16.65	82.25	25.88	72.75	22.9	23.75	7.45	318	100	1.7	1.3
Management By Exception (Active)														
Focuses attention on irregularities, mistakes, exceptions, and deviations from standards.	33	10.4	49	15.4	91	28.6	99	31.1	46	14.5	318	100	2.2	1.2
Concentrates his/her full attention on dealing with mistakes, complaints and failure.	58	18.2	48	15.1	120	37.7	72	22.6	20	6.3	318	100	1.8	1.2
Keeps track of all mistakes.	40	12.6	72	22.6	116	36.5	73	23	17	5.3	318	100	1.9	1.1
Directs my attention towards failures to meet standards.	48	15.1	43	13.5	72	22.6	115	36.2	40	12.6	318	100	2.2	1.3
Sub-Total Mean	44.75	14.08	53	16.65	99.75	31.35	89.75	28.23	30.75	9.675	318	100	2.0	1.2
Aggregate Mean													2.1	1.2

Source: Own Survey (2020)

4.3.2 Descriptive Statistics on Transformational Leadership Style

This section presents in detail the descriptive statistics results like frequency, percentage, mean and standard deviation for each transformational leadership behaviors/styles dimension. Therefore, the descriptive statistics results of the 5 dimensions of transformational leadership styles are presented subsequently hereunder.

Concerning idealized influence (behavior), majority (68%) of the respondents believed that their supervisors/managers often and frequently, if not always talked about his/her most important values and beliefs, and also the majority (69%) of them assumed that their supervisors stressed the implication of having a well-built sense of function. 68% of respondents approved that their supervisors taken in to account the ethical and moral consequences of their decisions and 60% of the respondents assumed that their supervisors/managers emphasized the importance of having a collective sense of mission in an often and frequent times, if not always. From this result we can understand that supervisors/managers in DB dominantly practiced idealized influence (behavior) leadership attribute as compared to other attributes so as to make the employees engaged towards their job. Refer to Table 11.

Regarding idealized influence (attribute) leadership behavior, majority (53%) of the respondents believed that their supervisors/managers sometimes and rarely instilled pride in them for being associated with him/her. While the majority (52%) of respondents believed that their supervisors/managers often and frequently, if not always goes ahead of their self interest for the sake of their group. The majority (65%) of respondents assumed that their supervisors/managers acted in ways that builds their respect. And also 61% of them reported that their supervisors/managers displayed a sense of power and confidence often and frequently, if not always.

With regard to inspirational motivation, the majority (63%, 61%, 61% & 65%) of respondents assumed that their supervisors/managers often and frequently, if not always talked optimistically about the future, talked enthusiastically about what it needs to be achieved, express a persuasive vision about the future and shows confidence that target will be fulfilled in that order. The study result also showed that inspirational motivation was dominantly practiced in DB context.

Concerning intellectual stimulation, above average (53%, 61%, 54% & 57%) number of respondents assumed that their supervisors/managers often and frequently, if not always re-consider serious assumptions to questions whenever they are necessary, apply special perspectives when solving issues, makes employees to look at problems from diverse direction and recommended fresh ways of looking at how to accomplish assignments. However, considerable number (43%, 41%, 36% & 40%) of the respondents reported that their supervisors/managers sometimes and rarely exhibited intellectual stimulation behaviors correspondingly.

Though above average number of the respondents believed that their supervisors/managers often times and frequently (if not always) exercised intellectual stimulation behaviors, substantial number of the respondents equally assumed their supervisors/managers sometimes and rarely exercised intellectual stimulation behaviors.

Regarding Individualized Consideration, nearly average number of the respondents (44%, 45%, 40% & 35%) reported that their supervisors/managers sometimes and rarely spent their time training and educating, treating each employees as individual instead of assuming them just as a member of a group, treat them as having diverse desires, abilities, and aspirations from others and helped them to develop their strengths respectively. And also (15%, 15%, 11% and 7%) assumed that their supervisors/managers practiced not at all individualized consideration leadership attributes Here, we can conclude that individualized consideration of transformational leadership style is the least exercised attribute (Mean=2.3 & SD=1.2) in DB context. However, considerable number of the respondents (41%, 41%, 49% and 58%) assumed that often and frequently, if not always exhibited the above mentioned attributes of individual consideration dimension of transformational leadership style.

