

**THE EFFECT OF EMPLOYEE ENGAGEMENT ON JOB PERFORMANCE  
AND THE MEDIATING ROLE OF JOB SATISFACTION: THE CASE OF  
ETHIO TELECOM (ADDIS ABABA)**



*A Thesis Submitted to Addis Ababa University College of Business and Economics, School of Graduate Studies in Partial Fulfillment of Master of Science in Management Specialization in Organization Excellence and Total Quality Management*

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## DECLARATION

I declare that this study entitled ‘**The Effect of Employee Engagement on Job Performance And the Mediating Role of Job Satisfaction: The Case of Ethio Telecom (Addis Ababa)**’ is my original work and has not been submitted to any other Institution or University other than the Addis Ababa University College of Business and Economics. This Thesis has been presented for Examination with my Approval as the appointed Advisor, and that all sources of materials used for the study have been duly acknowledged.

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**ADDIS ABABA UNIVERSITY  
COLLEGE OF BUSINESS AND ECONOMICS**

**SCHOOL OF GRADUATE STUDIES**

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## Table of Contents

<b>Contents</b>	<b>Page</b>
DECLARATION .....	i
Approved by.....	ii
ACKNOWLEDGEMENTS .....	iii
List of Tables .....	viii
List of Figures .....	ix
Acronyms .....	x
<i>ABSTRACT</i> .....	xi
<b>CHAPTER ONE .....</b>	<b>1</b>
<b>INTRODUCTION.....</b>	<b>1</b>
1.1 Background of the Study.....	1
1.2 Background of the Organization .....	4
1.3 Statement of the Problem .....	6
1.4 Research Questions .....	9
1.5 Objectives of the Study .....	9
1.5.1 General Objective.....	9
1.5.2 Specific Objective .....	9
1.6 Significance of the Study .....	9
1.7 Scope of the study .....	10
1.8 Definition of Terms.....	11
1.9 Limitation of the study .....	12
1.10 Organization of the study .....	12
<b>CHAPTER TWO .....</b>	<b>13</b>
<b>LITERATURE REVIEW.....</b>	<b>13</b>
2.1 Theoretical review.....	13
2.1.1 Employee Engagement.....	13

2.1.2 Drivers of Employee Engagement .....	15
2.1.3 Job performance .....	16
2.1.4 Job Satisfaction .....	17
2.1.5 Job Satisfaction and Employee Engagement .....	18
2.1.6 Mediating Role of Job Satisfaction .....	19
2.1.7 Employee Engagement Models.....	20
2.1.7.1 Gallup Model of Engagement .....	20
2.1.7.2 Robinson et al (2004) model .....	21
2.1.7.3 Kahn’s model of Engagement (2004) .....	22
2.1.7.4 The Job Demand Resource (JD-R) Model of Work Engagement.....	22
2.1.7.5 Aon Hewitt’s Model of Employee Engagement .....	23
2.1.7.6 A new model for employee engagement.....	24
2.2 Empirical Review.....	25
2.3 Conceptual Framework .....	27
2.4 Research Hypotheses .....	27
<b>CHAPTER THREE .....</b>	<b>29</b>
<b>RESEARCH METHODOLOGY.....</b>	<b>29</b>
3.1 Introduction.....	29
3.2. Research Approach .....	29
3.3 Research Design.....	29
3.4 The study area .....	30
3.5 Populations and Sampling Design.....	30
3.5.1 Target Population.....	30
3.5.2 Sampling Design .....	31
3.6 Data Collection.....	32
3.7 Method of Data Analysis .....	32
3.8 Validity and Reliability.....	33

3.8.1 Reliability.....	33
3.8.2 Validity.....	34
3.9 Measurement scales of Variables.....	34
3.10 Ethical Considerations .....	35
<b>CHAPTER FOUR.....</b>	<b>36</b>
<b>DATA ANALYSIS, INTERPRETATION, AND DISCUSSION.....</b>	<b>36</b>
4.1 Response Rate of the Respondents.....	36
4.2 Demographic Profile of the Respondents.....	36
4.3 Descriptive Statistics of variables .....	39
4.4 Correlation Analysis.....	41
4.4.1 Relationships between Dependent and Independent Variables.....	41
4.4.2 Relationships between Independent Variables and Dependent variable with Mediator Variable .....	42
4.5 Regression Analysis .....	43
4.5.1 Multicollinearity Test.....	43
4.5.2 Linearity and homoscedasticity Test.....	44
4.5.3 Normality Test .....	45
4.6 Testing the research hypothesis.....	46
4.6.1 Control Variables .....	47
4.6.2 Regression Results .....	49
4.6.2.1 The Effect of Employee Engagement on Job performance.....	49
4.6.2.2 The Effect of Employee Engagement on Job Satisfaction .....	51
4.6.2.3 The Effect of Job Satisfaction on Job performance .....	52
4.6.3 Mediation Regression Analysis.....	52
<b>CHAPTER FIVE.....</b>	<b>59</b>
<b>SUMMARY OF MAJOR FINDINGS, CONCLUSIONS AND .....</b>	<b>59</b>
<b>RECOMMENDATIONS.....</b>	<b>59</b>
5.1 Summary of Major Findings .....	59

5.2 Conclusions .....	61
5.3 Recommendations .....	63
5.4 Suggestion for Future Researches .....	64
References .....	65
Appendix -1.....	70
Appendix 2.....	75
Appendix 3 .....	76

## List of Tables

	<b>Page</b>
Table 3.1 Employees of HQ and Addis Ababa zones .....	32
Table 3.2 Reliability Test (Analysis) of Items .....	33
Table 4.1 Demographic Profile of Respondents .....	37
Table 4.2 Descriptive Statistics of variables .....	40
Table 4.3 Correlations (with all variables) .....	42
Table 4.4 the VIF and Tolerance Values for the Independent Variables .....	44
Table 4.5 Model Summary & Coefficients' (Control Variables).....	48
Table 4.6 Model Summary and Coefficients (Three Models).....	50
Table 4.7 Coefficients (Model 1) .....	53
Table 4.8 Coefficients (Model 2) .....	53
Table 4.9 Coefficients (Model 3) .....	54
Table 4.10 Coefficients (Model 4) .....	55
Table 4.11 Summary of Hypothesis Results.....	57

## List of Figures

	<b>Page</b>
Fig. 2.1 Robinson's (2004) .....	29
Fig. 2.2 Kahn's Model of Engagement.....	30
Fig.2.3 Conceptual Framework Model.....	27
Fig. 4.1 Linearity and homoscedasticity Test .....	45
Fig 4.2 Normality.....	46

## **Acronyms**

<b>AA</b>	Addis Ababa
<b>CAAZ</b>	Central Addis Ababa Zone
<b>EAAZ</b>	East Addis Ababa Zone
<b>ET</b>	Ethio Telecom
<b>ETC</b>	Ethiopian Telecommunications Corporation
<b>HR</b>	Human Resources
<b>HRM</b>	Human Resources Management
<b>HQ</b>	Head Quarter
<b>NAAZ</b>	North Addis Ababa Zone
<b>SAAZ</b>	South Addis Ababa Zone
<b>SWAAZ</b>	South West Addis Ababa Zone
<b>UWES</b>	Utrecht Work Engagement Scale
<b>WAAZ</b>	West Addis Ababa Zone

## **ABSTRACT**

*The main purpose of this study was to analyze the effect of employee engagement on job performance and the mediating role of job satisfaction in Ethio telecom (Addis Ababa).The researcher employed Utrecht Work Engagement Scale (UWES) and the short version of Minnesota Satisfaction Questionnaire (MSQ) used for measuring employee engagement and Job satisfaction.*

*Descriptive statistics used to analyze the data and cluster sampling used to select the samples. A structured close ended questionnaire used to collect data from a total target population 8,794 permanent employees and sample of 383 professional and managerial employees in Ethio Telecom (Addis Ababa). The SPSS version 22 used to conduct the statistical analysis of all data in this study. Pearson Correlation and multiple regression analyses were conducted to examine the suggested hypothesis and test the direct and mediated relationships among variables. The findings indicated that the overall employee engagement dimensions have positive and significant relationship with job performance with vigor ( $r=.544$ ), Absorption ( $r=.547$ ), and dedication ( $r=.245$ ) with  $p=.000$  with absorption had the most contribution.*

*The overall Employee Engagement has significant effect on job performance with (Beta=.488,  $p=0.00$ ). The results suggested that Job satisfaction had also positively and significantly affected Employee's job performance. Furthermore, four steps and bootstrapping criteria used to analyze the partial mediation of associations between Employee engagement (vigor, dedication, and absorption) and job performance of Ethio Telecom (Addis Ababa). Therefore, it is better that Ethio Telecom give priority on the dedication dimension Employee engagement and provide due attention how to inspire, proud and enthusiastic about their job to get crucial competitive advantages and successful including higher productivity and lower employee turnover.*

***Key words: Vigor, Dedication, Absorption, Employee Engagement, Job Satisfaction, and job performance***

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Employee engagement has been widely viewed from the psychological perspective based on the Job Demand Resources model. The first assumption of Job Demand Resources model is that characteristics of work environments can be classify into two general categories, job demands and job resources. Job demands are those physical, social or organizational aspects of the job that require sustained physical and/or psychological effort (Bakker, 2005). The relationship between engagement and job demands are inconclusive with some studies finding a positive association between engagement and demands (De Braine & Roodt, 2011). Job resources constitute a general category of job characteristics that incorporate various specific resources and expected to play either an intrinsic or an extrinsic motivational role because of instrumental in achieving work goals (Schaufeli & Bakker, 2004).

The Job Demand Resource model theory assumes gain spirals between job resources and engagement, which implies that both could reciprocally strengthen each other. When employees are endowed with job resources, they could become more engaged over time, and engaged employees are inclined to be more energized to take advantage of existing job resources and consequently more motivated to create new resources. This energy and attention inherent in engagement allow employees to bring their full potential to the job (Abu Bakar, 2013). Generally, The Job Demand Resource Model states that when job demands are high and job positives are low, stress and burnout are common. On the contrary, good job positives (job resources) can offset the effects of extreme job demands and encourage motivation and engagement (Simon Bell, 2019).

Employee engagement is a novel concept that has been building momentum in recent years, became a very popular concept during past two decades, and has become the top issue on the minds of business leader (Byrne, 2014). Employee Engagement is quite a new construct in HR literature and mirrored the growing importance of human capital and psychological involvement of employees in business (Saloni Devi, 2017). With the right knowledge, the right tools, and most importantly the proper mindset, employee engagement can be a powerful way to transform organization and improve bottom line (Snack Nations, 2019). With the right knowledge as a

conscious strategy of employee engagement to the right people at the right time and helping people share and put information into action in ways that strive to improve organizational performance. Employee engagement is the extent to which an employee's personal goals and interests align with the vision and goals of the company at which they are employed. With the right tool for the right job, employee engagement can be a powerful way to transform organization and improve bottom line.

The mindset employee has or develop determines the outcome of our lives and companies, this implies that employee success and transformation of lives depend on our mindsets. Getting the right information is what helps to transform our lives. For instance, getting the right information is what helps to transform our bottom line and organization (Ferdinand S.Lawson, 2019). This means when organizations have an environment where employees are engaged by their work, a boost to company's bottom line and higher level of product; employee engagement can be a powerful way to transform organizations.

Kahn (1990) defines employee engagement as the harnessing of organization members' selves to their work roles, in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances. So, the extent to which an employee's personal goals, and interests align with the vision and goals of the company at which they are employed (Victoria Holbrook, 2019). Employee engagement is defined as an employee with high morale, high level of commitment, and enthusiasm, who is more loyal to the organization and is more directed towards work (Salimath & Kavitha, 2016).

Mullen (2010) defines employee engagement as employee's involvement, job satisfaction and commitment to the organization.

Job satisfaction has been found to lead to positive workplace attitudes, intentions, behaviors, and performance outcomes both directly and indirectly at different levels (Bednarska and Szczyt, 2015).

Engaging employees is a key to satisfy organization's customers and a fully engaged employee brings enthusiasm and zeal to their work, which is directly related to cohesive workplace culture

and the extra efforts, better ideas, and innovations that make organizations succeed (Saloni Devi, 2017).

Every organization desire to be successful as much as current environment is very competitive and organizational performances are influenced by employee's satisfaction (Latif & Ahmad, 2015). In order to overcome challenges, organizations should create a strong and positive relationship with its employees, direct them towards task fulfillment and ensure they have job satisfaction (Fisher, 2012). In addition, in order to achieve their goals and objectives, organizations develop strategies to compete in highly competitive markets and to increase their performance.

Employee Satisfaction is a measurement of an employee's "happiness" with current job and conditions; it does not measure how much effort the employee is willing to expend (Musgrove, 2014). Employee satisfaction is the minimum entry fee that needs to be met for an employee to be fully engaged. In this regard, employee engagement can be considered as a more complex concept than job satisfaction, being testament to a company's capacity to create an environment where employees offer the most of their capability and dedication in order to achieve high performance and results (Florea, 2019). While employee satisfaction and employee engagement are both critical to maintaining a happy and productive workforce, achieving satisfaction without engagement will have significantly less impact on business results (ADP, 2012). Engaged employees believe that the values and behavioral norms, which the organization promotes, are truly lived up and adhered to leading to a sense of trust and integrity. An engaged employee experiences is a blend of job satisfaction, organizational commitment and feelings of ownership and empowerment (Florea, 2019).

Engagement is closely linked to an employee's emotional connection to his or her company, and how that connection translates to job performance as well as engagement drives performance at the individual level and has a positive significant effect on an organization level too.

Gallup (2013) in his American Workplace report estimates that active disengagement costs American companies \$450 to 550 billion in lost productivity each year. Additionally, Gallup (2013) finds that employee engagement program is powerful evidence of the impact of employee engagement on the bottom line and engaged workers are the lifeblood of their organizations. According to The Impact of Employee Engagement on Performance, a study by HBR, 71% of

respondents agree that employee engagement is very important to the overall success of the organization. Organizations who have highly engaged employees tend to have higher productivity, satisfaction levels and low turnover. The findings of this study would desire top managers and decision-makers to value the effect of employee engagement on job performance and how to engage employees to get improved job performance, and improved bottom line. Additionally, the mediating role of job satisfaction should enable managers to find more.

In order to remain competitive in the market, Ethio Telecom must encourage positive employee engagement as a strategic tool to achieve a competitive advantage for the company and develop world-class human resource management, which would help to improve employee's ability to meet the needs and expectations of customers.

## **1.2 Background of the Organization**

Emperor Menelik II introduced telecommunication service in Ethiopia in 1894 when the construction of the telephone line from Harar to the capital city, Addis Ababa, commenced. The telecommunications sector restructured and two separate independent entities namely Proclamation No. 49/1996 established the Ethiopian Telecommunications Authority (ETA) and the Ethiopian Telecommunications Corporation (ETC) on November 1996 as a regulatory body for Telecommunication Services. The Ethiopian Telecommunication Agency (ETA) started its operation by giving license in four areas of services, namely, Public Switched Telecommunication Network (PSTN), Cellular Mobile, Internet and Data communication services to Ethiopian Telecommunication Corporation (ETC), which established by Council of Ministers regulation No 47/1999 as an incumbent state owned operator.

The current Ethiopian government has made the development of information and communication technology (ICT) one of its strategic priorities. Currently, Ethio telecom is providing all types of services (PSTN, cellular Mobile, Internet and data communication services) in all parts of the country and Ethio telecom is the sole telecommunications services provider in Ethiopia. The vision of the 'new ETC' is to position Ethio telecom as a world class service provider of telecommunications, and to ensure that the company will run parallel with top telecom operators. Its mission is to connect every Ethiopian through ICI, to provide products and services that enhance the development of our nation and to build successful brand known for its customer consideration. With meeting international standards Ethio telecom, remain faithful for the

following core values: Customer-centric, Excellence, Accountability, Impartiality, and Sharing. The new Ethio Telecom was born with the view of delivering high quality service, efficient work process with less cost by making the hierarchical organizational structure flat, avoiding barriers between departments, eliminating repeated work and empowering employees with the vision of being the world's best telecom service provider. The total number of the state monopoly Ethio Telecom mobile data internet users in Ethiopia has reached 19.49 million. The total number of telecom service subscribers in Ethiopia has also reached 41.1 million, according to the report. Out of the total 39.53 million are mobile subscribers. The report also indicated that the total telecom coverage in Ethiopia has reached 43%.

