

**The Effect of Internal Communication on Employees
Engagement: The Case of Commercial Bank of Ethiopia
(CBE)**



**Addis Ababa University
School of Commerce**

**A Thesis Submitted to Addis Ababa University School of Commerce,
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DECLARATION

I, the undersigned, declare that this study is my original work and has not been presented in any universities, and that all the sources of materials used for the study have been dully acknowledged.

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CERTIFICATION

This is to certify that **Biruk Gossaye Alemu** has completed his thesis entitled “**The Effect of Internal Communication on Employees Engagement: The Case of Commercial Bank of Ethiopia**”, under my guidance in Partial Fulfillment for the Degree of Master of Art in Human Resources Management. In my view, the work is an original effort of the candidate and all materials used for the thesis have been dully acknowledged.

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Lists of Acronyms

CATS: Customer Accounts Transaction Service

CBE: Commercial Bank of Ethiopia

HR: Human Resources

TS: Trade Service

UWES: Utrecht Work Engagement Scale

Abstract

This research was conducted to examine the effect of internal communication on employees' engagement on Commercial Bank of Ethiopia (CBE). Data was gathered from 287 employees working at Head Office, District Offices and six special branches found in Addis Ababa. Internal communication is measured by using variables Superior -Subordinate communication relationship, Quality of information, Opportunity for upward communication and Reliability of Information, whereas the dependent variable, employees' engagement is measured by using three dimensions: Vigor, dedication and absorption. The mean and standard deviation of internal communication and employee engagement were computed and interpreted. Pearson correlation Coefficient (r) was used to determine the relationship between each independent variable with the dependent variable employees engagement. The descriptive statistics result shows that employees perceive moderate level of all engagement and for variables of internal communication. The finding indicates that there is significant and positive relationship between internal communication and employee engagement. This implies that any increase or decrease on variables of internal communication will bring corresponding change on employees' engagement. Further in this study internal communication has 30 % influence on employees' engagement while the remaining 70 % is influenced by factors unaccounted in this research. Furthermore, it is found that variables of internal communication predicts employee engagement positively through quality of information ($B=.187, P\leq.018$), superior subordinate communication relationship ($B=.0181, P\leq.003$), opportunity to upward communication ($B=.160, P\leq.022$) and reliability of information ($B=.136, P\leq.063$). Considering the findings above, the Bank should give priority for quality of information and go down through other variables of internal communication according to the magnitude of their Beta Value. Of course not neglecting their significance value also. In this study, opportunity to upward communication ranked at the third position and it is highly suffered in CATS process. As a result, since more than 73% of employees are working in this process, top management should also give special focus for this variable in CATS process to attain sound improvement in overall internal communication practice of the Bank.

Keywords: *Internal Communication, Employees' Engagement, Commercial Bank of Ethiopia*

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The human factor and its influence on performance and profitability of companies has been a popular area of research (Wright & Cropanzano, 2007). Employee satisfaction and Engagement Survey of CBE (2015) stated Schou (2007) believes that the human capital of an organization is the most important asset. Gallup study, (2006) in this regard explains organizations are realized and started to look into employees as an asset so that they can utilize their skills, knowledge and abilities to sustain the competitiveness in the industry. Organizations in such a situation may benefit from employees who are engaged to achieve better financial performance (Baumruk, 2006). In recent years, as companies have begun recognizing the importance of engaged employees for direct business outcomes such as innovation, and productivity, employee engagement has emerged as a vital concept that affects organizational effectiveness and competitiveness (Bakker & Demerouti, 2008; Morris, 2010).

Different authors defined employee engagement differently. Robinson cited by Markos and Sridevi (2010) define employee engagement as “a positive attitude held by the employee towards the organization and its value. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. The organization must work to develop and nurture engagement, which requires a two-way relationship between employer and employee.”

Hewitt Associate (2006) defines employee engagement as those who say, speak-positively about the organization, stay-desire to be an effective member and strive - continue to perform beyond minimal requirements for the organization.

According to Kahn (1990, P.694) defined 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”

Engagement is a positive, fulfilling, work - related state of mind that is characterized by vigor, dedication, and absorption (Bakker & Schaufeli 2004).

Studies indicated Gatenby, Soane and Truss (2008) that solution to employee engagement for enterprises performance is to provide employee with opening to share their ideas and feelings. Also that managers and leaders are to accommodate employees concerns to maintain organization performance. Employee attitude is a positive factor for their engagement to organization performance. The recognition of employee attitude is an important element for competition to contribute to organization profitability (Shamila, 2013). Others reported that employee engagement and organization performance, there is a need to share with them and demonstrate ideas for strategic plan of the organization. In strengthening these facts, the study conducted by Wyatt (2008) has been quoted by Trahant (2008) shows a strong correlation between effective employee communication and superior organizational performance.

Organizations to remain competitive in dynamic business environment, among other things, they revisit their strategies, policies and plans continuously to survive and register business growth in the changing and competitive environment. These changes have to be communicated to the employees in a consistent and effective manner. Effective and consistent communication enables organizations to induce common understanding about organizations' strategies and objectives through aligning the employees with organization (Gaither, 2012). Wyatt (2008) supported Gaither's idea in his study by reporting that every employee should be kept informed with any changes that can affect their groups and they are not confused or argued any changes happened. Besides that organizations also have to play role to provide a clear instruction or information to all employees and always make employees know what is happening in their organization. In addition Karanges et al (2014) referring (Rothenberg 2003; Ryyanen, Pekkarinen & Salminen, 2012) states that internal communication as an internal organizational process provides and shares information to

create a sense of community and trust among employees. Developing a sense of community and trust through internal communication involves establishing and maintaining relationships between an organization, supervisors, and employees (Lockwood, 2007). Internal communication is communication between the organization's leaders and one of its key publics: the employees (Dolphin, 2005). It is "social interaction through messages" (Kalla, 2005, p. 303) and reflects management's ability to build relationships between internal stakeholders at all levels within an organization (Welch & Jackson, 2007). Quirke referred by Hayase noted that the role of internal communication is to illuminate the connections between different pieces of information, and its job is to provide employees with the information they need to do their job. Thus, in both theory and practice, internal communication is critical to building relationships with employees.

Similar to Gaither and Wyatt, Lockwood (2007) discussed that transparent and consistent internal communication from the management is an important driver of employee engagement (Welch & Jackson, 2007). Further, Frank and Brownell (1989) argue that in employee engagement, employee communication plays the most vital role to ensure the good relationship among the working population and consistent and honest communication is an important management tool for employee engagement.

This study will examine the effect of internal communication on employees' engagement in Commercial Bank of Ethiopia and will try to show the link between internal communication and employee's engagement through measuring current employees' engagement, how internal communication is perceived by CBE employees and by gauging degree of relationship between internal communication and employees' engagement.

1.2 Statement of the Problem

There are many factors that may contribute to promoting employee engagement. Among others internal communication is one of them and it serves as a vehicle in which other variables to be disseminated, supported, and communicated (Hayase, 2009).

Welch and Jackson (2007), found out that the effective and future-oriented internal communication is a leading indicator of organizational success. According to Meng and

Berger (2012), the values created by excellent internal communications in organizations are often future-oriented, such as issue recommendations and potential growth in investor opportunities. Iyer and Israel (2012) identified internal communication as a key driver of employee engagement. Similarly, Hoover (2005) evidenced internal communication is a key driver for engagement by stating that, poor communication is the most common problem among large and small businesses. An organization that is silent can experience the worst outcomes as it forces employees to speculate, listen to the grapevine and turn to the media for information about their company. Organizations that communicate effectively experience less turnover and resistance, higher shareholder returns, increased commitment and higher levels of employee engagement (Guzley, 1992). Considering the above mentioned facts, globally there are empirical researches that are conducted to figure out the relationship between internal communication and employees' engagement even though they are limited in number.

In Ethiopian contexts, Nebat (2015) conducted research on practices and challenges of employees' engagement. One of her findings depicted that poor internal communication appears to be one of the challenges that hinder employees to engage on their tasks actively.

Another research by Mekedes (2015) in her study discussed the role of internal communication on Employee Engagement. Among other things she found out that there is strong relationship between formal internal communication and employee engagement.

Parallel to this, such researches in Ethiopia is not found adequately as far as the researcher capacity is concerned. And the academic researches mentioned are not in a position to show the link between internal communication and employees' engagement due to their scopes, objectives and other attributes of the studies. In line with this, the researcher believes Commercial Bank of Ethiopia (CBE), the largest state-owned Bank in the country has also similar experience particularly in this area. In the Bank, Employee Engagement Survey is conducted every two years. With the research conducted in 2015 fiscal year, it is found that employee engagement level was 73 percent. And it showed significant progress when it is compared with that of the survey conducted in 2013 which was 65 percent which serve as a baseline. The study further states, this improvement is true for the scores in all eight

engagement categories of the survey tool. The dimensions that used to measure employees engagement are; work environment, recognition and reward, career development, work expectation, employee commitment, benefit and satisfaction with current role, compensation, and focus on quality. From this it is clear that internal communication is not given the required level of emphasis as a driver of engagement. Due to this, the link between internal communication and employee engagement is not yet discussed sufficiently. To this end, the student researcher is encouraged to identify the link between internal communication and its contribution towards employees' engagement in CBE.

Research Questions

1. What is the level/ status of employee engagement?
2. How do employees perceive about the internal communication practice of CBE?
3. What is the association between internal communication and employee engagement in CBE?
4. How internal communication affects employee engagement?

1.3 Objective of the Study

1.3.1 General Objective

Main objective of the study is to examine the effect of internal communication on employees' engagement.

1.3.2 Specific Objectives

1. To evaluate the level/ status of employee engagement.
2. To examine how employees perceive about the internal communication Practice of CBE.
3. To assess the correlation between internal communication and employee engagement.
4. To evaluate to what extent internal communication affects employee engagement.

1.4. Significance of the Study

The study contributes in providing up-to-date information for top management as well as HR professionals of CBE about the effect that internal communication has on employees' engagement. Further HR professionals in the Bank may use the findings of this study in designing internal communication strategy through identified areas where improvements are required. In doing so, the Bank in general may benefit by maximizing its performance through its engaged employees.

Further, the study aims to increase understanding in the area in connection with prior researches conducted on the subject matter for future researchers in the area.

1.5. Scope of the Study

To measure internal communication, the study deployed factors of Dennis internal communication climate survey which are: Superior- subordinate communication, quality of information, superior openness, and opportunities to upward communication and reliability of communication are constructs under communication climate which they serve as to measure internal communication in this study.

Regarding methodological scope, the study uses quantitative research approach. The reason behind using this approach is nature of the research problem and objectives of the study. This study is conducted with the objective of addressing the effect of internal communication on employees engagement. And it is suitable deploying empirical quantitative assessment that involves numerical measurement and analysis approaches to address all the research questions of this study appropriately.