Table 11 Descriptive Statistics Result of Transformational Leadership Style

Transformational Leadership Styles Items	Not at All		Once in a while		Sometimes		Fairly often		Frequently, if not always		Total		Mean	SD
	F	%	F	%	F	%	F	%	F	%	F	%		
Idealized Influence (behavior)														
Talks about his/her most important values and beliefs.	20	6.3	26	8.2	57	17.9	172	54.1	43	13.5	318	100	2.6	1.0
Stresses the importance of having a strong sense of purpose.	19	6	14	4.4	65	20.4	171	53.8	49	15.4	318	100	2.7	1.0
Considers the moral and ethical consequences of decisions.	11	3.5	21	6.6	71	22.3	132	41.5	83	26.1	318	100	2.8	1.0
Emphasizes the importance of having a collective sense of mission.	6	1.9	33	10.4	88	27.7	125	39.3	66	20.8	318	100	2.7	1.0
Sub-Total Mean	14	4.425	23.5	7.4	70.25	22.08	150	47.18	60.25	18.95	318	100	2.7	1.0
Idealized Influence (Attribute)														
Instills pride in me for being associated with him/her.	26	8.2	49	15.4	118	37.1	77	24.2	48	15.1	318	100	2.2	1.1
Goes beyond self-interest for the good of the group.	25	7.9	43	13.5	85	26.7	100	31.4	65	20.4	318	100	2.4	1.2
Acts in ways that builds my respect.	14	4.4	33	10.4	65	20.4	144	45.3	62	19.5	318	100	2.7	1.0
Displays a sense of power and confidence.	13	4.1	34	10.7	78	24.5	121	38.1	72	22.6	318	100	2.6	1.1
Sub-Total Mean	19.5	6.15	39.75	12.5	86.5	27.18	110.5	34.75	61.75	19.4	318	100	2.5	1.1
Inspirational Motivation														
Talks optimistically about the future.	21	6.6	39	12.3	58	18.2	116	36.5	84	26.4	318	100	2.6	1.2
Talk's enthusiastically about what it needs to be accomplished.	6	1.9	17	5.3	101	31.8	127	39.9	67	21.1	318	100	2.7	0.9
Articulates a compelling vision of the future.	14	4.4	27	8.5	82	25.8	117	36.8	78	24.5	318	100	2.7	1.1
Expresses confidence that goals will be achieved.	18	5.7	29	9.1	63	19.8	119	37.4	89	28	318	100	2.7	1.1
Sub-Total Mean	14.75	4.65	28	8.8	76	23.9	119.8	37.65	79.5	25	318	100	2.7	1.1
Intellectual Stimulation														
Re-examines critical assumptions to questions when they are appropriate.	20	6.3	43	13.5	95	29.9	113	35.5	47	14.8	318	100	2.4	1.1
Seeks differing perspectives when solving problems.	16	5	34	10.7	96	30.2	113	35.5	59	18.6	318	100	2.5	1.1
Gets me to look at problems from many different angles.	19	6	31	9.7	84	26.4	106	33.3	78	24.5	318	100	2.6	1.1
Suggests new ways of looking at how to complete assignments.	9	2.8	34	10.7	94	29.6	118	37.1	63	19.8	318	100	2.6	1.0
Sub-Total Mean	16	5.025	35.5	11.15	92.25	29.03	112.5	35.35	61.75	19.425	318	100	2.5	1.1
Individual Consideration														
Spends time teaching and coaching.	48	15.1	55	17.3	86	27	88	27.7	41	12.9	318	100	2.1	1.3
Treats me as an individual rather than just as a member of a group.	46	14.5	47	14.8	95	29.9	91	28.6	39	12.3	318	100	2.1	1.2
Considers me as having different needs, abilities, and aspirations from others.	34	10.7	42	13.2	86	27	102	32.1	54	17	318	100	2.3	1.211
Helps me to develop my strengths.	23	7.2	38	11.9	74	23.3	104	32.7	79	24.8	318	100	2.6	1.2
Sub-Total Mean	37.75	11.88	45.5	14.3	85.25	26.8	96.25	30.28	53.25	16.75	318	100	2.3	1.2
Aggregate Mean													2.53	1.1

Source: Own Survey (2020)

4.3.3 Descriptive Statistics on Employee Engagement

This section presents in detail the descriptive statistics results like frequency, percentage, mean and standard deviation for employee engagement attributes/dimensions. Hence, the descriptive statistics results of vigor, dedication and absorption are presented here under subsequently.

Concerning vigor, majority of the respondents (73%) assumed that every day/a few times a week they assume that when they get up in the morning they feel like going to their work , 61% of them agreed that they felt bursting with energy at their work, 57% assumed that they always persevere even when things do not go well, 64% believed that they can keep on working for very extended periods of time, 56% believed that they were able to get used to demanding or stressful situations at their job and also 64% felt strong and vigorous. Here, we can infer from the study result that employees of Dashen Bank were more vigorous (Mean=4.4 & SD=1.7) as compared to the other two dimensions of employee engagement which are absorption and dedication. Refer to Table 12.

Regarding employee dedication, above average respondents (55%, 54%, 63% and 59%) assumed that every day/a few times a week their job inspired them, they were enthusiastic about their job, they were proud of the work that they do and found the work that they do full of meaning and purpose respectively. And 34% of them believed that their job was challenging.

About employees' absorption, nearly and above average respondents (42%, 60%, 46%, 48, 49% and 65%) assumed that every day/a few times a week they forgot everything else around them when they were working, time flies when they were working, they got carried away when they were working, it was difficult to detach themselves from their job, they were immersed in their work and they felt happy when they were working intensely respectively. The overall descriptive statistic summary for each dimension of employee engagement is presented in table 12.