Globally, the development of telecommunication industry is one of the important indicators of social and economic development of a given country and considering as a key lever in the development of Ethiopia. Thus, Ethio Telecom is born from this ambition in order to bring about a paradigm shift in the development of the telecom sector to support the steady growth of the country.

Therefore, in order to remain competitive in the market, it is better organizations like Ethio Telecom encourage positive employee engagement as a strategic tool to achieve a competitive advantage for the company. Because all engaged employees are happy, but not all happy employees are engaged so, the main objective of this study was to examine the effect of employee engagement on Job Performance and the Mediating Role of Job satisfaction and takes a further step by investigating employee engagement from the strategic human resource management perspective.

### **1.3 Statement of the Problem**

Employee engagement became a very popular concept during past two decades and has become the top concern on the minds of business leaders. Several scholars have argued that employee engagement is likely to result in motivated work behavior and as a result, enhanced job performance (Inceoglu & Fleck, 2010).

Many researchers have claimed that employee engagement predicts employee outcomes, organizational success, and financial performances in terms of total shareholder return (Bates, 2004). In addition, employee engagement is about how their work performance is associated or aligned with the outcomes of organization (Amhalhal et. al, 2015).

As companies across industries try hard to survive and rise above the stiff competition, physical and mental well-being of employees will be one of the important aspects that HR managers need to tend focus on (Madhura & Pandita, 2014). Hence, employee engagement is today seen as a powerful source of competitive advantage in the turbulent times (Neelika & Bhagat, 2016).

When employees are satisfied and 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 (Samuel Mokaya and Maureen Kipyegon, 2014). An engaged workforce cannot only lead to competitive advantage, but it creates a positive atmosphere within the organization (Brid O'Carroll, 2015). Engaged employees are those who give full discretionary effort at work, and are highly vigorous and dedicated to their job, while disengaged employees are those who are motivationally disconnected from work, who do not have the energy to work hard and who are not enthusiastic at work (Bakker et al. 2008; & Towers Perrin 2009). Not-engaged employees are employees who are at work but are making no active contribution to the success of the organization and negatively affect multiple business areas, such as customer service, productivity, profit, and performance in the workplace (Fink, 2012).

According to Some literatures satisfaction at work is a strong determinant of organizational identification and commitment and organizational performance (Back et al., Yee et al., 2011). There is a close relationship between job satisfaction and performance (Hanan, 2009). According to Dinc (2017) over all job satisfaction mediates the relationship between "normative" and "affective commitment" and job performance. Additionally, Job satisfaction only partially mediated the association between IT employee engagement and organizational performance

(Mahmoud Al-dalahmeh & Bader Obeidat, 2018). Baron and Kenny (1986), who stated that having a partial mediation model is more realistic in most social science research as a single mediator cannot be expected to completely explain the relationship between the independent variable and the dependent variable.

According to Rayton and Yalabik (2014), the study to explore two links between Psychological Contract Breach (PCB) and work engagement, and between job satisfaction and work engagement; job satisfaction mediates the relationship between PCB and work engagement, which indicates that engagement occurs when there comes a feeling in employees that organization meets all their obligations and simultaneously employees achieve job satisfaction. Such a result suggests that employee engagement relies to a certain extent on the presence of a third variable like Job satisfaction to influence organizational job performance.

As a result, job satisfaction considered as a mediating variable in this study and to investigate the effect of employee engagement on job performance, and how employee engagement affects job performance.

Despite employee engagement being an important component to employee job performance, there is not enough academic literature in the area of employees' engagement to find the effect of employees' engagement and the mediating role of job satisfaction on performance in developing countries like Ethiopia, especially in Ethio Telecom.

Even if, studies on employee Engagement have been carried out over the years they are largely based on the other parts like employee motivation for instance, impact of employee motivation on job performance in case of Tanzania banking sector (2013), turnover for example Employee Turnover and Organization Performance in Case of Shintes ETB Garment PLC (2018), and absenteeism for instance, The Effect of absenteeism on corporate performance in case study of cadbury Nigeria plc, ikeja, lagos state, Nigeria (Onikoyi, Idris Adegboyega , 2015). The other researchers conducted in Ethiopian context to measure the engagement level of employees of the Commercial Bank of Ethiopia (Yohannes, 2016) in which he found out that about 50.8% of the respondents were engaged and 42.9% were neutral and only 6.3% were disengaged.

Moreover, very few studies on employee Engagement have been done in Ethiopia let alone particularly Ethio Telecom, regardless of employee engagement being an important ingredient to

employee and organizational job performance for example, the Effects of Employee Engagement and Self-efficacy On Job Performance in case of Ethio-Telecom Head Office (2017) and few empirical studies exist regarding the job satisfaction for instance determinants of employee's job satisfaction in case of Heineken breweries S.C (2016).

Overall, there is empirical evidence that employee engagement influences organizational job performance, however, the current empirical studies have not adequately addressed the mediation influence/role and most of them have focused on the direct relationship of employee engagement and job performance only rather than indirect /mediation effect. For instance, Jemal (2017) in 'The Effects of Employee Engagement on Job Performance' showed only a positive/direct relation between employee engagement and job performance.

According to Ethio telecom 2018/2019 EFY Business Performance Report, employee engagement was one of the top issues in the company's report. This shows employee engagement is one of the decisive issues for company's competitive advantage and as the researcher's view so far, the issue is not getting much concern regarding the effect of employee engagement on job performance in Ethio Telecom.

This brings a great gap that needs to be filled in this research by considering the fact that Employee engagement is a good tool to help every organization to strive to gain competitive advantage over the others, to retain the best employees, and one-step towards creating a culture of engagement in Ethio Telecom.

Therefore, this study investigated the effect of employee engagement on job performance and the mediating role of job satisfaction in Ethio Telecom (Addis Ababa) employees.

## **1.4 Research Questions**

The study was guided by the following key research questions:

1. Are employees of Ethio Telecom engaged or not?
2. Does Employee Engagement (i.e. vigor, dedication, and absorption) have an effect on job performance?
3. Does Job satisfaction have a mediating role in effect of employee engagement (i.e. vigor, dedication, and absorption) on job performance in Ethio Telecom?

## **1.5 Objectives of the Study**

### **1.5.1 General Objective**

The general objective of the study is to examine the effect of employee engagement on job performance and the mediating role of Job satisfaction in context of Ethio Telecom (Addis Ababa).

### **1.5.2 Specific Objective**

The specific objectives of the study are:

- ✓ To assess whether employees of Ethio Telecom (Addis Ababa) are engaged or not.
- ✓ To assess the effect of employee engagement (i.e. vigor, dedication, and absorption) on job performance.
- ✓ To assess the mediating role of Job satisfaction in relationship with employee engagement (i.e. vigor, dedication, and absorption) and job performance.

## **1.6 Significance of the Study**

The findings of this research are important to help:

- ✓ The human resource management especially in Ethio telecom (Addis Ababa) and help them to understand employee behavior better, to develop policies and employee engagement strategies.
- ✓ To assists the leaders in any other organization at large that faces the problem of understanding how their employee's engagement effect on job performance.

- ✓ To create knowledge and information for academicians and other researchers on the effect of employee engagement on job performance and the mediating role of job satisfaction.
- ✓ To benefit scholars as it is a contribution to the body of knowledge in this broad, yet not fully exploited and new concept area of human resource management.

### **1.7 Scope of the study**

Ethio Telecom has 24 regions and zonal offices including head quarter in Ethiopia today. However, the purpose of this study, concerning methodological scope the study used quantitative research approach because of the nature of the research questions and most appropriate method.

The scope of this study circles around the study is delimited to examine the effect of employee engagement (vigor, dedication and absorption) on job performance and the mediating role of job satisfaction in context of Ethio Telecom (Addis Ababa).

Conceptually, the study covers only three dimensions of employee engagement developed by UWES due to its extensive acceptance and validity in many countries in academic research while numerous conceptual dimensions of employee engagement. Therefore, the study's conceptual scope limited to three dimensions of employee engagement including vigor, dedication, and absorption. Job Performance was measured in three dimensions namely trait emotional intelligence, in-role job performance, and extra-role job performance. The short version of Minnesota Satisfaction Questionnaire (MSQ) was used for measuring Job satisfaction in this study because of provides more specific information and their extensive applicability.

Geographically, the study was carried out in Ethio Telecom especially in Addis Ababa head office and six zones because of the logic that it is possible but difficult to cover all areas of Ethio Telecom in Ethiopia including all regions. This is due to time and resources constraints as a result the researcher decided to conduct the research through sampling method, hence the chosen sample represents the whole population.

## **1.8 Definition of Terms**

**1.8.1 Employee Engagement:** the extent of employees' involvement to their works, which depends on organizational practices to achieve organizational goal and occurs when employees are involved with, committed to, enthusiastic, and passionate about their work.

A measurement of an employee's emotional commitment to an organization; it considers the amount of discretionary effort an employee expends on behalf of the organization.

**1.8.2 Vigor:** characterized by high levels of energy and mental resilience while working, the willingness to invest effort in one's work, and persistence even in the face of difficulties (Schaufeli & Bakker, 2003). e.g. "At my work, I feel bursting with energy").

**1.8.3 Dedication:** refers to being strongly involved in one's work and experiencing a sense of significance, enthusiasm, inspiration, pride, and challenge (Schaufeli & Bakker, 2003).

(e.g. "I am proud on the work that I do").

**1.8.4 Absorption:** characterized by being fully concentrated and happily engrossed in one's work, whereby time passes quickly, and one has difficulties with detaching oneself from work (Schaufeli & Bakker, 2003). (e.g. "I am absorbed in my work").

**1.8.5 Actively disengaged employees:** are not just unhappy at work; they are busy acting out their unhappiness (Gallup, 2006).

**1.8.6 Engaged employees:** are builders work with passion and feel a profound connection to their company (Gallup, 2006).

**1.8.7 Not-engaged employees:** are the categories in which majority of the employees in the organization fall and the one who seek directions from their superior and do only that work which has been asked for (<https://businessjargons.com/hr>).

**1.8.8 Job Satisfaction:** the extent to which an employee feels self-motivated, content & satisfied with his/her job and happens when an employee feels he or she is having job stability, career growth and a comfortable work life balance.

Job Satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one's job or experience (Locke and Henne, 2001).

**1.8.9 Job Performance:** a means to reach a goal or set of goals within a job, role, or organization (Campbell, 1990), but not the actual consequences of the acts performed within a job.

### **1.9 Limitation of the study**

The first limitation of the study was limited on the effect of employee engagement on job performance and the mediating role of job satisfaction at Ethio Telecom in Addis Ababa because of geographical scope and limited resources, it would have been more comprehensive if it had included Ethio Telecom as a whole and other organizations.

The second limitation was lack of cooperation from some employees and respondents were not dedicated enough to respond the questionnaires, rather they leave the question not answered because of Employees are very busy. To overcome the problem the researcher explained the Purpose of the Study and give a realistic estimate of the Time it will Take to response.

Finally, some respondents were reluctant and kept conveying their idea freely, on what they really believe in.

### **1.10 Organization of the study**

The study was organized in to five chapters. The first chapter deals with the Introduction of the study, background of the study, statement of the problem, scope of the study, questions of the study, objective of the study, significances of the study, definition of terms, and limitations of the study.

The second chapter of research mainly concentrated on providing explanations for related theoretical literature review on the effect of employee engagement on job performance and the mediating role of job satisfaction, Empirical Literature of the study, and research hypothesis.

The third chapter deals with mainly the research methodology including research approach, design, study area, target population, data collection, methods of data analysis, validity and reliability and ethical consideration.

The fourth chapter deals with the data analysis, interpretation, and discussion of the study on the effect of employee engagement on job performance and the mediating role of job satisfaction in Ethio Telecom.

Finally, The Fifth chapter of thesis mainly deals with summary of major results, conclusions, recommendations and suggestion for future research.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

This section discusses the theoretical, and empirical literature review on employee engagement including vigor, dedication and absorption, and job satisfaction. Job performance was also discussed in this study. Finally, hypothesis of the study is discussed, and conceptual framework of the study was drawn from the literature review.

#### **2.1 Theoretical review**

This section discusses the theoretical part of employee engagement (vigor, dedication and absorption), job performance and job satisfaction in detail

##### **2.1.1 Employee Engagement**

The employee engagement concept is relatively new for HRM and appeared in the literatures for nearly two decades. Employee engagement may seem a relatively recent concept, but it goes back over 20 years when the term first appeared in an academic journal in 1990 (Tom O’Byrne, 2019). Prior to that, during the 70’s and 80’s, HR’s (or as it was then ‘personnel’s’) focus was on employee satisfaction. But this had little or no connection with performance and was more about the employee than the organization or the employee’s relationship with it (Tom O’Byrne, 2019).

The concept of engagement matured and Key to this was a paper published by the Institute of Employment Studies (IES) in 1990 ‘From People to Profits, the HR link to the service-profit chain’ which showed how employee attitudes and behavior could improve customer retention and consequently sales performance.

The business case for engagement was supported by another seminal study in 2002 which also showed the link between engaged employees and profit.

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, 2005). The first academic research to specifically conceptualize and test antecedents and consequences of employee engagement occurred in 2005 (Saks, 2005). Employee Engagement Movement arrived to solve both employee and employer problems and it is arguably the most critical metric for organizations in this century.

The term Employee Engagement has been written broadly in Workforce Magazine, Harvard Business Review and the Washington Post and some researching firms such as DDI and Towers

Perrin. Additionally, Gallup Organization introduced the term Employee Engagement, from past 30 years, they are continuously surveying employees and employers and the results are fascinating. 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. It is apparent that employee engagement increases the organization’s bottom line and performance (Bartender, 2019).

Gallup as cited by Dernovsek (2008) likens employee engagement to a positive employees’ emotional attachment and employees’ commitment.

According to Bakker Demerouti (2008), Engaged employees have a sense of energetic and effective connection with their work activities, and they see themselves as able to deal well with the demands of their jobs.

Research shows that engaged employees produce better outcomes, and businesses with a high level of engagement report up to 4 times higher levels of success (Waggl,2018).

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.

As suggested by Hogan and Coote (2014), the measurement of employee engagement refers to the extent the employees are engaged with the organization. The measurement of engagement is a challenging task as it is potentially based on the perception of employees that is subjective. The surveys on employee engagement must be benchmarked and statistically validated against other organizations or companies if they are likely to provide some useful outcomes (Bandura and Lyons, 2014). There are several dimensions of employee engagement which make productive organizations stand apart as well as determine their destiny. Schaufeli et al. (2002) Employee engagement is a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption. And in order to determine whether employees in an organization are

considered engaged or not three facets are taken into consideration, which include vigor, dedication, and absorption (Ferreira and de Oliveira, 2014).

All these factors are required for an individual to show vigor while performing a certain job (Schaufeli et al, 2006). Joe Robinson (2015) defined it is the veritable definition of an engaged and proactive person someone who has not just the willingness, but the physical energy to go the extra mile, or, as it's known in the trade, "discretionary effort." The University of Rochester's Richard Ryan has called it the key element vigor is vitality, or energy available to the self.

This is the commitment piece of employee engagement and dedicated employees feel valued, because they have opportunities to contribute and make a difference (Joe Robinson, 2015).

According to Joe Robinson (2015) Engagement brings another gear of concentration to the task, powered by intrinsic motivation, inherent interest in doing the task. The goal is not to get done with the work as soon as possible, but to do it in the best possible way.

### **2.1.2 Drivers of Employee Engagement**

There are key drivers that lead to employee engagement which are common in most business organizations. Engagement affects every person inside the organization, and every person inside the organization affects bottom line. The best business leaders know that an engaged workforce can drive innovation, increase performance and raise productivity, grow the organization, improve customer care, and foster loyalty, both internally and externally.

Kahn (1990) considers the concept of engagement in two aspects i.e. personal engagement and disengagement. Personal engagement as the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances. Personal disengagement as the uncoupling of selves from work roles, in disengagement, people withdraw and defend themselves physically, cognitively, or emotionally during role performances. Disengaged employees have needs that are being neglected. As soon as they begin lacking motivation and become detached from their daily work, their productivity plummets.

Many employers then think the best solution is to increase salaries, benefits, and rewards and managers might then discuss various employee engagement best practices, staff retention strategies or employee recognition ideas. However, employee engagement programs and workshops will not work if five key drivers are missing. According to Naiman, 2019, leaders in the organization want

to focus on the five key drivers of employee engagement to ensure that staff feels they are: Connected (building relationships with others), Contributing (doing something meaningful), Free (have a sense of choice and autonomy), Growing (developing personally and professionally), Having Fun( really enjoying their time at work).