In addition, the study geographically bounded in Addis Ababa. CBE's current organization level consists of head office, district offices and branches. Considering this, the study included from all organization level of the Bank in Addis Ababa. Further, target populations for this study were professional (non-supervisory) employees across all the three levels of the Bank.

1.6. Organization of the Study

The study is divided in to five chapters. The first chapter deals with the introductory part. Chapter two deals with related literature where detailed discussion about the topic is undertaken. The third chapter presents the research design and methodology. In the fourth chapter data presentation, analysis and interpretation is discussed. The fifth and the final chapter covers the summary of major findings and conclusions drawn from the findings and also the possible recommendations are forwarded.

CHAPTER TWO

LITERATURE REVIEW

Review of Related Literature

In this section different literatures in relation with the basic premise of the study are reviewed so as to draw a clear theoretical framework of the subject matter. Accordingly, the distinct meaning and features of internal communication and employees' engagement are discussed in detail.

2.1 The Concept of Employee Engagement

Employee engagement is a broad concept that involves vast majority of human resources management. According to Markos and Sridevi (2010), employee engagement is built on the foundation of earlier concepts, such as job satisfaction, employee commitment and organizational citizenship behavior.

Employee engagement is concerned with employee perspective, needs and expectations that affect organizational effectiveness. It is a new concept in the field of human resource management and has been recognized as a critical concern for leaders and management in organizations (Welch, 2011).

Attridge (2009) defined employee engagement as employees feeling positive emotions toward their work, finding their work to be personally meaningful, considering their workload to be manageable, and having hope about the future of their work.

The concept of employee engagement was developed by Kahn (1990) in his ethnographic work on summer camp employees and also employees at an architecture firm. He defined 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” (Kahn, 1990, p. 694).

Kahn's study included two contrasting organizations, a summer camp and an architecture firm. He utilized qualitative methods of observation, document analysis, self-reflection, and in-depth interviewing for collecting data (p. 695).

Kahn's study (1990) supposed that employees would engage themselves in situations when there were perceived benefits, guarantees, and necessary resources. The results showed that individuals were engaging in situations with more psychological meaningfulness compared to those situations with less psychological meaningfulness (p.704). The data also linked engagement to psychological safety (p. 708) and psychological availability (p. 714). Kahn's research brought forth a multifaceted framework for how employees engage or disengage in the workplace. The study was forced organizations to reevaluate the way they treated employee relations and communication.

Moving beyond job satisfaction, consulting firms and researchers encourage organizations to find ways of measuring employee engagement. Engaged employees are operationally defined as motivated, self-improving, and productive (Harley et al., 2005, p. 24) while understanding and aligning themselves with their company's culture and business strategy (Coleman, 2005).

Now modern organization concentrate on human capital management, In words of Ulrich (1997; P.125), a famous HRM expert – “Employee contribution becomes a critical business issue because in trying to produce more output with less employee input, companies have no choice but to try to engage not only the body but the mind and soul of every employee”. An engaged employee will consistently outperform and achieve new standards of excellence (Harter, Schmidt & Hayes, 2002).

Engaged employees are passionate about the work they do. Passion is always accompanied by excitement, enthusiasm and productivity (Kroth & Boverie, 2013). The engaged employees not only contribute more but also are more loyal and therefore less likely to voluntarily leave the organization. Each individual has control over the amount of discretionary effort available to organization from him or her (Catlette & Hadden, 2001). To prosper and survive today's challenging environment there is a need of engaged employees.

Employees are an asset to an organization. Using the organization's intellectual capital has become an important source of competitive advantage (Harter, 1994). In the present era of talent war the employees are considered as the most valuable asset. An organization can acquire most of assets similar to its competitor but cannot copy the skill and talent of the human resources of the competitor. Now the situation is very alarming as many organizations target the pool of talented and experienced employees across the world. In this scenario the concept of employee engagement is very important.

Engaged employees are fully present, and draw on their whole selves in an integrated and focused manner to promote their role performance. They are willing to do this because three antecedent conditions are met: Employees feel psychologically safe in the presence of others to apply themselves in their role performances, they have sufficient personal resources available to devote to such performances, and their work is sufficiently meaningful that such personal investment is perceived as worthwhile (Kahn, 1990). These conditions are called psychological safety, psychological availability, and psychological meaningfulness, respectively.

The engagement concept put forward by Kahn (1992) is of an integrated, profound, and purposeful use of a person's whole self in his or her role performance. This overlaps with other concepts that depict a cognitive, affective, and behavioral connection of the individual employee with the role and organization.

It is understandable that organizations wish to increase employee engagement, given that engaged employees are willing to make use of their full selves in their work roles in a positive way (Kahn, 1990), have better wellbeing (Hallberg & Schaufeli, 2006), are more productive (Rich et al., in press), and remain in their jobs for longer (Saks, 2006; Schaufeli & Bakker, 2004). The three antecedent conditions proposed by Kahn (1990), of psychological meaningfulness, availability, and safety, provide opportunities for intervention to increase levels of engagement. Psychological meaningfulness is influenced by work characteristics, such as challenge and autonomy (Bakker & Demerouti, 2007). Psychological availability depends on individuals having sufficient psychological and physical resources, such as self-confidence, to invest in their role performances (Hallberg & Schaufeli, 2006). Psychological

safety stems from organizational social systems, with consistent and supportive coworker interactions and organizational norms allowing for greater engagement (Bakker & Schaufeli, 2006). The third antecedent condition, psychological safety, offers the most potential for leadership to influence engagement. Specifically, leadership that provides a supportive, trusting environment allows employees to fully invest their energies into their work roles.

Engagement is a positive, fulfilling, work - related state of mind that is characterized by vigor, dedication, and absorption (Bakker & Schaufeli, 2004). For this study vigor, dedication and absorption will serve as dimensions to measure employees' engagement.

2.1.1 Vigor

Vigor is characterized by high level of energy and mental resilience while working. It includes the willingness to invest effort in one's work, and persistence even in the face of difficulties (Bakker & Schaufeli, 2004). Engaged employees are energetic and involve themselves mentally in performing their work roles. They view their work roles as investment for themselves and the organization and they demonstrate willingness to exert extra effort in job performance. Vigor includes employee's willingness to persevere during difficult times in performing their job tasks. These employees go beyond the call of duty and perform extra roles that promote the effective functioning of the organization (Bakker et al., 2011)

2.1.2 Dedication

Dedication is the second dimension of employee engagement that refers to being strongly involved in one's work and experiencing a sense of significance, enthusiasm, inspiration, pride, and challenge (Schaufeli & Bakker, 2004). Engaged employees are dedicated to their work, and derive satisfaction with self as they conduct their job tasks. These employees are enthusiastic about their job tasks feel inspired and proud of their work. Dedicated employees find their job tasks with enthusiasm (Mbhele, 2016). Schaufeli et al. (2002) states that dedication is characterized by strong involvement, which leads to psychological identification with one's work that goes a step further than usual level of identification.

2.1.3 Absorption

Absorption is characterized by being fully concentrated and happily engrossed in one's work, whereby time passes quickly and one has difficulty detaching oneself from work (Schaufeli & Bakker, 2004). Absorption refers to immersion, concentration, engrossment and pre-occupation with something or an event. Schaufeli et al., (2002) elaborates that engaged employees are fully immersed with their work. These employees are so preoccupied with their work that to them, time passes quickly without them noticing. They are so engrossed that they find it difficult to detach themselves from work.

Schaufli et al. (2002) links absorption to what is called 'flow'. Flow is an optimal experience characterized by focused attention, a clear mind, mind and body unison, efforts in time, and intrinsic enjoyment. This implies that employees, who demonstrate absorption, lose themselves (self-consciousness) as they get totally and happily immersed in their work.

2.1.4 Why Employee Engagement?

Practitioners and academics tend to agree that the consequences of employee engagement are positive (Saks, 2006). There is a general belief that there is a connection between employee engagement and business results; a meta-analysis conducted by (Harter et al 2002).

Evidences show that there is relation between employee engagement and organization performance, whereby, the better the employee is engaged and committed, the more the performance of the organization. Employee engagement influence positively the non-attendance, continuation, advancement, facilitate client's services and encouragement to staff towards organization performance (Macleod & Clarke, 2012).

Ott (2007) cited Gallup research, which found that higher workplace engagement predicts higher earnings per share among publicly-traded businesses. When compared with industry competitors at the company level, organizations with more than four engaged employees for every one actively disengaged, experienced 2.6 times more growth in earning per share than did organizations with a ratio of slightly less than one engaged worker for every one actively disengaged employee.

Broadening the importance of engagement Nebat (2015) referred the 2014 Gallup's —State of The Global Workforce Report which concluded low levels of engagement among global workers continue to hinder gains in economic productivity and life quality in much of the world.

High organizational performance is greatly facilitated when employees at all levels, including managers, are engaged. Employees who are not engaged do not commit the attention and effort required to perform at their best.

Employee attitude is a positive factor for their engagement to organization performance. The recognition of employee attitude is an important element for competition to contribute to organization profitability (Shamila, 2013).

Engaged employee consistently demonstrates three general behaviors which improve organizational performance:

- Say-the employee advocates for the organization to co-workers, and refers potential employees and customers.
- Stay-the employee has an intense desire to be a member of the organization despite opportunities to work elsewhere
- Strive-the employee exerts extra time, effort and initiative to contribute to the success of the business (Baumruk & Gorman, 2006).

Much research in the public and private sectors has demonstrated that workforce engagement is significantly correlated with several positive organizational outcomes (Gorman, 2006, p. 24; Harter, Schmidt, and Hayes, 2002) including higher productivity, increased profitability, lower levels of sick leave use, fewer complaints of unfair treatment, less work time missed due to workplace injury or illness, lower levels of attrition, higher levels of customer satisfaction etc.

On the other hand, Miles and Maxwell (2009) state that engaged employees lead to high levels of quality and improved productivity. Supporting this view is Furham (2008) who states that engagement is not an end by itself but leads to other desirable outcomes such as customer satisfaction, employee retention and ultimately profitability. He goes on to further

state that the research conducted in this area consistently shows what he terms as a - "neither surprising nor counter- intuitive result."

The Gallup Organization (2004) found critical links between employee engagement, customer loyalty, business growth and profitability. They compared the scores of these variables among a sample of stores scoring in the top 25 percent on employee engagement and customer loyalty with those in the bottom 25 percent.

A study conducted in 2012 by The Dale Carnegie Training research by taking a representative sample of 1,500 employees also reached a similar conclusion. Today, employee engagement and loyalty are more vital than ever before to an organization's success and competitive advantage. Those days are gone when a young person starting out in his/ her career joined a company and stayed until retirement – in today's business environment there are no guarantees. With recruiting costs running approximately 1.5 times annual salary, the ability to engage and retain valuable employees has a significant impact on an organization's bottom line. The benefits of having engaged employees are emphasized especially during economically challenging times as described by the 2013 study that identified trends in global employee engagement.