Table 12 Descriptive Statistics Result of Employee Engagement

Employee Engagement Items	Never		Almost never		Once a month or less		A few times a month		Once a week		A few times a week		Every day		Total		Mean	SD	
	F	%	F	%	F	%	F	%	F	%	F	%	F	%	F	%			
Vigor Related Questions																			
When I get up in the morning, I feel like going to work.	11	3.5	9	2.8	11	3.5	19	6	36	11.3	61	19.2	171	53.8	318	100	4.9	1.6	
At my work, I feel bursting with energy.	9	2.8	8	2.5	28	8.8	31	9.7	48	15.1	101	31.8	93	29.20	318	100	4.4	1.6	
At my work, I always persevere, even when things do not go well.	13	4.1	22	6.9	18	5.7	36	11.3	49	15.4	107	33.6	73	23	318	100	4.2	1.7	
I can continue working for very long periods of time.	11	3.5	17	5.3	23	7.2	32	10.1	32	10.1	80	25.2	123	38.7	318	100	4.5	1.7	
At my job, I am very mentally resilient.	15	4.7	11	3.5	33	10.4	45	14.2	35	11	95	29.9	84	26.4	318	100	4.2	1.7	
At my job, I feel strong and vigorous.	17	5.3	19	6	26	8.2	13	4.1	40	12.6	76	23.9	127	39.9	318	100	4.4	1.8	
Sub-Total Mean	12.67	3.983	14.33	4.5	23.17	7.3	29.33	9.233	40	12.58	86.67	27.27	111.8	35.17	318	100	4.4	1.7	
Dedication Related Questions																			
To me, my job is challenging.	48	15.1	53	16.7	26	8.2	49	15.4	34	10.7	59	18.6	49	15.4	318	100	3.1	2.1	
My job inspires me.	13	4.1	31	9.7	26	8.2	28	8.8	45	14.2	67	21.1	108	34	318	100	4.2	1.9	
I am enthusiastic about my job.	10	3.1	15	4.7	30	9.4	47	14.8	44	13.8	80	25.2	92	28.9	318	100	4.2	1.7	
I am proud of the work that I do.	16	5	21	6.6	17	5.3	22	6.9	43	13.5	68	21.4	131	41.2	318	100	4.5	1.8	
Find the work that I do full of meaning and purpose.	23	7.2	22	6.9	21	6.6	20	6.3	45	14.2	77	24.2	110	34.6	318	100	4.2	1.9	
Sub-Total Mean	22	6.9	28.4	8.92	24	7.54	33.2	10.44	42.2	13.28	70.2	22.1	98	30.82	318	100	4.0	1.9	
Absorption Related Questions																			
When I am working, I forget everything else around me.	28	8.8	35	11	26	8.2	42	13.2	55	17.3	72	22.6	60	18.9	318	100	3.6	1.9	
Time flies when I am working.	11	3.5	9	2.8	35	11	33	10.4	40	12.6	78	24.5	112	35.2	318	100	4.4	1.7	
I get carried away when I am working.	10	3.1	17	5.3	25	7.9	47	14.8	73	23	76	23.9	70	22	318	100	4.1	1.6	
It is difficult to detach myself from my job.	23	7.2	43	13.5	22	6.9	38	11.9	39	12.3	79	24.8	74	23.3	318	100	3.8	2.0	
I am immersed in my work.	8	2.5	31	9.7	41	12.9	32	10.1	50	15.7	92	28.9	64	20.1	318	100	3.9	1.7	
I feel happy when I working intensely.	10	3.1	15	4.7	12	3.8	17	5.3	59	18.6	77	24.2	128	40.3	318	100	4.7	1.6	
Sub-Total Mean	15	4.7	25	7.833	26.83	8.45	34.83	10.95	52.67	16.58	79	24.82	84.67	26.63	318	100	4.1	1.8	
Aggregate Mean																	4.2	1.8	

Source: Own Survey (2020)

4.3.4 Summarized Descriptive Statistics

The average score from the 5-point scale multi-factor leadership questionnaire ranging from 0-4 indicates as to how frequent the leadership style practice in the Bank fits/ describes the respondent. Hence, 0-point scale indicates that the style doesn't fit the respondent while 4-point scale indicates the style fit respondents. The 7-point scale (0-6) questionnaire of employee work engagement indicates that the employee not engaged if he/she prefers the lowest point scale and the employee is highly engaged in the Bank's if he/she prefers the highest point scale.

Where the mean for the variable is more than half of the 5-point scale 0 to 4 (i.e. 2), the style fits/describes the respondents and where the mean for the variable is less than half of the 5-point scale (i.e.2), the style doesn't fits/describes the respondents. Where the mean for the variable is more than half of the 7-point scale (i.e. 3), the respondent is engaged in his/her work and where the mean for the variable is less than half of the 7-point scale (i.e. 3), the respondent is not engaged in his/her work. Table 13 presents summary of descriptive statistics for variables of the study .

Table 13 Descriptive Statistics of Variables

Description	N	Mean	Std. Deviation
Transformational Leadership Style	318	2.53	1.10
Transactional Leadership Style	318	2.11	1.15
Employee Engagement	318	4.20	1.77

Source: Own Survey (2020)

According to Creswell (2012), mean value: Key: ≥ 4.5 = Very High, 3.51-4.51= High, 2.51-3.5= Moderate, 1.51-2.5= Low; < 1.5 = Very Low.

As shown in the above table , Transformational Leadership Style mean was 2.53, which indicate the mean for the variable is more than half of the 5-point scale (0 to 4) (i.e. 2) which indicate that this is the dominant leadership style in Dashen Bank, while the standard deviation (SD) was 1.10. This outcome shows that greater part of the respondents reported that Transformational Leadership Style go well with them while they perform their job.

Accordingly, as shown in the above table, transformational leadership style mean was 2.53 and (SD) was 1.10. As per Creswell (2012) mean score between 2.51 -3.5 is moderate. Therefore, the

result implies that respondents perceived the existence of moderate transformational leadership in dashen bank.

The mean result of transactional Leadership Style is 2.11, and (SD) was 1.15. As per Creswell (2012) mean score value between 1.51-2.5 is low. The result implies that respondents in Dashen Bank perceived the existence of low Transactional Leadership Style.

The mean score of employee engagement is 4.2 and (SD) of 1.77. As per Creswell (2012) this indicates that on majority of the employees are extremely occupied or engaged in their job. Which means majority of the employees are more vigorous compared to other dimension of employee engagement (dedication and absorption) towards their work in Dashen Bank.

4.4 Inferential Statistics

Correlation and regression analysis was performed to investigate the effect of leadership styles on employees' engagement and overall engagement of employees in dashen bank. Using Pearson correlation with two tailed test of significance, the correlation analysis was made and using the regression analysis, the impact of the variables was investigated.

4.4.1 Correlation Analysis

Pearson's correlation can vary from a maximum negative value of -1.00 to a maximum positive value of 1.00. A value of -1.00 describes a perfect negative relationship while a value of 1.00 describes a perfect positive relationship. A value of 0.00 or close to 0.00 may indicate either a curvilinear or no relationship in the case of case of Pearson's correlation. These values indicate both the direction and size of the relationship. A negative (-) value denotes a negative relationship on the scatter gram and a positive (+) value denotes a positive relationship on the scatter gram (Dennis & Duncan, 2000).

According to Field (2005), a coefficient of +1 indicates that the two variables are perfectly positively correlated, so as one variable increases, the other increases by a proportionate amount. Conversely, a coefficient of -1 indicates a perfect negative relationship: if one variable increases, the other decreases by a proportionate amount. A coefficient of zero indicates no linear relationship at all and so if one variable changes, the other stays the same. A commonly used

measure of the size of an effect and that values of ± 0.1 represent a small effect, ± 0.3 is a medium effect and ± 0.5 is a large effect.

