

# Factors Affecting Employee Engagement

*The Case of  
Commercial Bank of Ethiopia*



**A Thesis Submitted to Addis Ababa University,  
School of Commerce in Partial Fulfilment of the  
Requirements for the Award of Master of Arts in  
Human Resource Management**

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## DECLARATION

I hereby declare that this thesis entitled “*Factors Affecting Employee Engagement: The Case of Commercial Bank of Ethiopia*” submitted as the partial fulfillment of the MA in Human Resources Management has been carried out by me under the guidance and supervision of Dr. Abeba Beyene.

The thesis is original and has not been submitted for the award of any degree or diploma to any university or institutions to the best of my knowledge.

## CERTIFICATE

This is to certify that the thesis entitled “*Factors Affecting Employee Engagement: The Case of Commercial Bank of Ethiopia*” submitted to Addis Ababa University, School of Commerce for the award of the Degree of Master of Human Resources Management research work carried out by Eyerusalem Yimer, under my guidance and supervision.

Therefore, I hereby declare that no part of this thesis has been submitted to any other university or institutions for the award of any degree or diploma.

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## LIST OF ABBREVIATIONS

CBE	Commercial Bank of Ethiopia
CBB	Construction & Business Bank
HR	Human Resource
M&A	Merger & Acquisitions
SPSS	Statistical Package for Social Science
UWES	Urchtect Work Engagement Scale
VIF	Variance Inflation Factor

## ABSTRACT

*To achieve the objectives of the study, to identify the Factors affecting Employee Engagement, a quantitative research approach was adopted, using validated questionnaires adopted from Sayeed2016 for the independent variables and Utrecht work Employees engagement rating scale. A total of 196 questionnaires were distributed and 185 of them are returned properly filled by the respondents. For the study, the researcher used a stratified random sampling technique to ensure that all parts of the population are represented in the sample in order to increase the accuracy and to decrease the error in the estimation from the target population. To examine these factors, Correlation and a regression model have been applied to estimate the relationship between the independent variables and the dependent variable. The study revealed that the compensation benefit, career advancement and intrinsic motivation have a positive significant effect on employee's engagement while working environment has a negative significant effect on the employees' engagement. It also recommended that the bank maintains and enhances the factors affecting employee engagement Positively significant (career development and advancement, compensation and benefits and intrinsic motivation) and improve what is affecting its employees negatively (working environment) on the level of their engagement.*

**Key Words:** *Working Environment, Compensation & Benefits, Career Growth and Advancement, Intrinsic Motivation, Employee Engagement*

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Employee engagement is defined in general as the level of oath and participation an employee towards his/her organization's values. When an employee is engaged, s/he is aware of his/her responsibility in the business goals and motivates his/her colleagues for the success of the organizational goals. The positive attitude of the employee with his/her work place and its value system is then called the positive emotional connection of an employee towards his/her work.

Employee engagement is also defined as the way employees demonstrate full commitment towards their jobs, emotional attachment and emphasis on long-term goals and physically, emotionally and cognitively perform in their job (Sanneh & Taj, 2015).

According to Macey and Schneider (2008), Employee engagement is an anticipated condition. It has an organizational purpose, and connotes involvement, commitment, desire, passion, intensive effort, and energy, so it has both attitudinal and behavioral components.

Engaged employees go beyond the call of duty to perform their role in quality. Engagement at work was first conceptualized by Kahn (1990, p. 694) as the "harnessing of organizational members' selves to their work roles". There are several factors that define an employee as an engaged employee. The concept has grown taking into account the various behavior exhibited by an employee that is encouraging & fruitful.

Employee engagement has become one of the most important chapters for many organization. Due to the provoking economic conditions, many organizations are struggling to survive, and engaged employee is the only tool for the organization to improve a competitive advantage in the industry.

Employee engagement has emerged as a critical driver of business today. It practically affects the employee morale, productivity and reasons for retaining in the company. Organizations are using their engaged employees as a tool of strategic competence. A highly engaged employee will consistently outperform and set new standards. Engaged employees contribute to the foundation line of any business and their engagement is echoed in their services to clients and customers. By so doing, engaged employees are helping to generate more patronage and customers loyalty, which in turn, gives organization a huge profitability.

Employee engagement should receive a great deal of attention from contemporary organizations, as the disengaged employee would result in significant loss to the organization. The behavior of disengaged employees, like robotic, laziness, and no effort to perform in their jobs, can result in a negative outcome.

Therefore, employee engagement can be affected by different factors and amongst the various factors that affect employee engagement, this study concentrated on Working Environment, Compensation and Benefits, Career Growth and Advancement and Intrinsic Motivations through referring various studies on the topic.

The researcher studied about the various factors that affect the employee engagement on the former employees of the Construction and Business bank currently working at the Commercial bank of Ethiopia located in Addis Ababa.

## **1.2 Background of the Bank**

With the history of dating back to 1942, CBE merged with the privately-owned Addis Ababa Bank in 1974. Since then, it has been playing significant role in the development of the country being innovative in the outlining of modern banking to the country (CBE website- Company Profile 2012).

