

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE COLLEGE OF BUSINESS  
AND ECONOMICS DEPARTMENT OF BUSINESS LEADERSHIP



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# Research Proposal

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Employee Engagement the Case of Bank of Abyssinia in Partial  
Fulfillment of the Requirements for the Award of Master of Arts  
Degree in Business Leadership



**BY: REDIAT MENGISTU- I.D. GSE/2508/10**

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**Addis Ababa, Ethiopia**

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE COLLEGE OF  
BUSINESS AND ECONOMICS DEPARTMENT OF BUSINESS  
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### **Declaration**

I, Rediat Mengistu, hereby declare that the thesis on the topic entitled “Employee Engagement at The Case Study of Bank of Abyssinia” is submitted by me for the award of Master of Arts Degree In Business Leadership From Addis Ababa University School of Commerce. It is my original work and all sources and materials used for this thesis have been appropriately acknowledged.

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### **Letter of Certification**

This is to certify that this thesis entitled, “Employee Engagement at The Case Study of Bank of Abyssinia” was carried out by Rediat Mengistu under my guidance and supervision. Accordingly, I here assure that his work is appropriate and standard enough to be submitted for the award of Master of Arts Degree In Business Leadership.

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## Acronyms

ANOVA	Analysis of Variance
BOA	Bank of Abyssinia
CIPD	Chartered Institute of Personnel Development
CSO	Customer Service Officer
ID	Identification Number
JCT	Job Characteristics Theory
MLQ	Multifactor Leadership Questionnaire
NBE	National Bank of Ethiopia
OCB	Organization Citizenship Behavior
SET	Social Exchange Theory
SPSS 28	Statistical Package for Social Science: Version 28
UWES	Utrecht Work Engagement Scale
VIF	Variance Inflation Factor

## **Abstract**

*The purpose of this study was to explore the determinants of employee engagement in the Bank of Abyssinia. Employee engagement is influenced by many factors including job characteristics, organizational justice, reward and recognition, leadership style, workplace culture, organizational communication and company reputation. In this study, job characteristics, reward and recognition, and leadership style were tested for their predictive role on employee engagement. The study adopted a quantitative research method and a survey research approach with five-point Likert scale questionnaire was distributed to the respondents. Convenience sampling approach was used to select the target respondents of the survey, where 315 Self-administered questionnaires were distributed, out of which 297 were collected. The data collected was analyzed through descriptive, correlation, & regression analysis using SPSS Version 28 software. The correlation analysis result showed that job characteristics, leadership style, and reward & recognition have a strong positive relationship with employee engagement. The finding of the study using a multiple linear regression analysis revealed that all the independent variables (job characteristics, leadership style and reward & recognition) have positively predicted employee engagement. Based on the findings, the researcher forwarded recommendations and future research directions.*

**Keywords:** *Employee Engagement, Job Characteristics, Leadership Style, and Reward & Recognition*

# CHAPTER ONE

## INTRODUCTION

### 1.1. Background of the Study

Human resources are the most important elements leading to the sustainable competitive advantage in organizations. Managers agree that the century we are living demands more efficiency and productivity than any other time in history as businesses are striving to increase their performance and to succeed in putting their company ahead of competitors (Kompaso and Sridevi, 2010). The term Employee engagement was first introduced by Kahn (1990, p. 694), and he defined employee's engagement as "harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances." Nowadays, employee engagement seems to be more essential than ever in organizational success and creating competitive advantage (Carnegie, 2012). The challenge is not only just retaining talented people, but fully engaging them, capturing their minds and hearts at each stage of their work lives (Kaye, B., and Jordan S. 2003). In recent years, there has been a great deal of attention in employee engagement. Many have claimed that employee engagement predicts employee outcomes, organizational success, and financial performance (Bates, 2004; Baumruk, 2004; Harter et al., 2002; Richman, 2006). Baumruk (2004) contends that every organization wants to gain competitive advantage and for this employee engagement is the best tool for achieving it. In fact, employee engagement is the most powerful factor to measure a company's strength and orientation towards greater performance. Employee engagement concerns the degree to which individuals make full use of their cognitive, emotional, and physical resources to perform role-related work (Kahn, 1990; May et al., 2004). In recent years the term employee engagement has taken a fundamental role on organizational effectiveness (Saks, 2006).

Engaged employee value, enjoy and have pride in their work and are more willing to help each other and the organization succeed. LePine, Erez, and Johnson (2002) argue that engaged employees take additional responsibility, invest more effort in their jobs, share information with other employees and remain with the organization than employees who are less engaged. Studies by Bloom and Michael (2002) indicate that although the primary focus of engagement efforts has mostly been on team-building programs and non-financial rewards, democratic pay structures have been found to be affect to employee cooperation, involvement, satisfaction and

commitment; all of which have been used as indications of employee engagement. Engaged employees readily give discretionary effort as an integral part of their daily activity at work. They believe it as a synergetic concept that the whole is greater than the sum of its parts. They don't work just for a paycheck, or just for the next promotion, but work on behalf of the organization's goals and objectives. Thus, engaged employees lead to better business outcomes. Engaged employees go beyond the call of duty to perform their role in excellence.

The link between the determinants of employee engagement has been studied constantly over the past few decades. Each study has been long-established by a lot of researchers on the linkage between employees and the performance of the organization. The organizations with that happy employee have been seen to improve the working environment while increased the work productivity and quality. There are many drivers which affect employee engagement in an organization. Employee engagement is fully influenced by leadership style, organization justice, workplace culture, company reputation, reward practices, job characteristics etc. This research will study three drivers which affect employee engagement in an organization, namely job characteristics, leadership style and reward & recognition.

The study selected the banking industry to examine the determinants of employee engagement. The banking sector plays a vital role for overall development of primary and industrial sectors. Banking system is an important integral of overall economic system of a country. It plays a significant role in mobilizing a nation's savings and in channelizing them into a high investment priorities and better utilization of available resources. The employees in banking companies take efforts to deliver the multiple needs of its stakeholders. There are several reasons for choosing the banking sector for this study. First, in the context of development, the banking sector has become an important pillar of strength in the economy of Ethiopia. (Economic Report, Ministry of Finance, Ethiopia, 2013). The banking sector is one of the major fragments in the financial sectors in the economy. Second, the labor force in the banking sector has grown a lot. The country's banking sector comprises one state owned development bank, a government owned commercial bank and sixteen private banks. The entry of private banks in Ethiopia laid foundational stone and passed a mile journey from its start to mobilize the economy.

The case for this study is Bank of Abyssinia. The researcher selected Bank of Abyssinia because the bank has the average age of 26 years of service in the banking industry which will represent the average banking sector age in Ethiopia. Bank of Abyssinia Share Company is one of the banks established to provide such services. The Bank of Abyssinia was established on February 15, 1996 in accordance with 1960 Ethiopian Commercial Code and the licensing and supervision of banking business Proclamation No. 84/1994. The bank has started its operation with an authorized and paid-up capital of Birr 50 million and Birr 17.8 million respectively, and with only 131 shareholders and 32 staffs. Bank of Abyssinia offers various banking products and services in Ethiopia. It offers deposit products include savings, demand, special savings, and youth-targeted savings programs. The company also provides term loans, overdraft service, and advance facilities to various sectors; and issues domestic letter of guarantees, bonds, etc., as well as payment instruments, such as cash payment orders, demand drafts, certified cheques, etc.

Whereas banks in Ethiopia lay a lot of emphasis on provision of quality service to customers, the challenge basically is to create a motivated and engaged employees who can facilitate that endeavor. Employees are critical to achievement of their goals and therefore, managers must consider employee engagement as it is connected to service quality and work performance. To create an environment for employee satisfaction and engagement, it is vitally important to know which factors most affect employee engagement (Heartfield, 2012). Organizations must spend time, money, and energy on programs, processes, and factors that will have a positive impact on employee engagement.

## **1.2. Statement of the Problem**

In this age of rapid technological advancement and globalization, business leaders know that having a high-performing workforce is essential for survival and growth because of the positive impact it has on innovation and productivity, while reducing costs related to hiring and retention in highly competitive talents. The findings of a Harvard Business Review Analytic Services (2013) show that an increasing number of top companies are gaining competitive advantage through establishing metrics and practices to effectively quantify and improve the impact of their

employees' engagement initiatives on overall business performance. Over the past two decades the great changes in the global economic condition had important implications for the relationship among employees and employers and therefore for employee engagement. For instance, the costly and scarcity of resources, increasing global competition, customer demand for high quality, high labor cost have incited organization to restructure them for greater return on equity. Restructuring in some company mean decreasing in layer of management and staff (Corace, 2007). Even though restructuring can help organization to compete, these changes have broken the expectation of reciprocity and the traditional psychological employment "contract" (Corace, 2007).

Engaged employees demonstrate attributes such as loyalty, trust and commitment to the organization. When employees are engaged with their work, they are more creative and innovative and offer advances that allow companies to evolve positively over time with changes in market conditions. Consultant studies reveal that an estimated 14-30% of the employees are engaged in running the business (Schwartz et al., 2007). It has been reported that employee engagement is on the decline and there is a deepening disengagement among employees today (Bates, 2004; Richman, 2006). To further emphasize how widespread this problem is and how critical it can be, we can consider the Gallup study (Kim et al. 2008) in which hundreds of companies were surveyed. Results from their surveys showed that 54% of workers were not engaged and 17% were actively disengaged. A 30-year study of the United States workforce by Gallup organization found that, on average, the ratio of actively engaged to disengaged employees in organizations was 1 to 1.83. This is not a small number, but it is one that is estimated to cost more than USD 300 billion in lost productivity per year (Buckingham and Coffman 1999).

It means organizations that desire to improve their performance must be concerned about internal issues related to employee engagement and view their employees as customers too. Despite employee engagement being an important ingredient to employee productivity, there is limited research that has been conducted on the subject matter in relation to commercial banks in Ethiopia. As a result, there exists a gap in knowledge regarding the study of employee engagement within the industry. To create an environment for employee engagement, it is vitally important to be aware of the determinants of employee engagement. This research works

is specifically aimed at using the determinants of employee engagement to measure and study the concept within the banking industry of Ethiopia. The study will assess three determinants of employee engagement in commercial banks in Ethiopia: using Abyssinia Bank as case for the study.

### **1.3. Research Questions**

The main research question is “how engaged are the employee of Bank of Abyssinia and what variables affect the measured level of engagement?”. The specific research questions that are:

- What is the effect of job characteristics on employee engagement?
- What is the effect of leadership style on employee engagement?
- How does reward and recognition affect employee engagement?

### **1.4. Objective of the Research**

The general objective of the study is to conduct research on three drivers which affect employee engagement in an organization, namely job characteristics, leadership style and reward & recognition by making meaningful inquiry and investigation into determining employee engagement in the Bank of Abyssinia.

The specific objectives of the study are:

- To study the effect of job characteristics in predicting employee engagement
- To examine the effect of leadership style in predicting employee engagement
- To measure the effect of rewards and recognition in predicting employee engagement

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

This study will help future researchers who are willing to conduct study on this topic. The study can provide guidance to the employers of banking organizations and be helpful for management and other decision-making bodies taking recommendations from the study.

The study will provide insight to HR professionals to gain understanding while planning employee engagement strategies for their organizations and will be valuable for policy makers and other practitioners. It will also provide certain direction for future researchers. The consequences of this study can assist the policymakers to draft policies workable at institutional level as well as nationwide.

## **1.6. Scope of the Study**

Different researchers have proposed wide range of drivers of employee engagement, which include a variety of factors (Kahn, 1990; May et al., 2004; Saks, 2006). It is difficult to best conceptualize factors influencing employee engagement. This study, however, focuses only on main three determinates of employee engagement i.e. Job characteristics, leadership style; and reward and recognition. The researcher selected the three determinants based on the finding and model of Kahn (1990) and Saks (2006). The two models were chosen because Kahn's (1990) model is the earliest and influential study on employee engagement and the second model by Saks (2006) is more recent and further tried to study about employee engagement by broadening the aspect to include both job and organization engagement. Geographically the scope of the study was delimited to senior management, branch managers, supervisors and the general staff of Bank of Abyssinia, particularly those who are based in the Addis Ababa Region.

## **1.7. Limitation of the Study**

Although the research undertaken aims to achieve results of the utmost validity and reliability, it is acknowledged that the research methods used may have some limitations. Only few independent variables were considered in this study which are job characteristics; leadership styles; and reward and recognition. The researcher will not study other independent variables such as organizational justice, job resources, trust in supervisor etc. Even though the study will try to incorporate Addis Ababa region branches, the findings of this study may be applicable to all branches of Bank of Abyssinia due to the same nature of the job.

## **1.8. Definition of key Terms**

**Job Characteristics:** task characteristics that provide challenging work, variety, allow the use of different skills, personal discretion, and the opportunity to make important contributions, (Kahn 1990, 1992).

**Leadership Style:** Leadership style is a combination of a leader's general personality, manner and communication patterns to guide others toward reaching organizational or personal goals (Hoyle, 2006).

**Rewards and Recognition:** Methods used by organizations to make employees feel respected and valued by providing psychological as well as financial benefits, (Kahn, 1990).

**Employee Engagement:** the extent to which people employ & express themselves physically cognitively and emotionally during role performance, (Kahn, 1990).

### **1.9. Organization of the Study**

This research thesis will be organized under five chapters. Chapter one deals with introduction, chapter two summarizes the related literature review, while chapter three presents the methodology of the research. Chapter four presents' data presentation, analysis, interpretation and discussion of results and interpretation of the study. The last chapter, chapter five stipulates key findings, conclusions, and recommendations.

## **CHAPTER TWO LITERATURE REVIEW**

### **2.1. Introduction**

This chapter discusses the construct of employee engagement, which has received considerable study in management literatures and practices. Due to their popularity, the frameworks for employee engagement, job characteristics, leadership style; and reward and recognition are understandably moving targets in states of growth and development; have growing bases of literature. The following sections synthesize conceptual frameworks for employee engagement, job characteristics, leadership style and reward and recognition as separate areas. First employee engagement is discussed, then followed by determinants of employee engagement specifically job characteristics, leadership style, and reward & recognition.

### **2.2. Theoretical Literature Review**

#### **2.2.1. The Conceptual Definition of Employee Engagement**

Most references relate employee engagement to survey houses and consultancies. It is less taken as an academic construct. The concept is relatively new for HRM and appeared in the literatures for nearly two decades (Rafferty, Maben, West and Robinson, 2005; Melcrum Publishing, 2005; Ellis and Sorensen, 2007). The construct, employee engagement emanates from two concepts that have won academic recognition and have been the subjects of empirical research-Commitment and Organizational Citizen Behavior (OCB) (Robinson, Perryman and Hayday, 2004; Rafferty et al., 2005). Employee engagement has similarities to and overlaps with the above two concepts. Robinson et al. (2004) state that neither commitment nor OCB reflect sufficiently two aspects of

engagement-its two-way nature, and the extent to which engaged employees are expected to have an element of business awareness, even though it appears that engagement overlaps with the two concepts. Rafferty et al (2005) also distinguish employee engagement and the two prior concepts- Commitment and OCB, on the ground that engagement clearly demonstrates that it is a two-way mutual process between the employee and the organization.

To date, there is no single and generally accepted definition for the term employee engagement. This is evident if one looks at the definitions forwarded for the term by three well-known research organizations in human resource area, let alone individual researchers. Below are the definitions: Perrin's Global Workforce Study (2003) uses the definition "employees' willingness and ability to help their company succeed, largely by providing discretionary effort on a sustainable basis." According to the study, engagement is affected by many factors which involve both emotional and rational factors relating to work and the overall work experience. Gallup organization defines employee engagement as the involvement with and enthusiasm for work. Gallup as cited by Dernovsek (2008) likens employee engagement to a positive employees' emotional attachment and employees' commitment. Robinson et al. (2004) define employee engagement as "a positive attitude held by the employee towards the organization and its value. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. The organization must work to develop and nurture engagement, which requires a two-way relationship between employer and employee." This verdict and definition forwarded by Institute of Employment Studies gives a clear insight that employee engagement is the result of two-way relationship between employer and employee pointing out that there are things to be done by both sides. Furthermore, Fernandez (2007) shows the distinction between job satisfaction, the well-known construct in management, and engagement contending that employee satisfaction is not the same as employee engagement and since managers cannot rely on employee satisfaction to help retain the best and the brightest, employee engagement becomes a critical concept. Other researchers take job satisfaction as a part of engagement, but it can merely reflect a superficial, transactional relationship that is only as good as the organization's last round of perks and bonuses; Engagement is about passion and commitment-the willingness to invest oneself and expand one's discretionary effort to help the employer succeed, which is beyond simple satisfaction with the employment arrangement or basic loyalty to the employer (BlessingWhite, 2008; Erickson, 2005; Macey and Schnieder ,2008). Therefore, the full engagement equation is obtained by aligning maximum job satisfaction and maximum job

contribution. Stephen Young, the executive director of Towers Perrin, also distinguishes between job satisfaction and engagement contending that only engagement (not satisfaction) is the strongest predictor of organizational performance (Human Resources, 2007). Recent researches also indicate that Employee commitment and OCB are important parts and predictors of employee engagement in that commitment is conceptualized as positive attachment and willingness to exert energy for success of the organization, feeling proud of being a member of that organization and identifying oneself with it and OCB is a behavior observed within the work context that demonstrates itself through taking innovative initiatives proactively seeking opportunities to contribute one's best and going extra mile beyond employment contract. However, these constructs constitute the bigger construct employee engagement and they cannot independently act as a replacement for engagement (Macey and Schneider, 2008; Robinson et al, 2004). The bad news for management is that global surveys conducted by survey houses and research organizations indicate that significant size of employees are disengaged being skeptical of any organizational initiative or communication and rather more likely indulging in contagious negativity (Dernovsek, 2008; Perrin, 2003; Ellis and Sorensen, 2007; Blessing White, 2008). The problem with these surveys is that they use their own items to measure employee engagement. If looked at the available literatures on measuring employee engagement, one would get surprisingly several measurement items to the extent that it seems different constructs are being measured (Robinson et al, 2004; Cohen and Higgins, 2007; Perrin, 2003; Ellis and Sorensen, 2007; Dernovsek, 2008). Future researches are expected to come up with clear definition and dimensions of employee engagement on basis of which the level of engagement can be measured thereby pointing out to managers the roadmap for fully engaging employees in their job. As the old saying goes "what you can't measure, you can't manage". Thus, there is a call for future researches, as suggested by Endres and Mancheno-Smoak (2008), to define engagement in clear terms to avoid interpretation by subsequent users giving to the construct different meanings.