Stronger relationships between variables are represented by larger numerical values. As a rule of thumb, values between 0.10 and 0.30 are usually described in words as being low and indicating a small or weak relationship. Values between 0.40 and 0.60 are described as indicating a modest or moderate relationship. Values between 0.70 and 0.90 or larger are described as being high and indicating a large or strong relationship (Dennis & Duncan, 2000).

According to Cohen (1988), coefficient of correlation (r) stretching from 0.10 to 0.29 may be considered as showing a low level of relationship, coefficient of correlation (r) stretching from 0.30 to 0.49 may be considered as a modest level of relationship, coefficient of correlation (r) extending from 0.50 to 1.00 may be considered as a high level of relationship.

To describe the linear relationship between two variables of the study, we used here Pearson product-moment correlation coefficient (Pearson correlation coefficient) statistical indices and the decision rule for interpretation of the effect size was based on the above credible sources cited. Accordingly, Pearson correlation analysis result of the study was presented in Table 14 below.

Table 14 Pearson Correlation

		Correlations		
		Employee Engagement	Transformational Leadership Style	Transactional Leadership Style
Employee Engagement	Pearson Correlation Sig. (2-tailed) N	1 318		
Transformational Leadership Style	Pearson Correlation Sig. (2-tailed) N	.315** 318	1 318	
Transactional Leadership Style	Pearson Correlation Sig. (2-tailed) N	-.141* 318	-.391** 318	1 318

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

* . Correlation is significant at the 0.05 level (2-tailed).

Source: Own Survey (2020)

4.4.1.1 Correlation between Transformational leadership and Employee engagement

According to Cohen (1988) effect size standards, the correlation coefficient from 0.10 to 0.29 demonstrating a small amount of association, where as r ranging from 0.30 to 0.49 may be taken as a reasonable degree of association, and r ranging from 0.50 to 1.00 considered as a high level of association. As we can refer from the above table , Transformational Leadership Style was positively and significantly correlated with employee engagement by (r =0.315, p-value of 0.01).

4.4.1.2 Correlation between Transactional leadership and Employee engagement

As per Cohen (1988) effect size standard, Transactional Leadership Style was negatively correlated with employee engagement (r= -0.141 at p-value of 0.01). Accordingly, we can conclude that the correlation between Transformational Leadership Style and employee engagement was medium. While the correlation between Transactional Leadership Style and employee engagement was weak/small.

4.5 Test for Assumptions of Linear Regression Model/Regression Diagnostics

4.5.1 Linearity Test

(The scatter plot of residuals (see Appendix 1) shows that the points stretch out in a reasonably straight line from left to top right. The first postulation is linearity, and it is a principal postulation. The statement of linearity states that conditional means of Y fall in a straight line. Therefore, we can conclude that the assumption of linearity was not breached.

4.5.2 Normality Test

The classical normal linear regression model (CNLRM), an extension of CLRM, assumes that the error term (u_i) in the regression model is normally scattered. This assumption is critical if the sample size is relatively small, for the commonly used tests of significance, such as t and F, are based on the normality assumption. It is thus important that to check whether the error term is normally distributed (Gujarati, 2011).

There is another important graph that we can examine to see if a distribution is normal called (probability–probability plot). This graph plots the cumulative probability of a variable against the cumulative probability of a particular distribution (in this case we would specify a normal distribution). If values fall on the diagonal of the plot, then the variable is normally distributed, but deviations from the diagonal show deviations from normality (Field, 2005).

Thus, we can deduce that the assumption of normally distributed error term was not breached (look at Appendix 2).

4.5.3 Multi-Collinearity Test

One of the assumptions of the classical linear regression model (CLRM) is that there is no accurate linear relationship among the regressors. If there are one or more such relationships among the regressors we call it multi-collinearity or collinearity, for short (Gujarati, 2011).

Multi-co linearity can be tested either from correlation coefficient results or from the Value of Tolerance and VIF (Variance Inflation Factor).As we can see from the below table the Tolerance Value is 0.847 which is above the verge limit and the VIF value is also 1.180 which is

below the verge limit. Therefore, we can summarize that there is no co linearity issue between the independent variables.

Table 15 Co linearity Diagnosis

Coefficients^a			
Model		Co linearity Statistics	
		Tolerance	VIF
1	Transformational Leadership Style	.847	1.180
	Transactional Leadership Style	.847	1.180

a. Dependent Variable: Employee Engagement

Source: Own Survey (2020)

4.5.4 Test of Homoscedasticity

One of the main assumptions for the ordinary least squares regression is the homogeneity of variance of the residuals. If the model is well-fitted, there should be no pattern to the residuals plotted against the fitted values. If the variance of the residuals is non-constant, then the residual variance is said to be “heteroscedastic.”

Though there are other statistical methods for testing homogeneity of variances, the researcher here used Breusch-Pagan/Cook-Weisberg and scatter plot tests for homoscedasticity. A p-value of less than 0.05 were acceptable for Breusch-Pagan/Cook-Weisberg tests. As the result revealed in table 17 below and p-value of 0.023 for the model is less than 0.05 of the critical value, shows that homogeneity of variance across the model. Thus, the scatter plot shows that majority of the points are concentrated around 0 which shows that no violation of homoscedasticity (see Appendix 3).

Table 16 Breusch-Pagan Test for Hetero-skedasticity

Breusch-Pagan Test for Heteroscedasticity		
Chi-Square	df	Sig.
5.177	1	.023

Source: Own Survey (2020)

Thus, the scatter plot shows that majority of the points are concentrated around 0 which shows that no violation of homoscedasticity (see Appendix 3).

4.6 Regression Analysis

4.6.1 Model Summary

As presented in model summary table 17 below, R-square value was 0.100. This explain that, Transformational Leadership can determine about 10% of the deviation that can exist on employee engagement level in DB. Each of the proposed hypotheses were empirically tested and discussed.