Envisioning to becoming a world-class commercial bank by the year 2025, CBE endeavors to best apprehend stakeholders' needs by enhancing the financial intermediation globally and supporting national development priorities.

After acquiring/merging the CBB, CBE has more than 1456 branches stretched across the country. The bank with total asset of 711.96 billion Birr as of June 30, 2019, has made a big change in the economic improvement & growth of the country. (CBE website- company's Profile 2012).

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

Employee engagement is faced with constant and unique challenges due to its complicated set up which call for survival of organization's strategy. This is compounded by the diverse and complex workforce in the different sectors.

In recent years, employee's well-being on the job has been recognized as a vital factor for measuring their productivity (Mokaya and Kipyegon, 2014). According to Saks (2006), vastly engaged employees make a substantial input to their organization and may envisage organizational success. But the reverse holds true as disengaged employees could be a serious liability. Ayer, (2006) compares disengagement to a cancer & states that if it is left untreated it can gradually wear away an organization the same way cancer destroys a patient's body.

On the other hand, the number of researches conducted in Ethiopian banks is lacking particularity by widening the concept of employee engagement. Therefore, the basic problem of the study is with the increasing competition in the banking industry of Ethiopia, with the different initiatives undertaken by the bank and with the current shortage of study on employee engagement in Ethiopian banks, what could be some of the factors affecting employee engagement in Commercial Bank of Ethiopia.

Working in the highly competitive banking industry of Ethiopia, Commercial Bank of Ethiopia has been taking various measures designed to shatter competitors, increase its market share and attract and retain its employees and customers. In order for this to happen, the bank has a five-year strategic plan which identifies the existing problem of its HR policies and practices-one of them being the issue of employee engagement. The 2016-2021 strategic plan has been revised in 2018 due to the then economy and change of management aiming to achieve the different objectives which had not been met.

As such, the Bank has a wide mix of staff specially when the 1,988 staff joined the bank after it merged with the CBB with different needs and culture which are very difficult to satisfy and these staff had shown disengagement. This study, therefore, seeks to identify factors that affect the employee engagement.

## **1.4 Objectives of the Study**

### ***1.2.1 General Objective of the Study***

The general objective of the research is to identify the factors affecting Employees Engagement.

### ***1.2.2 Specific Objectives of the Study***

The specific objective of the study is:

- To identify the effect of Working Environment on employee engagement
- To identify the effect of compensation and benefits on employee engagement;
- To identify the effect of career growth and advancement on employee engagement;
- To identify the effect of intrinsic motivation on employee engagement

## 1.5 Research Questions

In light of the above discussions, therefore, the research attempted to examine and tried to find answers to the following basic research questions:

1. What is the effect of Working Environment on employee engagement?
2. What is the effect of Compensation and Benefits on employee engagement?
3. What is the effect of Career Growth and Advancement on employee engagement?
4. What is the effect of Intrinsic Motivation on employee engagement?

## 1.6 Significance of the Study

The Research will help HR professionals pre-define the HR strategies on how to maintain employees' engagement with the organizational overall strategic plan. It will also contribute to the existing and future knowledge of factors affecting employee engagement.

The findings of the study will also serve as input for various stakeholders including Employers/policymakers and employees to revisit and modify their approach towards factors affecting employee engagement. It will also be helpful for current and future research in the area of employee engagement.

## **1.7 Scope of the Study**

### ***1.2.3 Geographical Delimitation***

Considering the limited time and scattered geographical locations of all the employees of CBE, the researcher tried to restrict the geographical coverage to collect primary data from Head Office and available staff from District Branch Offices in Addis Ababa City.

### ***1.2.4 Conceptual Delimitation***

The study made the necessary assessment about factors affecting employee engagement using David Ulrich's level of Employee Engagement Scale (UWES-with 17 items). While the independent variables, Work Environment, Compensation & Benefits, Career Advancement and Intrinsic Motivation will be assessed through the questionnaire adopted from Sayeed (2016) which had been tested and validated. Some of the questions have been adopted to the local practice and one question is split in to two questions for the sake of clarification.

### ***1.2.5 Methodological Delimitation***

The study was delimited to describing the dependent and independent variables and explain the relationship between them. The scope of the research sample was restricted to stratified randomly selected respondents who are clerical staff of the former CBB, the currently CBE head office and District branch offices in Addis Ababa.

## 1.8 Limitation of the Study

During the course of data collection, the first batch of the distributed questionnaires were not received due to negligence of the respondents and the COVID 19 pandemic which delayed collection of the same as physical contact was not possible.

To overcome this problem and minimize the physical contact, the researcher collected the email addresses of the respondents from the HR department of the head office and some of the questionnaires were sent to branch managers to forward to the identified respondents in order to collect the required number of filled responses electronically.

## 1.9 Definition of Terms

**Working Environment** is a broad term and means all your surroundings when working. Your physical working environment is, for example, your work tools as well as air, noise and light. But your working environment also includes the psychological aspects of how your work is organized and your wellbeing at work. (Aurora)

**Compensation and Benefits** refers to the salary and other monetary and non-monetary benefits passed on by a firm to its employees the type of social security to which someone has the right to.