Engaged employee bursting with energy, dedicated to his or her work, and immersed in daily work activities. An engaged employee is proactive and committed to high quality performance standards – he or she strives to excel at work. Indeed, work engagement is an example of a positive organizational psychology concept, related with sustainable growth – and flourishing, with respect to both organization and employee (Bakker & Schaufeli, 2004).

2.2 Internal Communication

2.2.1. Concepts of Internal Communication

Internal communication is the core concept of the study, viewed as an independent variable that has an impact on the achievement of employee engagement. There have been numerous definitions of internal communication presented by writers in the field. The concept of internal communication has been synonymously equated to organizational communication,

employee communication, intra- organizational communication, employee communication, internal relation, and internal public relations (Mbhele, 2016).

Though the importance of internal communication is emphasized in practice, the theoretical framework of it still has gaps Yeoman (2006). He further explains in his own words: “very little attention is paid to internal communication by public relations scholars yet it is viewed as part of an organization's strategic communication function”. This progress gap between scholars and practitioners creates a situation where it might be not always clear how to measure the effectiveness of internal communication strategies, simply due to the lack of the theoretical frameworks.

The gaps in theoretical framework start with the definition of internal communication. The definitions vary from a broad approach meaning all communication flows within organization, to a more narrow understanding of it as a specific field of corporate communication.

Bovee and Thill (2000) defines internal communication as “the exchange of information and ideas within an organization”. In this sense, all communication between employees, formal or informal, planned or spontaneous could be considered internal communication. The only differentiating factor from the other types of communication would be organizational boundaries. That would raise a question what is the purpose of internal communication function in the organization if such communication already takes place naturally?

Similar distinction is followed in the internal communication definition by (Yeoman, 2006: P.34) who see it as “an organization's managed communication system where employees are regarded as a public or stakeholder group”.

This definition considers internal communication as a managed process, thus confirming the above-mentioned distinction from a broader concept of organizational communication. Employees are either receivers of information or stakeholders - in the second case they also contribute to the communication process themselves.

Managed and non-managed internal communication could be positioned in different fields of research. According to Welch and Jackson (2007), organizational communication is

concerned with communication phenomenon, therefore including all communication inside the organization, while corporate communications field sees internal communication as a management instrument.

Welch and Jackson (2007:18) defines internal communication as “communication between an organization's strategic managers and its internal stakeholders, designated to promote commitment to the organization, a sense of belonging to it, awareness of its changing environment and understanding of its evolving aims”. The research will revolve around this definition of internal communication.

Malm cited by Mbhele (2016) internal communication is categorized in to formal and informal. The formal communication refers to communication initiated by management whereas the informal communication exists in organizations without specific initiation. Steinberg (1995) asserts that whether communication is formal or informal is largely dependent on the situation people find themselves in. Formal communication is categorized into upward and downward communication.

Formal communication originated from management in the form of policies, procedures, and work instructions, which are cascaded through the organizational hierarchy. Informal communication on the other hand refers to communication that take place between members of the organization, regardless of employment level. It is stated that informal communication develops through common interest among members of the organization. Korkosz (2011) citing (Pettinger, 2010) it includes the organizational grapevine, a means of informal, usually not confirmed by the management, information flow concerning the organization and its employees.

2.2.2. Role of Internal Communication

Interestingly, definitions and discussions concerning internal communication do not abound in either the academic or practitioner literature, but the function is widely discussed under the heading of employee communication, organizational communication and corporate or business communication (Argenti, 1998; Grunig, 1992; and Kitchen, 1997) respectively. But the main thrust remains the same, in ever - changing business environment, " as companies

become more focused on retaining a happy workforce with changing values, organizations have necessarily had to think more now than in the past about how they communicate with employees through what is called internal communication"(Argenti,1998). According to Pearson and Thomas (1997) effective communication means that managers must also take cognizance what employee: must know, should know and could know. And the above mentioned scholars further explained the three points as follows. Must know are issues related to Key job - specific information; Should know to be essential but desirable organizational information, e.g. changes in senior management, and could know as relatively unimportant or office gossip.

Communication is regarded as a key issue in the successful implementation of change programs because it is used as a tool for announcing, explaining or preparing people for change and preparing them for the positive and negative effects of impending change (Spike & Lesser, 1995). Further they explained internal communication can also increase understanding of the commitment to change as well as reducing confusion and resistance to it.

An important role of strategic internal communication is to generate “buy-in” for an organization’s goals and strategies. No matter how brilliant the business strategy, it must reach and win employees to achieve optimum effectiveness. Employees want to know where their organization is headed and how they contribute to achieving the vision (Moorcroft, 2003). Employees need a “core story” that consistently puts strategy into the context of the mission and values of the organization (Sanchez, 2004).

A study by the Great Place To Work Institute found that employees enjoy working in an environment where they “trust the people they work for, have pride in what they do and enjoy the people they work with” (Lockwood, 2007).

In a fast growing industry, organizational communication is critical for maintaining productivity and profitability and is essential for business success (Hargie, Tourish, & Wilson, 2002). Communication is a major challenge for organizations because of the difficulties they face when providing information or promoting strategies, and as such it has

received increased attention examining its impact on work behavior, managerial skills and generational differences (Caputo, Ford, Leibowitz, Polasik, & Ghosh, 2013).

Organizations require different approaches to internal communication and factors that need to be considered include: type of business, size of business, organizational culture, managerial style, financial resources, staff and the stability or volatility of the business environment (Kitchen, 1997). Also according to Harshman and Harshman (1999) communication with organizations is key factor in influencing how well organizations perform. Kitchen and Daly (2002) citing Hall (1998) goes further to state that communication is one of the top factors that maintain corporate health for an organization.

Bratton and Gold (1999) outline and discussed what they identified as crucial for organizational communication in business world. They stress that: communicating is fundamental to the process of organizing; understanding organizational communication provides insights into management strategies; there should be commitment from senior management to communication; effective communication skill encompass communication skill; management should take responsibility for devising and maintaining the communication systems; a combination of written and face- to -face channels is best; messages should be perceived to be relevant to employees; message should be consistent with actions; training in communication skill increases the effectiveness of the system; and the communication system should be monitored and evaluated.

Furthermore, Chong (2007), on his study found that focusing on face-to-face dialogue between management and staff help organizations to deliver their brand promise to their customers through their employees.

2.2.3. Internal Communication Climate

Mohammed and Hussein (2007) referring to communication researchers Gibb, as soon as two people start communicating, a climate begins to develop. Good communication should therefore be a relationship-building process rather than only a means of transferring information and ideas. According to Ireland, Aukun and Lewis (1978) cited by (Mbhele, 2016) there are two types of communication climates found in organization, namely:

defensive and supportive. Gibb mentioned in Ireland et al., (1978) distinguishes between the two climates by stating that supportive communication climate facilitates efficient and effective message transmissions, while a defensive climate hinders the successful transmissions of messages.

Supportive communication climate can be associated to a positive communication climate wherein employees perceive the communication climate, encouraging them to work strategically, collaboratively, cost-effectively, innovatively, accountable solving problems with self-initiation, feel a sense of belonging to an organization and creates an organization that empowers employee engagement (Ruth & Guzley, 1992). On the other hand, defensive communication climate is associated to a negative climate, wherein employees unduly criticize or are not satisfied with the communication environment (Mbhele, 2016). Further he explained a supportive communication climate is characterized by an open exchange of information, accessibility of co-workers, cooperative interactions and an overall culture of knowledge sharing.

Communication climate is the concept of how communications are conducted within an organizational environment; it occurs on both the organizational and individual levels (Arif, Zubair, & Manzoor, 2012). And the scholars further explained communication climate can affect employees' productivity and retention.

Dennis (1974) conceptualized communication climate as a separate construct from organizational climate. He defined communication climate as: A subjectively experienced quality of the internal environment of an organization. It embraces a general cluster of inferred predispositions identifiable through reports of members' perceptions of messages and message related events occurring in the organization.

Communication climate refers to an employee's general response to the communication environment at organizational and personal levels. Satisfaction climate includes the extent to which communication in the organization motivates workers to meet organizational objectives, and the extent to which attitudes towards communication in a given organization is perceived to be healthy (Mbhel, 2016). Thus through interactional processes, organizations members verify the existence of trust, support, openness, concern, and candidness.

Dennis' communication climate survey includes five factors namely; superior-subordinate communication, quality of information, superior openness/candor, opportunities for upward communication, and reliability of information which are constructs for the independent variable internal communication in this study.

2.2.4. The Relation between Internal Communication and Employee Engagement

In this part of the research, the relation between each constructs vis-a- vis engagement discussed.

a. Superior - Subordinate Communication

Measuring an organization's effectiveness is imperative for both researchers and practitioners. In recent years, as the relationship between a superior and his or her subordinate has come into the spotlight, researchers have become increasingly interested in this relationship.

Lee and Jablin were among the scholars who are interested in the maintenance communication used by superiors and subordinates in their work relationships. Lee and Jablin (1995) identified three strategic maintenance situations – deteriorating, routine, and escalating. They found that in almost half of the situations that were identified, the situation was classified as deteriorating, about 25% were routine situations, and the other 25% were classified as escalating. It is evident by these results that superiors and subordinates were most aware of situations in which they were concerned that their relationship with the other person might deteriorate to a level that they were not comfortable with or ready for.

Taking a broader view of maintenance communication used in superior-subordinate relationships, Glaser and Eblen (1986) discussed superior's organizational communication effectiveness from a manager's standpoint. Superiors in the study identified six dimensions of effectiveness: coaching and motivating employees, encouraging worker involvement and participation, self-motivation, problem solving ability, direct and adaptive interpersonal style, and listening skills. All of these dimensions were seen as important predictors of their

competence as superiors. These were also acknowledged as an effective means of establishing and maintaining healthy relationships with their subordinates (Deetz, 1992).

H1 - Superior - subordinate communication relationship is positively related with employees' engagement.

b. Opportunity to upward communication

Organizations need to promote an atmosphere in which employees feel psychologically safe to speak up. This feeling of safety and trust builds a solid stakeholder environment where employees become more productive and are higher performers who contribute to the overall success of the organization (Feliciano, 2016).

DeGreene (1982) cites many difficulties which result in communication problems within organizations. These include transmission problems such as one-sided (especially downward) communication processes; suppression of information; mistakes in the facts being communicated; the grapevine and rumor mill, and purposeful distortion (Marshak & Keenoy, 2000).