Table 17 Model Summary

Model Summary^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.316 ^a	.100	.094	.17655	1.950

a. Predictors: (Constant), Transformational Leadership Style, Transactional Leadership Style

b. Dependent Variable: Employee Engagement

Source: Own Survey (2020)

4.6.2 Analysis of Variance (ANOVA) or F-Test

The ANOVA table shows the overall significance/acceptability of the model from a statistical perspective. As the significance value of F statistics shows a value (.000), which is less than 0.05, the model is significant. This indicates that the variation explained by the model is not due to chance. As it is showed in the ANOVA table (table 19) the p-value of 0.000 for Model is less than 0.05 significant level. This indicates that the sample data provides sufficient evidence to conclude that the regression model was well fit. In other words, the p-value (0.000) is highly significant and can be concluded that leadership style can predict employee engagement significantly.

Table 18 Analysis of Variance (ANOVA) Table

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.087	2	.543	17.429	.000 ^b
	Residual	9.818	315	.031		
	Total	10.905	317			

a. Dependent Variable: Employee Engagement

b. Predictors: (Constant), Transformational Leadership Style, Transactional Leadership Style

Source: Own Survey (2020)

4.6.3 Coefficients of Variables

Table 19 Coefficients of Variables

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	-1.970	.460		-4.280	.000
	Transformational Leadership	2.176	.412	.307	5.279	.000
	Transactional Leadership	-.025	.068	-.022	-.370	.711

a. Dependent Variable: Employee Engagement

Source: Own Survey (2020)

Standardized regression coefficient (beta) coefficient shows the strength of effect of each individual independent variables (Transformational and transactional) to the dependent variable (employee engagement). The regression coefficient result of the Model showed that (see table 20), Transformational Leadership Style has positive and significant effect on employee engagement ($\beta = 0.307$, $p = 0.000$). The positive effect of Transformational Leadership Style on employee engagement implies that if there is an increase in Transformational Leadership Style there will also be an increase in employee engagement level. In other words, the regression coefficient of 0.307 for Transformational Leadership Style indicates a percent/unit change in Transformational Leadership Style will lead to almost 31% change in employee engagement.

Here, Transactional Leadership Style has no significant effect on employee engagement of the Bank as the critical p-value is above 0.05, which is 0.711 ($\beta = -0.022$, $p = 0.711$).

4.7 Discussion

The research hypothesis (H1) stated that transformational leadership style have positive and significant effect on employees' engagement which was also confirmed by result of the current study. Thus, the study supports hypothesis 1 (H1). which means this outcome is conformity with the findings of Ermias (2017) on his study to investigate the association among leadership styles and employees' engagement using a sample of 370 employees. The regression results showed that transformational leadership styles have positive and significant effect on employees' engagement.

The second one is the study outcome confirm that the effect of Transactional leadership style on employees' engagement is not significant. Hypothesis 2 propose that Transactional leadership style has positive and significant effect on employees' engagement. However, the study outcome doesn't support this hypothesis (H2). This result is similar with the findings of Zhang et al. (2014) who conducted a quantitative study investigating the effects of supervisor's leadership style on employee engagement with 439 retail sales assistant in Sydney, Australia. The finding of the study stated transactional leadership style had negative effect on employee engagement. The negative effect of transactional leadership was connected with leaders' poor communication with employees, low employee supports and minimal advancement opportunities.

4.8 Testing the Research Hypotheses

This section presents research hypotheses tests and the result of the test is presented in table 20 below.

Table 20 Summary of Hypotheses

	Hypotheses	Analytical Model	Decision/Result
H1₁	Transformational leadership style has positive significant effect on employees' engagement levels.	Correlational Analysis	Accepted
H1₂	Transactional leadership style has positive significant effect on employees' engagement levels.	Correlational Analysis	Rejected

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter present brief summary of the key findings, conclusion and recommendation of the study. Based on the overall study results recommendations were forwarded to Dashen Bank and finally suggestion for future research was presented.

5.1 Summary of Key Findings

- As per the study result, contingent reward behavior of transactional leadership style was moderately experienced by the supervisors/managers in Dashen Bank working context (Mean=2.6 and SD=1.0). While Management by Exception-Passive was the least practiced attribute by the supervisors/managers (Mean=1.7 & SD=1.3).
- Based on the study result, idealized influence (behavior) and inspirational motivation of transformational leadership style were moderately practiced by the supervisors/managers of Dashen Bank (Mean=2.7, SD=1.0 & Mean=2.7,SD=1.1 respectively). Whereas, individual consideration leadership behavior was the least practiced attribute (Mean=2.3 & SD=1.2).
- The study result indicated that the supervisors/managers in Dashen Bank focused their attention on irregularities, mistakes, exceptions, and deviations. This means that the supervisors/managers in Dashen Bank concentrated their complete concentration on dealing with mistakes and divergence from the standard.
- Majority of the respondents believed that their supervisors/managers sometimes instilled pride in them for being associated with their managers, though often times encouraging attributes of idealized influence leadership performance were witnessed.
- Substantial number of the respondents equally assumed that the supervisors/managers of Dashen Bank sometimes exercised intellectual stimulation behaviors.
- The dominant leadership style in Dashen Bank is transformational leadership with mean score= 2.53 SD= 1.10.
- The study result indicated that employees of Dashen Bank were more vigorous (Mean =4.4 & SD = 1.7) as compared to the other two dimensions of employee engagement which are absorption and dedication (Mean =4.0, SD =1.9 and Mean =4.1, SD=1.8) respectively.