**Intrinsic motivation:** is defined as the doing of an activity for its inherent satisfaction rather than for some distinguishable value. Ryan and Deci (2000)

**Career Advancement** refers to the upward progression of one's career. An individual can advance by moving from an entry-level job to a management position within the same field, for instance, or from one occupation to another (McKay, 2018)

**Vigor** (Merriam Webster) defined it as active bodily or mental strength or force while Schaufeli et al. 2002, p. 417 said it is a High level of energy and flexibility, the readiness to devote energy in one's job, the ability to not be easily exhausted, and determination in the face of difficulties".

**Dedication** (Merriam Webster) defines it as a devoting or setting aside for a particular purpose while Schaufeli et al. (2002, p. 417) defines it as a strong immersion in one's work, escorted by spirits of eagerness and meaning and by a wisdom of pride and inspiration.

**Absorption** (Merriam Webster) entire occupation of the mind and Schaufeli et al. (2002)

**Engagement:** Schaufeli et al. (2002) define "as a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption."

**Absorption** is conceptualized as an "enjoyable state of total engagement in one's work, categorized by time passing quickly and unable to disconnect oneself from the job" (Schaufeli et al. 2002)

**Employee Commitment:** something which you have agreed to do and the attachment that an employee has on their organization due to their experiences. It can show the level of satisfaction, and engagement

## 1.10 Organization of the Paper

The research paper is organized in five chapters. Chapter one discusses the introductory part of the Research which includes back ground of the study, Back ground of the Organizations, significance of the study, statement of the problem, objectives of the study, scope of the study and definition of terms will be incorporated. The second chapter dealt with review of theoretical and empirical literatures while the third chapter provides details of research design, sample frame and size, source and instrument of data collection, the study variables, the procedures and the methods of data analysis. Chapter four will include results

and discussion of the research. The last chapter will portray summary and conclusion of the research and recommendations will be forwarded based on the findings of the study.

## CHAPTER TWO

### REVIEW OF RELATED LITERATURE

This chapter was used to assess the factors affecting employees' engagement with relevant studies, books and actual practices around the globe. It will also introduce the relevant research and show how the research will help to advance in the field. The main components of this chapter will be literatures about the research topic.

This section also presents a brief review of existing theoretical and empirical literatures of previous studies related to employee engagement. It discusses the. This literature also examines the importance of employees' engagement. It also discusses how to ensure the employees are prepared for the change process in general.

#### 2.1 Theoretical Literature review

##### 2.1.1 *Theories of Employee Engagement*

The concept of Employee Engagement has become a striking issue lately from researchers and HR business leaders although there is lack of a universally accepted definition for it remains a challenge. It has been defined in different terms by different researchers and scholars for different protocols. These differences indicate that employee engagement has been defined in many different ways, sometimes similar to other better known and established concepts.

It's stated in many blogs and studies that Employee Engagement is "the state of emotional and intellectual commitment of employees towards the organization" that gives the companies modest advantages including higher productivity and lower employee turnover. It

also refers to involving employees with the organization in a manner that leads to a win-win situation for both employees and the organization.

Employee engagement is also described as the extent to which employees are inspired to contribute to the success of the organization, and are willing to apply discretionary effort to realizing tasks that are important to the attainment of organizational goals. The following are some of the definitions/explanations used by scholars and researchers used to describe Employee Engagement.

Chandani et.al, (2016) in their review articles concluded that engaging employees is a continuing task and cannot be completed by a single training program, no matter how good its quality is, however it can be improved by opportunity thinking, improving employee decision making, and commitment. Organizations need to impart a sense of contribution, positive sentiments about their work and a sense of community in their employees by stressing on employee opinions and opportunities should be provided.

Another definition given by Kahn (1990) is employee engagement as “the harnessing of organization members’ identities to their work roles; in engagement, people serve and express themselves physically (physical energies exerted by individuals to accomplish their roles), cognitively (employees’ beliefs about the organization), and emotionally (employees feeling about each of those three factors) during role performances”.

Kahn (1990) also said that, engagement means to be psychologically and physically present when occupying and performing an organizational role. Baumruk (2004) on the other side, say that employee engagement is an emotional and intellectual commitment to the organization or the amount of discretionary effort exhibited by employees in their job to support this argument.

According to Hewitt Associates (2006) employee engagement is defined 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.

The Corporate Executive Board (2004) defined employees' engagement as it is the degree to which an employee binds to something or someone in the organization and how long they stay as a result of their commitment.

Storey et.al (2008) defined employee engagement as a set of positive attitudes and behaviors enabling high job performance of a kind which is in tune with the organization's mission. To bring this about usually requires a mix of human

### ***2.1.2 The Importance of Employee Engagement***

Organizations have to reexamine their strategic opportunities and announce the change to their employees (Hayward, 2010). Mergers and acquisitions can bring uncertainty and worry amongst employees who can become less productive due to disengagement (Allan & Cianni, 2011). They also say that providing employees with continuous support and information from the beginning is the key to ease employees through the deal.