The most successful leaders in the world unleash the energy and creative power of their employees not by mastering employee engagement best practices, staff retention strategies or employee recognition ideas, but by honoring those five key drivers (Naiman, 2019).

The strongest driver of engagement is a sense of feeling valued and involved (Robinson, Perry & Hayday, 2004). This makes intuitive sense given that the components of the feeling valued and involved indicator relate to several aspects already identified as relevant to engagement including: involvement in decision-making, the extent to which employees feel able to voice their ideas, managers listen to these views, and value employees' contributions, the opportunities employees have to develop their jobs, and the extent to which the organization is concerned for employees' health and well-being (Robinson, S Perryman, & S Hayday, 2004).

According to Alexis Crosswell (2018) to improve employee engagement at the organization requires an understanding of what's driving engagement in organizations unique context for instance top 3 drivers of employee engagement are learning and development, leadership, and service and quality focus.

### **2.1.3 Job performance**

Performance is an important criterion for organizational outcomes and success. An entrepreneur might assume that job performance is only about how well employees perform their duties. However, job performance involves various factors. For example, you might expect an employee to add substantial value to your company because he can perform his task at a high level. "job performance" involves both "task performance" and "contextual performance. A strong level of job performance is an indication that your human resources department is doing their job"(Lorna Hordos, 2018).

Researchers showed that engagement is an individual-level construct that needs to influence the employee at first, and then follows by affecting the organization at large. In similar layer, job

performance and not organizational performance was tested as a direct consequence of employee engagement (Dajani, 2015). Kahn (1990) did not explicitly outline a relationship between employee engagement and job performance, but theoretical research has linked employee engagement to job performance.

#### **2.1.4 Job Satisfaction**

Successful organizations depend on the high performance of their employees to meet their objectives. In order to achieve their strategic aims and keep their competitive advantage, their employees must perform at high levels (Abdulwahab S. Bin Shmailan, 2016). If an employee's job satisfaction measures high, then they are generally happy with their job while a low job satisfaction indicates a poor view of the job.

According to Haque et al. (2012), the dimensions of job satisfaction or the factors affecting it have been broadly classified into two, namely- personal factors and organizational factors. The personal factors such as age, gender, race, and religion have a great impact on the job satisfaction level of employees. Organizational factors include leadership, technology innovation, professional development, recruitment, retention and rotation policies, working environment, salary and the workload. Lovering (2017) argued that the dimensions of job satisfaction could be understood in the light of Herzberg two-factor theory. Herzberg's motivation-hygiene theory explains that there are two kinds of factors namely: hygiene factors and motivators. Herzberg (1966) suggested that intrinsic job satisfaction factors include achievement, recognition, responsibility, advancement, growth, and the work itself. Although their absence was not necessarily is satisfying, when present, they could be a motivational force (Baylor, 2010). Extrinsic job satisfaction factors include supervision, working conditions, co-workers, pay, policies and procedures, job security, status, and personal life (Herzberg, 1966). They are not necessarily satisfying, but their absence could cause dissatisfaction (Baylor, 2010).

Herzberg motivation-hygiene theory (The two-factor theory) and Employee Engagement theory have different implication about job satisfaction.

Herzberg's motivation-hygiene theory (The two-factor theory) states that there are certain factors in the workplace that cause job satisfaction while a separate set of factors cause dissatisfaction, all of which act independently of each other. Theory proposes that people are influenced by two factors: those that impact motivation and basic factors that influence job satisfaction. Motivation

factors include challenging work, recognition, and responsibility. Hygiene factors consist of pay and benefits, supervision, working conditions, and job security (among others) (Charles Rogel, 2018)

Hygiene factors determine a person's level of satisfaction with their job and strongly influence employee retention.

Motivation factors influence how a person performs on the job. When an employee is motivated, they invest more of themselves in their work and strive to do better.

While, Employee engagement an employee can be satisfied with a job without being engaged in the job. Employee engagement is much more than being content with pay and the ability to leave at 3 pm. That contentedness is merely job satisfaction, and though satisfaction is generally enough to retain employees, it's not enough to ensure productivity. On the other hand, employee engagement does promote increased productivity.

The factors that drive employee engagement, however, are different than those that drive job satisfaction. Engagement factors include Meaning, Autonomy, Growth, Impact, and Connection. Organizations with genuinely engaged employees have higher retention, productivity, customer satisfaction, innovation, and quality. They also require less training time, experience less illness, and have fewer accidents.

Employee satisfaction is the minimum entry fee that needs to be met for an employee to be fully engaged (Charles Rogel, 2018). But Employee engagement is much more than being content with pay and the ability to leave at 3 pm.

### **2.1.5 Job Satisfaction and Employee Engagement**

Perhaps even more directly, some practitioners (e.g., Burke, 2005) measure Engagement as direct assessments of satisfaction With the Company, manager, work group, job, and work environment characteristics. Job satisfaction is important but it's just one aspect of employee engagement. Job Satisfaction is positively related to organizational commitment, job involvement, and organizational citizenship behavior and mental health. It is negatively related to turnover, perceived stress and pro-union voting (Kreitner, 2013) but the relationship of job satisfaction with performance is weak. Employee engagement may or may not be aligned with employee job satisfaction, as engagement is tied to employees' connection and commitment to their work and their organization (SHRM, 2016). An engaged employee is involved, satisfied and enthused with their job. There is ample opportunity to improve the employee engagement rate, according to

SHRM. In fact, less than a third of U.S. employees feel like they have engagement with their job according to Gallup. Employee satisfaction is important to an organization, but its engagement that will give organizations the driven, motivated employee needed to move the company toward its goals and beyond.

An employee can be satisfied with a job without being engaged in the job. That contentedness is merely job satisfaction, and though satisfaction is generally enough to retain employees, it is not enough to ensure productivity. On the other hand, employee engagement does promote increased productivity. An engaged employee is an employee who is deeply involved and invested in their work (Charles Rogel, 2018). Employee satisfaction is the minimum entry fee that needs to be met for an employee to be fully engaged.

The importance of knowing the difference between satisfaction and engagement is critical for an organization to make strategic decisions to create a culture of engagement.

Generally, researchers ask employees in satisfaction surveys to describe the working conditions which may be relevant for assessing the conditions that provide for Engagement, where we can 't directly tap Engagement. According to Blessing White, (2017) Engagement is obtained by the maximum job contribution and maximum job satisfaction.

### **2.1.6 Mediating Role of Job Satisfaction**

According to Baron and Kenny (1986), Mediator mediates the relationship between the independent and dependent variables explaining the reason for such a relationship to exist and it carries an effect. In a perfect mediation, an independent variable leads to change to the mediator variable, which then leads to a change in the dependent variable.

In this study, the job satisfaction was used as a mediator to investigate its mediating effect (indirect effect) on the title the effect of employee engagement on job satisfaction and the mediating role of job satisfaction. Similarly, Shmailan (2016) also added to the above argument by indicating that the employee engagement practices in the workplace ensure that the employees are ready to implement their skills, and ready to work for their organization by adopting a flexible working approach. These practices create such a working environment for the employees wherein they can share their perceptions and feelings with their colleagues and employers and are dedicated to the

organization (Shmailan,2016). This work commitment further ensures organizational effectiveness and job satisfaction in the employees. According to (Al-dalameh et al., 2018) employee engagement is positively associated and related with job satisfaction and organizational performance and negatively related to turnover and burnout.

### **2.1.7 Employee Engagement Models**

From the birth of the concept of employee engagement, many researchers and many organizations formulated models of employee engagement depending upon the research outcomes (Choudhury & Manoj Kumar, 2018). It was highlighted that from an employee 's point of view, Engagement is often about employees going the extra mile 'or exerting discretionary effort '. It was also found that many of the factors that drive Engagement are under the control of the organization. However, employees will place different emphasis on the extent to which they value each of these factors in exchange for their discretionary effort. There has been a pool of models given by various gurus, scholars for employee engagement. Here the researcher highlighted some of the prominent and worldwide-adopted models of Engagement. In this study the researcher used Gallup, Robinson et al., 2004, Job Demand Resource (JD-R), Aon Hewitt's, and Kahn's models of Engagement. Gallup Model of Engagement used as to differentiate employees whether Employees of Ethio Telecom were actively disengaged, engaged and not engaged. Robinson et al (2004) model used as a two-way relationship between the Ethio Telecom and employees. Kahn's model of Engagement (2004) used as to separate engagement from everyday hard work.

#### **2.1.7.1 Gallup Model of Engagement**

As per Gallup organization, are three basic categories exist in engagement, which are as actively disengaged, engaged and not engaged. The first category of employees who always dissatisfied and they spread unhappiness in the organization are called actively disengaged. The second categories of employee are called engaged employees, who can be identified with words like innovation, passion, commitment. They are committed to their work, give innovative ideas, connected to the company and are passionate towards their job. They are proactive, can anticipate the future market conditions and stay prepared well in advance for the same. The third type of employees is called not engaged employees those who almost fifty percent (50%) present in organizations (Choudhury & Manoj Kumar, (2018).

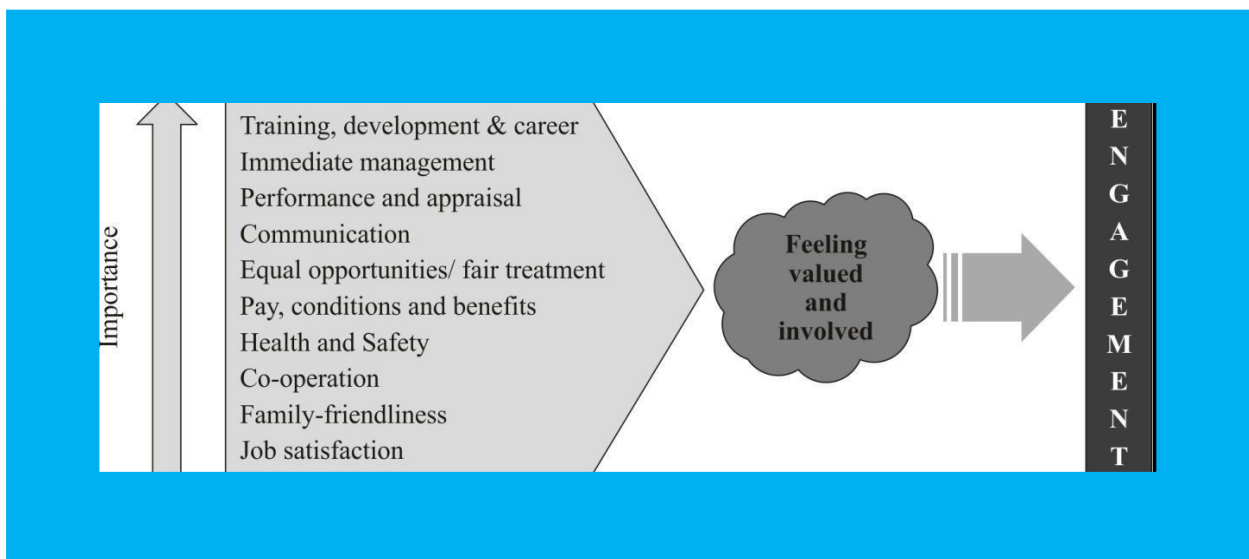
Harter, Schmidt and Keyes proposed a model of Engagement that is strongly influenced by Maslow 's hierarchy of needs. If the organization provides basic needs (i.e. facilities, materials and equipment) for the job obviously employees perform better in their job. After this, employees must feel that they are contributing for the organization development, provide opportunities to utilize their skills, timely rewards and recognition and constructive feedback (Harter et al., 2003). Harter et al. (2003) finally concludes that when all the above factors combine together, employees become highly engaged.

### 2.1.7.2 Robinson et al (2004) model

The model developed by Robinson et al., 2004 described engagement as a two-way relationship between the employer and employees. 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. (Bhagyasree, Kumar Panda, 2015).

Robinson et al (2004) model suggest that Performance Appraisal, Training, development, Equal opportunities, Communication, pay, fair treatment, friendly environment all these factors made employee involved and valued which ultimately leads to Employee Engagement.

Fig. 2.1 Robinson's (2004) Model



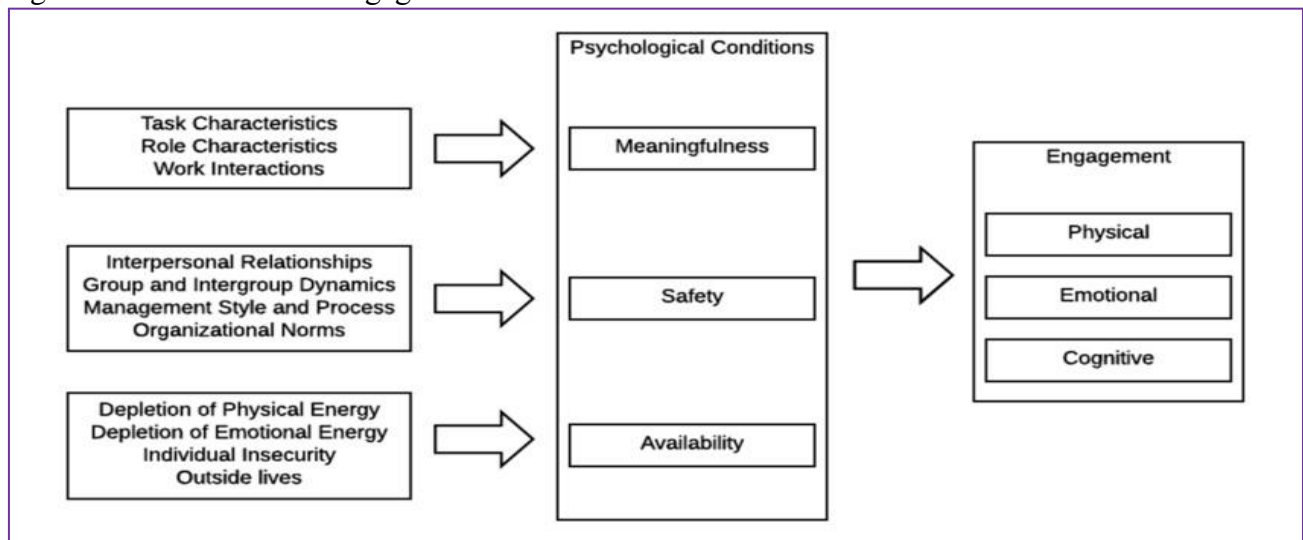
Source: Robinson's (2004) Model

### 2.1.7.3 Kahn's model of Engagement (2004)

Kahn's model (1990) of employee engagement is considered the oldest model of employee engagement. According to Kahn 's qualitative studies, examined the psychological conditions of personal Engagement and disengagement at work. His model emphasizes that there are three psychological conditions that are associated with personal engagement and disengagement of work: meaningfulness, availability and safety.

Work role fit, job enrichment, supervisor relations, coworker relations, outside activities leads to three conditions i.e. meaningfulness, availability and safety which lead to Employee Engagement (Kahn 1990, & Graboer, 2014). His findings separate engagement from everyday hard work. A diligent employee, who can harness their full self, will display loyalty and ownership.

Fig 2.2 Kahn's Model of Engagement



Source: (Kahn 1990, & Graboer, 2014).

### 2.1.7.4 The Job Demand Resource (JD-R) Model of Work Engagement

As per JD-R Model, Job and personal resources combined or independently envisage Work Engagement. When job demands are high, both job and personal resources have a significant and positive impact on Engagement. In turn, Work Engagement has a positive impact on performance. According to Job-Demand Resource Theory (JD-R), psychological contracts fulfillment acts as a job resources that enhances employee engagement. JD-R argues that employees sometimes expect to engage at work personally, they cannot produce engagement due to absent of favorable

condition in the work environment. This model further explains that employees who receive resources such as supervisory coaching and support from organizations are more likely to engage, and can provide superior service performance (e.g., providing prompt service, identifying product fitted with customers' need) (Aktar & Pangi, 2017).

### **2.1.7.5 Aon Hewitt's Model of Employee Engagement**

The vast majority of HR practitioners state that employee engagement is one of the primary objectives of a talent strategy. Many organizations are thus measuring employee engagement in regular employee surveys as an important business indicator. Measurement reliability and validity are important prerequisites of an effective engagement survey (Aon Hewitt, 2015).