**Table 2.1. Published definitions of Employee Engagement**

<b>Article</b>	<b>Year</b>	<b>Definition</b>
Kahn	1990	The harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances
Maslach	1998	An energetic state of involvement with personally fulfilling activities that enhance one's sense of professional efficacy

Schaufeli, Salanova, Roma & Bakker	2002	positive, fulfilling, work related state of mind that is characterized by vigor, dedication, and absorption
Harter, Schmidt & Hayes	2002	Employee engagement refers to the individual's involvement and satisfaction with as well as enthusiasm for work
Cook	2008	Engagement is characterized by employees being committed to the organization, believing in what it stands for and being prepared to go above and beyond what is expected of them to deliver outstanding service to the customer
Macey and Schneider	2009	Employee engagement is a desirable condition, has an organizational purpose, and connotes involvement, commitment, passion, enthusiasm, focused effort, and energy, so it has both attitudinal and behavioral components.
Storey, Ulrich, Welbourne & Wright	2009	A set of positive attitudes and behaviors enabling high job performance of a kind which is in tune with the organization's mission
Shuck and Wollard	2010	An individual employee's cognitive, emotional and behavioral state directed towards desired organizational outcomes
Dharmasiri	2010	It [employee engagement] captures the essence of employees' head, hands and heart involvement in work.
AON Hewitt	2012	The state of emotional and intellectual involvement that motivates employees to do their best work. engagement is an individual psychological and behavioral state
AON Hewitt	2013	Engagement as the psychological and behavioral outcomes that leads to better employee performance.
Robbins & Judge	2013	Engagement as an individual's involvement with, satisfaction with, and enthusiasm for the work he/she does

AON Hewitt	2014	Engagement as the psychological state and behavioral outcome that leads to better performance.
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### 2.2.2. Levels of Employee Engagement

General definitions of engagement tend to describe what it does rather than what it is. A good example is this one by Truss et al (2006):

Engagement is about creating opportunities for employees to connect with their colleagues, managers and wider organization. It is also about creating an environment where employees are motivated to want to connect with their work and really care about doing a good job... It is a concept that places flexibility, change and continuous improvement at the heart of what it means to be an employee and an employer in a twenty-first century workplace.

Another example is provided by Robinson (2008), who stated that ‘An engaged employee experiences a blend of job satisfaction, organizational commitment, job involvement and feelings of empowerment. It is a concept that is greater than the sum of its parts.’ MacLeod and Clarke (2009) also defined engagement generally as ‘a workplace approach designed to ensure that employees are committed to their organization’s goals and values, motivated to contribute to organizational success, and are able at the same time to enhance their own sense of well-being’.

Employee engagement has been the focus of growing interest in recent years as research in positive organizational phenomena has expanded. Establishing an engaged workforce is now a high priority for many organizations in both the private and public sectors. Many employers feel that engaged employees outperform others by showing heightened interest in their work and being prepared to ‘go the extra mile’ for their organization. Employees also benefit, as some studies have shown that engaged employees see their work as more meaningful and fulfilling. Engagement is the extent to which employees put discretionary effort into their work beyond the minimum to get the job done, in the form of extra time, brain power or energy. Engagement is driven by an employee’s immediate experience of the organization. The factors that build or destroy engagement are driven by the unique situation of each organization and the combinations of factors needed to boost engagement are therefore different between organizations.

There are three levels of engagement as below:

- Engaged - employees who work with passion and feel a profound connection to their organization. They drive innovation and move the organization forward;
- Not engaged – employees who attend and participate at work but are timeserving and put no passion or energy into their work; and
- Disengaged – employees who are unhappy at work and who act out their unhappiness at work.

Engagement as a psychological state has variously embraced one or more of several related ideas, each in turn representing some form of absorption, attachment, and/or enthusiasm. Operationally, the measures of engagement have for the most part been composed of a potpourri of items representing one or more of the four different categories: job satisfaction, organizational commitment, psychological empowerment, and job involvement. Engagement at work was conceptualized and characterized as the 'bridling of authoritative individuals' selves to their work parts'. In engagement, individuals utilize and convey what needs be physically, psychologically, and candidly amid part exhibitions.<sup>4</sup> As an idea that has created after some time, engagement has been characterized in various, frequently conflicting, courses in the writing, to such an extent that the term has turned out to be questionable to numerous and it is uncommon to discover two individuals characterizing it in same way. It has differently been considered as a mental or emotional state (e. g. responsibility, contribution, connection and so forth.), an execution build (e. g. part execution, exertion, discernible conduct, hierarchical citizenship conduct and so forth or a disposition. Some even relate the idea to other particular builds, for example, charitableness or activity and little agreement has been come to in the writing as to which of these definitions is the complete, or if nothing else, 'best-fit' model of engagement.

In summary, even though engagement is distinguishable from several related constructs, most notably organizational commitment, organizational citizenship behavior, and job involvement it still has some overlap with them & it is important to distinguish between employee engagement and other constructs so that identifying the key drivers as well as measuring instruments will actually assess employee engagement and its full aspects.

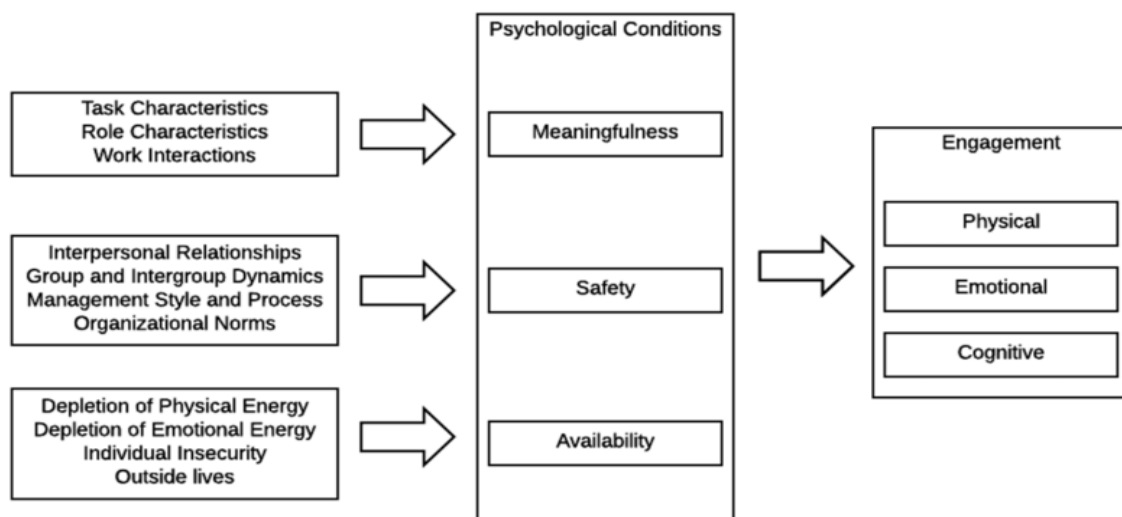
### **2.2.3. Employee Engagement Models**

While elaborating the concept of employee engagement, some researchers like Khan (1990), Maslach et al. (2001), Robinson et al. (2004), and Saks (2006) formulated different models that categorically discussed about the various dimensions of employee engagement. Those essentially highlighted about the engaged employees, the environment and facilities that keep them engaged

and dedicated to work for a mutual benefit while establishing a work-life balance in the day-to-day schedule.

### I. Kahn's Model

Kahn's model (1990) of employee engagement is considered to be the oldest model of employee engagement. In his qualitative study on the psychological conditions of personal engagement and disengagement at work, Kahn (1990) interviewed summer camp counselors and organizational members of an architecture firm about their instants of engagement and disengagement at work. Kahn found that there were three psychological conditions associated with engagement or disengagement at work: meaningfulness, safety, and availability. In other words, workers were more engaged at work in situations that offered them more psychological meaningfulness and psychological safety, and when they were more psychologically available. In the only study to empirically test Kahn's (1990) model, May et al. (2004) found that meaningfulness, safety, and availability were significantly related to engagement. They also found that job enrichment and role fit were positive predictors of meaningfulness; rewarding co-worker and supportive supervisor relations were positive predictors of safety while adherence to co-worker norms and self-consciousness were negative predictors; and resources accessible was a positive predictor of psychological availability while participation in outside activities was a negative predictor. Kahn's work conceptualized employee engagement and is therefore considered influential work on the topic and contributed significantly to developing the concept further.



Source: (Kahn, 1990; Simone M., 2017)

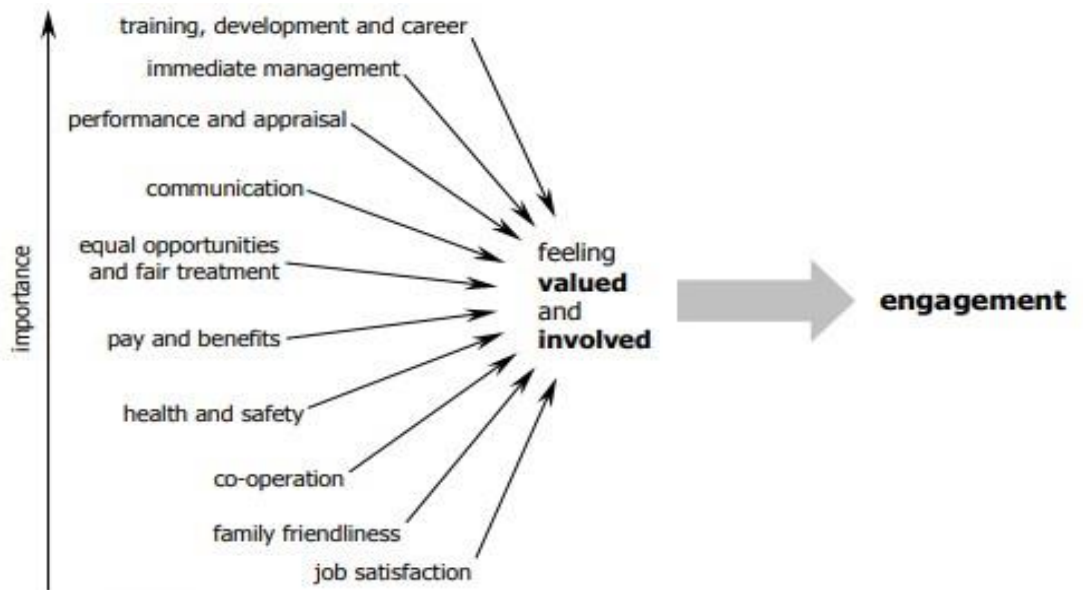
**Figure 2. Kahn's Model of Employee Engagement**

## **II. Maslach, Schaufeli and Leiter Model**

Kahn's research was the only published literature on engagement until 2001, when Maslach, Schaufeli, and Leiter (2001) began their study on the "Job Burnout" concept. This model of engagement comes from the burnout literature which describes job engagement as the positive antithesis of burnout noting that burnout involves the loss of engagement with one's job (Maslach et al., 2001). According to Maslach et al. (2001), incongruity in six areas of work-life lead to burnout and engagement: workload, control, rewards and recognition, community and social support, perceived fairness, and values. They argue that engagement is associated with a sustainable workload, feelings of choice and control, appropriate recognition and reward, a supportive work community, fairness and justice, and meaningful and valued work. The greater the gap or mismatch between the person and these six areas, the greater the likelihood of burnout. Like burnout, engagement is expected to mediate the link between these six work-life factors and various work outcomes. It came to light that like burnout, engagement is expected to mediate the link between the six work-life factors and various works out-comes. Further, they argued that job characteristics, especially feedback and autonomy, have been constantly related to burnout.

## **III. Robinson, Perryman and Hayday Model**

The model developed by Robinson, Perryman and Hayday (2004) (here after Robinson et al., 2004) described engagement as a two-way relationship between the employer and employees. Their model was described in the research work entitled "The drivers of employee engagement", where they suggested that employee engagement is a positive attitude held by the employees towards the organization and its values. The model further identified that an engaged employee is one who is aware of business context and works with colleagues to improve performance within the job to add value to the organization. The model emphasizes, the commitment of employees is possible when the organization continues to focus on developing and nurturing the employees. This approach to employee engagement, stresses the importance of 'feeling valued and involved' as a key driver of engagement. Within this umbrella of feeling valued and involved there are a number of elements that have a varying influence on the extent to which the employee will feel valued and involved and hence engaged.



Source: IES, 2003

**Figure 3. Robinson et al. Model of Employee Engagement**

#### **IV. Harter, Schmidt and Hayes’ satisfaction-engagement approach**

In 2002, Harter et al. presented one of the most widely read and cited works on employee engagement, where he used 7,939 business units to examine the benefits of engagement. The defined employee engagement as an “individual’s involvement and satisfaction with as well as enthusiasm for work” (Harter et al., 2002). In their meta-analysis, they agreed with Kahn’s concept (1990) and saw engagement occurring when the employees are emotionally and cognitively engaged and when they know what is expected of them. They also agreed that engagement was dependent on the employees having the tools necessary to do their tasks, feelings of fulfillment, perceiving themselves as being significant, working with others whom they trust and having the chance for improvement and development. They have founded out that there is positive relationship between employee engagement and several important business outcomes: customer satisfaction, loyalty, profitability, productivity, employee turnover, and safety.

#### **V. Saks Multidimensional Model**

A conceptual model was developed by Saks in the year 2006 in the context of his research work on “Antecedents and Consequences of Employee Engagement” that focused on three basic aspects of employee engagement: (i) the employees and their psychological makeup and

experience (ii) the ability of the employer to create a conducive environment that promotes employee engagement, and (iii) interaction between employees at all levels. This model was based on Social Exchange Theory (SET). He developed an evaluation process and showed the inter-connection between three parameters: antecedents, employee engagement and consequences. Factors like job satisfaction, training and development, reward and recognition, and assertive relationship with peers and supervisors have been taken as antecedents that impact directly the state of engagement of employees that can be attributed to the factors like commitment, ownership, satisfaction, participation etc.



Source: Saks (2006)

#### **Figure 4. Saks Model of Employee Engagement**

Although both Kahn’s (1990) and Maslach et al. (2001) models indicate the psychological conditions or antecedents that are necessary for engagement, they do not fully explain why individuals will respond to these conditions with varying degrees of engagement. A stronger theoretical rationale for explaining employee engagement can be found in social exchange theory (SET). SET argues that obligations are generated through a series of interactions between parties who are in a state of reciprocal interdependence. A basic principle of SET is that relationships evolve over time into trusting, loyal, and mutual commitments as long as the parties abide by certain “rules” of exchange (Cropanzano and Mitchell, 2005). Rules of exchange usually involve reciprocity or repayment rules such that the actions of one party lead to a response or actions by the other party. For example, when individuals receive economic and socioemotional resources from their organization, they feel obliged to respond in kind and repay the organization (Cropanzano and Mitchell, 2005). This is consistent with Robinson et al.’s (2004) description of engagement as a two-way relationship between the employer and employee. SET provides a theoretical foundation to explain why employees choose to become more or less engaged in their work and organization. The conditions of engagement in both Kahn’s (1990) and Maslach et al.’s (2001) model can be considered economic and socioemotional exchange resources within SET. When employees receive these resources from their organization they feel obliged to repay the

organization with greater levels of engagement. In terms of Kahn's (1990) definition of engagement, employees feel obliged to bring themselves more deeply into their role performances as repayment for the resources they receive from their organization. When the organization fails to provide these resources, individuals are more likely to withdraw and disengage themselves from their roles. Thus, the amount of cognitive, emotional, and physical resources that an individual is prepared to devote in the performance of one's work roles is contingent on the economic and socioemotional resources received from the organization. According to Saks (2006), a stronger theoretical rationale for explaining employee engagement can be found in Social Exchange Theory (SET).

#### **2.2.4. Engagement & Other Constructs**

Engagement seems to be related to but distinct from other constructs in organizational behavior. Robinson et al. (2004) states that engagement contains many of the elements of both commitment and organizational citizenship behavior (OCB), but is by no means a perfect match with either. In addition, neither commitment nor OCB reflect the aspects of engagement adequately. OCB involves voluntary and informal behaviors that can help co-workers and the organization, the focus of engagement is one's formal role performance rather than extra-role and voluntary behavior, (Saks 2006). Organizational commitment also differs from engagement in that it is a consequence of employee engagement and refers to a person's attitude and attachment towards their organization. Engagement is not an attitude; it is the degree to which an individual is attentive and absorbed in the performance of their roles. Organizational commitment refers to the degree to which an individual identifies with an organization and is committed to its goals. Researchers like Wellins and Concelman, (2004) proposed that engagement is a combination of commitment, loyalty, productivity and ownership. They suggested that "to be engaged is to be actively committed, as to a cause." Engagement also differs from job involvement. According to May, Gilson and Harter (2004), job involvement is the result of a cognitive judgment about the need satisfying abilities of the job and is tied to one's self-image. Engagement has to do with how individuals employ themselves in the performance of their job. Furthermore, engagement involves the active use of emotions and behaviors in addition to cognitions. May et al. (2004) also suggest that "engagement may be thought of as an antecedent to job involvement in that individuals who experience deep engagement in their roles should come to identify with their jobs."