According to Pfeffer (2009: p.364), "One consequence of the trend away from communal and caring relationships has been less trust and psychological attachment between employees and their employers". Deetz's (2012) "Critical Theory of Communication in Organizations" discusses corporate control over employees and implications of the lack of a forum for employee upward feedback. According to Deetz (1992) many managers will provide employees the opportunity to offer feedback, but if the employees have previously given feedback that they perceived was undervalued, it doesn't take much time for the employees to become skeptical and distrustful of the practice altogether.

Employees can feel frustrated and disconnected from those who are in charge when business within an organization is constantly in flux and/or communication is lacking. If employees feel their thoughts and opinions are not valued, morale will decline, upward communication will diminish, and ultimately, business will suffer (Roberts & O'Reilly, 1974). It is critical that leaders in organizations build trust and encourage upward communication from

employees in order to “identify strengths that need to be reinforced and weaknesses that must be corrected” (Downs & Adrian, 2004, p. 13).

When there is a lack of upward communication, employee concerns cannot be addressed, suggestions for improvement cannot be implemented, and opportunities are missed. Simply put, it causes a stagnant work environment in which a leader will be looked upon as ineffective and disconnected. A leader will also miss out on opportunities for his/her own professional growth and for growth of the company. When employees do not trust their superiors, downward feedback has no effect on the employee performance, which causes inertia and lack of growth on all levels (Garnett, Marlowe & Pandey, 2008).

Where leadership credibility is lacking, so is trust, confidence, and compliance from employees (Men, 2015). It has been suggested that innovative corporate cultures retain authentic leaders who are skilled at building value and respect from and among their followers (Azanza, Moriano & Molero, 2013). Leaders who foster an environment of psychological safety tend to have employees who speak up and also tend to be better performers (Detert & Burris, 2007). Encouraging thoughtful dissent from employees shows trust, which then builds trust (Kouzes & Posner, 2011).

As organizations come to understand more about the positive effects of upward communication within organizations, we will be better equipped to build organizations with strong employee engagement and healthy corporate cultures (Feliciano, 2016).

H2 - Opportunity to upward communication is positively related with employees’ engagement.

c. Supervisor openness / Candor

Bennis, Goleman, O’Toole, and Biederman (2008) describe the importance of candor and information-sharing:

“For any institution, the flow of information is akin to a central nervous system: the organization’s effectiveness depends on it. An organization’s ability to compete, solves problems, innovate, meet challenges and achieve goals—its intelligence, if you will—varies to the degree that information flow remains healthy. That is particularly true when the

information in question consists of crucial but hard-to-take facts, the information that leaders may bristle at hearing. We are not talking about some mysterious process. It simply means that the right information gets to the right person at the right time and for the right reason.

A “culture of candor,” fostering unencumbered information flow, is essential to having an early warning system for addressing issues. Encouraging employees to “speak up” about issues, questions or concerns is a critical factor in heading off misconduct; the most significant obstacle to this kind of candor is fear of retaliation; and breaking down barriers to honest feedback can also enhance long-term shareholder value. Educating managers about their special responsibilities for addressing and escalating issues is a key element of this unencumbered information flow.

Cultivating “culture of candor” is especially important to the effectiveness of the compliance and ethics program, since unencumbered information flow is essential to having an early-warning system for heading off or addressing issues. Unfortunately, while escalating issues is critical to preventing or correcting misconduct, it remains a difficult kind of communication to foster.

While the diagnostics are slightly different, we might take the opportunity to cross-check our compliance and ethics survey results regarding “speaking up” with these candor-related questions in the employee engagement survey. Is it one thing seems clear: getting this right—encouraging a culture of candor—is one of the most important investments we can make in setting a reliable foundation for identifying, addressing and preventing misconduct and unacceptable risk in the way our organizations operate.

H3 - Supervisors Openness/ Candor is positively related with employees’ engagement.

d. Quality of Information

Karanges (2014) define quality of information as individual employee perception of the value of information they receive. Quality of communication refers to the extent to which information is perceived to be timely, accurate, adequate and complete; and therefore considered valuable.

Guest and Conway (2002) cited by Balakrishnan and Masthan (2013) in their study that explores the management of psychological contract, report that their results justify stressing the importance of communication that is directly related daily work, the accuracy of instructions or quality of feedback about an employee's work. The management can bring the employee commitment to organization by improving the quality of communication.

H4 - Quality information is positively related with employees' engagement.

e. Reliability of information

Reliability of information on the other hand, is linked to accuracy (Dennis, 1974). Reliability of information refers to the trustworthiness of sender and channel used. From the recipient's view it is understood as the perception of the sender of information. The sender that consistently transmits accurate information to employee will be perceived (Mbhele, 2016).

According to Down and Hazen, 1997 cited by Balkrishnan and Masthan, (2013) communication satisfaction implies effective response to the fulfillment of expectations in message exchange processes and which translate into an enjoyable, fulfilling experience. Hayase cited Heron as he explained in his word "sharing information with employees and added goals, attitudes, and criteria for effective communication".

H5- Reliable information is positively related with employees' engagement.

2.2.5. Conceptual Framework

This study is based on engagement in a manner it is conceptualized by Schaufeli and Bakker, (2004) and communication climate survey by (Dennis 1974). The communication climate that is proposed by Dennis has five factors; superior - subordinate communication, opportunity for upward communication, superior openness, quality of information and reliability of information. The assumption is employees will be characterized by high level of energy and mental resilience, strongly involved in their work and experiencing a sense of importance and belongingness as well as fully concentrated in their work, while time passes quickly (Schaufeli & Bakker, 2004:295) through deploying factors under communication climate mentioned above by Dennis.

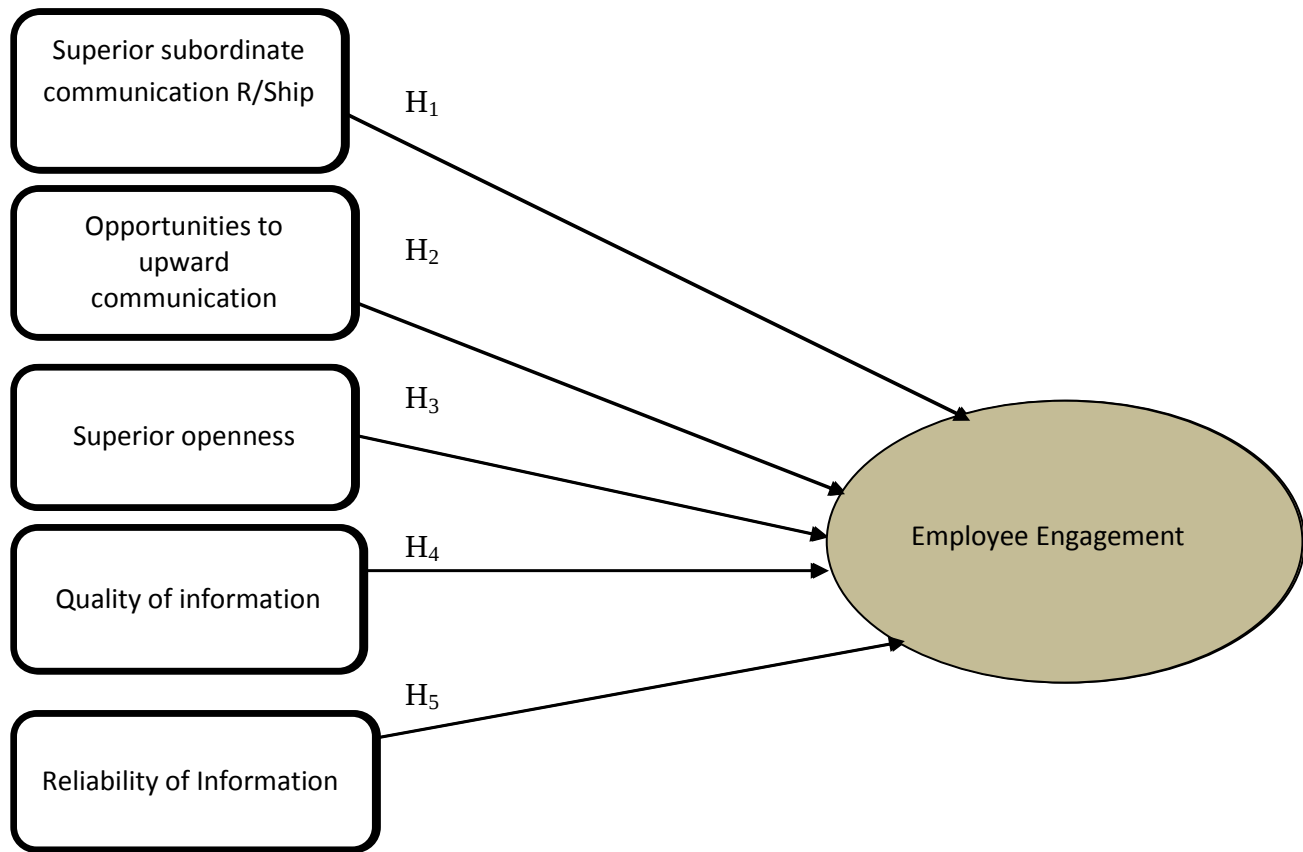


Figure 1: Factors for communication climate

Adopted from (Dennis H.S. communication climate survey 1974)

2.2.6. Operational Definitions of the Hypothesis /Instruments/

- **Superior** – subordinate communication relation Relates primarily to superior – subordinate communication; particularly, the supportiveness from a superior perceived by subordinate (Dennis, 1974).
- **Quality information-** Perceived quality and accuracy of down ward communication (Dennis, 1974).
- **Openness/Candor-** Superiors perceptions of communication relationship with subordinates—especially the effective aspects of these relationships, such as perceived openness and empathy (Dennis, 1974).
- **Opportunity for upward communication** Perception of upward communication opportunities and of degree of upward – directed influence (Dennis, 1974).
- **Reliability of information** - Perceptions of reliability of information received from subordinates and colleagues (Dennis, 1974).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Research Design

According to Kothari (2004), the research method employed is determined by the research topic. Subsequently, to conduct the research, the effect of internal communication on employees engagement since there are dependent and independent variables and to investigate their relation the study deployed explanatory research design. Since explanatory research is deeper in the sense that it describes phenomena and attempts to explain why behavior is the way it is. This type of research aims at, for instance, explaining social relations or events, linking factors and elements of issues in to general statements and building, testing or revising a theory (Pallant,2005). In addition, to properly address the research questions and statement of the problem, the study used explanatory research design.

3.2. Research Approach

This study was conducted with the objective of addressing the relation between internal communication and employee engagement through empirical quantitative assessments that involve numerical measurement and analysis approaches. Quantitative approach involves the generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and systematic measurement and the use of statistics (Pallant,2005) to show the relationship between variables. To achieve this, it adheres with quantitative research approach.