The Aon Hewitt engagement model includes the organizational drivers and business outcomes of engagement as well as the individual outcome engagement itself. The employee engagement construct, Aon reference the psychological state and behavioral outcomes that lead to better performance. Engagement is thought to include a combination of several constructs widely accepted in academic literature such as affective and continuance commitment, motivation, and organizational citizenship behaviors. Engagement involves a combination of rational thought, emotions, intentions, and behaviors required for optimal performance and productivity. The Aon Hewitt engagement models operationalize employee engagement as a construct of six items composed of three observable facets of “say, stay, and strive” with two items each (Aon Hewitt, 2015).

This “say, stay, and strive” definition was derived from thousands of managerial interviews and focus group discussions they have conducted globally regarding what engaged employees think and do. The Aon Hewitt engagement models believe that an employee must exhibit all three facets of saying, staying, and striving to be considered “engaged.”

The findings of The Aon Hewitt engagement models measure have several important implications including: Engaged employees who “say, stay, and strive” matter. The extent to which employees say, stay, and strive is a good indicator of their engagement, can be used to measure organizational levels of engagement, and is a predictor of important business outcomes.

According to Aon Hewitt, 2015 “Stay” is still relevant and some would suggest that in today's workplace, loyalty has decreased and that the “stay” element is no longer relevant to engagement.

“Strive” is critical. Not all engagement measures include a “strive” element, even though this aspect is most consistent with a definition beyond employee satisfaction that implies “discretionary effort” or “going above and beyond” (Aon Hewitt, 2015).

The complete Aon Hewitt engagement model (2015) includes not only a measure of the engagement outcome but also several engagement drivers grouped under various large themes: brand, leadership, performance, the work, the basics, and company practices.

The construct is an internally consistent measure of engagement across industries and regions, and due to this consistency, the model can remain stable over time. The engagement scores derived from employee data also provide valid indicators of individual and group engagement, and these scores further serve as useful predictors of external, business-relevant criteria such as turnover, productivity, safety, customer satisfaction, sales, and profitability (Aon Hewitt, 2015).

#### **2.1.7.6 A new model for employee engagement**

The employee-work contract has changed, compelling business leaders to build organizations that engage employees as sensitive, passionate, creative contributors. Employees today have increased bargaining power, the job market is highly transparent, and attracting top-skilled workers is a highly competitive activity. Companies are now investing in analytics tools to figure out why people leave, and the topics of purpose, engagement, and culture weigh on the minds of business leaders everywhere (Josh Bersin, 2019).

## **2.2 Empirical Review**

This Section aims to analyze the previous studies, which have been conducted on the Employee engagement and Job performance and the mediating role of job satisfaction. More specifically, this part of the study tries to review the effect of employee engagement on job performance and the mediating role of job satisfaction and finally developing hypothesis.

Kahn (1990) in *Academy of Management Journal*: The study illustrates the nature of personal engagement & disengagement & the three psychological conditions (meaningfulness, safety, availability) found to influence those behaviors.

Gallup recently reported that a meager 33% of employees are engaged in U.S., with an Aon Hewitt study indicating that engagement has recently dipped for the first time since 2012.

The survey data collected by Gallup during 2014 of US companies showed that 31.5% of employee was engaged, 51.0% were not engaged and 17.5% were actively disengaged. That means over two thirds of employees nationwide are disengaged with their work. In an organization with engaged employees, there is less turnover, fewer incidents of employee theft, fewer safety mishaps, improved job performance, and better attendance (HW Staffing Solutions, 2018).

Bakker (2004) emphasized that employees who are engaged receive a higher rating from their coworkers on in role and extra role performance, indicating that engaged employees perform well and are willing to perform better.

Bakker et al. (2008) mentioned in his article 4 reasons why engaged workers perform better than non-engaged workers. Engaged employees: first, often experience positive emotions, including happiness, joy, and enthusiasm; Second, experience better psychological and physical health; Third, create their own job and personal resources (e.g. support from others); and final transfer their engagement to others.

Employee Engagement, Satisfaction, and Business Unit Level outcomes: A Meta-Analysis prepared by Harter & Schmidt (2014) suggested that A meta-analysis in 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.

In a research conducted by Gallup (2015), it was found out that 17.2% of the people working in the organizations are actively disengaged, 32 % are engaged and almost 50.8% are not engaged.

Yohannes (2016) in his Research in commercial bank of Ethiopia in which he found out that about 50.8% of the respondents were engaged and 42.9% were neutral and only 6.3% were disengaged.

According to Saloni Devi (2017) in the title, The Impact of employee engagement on organizational performance in the case study of selected private sector banks suggests that Engaged employees can help the organization achieve its mission, execute its strategy and generate important business results. They give their companies crucial competitive advantages including higher productivity, customer satisfaction and lower employee turnover.

Jemal Abuna (2017) in the title “The Effect of Employee Engagement on Job Performance in the case of Ethiopian Private Banks” suggested that the aggregate employee engagement (absorption, dedication & Vigor) has a positive direct impact on job performance ( $r=.333$ ,  $p<.01$ ). Absorption ( $r=.377$ ,  $p<.01$ ) contributes more than the vigor and dedication dimensions. This implies that the job performance can also have an effect on organizational performance.

In Ethiopia, specifically, in Ethio Telecom Head Quarter in the study ‘The Effects of Employee Engagement and Self-efficacy On Job Performance in case of Ethio Telecom’ by Entissar Nuru (2017) shows that both self-efficacy and engagement have about 65% effects on employee job performance.

In a 2017 survey published by the Society for Human Resource Management (SHRM), 38% of U.S. employees stated they felt very satisfied with their jobs, while 51% shared they felt satisfied but “to a lesser degree. Overall, 89% of Americans feel some degree of job satisfaction.

Dajani (2018) in his study The Impact of Employee Engagement on Job Performance and Organizational Commitment in the Egyptian Banking Sector suggests that Engagement can be a triple win; for the individuals at work, the organizations or service sector(s), and for the country as a whole.

Most recently, According to INSYNC Surveys (2019) in the Title the impact of employee engagement on performance suggests that Engaged employees care about their organization and work to contribute towards its success.

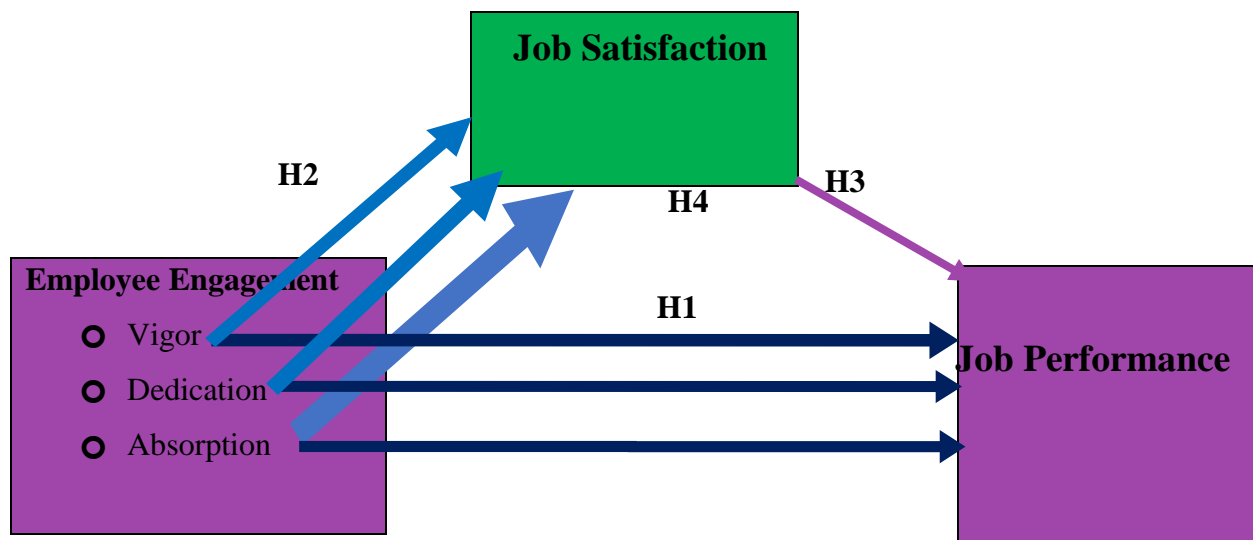
According to The Impact of Employee Engagement on Performance, a study by HBR, 71% of respondents agree that employee engagement is very important to the overall success of the organization.

## 2.3 Conceptual Framework

Conceptual framework is a presentation of how the independent and dependent variables are related, specifies the working definition of a variable, and enables a simple explanation of the flow of theoretical framework. Mediation corresponded to an indirect effect of an independent variable on a dependent variable that passes through one or more mediator variables.

The following figure indicates the conceptual framework diagram of the study to explain the key concepts used in the study and how they are linked to one another to produce the outcome.

**Figure 2.3 Conceptual Framework Model**



(Source: The researcher's Survey data output, 2020)

## 2.4 Research Hypotheses

The following major and sub hypotheses were tested in this research study: -

### 1. First Main Hypothesis:

Ha1: There is significant effect of Employee Engagement on Job Performance.

H1 Sub- Hypotheses:

Ha1.1: There is significant effect of Vigor on Job Performance.

Ha1.2: There is significant effect of Dedication on Job Performance.

Ha1.3: There is significant effect of Absorption on Job Performance.

### 2. Second Main Hypothesis:

Ha2: There is significant effect of Employee Engagement on Job Satisfaction.

Ha2 Sub Hypotheses:

Ha2.1: There is significant effect of Vigor on Job Satisfaction.

Ha2.2: There is significant effect of Dedication on Job Satisfaction.

Ha2.3: There is significant effect of Absorption on Job Satisfaction.

**3. Third Main Hypothesis:**

H3: There is significant effect of Job Satisfaction on Job Performance.

**4. Fourth Main Hypothesis:**

Ha4: There is significant mediating effect of Job Satisfaction on the relationship between Employee Engagement and Job Performance.

Ha4: 1: There is significant mediating effect of job satisfaction on the relationship between vigor and job performance.

Ha4: 2: There is significant mediating effect of job satisfaction on the relationship between Dedication and job performances.

Ha4: 3: There is significant mediating effect of job satisfaction on the relationship between Absorption and job performance.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the research methodology that used to conduct this study and it focused on the following main topics: Research approach, research design, population and sampling techniques, data collection methods, research procedures, and data analysis methods. It also describes how the data was collected, analyzed, and interpreted.

#### **3.2. Research Approach**

This study has adopted quantitative research approach. A quantitative research approach is the process of collecting numerical data through standardized techniques, then applying statistical methods to derive insights from it (Manu bhatia, 2018). The study has adopted quantitative approach because the data collection instrument i.e. the questionnaire is best for this approach. Quantitative research is beneficial because it enables the researcher to collect objective and numerical data to apply statistical tools and establishes relationship and causation between variables. This approach uses deductive logic, in which researchers start with hypotheses and then collect data which can be used to determine whether empirical evidence to support that hypothesis exists.

#### **3.3 Research Design**

Research design can have a number of classifications which could incorporate the degree to which the research question has been crystallized, the method of data collection, the ability of the researcher to produce effects in the variables which are being studied, the purpose of the study being carried out, the time dimension, the focus of the study and also the research environment. It embodies the design and plans employed in gathering, analyzing and interpreting data (Ebrary.net, 2014).

The researcher used cross sectional (one-time) research to complete the study because of the research is limited to a single time.

The researcher believes that an explanatory research design was appropriate for this study because this study was assessing the effect of employee engagement (vigor, dedication & absorption) on job performance and the mediating role of job satisfaction at Ethio Telecom using a questionnaire.

An explanatory research design was used to achieve the objectives of the study and helps to connect ideas, to understand cause and effect, meaning researchers want to explain and what is going in the Ethio telecom.

### **3.4 The study area**

The study was conducted in Ethio Telecom in Addis Ababa. The respondents who were participated in the study were selected from sample HQ and Six Zones (CAAZ, NAAZ, SAAZ, EAAZ, SWAAZ and WAAZ) of Ethio Telecom located in Addis Ababa due to financial and time constraint.

### **3.5 Populations and Sampling Design**

This section discusses the total target population of Ethio telecom in Addis Ababa employees from Six Zones and HQ and Sampling Design in detail.

#### **3.5.1 Target Population**

Population is all elements, individuals, or units that meet the selection criteria for a group to be studied (Business Dictionary, 2019). A sample is a subset or some part from a larger population (Kendra Cherry & Will Kenton, 2019). The study population refers to the total collection of elements, which one would like to study or make inferences (Blumberg et al., 2005). The population aspect however refers to the individual participant or object on which the measurement is taken, and it is the unit of study (Cooper and Schindler, 2011).

By using sample, researchers save lot of time and money, get more detailed information, and they can get information, which may not be available otherwise (Bluman, 2009). As of July 2019, data Ethio telecom has 15,686 permanent employees all over the country. The characteristics of the population of Ethio Telecom includes full time basis employees, drivers, technicians, shift workers, and regular time workers. In this study full time basis employees and regular time workers are more represented. The target population for this study was the permanent employees of Ethio Telecom. Due to geographical and resource constraints to study the overall employees of the company, the study population was comprise a total target population 8,794 permanent employees of Ethio telecom in Addis Ababa employees from Six Zones and HQ that means (SAAZ ,426, NAAZ ,378, CAAZ, 366, EAAZ, 430, SWAAZ, 405, WAAZ, 405, HQ, 6384).

### 3.5.2 Sampling Design

Sample size is subset of the population and is used to the researchers to obtain information about an entire population by examining only a part of it (Banrejee, 2010). Sample size is the finite part of a statistical population whose characteristics are researched in order to gain information about the organization (Naoum, 2009).

The researcher selected the sample size by using cluster sampling techniques and used 383 respondents as a sample. In addition, the selection of respondents made by convenience sampling (non - probability sampling) and to determine the sample size of the selected offices, the researcher used quota sampling. Quota sampling is a non-probability sampling technique wherein the assembled sample has the same proportions of individuals as the entire population with respect to known characteristics, traits or focused phenomenon.

The number of participants from each subgroup is determined by their number relative to the entire population (Catherine, 2007).

The researcher had the sample size from employees of HQ and Addis Ababa zones by using a simplified formula to calculate sample sizes (Yamane ,1967:886)'s formula was used to calculate the sample sizes in the targeted population is 383.

$$n = \frac{N}{1 + N(e)^2} = 8794 / 1 + 8794 * 0.05^2 = 383$$

Where n= sample size

N=targeted population

e = error term Sample size e =level of precision given that 95% confidence level and P = ±5 % are assumed.

Accordingly, the sample for HQ, CAAZ, NAAZ, SAAZ, EAAZ, SWAAZ and WAAZ was

0.725\*383=278, 0.042\*383=16, 0.043\*383=16, 0.048\*383=18, 0.049\*383=19, 0.046\*383=18, and 0.046\*383=18.

**Table 3.1 Employees of HQ and Addis Ababa zones**

Office	HQ	CAAZ	NAAZ	SAAZ	EAAZ	SWAAZ	WAAZ	Total
No. of Employees	6384	366	378	426	430	405	405	8794
Sample Size	278	16	16	18	19	18	18	383

(Source: The researcher's Survey data output, 2020)

### **3.6 Data Collection**

The study used both Primary and secondary sources to collect the data. Secondary sources are sources that is already available, referring to the data, which have already been collected and analyzed by someone else (Kothari, 2004). Secondary sources were obtained through published (books) and unpublished materials (internet) and annual reports of Ethio Telecom. This study used primary data which was self-design to collect from the target sample. A structured questionnaire used to collect the data for obtaining information from respondents. According to Dawson (2002), there are three basic types of questionnaire items closed ended, open-ended or a combination of both. The close ended questionnaire for this study was used containing boxes that the respondents ticked to indicate the extent to which the respondents agreed or disagreed with the research statement. The questionnaire was designed in a simple i.e. easily understandable to the respondents, understandable language to provide accurate, unbiased and complete information.

### **3.7 Method of Data Analysis**

This research was analyzed using statistical package for social science (SPSS) version 22 prior to hypothesis testing preliminary data analysis was conducted to determine the effect of employee engagement on job performance and the mediating role of job satisfaction. Pearson correlation test was used to determine the nature, direction and significance of the relationship between employee engagement and job performance; and to indicate the degree to which two or more variables are associated with or related to each other.

The researcher had conducted multiple linear regression analysis in order to test the hypothesis and used to examine the relationship between one dependent variable and several independent variables (Pedhazur, 1997).