## 2.2.5. Consequences of Employee Engagement

### I. Job Satisfaction

The term job satisfaction refers to an individual's general attitudes towards his/her job. The likes and dislikes differ from individual to individual with respect to job contextual factors or job content factors. Armstrong (2009) mentioned that the concept of job satisfaction is closely linked to engagement. Armstrong (2009) stated that job satisfaction refers to the attitudes and feelings people have about their work. Negative and unfavorable attitudes towards the job indicate job dissatisfaction. Erickson (2005), as cited in Macey & Schneider (2008), mentioned that although there may be room for satisfaction within the engagement construct, engagement connotes activation, whereas satisfaction connotes satiation. Pocket Oxford English Dictionary (2007) defines "satiated" as giving someone as much or more than they want. AON Hewitt (2012) defined engagement through three attributes. One attribute is "Strive" which means that the employee exerts extra effort and engages in behaviors that contribute to business success. This proves that job satisfaction has a close relationship with employee engagement, but employee engagement is a broader term than job satisfaction. According to MacLeod and Clarke (2009), measuring satisfaction does not tell how employees behave, but measuring engagement does so.

### II. Work Involvement/Job Involvement

Dunham (1984) mentioned that the term *involvement* is treated in many different ways by both researchers and practitioners. Some refer to involvement as actual behaviors in which people engage (such as attendance, timeliness and performance). Such a behavioral perspective is inappropriate. Involvement is an attitude and, as such, a variety of behaviors might be associated with a particular level of the involvement attitude. Because of these reasons, Dunham (1984) pointed out that involvement is treated as a psychological variable. According to Dunham (1984), there are two types of involvement. They are job involvement and work involvement.

**Job involvement:** Dunham (1984) stated that this refers to an employee's involvement with or alienation from a specific job. Dunham (1984) further stated that job involvement is an attitude which is influenced heavily by one's current job situation. Job involvement is also influenced by previous work experiences (but to a lesser extent than work involvement).

**Work involvement:** This refers to the involvement with or alienation from work in general. Dunham (1984) further stated that involvement in work may be influenced by a variety of job experiences

one has had during his or her life, but work involvement at a particular point in time is not influenced heavily by the job one holds at that specific point in time. Dunham (1984) mentioned that there are three components of work and job involvement that can be identified. They are as listed below.

**1. Conscious desire and choice to participate in work or a job:** Dunham (1984) pointed out that this component is loaded with behavioral tendencies. The person who is high in this component wants to be physically and psychologically involved in work or the job (Dunham, 1984). Dunham (1984) explained this by providing an example; if you sign up for a class and say “I’m really going to ‘get into’ this class,” you are showing that you are high in this first component of involvement.

**2. Degree to which an individual considers work or a job to be a central life interest:** Dunham (1984) stated that this is simply the degree to which work or the job is an important part of an employee’s life. The view about this component by Dunham (1984) is that this does not imply any behavioral tendencies. Dunham (1984) further stated that following statements might be made by a person who is high in the central life interest component of work/job involvement.

- The most important things that happen to me involve in my work/job
- The major satisfaction in my life comes from my work/job
- I live, eat and breathe in my work/job

**3. The degree to which a person considers work or a job to be central to his/her self-concept:** A person who is high in this component of involvement makes frequent reference to work or the job in evaluating himself/herself as a person. Dunham (1984) further stated that if you ask “What kind of a person am I?” and you answer by referring to work or job-related factors, you are high in this final component of involvement.

According to Saks (2006), engagement differs from job involvement. May et al. (2004) stated that job involvement results from a cognitive judgment and concerning the need satisfying abilities of the job. Jobs in this view are tied to one’s self-image. May et al. (2004) further stated that engagement differs from job involvement as it is more concerned with how the individual employs his/her self during the performance of his/her job. Furthermore, engagement entails the active use of emotions and behaviors, in addition to cognitions. May et al. (2004) also stated that, engagement may be thought of as an antecedent to job involvement in that individuals who experience deep engagement in their roles should come to identify with their jobs. Researchers do not agree with this view. The researchers’ view is that there are similarities between job involvement and employee engagement. This proves by the components of job involvement and work involvement by Dunham (1984). Job

involvement is the degree to which a person: chooses to participate in a specific job experience, considers the job to be a central life interest and considers the job central to his/her self-concept (Dunham, 1984 as cited in Opatha, 2012). Job involvement measures the degree to which a person identifies psychologically with his or her job and considers his or her perceived performance level important to his or her self-worth. There is a high level of relationship between job involvement and fewer absences and lower resignation rates of an individual (Wegge et al. 2007; Allen et al. 2001). This caters to an attribute called “Stay” of AON Hewitt (2012). Engaged employees display an intense desire to be a member of the organization under “Stay”. Robbins & Judge (2013) defined employee engagement as an individual’s involvement with, satisfaction with, and enthusiasm for the work he/she does. The view of Robbins & Judge (2013) is that involvement is a building block of employee engagement. Employee engagement refers to the individual’s involvement and satisfaction with as well as enthusiasm for work (Harter et al. 2002). Researchers can say here that Harter et al. (2002) identified one component of employee engagement as involvement. Maslach and Leiter (1998), as cited in Maslach et al. (2008), defined employee engagement as an energetic state of involvement with personally fulfilling activities that enhance one’s sense of professional efficacy. They also identified involvement as a component of employee engagement. Employee engagement is different from job involvement, but there is a close relationship between the two. Byrne (2015) revealed studies given in the Table 2 which found moderate correlations.

*Table 2- Relationship between job involvement and engagement*

<b>Study (alphabetical order)</b>	<b>Correlation of job involvement with engagement</b>
Dalal, Baysinger, Brummel and LeBreton (2012)	.57
Hallberg and Schaufeli (2006)	.35
Kuhnel, Sonnentag and Westman (2009)	.30 and .32
Rich, LePine and Crawford (2010)	.47
Steele, Rupayana, Mills, Smith, Wefald and Downey (2012)	.54

Source: Byrne (2015)

### **III. Organizational Commitment**

Armstrong (2009) mentioned that, as defined by Porter et al. (1974), commitment is the relative strength of the individual’s identification with and involvement in a particular organization. Armstrong (2009) also mentioned that there are three characteristics of commitment identified by Mowday et al. (1982). They are:

1. A strong desire to remain a member of the organization
2. A strong belief in and acceptance of the values and goals of the organization

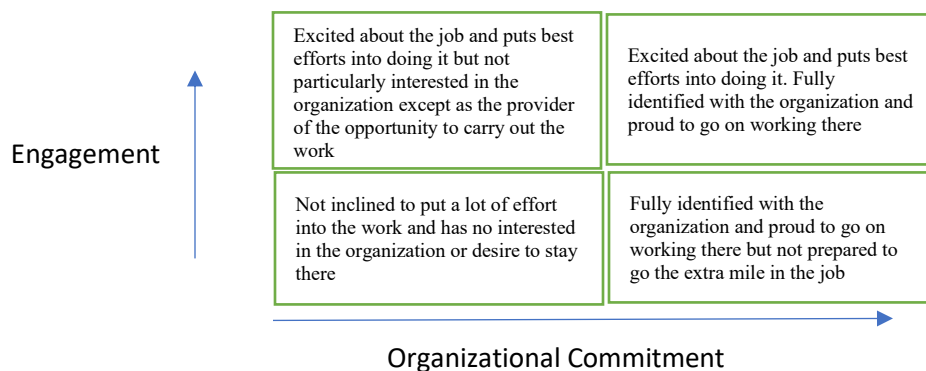
3. A readiness to exert considerable effort on behalf of the organization

According to Meyer & Allen (1991), organization commitment includes three kinds. They are listed below.

1. Affective commitment – A desire to maintain membership in the organization that develops largely as a result of work experiences that create feelings of comfort and personal competence.
2. Continuance commitment – Reflects a need to remain and results from recognition of the costs (e.g., existence of side bets, lack of alternatives) associated with leaving.
3. Normative commitment – An obligation to remain resulting from internalization of a loyalty norm and/or the receipt of favors that require repayment. Findings of Albdour & Altarawneh (2014) show that, employees who have high job engagement and organizational engagement have high level of affective commitment and normative commitment. Saks (2006) stated that organizational commitment also differs from engagement in that it refers to a person’s attitude and attachment towards their organization. Macey and Schneider’s (2008) view is that commitment might be a facet of engagement but not sufficient for engagement. Armstrong (2009) considered employee engagement and commitment as two constructs.

According to Armstrong (2009), engagement is job-oriented and commitment is organization oriented. Commitment refers to attachment and loyalty. It is associated with the feelings of individuals about their organization.

Armstrong (2009) mentioned that it is useful to distinguish between the two, because different policies may be required to enhance job engagement than those needed to increase organizational commitment. Armstrong (2009) illustrated the combinations of engagement and organizational commitment in Figure 1. Referring to Figure 1 researchers can say that Armstrong (2009) has identified organizational commitment and employee engagement as two constructs.



Carbonara (2012) said that employee engagement refers to the level of dedication, commitment, passion, innovation and emotional energy a person is willing to expand. Researchers can say that Carbonara (2012) wanted to state that if the employees are engaged then they are committed. Cook (2008) pointed out of being committed to the organization as a component of employee engagement.

#### **IV. Organizational Citizenship Behavior**

Opatha (2009) mentioned that organizational citizenship refers to the degree to which employees are willing to engage in non-official behaviors that help the organization achieve its goals as they love or wish its success and progress. Opatha (2009) further mentioned that it involves a state in which an employee works for the benefit of the organization in addition to what he/she is supposed to perform at the job. Opatha (2009) provided examples of behaviors which include helping others to perform their duties, working overtime willingly when necessary, and coming to work on a holiday for a special need of the organization by sacrificing a personal trip planned to go with family members. It is an objective of HRM to generate organizational citizenship within the employees of the organization and further it.

While OCB involves voluntary and informal behaviors that can help co-workers and the organization, the focus of engagement is one's formal role performance rather than extra-role and voluntary behavior (Saks, 2006). Rich et al. (2010) found that engagement mediates the relationship between three antecedents (value congruence, perceived organizational support, and core self-evaluations), task performance and organizational citizenship behavior in a sample of firefighters.

#### **Is employee engagement a behavior or an attitude?**

Different researchers have defined the construct called employee engagement in different ways. For some researchers, it means an attitude and for some researchers, it is a behavior. Birmingham University English Language Dictionary (1987) defines "behavior" as given below.

1. A person's behavior is the way they act in general, especially in relation to the situation they are in or the people they are with.
2. The behavior of something is the typical way in which it functions, according to the laws of science.

Dunham (1984) mentioned that there are many behaviors apparent in the work force, but some are more common than others. Dunham (1984) further mentioned that although several of these behaviors are important to organizations, those behaviors related to organizational participation, effort, performance and productivity are of special interest. Participation is a person physically presenting at his/her organization. Participation is the degree to which a person actually participates

in the organizational events. According to Dunham (1984), participation behaviors are timeliness, attendance and retention.

- Timeliness - Dunham (1984) stated that timeliness is the degree to which organizational members arrive at work when they are expected.
- Attendance – Dunham (1984) stated that attendance concerns whether or not an organizational member comes to work on a particular day. Dunham (1984) further stated that it has been estimated that each 1 percent of absenteeism reduces productivity by up to 2.5 percent, due to the necessity for rescheduling production or reshuffling.
- Retention – Dunham (1984) pointed out that retention occurs when an individual keeps a job with an organization. Turnover is the term used to describe the departure from an organization of one of its members.

Effort involves human behavior directed towards achieving performance. This does not mean that effort necessarily will lead to performance (Dunham, 1984). Dunham (1984) considered performance as the behavior of organizational members which help meet organizational objectives. Dunham (1984) further stated that performance is obviously a function of effort. Without effort, performance cannot cause result. Effort alone however cannot cause performance; many other factors are necessary. Productivity is the output of individuals, groups, organizations or countries, and the economic value of the output (Dunham, 1984). Productivity focuses heavily on quantity (i.e., the economic value of output). Productivity rates are typically figured on the basis of the value of output per hour of employee pay. As such, productivity is influenced not only by performance, but also by absenteeism (Dunham, 1984).

Dunham (1984) stated that timeliness is the degree to which organizational members arrive at work when they are expected. Researchers can say that one characteristic of an engaged employee is timeliness. Langford (2009), as cited in Smith & Langford (2011), showed that employee engagement correlates significantly with employee turnover and absenteeism, as well as manager reports of productivity, safety, organizational goal attainment, customer satisfaction, and profitability. Ludwig & Frazier (2012) pointed out, based on a “Positive Psychology” approach, that engagement is perceived as a valuable state for employees, because surveys on the construct have found it correlates with some organizational tactics (e.g. human resource policies, procedural justice) and positive outcomes (e.g. growth, lower costs, lower absenteeism). Richman (2006) pointed out that recent studies have made it clear that high employee engagement translates into increased

discretionary effort, higher productivity and lower turnover at the employee level, as well as increased customer satisfaction and loyalty, profitability and shareholder value for the organization. An engaged employee, as defined by Bevan et al. (1997) as cited in Armstrong (2009), is someone “who is aware of business context, and works closely with colleagues to improve performance within the job for the benefit of the organization”. Towers Perrin (2003) defined employee engagement as employees’ willingness and ability to contribute to company success. Towers Perrin (2003) further stated that engagement is the extent to which employees put discretionary effort into their work, in the form of extra time, brainpower and energy.

AON Hewitt (2013) defined engagement through three attributes that include the extent to which employees:

Say - speak positively about the organization to co-workers, potential employees and customers.

Stay - have an intense sense of belonging and desire to be a part of the organization.

Strive - are motivated and exert effort toward success in their job and for the company.

Gallup (2013) grouped employees in one of three categories: engaged, not engaged, and actively disengaged. According to Gallup (2013), engaged employees are the best colleagues. They cooperate to build an organization, institution, or agency, and they are behind everything good that happens there. These employees are involved in, enthusiastic about, and committed to their work. They know the scope of their jobs and look for new and better ways to achieve outcomes. They are 100% psychologically committed to their work. And, they are the only people in an organization who create new customers. In the report of Gallup (2013) it is mentioned that engaged workers cannot be difficult to spot: They are not hostile or disruptive. They show up and kill time with little or no concern about customers, productivity, profitability, waste, safety, mission and purpose of the teams, or developing customers. They think about lunch or their next break. They are essentially “checked out.” Surprisingly, these people are not only a part of your support staff or sales team, but they are also sitting at your executive committee. In the report of Gallup (2013) it is also mentioned that actively disengaged employees are more or less out to damage their company. They monopolize managers’ time; have more on-the-job accidents; account for more quality defects, contribute to “shrinkage,” as theft is called, are sicker, miss more days, and quit at a higher rate than engaged employees do. Whatever the engaged do — such as solving problems, innovating, and creating new customers — the actively disengaged try to undo.

Pocket Oxford English Dictionary (2007) defines attitude as a way of thinking or feeling about someone or something. There are many work related attitudes such as job satisfaction, job

involvement, and organizational commitment (Karia & Asaari, 2006; Wright, 2006; Alas, 2005; Opatha, 2012).

Saks (2006) stated that although the definition and meaning of engagement in the practitioner literature often overlaps with other constructs, in the academic literature it has been defined as a distinct and unique construct that consists of cognitive, emotional, and behavioral components that are associated with individual role performance. Saks (2006) further stated that engagement is distinguishable from several related constructs, most notably organizational commitment, organizational citizenship behavior and job involvement.