If an organization has engaged employees, it can outclass its competition. However, without employee engagement organizations cannot hope to align its employees with the goals and objectives they set.

Employee engagement is crucial for a successful implementation of business strategy. If an organization's staff is engaged this will increase productivity, lower staff turnover and reduce rates of absenteeism. In contrast with a disengaged workforce, which produces a poor quality of output, poor customer relationships can result in a scratched organizational reputation (Hayward, 2010).

Therefore, it is in the organizations interest to have two-way open communication between employers and employees instilled and to constantly monitor and take action where needed regarding employee engagement levels as this has a massive impact on business outcomes (Robinson, et al., 2004). “Employee engagement is the basis of success for any organization” (Hayward, 2010).

Employees feel engaged when they are involved in decision making, when they feel heard, when they feel secure and when given opportunities to develop their position (Robinson, et a l , 2004) An employee needs to feel engaged to identify with the organization therefore they need to believe in the product or service and the organizational values and objectives Understanding the context to which the organization operates is important for an employee to be engaged. An employee who is engaged will feel business appreciation so benefits for the organization will be paramount to them (Robinson, et a l, 2004) Mercer (2008) cited by Hayward (2010)

Different studies have been made regarding employee engagement like, Gallup organization, Tower Perrins, Hewitt, Blessing White, the Corporate Leadership Council and they have used different definitions of employee engagement to come up with the drivers of engagement that companies pay attention to when supervising their employees.

## 2.2 Factors Affecting Employee Engagement

When coming to the relationship between employee engagement, the following are some of the driving factors: doing thrilling and inspiring work; having career growth and learning and development opportunities; working with great people, receiving fair pay; having supportive management and being recognized, valued and respected (Ketter 2008).

For the sake of specificity this study considered the following four drivers of Employee Engagement.

### 2.2.1 Working Environment

Managing organizational change is difficult due to the fact that it is an ongoing process rather than an event (Price & Chahal 2005). Strategies are customized according to the unique qualities and competitive environment of the organization and may incorporate different components of other successful strategies. Successful change management strategies seem to be customized according to the unique qualities and competitive working environment.

Work environment is found to have an abundant influence on employee engagement where it shows that employees feel that working environment is more important to the engagement of employees. Work environment does not only need to be conducive but also needs to be free for the employees to contribute their effort towards the organization. This will result in employees feeling committed and passionate about their job and organization. (Modha et.al 2016)

Kahn identified that in a conducive working environment, one in which information was communicated freely among organizational members without fear and meaningful communicative interactions occurred regularly, people were willing to put all of themselves

more into their work. As one camp counselor put it briefly, people are only willing to dedicate their vigor where it will be appreciated. (Kahn, 1990). When the basis for meaningful communication is missing, employees' willingness to exert discretionary effort will be lost as well. Organizations must ensure that they create and promote an inclusive and open workplace environment. Management practices that create an environment in which employees are satisfied and engaged, branches operational excellence and innovation resulting in growth and profitability. Thus, engagement is considered at its undeveloped level, as an instrument to achieve the goal of the most positive work environment possible. (Dicke, Holwerda and Kontakos2007).

According to the International Journal of Scientific & Technology research, Work environment has directly positive effect on employees' engagement. This suggests that the better of work environment is expected to strengthen the employee engagement. It is also supported by (Kahn, 1990) that employees felt safe in work environments that were characterized by openness and supportive. Supportive work environments allow its members to explore and to experiment new things without being afraid of the outcomes. The working environment influences on employee engagement. Recent studies also show that meaningful workplace environment is considered as the key determinant of employee engagement (Popli & Rizvi, 2016; Anitha, 2014)

According to (Anitha 2014), there is a substantial relationship between work environment and employee engagement. Conditions of the workplace play an important role to employees in whether they want to keep working in the organization. A safe work environment can attract new applicants into the pool to apply for the positions that still need to be fulfilled. The work environment plays an important role as people want to work in a safe workplace. Earlier studies have also shown that the work environment is a cause that can be used to determine the level of engagement for each employee working in the organization. Studies by

(Miles 2001) and (Harter et al. 2001) identified that various features of work environment can result in various levels of employee engagement which is also supported by (Holbeche & Springett 2003) (May et al.2004) and (Rich et al. 2010). Organizations that play their roles and show their concern about employees' needs and feelings, provide positive feedback and allow employees to inform their worries, develop new skills and solve occupational problems are considered as management that nurtures a supportive working environment (Deci & Ryan, 1987).

### **2.2.2 Compensation and Benefits**

Compensation and benefits, for employees are essential as they are the means for meeting the basic needs of life. Engagement level varies from employee to employee as their perception about the compensation they receive from work role, changes. Therefore, employees with high level of perceived work-role benefits show better engagement (Kahn, 1990).

(Vaziarani 2007) said organizations should have a proper pay scheme so that the employees are motivated to work in the organization and increase the engagement level, organization should also provide with certain benefits and compensation. Employers must form a solid compensation basis in order to encourage the extent that employees will go the extra mile and put discretionary effort into their work by contributing more of their dynamism, originality and desire on the job.