3.3. Sources of Data and Method of Data Collection

The study has employed a mix of primary and secondary data sources. It has attempted to investigate the effect of internal communication on employees' engagement in CBE through the opinion of employees. Employees' opinion was collected through questioner. Data was collected in person. This is to deploy efficiency in collecting the questioners. In addition to this it enables the researcher to elaborate for the respondents regarding the purpose and

objective of the study. In addition different related data of the Bank have been used to make the study comprehensive and reliable.

3.4. Measurement

Independent variables for this study, internal communication measured by five factors using (Dennis internal communication climate survey ,1974 part three of the questioner), which are superior-subordinate communication relationship, quality of information, superior openness/candor, opportunities for upward communication, and reliability of information. This survey followed a five-point scale for each question ranging from "strongly disagree" to "strongly agree". The scale was coded from one to five, one representing "strongly disagree" and five "strongly agree". In the instrument, items from 1 to 21 measure superior subordinate communication relationship; quality of information measured by 12 items of the instrument which are labeled from 22 to 33, Superior openness / Candor measured through items 13 to 21 and from 31 to 33 with a total of 12 items. Opportunity to upward communication measured by 3 items which are labeled from 34 to 36 while reliability of information is measured by 2 items which are item number 37 and 38. Regarding the dependent variable Employee Engagement is measured by (UWES) which is part two of the questionnaire. For this the instrument is scaled for each question ranging from "Never" to "Always" where "Never" takes a value of zero while "Always" represented by six. Item numbers 1,4,8,12,15 and 17 measure employees engagement dimension for vigor, where item numbers 2,5,7, 10, and 13 measure employees dedication while item numbers 3,6,9,11,14 and 16 measure for absorption.

3.5. Target Population and Sample Design

This study attempts to investigate the effect of internal communication on employees engagement in CBE through the opinion of employees. CBE's current organizational structure includes: head office, district offices and branches. Since all the three organization levels have their own peculiar nature, internal communication perceived by employees from each organization level of the Bank may affect employees' engagement differently

considering the variables in this study. To have a better picture about the Bank the study consisted of a population of employees from each level.

Considering this fact, the study deployed stratified sampling technique in order to obtain a representative sample from each organization level. In this study, head office is represented by three core processes of the Bank: which are TS, CATS and Credit Management. CBE has fifteen districts offices throughout the country while four of them are found in Addis Ababa namely; South, West, North and East Addis Ababa district offices and all the district offices in Addis are considered for this study. Further, six special branches are purposively selected with a reason that they provide full-fledged services and they serve a number of customers per day. Due to this, the interaction between employees and their immediate supervisors is high which it has its own contribution the study to yield a better and robust result. Following this, respondents from each stratum were selected by simple random sampling in a fashion by allotting the total sample for each stratum proportionally. To do so, Slovin's sampling formula is used. Slovin's formula calculates the number of samples required when the population is too large to directly sample every member. Slovin's formula works for simple random sampling (Ellen, 2018). If the population to be sampled has obviously stratified, Slovin's formula could be applied to each individual stratum instead of the whole strata. In this study the formula deployed for each stratum (Head Office, District Offices and Branches) individually. According to Ellen the formula and sample size computation depicted as below.

$$\text{Arithmetically, } n = \frac{N}{1 + N(e^2)} = \frac{1,501}{1 + 1,501 (.05)^2} = 316$$

$$\text{Head Office Sample Size} = \frac{nh}{N} \times n = \frac{807}{1501} \times 316 = 170$$

$$\text{District Sample Size} = \frac{nd}{N} \times n = \frac{265}{1501} \times 316 = 56$$

$$\text{Branch Sample Size} = \frac{nd}{N} \times n = \frac{419}{1501} \times 316 = 89$$

Further applying the formula at head office the following sample size result is obtained.

$$\text{Credit Management Sample size} = \frac{n_{Cr}}{N} \times n = \frac{400}{807} \times 170 = 84$$

$$\text{CATS sample size} = \frac{n_{CATS}}{N} \times n = \frac{125}{807} \times 170 = 26$$

$$\text{TS sample Size} = \frac{n_{TS}}{N} \times n = \frac{282}{807} \times 170 = 60$$

For the district offices under consideration East Addis, North Addis, South Addis and West Addis Ababa district offices, by applying the same formula the sample size result obtained are 15, 14, 16 and 12 respectively.

Further following same pattern for the special branches under consideration Addis Ababa, Arat Killo, Arada Georgis, Silassie, Nifas Silk and Finfine branches the sample size results obtained are 27, 13, 10, 8, 12 and 19 respectively.

Where,

N= Total employees

n= number of sample

nh = total number of head office employees

nd = total number of branch employees

ncr = total number of Credit Management employees

nTS = total number of Trade Service

e = Acceptable Level of Error (that is 5 percent)

3.6. Data Analysis and Presentation

Statistical Package for Social Sciences (SPSS version 20) was deployed to analyse the data. Various statistical tools such as arithmetic mean of constructs, correlation, and multiple

regressions are also deployed to analyse the effect of internal communication on the dependent variable (Employees Engagement).

3.6.1. Model Summary

Regression analysis is a statistical tool used to investigate the nature of cause/effect relationship between two or more variable, where one of the variables depends on the other variable(s). In this study, multiple regression analysis was adopted to investigate the effect of internal communication on employee engagement. Multiple regression is based on correlation, but allows a more sophisticated exploration of the interrelationship among a set of variables (Pallant, 2005). Thus, the relationship between employee engagement (Y_i) and the explanatory variables are specified as follows.

$$Y_i = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e_i$$

Where α = intercept, where the regression line crosses the Y axis (Constant)

β_1 = is the partial slope for X_1 on Y

β_1 indicates the change in Y for one unit change in X_1 , controlling for X_2 , X_3 and X_4

β_2 = is the partial slope for X_2 on Y

β_2 indicates the change in Y for one unit change in X_2 , controlling for X_1 , X_3 and X_4

β_3 = is the partial slope for X_3 on Y

β_3 indicates the change in Y for one unit change in X_3 , controlling for X_1 , X_2 and X_4

β_4 = is the partial slope for X_4 on Y

β_4 indicates the change in Y for one unit change in X_4 , controlling for X_1 , X_2 and X_3

X_1 = Superior Subordinate Communication relationship

X_2 = Opportunity for upward communication

X_3 = Quality of Information

X_4 = Reliability of Information

e_i = the error term. The error term is included in the model to capture errors that may be occurred due to the effect of omitted variables, measurement error, randomness of the human behavior and the like which ultimately enables the final result of the study not to be distorted and misleading to draw conclusion and recommendation.

3.7. Ethical Considerations

Consent to conduct the study is obtained from the management of the Bank and their written permission was obtained. The objective of the study was explained to the participants at their place of work prior to data collection process takes place. Participation was voluntary and confidentiality and anonymity was assumed. Regarding published and unpublished material used in the literature review and throughout the study, all citations from copyright holders was made properly.

3.8. Reliability and Validity

3.8.1 Cronbach's alpha

Kothari (2004) indicated the extent to which our measurement instruments and procedures produce consistent results in a given population in different circumstances. The variation of the circumstances can involve differences in administrative procedure, changes in test takers over time, differences in various forms of the test and differences in raters. If these variations cause inconsistencies, or measurement error, then our results are unreliable. To mitigate this study Cronbach's alpha test was deployed to measure the internal consistency of the instrument and it was a total of 0.957. The Cronbach's alpha for employees' engagement score was found to be .926. The Cronbach's alpha for Superior subordinate communication, quality of information, opportunity for upward communication and reliability of information score was .96, .94, .97, .84 respectively. The values of the Cronbach's alpha for all variables considered in this study were so close to 1. This implies the fact that the study has employed very reliable variables and values. Almost similar Cronbach's alpha (.94, .88, .89 and .83) were reported for these same variables in other studies Hayase mentioning Lockchart (1987).

Table 3.1: Cronbanch's alpha tests for different Variables

Variables	Cronbanch's Alpha	No. of Items
Vigor	.830	6
Dedication	.784	5
Absorption	.787	6
Engagement	.926	17
Superior – Subordinate Communication Relationship	.960	21
Quality of Information	.918	12
Opportunity for upward communication	.796	3
Reliability of Information	.768	2
Overall	.957	55

Source: Own Computation (2018)

Regarding validity of the instruments, they are standardized and their validity test analysis was performed through conformity factor analysis (CFA) by different scholars. The questions used in this study were designed based on extensive literature review from multiple sources. The questions were tested across several countries and cultures in different settings. What is more, a series of different discussions were made with the advisor of this research to check the validity of the questions.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

In this chapter, the results obtained from CBE employees are presented and analyzed. First demographic characteristics of the respondents are presented. Such information includes demographic profile and general information of respondents. Then it follows with description of the data gathered, discussed and analyzed the findings carefully in order to evaluate internal communication practice in CBE. Presentation of findings has been organized in accordance with the study objectives. As stated in the previous chapter, the questioners were distributed to a total of 315 employees of the Bank. However, only 287 questionnaires were appropriately filled and returned. Out of the total sample 28 questionnaires were uncollected. And this gives a total of 91.11 % return rate.

4.1. Demographic Characteristics of the Respondents

Demographic information results show that the respondents comprised of 37.6 percent female and 62.4 percent male. This suggests the fact that there is huge imbalance in the gender composition of the employees in the samples under consideration. Generally, women participation in the labor market is reported to be low in many developing countries (Pfeffer, 2009).

The maximum number of respondents (50.2%) falls in the age category of less than 30 years and minimum number of respondents (1%) falls in the age group 51-60 years while 37.6% of the respondents fall in the age category of 31 to 40. In general it can be learnt that a substantially good proportion of the staff of the CBE is composed of youngsters. These would be a very good asset for the establishment of a better engagement level through internal communication.

As far as education level of respondents was considered, significantly high proportion of the respondents (98.3%) have at least a first degree while 1.7% of the respondents are diploma

holders. This indicates that the CBE has a good human capital as measured by the level of academic education and training.

Employees having at least experience of one year are selected in the sample. In terms of experience 36.6 percent of employees had fell within a category of service year from 1 to 5, 37.3 percent of the employees had experience with in the Bank from 6 to 10 years, 11.5 percent of the employees had experience of 11 to 15 years 9.4percent of the employees had the experience of 16-20 years and 5.2 percent of the employees had experience of 20 and above years. Regarding respondents current place of assignment, 53.2 are from Head Office organs (CATS, TS and Credit Management), 18.5 are from district offices and 28.2 are from Branches. Regarding respondents position, they are all professional staffs with different job positions across the Bank.