Macey and Schneider (2008) stated that common to these definitions is the notion that employee engagement is a desirable condition, has an organizational purpose, and connotes involvement, commitment, passion, enthusiasm, focused effort, and energy, so it has both attitudinal and behavioral components

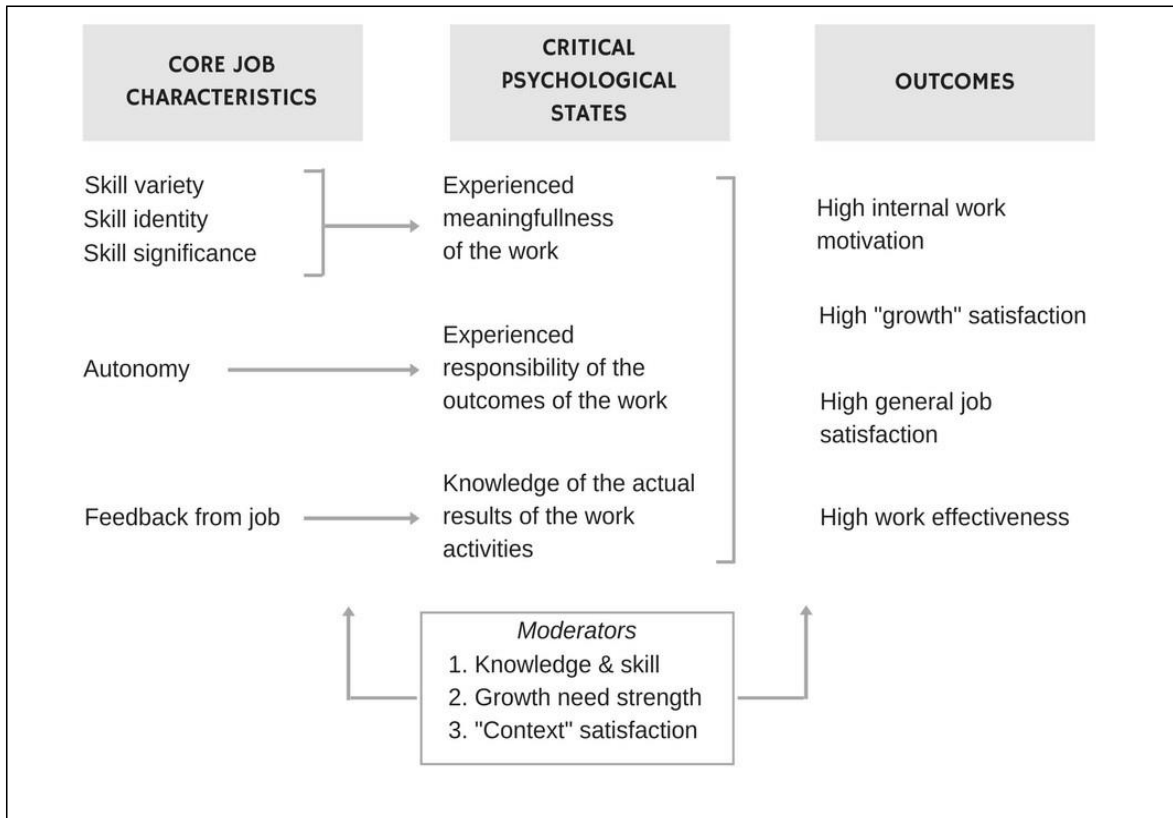
### **2.2.6. Determinants of Employee Engagement**

Although there is little research on the factors that predict employee engagement, it is possible to identify a number of potential drivers from Kahn (1990), Saks (2006) and Maslach et al. (2001) engagement models. Many researches have tried to identify factors leading to employee engagement and developed models to draw implications for managers. Their diagnosis aims to determine the drivers that will increase employee engagement level. Six functions emerged as critical determinants of employee's engagement according to Joshi and Sodhi (2011), namely, job content (autonomy, challenging opportunities for learning), compensation/monetary benefits (attractive salary vis-a-vis qualifications and responsibility, adequate compensation for the work and intra-organization equality), work-life balance (appreciative of personal needs, able to spend time with family), top-management employee relations (approachability of top management, their values and ethical conduct, equality in treatment, respecting the views of subordinates, providing an environment of working together), scope for advancement and career growth (well-designed policy, adequate opportunities for career growth and advancement, clearly laid down career growth paths; implementation of the promotion policy in a fair and transparent manner, help to the employees in achieving growth) and team orientation/team work (importance, cooperation in inter- and intra-department teams). Saks (2006) also included job characteristics, perceived supervisor support, recognition and reward, perceived organizational support and procedural justice as an antecedent of employee engagement. But, the literature is unclear as to which variables have the strongest effect on employee engagement. Therefore, variables for this

study were chosen by reviewing few data that are available regarding employee engagement.

### **I. Job Characteristics**

Hackman and Oldham introduced the Job Characteristics Theory (JCT) in 1975. This theoretical framework offered the idea that the design of an employee's job, measured via objective characteristics, can inspire an employee internally to perform better and feel satisfied with the job. Hence, the more enriched the job, the higher the likelihood of that employee experiencing high engagement. When Hackman and Oldham (1975) formulated this theory, they had two goals in mind: to identify jobs to help better redesign them, and to monitor how changes in job design ultimately impacted employee outcomes. Job characteristics incorporating challenge, diversity and independence are more likely to provide psychological meaningfulness, which is a condition for employee engagement. According to Kahn (1990, 1992), psychological meaningfulness can be achieved from task characteristics that provide challenging work, variety, allow the use of different skills, personal discretion, and the opportunity to make important contributions. Job becomes meaningful and attractive to employee as it provides him variety and challenge, thereby affecting his/her level of engagement. Jobs that are high on the core job characteristics provide employees with motivation to be more engaged (Kahn 1992). Based on Hackman and Oldham's job characteristics model, there are five core job characteristics i.e. autonomy, skill variety, feedback, task identity and task significance. Autonomy refers to the independence and discretion available to the employee in determining the scheduling and procedures to be used in performing job tasks. Skill variety refers to the number of skills required in order for the employee to perform the various activities associated with the job. Feedback is the degree to which the employee receives clear and direct information about how effectively he or she is performing. Task identity is characterized by the degree to which job performance entails the completion of an entire, easily identifiable piece of work, in a way that the employee is responsible for, from beginning to end, tasks that result in a visible outcome. The last characteristic, task significance is described as the impact that the job has on the lives or work of other individuals. It is possible to combine the five characteristics into a single index that reflects the overall motivating potential of a job. In the model below, specific job characteristics i.e. skill variety, task identity, and task significance, affects the individual's experience meaningfulness of work, autonomy influences experienced responsibility for outcomes: and feedback from job to knowledge of the actual results of the work activities.



(From Hackman and Oldham, 1980, p.90)

**Figure 5. The Job Characteristics Model**

### **Job Characteristics and Employee Engagement**

Job characteristics play an important role in engaging employees because such employees put more efforts into their work if they are able to identify with it. Job characteristics feature among the most important work characteristic variables in predicting engagement (Saks 2006; Janjhua 2011; Ram and Prabhakar 2011). Schaufelli and Leiter (2001) found in their study that meaningful and valued work in conjunction with the employee having a sense of control over their work can have a substantial effect on engagement. Job characteristics, especially feedback and autonomy, have been consistently related to burnout (Maslach et al. 2001).

Kahn (1990) relied on the Job Characteristics Theory (JCT; Hackman and Oldham, 1980) to develop his framework. In his seminal study on engagement, one of Kahn's objectives was to evaluate the settings that were necessary for engagement. While this could be interpersonal relations or needs satisfaction, he also recognized the importance of contextual job factors. The JCT is a model that proposes specific characteristics of the workplace lead to motivation. Thus, Kahn used the JCT to hypothesize that certain contextual aspects of the workplace lead to critical psychological states, which in turn result in affective and behavioral outcomes. Kahn (1990) has discoursed that individuals who feel more capability to give and receive from their work tasks are possible to be more engaged. Shantz et al. (2013) have argued that an individual may be connected with a job if he/she is responsible for the entire piece of meaningful work.

Therefore, H1 is the following:

**H1. Job characteristics has a significant positive effect in predicting employee engagement.**

### **2.2.7. Leadership Style**

Leadership is a complex and multilayered construct. The leadership construct reaches as far back as the recording of human history and includes all forms of leading. From the *Great Man Theories* (Stogdill, 1948) and early Trait Theories (Bass, 1990) to current models of Authentic (Avolio and Gardner, 2005) and Spiritual Leadership (Russell and Stone, 2002); “there are certainly many ways to finish the sentence ‘leadership is . . .’” (Northouse, 2010). Pushing through the fog of leadership definitions, Bass (1990) suggested three dominant perspectives of leadership development that could be viewed as emergent categories encompassing a majority of the leadership perspectives to date: (a) leadership as a group process, (b) leadership as a personality perspective, and (c) leadership as an act or behavior. Hersey and Blanchard (1984) defines leadership as the process of influencing the activities of an individual or a group in efforts toward goal achievement in a given situation. Leadership is the process whereby a leader inspires individuals to accomplish common goals (Kreitner & Kinicki, 2010:467). According to Kellerman (cited by Kreitner and Kinicki, 2010), the various definitions of leadership has four shared goals: (1) leadership is a process between a leader and followers, (2) leadership involves social influence, (3) leadership occurs at multiple levels in an organization, and leadership focuses on goal accomplishment.

## **Leadership Style**

Leadership style is a combination of a leader's general personality, manner and communication patterns to guide others toward reaching organizational or personal goals (Hoyle, 2006). Leadership style is considered to be a factor that affects employees in a significant way. It can translate into the achievement of the organization's values, vision, mission, and achievement of organizational outcomes (Nwibere, 2013). According to contingency theory, a leader's achievements are dependent on two factors: the leader's distinctive approach of interaction with followers (leadership behavior) and the extent of power the leader has at his disposal to exercise over the situation (i.e. the group, the task, and the outcome) (Quader, 2011). The degree of control achieved by a leader depends on the relationship between the leader and his followers, the way the task is structured, and the power vested in the position the leader occupies (Quader, 2011). The leadership style needs to be aligned with the situation, in order for the leader to be effective (Quader, 2011). As revealed by Fiedler and Chemers (1984), situations of high control are better managed by task-motivated leaders (transactional leaders), while relationship-motivated and low-control (transformational leaders) are inclined to excel in circumstances of reasonable control (Quader, 2011). The Multifactor Leadership Questionnaire (MLQ) was devised to determine transformational, transactional, and laissez-faire leadership styles (Zineldin and Hytter, 2012). Transactional and transformational leadership were originally seen as opposites. However, later research suggests that instead of these being viewed as independent dimensions, optimal leadership behavior is a mix of different styles (Zineldin and Hytter, 2012). The organizational climate — a company's beliefs, values, and assumptions that paves the way for interaction between leaders and employees and such interaction, is of critical importance to the overall style of leadership that leaders adopt (Omolayo, 2007).

### **The Full Range Leadership Model – FRLM**

The Full Range Leadership Model describes a full range of influencing styles from 'non-leadership' to powerful transformational leadership behaviors. The model captures different kinds of behaviors which make a difference to outcomes for associates of the leader. In other words, the range of behaviors starts with transformational leader behaviors to transactional leader behaviors reaching to the lowest leader interaction of laissez-faire leader behaviors (Bass et al. 2003). The full range model of leadership was developed to broaden the range of leadership

styles typically investigated in the field. Its aim is to provide a comprehensive toolbox to the leader so that he/she selects the leadership style or behavior that is most conducive to the situation or context. The model was labeled "full range" to challenge the leadership field to broaden its thinking about what constitutes a much broader range of leadership styles than the paradigms of initiation of structure and consideration (Avolio and Bass, 2004). The full-range leadership theory suggests that there are three types of leadership.

## **I. Transformational Leadership**

According to Bass *et al.* (2003), transformational leaders will focus on developing their followers by tapping them of their potentials, inspiring them, promoting collaboration, motivating them, and by reinforcing positive behaviors. Transformational leaders are defined by Kreitner and Kinicki (2010, p. 485) as individuals that “engender trust, seek to develop leadership in others, exhibit self-sacrifice and serve as moral agents, focusing themselves and followers on objectives that transcend the more immediate needs of the work group”. The transformational model consists of four factors: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Bass (1985) describes the transformational leader who exhibits individualized consideration behaviors as providing “individualized attention and a developmental or mentoring orientation” toward his or her followers (p. 83). The individualized consideration dimension of transformational leadership would seem to be particularly important in fostering emotional, cognitive, and behavioral engagement in followers. Individualized consideration behaviors help the leader and follower build a unique and positive relationship, and help the follower relationally identify with the leader and his or her goals. Relational identification with the leader who exhibits more transformational leadership behaviors has been shown to be related to increased self-efficacy and performance (Walumbwa and Hartnell, 2011). In particular, the transformational leader’s visionary and inspiring competencies are of considerable importance to engagement in that a leader’s inspirational motivation reduces employee exhaustion and depersonalization because leader’s vision, when clearly and compellingly transmitted, gives followers reasons to reach goals (Densten, 2005). Research has also shown that transformational leadership engenders higher leader–member exchange quality, which is related to increased follower performance and effort (Wang, Law, Hackett, Wang, and Chen, 2005). Employees with a positive relationship

with their supervisor, who mentors, encourages, and coaches them to continuously develop to achieve their full potential, are likely to be more emotionally, cognitively, and behaviorally engaged in their work. Burns (1978) suggested that leadership, as a practice, includes a dimension of positive influence with a higher purpose that transforms followers in a positive way (Maccoby, 2007). This “transformative” view of leadership is conceptually connected to Kahn’s (1990, 2010) perspective around the emergence of engagement within an employee. The leader creates the environment in which the conditions for engagement thrive, or diminish. Here, leadership and engagement share theoretical and conceptual parallels.

## **II. Transactional leadership**

Transactional leadership is defined as a set of behaviors that motivate and guide followers in the direction of a goal by providing clear expectations and providing resources for the completion of work (Harter et al., 2002; Robbins and Judge, 2009). Transactional Leaders recognize followers’ needs and desires and then clarify how those needs and desires will be met in exchange for enactment of the follower’s work role (Waldman et al, 1990). This form of leadership depends on the leader’s power to reinforce subordinates for their successful completion of the bargain (Bass et al, 1987). Transactional leadership is often used in business; when employees are successful, they are rewarded; when they fail, they are punished. It is based more on "exchanges" between the leader and follower, in which followers are rewarded for meeting specific goals or performance criteria (Trottier et al. 2008; Bass et al. 2003). Rewards and positive reinforcement are provided or mediated by the leader. Thus transactional leadership is more practical in nature because of its emphasis on meeting specific targets or objectives (James and Collins, 2008; Sosik and Dinger 2007). Transactional leaders display behaviors associated with constructive and corrective transactions. The constructive style is labeled Contingent Reward and the corrective style is labeled Management-by-Exception (active and passive). Transactional leadership defines expectations and promotes performance to achieve these levels. (Bass *et al.* 2003; Bolden *et al.* 2003).

## **III. Laissez-Faire passive/avoidance leadership**

Kirkbride (2006) describes Laissez-faire leaders as managers who tend to withdraw from the leadership role and offer little in terms of either direction or support. They are often “absent” or

indifferent to the needs of their followers. James and Collins (2008) describe the laissez-faire leader as an extreme passive leader who is reluctant to influence subordinates' considerable freedom, to the point of handing over his/her responsibilities. Most ineffective and dissatisfying (leadership style) is laissez-faire leadership, wherein the individual avoids leadership and abdicates responsibility" (Avolio and Bass, 2004). Other researchers have consistently reported that laissez-faire leadership is the least satisfying and least effective style of leadership. That is because these leadership behaviors are accompanied by little sense of accomplishment, little clarity, little sense of group unity, and followers do not hold as much respect for their supervisors (Trottier et al. 2008; Lok and Crawford 1999).

### **Leadership Style and Employee Engagement**

Employee engagement is considered as a key factor for organizational efficiency, success and achievement. Leadership appears to be one of the single biggest factors affecting employee engagement (Wang and Walumbwa, 2007; Macey and Schneider, 2008; Attridge, 2009). Attridge (2009), for instance, emphasizes that leadership style, that is, the relatively consistent pattern of behavior applying to leader-follower interactions, is critical for promoting employee engagement. Existing literature defines drivers of the employee engagement from different angles and commonly relates a portion to leadership skills, especially of the immediate managers. Previous studies were conducted to investigate the influence of various factors that might contribute to employee engagement. Kahn (1990), as being the pioneer scrutinizing the employee's engagement and the drivers behind, claimed that leaders, in general, play an important role in creating the right context for employees to become engaged. Among these factors, leadership styles have been found to be significant predictors of employee engagement. Furthermore, 'employee-engagement' competency of leaders in terms of respect for others and concern for their development and well-being are found to be a good predictor of employees' engagement, job performance, job satisfaction and organizational commitment (Alimo-Metcalfe et al., 2008).

Hawley (1993) suggested that today's leaders should concern themselves less with issues of task and structure and more with their employees' "spirit": "We all yearn for spiritually rooted qualities at work—integrity, character, inspiration, belief, and even reverence—qualities that are key factors in an enterprise's success." Similarly, Seijts and Crim (2006) found that leadership

roles and behaviors can have positive results as employees become more engaged in the organization. According to Yukl et al., (2009), participative leader behavior increases the positive environment of work for subordinates who require more independence, while directive leader behavior is thought to be especially effective with achievement focused employees, because the leader will clarify objectives and guide their subordinates accordingly (Malik, 2013). Lockwood (2007) also concluded that effective communication between leader and employee could influence employee engagement: a leader who positively conveys strategies to subordinates can inspire employee engagement among those workers. Robbins and Judge (2012) considered the core objective of a leader to be to assist subordinates in achieving their objectives successfully, providing the necessary guidance and assistance to attain these aims in addition to those of the organization. One of the components of employee engagement is the psychological component, which is concerned with the employees' beliefs about the organization, its leaders and the working conditions (Kahn, 1990).

The emotional aspect of employee engagement also concerns how employees feel about their leaders. Employees need to have confidence in their organization and this is most powerfully reflected through the reliability and integrity shown by the leader. According to Welbourne (2007), one of the first requirements of an engaging leader is that he himself is engaged. She adds that if leaders are burned out and focused solely on immediate results, they may not be able to role model or reward non-core innovations. Moreover, overworked leaders are unlikely to tolerate employees who spend time and energy on non-core responsibilities (Wildermuth and Pauken, 2008).