The results were presented in form of tables and graphs and characteristics was analyzed using descriptive statistics including frequency, mean, and standard deviation. In order to undertake mediation test Baron and Kenny’s (1986) model for testing mediation was used as a guiding framework. Accordingly, mediation was tested and three regression models (Baron and Kenny, 1986; Field, 2013).

### 3.8 Validity and Reliability

Reducing the possibility of getting the answer wrong means that attention must be paid to two emphases on research design these are reliability and validity.

#### 3.8.1 Reliability

Reliability refers to the extent to which researcher data collection techniques or analysis procedures will yield consistent findings. It can be assessed by the following three questions (Easterby-Smith et al., 2002): Will the measures yield the same results on other occasions? Will similar observations be reached by other observers? And is there transparency in how sense was made from the raw data?

Reliability was tested using Cronbach’s alpha values for the items in each construct. According to Sekaran and Bougie (2016) reliabilities less than 0.60 are poor, those in the 0.70 range acceptable, and those over 0.80 good.

Table 3.2 Reliability Test (Analysis) of Items

No.	Description	Cronbach's Alpha	No of Items
1	Vigor	.789	6
2	Dedication	.874	5
3	Absorption	.745	6
4	Employee Engagement	.827	17
5	Job Performance	.853	19
6	Job Satisfaction	.939	20

(Source: The researcher’s Survey data output, 2020)

As indicated in table 3.2 the Cronbach's alpha coefficients of for Vigor and Absorption are above 0.70, which indicates an acceptable reliability of the variables of measurement. Likewise, Dedication, Employee Engagement, Job Performance, and Job Satisfaction are above 0.80 which shows a good reliability of the variables of measurement. Thus, the overall reliability of the measures used in this study is acceptable.

### **3.8.2 Validity**

Validity refers to how accurately a method measures what it is intended to measure, and high reliability is one indicator that a measurement is valid. Validity is concerned with whether the research findings are really about what they appear to be about. It simply means that a test or instrument is accurately measuring what it's supposed to. The issue of validity was addressed through the review of literature and adapting instruments used in previous research works.

The researcher used Criterion-related validity was undertaken using statistical analysis such as correlation. The content validity was tested by the advisor of this research, who investigated the appropriateness of questions and the scales of measurement. The Utrecht Work Engagement Scale (UWES) developed by Schaufeli and Bakker (2003) was a validated engagement measurement which consists of vigor, dedication and absorption.

### **3.9 Measurement scales of Variables**

Measuring a concept such as engagement is challenging, as it involves attempting to assess complex feelings and emotions. To Measure Employee Engagement the researcher should Collect Baseline Data. There are three significant elements of employee engagement: vigor, dedication and absorption.

For this study, the researcher used The Utrecht Work Engagement Scale (UWES) to measure Employee Engagement developed by Schaufeli, Salanova, Gonzalez-Roma and Bakker (2002) and consisting of three subscales: vigor, dedication and absorption because of Valid and reliable self-reporting questionnaire.

Vigor was assessed by six items (e.g., 'at my work, I feel as if I am bursting with energy'). Dedication was measured by five items (e.g., 'I find the work that I do to be full of meaning and purpose'). The assessment of absorption included six items (e.g., 'when I am working, I forget everything else that is around me'). These items were rated on a 5-point Likert scale because of

nature of questioner was five multiple choice options for each question, representing five levels of preference (5 Liker Scale); strongly Disagree, Disagree, Neutral, Agree, and Strongly Agree ranging from (Strongly disagree) (1) to ‘Strongly agree’ (5).

Job Performance was measured in TEIQue (Petrides & Furnham, 2003) for trait emotional intelligence, Goodman and Svyantek (1999) for in-role job performance, Williams and Anderson (1991) for extra-role job performance; and each dimension was assessed by five levels of preference like engagement.

Questioners were distributed to the respondents and collected from them directly hand to hand. The Secondary sources collected from books, articles, journals and Ethio telecom data as of July 2019.

The short version of Minnesota Satisfaction Questionnaire (MSQ) used for measuring Job satisfaction in this study because of it provides more specific information on the aspects of a job that an individual find rewarding than does more general measures of job satisfaction. However, job performance and job satisfaction were measured as composite variable rather than separate dimensions.

The short version items rated on a five -point Likert scale ranging from (1 “very dissatisfied with my job” to 5 “very satisfied with my job”) (Weiss et al, 1967).

### **3.10 Ethical Considerations**

Research, as a scientific process and activity, has its own basic ethical conducts that should not be compromised at all levels. For instance, any source that is quoted and used as essential part of the study should be cited. That means, acknowledging the authors of books and articles is necessary and the data will gather from the appropriate and relevant sources. Therefore, with respect to the current study, the researcher has respected and complied with existing ethical principles to make the research credible and acceptable by the academic communities and users of the result. The respondent of participation in the study was on the voluntary basis and participants are asked for readiness before they are provided the questionnaire and their responses used only for the purpose of the research. The confidentiality of participants (employees) was maintained in that their names, privacy, and signature was not appeared and filled in the questionnaire. The researcher was also presented the findings of the study without any distortion of the reality.

## **CHAPTER FOUR**

### **DATA ANALYSIS, INTERPRETATION, AND DISCUSSION**

The purpose of this paper is to examine the engagement level of employees in Ethio Telecom and its effect on job performance and the mediating role of job satisfaction. To achieve this purpose, relevant literature was reviewed, and methodology was set in chapter two and three respectively. This chapter outlines the result of data analysis obtained from data collected from respondents. The information gathered is analyzed, the results are presented, and the result of testing hypothesis in the following sections.

#### **4.1 Response Rate of the Respondents**

A total of 383 questionnaires were distributed, out of which 346 (90.34 %) were returned on time and hence used in the analysis process, while 37 (9.66%) of the respondents did not returned for various reasons.

#### **4.2 Demographic Profile of the Respondents**

The demographic profile of the respondents was presented in this section. The personal profiles of the respondents were analyzed as per their gender, age, levels of educational achievements, and years of service in the current organization, job category, and marital status as a result that the analysis could be more meaningful for readers. The result of the frequency analysis is presented in Table 4.1 here below.

Descriptive statistics were performed on the demographic variables as a means of describing the respondents.

Table 4.1 Demographic Profile of Respondents

Gender		Frequency	Percent	Valid Percent	Cumulative Percent
1	Male	208	60.1	60.1	60.1
	Female	138	39.9	39.9	100.0
Age		Frequency	Percent	Valid Percent	Cumulative Percent
2	20-29	170	49.1	49.1	49.1
	30-39	97	28.0	28.0	77.2
	40-49	72	20.8	20.8	98.0
	50 and above	7	2.0	2.0	100.0
Educational Qualification		Frequency	Percent	Valid Percent	Cumulative Percent
3	Diploma	9	2.6	2.6	2.6
	First Degree	250	72.3	72.3	74.9
	Master's Degree	79	22.8	22.8	97.7
	PhD	0	0	0	97.7
	Other	8	2.3	2.3	100.0
Work experience in Years		Frequency	Percent	Valid Percent	Cumulative Percent
4	0-1	10	2.9	2.9	2.9
	2-5	108	31.2	31.2	34.1
	6-10	135	39.0	39.0	73.1
	11-20	80	23.1	23.1	96.2
	21 and above	13	3.8	3.8	100.0
Job category		Frequency	Percent	Valid Percent	Cumulative Percent
5	Managerial	45	13.0	13.0	13.0
	Non-Managerial	301	87.0	87.0	100.0
Marital Status		Frequency	Percent	Valid Percent	Cumulative Percent
6	Single	162	46.8	46.8	46.8
	Married	172	49.7	49.7	96.5
	Divorced	10	2.9	2.9	99.4
	Widowed	2	.6	.6	100.0

(Source: The researcher's Survey data output, 2020)

Table 4.1 above shows the demographic profile of 346 respondents. From the total respondents of the survey 60.10% were males and 39.90% were females. This implies that males were well represented and female's participation at Addis Ababa is reasonably need improvement. As observed from the above table of item two, the output shown that 170 respondents (49.10%) were between 20 and 29 of age, 97 respondents (28%) were between 30 and 39, and 72 respondents (20.8 %) were 40 to 49 ,and 7 respondents (2%) were 50 and above. The result indicates that questionnaires were well distributed in terms of their age group. This implies that the respondents were comprised of heterogeneous groups, which in turn enabled the researcher to get varied responses across the sample units fairly distributed. Hence, again the study did not suffer from age group bias.

The study result also showed in item three that 250 (72.3%) of the respondent highest level of educational achievement was first degree, 79 (22.8%) of the respondent reported their highest level of educational attainment were Master's degree, 9 (2.6%) of the respondents reported their highest level of education achievement were diploma and the remaining 8 (2.3%) of the respondents also reported their highest level of educational attainment were other. As indicated in table 4.1 here above most of the respondents had first degree. From this result one can understand that significant number of employees (95.1%) have first degree and above. Thus, since a reasonable 329 proportion of the study participants fulfilled the minimum requirement of qualification needed at Ethio-telecom at least for professional level (first degree). The high level of employees in academic qualification yields good performance and efficiency for their valued organization like Ethio Telecom. And the overall educational qualification matrix of the 329 respondents implies that the respondents can easily understand the questionnaires designed for this study and respond properly by providing the necessary information.

As shown in the table 4.1 above item 4 deals about the work experience of the sample respondents. The number of respondents whose experience 0-1 years is 10 (2.9%), respondents with 2- 5 years of experience was 108 (31.2%) ,135(39%) respondents have 6 to 10 years of experience, 11-20 years 80 (23.1%) respondents, and 21 and above years were 13(3.80%) of experience.

This result implies, the data illustrates that most of the Ethio-telecom sample respondents (65.9%) have reasonably adequate experiences (more than six years) to carry out responsibility and to

provide sufficient information about what is going on in their perspective organization and exert good performance as well.

As shown in the above table 4.1 item 5 deals about the job category of the respondents of Ethio Telecom. The number of respondents 301(87%) were non managerial position and 45(13%) were in Managerial position. This implies that most of the respondents were in non-managerial position. This shows most respondents were clerical and professionals Employees.

Finally, Item no. 5 shows the marital status of the respondents. The number of respondents 162 (46.8%) were single, 172 (49.7%) were married, 10 (2.9%) of the respondents were divorced, and 2(0.6%) were widowed. This result shows that majority 49.7% of the respondents were married. According to researches Married employees can achieve better performance and highly satisfied than unmarried employees, this implies that Ethio telecom would be beneficial.

### **4.3 Descriptive Statistics of variables**

As indicated in table 4.2, vigor was assessed using six questions, with respondents being required to indicate how often they experienced certain feelings at work, the mean score of vigor was 3.8044 With the standard deviation (SD) .65923. This result indicates that Employees' willingness to invest their efforts into their job, high levels of energy, their endurance and determination to face difficulties. This implies that majority of the respondents of Ethio Telecom in Addis Ababa agreed that they feel strong and vigorous from their organization, often have a positive view of life and work, dependable and have proactive personalities which are all indicators of vigor. The study found that Dedication of employees of Ethio Telecom in Addis Ababa are very often proud, enthusiastic, and inspires of their jobs with aggregate mean score of was 3.4659 with a standard deviation of 1.05822. This implies that Ethio Telecom employees in Addis show their feelings of enthusiasm and significance state of Engagement.

The third dimension of engagement (Absorption) was assessed using six questions. The aggregate mean score of Absorption is 3.6908 with a corresponding standard deviation of .65403. This result implies that most respondents are engaged and feel happy and deep in their job.

The results of the three types of Employee engagement which were used as the independent variables of the study indicates that vigor dimension, had the highest aggregate mean score (3.8044) followed by Absorption (3.6908) with Dedication coming in last with an aggregate mean

score of 3.4659. These results may imply that the work itself is engaging, the conditions at work are conducive and employees find the work meaningful. The lower scores in Dedication engagement may be an indication that though the work is exciting and challenging, there are other factors at the workplace like poor praise.

Overall, the mean score of employee engagement together (vigor, Absorption, & Dedication) is 3.6566 with standard deviation .55606 greater than the average score on 5-point Likert scale. This implies that on average majority of the employees were engaged in their jobs cognitively, emotionally and physically, and majority of the employees perceived that their meaningfulness, safety and availability needs are met. The aggregate mean score of job performance is 3.9632 with standard deviation .45656 is relatively high which implies that respondents of Ethio Telecom (Addis Ababa) are conscious about their job roles and perform all the assigned tasks effectively and efficiently, this shows highly moderate.

Finally, the mean score of job satisfaction is 3.6750 whereas the standard deviation (SD) is .67017. This result implies that majority of Ethio Telecom (Addis Ababa) employees were satisfied with their pay and work.

Table 4.2 Descriptive Statistics of variables

<b>Descriptive Statistics</b>									
	N Statistic	Minimum Statistic	Maximum Statistic	Mean Statistic	Std. Deviation Statistic	Skewness		Kurtosis	
						Statistic	Std. Error	Statistic	Std. Error
Vigor	346	1.67	5.00	3.8044	.65923	-.717	.131	.508	.261
Dedication	346	1.00	5.00	3.4659	1.05822	-1.211	.131	.745	.261
Absorption	346	2.00	5.00	3.6908	.65403	-.055	.131	-.443	.261
Employee Engagement	346	2.06	4.82	3.6566	.55606	-.354	.131	.068	.261
Job performance	346	1.53	5.00	3.9632	.45656	-1.573	.131	7.863	.261
Job Satisfaction	346	1.45	4.95	3.6750	.67017	-.801	.131	1.503	.261

(Source: The researcher's Survey data output, 2020)

## **4.4 Correlation Analysis**

This section discusses the relationships between Dependent (job performance) and Independent Variables Employee engagement with vigor, dedication and absorption dimensions. And, to discuss briefly the Relationships between Independent Variables and Dependent variable with Mediator Variable (job satisfaction).

### **4.4.1 Relationships between Dependent and Independent Variables**

One of the major objectives of this study is to assess the relationship between employee engagement and job performance in Ethio Telecom (Addis Ababa). Specifically, the relationship between vigor and job performance, absorption and job performance, and dedication with job performance. For this purpose, statistics of Pearson correlation and regression analysis have been used and the results are presented in the below sections. Pearson correlation coefficients reveal magnitude and the direction of relationships (either positive or negative) and the intensity of the relationship (-1.0 to +1.0). Correlations are perhaps the most basic and most useful measure of association between two or more variables (Marczyk, D. & Festinger, 2005). According to Marczyk, D. & Festinger, (2005) correlations of .01 to .30 are considered small, correlations of .30 to .70 are considered moderate, correlations of .70 to .90 are considered large, and correlations of .90 to 1.00 are considered very large.

For most of the relationships, the inter correlations among variables were found to be in the expected direction. In this study, large & Significant correlations were observed between vigor and employee engagement ( $r=.760$ ,  $p<.05$ ). Similarly, the significant correlation exists between dedication and Employee Engagement ( $r=.688$ ,  $p<.05$ ), followed absorption and employee engagement ( $r=.657$ ,  $p<.05$ ) which shows vigor dimensions of employee engagement are positively, significantly, and largely correlated to employee engagement. Whereas, dedication and absorption are positively, moderately, & statically significant with employee engagement. The correlation of vigor, absorption, and dedication had with job performance was significant at  $p=.00$  with vigor ( $r=.544$ ), absorption ( $r=.547$ ) at  $p=.00$ , and dedication ( $r=.245$ ) with  $p=.000$  respectively.

The aggregate employee engagement has also significant, moderately and positive correlation with job performance whose correlation coefficient was ( $r=.595$ ,  $p<.05$ ) in Ethio Telecom (Addis Ababa) Employee's. Thus, there is positive and significant relationship between employee

engagement (i.e. vigor, dedication, and absorption) and job performance. Likewise, employee engagement dimensions have positive and significant relationship with job performance with vigor ( $r=.544$ ), Absorption ( $r=.547$ ), and dedication ( $r=.245$ ) with  $p=.000$  respectively. Generally, results indicated that aggregate employee engagement (vigor, dedication, & absorption) has also significant and positive correlation with job performance in Ethio Telecom (Addis Ababa). This agrees with Engagement is closely linked to an employee's emotional connection to his or her company and how that connection translates to job performance.