If organizations want their employees to deliver more, it is vital that employees feel appreciated and their extra efforts are recognized and appreciated, and through time there is a balance between what they give to and get in return from the organization. In challenging economic environments, compensation budgets are greatly overstretched, meaning that as

organizations need to ask employees to do and deliver more, their ability to reward those extra efforts financially is particularly reserved. (Graen 1997)

Incentive pay, also known as pay-for-performance, can directly influence employees' productivity and thus their engagement as well as their commitment to the organization. Most employees are motivated by financial incentives and will exert greater effort to produce more if the incentives the company offers make it worthwhile to do so. When an employee recognition program is aligned with the business goals that have an engaged workforce, employees are emotionally committed to their employer's goals, vision and philosophy. (Weng, Q.X. and Hu, B. (2009)

Towers Watson research also indicates that employees who believe they are paid fairly compared with people in either their company or other companies are 4.5 times possibly to be highly engaged as people who do not believe they are paid fairly.

Compensation has an unlimited impact on employee engagement in the present-day. Previous studies proved that compensation could increase the engagement between employee and if employees receive pay according to their skills and performances (Feraro-Banta & Shaikh, 2017). Besides, compensation also can increase the motivation of the employees to perform in their jobs, which, in turn, raise the level of engagement of employees in the organization (Gulyani & Sharma, 2018).

Anitha J (2013) mentioned compensation & Benefits as one of the factor facilitating the existence of employee engagement. Maylett & Nielsen (2012, cited by Abel 2013) believe that employee engagement will increase profit and productivity if employee is satisfied. Abel (2013) as well said that engagement came from the feeling that they got the right compensation for what they already did. Bender, Contacos-Sawyer, and Thomas (2013) believe that benefit to employee is a key factor to increase employee engagement. The

positioning of right compensation and benefit will impact not only the employee but also their families.

### **2.2.3 Career Growth and Advancement**

Khan 1990 said an engaged workforce who possess the necessary skills, knowledge and expertise is crucial for any organization who wants to achieve high levels of business success. In the current challenging and competitive business environment, learning and development has never been more important as a means to keep employees engaged and maintain that competitive advantage.

Khan also argued that the right training and development can greatly enhance employee engagement by fostering talent and helping people to learn new things and improve their performance. Most people want to feel that they are doing a good job and that they are valued by their organization for the part they play. If implemented efficiently, learning and development will provide the means to motivate and engage employees like never before. People will feel appreciated for their role and they will understand that the organization supports them to be the best that they can be. Therefore, developing people is a crucial to have an engaged workforce and realizing business success.

(Conrad 2013) If peoples' wish to make advancement in their own profession is not satisfied, they will start to look for other jobs. It's becoming a fact that some of the Openings to rise up the in the hierarchy withing the organization happen only when someone leaves the organization and employees have to wait for a long time which may result in high turnover

Graen (1997) highlighted the benefits of occupational mobility between organizations to individual values increasing in description of career growth, and defined career growth as the speed of work series that individuals chasing value enhancement.

#### **2.2.4 Intrinsic Motivation**

Intrinsic Motivation: refers to the stimulation that drives an individual to adopt or change behavior for his or her own internal satisfaction or fulfilment (Ryan & Frederick, 1997). It is supported by (Blaney 2014) that only intrinsic motivations (rewards that come directly from the work itself) encourage the insightful commitment and sense of ownership needed for a truly engaged and inventive workforce.

Blaney also said that employees have a general certainty that their employers value their contributions and care about their welfare. Whereas employers value employee dedication and loyalty, employees are more concerned with their employers' mutual commitments to them. People respond well when they see that they are advancing on something they concern about, whether in the workplace or in life. Humans are innately social creatures, and we want to connect, interact, affiliate, care and share. When intrinsic motivators are integrated into the workplace, the opposite happens. Employees start to see their work as more important, and so they become keen and enthusiast to learn and contribute.

Keller identified that intrinsic motivation comes from the inside. It's determined by a personal interest or enjoyment in the task itself. With intrinsic motivation, the result is often progression. When people talk about engaged employees having both their heads and their hearts in their jobs, intrinsic motivation is the heart part of that equation. The fact is, intrinsically motivated employees are more likely to be engaged in what they're doing than their counterparts who rely only on extrinsic motivation to put a spring in their step. Moreover,

intrinsically motivated employees are more likely to go above and beyond to put in that discretionary effort.

### 2.3 Employee Engagement and other Constructs

**Career Opportunities.** Employees are always looking for challenging and meaningful work with the goal of further advancing their careers. People want to do new things in their job. The challenge for an organization is to provide their workers with meaningful career paths that will inspire them and give them different opportunities to grow. Failure to do so can cause stress, frustration, and lack of engagement on the part of the employees.

Many companies looking to improve employee engagement in the workplace provide their workers with formal training programs and more importantly, the opportunity to practice their skills and knowledge on the job.

**Employee recognition** Numerous studies and polls have showed that *employee recognition* is one of, if not the top, the essential factors in driving employee engagement.