A research study carried out by Avolio, Gardner, Walumbwa, Luthans and May (2004) on the relationship between leadership and engagement identified two engagement-friendly leadership styles; and these were transformational leadership and authentic leadership. According to Avolio et al. (2004), transformational leadership is one of the most widely researched and arguably one of the most effective leadership styles. This form of leadership involves the creation of an emotional attachment between leaders and employees as transformational leaders take a real interest in the well-being of their employee (Men and Stacks, 2013). The second leadership style connected to engagement is authentic leadership (Avolio et al., 2004). Authentic leadership combines ethical and transformational leadership qualities making authentic leaders inspiring,

motivational, and visionary but also unwaveringly moral, compassionate, and service-oriented (Wildermuth and Pauken, 2008). Authentic leaders, therefore, strongly and visibly demonstrate their values in their leadership practices. Furthermore, an authentic leader's interest in the well-being of the employee leads him or her to recognize individual differences, identifies complementary talents, and helps employees build upon their strengths and consequently increase employee engagement (Wildermuth and Pauken, 2008).

Studies has indicated that the qualities of transformational leadership result in outcomes, such as lower intention to turnover and higher productivity that are similar to those resulting from employee engagement (Macey and Schneider, 2008; Shuck, Rocco, et al., 2011; Walumbwa and Hartnell, 2011). Studies by Judge and Piccolo (2004), Lee (2005), Erkutlu (2008), Griffin et al (2010) provide evidence for association between positive leader behavior's and follower attitude and behaviors linked with engagement. A few other studies have attempted to provide direct evidence of association between leadership and employee engagement (Xu and Thomas Cooper, 2010). A study by Atwater and Brett (2006, as cited in Xu and Thomas Cooper (2010) identifies three leadership behaviors, namely employee development, consideration and performance-orientation. The first two behaviors are labelled as a relationship-oriented and the third as a task oriented. They further state that employee engagement includes facets of work on which leaders can take action. Metcalfe (2008) presents positive correlation between leadership scales and engagement constructs such as job and organizational commitment, motivation and job satisfaction. Papalexandris and Galanki (2009) identify two factors which are positively linked with engagement, namely, management and mentoring behaviors such as imparting confidence to followers, power sharing, communication, providing role clarification and articulation of vision which could be characterized as inspirational, visionary, decisive and team-oriented. More importantly, their study found only certain leader behaviors are associated with engagement, especially those enhance follower performance and which enable followers to relate with organizational goals. Studies by May et al (2004), Saks (2006), Bakker et al (2007) show that higher levels of engagement are observed for employees with their supervisors exhibiting more relationship-related behaviors (as cited in Xu and Thomas Cooper (2010).

Therefore,

**H2. Leadership style has a significant positive effect in predicting employee engagement.**

### **2.2.8. Reward and Recognition**

Rewards and recognition have already been established as an antecedent of engagement in past research (e.g., Saks 2006; Mohapatra and Sharma 2010; Fairlie 2011; Inoue et al. 2012). Reward is defined as: “valuable positive outcomes of work for individuals” (Shermerhorn, 1993). There are two basic types of rewards: extrinsic rewards and natural rewards. Extrinsic rewards are those rewards which are controlled in outside and consists of those valuable outcomes which are given to the individual by another person specifically by a supervisor or a manger. Common examples of these rewards in work environment are salary increment, promotion, incentive vacation, advantages, and oral admiration and so on. Natural or intrinsic rewards which are self-organized, occur when the individual performs something. So, such rewards are created in the job directly. The main source of intrinsic rewards is feeling of competence and personal development. Job enrichment and creation of autonomous work teams are examples of strategies which provide such feelings (Shermerhorn, 1993). Reward refers to everything the employee perceives to be of value resulting from the employment relationship and includes all types of rewards, direct and indirect, as well as intrinsic and extrinsic. And, recognition is a process of giving an employee a certain status within an organization. This is a very crucial factor towards an employee motivation and job satisfaction. Employee’s participation in the decision making process will made them more courageous and enthusiastic towards working in the organization. Maslach et al. (2001) have also suggested that while a lack of rewards and recognition can lead to burnout, appropriate recognition and reward is important for engagement. Although the focus of engagement efforts has been on team-building programs, employee-opinion surveys, work climate and non-financial rewards, egalitarian pay structures have been found to be related to employee cooperation, involvement, satisfaction, and commitment (Bloom and Michael 2002; Levine 1991; Pfeffer and Langton 1999). All have been used as proxies for employee engagement. The aim of reward therefore, is to maximize the affirmative impact that a wide range of rewards can have on motivation, job engagement, organizational commitments and job satisfaction (Manus and Graham, 2003).

Rewards can control behavior externally, as they can announce future benefits to those who expect them (Bandura 1977). Rewards can increase the likelihood of a behavior to be repeated over time if delivered depending upon that behavior (Luthans 2002). Previous research (Stajkovic and Luthans 2003) has pointed out that incentive programs deal with rewards, aiming

at increasing specific behaviors. Recognition, on the other hand, is an important motivator of behavior beyond any reward being associated with it (Wilches-Alzate 2009). However, recognition is not sufficient in itself and must come along with rewards; similarly, rewards without recognition would saturate employees with physical items that would gradually lose significance (De Lacy 2009).

A study by Saks and Rotman (2006) revealed that recognition and rewards are significant antecedents of employee engagement. They observed that when employees receive rewards and recognition from their organization, they will feel obliged to respond with higher levels of engagement. Kahn (1990) observes that employee's level of engagement is a function of their perceptions of the benefits they receive. It becomes essential for management to present acceptable standards of reward and recognition for their employees, if they wish to achieve a high level of engagement. Kahn (1990) reported that people vary in their engagement as a function of their perceptions of the benefits they receive from a role. Furthermore, a sense of return on investments can come from external rewards and recognition in addition to meaningful work. Therefore, one might expect that employees' will be more likely to engage themselves at work to the extent that they perceive a greater amount of rewards and recognition for their role performances. Maslach et al. (2001) have also suggested that while a lack of rewards and recognition can lead to burnout, appropriate recognition and reward is important for engagement. In their seminal work linking burnout and engagement, Maslach and Leiter (2008) have identified that insufficient rewards (whether financial, institutional or social) would increase peoples' vulnerability to burnout. Further, lack of recognition from service recipients, colleagues, managers and external stakeholders devalues both work and employee and is even closely linked with feelings of inefficacy (Cordes and Dougherty 1993; Maslach et al. 2001).

Employees often base their commitment to an organization depending on how much they perceive the latter is committed to them (Eisenbenger et al. 1987; Stajkovic and Luthans 1997). Rewards and recognition are a means to organizations to reveal how valued employees are to them (De Lacy 2009). Therefore, H3 is the following:

**H3. Reward & recognition have significant positive effect in predicting employee engagement.**

### 2.3. Empirical Study of related literatures

As discussed, there are a number of studies on employee engagement. The following table shows the summary of the studies.

**Table 2.2: Key studies on employee engagement**

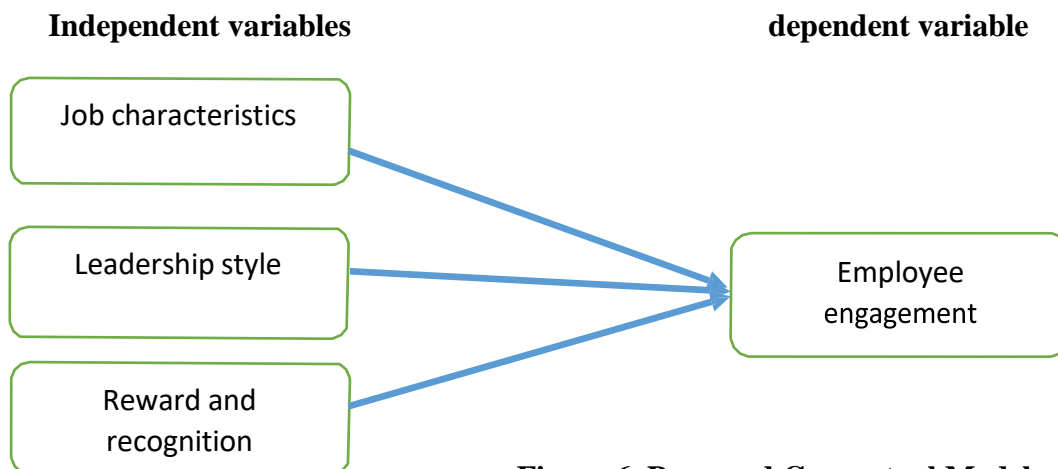
<b>Year</b>	<b>Author (Source)</b>	<b>Context</b>
2023	<b>Rutwick Mukesh Bhai Vyas<sup>1</sup></b>	Employee engagement is a vast construct that touches almost all parts of human resource management facets we know hitherto. If every part of human resources is not addressed in appropriate manner, employees fail to fully engage themselves in their job in the response to such kind of mismanagement. The construct employee engagement is built on the foundation of earlier concepts like job satisfaction, employee commitment and Organizational citizenship behaviour. Though it is related to and encompasses these concepts, employee engagement is broader in scope. Employee engagement is stronger predictor of positive organizational performance clearly showing the two-way relationship between employer and employee compared to the three earlier constructs: job satisfaction, employee commitment and organizational citizenship behaviour. Engaged employees are emotionally attached to their organization and highly involved in their job with a great enthusiasm for the success of their employer, going extra mile beyond the employment contractual agreement.

2015	<b>Anuradha Iddagoda, Kennedy Gunawardana &amp; Henarath H. D. N. P Opatha</b>	In the literature of Human Resource Management and Organizational Behavior, it seems that growing attention has been given to employee engagement which is an employee related outcome contributing to organizational effectiveness. There is a conceptual confusion with regard to the meaning of employee engagement, as there are several associated terms such as job satisfaction, job involvement, work involvement, organizational commitment and organizational citizenship behavior which have been used in the literature either synonymously or non-synonymously in addition to the labels of engagement. This paper seeks to provide a comprehensive conceptualization of employee engagement so as to develop an appropriate working definition for research purpose. Also an attempt was made to decide whether employee engagement is an attitude or a behavior, and to explore its dimensions and elements for the purpose of developing an instrument to measure the variables of employee engagement.
1990	Kahn (Academy of Management Journal)	The study demonstrates the nature of personal engagement & disengagement & the three psychological conditions (meaningfulness, safety, and availability) found to influence those behaviors.
2002	Schaufeli, Salanova, Gonzalez-Roma and Bakker (Journal of Happiness Studies)	Measuring the internal consistencies of the three scales and the factorial validity using confirmatory factor analysis. Examining the relationship between burnout and engagement
2002	Harter, Schmidt and Hayes (Journal of Applied Psychology)	Examining the relationship at the business unit level between employee satisfaction–engagement and the business-unit outcomes of customer satisfaction, productivity, profit, employee turnover and accidents
2004	May, Gilson, Harter (Journal of Occupational and Organizational Psychology)	Examines the role of 3 psychological conditions (meaningfulness, availability & safety) in employees’ work engagement
2004	Robinson, Perryman and Hayday	Stresses the importance of 'feeling valued and involved' as a key driver of engagement.
2006	Saks (Journal of Managerial Psychology)	Studied multidimensional engagement distinguishes between “job engagement” (performing the work role) and “organizational engagement” (performing the role as a member of the organization). And, analyze antecedents and consequences of job and organization engagement.

2008	Macey & Schneider (Industrial and Organizational Psychology- Perspectives on Science and Practice)	Engagement as a psychological state (e.g., involvement, commitment, attachment, mood), performance construct (e.g., organizational citizenship behavior), disposition (e.g., positive affect), or some combination of the above
2008	Maslach & Leiter (Journal of Applied Psychology)	Identifying early predictors of burnout and engagement. 1. Burnout is a state of mental weariness; 3 dimensions which are exhaustion, cynicism, lack of professional efficacy. 2. Engagement as the opposite of burnout; 3 dimensions which are energy, involvement, efficacy all are opposite of burnout dimensions) Organizational risk factors (6 domains of work life): workload, control, reward, community, fairness & values.

#### 2.4. Conceptual Framework of the Study

Based on the overall review of related literatures and the theoretical framework, the following conceptual model in which this specific study is governed was developed.



**Figure 6. Proposed Conceptual Model**

#### Summary

In general, wide-ranging literature review suggested that not much emphasis has been given on thoroughly identifying the antecedents and predictors of employee engagement. The literature is unclear as to which variables are the strongest predictors. Since engaging employees is a relevant issue, focused efforts need to be undertaken by business organizations in that direction. Scopes and characteristics of engaged employees were not rightly identified and studied. Literature

review also revealed absence of a holistic employee engagement model. Another gap identified was the absence of such a study in Ethiopian context. Research indicates that by better understanding engagement, new strategies could be developed that would increase levels of employee engagement, thereby possibly decreasing the costly negative effects of burnout for employees in organizations.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1. Introduction**

Research is a systematic inquiry to describe, explain, predict and control the observed phenomenon. It is a systematic investigative process that involves interpretation of observations, guided by the previously existing body of knowledge, with an aim to answer specific questions. and research methodology can be defined as the “path along which research can be directed” (Jonker and Pennink, 2010, p. 40). Furthermore, research methodology “dictates the particular tools” i.e., mechanisms or strategies used to “collect, manipulate, or interpret data” that will be utilized in the research (Leedy and Ormrod, 2010).

This chapter describes the approaches that will be used to address the research questions listed in Chapter one. It describes the research methodology that will be applied by the study. It defines and details the research design, approach, method, the population and sampling design, the sampling frame, the sampling technique and the sample size. This chapter also illustrates the data collection methods, the research procedures and the data analysis methods planned by this study.

#### **3.2. Research Design**

Saunders et al. (2007), defines research design as the general plan of how the research questions would be answered. It is the conceptual structure within which research is conducted. Research design is the blueprint for fulfilling research objectives and answering research questions. In other words, it is a master plan specifying the methods and procedures for collecting and analyzing the required information. In addition, it must ensure that the information collected is

appropriate for solving a problem (Adams, Khan, Raeside, and White, 2007, p. 81). “The research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data.” (Kothari, 2004, p. 31)

A choice of research design relies on the objective of the research. The objective of this research is to investigate the determinants of employee engagement in the banking industry in Ethiopia. The research design for this study is explanatory research. The aim of the explanatory design is to collect and analyze quantitative data to provide a general understanding of the research problem. This research study will use explanatory research method to condense and organize the determinants of employee engagement.

### **3.3. Research Approach**

There are two methods that provide in the research method which are quantitative and qualitative, where one of them is not better than the others, all of this depends on how the researcher want to do research of study (Ghauri and Kjell, 2005). Based on a research problem, the researcher will apply a quantitative approach. According to Creswell (2003) if the research problem is to identify factors that influence an outcome, or understanding the best predictors of outcomes, then a quantitative approach is the best choose. Hopkins (2000) suggested that quantitative research work connects independent and dependent variables. Quantitative approach also raise the post positivist perspectives. Orlikowski and Baroudi (1991) defined research as post positivist if there was evidence of formal propositions, quantifiable measures of variables, hypothesis testing, and the drawing of inferences about a phenomenon from the sample to a stated population. Post positivist research methods include observations, measurements, surveys, questionnaires, instruments, laboratory and field experiments, statistical analysis, simulations, and case studies. So, using quantitative approach in this study is the best suit. The study will apply a purely quantitative research approach, where it can use of a questionnaire provided quantified data.

### **3.4. Research Method**

Survey research method will be used in this study. Survey research design involves “acquiring information about groups of people by asking them questions and tabulating their answers” (Leedy and Ormrod, 2010, p. 187). Kerlinger (1973) also considered survey research as social scientific research and focuses on people, the vital facts of people, and their beliefs, opinions,

attitudes, motivations and behavior. This research will study assessed determinants of employee engagement by applying a survey question. A survey is a method of collecting data in which people are asked to answer several questions (usually in the form of a questionnaire). The survey questionnaire is a suitable tool for a quantitative study as it enables a large amount of data to be gathered to identify the factors that may or may not affect engagement. The reliability of a survey's results depends on whether the sample of people from which the information has been collected is free from bias and sufficiently large. According to Leary (2004) the major advantages of questionnaires are that they can be managed to groups of people simultaneously, and they are less costly and less time-consuming than other instruments. For this study, survey research method was selected where the questionnaire will be used to collect the information.

### **3.5. Sampling Design**

#### **3.5.1. Target Population**

All the items under consideration in any field of inquiry constitute a population. Sekeran (2001) defines a population as “the entire group of people, events, or thing of interest that the researcher wishes to investigate”. The research population refers to the target employees the researcher plans to use for an investigation (Robson et al., 2008). It may well be referred to as a researcher's target population (Robertson et al., 2009). For this study, the target population is clerical and professional employees of the BOA who are working at different job position with a size of 7,000 (BOA website information). The researcher excluded employees of non-clerical like janitors and securities who are outsourced from other organizations which may alter the research result. The unit of analysis in the study consisted of 7,000 professional staff of BOA.

#### **3.5.2. Sampling Frame & Sampling Location**

A sample frame is a listing of units or potential respondents from which a sample may be picked from such a listing (Gatara, 2010). The sampling frame can be defined as set of source materials from which the sample is selected. According to Fowler (2002), in a sample selection procedure, people who have a chance of being included among those being selected constitute the sample frame, and that is primary step towards evaluating the quality of a sample. The definition also includes the purpose of sampling frames, which is to provide a means for choosing the members of the target population that are to be included in the survey (Anthony, 2003). So, the sampling frame was employees who are working at different job position in Bank of Abyssina located

at Addis Ababa city branches. However, sampling location is a place where a research is conducted or/and a place where information is acquired. Branches of Bank of Abyssinia in Addis Ababa region were selected for their accessibility and proximity. Since the nature of the business is similar, representativeness of the sample branches for the entire country is mostly preserved. Employees in professional roles (Customer Service Managers, Customer Service Officers, Chief Cashiers, and Customer Relationship Officers, among others) will be chosen so that the survey sample reflect a broad range of responsibilities to assist in the generalization of results to other professionals – although with caution.