- The result of analysis of variance reveals p-value of 0.000 for Model is fewer than 0.05 significant level. This shows that the sample data demonstrate adequate proof to wrap up that the regression model was fine fit.
- Result of correlation analysis indicates that transformational leadership and employee engagement are positively and significantly correlated in Dashen Bank ($r=.315$, P value of 0.01). While Transactional leadership and employee engagement were found to have a negative correlation ($r= -.141$, p value of 0.01) in Dashen bank S.C. The overall finding of the study shows that transformational leadership style has positive and significant effect on employees' engagement in Dashen Bank. On the other hand, transactional leadership style showed insignificant effect on employees' engagement in Dashen Bank.
- The regression coefficient result of the Model showed that Transformational Leadership Style has positive and significant effect on employee engagement ($\beta =0.307$, $p= 0.000$). The regression coefficient of 0.307 for Transformational Leadership Style indicates a percent/unit change in Transformational Leadership Style will lead to almost 31% change in employee engagement. Whereas, Transactional Leadership Style has no significant effect on employee engagement of the Bank as the critical p-value is above 0.05 ($\beta =-0.22$, $p= 0.711$).
- Finally, the study outcome also imply that transformational leadership style is better in growing employee engagement better than the transactional leadership.

5.2 Conclusion

Based on the key results of the study the researcher sum up the following generalization:

Transformational leadership was seen to have a positive significant effect on the subscales of employee engagement. Whereas Transactional leadership had a negative effect on the subscales of employee engagement.

It has been clearly indicated that the dimensions of employees' engagement have a significant difference to the styles of leadership. Since various factors of leadership styles affect various aspects of employee engagement, which in turn affect job performance as well as overall organizational performance, managers, supervisors, leaders and organizational heads should use leadership style that can enhance employee engagement. They should therefore conduct different

techniques that can help to figure out employees preference of leadership style. The existences of appropriate leadership styles would achieve the organizational goals together with the individual targets or objectives of the employees.

5.3 Recommendation

Based on the findings of the study the following recommendations have been forwarded to the Dashen bank:

- As per the the findings of the study Dashen Bank to endeavor hiring transformative leaders because their characters increase employee engagement. More work needs to be done in the HR department in recruiting and selecting more transformative leader from within the bank or from outside and provide the necessary training to align their skill with the bank vision. The gap noticed in individualized consideration attributes serve as an alarm for Dashen bank manager in order to know how to work with employees by being their mentor or coach and listens to the employees' concern, abilities and ambition and most importantly help them to develop their strength.
- In addition more work need to be done to enhance intellectual stimulation. Employees need their leaders to encourages them to be innovative and creative help them to develop their ability in problem solving. Supervisors need to show employees of Dashen Bank new ways of looking how to complete their assignment and tasks plus Showing employees how they can see problems from different perspective.
- The study result indicated that employees of Dashen Bank were more vigorous as compared to the other two dimensions of employee engagement which are absorption and dedication. Hence the result suggests Dashen Bank to design new strategy. Such strategies include showing them you listen, share good practice and ideas between teams, have an employee voice, understanding their individual learning styles and preference, provide career paths and provide opportunities for growth, recognize top performers , making jobs more meaningful ,and making work more fun with employee engagement activities.
- Regular employees' engagement review shall be developed by the executive of Dashen Bank when the bank executes regular engagement surveys it should try to determine all

the factors driving employee engagement so that it can narrow down the list of factors to focus on. It can begin by focusing on the factor that will make the most difference to the employees and put more energy around improving that area as it may be difficult to deal with all factors at once.

5.4 Suggestions for Future Research

The results of this study suggest that leadership style and employee engagement is a meaningful construct which is creditable of future research. The scope of the study can be further expanded by including other variables that might predict employee engagement besides transformational and transactional leadership style. The study can also include other methods like in-depth interviews and focus group discussion.

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Appendix 1: Probability-Probability (P-P) Plot of the Standardized Residual