One survey conducted by consulting firm HR Solutions stresses that employee recognition is the top driver of employee engagement. The same poll showed that only 59 percent of employees say their bosses let them know when they have accomplished a good job. Studies have also indicated that employees feel that they receive immediate feedback when their performance is below expectations.

An organization should aspire to recognize their employees who are performing creditably in a sincere and timely manner. This can boost morale of the staff, resulting to a higher engagement level among the employees.

**Corporate culture** Management should strive to maintain good corporate culture in the workplace, as people would be proud to be part of an organization where there is meaningful

work, deep employee engagement, and strong leadership.

**Good relationship with immediate supervisors** for many employees, their immediate supervisor represents the management. If a supervisor is not fair and approachable, there will be an increased likelihood that the employee will be demotivated at work. Thus, companies should train their officers to become more competent in supervising their employees, providing feedback on their performance, and delegating appropriate levels of responsibility.

## **2.4 Empirical Literature Review**

### *2.4.1 Employee Engagement*

Ram and Prabhakar (2011) did a study on the role of employee engagement in work related outcomes on the hotel industry of Jordan. The study confirmed that the presence of four dimensions i.e. perceived organizational support, perceived supervisor support, total rewards, and perception of distributive justice contributes to employee engagement and in turn influenced the extent of job satisfaction, organizational commitment, intention to continue with the employer and heightened responsibility toward work related issues.

Yee (2012) conducted a survey on factors influencing employee engagement among western based multinational corporations in Peenang free trade zone of Malaysia. The study found out that employee engagement in the work place is crucial to improving & preserving organizational effectiveness. In addition, the study found out that employee engagement can be achieved through involvement & participation, recognition & rewards, internal communication & work environment as long as there is a strong relationship between employees & employers.

Bedarkar & pandita (2013) also conducted a study on drivers of employee engagement impacting employee performance. The study identified drivers of employee engagement. In

addition they argued that these drivers lead to a better employee performance ultimately resulting in a higher organizational performance.

All The three studies focused on identifying factors influencing employee engagement however, the studies by Bedarkar & pandita (2013) & Ram and Prabhakar (2011) further looked in to the impact on employee engagement on employee & organizational performance i.e. the

studies tried to consider the mediating or moderating effect of employee engagement.

Mokaya and Kipyegon (2014) conducted a study on the factors of employee engagement in the banking industry of Kenya and identified four factors that affect employee engagement namely performance management, personal development & growth, workplace recreation and remuneration.

Garg (2014) conducted a study on employee engagement and individual differences across employees of various age, gender, work experience and education in India by taking an in-depth analysis of eight constructs of employee engagement. The findings of the study showed that significant variations are observed across employees of various age, experience and qualifications while the variation by gender was found to be insignificant.

Taj (2015) conducted a study on employee engagement in the public sector of West Africa and identified the following drivers of employee engagement work place wellbeing, organizational policies, compensation, training & career development, team &coworker, leadership & work environment. All The three studies focused on identifying factors influencing employee engagement however, the study by Garg (2014) was different from the others in that it tried to highlight the significance of not only organizational factors but also individual factors in ensuring the engagement of employees.

Recent survey was conducted among 447 Human Resources Directors showed that employee engagement became the biggest difficulty in 2018 at 44%, followed by retention at 36%, recruitment at 33% and succession & planning at 26%.

#### ***2.4.2 The Effect of Working Environment on Employee Engagement***

Work environment was found to be one of the significant factors that determine the engagement level of an employee. Studies by May et al. (2004) and Rich et al. (2010) show that employee engagement is the result of several features of the workplace. Deci and Ryan (1987) stipulated that management which nurtures a supportive working environment typically exhibits concern for employees' requests and feelings, displays a positive feedback and inspires them to voice their concerns, to develop new skills and to solve work-related problems. Therefore, a meaningful workplace environment that aids employees for focused work and interpersonal harmony is considered to be a key determinant of employee engagement.

#### ***2.4.3 The Effect of Compensation & Benefits on Employee Engagement***

Previous studies have proved that compensation as a gadget to offer monetary value in exchange for work performed by employees. (Abdul Rashid, Othman, Othman, & Abdullah, 2016; Patnaik & Padhi, 2012). Compensation also understands as an intrinsic and extrinsic reward earned by the employees as a part of the employment relationship (Calvin, 2017). Besides, compensation systems recognized as one of the keys of management tools for motivating, determining, and adjusting the attitudes of employees, as it contains vital messages about the organization values and practices (Janicijevic, 2013). Employees who perceive that

they are paid fairly and if the compensation that they receive is equitable with the scope of their job, feel obliged to their jobs and success of the organization (Saks & Rotman, 2006).

Inayat, A. (2017). With the growth of technology, the banking industry demands their employees to become more knowledge-intensive and innovative in parallel with justifiable trends compensation has played an essential role as employees will be gratified to the jobs, and the success of an organization if they perceived the pay that they received is fairly and equitable.

(Vdovin 2017) listed factors that affect employee engagement and recommended Employers to focus on these four factors affecting employee engagement levels in the workplace as these can have an impact on employee morale, productivity, and turnover rates.