#### 4.4.2 Relationships between Independent Variables and Dependent variable with Mediator Variable

As shown in below table 4.3 , the significant correlation exists between Independent variables employee engagement(Vigor, absorption and Dedication) with Mediator variable (Job satisfaction) with vigor ( $r=.510$ ,  $p<.05$ ), absorption ( $r=.488$ ,  $p<.05$ ), & Dedication ( $r=.217$ ,  $p<0.05$ ) and Employee Engagement ( $r=.553$ ,  $p<.05$ ) which shows vigor, absorption and employee engagement are positively, significantly, and moderately correlated to mediator variable (job satisfaction). While, in dedication is small, positive, & statically significant correlation exist. In addition, there is significant correlation between dependent variable (job performance) and Mediator variable (Job satisfaction) with ( $r=.670$ ,  $p<.05$ ) which is moderately correlated. This is agreement with the literature with Al-dalalmeh et al., (2018) which states that employee engagement is positively associated and related with job satisfaction and organizational performance and negatively related to turnover and burnout.

Table 4.3 Correlations (with all variables)

Correlations							
No.		1	2	3	4	5	6
1	Vigor	1					
2	Dedication	.198**	1				
3	Absorption	.550**	.027**	1			
4	Employee Engagement	.760**	.688**	.657**	1		
5	Job performance	.544**	.245**	.547**	.595**	1	

6	Job Satisfaction	.510**	.217**	.488**	.553**	.670**	1
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\*\* . Correlation is significant at the 0.01 level (2-tailed).

(Source: The researcher's Survey data output, 2020)

## 4.5 Regression Analysis

In this study, prior to employing regression analysis and testing the research hypothesis, a preliminary analysis was revealed to validate the important assumptions of regressions such as Multicollinearity, linearity, and normality tests.

### 4.5.1 Multicollinearity Test

Multicollinearity is defined as the degree to which the independent variables used in a multiple regression analysis are correlated (Zikmund et al., 2013; Ramadan et al., 2017). Multicollinearity reduces the ability to assess the individual importance of each independent variable. For multiple regressions, the researcher has checked the Collinearity problem with the assumption of tolerance and VIF statistics. In order to assess Multicollinearity, both indicators of variance inflation factor (VIF) and tolerance were used. Andy (2006) suggests that a tolerance value less than 0.1 almost certainly indicates a serious Collinearity problem and (Liu, 2010) also suggests that a VIF value greater than 10 is because for concern, and higher VIF means more severe Multicollinearity. To determine whether the current study suffers from Multicollinearity, the researchers depend on a common cut off value of 0.10 for tolerance, and a value of 10 for VIF as recommended by Sekaran and Bougie (2013). Table (4.4) presents the VIF values for the independent variables used in this study, which ranged from 1.052-1.507, in addition to the tolerance values which ranged from 0.664-0.951. These results indicate that in this study there is no Multicollinearity problem exists among the dimensions of the independent variable given that all the VIF values are below 10 and all the tolerance values are above 0.10.

Table 4.4 the VIF and Tolerance Values for the Independent Variables

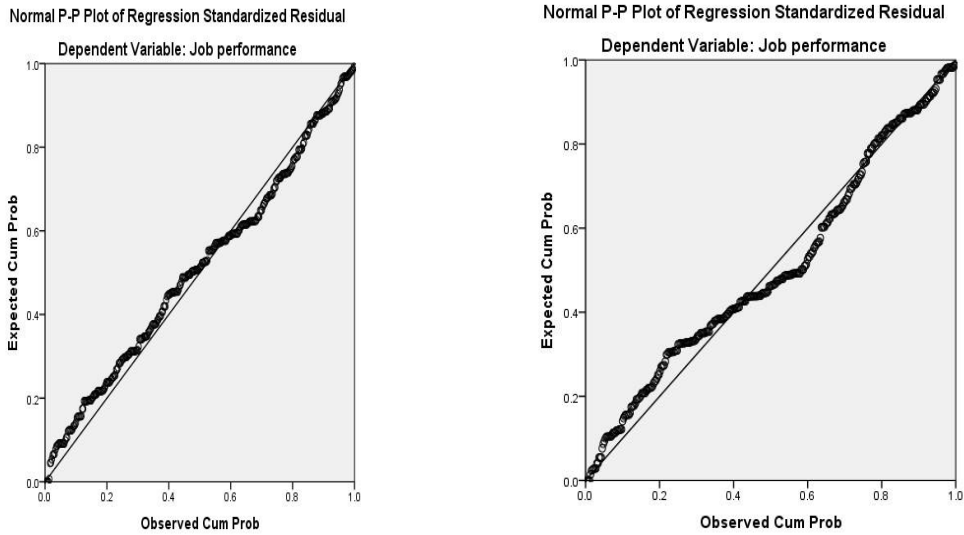
Coefficients			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Vigor	.664	1.507
	Dedication	.951	1.052
	Absorption	.690	1.449

(Source: The researcher's Survey data output, 2020)

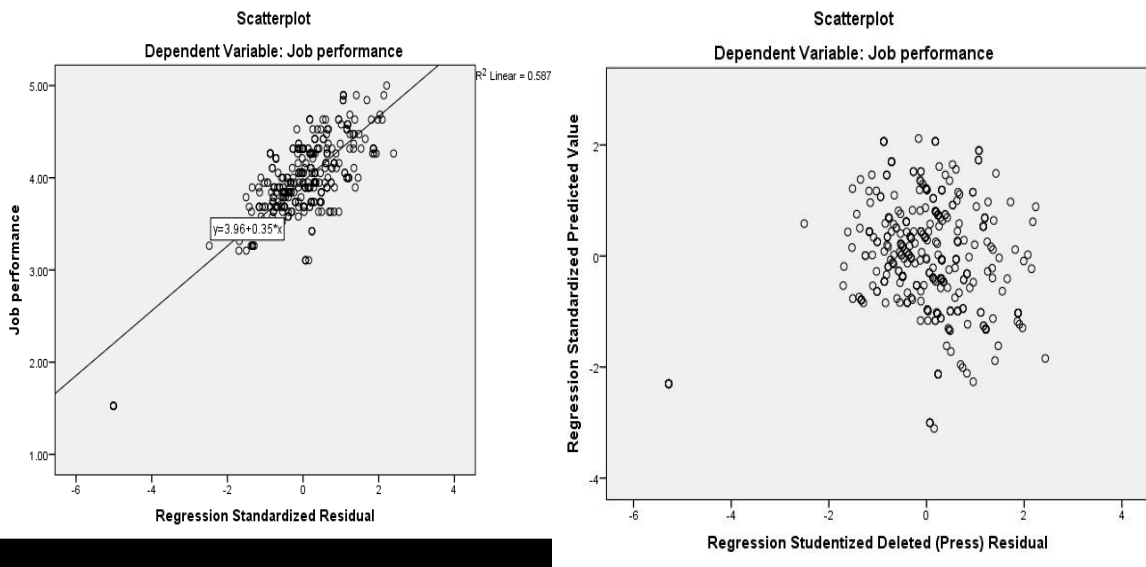
#### 4.5.2 Linearity and homoscedasticity Test

The linearity test is a requirement in the correlation and linear regression analysis. The linearity test aims to determine the relationship between dependent and independent variables is linear or not (<http://www.spsstests.com/2015>). To determine whether the relationship between the dependent variables and the independent variables is linear; scatter plots of the regression residuals for each model through SPSS software had been used. The linearity assumption can best be tested with scatter plots and checked by looking at a histogram or a P-P-Plot. The scatter plot of residuals (see figure 4.1 below) showed in that the points lie in a reasonably straight line from bottom left to top right. In statistics, homoscedasticity occurs when the variance in scores on one variable is somewhat similar at all the values of the other variable and the variance around the regression line is the same for all values of the predictor (independent) variable. The scatter plot is good way to check whether the data are homoscedasticity (meaning the residuals are equal across the regression line). Therefore, in this study, assumption of linearity and homoscedasticity was not violated.

Fig. 4.1 Linearity and homoscedasticity Test



(Source: The researcher’s Survey data output, 2020)



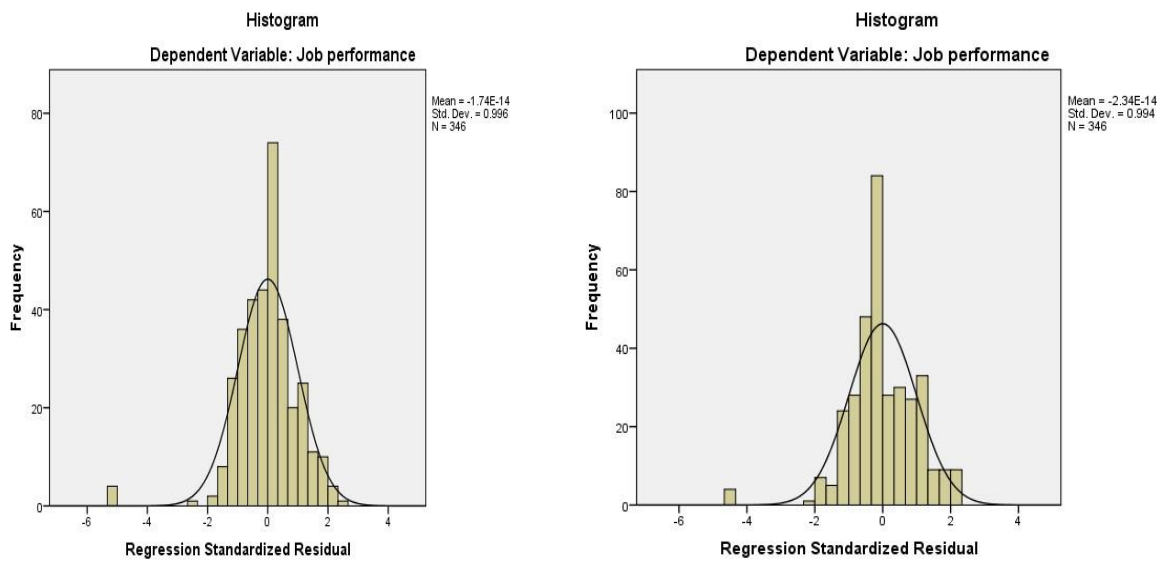
(Source: The researcher’s Survey data output, 2020)

### 4.5.3 Normality Test

In statistics, normality tests are used to determine if a data set is well-modeled by a normal distribution and to compute how likely it is for a random variable underlying the data set to be normally distributed. Skewness is a measure of symmetry. As a general rule of thumb, if skewness is less than -1 or greater than 1, the distribution is highly skewed (Brown, 2016). The results in table 4.2 shows the variables are highly skewed. Whereas kurtosis is a measure of whether the data

are heavy – tailed or light – tailed relative to the normal distribution. Since the kurtosis is less than 3 for vigor, absorption, Dedication, and job satisfaction (Brown, 2016) it implies that relatively as compared to normal distribution its tails are shorter and thinner. But for Job performance result the kurtosis is greater than three, it implies the kurtosis tend to have heavy tails or outliers. A normality test is used to determine if a data set is well-modeled by a normal distribution and to compute how likely it is for a random variable underlying the data set to be normally distributed (Wikipedia, 2019). In this study the result shows that normally distributed population (within some tolerance).

**Fig 4.2 Normality**



(Source: The researcher’s Survey data output, 2020)

#### 4.6 Testing the research hypothesis

The researcher had conducted multiple regressions analysis in order to test the hypothesis and used to examine the relationship between one dependent variable and several independent variables (Pedhazur, 1997). Mediation is a hypothesized causal chain in which one variable affects a second variable that, in turn, affects a third variable. Baron and Kenny (1986) proposed a four-step approach was used for testing mediation, and the coefficients of determination (R square value), the regression coefficients (Beta coefficient) and the p-values for each of the significant relationships were examined at each step.05.

#### 4.6.1 Control Variables

In addition to testing hypotheses, the researcher included control variables at individual employee level and estimated at increasing the internal validity by including controls for other independent variables and may have impact on the performance of the Ethio Telecom (Addis Ababa) Employees due to Gender, Age, education level of the employees, work experience, being a manager, and being married. As shown in table 4.5, The R2 shows that 5% of the variation in the dependent variable (job performance) is explained by control variable at Sig.F Change (.008).

In model 1, the control variables of Unstandardized coefficients of gender, ( $B = -.032$ ,  $p = .527$ ) this implies that gender has negatively and insignificantly associated with job performance. There was negative and insignificant relation with job category ( $B = -.129$ ,  $p = .091$ ) and job performance. There is also negative and insignificant relation with marital status ( $B = -.043$ ,  $p = .375$ ) and job performance in Ethio Telecom (Addis Ababa). This implies that gender, job category, and marital status had insignificant and negatively predict on job performance in Ethio Telecom (Addis Ababa). While, age ( $B = .011$ ,  $p = .784$ ) and work experience ( $B = .069$ ,  $p = .071$ ) were insignificant and positively predict job performance. But Education ( $B = .087$ ,  $p = .028$ ) is positively associated and statistically significant with job performance.

In model two the independent variables are significant and positively associated with job performance while the control variables are included. This implies that the demographic characteristics of respondents have impact on job performance. In model 2 Marital status of the respondents with ( $B = -.088$ ,  $p = .027$ ) have negatively associated and significant with job performance at 5 percent level.

The study result shows that insignificant differences in respondent's attitudes related to each ground referred to control variables. The demographic characteristics of respondent's marital status have significant negative effect on job performance, this implies that there is difference and negatively impact in married and unmarried employees' performance i.e. unmarried employees can achieve better performance than married employees.

Therefore, control variables have significant effect on each independent variable and together on the organization's performance of Ethio Telecom (Addis Ababa).

Generally, because of the inclusion of control variables in model two, the impact employee engagement dimensions on job performance are insignificant and yields the same result. Given

these results, vigor, dedication and absorption are significant predictors of job performance not due to control variables in Ethio Telecom (Addis Ababa).

Table 4.5 Model Summary & Coefficients' (Control Variables)

	Model 1				Model 2			
	Unstandardized Coefficients				Unstandardized Coefficients			
	B	Std. Error	T	Sig.	B	Std. Error	T	Sig.
(Constant)	3.898	.212	18.364	.000	1.866	.216	8.645	.000
Gender	-.032	.051	-.633	.527	-.033	.040	-.815	.416
Age	.011	.041	.274	.784	.020	.033	.615	.539
Education	.087	.039	2.211	.028	.036	.031	1.162	.246
Work experience	.069	.038	1.814	.071	.034	.030	1.125	.261
Job category	-.129	.076	-1.695	.091	.021	.061	.342	.732
Marital Status	-.043	.048	-.888	.375	-.088	.040	-2.220	.027
Vigor	-.032	.051	-.633	.527	.218	.037	5.930	.000
Dedication	.011	.041	.274	.784	.083	.019	4.291	.000
Absorption	.087	.039	2.211	.028	.246	.036	6.887	.000
R2	.050				.428			
Adj. R2	.033				.413			
Sig.change of R2	.050				.378			
Sig.F Change	.008				.000			

## **4.6.2 Regression Results**

This portion discusses the Effect of Employee Engagement (vigor, dedication and absorption) dimensions on Job performance. And, to discuss briefly the Effect of Employee Engagement on Job Satisfaction and the Effect of Job Satisfaction on Job performance

### **4.6.2.1 The Effect of Employee Engagement on Job performance**

As shown in below table 4.6 (model 1), The R<sup>2</sup> shows that 41.3% of the variation in the dependent variable (job performance) is explained by the independent variables of Ethio Telecom employee engagement (vigor, dedication and Absorption). The adjusted R<sup>2</sup> indicates the generalizability of the model and allows generalizing the results taken from the respondents to the whole population. The value of the adjusted R<sup>2</sup>=.408 is close to the value of R<sup>2</sup>= .413. If the adjusted R<sup>2</sup> is excluded from R<sup>2</sup> the value will be (0.413-0.408)=0.005). This amount of reduction means that if the whole population participates in the study and the model has been fitted then, there will be 0.5% less variance in the outcome.

Overall, in model 2, the R<sup>2</sup> shows that 35.4 % of the variation in the job performance is explained by Ethio Telecom employee engagement.

As it is shown in the below table 4.6, Vigor is a significant predictor of employee job performance (Beta=.209), Absorption (Beta=.262), Dedication (Beta=.075), and overall Employee Engagement (Beta=.488, p=0.000). The largest beta coefficient Absorption is 0.262 at significance level 0.000 (p<.05), meaning that Absorption makes the strongest effect on job performance as compared with Vigor and Dedication. As it is shown in the below table 4.6 (model 1) the regression result shows that aggregate Employee engagement is a positive and strongly significant predictor of employee job performance (Beta=.488, p=0.000). Thus, the study result supports the 1<sup>st</sup> main and sub Hypothesis which states that there is significant effect of Employee Engagement (vigor, dedication and Absorption) on Job Performance. Therefore, this result of the study in agreement of the literature which were explained by Jemal Abuna (2017) and Entissar Nuru, (2017). Employee engagement is crucial in any organization because it has a direct impact on how productive, efficient, and innovative an employee is and was found to have a positive impact on organizational job performance in various studies such as Bakker and Schaufeli (2008); Bagnato and Paolino (2009); Gorgievski et al. (2010).