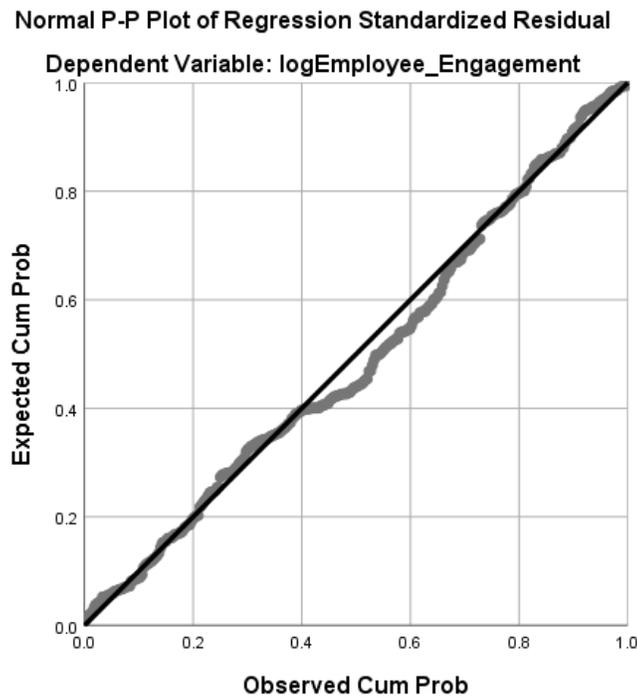


Figure 2: Probability-Probability (P-P) Plot of the Standardized Residual

Appendix 2: Frequency Distribution of Standardized Residual

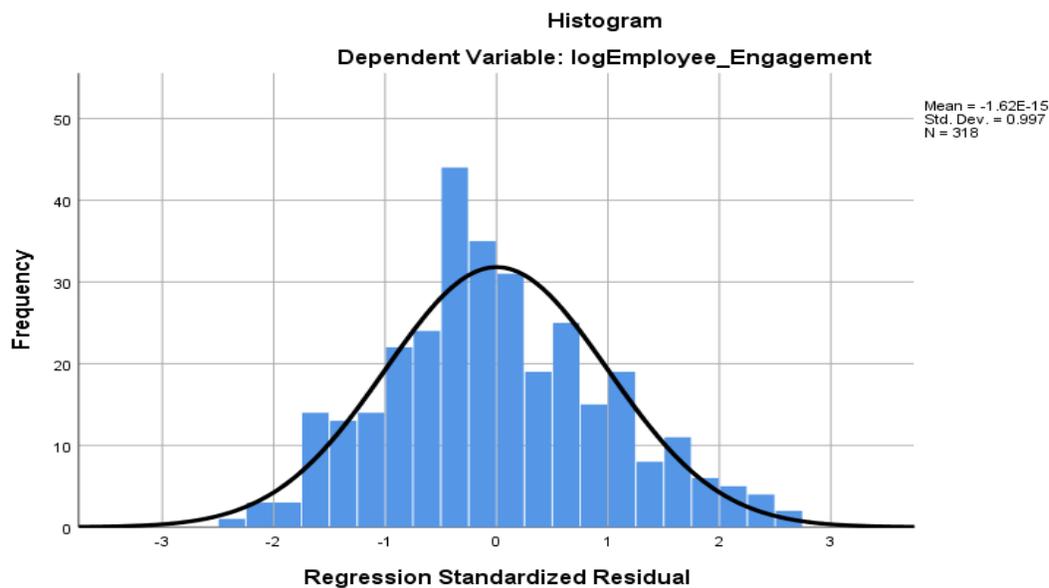


Figure 3: Frequency Distribution of Standardized Residual

Appendix 3: Scatter Plot

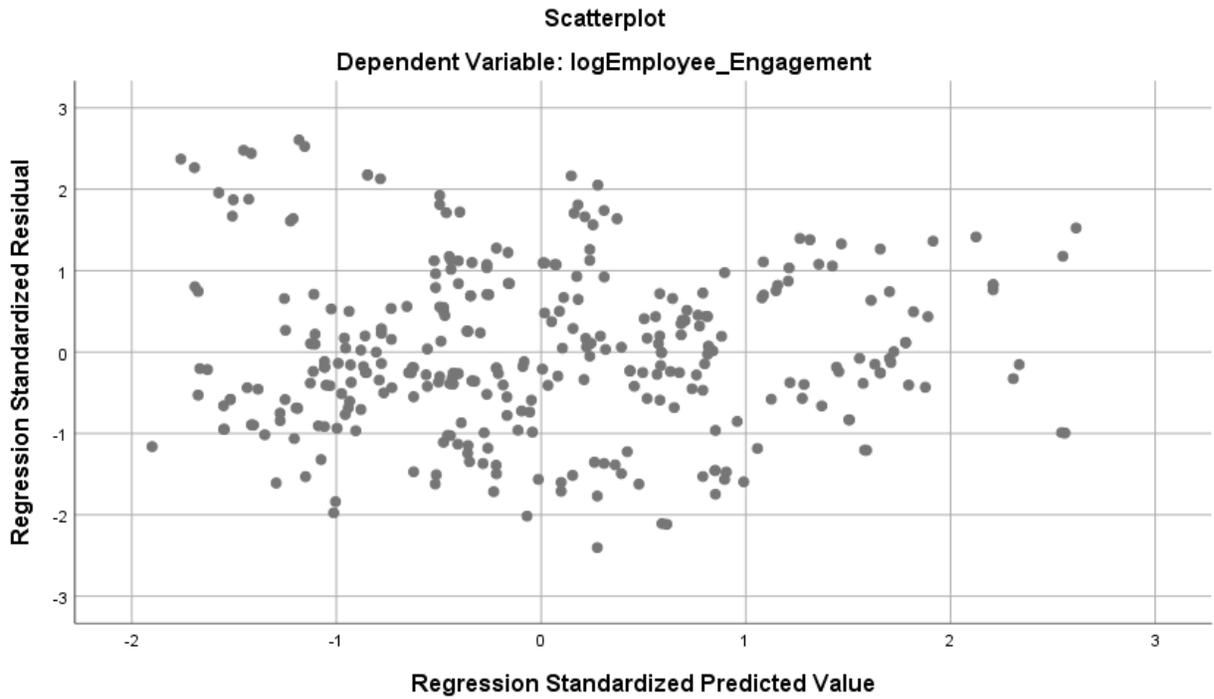


Figure 4: Scatter Plots of Regression Standardized Residual against Standardized Predicted Value

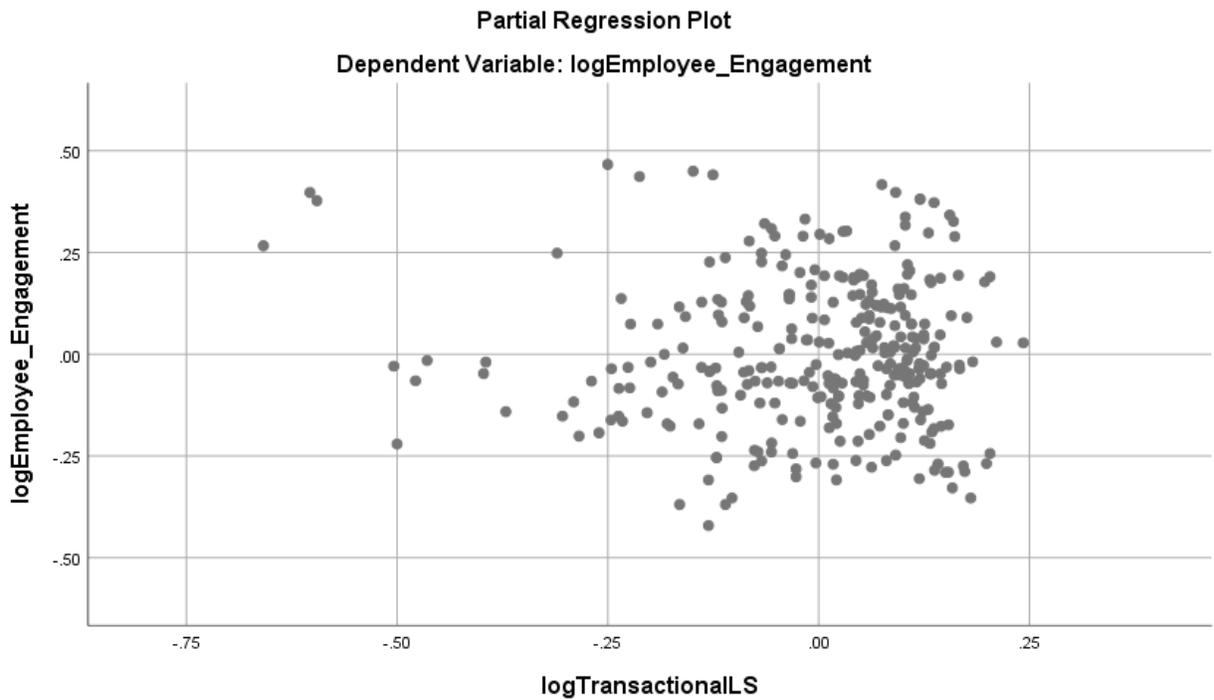


Figure 5 Partial Regression Plot (1)