### **3.5.3. Sampling Technique**

Sampling is the process or technique of selecting a suitable sample for the purpose of determining parameters or characteristics of the whole population. (Adams et al., 2007, p.87). The items so selected constitute what is technically called a sample. Sekeran (2003) defines a sample as a portion of the population that has attributes as the entire population. The study will use convenience and stratified random sampling method. First, Addis Ababa city BOA branches were divided into four i.e., North, South, East and West Addis Ababa for convenience. From each selected area, branches will be selected randomly. Then, from each selected branches respondent will be selected randomly. Employees who have less than one year service will be excluded from target population for the reason that they may have no adequate exposure to the Bank to provide reasonable responses especially about leadership styles.

### **3.5.4. Sample Size**

This is a most commonly encountered issue in survey research where researchers look for a basis to determine the sample size. According to Saunders, Lewis and Thornhill (2007), a researcher's choice of a sample size should be governed by the level of certainty that the characteristics of the data collected represented the characteristics of the entire population; the accuracy that the researcher required for any estimates made from the sample; the types of analyses undertaken in the research study and finally, the size of the total population from which the sample is being drawn. According to Kothari (2008) the size of sample should neither be excessively large, nor too small. It should be optimum. An optimum sample is one which fulfills the requirements of efficiency, representativeness, reliability and flexibility.

The researcher used the following sample determination table to determine the representative

sample size which was developed by Carvalho (1984). Consequently, a sample of 315 employees were selected from the target population located at Addis Ababa region branches. Since the target population size i.e. 7,000 is categorized in the seventh row, the samples to be used are as lowest (80), medium (200), and as highest (315). To be more representative in this study the highest sample size of 315 were selected. The following table shows the breakdown of population range the small, medium, and large sample that was drawn for the study.

**Table 3.1: Sample size determination**

Population Size	Sample Size		
	Low	Medium	High
51 – 90	5	13	20
91 – 150	8	20	32
151 – 280	13	32	50
281 – 500	20	50	80
501 – 1,200	32	80	125
1,201 – 3,200	50	125	200
3,201 – 10,000	80	200	315
10,001 – 35,000	125	315	500
35,001 – 150,000	200	500	800

(Source: Carvalho, 1984)

### 3.6. Sources of Data

Primary data will be used in this study. Primary data is the data which is gathered for the purpose of the research specifically (Sekaran, 2010). As the unit of analysis is the individual, the researcher is interested to collect original data from a population and measuring the perceptions of individuals. A survey is deemed the most suitable design to achieve the objectives of the research. Survey instruments, such as observations, face-to –face interviews, telephone interviews, and personally-administered questionnaires, structured questionnaires to group of individuals and mailed questionnaires could be considered. As the researcher is interested to collect original data from a population, the population is very big to be observed or interviewed. To get the information, researcher had designed and distributed a set of questionnaires. Thus, a survey by a questionnaire is considered as the most appropriate method for measuring the perceptions of the employees. A questionnaire is selected with due consideration to the busy schedule of most of the respondents, the questionnaire allowed respondents to complete them at their

convenient time. A questionnaire consisting of the independent variables and dependent variable have been developed by extracting sources from few established questionnaires. The questionnaires will be distributed to sampling number of professional staff of those selected branches of Addis Ababa region to fill up. The questionnaire items were written in a clear and concise language that would be easily understood by respondents. Additionally, to avoid respondents' socially desirable bias, the respondents will be assured that their responses would remain anonymous. They will also be advised that there are no right or wrong answers and be requested to answer the questionnaire as honestly as possible.

### **3.7. Data Collection**

Contact will be made with top managers from the bank, for endorsement of the study and questionnaire distribution. To increase the response rate and conform to accepted ethical procedures, respondents will be assured of the confidentiality of their answers. It is authoritative that respondents feel comfortable when answering the questions and can give their honest opinions (Singer et al. 1992).

### **3.8. Variables Description**

#### **3.8.1. Dependent Variable**

Dependent variables are variables we are trying to study or what we are trying to measure. It depends on independent variables if the researcher changes the independent variable, its result will change (O'leary, 2004). The dependent variable in this study is employee engagement.

#### **3.8.2. Independent Variables**

Independent variables are variables causing an effect on the things we are trying to understand. It can take different values and can cause corresponding changes in dependent variables (O'leary, 2004). Job characteristics; leadership style; and reward & recognition are the independent variables of the study.

### **3.9. Data Analysis**

Data that will be collected from the field will be coded and cleaned to remove missing valuables and will be categorized manually according to the questionnaire items using frequency distribution tables and percentages. Once data is collected, it is necessary to employ statistical techniques to analyze the information, as this study is quantitative in nature. All quantitative data collected

will be entered into statistical package for social science software (SPSS) database (version 21.0 for Windows). The reason for selecting the SPSS statistical package is that it facilitates the calculation of all essential statistics, such as descriptive statistics, reliability test, linear and multiple regression analysis, required for data analysis and present findings. Furthermore, SPSS is easily available and user friendly so it can be learnt within a short period of time. An added reason is that several books are available to familiarize oneself with the SPSS application to present and interpret the data. In inferential statistical analysis, correlation and multiple linear regression methods will be utilized using statistical package for social sciences (SPSS) software. Correlation ( $r$ ) will be used to describe the strength and direction of relationship between two variables. Since all variables are measured as an interval level, Pearson product moment correlation will be used. Multiple regression analysis will be used to investigate the underlying components of the independent variables and how these factors impact on employee engagement. Multiple regression statistical technique will be applied to examine the relationship between one dependent variable and several independent variables (Pedhazur 1997). The strength of the relationship will be determined by the multiple correlation coefficient. This coefficient explains the variance in equation and identifies which independent variables make the most significant contributions. Thus, regression analysis helps to test the hypotheses.

### **3.10. Questionnaire Design**

Questionnaires are one of the primary sources of obtaining data in any research endeavor. However, the critical point is that when designing a questionnaire, the researcher should ensure that it is “valid, reliable and unambiguous” (Richards and Schmidt, 2002). The survey questionnaire was developed in accordance with the conceptual framework introduced in Chapter two. For this research, the questions in the questionnaire are closed-ended or structured to ease the process of analyzing the data from respondents. Seliger and Shohamy (1989) are of the opinion that closed-ended questionnaires are more efficient because of their ease of analysis. A closed-ended question generates a limited set of responses that can be coded easily in a database with some number or symbol that represents a response. The questions were designed by simple English to reduce misunderstanding and uncertainties on the questions by the respondents. The questions were prepared and formulated based on the research questions, objectives and hypotheses of this research.

The rating scale on these questions is a 5-point Likert scale. Bryman and Bell (2007)

recommended that the Likert scale could be used effectively for qualifying responses to questions about attitudes. The five-point Likert Scale is advantageous for research because, it is the most common method for data collection, and consequently they are easy to understand. The responses are easily “quantifiable and subjective to computation of some mathematical analysis” (LaMarca, 2011). So, the questions were formed in a five-point Likert scale such as 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree which allows respondents to indicate level of agreement with the statement provided. It was led to a better understanding towards the determinants of Employee Engagement of Bank of Abyssinia.

### **3.10.1. Instrumentation**

The instrument used in this study was adopted from different sources. It was adopted for the specific purpose of analyzing determinants of employee engagement and measuring the actual engagement of individuals working in Bank of Abyssinia. The questionnaire has three sections and all the sections of the questionnaires are in English language.

Section-one is demographic information of respondents: This section of the questionnaire requires information about personal and demographic data of respondents. Questions covering gender, age, marital status, educational level, current job position and length of service in the organization will be asked, and the responses will be interpreted using frequency distribution and percentage.

Section-two: This section measures the three determinants of employee engagement (job characteristics, leadership style; and rewards and recognition) that influence employee engagement. Generally, the section consisted of 58 questions. In order to answer the questions, respondents have to select their choice of agreement based on the five-point Likert scale according to their opinion on each item. Each answer has been given a score and it is assumed that the format is easier for the respondents to understand the concepts and provide precise answers.

Job characteristics was measured by seven items developed by Hackman and Oldham (1980) with each item corresponding to a core job characteristic: autonomy, task identity, skill variety, task significance, feedback from supervisor, feedback from coworkers and feedback from the job. The following seven statements were used to assess the job characteristics section:

1. There is much autonomy in my job.

2. My job permits me to decide on my way how to go about doing the work.
3. There is many varieties in my job.
4. The job requires me to do many different things at work, using a variety of my skills and talents.
5. Managers or co-workers let me know how well I am doing on my job.
6. Doing the job by itself provide me with information about my work performance.
7. The actual work itself provide clues about how well I am doing.

Leadership style was measured by using the Multifactor Leadership Questionnaire (MLQ). The Multifactor Leadership Questionnaire is a well-established instrument in the measure of leadership styles as well as being extensively researched and validated. Avolio and Bass's MLQ manual shows strong evidence for validity; the MLQ has been used in thousands of research programs, doctoral dissertations, and master's theses, along with several constructive outcomes for leadership. The questionnaire comprises of 45 items that are answered using a five-point Likert scale for rating observed leader behavior. One of the advantages of the MLQ is that it is much broader than other leadership surveys. The MLQ is internationally accepted research instrument that measures a broad range of leadership styles including transformational, transactional, and laissez faire leadership styles (Avolio et al., 2004). Extensive use of the MLQ has established the reliability value for each leadership factor from 0.74 to 0.94. The MLQ has an alpha reliability coefficient that ranges from 0.60 to 0.92 (Avolio et al.; Grey 2005). The MLQ consist of two forms: The Self Rating Form, or the Leader Form, for the supervisors to rate themselves and the Rater Form for the associates to rate their supervisors. The Leader Form asks the leader to rate the frequency for his or her own leader behavior. The Rater Form is more appropriate to use because reliability is higher and the correlations between the rating form and the items are better (Avolio and Bass, 2004). So, the researcher used The Rater Form only.

The reward and recognition survey questions were adapted from previous research paper by Saks (2006). The following six statements were used to assess the reward and recognition section:

1. A pay raise, job security, and a promotion available for me
2. I get praise from my supervisor.
3. Training and development opportunities are available for me.
4. More challenging work assignments are available for me.
5. There is some form of public recognition (e.g. employee of the month).

6. There is a reward or token of appreciation (e.g. lunch).

Section-three: Items related to employee engagement. This section consists of questions that can measure the employee engagement. For this study, engagement was measured by the Utrecht Work Engagement Scale (UWES) developed by Schaufeli, Salanova, Gonzalez-Roma and Bakker (2002) and consisting of three subscales: vigor, dedication and absorption. Schaufeli and Bakker (2003) argued that engagement referred to a more persistent and pervasive affective-cognitive state characterized by vigor, dedication, and absorption. Studies have shown that engagement can be measured in a valid and reliable way using the Utrecht Work Engagement Scale (Bakker et al., 2008; Barkhuizen and Rothmann, 2006; Storm & Rothmann, 2003). The UWES, a self-report questionnaire, was developed to measure those aspects of engagement. The UWES asked participants to identify how often they had feelings associated with each statement, however for this study participants were asked to assess their level of agreement or disagreement with each statement.

The following seventeen statements were used to assess both psychological and behavioral state of employee engagement:

1. I find my work full of meaning and purpose.
2. I feel strong and vigorous when I am working.
3. I am enthusiastic about my job.
4. My job inspires me to do my best.
5. At my work, I feel bursting with energy.
6. I feel happy when I am working intensely.
7. I am proud of the work that I do.
8. My job is challenging to me.
9. I get carried away when I am working.
10. I am physically energized when I am at work.
11. Time passes quickly when I am at work.
12. When I am working, I forget everything else around me.
13. When I get up in the morning, I feel like going to work.
14. I can continue working for long periods of time.
15. At my job, I am very mentally resilient.
16. I find it difficult to detach myself from my job.

17. I always persevere at my job, even when things do not go well

The respondents rated their level of agreement/disagreement to the stated statement based on five-point Likert scales.

### **3.11. Validity of the Questionnaires**

One way to try to ensure that measurement error is kept to a minimum is to determine properties of the measure that give us confidence that it is doing its job properly. The first property is validity, which is whether an instrument measures what it sets out to measure. Validity refers to whether an instrument measures what it was designed to measure; Hair et al. (2007) defined the validity as “the degree to which a measure accurately represents what is supposed to”. Validity concerns the soundness, legitimacy and relevance of a research theory and its investigations or practice (Kitchin and Tate 2000). It also refers to the extent to which an empirical measure adequately reflects the real meaning of the concept under consideration. However, an instrument cannot measure the attribute of interest if it is unpredictable, inconsistent, and inaccurate. Leary (2004) mentioned about three types of validity: Internal validity, External validity, and construct validity.

Internal Validity: is how the findings of the research match reality and as the researcher measure the things that are aimed to measure. Internal validity of a research study is the extent to which its design and the data it yields allow[s] the researcher to draw accurate conclusions about relationships within the data (Leedy and Ormrod, 2010). Moreover, the reality in quantitative research is an ongoing process, it always changes because what is being studied is how people understand. Different authors have commented what is adequate for conclusion. Leedy and Ormrod (2010) maintained that response rates of over 70% are very good. Punch (2003) recommended that survey researchers should strive for response rates 60% or better. Babbie (2008) found that a response rate of 50% is considered adequate for “analysis and reporting. Martin (2006) considered a response rate of more than 60% to be high. Phillips et al. (2001) maintained that a response rate between 50%-80% is considered high. In order to ensure that the survey results represent the entire employee base at the bank, response rates was examined and it was 95% response rate.

External Validity: It refers to whether the observed associations can be generalized from the sample to the population, or to other people, organizations, contexts, or time (Leary, 2004).

External validity also denotes to the generalizability of results from a quantitative study of

populations, settings, times and so forth (Tashakkori and Teddlie 2010). The more representative, the more confident we can be in generalizing from the sample to the population. As for this study it is assumed that all branches of BOA operate in a similar way with respect to policies and practices so that it can address external validity through taking representative samples and can be generalized to all branches of BOA over the country and give an insight to other private banks in Ethiopia.

**Construct Validity:** It examines how well a given measurement scale is measuring the theoretical construct that it is expected to measure. The main purpose of a researcher by exploring construct validity is to determine whether the inferences made about the results of the assessment are meaningful and serve the purpose of the assessment. In this study, the researcher tried to address the construct validity through clearly defining the construct of interest and develop valid measures that operationalize defined constructs. Previous studies have verified that the measurement scales have reasonable construct validity (Schaufeli et al. 2002; Seppala et al. 2009). In addition, this addressed through the review of literature and adapting instruments used in previous research.

**Content validity:** is defined as the degree to which items in an instrument reflect the content to which the instrument will be generalized (Straub, Boudreau et al. 2004). Content validity involves evaluation of a new survey instrument to ensure that it includes all the items that are essential and eliminates undesirable items to a particular construct domain (Lewis et al., 1995, Boudreau et al., 2001). Content validity involves the degree to which the study is measuring what it is supposed to measure. More simply, it focuses on the accuracy of the measurement (John et.al, 2007). Many constructs in social science research are difficult to define, much less measure. In this study, validation of the instrument was given by academic advisor prior to the data collection.

### **3.12. Reliability of the Questionnaires**

Validity is a necessary but not sufficient condition of a measure. A second consideration is reliability, which is the ability of the measure to produce the same results under the same conditions. Reliability concerns the extent to which a measurement of a phenomenon provides stable and consistent result (Carmines and Zeller, 1979). Hair et al. (2007) defines reliability as the extents to which a variable or a set of variables is consistent in what it is intended to measure.

To be valid the instrument must first be reliable. The easiest way to assess reliability is to test the same group of people twice: a reliable instrument will produce similar scores at both points in time (test–retest reliability). Testing for reliability is important as it refers to the consistency across the parts of a measuring instrument (Huck, 2007). A scale is said to have high internal consistency reliability if the items of a scale “hang together” and measure the same construct (Huck, 2007, Robinson, 2009). Reliability differs from validity in that it relates not to what should be measured, but instead to how it is measured. To ensure the inner consistency of the present instrument, it will use the Cronbach’s alpha coefficient. Developed by Lee Cronbach in 1951, the Cronbach’s alpha coefficient is a statistical tool that evaluates the confidentiality through the inner consistency of a questionnaire. For the utilization of this coefficient, it is a requirement that all the items of an instrument use the same measurement scale.

The Cronbach’s alpha is obtained by the variance of individual components and by the variance of the components sum of each evaluated, aiming to investigate the possible relations between the items. The survey questionnaires tested by computing a Cronbach’s alpha coefficient based upon data collected from BOA. According to Zikmund, Babin and Griffin (2010) scales with coefficient alpha between 0.8 and 0.95 are considered to have very good quality, scales with coefficient alpha between 0.7 and 0.8 are considered to have good reliability, and coefficient alpha between 0.6 and 0.7 indicates fair reliability. The Cronbach’s alpha for all questions under each criterion should be above 0.70, indicating that the questions deal with the same underlying construct (Spector 1992) or, as Moss et al. (1998) suggested, an alpha score of 0.6 is generally acceptable. And the study has the sum of the independent variables average Cronbach’s alpha value of ( $\alpha = 0.78$ ) and the reliability test of the study is located on “*good*” range.