Table 4.6 Model Summary and Coefficients (Three Models)

	Model 1			Model 2			Model 3			Sig
	Unstandardized Coefficients		T	Unstandardized Coefficients		T	Unstandardized Coefficients		T	
	B	Std. Error		B	Std. Error		B	Std. Error		
Constant	1.937	.133	14.594	.970	.206	4.708				.000
Vigor	.209	.035	5.945	.313	.055	5.719				.000
Dedication	.075	.018	4.109	.094	.028	3.284				.000
Absorption	.262	.035	7.537	.322	.054	5.963				.000
Employee Engagement	.488	.036	13.717	1.239	.200	6.185				.000
(Constant)							2.285	.102	22.443	.000
Job Satisfaction							.457	.027	16.759	.000
R	.642			.585			.670			
R2	.413			.343			.449			
Adj. R2	.408			.337			.448			
Sig change of R2	.413			.343			.449			

(Source: The researcher's Survey data output, 2020)

The result obtained in this study is in accordance with the conclusions of previous studies, where Ethio Telecom employee (Addis Ababa) engagement has a significant positive effect on Job performance.

It is evident that Engaged employees are those who give full discretionary effort at work, and are highly vigorous and dedicated to their job, while disengaged employees are those who are motivationally disconnected from work, who do not have the energy to work hard and who are not enthusiastic at work (Bakker et al. 2008; & Towers Perrin 2009). Regarding this study, the results suggest that Ethio Telecom (Addis Ababa) employees believe that employee engagement improves job performance.

#### **4.6.2.2 The Effect of Employee Engagement on Job Satisfaction**

In model 2, The R<sup>2</sup> shows that 34.3% of the variation in the dependent variable (job satisfaction) is explained by the independent variable of Ethio Telecom employees Vigor, absorption, & Dedication. The value of the adjusted R<sup>2</sup>=.337 is close to the value of R<sup>2</sup>= .343. If the adjusted R<sup>2</sup> is excluded from R<sup>2</sup> the value will be (0.343-337=0.093). This amount of reduction means that if the whole population participates in the study and the model has been fitted then, there will be 9.3% less variance in the outcome. As it is shown in the above table 4.6 the regression result shows that Vigor, Absorption, Dedication, and aggregate employee engagement were the strongest significant effect of Job Satisfaction with (Beta=.313, Beta=.322, & Beta=.094, and Beta=.666, p=00) respectively. Thus, the result supports the 2<sup>nd</sup> hypothesis which states that there is significant effect of Employee Engagement (Vigor, Absorption & Dedication) on Job Satisfaction. This study corresponds the literatures of Dajani (2018).

Generally, it can be concluded that Ethio Telecom (Addis Ababa) employee's engagement (Vigor, Absorption & Dedication) affects job satisfaction in a statistically significant and positive way. Radosevich et al. (2008) also supported this conclusion as they argued that highly engaged employees have higher job satisfaction when compared to disengaged employees. This result indicates that Ethio Telecom employee's in Addis Ababa believe that being engaged in their work will make them more satisfied with their job and less likely to leave Ethio Telecom.

Employees who were vigorous, absorbed, and dedicated more likely to be satisfied with their jobs in Ethio Telecom (Addis Ababa).

### 4.6.2.3 The Effect of Job Satisfaction on Job performance

As shown in table 4.6, the R<sup>2</sup> indicates that 44.9% of the variation in the dependent variable (job performance) is explained by the independent variable of Ethio Telecom employees Job Satisfaction. The value of the adjusted R<sup>2</sup> (generalization of regression) =.448 is close to the value of R<sup>2</sup>= .449. Thus, there is significant effect of Job Satisfaction on Job Performance. Thus, supports the 3<sup>rd</sup> main hypothesis which states that Ethio Telecom (Addis Ababa) employee Job Satisfaction has strongly significant and positive effect on job performance with (Beta=.457, p=0.000).

### 4.6.3 Mediation Regression Analysis

In order to undertake mediation effect of job satisfaction, Baron and Kenny's (1986) model was used as a guiding framework. Accordingly, mediation was tested through three regression models (Baron and Kenny, (1986), Field, and Hayes, (2013). According to Field (2013) the three regression models are: regressions model that Independent variable predicting the dependent variable, Independent variable predicting the mediator, and Independent variable and mediator predicting the dependent variable. Additionally, Baron and Kenny (1986) proposed four conditions must be met for a variable to be considered as a mediator as shown above.

Following 4 steps, regression analysis was conducted to determine the effect of employee engagement on job performance and mediating effect of job satisfaction.

**Note:** X- Employee Engagement (X1-Vigor, X2- Dedication, X3-Absorption

Y-Employees' Job performance

M- Job satisfaction

e = error term

The first regression analysis model result (table 4.7) shows that Employee Engagement (Vigor, Dedication, & Absorption,) predicting positively and significantly Employees' Job performance with ( $\beta=0.209$ ,  $\beta=0.075$ , &  $\beta=0.262$ ,  $p=0.000$ ) respectively. Based on this analysis, the 1st condition to establish mediation was met and this result shows that the 2<sup>nd</sup> Hypothesis was supported which states employee Engagement (Vigor, Dedication, & Absorption) predicting positively and significantly Employees' Job performance. This result in agreement with the literature of Bartender, (2019).

$$Y=1.937+.209x_1+0.075x_2+0.262$$

Table 4.7 Coefficients (Model 1)

Coefficients (model 1)						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.937	.133		14.594	.000
	Vigor	.209	.035	.302	5.945	.000
	Dedication	.075	.018	.175	4.109	.000
	Absorption	.262	.035	.376	7.537	.000
1. Dependent Variable: Job performance						

(Source: The researcher's Survey data output, 2020)

The 2<sup>nd</sup> regression analysis model result (table 4.8) shows that the Employee Engagement (Vigor, Dedication, Absorption) positively & significantly predicting Mediator (Job Satisfaction) with  $\beta=0.666$ ,  $\beta=0.313$ ,  $\beta=0.094$ , &  $\beta=0.322$ ,  $p=0.00$ ,) respectively. This implies that the 2<sup>nd</sup> condition was satisfied. Therefore, this study in agreement with the literature of Blessing White, (2017).

$$M=0.97+.313x_1+0.094x_2+0.322x_3$$

Table 4.8 Coefficients (Model 2)

Coefficients (Model 2)						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
2	(Constant)	.970	.206		4.708	.000
	Vigor	.313	.055	.308	5.719	.000
	Dedication	.094	.028	.148	3.284	.001
	Absorption	.322	.054	.315	5.963	.000
	Employee Engagement	.666	.054	.553	12.306	.000

a. Dependent Variable: Job Satisfaction

(Source: The researcher's Survey data output, 2020)

The 3<sup>rd</sup> regression result shows of model 3 indicates that job satisfaction (Mediator) strongly and positively affects Job Performance with ( $\beta=0.457$ ,  $p=0.000$ ). It is also statically significant and supports the 3<sup>rd</sup> hypothesis. This implies that the third condition was also met. This study, a little bit in agreement with literature of Kreitner and Kinicki, (2013).

$$Y=2.285+0.457M$$

Table 4.9 Coefficients (Model 3)

Coefficients (Model 3)						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
3	(Constant)	2.285	.102		22.443	.000
	Job Satisfaction	.457	.027	.670	16.759	.000

a. Dependent Variable: Job performance

(Source: The researcher's Survey data output, 2020)

The 4<sup>th</sup> Multiple Regression Analysis result shows, the effect of Vigor with ( $\beta=0.114$ ), Absorption, ( $\beta=0.164$ , & Dedication  $\beta=0.047$ , and Job Satisfaction ( $\beta=0.306$ ,  $p=0.00$ ) are positively and significantly affected Job performance. The fourth condition states the independent variable must predict the dependent variable less strongly in model 3 than in model 1. So, the regression coefficient shows a change and reduction by a small amount ( $\beta=0.095$ ,  $.028$ , &  $0.098$ ) but not zero respectively. Therefore, the result study was supporting the 4<sup>th</sup> hypothesis. This result indicating that the effect of Employee engagement on job performance was partially mediated by job satisfaction.

$$Y=1.640+ 0.114x1+0.047x2+0.164x3+B (1.64+0.306M+e)$$

Table 4.10 Coefficients (Model 4)

Coefficients (Model 4)						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
4	(Constant)	1.640	.121		13.587	.000
	Vigor	.114	.033	.164	3.501	.001
	Dedication	.047	.016	.108	2.849	.005
	Absorption	.164	.032	.235	5.082	.000
	Employee Engagement	.265	.037	.323	7.198	.000
	Job Satisfaction	.306	.031	.449	9.955	.000

4. Dependent Variable: Job performance  
 (Source: The researcher's Survey data output, 2020)

In order to calculate the indirect effect of the Mediator Factor, the regression results show that there are significant relations from Steps 1 through 3, so proceeds to Step 4. In Step 4 model, Employee Engagement is still significant (i.e., Employee Engagement and job satisfaction both significantly predict Job performance). As indicated the above table 4.7 (see model 1) the effect of Vigor, Absorption & Dedication on job performance independently reveal that Vigor ( $\beta=0.209$ ), Absorption ( $\beta=0.262$ ) & Dedication ( $\beta=0.075$ ) at  $p=0.000$ ) significantly justification for job performance. In Second regression, job satisfaction and Vigor, Absorption & Dedication together as independent variables regresses with the dependent variable (job performance). The result (model 4) shows that Vigor ( $\beta=0.114$ ), Absorption  $\beta=0.164$ ), and Dedication ( $\beta=0.047$ ) at  $p=0.000$ ), still strongly significant justification for job performance but the  $\beta$  value is smaller by ( $\beta=0.095$ ,  $.028$ , &  $0.098$ ) respectively after the mediator, job satisfaction was added but not zero. As the result, the first three steps of Baron and Kenny's procedures are satisfied and supported the 4<sup>th</sup> hypothesis, however, the fourth condition to establish full mediation was not met then partial mediation is observed. Therefore, as proposed by Baron and Kenny's four conditions must fulfill to test the 4th hypothesis, which states that there is significant mediating effect of Job Satisfaction on the relationship between Employee Engagement (vigor, dedication, & absorption)

and Job Performance. This implies that job satisfaction partially mediates the effect of employee engagement on job performance in Ethio Telecom (Addis Ababa).

Baron and Kenny's (1986) method does not actually test the indirect effect of X on Y through M (mediation) has occurred, and their method suffers from low statistical power (Preacher & Hayes, 2004), instead it merely provides supposed antecedents i.e. the causal steps outlined previously, that they propose must be met to enable mediation to occur. In order to safe and sound Baron and Kenny's (1986) limitations, the researcher used Andrew Hayes (2013) Process macro; model 4 bootstrapping method to calculate the indirect effect.

The result shows that total effect of aggregate employee engagement (vigor, dedication, & absorption) are positive and strongly significant effect on job performance with (b=.4882, SE .0356), b=.3766, SE.0313), (b= .1055, SE=.0226), and b=.3818, SE=.0315), p=0.000) respectively with these all support mediation and 4<sup>th</sup> hypothesis (see Appendix 2).

There is direct effect of aggregate employee engagement (vigor, dedication, & absorption) on job performance with (b= .2648, SE=.0368, (b=.1889, SE=.0306), (b= .0449, SE=.0175), and b= 2014, SE= 0301) and p=0.000) respectively with all these mediated effects are direct, positive and significant.

Non-parametric bootstrapping (with confidence intervals) has been recommended for testing mediation as it does assume the indirect effect is normally distributed and yields the most accurate results. The indirect effect of job satisfaction on aggregate employee engagement (vigor, dedication, & absorption) on job performance was tested using 5000 Non-parametric bootstrap samples with results indicating that coefficient was statistically significant (b= .2234, .1877, .0607 and .1804, 95% CI= (.1452, .3051), (.1147, .2746), .0207, .1105), .1118, .2619) respectively. Since the 95% CI does not include 0, the indirect effect is statistically significant and partial mediation is supported. The partial mediation effect observed in the study as path became significant and the magnitude of path co-efficient reduced from .2648, .1889, .449, and, .2014 p=0.000) respectively to .2234, .1877, .0607 and .1804, p=0.000) after the entry of job satisfaction as a mediator in the model. Therefore, this implies that accept the 4<sup>th</sup> main and alterative Hypothesis, which states that there is significant partial mediating effect of Job Satisfaction on the relationship between Employee Engagement (vigor, dedication, & absorption) and Job Performance.

Generally, the finding implies that job satisfaction is partially mediating the effect of Employee Engagement on Job Performance with 66.63% job performance was indirectly influenced by job satisfaction; other 33.37% was influenced directly by employee engagement (vigor, dedication & absorption) in Ethio Telecom (Addis Ababa) employees.

**Table 4.11 Summary of Hypothesis Results**

<b>Hypothesis</b>	<b>Method used</b>	<b>Results</b>
<p><b>Ha1: There is significant effect of Ethio Telecom Employee Engagement on Job Performance (at <math>\alpha</math> Level <math>\leq 0.05</math>).</b></p> <p>Ha1.1: There is significant effect of Vigor on Job Performance.</p> <p>Ha1.2: There is significant effect of Dedication on Job Performance.</p> <p>Ha1.3: There is significant effect of Absorption on Job Performance.</p>	Correlation & Regression	Accept: (B=.488, $p < 0.05$ ) 95% Confidence
<p><b>Ha2: There is significant effect of Ethio Telecom (Addis Ababa) Employee Engagement on Job Satisfaction (at <math>\alpha</math> Level <math>\leq 0.05</math>).</b></p> <p>Ha2.1: There is significant effect of Vigor on Job Satisfaction).</p> <p>Ha2.2: There is significant effect of Dedication on Job Satisfaction.</p> <p>Ha2.3: There is significant effect of Absorption on Job Satisfaction.</p>	Correlation & Regression	Accept: (B=.666, $p < 0.05$ ) 95% Confidence
<p><b>H3: There is significant effect of Job Satisfaction on Job Performance (at <math>\alpha</math> Level <math>\leq 0.05</math>).</b></p>	Correlation & Regression	Accept: (Beta=.457, $p = 0.000$ ).
<p><b>Ha4: There is significant mediating effect of Job Satisfaction on the relationship between Employee</b></p>	Correlation & Regression	Accept: (Beta=.265, $p < 0.05$ ).

<p><b>Engagement and Job Performance (at <math>\alpha</math> Level <math>\leq 0.05</math>).</b></p> <p>Ha4: 1: There is significant mediating effect of job satisfaction on the relationship between vigor and job performance.</p> <p>Ha4: 2: There is significant mediating effect of job satisfaction on the relationship between Dedication and job performances.</p> <p>Ha4: 3: There is significant mediating effect of job satisfaction on the relationship between Absorption and job performance.</p>		
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**(Source: The researcher’s Survey data output, 2020)**

## **CHAPTER FIVE**

### **SUMMARY OF MAJOR FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

This Chapter presents the findings obtained from the analysis and discussion of the collected data, conclusions derived from the findings of the study and relevant recommendations drawn to address the identified concerns if there based on the overall results of the study. Finally, address suggestions for future researches.

#### **5.1 Summary of Major Findings**

The objective of this study was to examine the effect of employee engagement (vigor, dedication, and absorption dimension) on job performance and the mediating role of job satisfaction in the context of Ethio Telecom (Addis Ababa).

The data was collected from Ethio Telecom (Addis Ababa) in the form of questionnaires from 383 sample from this 346 returned the questionnaire out of 8,794 permanent employees of Ethio telecom in Addis Ababa from Six Zones and HQ. The personal profiles of the respondents were analyzed as per their gender, age, levels of educational achievements, years of service in the current organization, job category, and marital status, as a result that the analysis could be more meaningful for readers.

The descriptive statistics results of the findings suggested that the overall Employee engagement with vigor, dedication and Absorption dimension together of the seventeen questions, is agreed to an average agreement rating of  $M= 3.6566$  with standard deviation  $.55606$  greater than the average score on 5-point Likert scale and also job satisfaction is computed to an average level of  $M=3.6750$  while the standard deviation (SD) is  $.67017$ .