Table 4.1 Demographic Characteristics of Respondents

Demographic and social characteristics		Frequency	Percent	Valid Percent
Respondents Gender	Male	179	62.4	62.4
	Female	108	37.6	37.6
Respondents Age Group	< 30	144	50.2	50.2
	31-40	108	37.6	37.6
	41 - 50	32	11.1	11.1
	51 -60	3	1	1
Education Level	Diploma	5	1.7	1.7
	First Degree	213	74.2	74.2
	Second Degree	69	24	24
	Other	0	0	0
Year of Experience	0 - 5	105	36.6	36.6
	6 - 10	107	37.3	37.3
	11- 15	33	11.5	11.5
	16-20	27	9.4	9.4
	above 20	15	5.2	5.2
Respondents Place of Assignment	Head Office			
	CATS	32	11.1	11.1
	Credit Management	73	25.4	25.4
	Trade Service	48	16.7	16.7
	District Office	53	18.5	18.5
	Branch	81	28.2	28.2
Respondents Job Title	All professional Staff	287		

Source: Own Survey (2018)

4.2. Engagement Level of CBE Employees

This paper was intended to assess the engagement level of CBE employees. To do so standard UWES questions were used. The results of the analysis revealed that the mean

engagement level of CBE employees was found to be 4.09. This implies the fact that the mean engagement level of the employee is higher by 1.22 units from the average engagement value. As can be depicted from the table below, the mean engagement level of CBE employee's in terms of vigor, dedication and absorption were turned out to be 4.29, 3.86 and 4.09 respectively. The higher mean value for employee's vigor indicates workers willingness, high level of energy and mental resilience in discharging their duties and responsibilities (Bakker, et.al, 2011).

The absorption dimension of engagement was also turned out to be strongly better. This reveals the fact that employees of the CBE highly attach themselves with their job tasks and activities. However, the dedication level of the sample employee's was found to be moderate than the other two dimensions. This result implies that sample respondents are moderately inspired and challenged by the jobs they are engaged in.

Table 4.2 Overall Respondents Engagement Level

Dimensions	Mean	Std. Deviation
Vigor	4.2904	1.28794
Dedication	3.8611	1.38691
Absorption	4.0873	1.24504
Engagement	4.0925	1.22102

Source: Own Computation (2018)

4.2.1 Engagement Level by Place of Assignment

As mentioned in the previous chapter of this study Head Office is represented by Credit Management, Trade Service and CATS processes. In addition the processes, District Office and Branches their employees' engagement level is depicted in the table below. The results made clear that the engagement level is the highest at the district level with a mean engagement level of 4.51 followed by branch (4.15), CATS (4.11) and TS (4.02). The minimum engagement level (3.76) was observed in the credit process of the CBE. From the findings presented in the table below, a lot has to be done to improve the engagement level at the credit process than other work areas.

Table 4.3 Engagement level by work area

Work Area	Mean Engagement level	Std. Dev
CATS	4.1103	1.16940
Credit	3.7639	1.46037
TS	4.0208	1.34508
District	4.5094	1.00405
Branch	4.1511	.97059

Source: Own Computation (2018)

4.3. Employees Perception about Internal Communication Practice

The table below shows employees internal communication perception in CBE and the result was to some extent above the mean (3) which is 3.30. This study was designed to capture employees' perception about internal communications practice taking place within the CBE. As indicated in the table below, sample respondents reportedly have a perception slightly above the "neutral" stage by all variables of internal communication under consideration (See table 4.4).

Table 4.4 Employee Perception for Internal Communication Practice

	Mean	Std. Deviation
Superior Subordinate Communication relationships	3.5158	.82900
Quality of information	3.2226	.79486
Opportunity for upward communication	3.1672	.94728
Reliability of information	3.3055	.84686
Internal communication	3.3028	.70435

Source: Own Computation (2018)

4.3.1 Employees Perception about Internal Communication by Place of Assignment

Table 4.5 below shows how employees at varying place of assignment perceive internal communication practices in the CBE. The result shows all processes at Head Office as well District Offices and Branches their score against the parameters are slightly higher than the mean. In relation to each variables of internal communication, all are fairly higher than the mean except CATS process specifically on opportunity to upward communication which is slightly lower than the mean 2.95 (see Table 4.5).

Table 4.5 Employee Perception on internal Communication by Place of Assignment

Factors for comparison	Work areas					
	Branch	CATS	Credit	District Office	Trade Service	Grand mean
Quality of Information	3.27	3.11	3.21	3.35	3.06	3.22
Superior Subordinate communication relationship	3.35	3.15	3.48	3.78	3.77	3.52
Opportunity for upward communication	3.11	2.95	3.28	3.27	3.09	3.17
Reliability of information	3.23	3.18	3.26	3.05	3.33	3.31
Internal communication	3.25	3.1	3.3	3.49	3.35	3.30
Engagement Level	4.15	4.11	3.74	4.5	4.02	4.09

Source: Own Computation (2018)

Here analysis can be made within each working area and between the different working areas. For instance, the branches do have the lowest mean score value (3.11) for the opportunity for upward communication dimension of internal communication as compared to other dimensions of internal communication. This may inform that employee's suggestion are not valued and used for decision making. However, the highest mean score value was found for superior subordinate communication relationship (3.35) followed by quality of

information (3.27) and reliability of information (3.23). The high mean value in the superior subordinate communication relationship dimension of the branches is a clear indicator of superior openness, mutual understanding between subordinates and superiors and positive communication. Reliability of information was moderate for the branches.

The opportunity for upward communication was the least in CATS process than any other work areas considered in this study. The mean score value for it was found to be 2.95. This implies that the internal communication in the CATS process suffers from weak vertical communication between the superior and subordinates. It also indicates that employee's perceive that constructive comments and ideas suggested by the subordinates often are not considered for decision making. Subordinates perception was the highest for reliability of information dimensions. This indicates that the information received from the colleagues and the management is reliable. Perception of superior subordinate communication relationship was relatively the highest (3.48) dimension of internal communication in the credit process. But quality of information was the least (3.21) perceived dimensions of internal communication in the credit process. This clearly indicates that effectiveness of communication is very weak. In addition, employees believe that there is lack of information that they are really in need. In district offices, superior subordinate communication was perceived to be the highest than any other dimensions of internal communication. This is a clear indicator of superior openness, mutual understanding and superior positive communication. On the contrary, reliability of information was perceived to be the least. This implies that the information from work colleagues and management is perceived to be less reliable. Quality of information was perceived to be the least dimension of internal communication in the TS process than other processes considered in this study. However, superior subordinate communication was perceived to be high (3.77). As far as engagement level of the different work areas is concerned, highest engagement level was registered in district offices (4.5) followed by branches (4.15), CATS (4.11), TS (4.02) and credit management process (3.74). A glance look at the table above testifies the fact that higher values of internal communication dimensions leads to better engagement levels.

4.4. The Relationship between Employees Engagement and Internal Communication

As mentioned in chapter one of this study one of the objectives of this study was to assess the relation between internal communication and employee's engagement. To do so, Bivariate Pearson Product- Moment Coefficient (r) has been used to see the relationship between internal communication and employee's engagement. Accordingly, a strong positive relationship was found between internal communication and employee's engagement ($r = .547$).

Table 4.6 Correlation between Employee Engagement and International Communication

	Engagement	Internal communication
Engagement	1	.547**
Internal communication	.547**	1

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

Source: Own Computation (2018)

Further, in this study efforts were made to paint a picture on the relationship between employees' engagement and each variables of internal communication in the CBE. Table 4.6 below clearly depicts all the hypothesized variables have positive relationship with employees engagement. For instance, a positive correlation was observed between engagement and Superior Subordinate Communication relationship, quality of information, Opportunity to upward communication and reliability of information. The highest correlation was found between engagement and quality of information ($r = .485$, $P < 0.01$) followed by reliability of information ($r = .451$, $p < 0.01$), then opportunity to upward communication ($r = 0.449$, $p < 0.01$) and superior subordinate communication relationship ($r = 0.420$, $p < 0.01$). All the constructs under consideration are significantly correlated. However, from this finding it can be learnt that the most important instrument to improve employee's engagement in the CBE was quality of information. In relation to this, prior researches by Balakrishnan and Masthan (2013) on Delhi Airport, even though the instrument used to

measure employee engagement is Mowday, Steers, and Porter (1979) “Organizational Commitment questionnaire and Spreitzer (1995) Empowerment survey questionnaire, the result found was all positive in line with each components of employee engagement which are Commitment, meaningfulness of work and discretionary effort. Parallel to this, the study revealed , quality of information has correlation with commitment, discretionary effort and meaningfulness in the work($r = 0.18$, $p < 0.01$), ($r = 0.22$, $p < 0.01$), and ($r = 0.38$, $p < 0.01$) respectively. With same pattern, reliability of information, ($r = 0.19$, $p < 0.01$), ($r = 0.45$, $p < 0.01$) and ($r = 0.35$, $p < 0.01$) opportunity to upward communication ($r = 0.47$, $p < 0.01$), ($r = 0.48$, $p < 0.01$), and ($r = 0.22$, $p < 0.01$) and superior subordinate communication relationship($r = 0.25$, $p < 0.01$), ($r = 0.24$, $p < 0.01$) and ($r = 0.39$, $p < 0.01$). From their research opportunity to upward communication appeared to be the most important component to be used to measure employee engagement.

Table 4.7 Correlation between the variables of the study

	Engagement	Superior Subordinate	Quality of Information	Opportunity to upward communication	Reliability of Information
Engagement	1				
Superior Subordinate	.420**	1			
Quality of Information	.485**	.545**	1		
Opportunity to upward communication	.449**	.456**	.653**	1	
Reliability of Information	.451**	.472**	.694**	.617**	1

Source: Own Computation (2018)

4.5. Effect of Internal Communication on Employees Engagement

4.5.1. Model Goodness of Fit

The goodness of fit measure indicates how well employee’s engagement is explained by the variables considered in this study. Table 4.8 below shows ($R = .548$) result explains there is sound correlation between internal communication and employee engagement. Further, (R^2

=.300) result depicts variables for internal communication which are superior subordinate communication relationship, quality of communication, opportunity to upward communication and reliability of communication suggests that 30% of employees' engagement level in the bank clearly explained by internal communication.

Table 4.7 Model Goodness of Fit Test

Model	R	R Square	Adjusted R Square	Std. Err of the estimate
1	.548 ^a	.300	.290	1.02866

Source: Own Computation (2018)

a. Predictor: (Constant), Superior Subordinate Communication Relationship, Quality of information, Opportunity to upward communication

b. Dependent Variable: Employee Engagement

4.5.2. Multicollinearity Test

The problem of multicollinearity was checked. SPSS determines while running regressions under the table heading coefficient. According to Pallant (2005), multicollinearity can be checked by assessing the tolerance - and Variance Inflation Factor (VIF) which can be analyzed in SPSS. If the tolerance - value is less than 0.2 and if VIF values exceed 10, one can speak multicollinearity (Pallant, 2005). In this study, results show acceptable level for the three constructs of the independent variable which are quality of information, opportunity for upward communication and reliability of information. Regarding the two constructs superior subordinate communication and superior openness /candor SPSS result showed their tolerance appeared as .162 and .114 respectively which are below the standard 0.2.