### **3.13. Ethical Considerations**

Hart (2005, p. 307) states that “ethics in research, as in everyday life, are a combination of socialization, instinct, discretion and been able to put yourself in the position of others to reflect on and see our actions as others may do”. There are certain ethical protocols that will be followed by the researcher. The first is soliciting explicit consent from the respondents. This ensured that their participation to the study is not out of their own choice. The researcher also ensure that the respondents will be aware of the objectives of the research and their contribution to its completion. One other ethical measure that will be exercised by researcher is treating the

respondents with respect and courtesy (Leary, 2004). This will be done so that the respondents are at ease and more likely to give honest responses to the questionnaire. All participation in this research will be voluntary. There will be also ethical measures that will be followed in the data analysis. To ensure the integrity of data, the researcher will check the accuracy of encoding of the survey responses.

## **CHAPTER FOUR**

### **DATA PRESENTATION, ANALYSIS AND DISCUSSION**

#### **4.1. Introduction**

The data collected from employees of Bank of Abyssinia Addis Ababa region branches using questionnaires are presented and discussed in this chapter. This section of the study deals with the statistical testing of hypothesis and interpretation of the result using SPSS version 28. Therefore, the findings of the study are presented and analyzed in this chapter. The questionnaire developed for this study was five Likert scale ranging from five to one; where 5 represents strongly agree, 4 agree, 3 neutral, 2 disagree, and 1 strongly disagree. The study used correlation analysis to measure the degree of association between different variables under consideration. Regression Analysis was also used to test the effect of independent variables on the dependent variable.

#### **4.2. Rate of Response**

From the total 315 distributed questionnaires; 297 or 95% of the questionnaire were found to be completed correctly and used for further analysis and the remaining 18 or 5% of the questionnaires were not returned or not valid for analysis. The data collected were presented, analyzed and interpreted given that the objectives of investigation and testing is the effects of independent variables on dependent variable of the study. After collecting the questionnaires, a verification was done before going to further analysis to check for completeness and consistency.

#### **4.3. Reliability test**

In accordance with Churchill's (1979) recommendation, refinement of the scale requires the computing of reliability coefficients (Cronbach's alphas). The Cronbach's alpha for all questions

under each criterion should be above 0.70, indicating that the questions deal with the same underlying construct (Spector 1992) or, as Moss et al. (1998) suggested, an alpha score of 0.6 is generally acceptable. As stated by Nunnally (1978) the closer the reliability coefficient to 1.00 is the better. In general, reliabilities less than 0.60 are measured poor; those in the range of 0.60 to 0.80 are considered good and acceptable. Once the answers were collected, Chronbach's Alpha was conducted to test the reliability of the instrument. In this study, all the independent variables and dependent variable, met the above requirement. The alpha value for each question is identified and summarized in Table-4.1 as shown below.

**Table 4.1. Alpha coefficient for each section of Questionnaire**

<b>Number</b>	<b>Variables of the study</b>	<b>No. Items</b>	<b>Alpha Value</b>
1	Job characteristics	7	0.757
2	Leadership style	45	0.795
3	Rewards and recognition	6	0.809
4	Employee engagement	17	0.770

Source: SPSS output of the survey, 2022.

#### **4.4. Demographic Characteristics of Respondents**

The first part of the questionnaire consists of six items about the demographic information of the respondents. It covers the personal data of respondents such as gender, age, educational qualification, marital status, year of service and current job position. The following tables depicted each demographic characteristic of the respondents.

##### **4.4.1. Gender of Respondents**

The demographic data for gender shows that out of the 297 respondents there were 194 males and 103 females. Almost two third of the respondents as shown in table 4.2 shows that the male respondents formed majority of the target population with a percentage of 65.31%, while female respondents were representing 34.69%.

**Table 4.2 Gender distribution of respondent**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	194	65.31	65.31	65.31
	Female	103	34.69	34.69	100.0
	Total	297	100.0	100.0	

Source: SPSS output of the survey, 2022.

#### **4.4.2. Age of respondents**

The sample population age distribution was clearly depicted at fig. 4.3 below is largely dominated by respondents who are at the age of 25 – 30 years old which accounts 150 (50.51%) of the total sample. The next higher group was 49 (16.49%) fall under age categories of less than age 25. The remaining groups 46 (15.49%), 38 (12.79%) and 14 (4.72%) were under the age categories of 31-35, 36-40 and above 41 years respectively. From this result we can conclude that most employees of the bank are at the young age group.

**Table 4.3 Age Status of respondent**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 25	49	16.49	16.49	16.49
	25- 30	150	50.51	50.51	67.00
	31- 35	46	15.49	15.49	82.49
	36 - 40	38	12.79	12.79	95.28
	Above 41	14	4.7172	4.72	100.0
	Total	297	100.0	100.0	

Source: SPSS output of the survey, 2022.

#### **4.4.3. Level of Education of Respondents**

When looking at the educational qualification of respondents, the highest number of respondents, 212 (71.38%) have Bachelor’s Degree followed by 74 (24.92%) Master’s Degree holders and 11 (3.7%) are Diploma holders as shown in table 4.4. Therefore, it is possible to say that more than 96% of sample respondents hold Bachelor’s Degree and above.

**Table 4.4 Educational Qualification**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	11	3.7	3.7	3.7
	Bachelor Degree	212	71.38	71.38	75.08
	Master's Degree	74	24.92	24.92	100.0
	Total	297	100.0	100.0	

Source: SPSS output of the survey, 2022.

#### **4.4.4. Marital status of Respondents**

The table 4.5 below indicates single respondents dominated which covers 182 (61.28%), followed by married respondents which stands second highest number 105 (35.36 %) and the remaining 10 (3.36%) are divorce participate as a respondent in the research.

**Table 4.5 Marital status of Respondents**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	182	61.28	61.28	61.28
	Married	105	35.36	35.36	96.64
	Divorce	10	3.36	3.36	100.0
	Total	297	100.0	100.0	

Source: SPSS output of the survey, 2022.

#### **4.4.5. Year of Service of Respondents**

With regard to year of service in BOA 141 (47.47%) of respondents fall under the category of 1-4 years of work experience, 91 (30.64%) of respondents fall under the category of 5-9 years of work experience, 45 (15.15%) of respondents are in the category of 10-20 years of work experience, and 20 (6.74%) of respondents have over 20 years of work experience. According to this figure, employees of the bank are largely dominated by workers who have been working in the bank for less than nine years. Since most of the respondents are youngsters, it seems to be they have few years of work experience.

**Table 4.6 Year of Service of Respondents**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 – 4 years	141	47.47	47.47	47.47
	5 – 9 years	91	30.64	30.64	78.11
	10 – 20 years	45	15.15	15.15	93.26
	Above 20 years	20	6.74	6.74	100.0
	Total	297	100.0	100.0	

Source: SPSS output of the survey, 2022.

#### **4.4.6. Current Job Position of Respondents**

Table 4.7 shows that the current job position of respondents CSO job position covers 127 (42.76%). And the second higher respondents 119 (40.06%) of them were different professional with job title like marketing officer, customer relationship officer, loan officer, secretary, international banking officer, and auditor. The remaining 31 (10.44%) are Customer Service Managers and 20 (6.74%) are Cashiers. This data indicated that almost all employees of the BOA were involved in the study, and this might give a good result of study and full representation of respondents.

**Table 4.7 Current Job Position of the Respondents**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Customer Service Officer	127	42.76	42.76	42.76
	Customer Service Manager	31	10.44	10.44	53.2
	Cashier	20	6.74	6.74	59.94
	Other	119	40.06	40.06	100.0
	Total	297	100.0	100.0	

Source: SPSS output of the survey, 2022.

### **4.5. Correlation Analysis**

The hypotheses discussed in the first chapter aimed to investigate the determining factors of independent variables (job characteristics; leadership style; and reward and recognition) on the dependent variable (employee engagement) in BOA. Correlation analysis is done to examine this

relationship. The Pearson Product-Moment Correlation Coefficient is a statistic that indicates the degree to which two variables are related to one another. The sign of a correlation coefficient (+ or -) indicates the direction of the relationship between -1.00 and +1.00. The sign shows whether there is a positive correlation (as one variable increase, other also increase) or negative correlation (as one variable increase, other decrease). A positive correlation indicates a direct positive relationship between two variables. Higher correlation value indicates stronger relationship between both sets of data (Coetzee 2003). A negative correlation, on the other hand, indicates an inverse, negative relationship between two variables (Ruud et. al. 2012).

**Table 4.8 Measures of Associations and Descriptive Adjectives**

Measure of Association	Descriptive Adjective
> 0.00 to 0.20; < -0.00 to - 0.20	Very weak or very low
> 0.20 to 0.40; < -0.20 to - 0.40	Weak or low
> 0.40 to 0.60; < -0.40 to - 0.60	Moderate
> 0.60 to 0.80; < -0.60 to - 0.80	Strong or high
> 0.80 to 1.0; < -0.80 to - 1.0	Very high or very strong

**Source: (MacEachron, 1982)**

Hence, the correlation output of the dependent and independent variables is interpreted based on table 4.9.

**Table 4.9 Correlation Matrix between the dependent and the independent Variables**

Correlations						
S. No.			Job Characteristics	Leadership style	Reward & recognition	Employee engagement
1	Job Characteristics	Pearson Correlation Sig. (2-tailed)	1			
2	Leadership style	Pearson Correlation Sig. (2-tailed)	.463** .000	1		
3	Reward & recognition	Pearson Correlation Sig. (2-tailed)	.397** .000	.397** .000	1	

4	Employee engagement	Pearson Correlation	.681**	.659**	.525**	1
		Sig. (2-tailed)	.000	.000	.000	

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

Source: SPSS output of the survey, 2022.

Based on the survey result, job characteristics found to have a strong positive relationship with employee engagement ( $r=.681$ ,  $p<0.01$ ). Similarly, leadership has a strong positive influence on employee engagement ( $r=.659$ ,  $p<0.01$ ). Good leader inspires his/her followers to put in their best and drives a business in a systematic and defined way. It shows leadership style in practice, in any organization, to a large extent, can determine how engaged an employee will be. And finally, reward & recognition was also found to have a moderate positive relationship with employee engagement ( $r=.525$ ,  $p<0.01$ ).

#### 4.6. Multiple Regression Analysis

Multiple regression analysis is used to discover the relationship between one dependent variable and several independent variables or predictors (Pallant, 2005). Multiple regression also tells that how much of the variance in the dependent variable can be explained by independent variables. Before running multiple linear regression analysis, the researcher has conducted basic assumption tests before running the regression model. These are normality of the distribution, linearity of the relationship between the independent and dependent variables and multicollinearity tests. Each test is explained below.

##### Test 1: Multicollinearity

Multicollinearity refers to the situation in which the independent/predictor variables are highly correlated. One major assumption that applies in multiple regression analysis the existence of a very high correlation between the independent variables of the study which is termed as Multicollinearity (Burns and Burns, 2008). This may lead to the paradoxical effect, whereby the regression model fits the data well, but none of the predictor variables has a significant impact in predicting the dependent variable. In this research multicollinearity was checked with tolerance and VIF statistics. Andy (2006) suggests that a tolerance value less than 0.1 almost certainly designates a serious collinearity problem. Burns and Burns (2008) also state that a VIF value greater than 10 is also a concern. Field (2009), also underline that, values for “tolerance” below

0.1 indicate serious problems, although several statisticians suggests that values for “tolerance” below 0.2 are worthy of concern. In this study, all the independent variables were found to have a tolerance of more than 0.1 and a VIF value of less than 10 (see table 4.10 below) which indicates that Multicollinearity is not an issue in this study.

**Table 4.10 Result of Multicollinearity test**

Coefficients <sup>a</sup>			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Job Characteristics	.731	1.367
	Leadership style	.731	1.367
	Reward & Recognition	.784	1.275
a. Dependent Variable: Employee Engagement			

**Test 2: Normality Distribution Test**

Multiple regressions require the independent variables to be normally distributed. Verifying the normality of the scales within the sample of study is an essential practice before conducting multiple regression analysis. Skewness and Kurtosis are statistical tools which can enable to check if the data is normally distributed or not. According to Smith and Wells (2006), Kurtosis is defined as “property of a distribution that describes the thickness of the tails”. The thickness of the tail comes from the number of scores falling at the extremes relative to the Gaussian/normal distribution”. Skewness is a measure of symmetry. A distribution or data set is symmetric if it looks the same to the left and right of the center point.

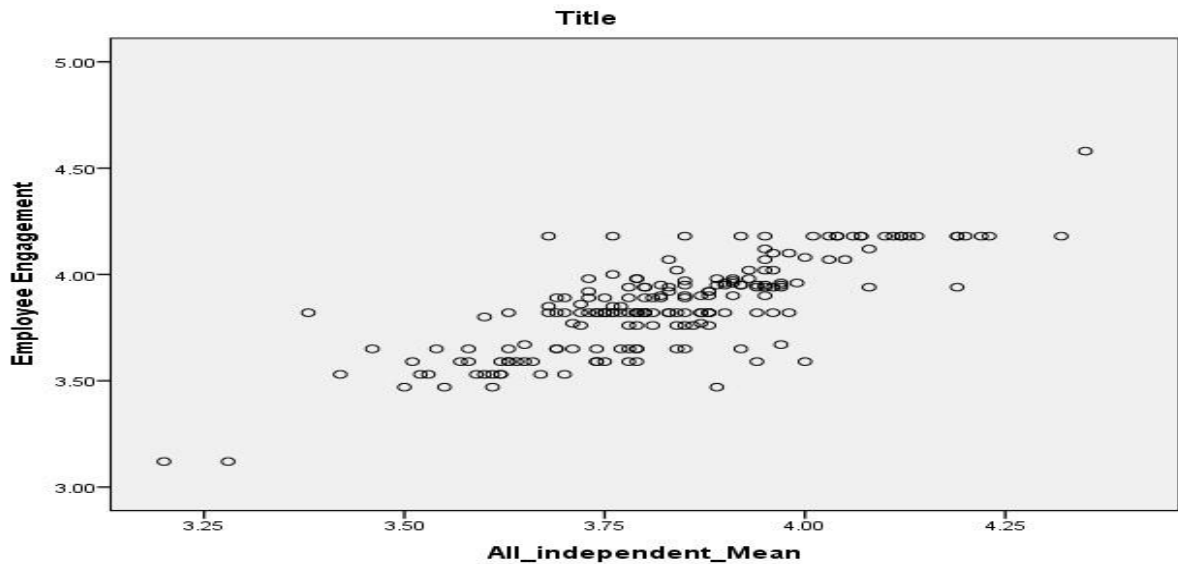
The skewness and kurtosis test results of the data is within the acceptable range (-1.0 to +1.0) and it can be concluded that the data is normally distributed. The Kurtosis and skewness results are presented in table 4.11.

**Table 4.11 Result of normality test**

	N	Skewness		Kurtosis	
		Statistic	Std. Error	Statistic	Std. Error
Job characteristics	297	-.057	.176	.060	.350
Leadership style	297	-.222	.176	-.023	.350
Reward & recognition	297	.361	.176	1.763	.350
Employee engagement	297	-.170	.176	.720	.350
Valid N (listwise)	297				

**Descriptive Statistic Test 3: Linearity of the Relationship Test**

The third assumption for computing multiple regressions is test of the linearity of the relationships between dependent and the independent variables. As depicted in the below scatter the visual inspections of the scatter plot shows there exists a linear relationship between the employee engagement determinants and employee engagement. The scatter plot is presented in table 4.12.



**Table 4.12 Linearity of the Relationship Test**

#### 4.6.1. Model Summary

In the model summary below (table 4.13), the multiple correlation coefficients R, indicates a very strong correlation of .805 between employee engagement and the three independent variables.  $R^2 = .647$  reveals that the model accounts for 64.7% of the variation in the employee engagement and is explained by the linear combination of all the independent variables.

**Table 4.13 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.805 <sup>a</sup>	.647	.642	.12829

a. Predictors: (Constant), job characteristics, leadership style reward & recognition

Source: SPSS output of the survey, 2022

#### 4.6.2. ANOVA Model Fit

ANOVA analysis is normally used to compare the mean scores of more than two variables. It is also called analysis of variance because it compares the variance between variables (Pallant, 2005). Accordingly, table 4.14 of this study shows that the value of R and  $R^2$  found from the model summary is statistically significant at (F=114.448), (P<0.001) and it can be said that there is a relationship between employee engagement and the predictors (determinants).

**Table 4.14 ANOVA Model Fit**

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.651	3	1.884	114.448	.000 <sup>b</sup>
	Residual	3.078	187	.016		
	Total	8.729	190			

a. Dependent Variable: Employee engagement

b. Predictors: (Constant), job characteristics, leadership style reward & recognition Source: SPSS output of the survey, 2022

#### 4.6.3. Beta Coefficient

The coefficients are the coefficients which can explain the relative importance of explanatory variables. These coefficients are obtained from regression analysis after

all the explanatory variables are standardized.

As it can be seen from table 4.15 below, the standardized coefficient of job characteristics is the largest value followed leadership style and reward and recognition. The larger the standardized coefficient, the higher is the relative effect of the determinants to the employee engagement.

**Table 4.15 Beta Coefficient**

Model		Coefficients <sup>a</sup>				
		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
		B	Std. Error			
1	(Constant)	.093	.203		.459	.647
	Job characteristics	.433	.052	.423	8.327	.000
	Leadership style	.388	.052	.382	7.521	.000
	Reward & recognition	.166	.040	.205	4.183	.000

a. Dependent Variable: Employee engagement

Source: SPSS output of the survey, 2022

Therefore, based on the result in the regression coefficient table 4.15 and accordingly to the above general mathematical equation the estimated regression model of this study for BOA is presented below.