#### ***2.4.4 The effect of Career Development and advancement***

Armstrong (2006) pointed out that career development is a critical human resource management function in both Public and Private Organizations. Career development has been a recurrent subject of debate among scholars and academics. Armstrong (2006) adds that career development is the use of planned instruction activities to promote learning. Training is not simply a means of arming employees with skills they need to perform their jobs; it is often believed to be demonstrate the employer's commitment to their employees.

Aplin & Gerster, 2008). Identified in their studies that the idea of career development is to match an employee's career aspirations with opportunities and challenges available within the organization. The interest of career development also requires a successful placement of employees in positions that meet their needs as well as the organization's needs. Therefore, employee career must be of concern to organizations and managers in order that human resources may be developed to meet constantly changing environmental condition.

### ***2.4.5 The effect of Intrinsic Motivation on employee engagement***

Lately some researchers have identified that employees would most value a job that has a characteristic that are important and meaningful to them rather than job promotions, income, and job security (Grant, 2007). Pink (2009) supported the results and claimed that some individuals were more creative and motivated when they believed they were doing meaningful work (purpose), in charge of their work (autonomy), and getting better and better at their work (mastery). Furthermore, recent studies have also indicated that intrinsic motivations such as the nature of the work or feelings of accomplishment were key drivers for employees (Chuang et al., 2009). In addition, Van Beek et al (2012) research of 760

Chinese nurses and physicians asserted that intrinsic motivation was positively associated with work engagement. Van Beek et al. (2012) additionally enlightened that motivation from within had helped individuals reach higher levels of energy, dedication, and absorption at work. Employees who are intrinsically motivated at work tend to have higher job satisfaction and higher job performance because they feel their job is interesting, challenging and meaningful.

In early studies of intrinsic motivation, White (1959) reported that certain animals engaged in behaviors in the absence of both reward and reinforcement. He suggested that humans and animals were not only motivated by a reward such as money or food to change their behaviors, as Watson (1913) and Skinner (1948) claimed, but they were also intrinsically interested and curious about their surroundings, which drove them to learn and master the challenges posed by the environment. White (1959) explained that these behaviors were driven by feelings of fun and being challenged to extend one's capacities.

Several studies of intrinsic motivation in the work-force have been conducted to seek a better way to inspire individuals. Employees are motivated when the work itself is challenging and motivating (Dyer and Parker, 1975; Herzberg, 1968; Wong et al., 1999). Herzberg (1968) mentioned that the work itself was one of the motivators intrinsic to the job that increases an individual's motivation.

In addition, Amabile (1993: 186) stated that the nature of the work itself is “the most basic fact of a person's life within an organization.”

Lam et al. (2001), conducted a study of 171 employees of Hong Kong's Chinese restaurants and found a significant difference between new employees' perceptions and expectations of fast-food restaurants' job (e.g., challenging job, meaningful work, sense of accomplishment). The results showed that new employees found that the nature of the work in the restaurants, was not exciting, challenging, or meaningful. As a result, as mentioned in previous studies (Amabile, 1993; Chalofsky and Krishna, 2009; Herzberg, 1968), job factors that were not challenging and meaningful could reduce employees' motivation to perform better and to engage more at work.

#### ***2.4.6 Dimensions of Work Engagement***

Although different scholars tried to identify models of employee engagement, their analysis shows the dimensions of employee engagement. For the purpose of this study, the researcher adopted Utrecht Work Engagement Scale (UWES) with the following three employee engagement dimensions which are believed to be valid & reliable and had been used and tested in several researches previously.

**Vigor:** It refers to energy, mental resilience, determination and investing consistent effort in job (Rayton and Yalabik, 2014). Vigor is one of the features of work engagement that

infers high levels of energy and mental resilience while working. There is also a firm investment in the actual work, together with high levels of determination even when faced with difficulties.

**Dedication:** is about being inspired, enthusiastic and highly involved in your job (Rayton and Yalabik, 2014). Dedication is an individual's deriving a sense of significance from work, feeling enthusiastic and proud about the given job, and feeling inspired and challenged by the job (Song et al., 2012).