If there is a high degree of correlation between independent variables, there is a problem of what is commonly described as the problem of multicollinearity. In such a situation researches should deploy only one set of the independent variable to make its estimate. In fact, adding a second variable, say X_2 , that is correlated with the first variable, say X_1 , distorts the values of the regression coefficients (Kothari, 2004,P.142).

Considering this fact, the researcher should omit one of the constructs. From the two construct which they failed to fulfill, multicollinearity criteria Superior subordinate communication relationship is much more comprehensive as a result it comprises four sub constructs in it while Superior openness/candor contains three sub constructs. To this end, Superior subordinate communication relationship is considered for further analysis together with the remaining constructs which they priory met the criteria to measure the effect of internal communication on employees engagement. Following this, SPSS software was run to get the following result as depicted in table 4.9 here under.

Table 4.8 Multicollinearity Test

Model	Co linearity Statistics	
	Tolerance	VIF
Superior Subordinate Communication relationship	.677	1.478
Quality of information	.515	1.943
Opportunity for upward communication	.465	2.149
Reliability of information	.403	2.480

Source: Own Computation (2018)

4.5.3 Test for outliers

Multivariate outliers can be detected by using statistical methods such as casewise diagnostics. SPSS produces a summary table of the residual statistics and these should be examined for extreme cases. SPSS Output 4.10 shows any cases that have a standardized residual less than -3 or greater than 3 . In research sample it is expected that 95% of cases to have standardized residuals within about ± 3 (Field 2009). And in this research there is a sample of 287, therefore it is reasonable to expect about 14 cases (5%) to have standardized residuals outside of these limits. In table 4.10 it is depicted that there are only two cases or less than 1 percent out of 287 samples which they show extreme results. And it can be concluded that the result revealed the data collected from samples of this research is

acceptable to continue running the regression in this aspect. Further for the normality test of the outliers see (annex II & III) Normal P- Plot of regression standardized residual and scatter plot diagrams respectively.

Table 4.10 Casewise Diagnostics

Case Number	Std. Residual	Engagement	Predicted Value	Residual
34	-3.020	1.12	4.2246	-3.10695
93	-3.135	1.82	5.0480	-3.22443

Own Computation (2018)

a. Dependent Variable: Engagement Source:

4.5.4 Model Results on Effects of Internal communication on Engagement

Regression analysis was carried out with the chief objective of investigating the effects of internal communication on employees' engagement on job. This study employs multiple regression analysis method to investigate the effect of the independent variables (namely superior subordinate communication relationship, quality of information, Using table 4.11 below, it is possible comparing the relative contribution of each of the different variables by taking the beta value under the standardized coefficients.

Table 4.11 Regression Table

Model	Unstandardized Coefficient		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.925	.302		3.061	.002
Superior Subordinate Communication R/ship	.266	.089	.181	2.986	.003
Quality of Information	.288	.121	.187	2.386	.018
Opportunity to upward communication	.207	.089	.160	2.308	.022
Reliability of Information	.197	.105	.136	1.868	.063

a. Dependent variable :Engagement

Source: Own Computation (2018)

The reason why it is taken the value of beta under the standardized coefficients is that the values for each variable are converted to the same scale so that it can be compared. The higher the beta value, the strongest its contribution becomes. Accordingly, quality of information (Beta=.187, $p < 0.018$) makes the strongest unique contribution in explaining the dependent variable followed by supervisor subordinate communication relationship (B=.181, $p < 0.003$), Opportunity to upward communication (B=.160, $p < 0.022$) and Reliability of information (B=.136, $p < 0.063$). As presented in the regression table, it can be learnt that a unit increase in quality of information increase employees' engagement by 0.187(18.7 %) units. As indicated in table 4.4 the credit management and TS processes are uniquely weak in quality of information dimension. As a result employees engagement in the process is surprisingly very low.

Moreover, as explained by the model results better quality of information has strikingly high positive effect on the level of employee's engagement. This indicates that well informed employee's do have better engagement. The positive association between quality of information and engagement level was also proved by other research (Hayase, 2010). The

superior subordinate communication relationship was the second most important determinant of employee's engagement. It means that better superior - subordinate communication relationship would trigger better employee's engagement level. Similar finding was reported by other studies (Feliciano, 2016).

From the regression results presented in the table above, a unit increase in the superior subordinate communication increases employee's job engagement by 18.1%. This may be interpreted as the greater the superior subordinate communication, it increases employees satisfaction in their job, satisfaction with the superior and satisfaction with the job appraisal. On the other hand, it means that poor superior subordinate communication is an obstacle to employee's engagement on the job. This implies that openness is an essential stimulus for active employee's engagement on job. This finding is in line with the hypothesis of this study. Similarly, other variables including opportunity for upward communication and reliability of information have a positive effect on employee's engagement level. The positive nexus between the opportunity for upward communication and employee's engagement was also reported by other study (Roberts & O'Reilly, 2016). Generally, it can be observed from the table below that there is a significant relationship between internal communication and employee engagement ($P < 0.01$, $F > 1$). Hence, it is concluded that the hypothesis are accepted.

Table 4.12 ANOVA Results

Model	Sum of Squares	df	Mean square	F	
Regression	128.002	4	32.001	30.242	.000 ^b
Residual	298.394	282	1.058		
Total	426.396	286			

Source: Own Computation (2018)

a. Dependent Variable: Engagement

b. Predictors: (Constant), Reliability information, Superior Subordinate, Opportunity to upward communication, Quality of Information

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter presents conclusion based on the findings of the study, from the analysis and discussion of collected data, limitations that have been identified and recommendations to address the problems identified by the study.

5.1. Summary of Major Findings

In summary, this research found that internal communications practices play an important role in employee engagement. Recent studies suggest that companies can benefit from ongoing evaluations of internal communication practices, two way communication practices and timely, consistent and effective methods of communication that satisfy employees. Therefore, this research was designed to assess the internal communication practices of the CBE and investigate their impact on employee's engagement. Subsequently, the total mean of employee's engagement appeared to be 4.09 which is above the mean (3). The highest (4.5) and the lowest (3.76) engagement levels were observed in the district offices and in the credit process respectively.

The second objective of this study was to evaluate perception of employees regarding internal communication practices in CBE. For this specific objective the study tried to evaluate over all employees perception and by their place of assignment like that of employees engagement. While analyzing the data for overall employees in the sample internal communication perception mean result scores for the variables were found to be 3.30. Moreover, internal communication practice was analyzed by work area. Subsequently, the mean value of the practice of internal communication was reportedly in the range of 3.10 to 3.49 the least being for head office CATS process and the highest being for district office. Specifically, regarding the variables which are Superior Subordinate Communication Relationship, quality of information, opportunity to upward communication and reliability of information appeared to be 3.52, 3.22, 3.17 and 3.31 respectively. These values are only slightly higher than the mean value. The mean value of the opportunity for upward

communication was calculated based on work areas. The least (2.95) and the highest (3.28) mean values were found for CATS process and credit process respectively. Components of internal communication were also analyzed and except CATS process specifically opportunity for upward communication which is 2.95 the rest processes including CATS itself by the other parameters their score result is somehow higher than the mean.

The third objective of the study was to assess the relation between internal communication and employees' engagement. The correlation between internal communication and employee engagement was found to be .547. Among constructs of the independent variable quality of information was found to be significantly related with the dependent variable with a degree of .485 and reliability of information follows with .451.

The final objective of the study was to measure to what extent internal communication affects the dependent variable employees' engagement. To address this linear multiple regression was deployed and it was found that a unit increase in quality of information will enhance employees' engagement by 0.187 units. And with the same fashion a unit of superior subordinate communication relationship, opportunity for upward communication and reliability of information as increased by a unit the dependent variable employee engagement increase by 0.181, 0.160 and 0.136 respectively.

5.2. Conclusion of the Study

Based on the findings of this study a number of conclusions can be drawn. The major objective of this study was to investigate the effects of internal communication on employee's engagement. With this objective in mind, a lot of descriptive statistical tools and multiple regression analysis were used. Thus, based on the findings it could be concluded that internal communication plays an important role to enhance the level of employee's engagement. Overall, the results of this study presented significant relationship between internal communication and level of employee's engagement. It was being observed that most employees reported moderate to high mean score values for perceiving internal communication practice in general. Even though the value of internal communication is moderately higher than the mean, a lot has to be done by the Bank to meet its vision "to be a world class commercial bank by the year 2025." The other objective of this study was to understand employee's perception on internal communication practice in the Bank. The results indicate that all variables of internal communication (quality of information, reliability of information, opportunity to upward communication and superior subordinate communication relationship) are positively related with employee's engagement.

The findings of this paper were actually ended – up in favor of the hypothesis made in this study. The regression R square showed the strong correlation between internal communications and explain 30 percent variable in employees engagement. This result therefore has effect on which internal communication practice is relevant for increasing employee's engagement. From the findings of this study, it can be concluded that for CBE internal communication practice is an opportunity to achieve employee's engagement. Generally, the mean score value on the different dimensions of internal communication, particularly Quality of information was found to be modes in the study. This calls the top management commitment to enhance the various dimensions of internal communication that would in turn enhance employee engagement.

5.3. Limitation

One of the limitations of this study was its heavily reliance only on the core processes of the Bank at the expense of support processes. The study has paid much emphasis on CATS, Credit and TS processes of the Bank. If sample was taken from support processes too, it would have been possible to see the full picture of the effect of internal communication practices on employee's engagement in CBE. In addition if employees' engagement and internal communication were further analyzed by job position, the research may provide additional information as far as the relationship between internal communication and employee's engagement level is concerned. Furthermore, there is a dearth of empirical evidences on the relationship between variables involved in this study.

5.4. Recommendations

In this section, some important suggestions are made on the basis of the findings of the study. One important aim of this research was to paint a picture on the internal communication practice of the CBE. In general the result of same study has shown that internal communication practice in the CBE is modest and insufficient to attain its strategic vision “to be a world class Commercial Bank by the year 2025.” Thus, improving the pace and extent of internal communication through a wider adoption of communication enhancing technologies is highly commendable. Doing so would be so important because internal communication and employee engagement feed each other in a continuous virtual circle. The wider application of internal communication innovations will help the bank to boost level of employee engagement which will in turn leads to better job performance. What is more, the communication skill of the superior is one of the single most important determinants of internal communication. Thus, a planned training that enhances superior subordinate communication is highly suggested. This study also found that the internal communication practices and employee's engagement level have shown a great discrepancy between different work units of the Bank. This will have a paramount importance on locating the areas where the top management bodies should intervene to improve internal communication and workers' engagement level.