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

$$Y = .093 + .433X_1 + .388X_2 + .166X_3 + .12829$$

$$\text{Employee engagement} = 0.093 + 0.433 \text{ job characteristics} + 0.388 \text{ leadership style} + 0.166 \text{ reward \& recognition} + 0.12829$$

The intercept ( $\beta_0$ ) is the point on the vertical axis where the regression line crosses the Y axis. The value of  $\beta_0$  is 0.093 which means the expected value of employee engagement is 0.093 when all the three variables assume zero value.

## **4.7. Discussion**

The study goal was to analyze the determinants of employee engagement in Bank of Abyssinia. In the next section, the determinants will be discussed.

### **4.7.1. Job Characteristics**

In this study, job characteristics significantly predicted job engagement. This finding supports Saks' (2006) finding that job characteristics predicts employee engagement. The finding is also consistent with many other studies which examine the links between job characteristics and employee engagement. This result adds to a growing collection of studies (e.g., Sulea et al. 2012; Shantz et al. 2013) that examine the effect of job characteristics on employee engagement. The literature review looked at the work of Kahn who argued that task characteristics can build psychological meaningfulness (1990). Psychological meaningfulness is one of the conditions which can produce engagement. This work by Kahn built on similar findings by Hackman and Oldham (1980) who maintained that skill variety, task identity and task significance produce a psychological state of meaningfulness at work. In addition, they claim that increased autonomy allows individuals to experience greater responsibility. Existing studies on engagement show a positive association between engagement and job characteristics (Richardson, Burke, & Martinussen, 2006; Bakker, Hakanen, Demerouti and Xanthopolou, 2007). Wood and Bandura (1989) claimed that there is statistically significant impact of job characteristics on employee engagement. As Brass (1981) explained, persons occupying centralized positions are more likely to receive more feedback from agents than persons occupying peripheral positions. Feedback, one component of job characteristics, increases the employees' capability to engage (Gittell in Grant and Parker, 2009), fosters learning, increases job competence (Bakker, 2009) and stimulates the process of giving and gathering advice. It could be predicted that the more a job requires usage of a variety of different skills, the more the employee should try to seek these skills from coworkers and therefore reach higher centrality in learning and advice networks. As explained by Hackman and Oldham (1976) the task is more likely to be experienced as meaningful when it requires an employee to engage in activities that challenge or stretch his or her skills and abilities. In addition, it could be claimed that when the employee satisfies the need for a meaningful job, the employee is also more engaged in gaining knowledge and skills from coworkers. So, skill variety increases employee work engagement. In addition, this finding

maintains Macey and Schneider's (2008) proposition of trait engagement, which says that engaged employees strive to solve challenging tasks and achieve difficult goals. Derara Tessema (2014) also found out that this is an important factor in predicting employee engagement. It was also claimed by Macey and Schneider (2008) that an employer, while already having engaged employees, must create a work environment where the employees' energy could be manifested and sustained. May et al. (2004) suggested managers should foster meaningfulness through job enrichment by designing jobs in line with Hackman and Oldham's (1980) Job Characteristic Model.

#### **4.7.2. Leadership Style**

This study has found out that leadership style has a significant effect on employee engagement. The finding is consistent with the new trend of encouraging employees' autonomy, in accordance with Bandura's (2002) concept of self-efficacy, which is enhanced by emotional support, words of encouragement and positive persuasion. Leaders who provide this support facilitate employees' understanding of organizational goals and enhance employees' work roles. Other previous research reported that leadership style has a direct impact on employee engagement (Babcock-Roberson and Strickland, 2010; Breevaart et al., 2014; Hansen et al., 2014; Popli and Rizvi, 2015; Zhu et al., 2009). Bakker and Schaufeli (2008) found that employees who have positive interactions with their managers have increased levels of engagement. Leadership styles can be linked to engagement as engaged individuals are characterized by displaying high levels of energy, inspiration, enthusiasm, passion (Zigarmi et al., 2009), willingness to reach the extra mile of performance (Macey and Schneider, 2008). Leaders play an important role in the development of engagement by "projecting the ideals and characteristics that are tied to engagement drivers, such as being supportive, and providing a vision to the employees that goes beyond short term goals but the long-term goals of the organization" (Batista-Taran, 2014). Harris (2007) also showed that the effectiveness of leaders had a significant direct relationship to employee engagement. Hayes (2002) also argue that employees will have higher levels of work engagement when their basic and especially higher order needs are taken care of by their leaders within the organization. Leaders have been proven to influence and motivate employees through demonstrating clear values and fostering positive teamwork in an agreeable manner as indicated by Kouzes and Posner (2012) and Yukl (2012). They have an influential role in improving employee engagement. For any type of organization to flourish and develop its operations, the

organization must make good leadership their main concern.

#### **4.7.3. Rewards and Recognition**

Reward & recognition was also found to have a moderate positive relationship with employee engagement ( $r=.525$ ,  $p<0.01$ ). Much of the literature indicates rewards and recognition drive to a better level of employee engagement which is in line with the finding of this study. Crawford et al. (2014) explain that in most cases, rewards and recognition are linked to greater engagement levels. Similarly, Cook (2008) asserts that fair pay reward and recognition are key drivers of employee engagement. They should be fair in terms of comparisons within the organization and with other organizations in the industry (Robinson et al., 2004). Armstrong and Taylor (2017) also agree with this as rewards and recognition represent direct and indirect returns on the investment of an employee's time in their role. Previous studies discovered that a lack of recognitions or rewards can lead to burnout, therefore proper recognitions or rewards is very important for engaged employee (Gonzalez-Roma et al., 2006; Kahn,1990; Maslach et al., 2001; Ola, 2011). Reward & recognition is comparatively having the lowest effect on predicting employee engagement. This finding supports a theory which states that engagement is not a merely momentary and specific state, but rather, it is "a more persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behavior" (Schaufeli et al.,2002). Williams (2008) held that providing employees with deserved rewards and recognition and involving them in organizational decisions could help boost employee engagement. Smith (2010) maintained that to improve employee engagement, management should demonstrate that it cares about the employees' wellbeing, demonstrate genuine interest in their development, and recognize their achievements. Ram and Prabhakar (2011) study also indicated that when performance receives its due recognition & employees share it in the form of benefits of the organization, they become more engaged. Saks (2006) also found out that rewards and recognitions of good work performances are a very good ways to boost employee engagement. This research finding is also comparable with the result of some previous studies conducted by Hence which is one might expect that employees to be more engaged at work to the extent that they perceive a better number of rewards and recognition for their role performances.

According to Brick (2012), recognition is critical to the culture and operation within the workplace, which impacts workforce engagement. Haines and St-Onge's (2012) also discovered that rewards and recognition directly affect employee engagement and performance. The findings from the analysis suggests that when employees are been rewarded and recognized for their contributions, their engagement level will increase. This view was supported by Lavigna (2015). Lavigna's study proposed that good communication, employees' voice as well as reward and recognition are all factors that can lead to increased employees' engagement.

### **Summary of Hypothesis Testing**

This sub-topic summarizes each of hypotheses stated previously. The results are displayed in the table below.

**Table 4.16 Summary of hypothesis testing**

<b>S. No.</b>	<b>Hypothesis</b>	<b>Test result</b>
1	H1. Job characteristics have significant positive effect in predicting employee engagement.	Accepted
2	H2. Leadership style has significant positive effect in predicting employee engagement.	Accepted
3	H3. Reward and recognition have significant positive effect in predicting employee engagement.	Accepted

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter presents summary, conclusion and some relevant recommendations to practice as well as for future researchers based on objective of the study mentioned in chapter one.

#### 5.1. Summary of the Findings

The purpose of this study was to investigate the determinants of employee engagement in BOA Addis Ababa area by using quantitative data. The findings of the research finally lead to answer the research question discussed in chapter one i.e. *Do job characteristics influence employee engagement? Does leadership style influence employee engagement? Do reward and recognition influence employee engagement?* 315 questionnaires were distributed to the respondents out of which, 297 questionnaires were returned with a response rate of 95%. The sum of the independent variables average Cronbach's alpha value is ( $\alpha = 0.782$ ) and the reliability test of the study is located on "Acceptable" range.

Out of 297 respondents, 65.31% (194) are male and 34.69% (103) were females. 96.3% of the respondents have Bachelor Degree and Master's Degree. 78.11% of the respondents have less than 10 years of experience.

The study discussed the determinants of employee engagement in BOA. Accordingly, from the regression analysis, it can be concluded that leadership style and reward & recognition have the largest effect on employee engagement.

The study also examined the effect of the three determinants on employee engagement and it is answered by the regression model summary,  $R^2 = .647$  which revealed that the model accounts for 64.7% of the variation in the employee engagement is explained by the linear combination of all the independent variables.

The ANOVA test result showed that R and  $R^2$  found from the model summary was statistically significant at ( $F=114.448$ ), ( $P<0.001$ ).

## **5.2. Conclusions**

Based on the findings the following conclusions are made:

- This study supports the inclusion of job characteristics, leadership style, and rewards and recognition in models of employee engagement. The results have important implications for assisting managers and companies to better understand and control factors that may lead to improved levels of employee engagement.
- The study also demonstrated the importance of three variables (namely job characteristics, leadership style and rewards & recognition) in predicting employee engagement in BOA. This would help the Bank to identify how these determinants are operating currently and work on them to improve the level of its employee engagement.
- Job characteristics has a significant effect on employee engagement followed by leadership style.
- The study revealed that jobs that are high on the core job characteristics provide individuals with the room and incentive to bring more of themselves into their work or to be more engaged.
- There is a direct positive relationship between leadership styles and employee engagement.
- This research has shown that when employees receive rewards and recognition from their organization, they will feel obliged to respond with higher levels of engagement.

## **5.3. Recommendations**

Based on the findings and the conclusions made before the following recommendations are provided:

- The bank should assess engagement levels of their employees through employee engagement measurement scales to identify gaps and take appropriate measures to bridge gaps.
- As job characteristics was found to be the most significant predictor of employee engagement in Bank of Abyssinia, the bank should focus on designing jobs considering the five core job characteristics (i.e. skill variety, task identity, task significance, autonomy, and feedback). Bank of Abyssinia should redesign jobs to increase autonomy, challenge, variety and skill utilization (Guest, 2014). Leaders need to discuss with their

direct reports about performance and feedback meetings to learn which parts of the job hold the most interest for each employee and which tasks are most challenging.

- To ensure that the employees are fully engaged, leaders must practice employee-oriented leadership style. Thus, leaders must pay close attention to their followers' needs on a basic level and be willing to respond appropriately. Bank of Abyssinia should focus on implementing leadership skills practices to areas where engagement is low after measuring employee engagement. This will mark quality of work, efficiency in operations, retention of employees, customer satisfaction and to increase competitive advantage.
- Since reward and recognition strategies play an important role in reflecting the employee engagement, the organization need to modify their rewards strategy to be aligned with their own organization objective. Bank of Abyssinia should maintain the employees to keep doing well on their work by providing a good reward and recognition instead. Bank of Abyssinia should also work more on providing training & development opportunities, career advancement & promotion opportunities among others. The better the reward and recognition in company the better the employee engagement. This will maintain a good relationship between company and its own employees.
- For the bank, it is especially important to be consistent in terms of the distribution of rewards and recognition as well as the procedures used to allocate them.

#### **5.4. Future Research Directions**

- The scope of the study can be further increased and enriched to include more variables under the theoretical framework in future studies by incorporating other determinants of employee engagement including organizational justice, work environment, team and coworker relationship have a positive effect on engagement.
- Future studies can also employ longitudinal studies to study the determinants of employee engagement in organizations. The cross-sectional nature of the data limits the interpretation of the findings. It will be important to do a longitudinal study to get a more reliable result.
- Multiple measurement methods for justifiability of the theoretical model can include other methods like in-depth interviews, focus group interviews, nominal group technique etc.
- The sample size of this study was limited to Addis Ababa area, in this regard, to make the conclusion and recommendation more wide and applicable for more organizations in the

industry, future researches may conduct the research in industry wide or nationwide by increasing the sample size and diversify organization types.

- The scope of the study can be further broadened to increase various views of employee engagement like job engagement and organizational engagement.
- There are several studies that have been done on determinants of employee engagement but not so many of them have been conducted in Ethiopia. Other studies need to be done to fill the gap.

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## Appendixes

### ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE COLLEGE OF BUSINESS AND ECONOMICS DEPARTMENT OF BUSINESS LEADERSHIP RESEARCH QUESTIONNAIRE

Research Topic: Employee Engagement at the Case study of Bank of Abyssinia

**Name of student: Rediat Mengistu**

**Address: Tel: +251912043603 email: [rediatmengistu1986@gmail.com](mailto:rediatmengistu1986@gmail.com)**

**Dear respondent,**

I am a student of Master of Business Leadership at Addis Ababa University School of Commerce College of Business and Economics. Currently, I am undertaking research entitled “Employee Engagement at the Case study of Bank of Abyssinia”. You are one of the respondents selected to participate on this study. Please assist me in giving correct and complete information to present a representative finding on the status of the determinants of employee engagement on the Bank of Abyssinia within Addis Ababa region Branches. Your participation is entirely voluntary and the questionnaire is completely anonymous. No individual ‘s responses will be identified as such and the identity of persons responding will not be published or released to anyone. The data will be kept confidentially and it will be used for study purpose only.

Thank you in advance for your kind cooperation and dedicating your time.

Sincerely,  
Rediat Mengistu

#### **Instructions**

- No need of writing your name
- For Likert scale type statements indicate your answers with a check mark (✓) in the appropriate box.



**SECTION TWO: THE COMPONENTS OF QUESTIONS RELATED TO DETERMINANTS OF EMPLOYEE ENGAGEMENT**

The table in the next pages consists of list of items, Please put (√) mark for every statement based on your level of agreement.

1= Strongly Disagree; 2= Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree

No.	Description of items	1	2	3	4	5
<b>Job characteristics</b>						
1	There is much autonomy in my job.					
2	My job permits me to decide on my way how to go about doing the work.					
3	There is many varieties in my job.					
4	The job requires me to do many different things at work, using a variety of my skills and talents.					
5	Managers or co-workers let me know how well I am doing on my job.					
6	Doing the job itself provide me with information about my work performance.					
7	The actual work itself provide clues about how well I am doing.					
<b>Leadership Styles</b>						
<b>The person I am reporting to...</b>						
1	Provides me with assistance in exchange for my efforts					
2	Re-examines critical assumptions to question whether they are appropriate					
3	Fails to interfere until problems become serious					
4	Focuses attention on irregularities, mistakes, exceptions, and deviations from standards					
5	Avoids getting involved when important issues arise					
6	Talks about his/her most important values and beliefs					
7	Is absent when needed					
8	Seeks differing perspectives when solving problems					
9	Talks optimistically about the future					
10	Instills pride in me for being associated with him/her					
11	Discusses in specific terms who is responsible for achieving performance targets					
12	Waits for things to go wrong before taking action					
13	Talks enthusiastically about what needs to be accomplished					
14	Specifies the importance of having a strong sense of purpose					
15	Spends time teaching and coaching					

		1	2	3	4	5
16	Makes clear what one can expect to receive when performance goals are achieved					
17	Shows that he/she is a firm believer in "If it isn't broke, don't fix it."					
18	Goes beyond self-interest for the good of the group					
19	Treats me as an individual rather than just as a member of a group					
21	Acts in ways that builds my respect					
22	Concentrates his/her full attention on dealing with mistakes, complaints, and failures					
23	Considers the moral and ethical consequences of decisions					
24	Keeps track of all mistakes					
26	Articulates a compelling vision of the future					
27	Directs my attention toward failures to meet standards					
28	Avoids making decisions					
29	Considers me as having different needs, abilities, and aspirations from others					
30	Gets me to look at problems from many different angles					
31	Helps me to develop my strengths					
32	Suggests new ways of looking at how to complete assignments					
33	Delays responding to urgent questions					
34	Emphasizes the importance of having a collective sense of mission					
35	Expresses satisfaction when I meet expectations					
36	Expresses confidence that goals will be achieved					
37	Is effective in meeting my job-related needs					
38	Uses methods of leadership that are satisfying					
39	Gets me to do more than I expected to do					
40	Is effective in representing me to higher authority					
41	Works with me in a satisfactory way					
42	Heightens my desire to succeed					
43	Is effective in meeting organizational requirements					
44	Increases my willingness to try harder					
45	Leads a group that is effective					
<b>Rewards and Recognition</b>						
1	A pay raise, job security, and a promotion available for me					
2	I get praise from my supervisor.					
3	Training and development opportunities available for me.					
4	More challenging work assignments available for me.					
5	There is some form of public recognition (e.g. employee of the month).					
6	There is a reward or token of appreciation (e.g. lunch).					

### SECTION THREE: QUESTIONS RELATED TO EMPLOYEE ENGAGEMENT

No.	Description of items	1	2	3	4	5
<b>Employee Engagement</b>						
1	I find my work full of meaning and purpose.					
2	I feel strong and vigorous when I am working.					
3	I am enthusiastic about my job.					
4	My job inspires me to do my best.					
5	At my work, I feel bursting with energy.					
6	I feel happy when I am working intensely.					
7	I am proud of the work that I do.					
8	My job is challenging to me.					
9	I get carried away when I am working.					
10	I am physically energized when I am at work.					
11	Time passes quickly when I am at work.					
12	When I am working, I forget everything else around me.					
13	When I get up in the morning, I feel like going to work.					
14	I can continue working for long periods of time.					
15	At my job, I am very mentally resilient.					
16	I find it difficult to detach myself from my job.					
17	I always persevere at my job, even when things do not go well					

**Thank you very much for your participation! Your efforts are greatly appreciated!!!!**