Appendix 4: Questionnaire



ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE
GRADUATE PROGRAM
MASTERS OF ARTS IN HUMAN RESOURCE MANAGEMENT

Dear Respondents:

I would like to express my earnest appreciation for your generous time, honest and prompt response.

Objective of the questionnaire

This questionnaire is designed to collect data about “**Effect of Leadership styles on Employee Engagement in Dashen Bank Share Company, Addis Ababa**”. The information that you provide me with this questionnaire will be used as primary data in my case research. This research is to be evaluated in terms of its contribution in understanding the Effect of leadership styles on employee Engagement at Dashen Bank, Addis Ababa and its contribution to improvement in this area. As a result, the effectiveness of the research is highly dependent on your contribution of providing accurate & reliable data. Information gathered will be treated with utmost confidentiality and will not be used for any other purpose i.e. the secrecy of the information you provide is strictly protected.

Voluntary Participation

Please note that participation in this research is entirely voluntary.

Section I: Demographic Profile

INSTRUCTIONS: This part of the questionnaire asks your personal and job related information. Please respond to each question by **circling** the choice that represents your personal profile.

1. Sex

1. Male 2. Female

2. Age

- 1) Under 25 2) 25-34 3) 35-44 4) 45-54 5) 55 and above

3. Level of Education

- 1) Diploma 2) First Degree 3) Masters 4) PhD and above

4. Work experience in the Bank

- 1) Up to 5 years 2) 6-10 years 3) 11-15 years 4) 16-20 years 5) Over 20 years

5. Job title / Position

- 1) Customer Service Agent 2) Auditor 3) Cashier 4) Officer 5) Expert
 6) Analyst 7) Other_____

Section II: Multifactor Leadership Questionnaire Rater Form

INSTRUCTIONS: Please indicate your level of agreement/disagreement with each of the following statements by putting (√) mark inside the box.

If you don't know the answer for the question, Please leave it and move to the next question. All your responses will be kept confidential.

0	1	2	3	4
Not at All	Once in a while	Sometimes	Fairly often	Frequently, if not always

Transactional Leadership Questions					
Contingent Reward	0	1	2	3	4
1. Provides me support in exchange for my efforts					
2. Discusses in precise language who is responsible for achieving performance targets					
3. Makes obvious what one can anticipate to accept when performance targets are achieved					
4. Expresses pleasure when I meet up expectations					
Management by exception (Passive)					
5. Fails to interfere awaiting problems become chronic					
6. Waits for things to go wrong before taking action					
7. Shows that he/she is a solid advocate in "If it isn't broke don't fix it"					
8. Demonstrates that problems must become chronic before taking action					

Management by exception (Active)	0	1	2	3	4
9. Focuses attention on irregularities, mistakes, exceptions, and deviations from standards					
10. Concentrates his/her full attention on dealing with mistakes, complaints and failure.					
11. Keeps track of all mistakes					
12. Directs my attention towards failures to meet standards					
Transformational Leadership Questions					
Idealized Influence					
13. Talks about his/her most important values and beliefs					
14. Stresses the importance of having a strong sense of purpose.					
15. Considers the moral and ethical consequences of decisions..					
16. Emphasizes the importance of having a collective sense of mission					
17. Instills pride in me for being associated with him/her.					
18. Goes beyond self-interest for the good of the group					
19. Acts in ways that builds my respect.					
20. Displays a sense of power and confidence					
Inspirational Motivation					
21. Talks optimistically about the future.					
22. Talk's enthusiastically about what it needs to be accomplished.					
23. Articulates a compelling vision of the future.					
24. Expresses confidence that goals will be achieved.					

Intellectual stimulation	0	1	2	3	4
25. Re-examines critical assumptions to questions when they are appropriate.					
26. Seeks differing perspectives when solving problems.					
27. Gets me to look at problems from many different angles.					
28. Suggests new ways of looking at how to complete assignments.					
Individual Consideration					
29. Spends time teaching and coaching					
30. Treats me as an individual rather than just as a member of a group.					
31. Considers me as having different needs, abilities, and aspirations from others.					
32. Helps me to develop my strengths.					

Section III: Work Engagement Rater Form

The following statements are intended to assess the level employee's work engagement in Dashen Bank. Please indicate how frequently each statement fits to you by putting (√) mark inside the boxes.

0	1	2	3	4	5	6
Never	Almost never	Once month or less	A few times a month	Once a week	A few times a week	Every day

Vigor Related Questions	0	1	2	3	4	5	6
1. When I get up in the morning, I feel like going to work.							
2. At my work, I feel bursting with energy.							
3. At my work, I always persevere, even when things do not go well.							
4. I can continue working for very long periods of time.							
5. At my job, I am very mentally resilient.							
6. At my job, I feel strong and vigorous.							
Dedication Related Questions							
7. To me, my job is challenging.							
8. My job inspires me.							
9. I am enthusiastic about my job.							
10. I am proud of the work that I do.							
11. I find the work that I do full of meaning and purpose.							
Absorption Related Questions							
12. When I am working, I forget everything else around me.							
13. Time flies when I am working.							
14. I get carried away when I am working.							
15. It is difficult to detach myself from my job.							
16. I am immersed in my work.							
17. I feel happy when I working intensely.							