The overall job performance of employees having 19 questions is computed to an average level of  $M= 3.9632$  with standard deviation  $.45656$  are relatively high.

The Pearson correlation analysis result indicates that with 95% confidence level vigor, absorption, and dedication had with job performance was significant at  $p=.00$  with vigor ( $r=.544$ ), Absorption ( $r=.547$ ) at  $p=.00$ , and dedication ( $r=.245$ ) with  $p=.000$  respectively. On aggregate employee engagement has also significant and positive correlation with job performance whose correlation coefficient was ( $r=.595$ ,  $p<.05$ ), this implies that the aggregate employee engagement was moderately correlated with job performance in Ethio Telecom (Addis Ababa) Employee's.

There is also significant correlation exists between Independent variables (employee engagement) (Vigor, absorption and Dedication with Mediator variable (Job satisfaction) with vigor ( $r=.510$ ,  $p<.05$ ), absorption ( $r=.488$ ,  $p<.05$ ), & Dedication ( $r=.217$ ,  $p<.05$ ) and Employee Engagement ( $r=.553$ ,  $p<.05$ ) which shows vigor, absorption and employee engagement are positively, significantly, and moderately correlated to mediator variable (job satisfaction).

In addition, there also is significant correlation between dependent variable (job performance) and Mediator variable (Job satisfaction) with ( $r=.670$ ,  $p<.05$ ) which is moderately correlated.

The first regression results shown that absorption is a significant predictor of employee job performance with vigor (Beta=.209,  $p<.05$ ), Absorption (Beta=.262,  $p<.01$ ), Dedication (Beta=.075,  $p<.05$ ), and  $R=.642$  overall Employee Engagement (Beta=.488,  $p<.05$ ).

The second regression result showed that Vigor, Absorption & Dedication were the strongest significant effect of Job Satisfaction with (Beta=.313, Beta=.322, & Beta=.094,  $p<.05$ ), &  $R=.585$  respectively.

The third regression result shown that Job Satisfaction is the strongest significant effect of job performance with (Beta=.457,  $p<.01$ ),  $R=.670$ .

Four main & nine sub hypotheses were tested to answer the research questions and fulfilled the research objectives i.e. there is a positive and significant relationship and effect between aggregate employee engagement and job performance in Ethio Telecom (Addis Ababa). And there is also a positive and significant relationship between vigor, dedication, and absorption between job performances. In addition, there is a positive and significant relationship between Employee Engagement (vigor, dedication, and absorption) with job performance, and with the mediator variable (job Satisfaction). The overall hypotheses tested results showed that the null hypothesis should be rejected, and the alternative hypothesis should be accepted since the p-value for regression and correlation ( $< 0.05$ ) falls below the established 95% confidence interval.

## **5.2 Conclusions**

The study revealed an extensive verity of issues related to the effect of employee engagement on job performance and the mediating role of job satisfaction in Ethio Telecom (Addis Ababa). Based on the analysis of the data and the findings summarized earlier, researcher made the following conclusions:

### **The first research question: Are employees of Ethio Telecom (Addis Ababa) engaged or not?**

According to the findings of the research, the mean score of employee engagement together (vigor, Absorption, & Dedication) greater than the average score on 5-point Likert scale. This implies that on average majority of the employees were engaged in their jobs cognitively, emotionally and physically, and majority of the employees perceived that their meaningfulness, safety and availability needs are met. Therefore, employees of Ethio Telecom (Addis Ababa) were moderately engaged. This implies that an engaged employee is involved, satisfied and enthused with their job.

### **The second research question: Does Employee Engagement (i.e. vigor, dedication, and absorption) have an effect on job performance?**

The results from the study indicates that aggregate Employee Engagement (Vigor, Absorption, and Dedication) were significant and positive effect of employee job performance in Ethio Telecom (Addis Ababa). With the largest beta coefficient Absorption makes the strongest effect on job performance as compared with Vigor and Dedication. In this study positive and significant relationship were observed between vigor, absorption, and dedication with job performance of Ethio Telecom (Addis Ababa) Employee's. Such relationship implies that Employee engagement is crucial in Ethio Telecom because it has a direct impact on how productive, efficient, and innovative an employee is and increases the organization's bottom line and job performance. The results show that all three the dimensions of employee engagement (vigor, dedication, & absorption are positive and statistically significant contributors to job satisfaction. There is also positive, moderate and significant relationship between dependent variable (job performance) and Mediator variable (Job satisfaction). It is also the strongest significant effect of Employee's job performance in Ethio Telecom (Addis Ababa).

**The third research question: Does Job satisfaction have a mediating role in effect of employee engagement (i.e. vigor, dedication, and absorption) on job performance in Ethio Telecom?**

The result of the study confirmed that job Satisfaction has partial mediating role on the effect of employee engagement on job performance. This implies that there is also indirect effect of job performance between employee engagement and job performance.

**The results of testing the hypotheses showed that all main and sub hypothesis was rejected and accept the alternative hypothesis:** The first main hypothesis indicating that Ethio Telecom (Addis Ababa) had positive and significant relationship between employee engagement (i.e. vigor, dedication, and absorption) and job performance. The results of testing the second main hypothesis revealed that there is significant effect of Ethio Telecom Employee Engagement (vigor, dedication, & absorption) with Absorption having the most contribution on Job Performance. The third main hypothesis was suggested that there is significant effect of Ethio Telecom (Addis Ababa) Employee Engagement (vigor, dedication, & absorption) on Job Satisfaction. The fourth main hypothesis was there is significant effect of Job Satisfaction on Job Performance. In order to test, the and were adopted.

The fifth main hypothesis results of Baron and Kenny (1986) testing the mediating effect of job satisfaction on the association between Ethio Telecom (Addis Ababa) employee engagement (vigor, dedication, & absorption) and job performance supported only partial mediation. There is significant partial mediating effect of Job Satisfaction on the relationship between Employee Engagement (vigor, dedication, & absorption) and Job Performance.

Andrew Hayes (2013) mediation models result also supports partial mediation that means 66.63% job performance was indirectly influenced by job satisfaction and other 33.37% directly by employee engagement (vigor, dedication & absorption) in Ethio Telecom (Addis Ababa) employees.

Generally, the study has supported that all the variables significantly affected each other, had significant positive relationship and provided support for the capability of job satisfaction to partially mediate the engagement-job performance relationship in Ethio Telecom (Addis Ababa) employees.

### **5.3 Recommendations**

Based on the summaries and conclusions the following recommendations are forwarded To Ethio Telecom (Addis Ababa):

Top managers should give a priority to make fully engaged employees in their jobs and create a conducive working environment that facilitates the satisfaction of Ethio Telecom employees. Having satisfied and fully engaged employees' means having loyal and committed Ethio Telecom (Addis Ababa) employees who are willing to do anything for the organization they work for.

Top Managers of Ethio Telecom (Addis Ababa) give top priority on aggregate Employee Engagement (Vigor, Absorption, and Dedication) dimensions because they had significant and positive effect of employee job performance. And give priority on the Dedication dimension Employee engagement of Ethio Telecom (Addis Ababa) which shows low effect on job performance. This implies the managers of Ethio Telecom (Addis Ababa) provide due attention how to inspire, proud and enthusiastic about their job to get crucial competitive advantages and successful including higher productivity and lower employee turnover, if not keep them engaged, they will negatively affect the job performance of the company. Whereas, Absorption having the most contribution of job performance and hence Ethio Telecom should focus more on this dimension of Employee engagement.

Managers should implement appropriate policies, procedures, structures, and systems in order to increase the engagement level of Ethio Telecom (Addis Ababa) employees which will ultimately lead to the achievement of job performance and organizational goals. In addition to implementing polices managers of Ethio Telecom (Addis Ababa) focus on the five key drivers of employee engagement to ensure that staff feels they are Connected, Contributing, Free, Growing, and Having Fun in Ethio Telecom.

To ensure the satisfaction of Ethio Telecom (Addis Ababa) employees, managers can implement strategies to improve career growth, recognition, trust between Ethio Telecom (Addis Ababa) employees and senior management, and personal status.

Furthermore, reviewing salary and compensation schemes, benefits, and job security of Ethio Telecom (Addis Ababa) should be at the top of managers' lists as they play an important role in determining the satisfaction levels of employees. Although compensation/pay, benefits and job security shape the degree to which Ethio Telecom (Addis Ababa) employees are satisfied, it is also significant to mention that the extent of their importance fluctuates as a result of external factors

such as changing economic conditions (SHRM, 2016). Managers should create sense of feeling valued and involved in the organization.

Finally, measurement of employee engagement level and adopting Engagement strategies and high-job performance work practices (i.e. training, empowerment, benefits, rewards, and loan benefits) that improve both engagement and satisfaction levels of Ethio Telecom employees. This will benefit for both Ethio Telecom (Addis Ababa) employees and employer as engaged and satisfied employees are those who have found jobs that meet their expectations and create personal fulfillment which makes them happy and committed employees.

#### **5.4 Suggestion for Future Researches**

The researcher recommends using different employee engagement measuring tools and other dimensions of measuring the effect of employee engagement on job performance other than those used in this research for more understanding and better knowledge regarding employee engagement and use other mediator variables like employee commitment.

This study was performed only in Ethio Telecom (Addis Ababa) with a small sample size; In order to get a comprehensive representation and generalizations of the study findings, any future study can be carried out with a relatively larger sample size that should be taken from Ethio Telecom as whole and other companies as well.

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## Appendix -1



**ADDIS ABABA UNIVERSITY**

**COLLEGE OF BUSINESS AND ECONOMICS**

**DEPARTMENT OF MANAGEMENT**

**MSC IN MANAGEMENT**

**QUESTIONNAIRE**

**Dear Respondents:** -The aim of the questionnaire is to gather data in order to assess the engagement level of employees in Ethio Telecom and to measure the extent to which employee engagement affect job performance and the mediating role of job satisfaction in the title **‘The Effect of Employee Engagement on job performance and the mediating role of job satisfaction in the case of Ethio**

**Telecom**’ for academic purpose. Therefore, I kindly request you to fill this questionnaire genuinely and freely assuring that the data will be used solely for the intended academic purpose (for partial fulfillment of Master of Science (MSc) in Management Specialization in Organization Excellence and Total Quality Management). Please follow the instructions and answer all questions. Your answers will be treated strictly confidential. You don ‘t needs to make public your identity. You can call Desalegn Sewagegn @ +251(0) 911525461 or email me dessew9045@gmail.com for any question or explanation you need.

**Thank You for Your Participating!**

**Part One: - Demographic and other information**

Please put tick mark (√) in the circle with most closely represents your personal situation and mark one item only per question.

1. Gender: Male  Female

2. Age: 20-29  30-39  40-49  50 and above

3. Educational Qualification: Diploma  First Degree

Master's Degree  PhD  Other

4. Work experience in your current organization in years

0-1  2-5  6-10  11-20

21 and above

5. Job category: Managerial  Non-managerial

6. Marital Status: Single  Married

Divorced  Widowed

## Part Two: Employee Engagement Level Survey Questions

Please put tick mark (√) in the box corresponding to the option that identifies your level of overall (agreement) on the true feeling you have on a five point scale ranging from extreme disagreement to extreme agreement where 5 is extremely agreement and 1 is extremely disagreement. (1=strongly disagree 2=disagree 3=neutral 4=agree 5=strongly agree)

No	Description of the Item	1	2	3	4	5
<b>Vigor Dimension</b>						
1.	At my work I feel like satisfied with energy					
2.	At my job I feel strong and vigorous.					
3.	When I get up in the morning, I feel like going to work.					
4.	I can continue to work for long periods of time.					
5.	At my job, I am mentally resilient (Strong)					
6.	At my job, I always persevere (Stick with). Even when things do not go well					
<b>Dedication Dimension</b>						
7.	I find the work that I do meaningful and purposeful.					
8.	I am enthusiastic about my job					
9.	My job inspires me					
10.	I am proud of the work that I do.					
11.	My job is challenging me					
<b>Absorption Dimension</b>						
12.	Time flies when I am at work					
13.	When I work, I forget everything else around me					
14.	I feel happy when I work intensively.					
15.	I am immersed (deep) in my work.					
16.	I get carried away when I work.					
17.	It is difficult to detach (Isolate) myself from my job.					

**Part Three: Job Performance level Questions**

No	Descriptions of the Item	1	2	3	4	5
18.	Expressing my emotions with words is not a problem for me					
19.	Overall, I' m a highly motivated person					
20.	I usually find it difficult to regulate my emotions					
21.	I can deal effectively with people					
22.	I feel that I have several good qualities					
23.	I help others who have been absent.					
24.	I take the time to listen to co-worker's problems and worries.					
25.	I take a personal interest in other employees.					
26.	I go out of the way to help new employees.					
27.	I give advanced notice when unable to come to work.					
28.	My attendance at work is above the norm.					
29.	I tend to take understand work breaks.					
30.	I adhere (follow) to informal rules devised maintain order.					
31.	I fulfill all the requirements of my job.					
32.	I demonstrate expertise in all job-related tasks.					
33.	I could manage more responsibility in my job than is typically assigned to me.					
34.	I feel I appear suitable for a higher-level role.					
35.	I am competent in all areas of my job, handling tasks with proficiency.					
36.	I perform well in my overall job by carrying out tasks as expected.					

**Part Four: Job Satisfaction Level Questions**

No	Descriptions of the Item	1	2	3	4	5
	<b>Job Satisfaction</b>					
37.	Being able to keep busy all the time					
38.	The chance to work alone on the job					
39.	The chance to do different things from time to time					
40.	The chance to be “somebody” in the community					
41.	The way my boss handles his/her personnel					
42.	The competence of my supervisor in making decisions					
43.	Being able to do things that don't go against my conscience					
44.	The way my job provides for steady employment					
45.	The chance to do things for other people					
46.	The chance to tell people what to do					
47.	The chance to do something that makes use of my abilities					
48.	The way department policies are put into practice					
49.	My pay and the amount of work I do					
50.	The chances for advancement in this job					
51.	The freedom to use my own judgment					
52.	The chance to try my own methods of doing the job					
53.	The working conditions					
54.	The way my co-workers get along with each other					
55.	The praise I get for doing a good job					
56.	The feeling of accomplishment I get from the job					

**THANKS!!!**

## Appendix -2

### TOTAL, DIRECT, AND INDIRECT EFFECTS OF X ON Y \*\*\*\*\*

Total effect of X on Y								
Vigor	Effect	se	t	p	LLCI	ULCI	c_ps	c_cs
	.3766	.0313	12.0179	.000	.3150	.4382	.8249	.5438
	Direct effect of X on Y							
	.1889	.0306	6.1720	.0000	.1287	.2491	.4137	.2727
	Indirect effect(s) of X on Y:							
Job satisfaction	.1877	.0406			.1158	.2749		
<b>Dedication</b>	Total effect of X on Y							
	.1055	.0226	4.6795	.0000	.0612	.1499	.2312	.2446
	Direct effect of X on Y							
	.0449	.0175	2.5576	.0110	.0104	.0794	.0983	.1040
	Indirect effect(s) of X on Y:							
Job satisfaction	.0607	.0224			.0217	.1093		
	Total effect of X on Y							
<b>Absorption</b>	.3818	.0315	12.1163	.0000	.3198	.4438	.8362	.5469
	Direct effect of X on Y							
	.2014	.0301	6.6817	.0000	.1421	.2606	.4411	.2885
	Indirect effect(s) of X on Y:							
Job satisfaction	.1804	.0379			.1112	.2589		
	Total effect of X on Y							
Employee Engagement	.4882	.0356	13.7172	.0000	.4182	.5582	1.0694	.5946
	Direct effect of X on Y							
	.2648	.0368	7.1980	.0000	.1925	.3372	.5801	.3226
	Indirect effect(s) of X on Y:							
Job satisfaction	.2234	.0420			.1464	.3065		

N=346, Significance \*=P<0.05, p=0.000

### Appendix -3 Model Summary (JS)

	R	R-sq	MSE	F	df1	Df2	p
Vigor	.5102	.2603	.3332	121.0258	1.000	344.0000	0.000
Dedication	.2171	.0471	.4292	17.0169	1.000	344.0000	0.000
Absorption	.4879	.2381	.3432	107.4844	1.000	344.0000	0.000
Employee Engagement	.5529	.3057	.3128	151.4311	1.000	344.0000	0.000

Figure 4.3