The regression result indicated that quality of information the prominent factor that highly affect employees' engagement since its Beta coefficient is high. It is observed that its contribution to employee's engagement level is weak in the TS and CATS work areas. Quality of information is the weakest internal communication dimension that contributed the least for employee's engagement in these processes. As a substantial portion of the Bank's performance is depend on the credit process, weak quality of information would have a paramount implication. Thus, establishing a mechanism for which timely, openly, accurate, adequate, and complete information to be disseminated which in return employees consider it valuable information is communicated in the Bank. This demands more of commitment than any other investment. Thus, raising the commitment level of top management bodies and employees' through establishing alternative communication channel is highly recommended. The expansion of information communication technologies along with trainings geared towards the application of these technologies is another suggestion to solve problems of poor quality information.

Further, the results of this study suggest that the TS and CATS work areas should get special attention by the top management in general. In this study Superior Subordinate communication relationship is the variable that affects employee engagement next to quality of information. The study also shows superior subordinate communication suffered in CATS and branches which as they contribute less than the mean towards internal communication which ultimately reflected on employee engagement. In such a situation from immediate managers much is expected. Supervisors are expected to create an environment to mutually understand with subordinates. Managers can achieve this through coaching and motivating employees, encouraging workers involvement and participation, listen to employees problem and solving it amicably. In all these processes top management should always make close follow up and assist the supervisors by any means not only for the purpose of achieving the desired engagement score but the positive supervisor subordinate relation that is emerged through this process to be a culture across and developed to the extent of to be a system in the Bank.

In CATS, followed by TS process then by branches the dimension for internal communication which is opportunity for upward communication highly suffered specially in CATS (2.95) is below the mean. To mitigate this, encouraging sub-ordinates confidence for upward and vertical communication is crucial. In CBE more than 73 percent of the total employees are assigned and working in branches and CATS process. As a result special treatment by the top management is expected in assisting line managers parallel to building their competency. If it is not top management should draw a decision to the extent of power and status to be eliminated or where that is impossible at least reducing it. Otherwise upward communication cannot exist with penal appraisal system, and will also be discouraged by a culture in which status differentials are openly displayed.

5.5. Future Study Directions

In many researches it is found and explained that internal communication practice has an impact on employee's engagement. However, unlike other factors of engagement, researches that are conducted to evaluate the direct effect of internal communication on employee's engagement are limited. Generally in Ethiopia and more specifically in CBE such researches are not yet conducted. The results that are obtained in this study were checked if they are consistent or not based on comparisons against research results that have been conducted in different countries found in Africa, Asia and North America like Nigeria, India, USA and others where communication culture is quite different from Ethiopia. To this end, it is appealing if such studies are conducted in other organizations. This study is not comprehensive enough to see all sub components of communication against employee engagement. Thus, further studies can be conducted by selecting one of the dimensions of internal communication to have deep understanding in the area which it will serve as an input especially for HR professionals in designing and amending related HR policies and procedures accordingly. Further, it is an encouraging area to conduct same research with different models of study which enable researchers to make their own contribution in the area. Generally, this study calls for other researchers to bridge the gaps of this research.

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Appendices

Appendix I

ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE GRADUATE STUDIES

DEPARTMENT OF HUMAN RESOURCES MANAGEMENT

Dear respondents,

The main purpose of this questionnaire is to collect data for a research work entitled " The Effect of Internal Communication on Employees' Engagement". The information obtained will help to recommend possible solutions for the observed problems. To obtain valuable information for the research, your open and real response is highly appreciated. I would like to assure you that your response to the questionnaire would be kept confidential and it has no intention except for academic purpose.

I would like to express my gratitude in advance for your willingness by sparing your most precious time to provide prompt responses in filling this academic use questionnaire. For any clarification needed you can contact me through email address birukgossaye@ymail.com or by my phone number 0911- 10 -67-40.

Biruk Gossaye

Thank you in advance for your cooperation

Please put a tick mark (✓) in the box corresponding to your choice that represents you.

Part I: Respondents Demographic Data

1. Gender: Male ☐ Female ☐

2. Age group: < 30 ☐ 31-40 ☐ 41-50 ☐ 51-60 ☐

3. Educational level

Diploma ☐ First Degree ☐ Second Degree ☐

Other please specify _____

4. Work experience in CBE

1-5 ☐ 6-10 ☐ 11-15 ☐ 16-20 ☐ above 20 ☐

5. Current Place of Assignment

Credit Process ☐ TS Process ☐ CATS ☐ District Office ☐ Branch ☐

6. Job Title _____

Part II The following 17 statements are about how you feel at work. Please read each statement carefully and enter tick mark (✓) in appropriate places per your opinion.

S.No	Statement	Never (0)	Almost never (1) few times a year	Rarely (2) Once a month or less	Sometimes (3) a few times a month	Often (4) once a week	Very often (5) A few times a week	Always (6) Every day
1	At work, I perform my job with energy.							
2	I find the work that I do full of meaning and purpose.							
3	Time flies when I am working.							
4	At my job, I feel strong and energetic.							
5	I am enthusiastic about my job.							
6	When I am working I forget everything else around me.							
7	My job inspires me.							
8	When I got up in the morning, I feel like going to work.							
9	I feel happy when I am working hardly.							
10	I am proud of the work that I do.							
11	I fully concentrate in my work.							
12	I can continue working for very long period at a time.							
13	To me, my job is challenging.							
14	I get carried away when I am working.							
15	At my job, I am very resilient, mentally.							
16	It is difficult to detach myself from my job.							
17	At my work I always carry on even when things don't go well.							

Part III. Please make a tick mark (✓) against each question that indicates your level of agreement for each question.

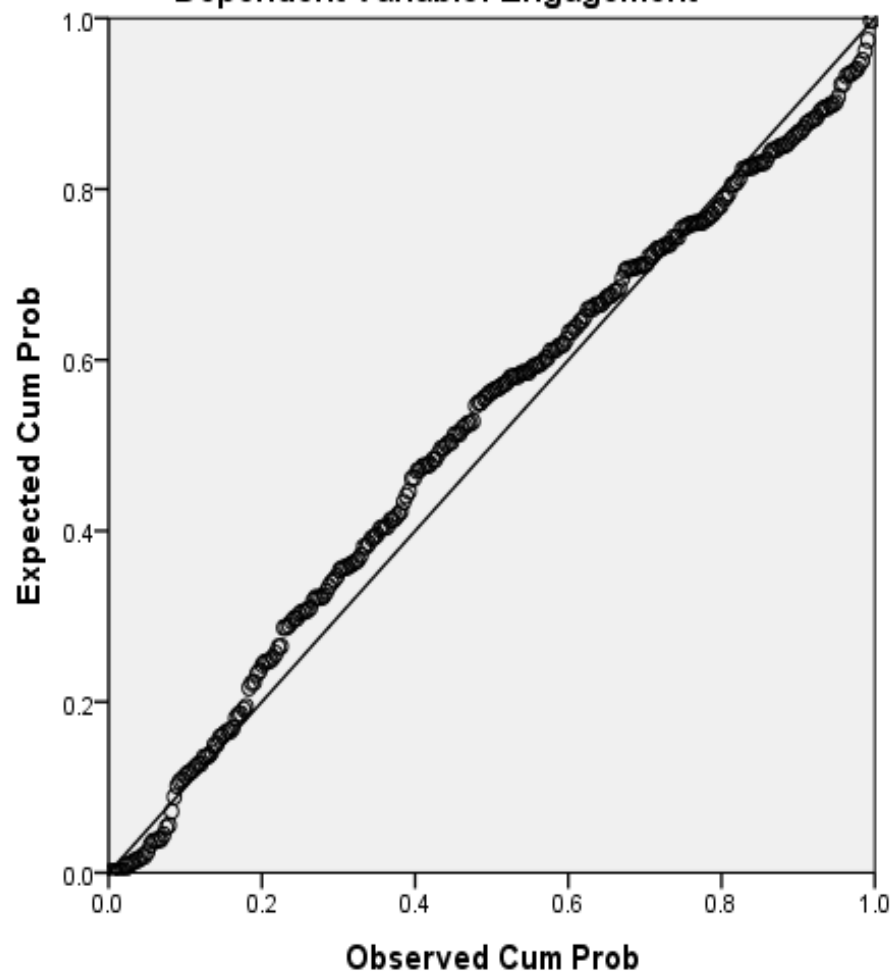
S. No	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Your manger is frank and sincere with you.					
2	You believe that your manager thinks he/she really understands you.					
3	You believe that your manager thinks that you understand him/her.					
4	You really understand your manager.					
5	Your manger makes you feel that things you tell him/her are really important.					
6	Your manager makes you feel free to talk with him/her.					
7	Your manager expresses his/her confidence with your ability to perform the job.					
8	Your manager encourages you to bring new information to his/her attention, even when that new information may be bad news.					
9	Your manager encourages you to let him/her know when things are going wrong on the job.					
10	Your manager makes it easy for you to do your best work.					
11	Your manager really understands your problem.					
12	Your manager really understands you.					
13	Your manager is willing to tolerate arguments and to give a fair hearing to all points of view.					
14	Your manager has your best interest in mind when he/she talks to his/her boss.					
15	Your immediate supervisor is really competent, expert manager.					
16	Your manager listens to you when you tell him/her about things that are bothering you.					
17	You can communicate job frustrations to your supervisor.					
18	You think you are safe in communicating “bad news” to your immediate supervisor without fear of revenge on his/her part.					
19	It is safe to say what you are really think to your immediate supervisor.					
20	You can tell your manager about the way you feel he/she manage your department.					
21	You are free to tell your manager that you disagree with him/her.					

SL. No	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
22	You think that people in this organization say what they mean and mean what they say.					
23	People in top management say what they mean and mean what they say.					
24	People in this organization are encouraged to be really open and honest with each other.					
25	People in this organization freely exchange information and opinion.					
26	You are kept informed about how well organizational goals and objectives are being met.					
27	Your organization succeeds in rewarding and praising good performance.					
28	You receive information from the sources that you prefer (Example: from your superior, department meetings, co-workers, newsletters)					
29	You are notified in advances of changes that affect your job.					
30	Your job requirements are specified in clear language.					
31	Top management is providing you with the kinds of information you really want and need.					
32	You are pleased with the management's effort to keep employees up-to-date on recent developments that relate to the organization's welfare – such as success in competition, profitability, future growth plans etc.					
33	You are satisfied with explanations you get from top management about why things are done as they are.					
34	Your opinion make a difference in the day – to – day decisions that affect your job					
35	You believe your view has real influence in CBE.					
36	You can expect that recommendations you make will be heard and seriously considered.					
37	You think that information received from management is reliable.					
38	You think that information received from your colleague (co- workers) is reliable.					

Appendix II

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Engagement



Appendix III

Scatterplot

Dependent Variable: Engagement