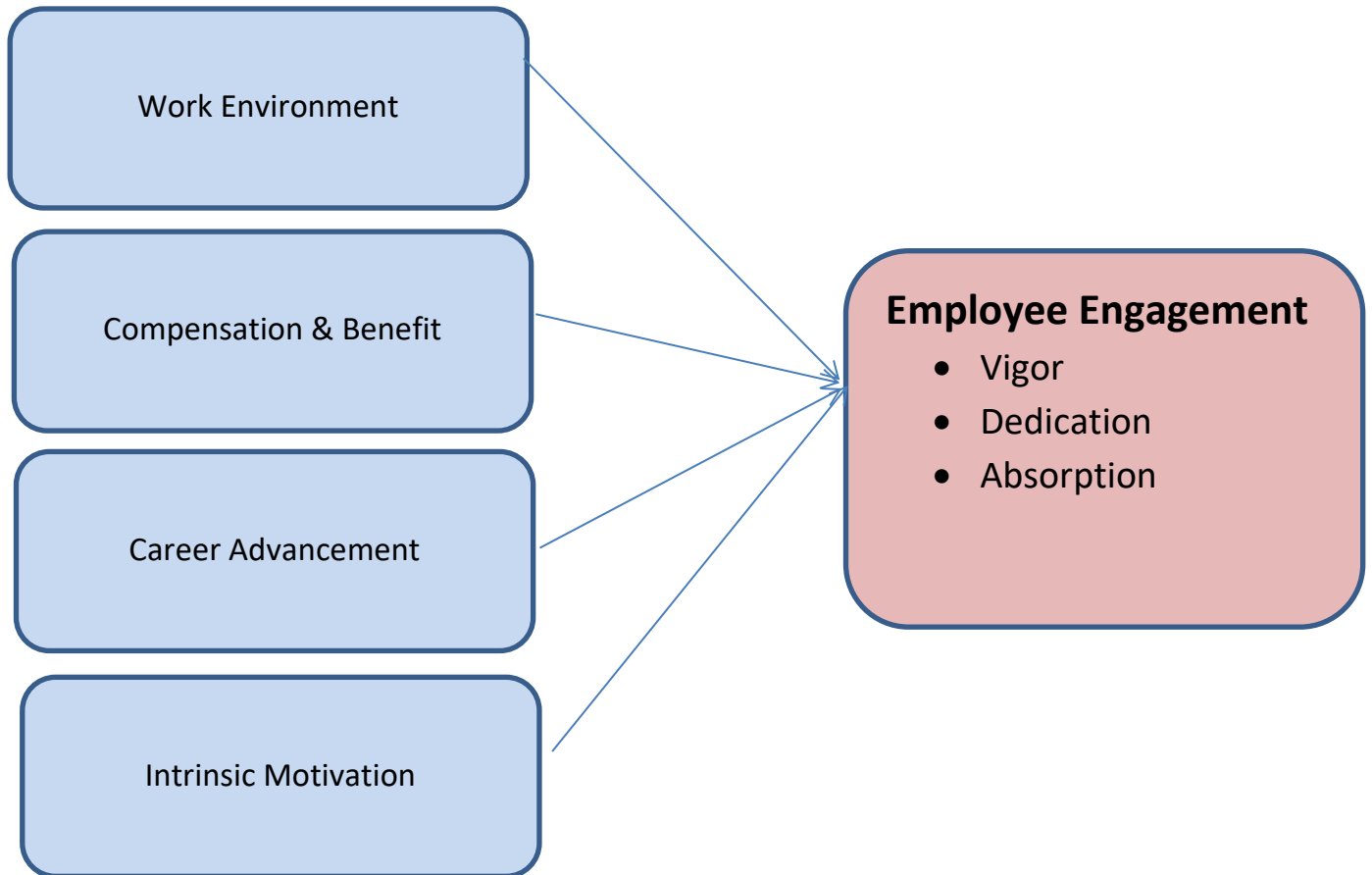
**Absorption:** refers to a sense of detachment from your surroundings, a high degree of concentration on your job, and a general lack of conscious awareness of the amount of time spent on the job (Rayton and Yalabik, 2014).

To conclude, this section of the study tried to examine the factors that affect employee engagement and the necessity of employee engagement for the success of an organization.

## 2.5 Conceptual Framework

Depending on the above discussed literatures, the following conceptual framework was developed to show the relationship between the dependent and independent variables. Where Work Environment, Compensation & Benefit, Career Advancement & Intrinsic Motivation are the Independent variables resulting in vigor, dedication & Absorption and the employees' engagement will be the dependent variables of this study.

*Conceptual Framework*



*Source: own survey*

## CHAPTER THREE

### RESEARCH METHODOLOGY

As the main purpose of this chapter was to fine-tune the proposal with the research Design and methodology in line with the statement of the problem, research objective and scope outlined in the first chapter, the research design and methodology for each task was detailed to the extent that each task and their respective sub-tasks require meeting their intended final outputs.

While doing the research design and methodology for this research, the researcher gave primary attention to understanding the “objective of the research” which generally focuses on “Factors affecting employees engagement”.

In order to accomplish the above, this chapter of the research focused on identifying the target population, the data analysis and explanations of the methods used, validity and reliability of the data.

#### **3.1. Research Approach**

The study adopted quantitative design method to achieve the research objectives. The rationale for employing such a design was to gather data and conducting a qualitative method by conducting interview was not possible due to the COVID 19 outbreak for triangulation so that the findings with a single approach could be substantiated with others wherever possible.

### **3.2. Research Design/Type**

The main aim of explanatory research was to identify any causal links between the factors or variables that pertain to the research problem and it is structured in nature focusing on the why questions.

Explanatory research was also conducted in order to identify the extent and nature of cause-and-effect relationships and conducted in order to assess impacts of specific changes on existing norms, various processes by focusing on an analysis of a situation or a specific problem to explain the patterns of relationships between variables. The researcher conducted the study using Explanatory Design by collecting first –hand data from the employees of the CBE who were the former employees of Construction and Business Bank.

### **3.3. Sampling Design**

#### ***3.4.1 Target Population***

This study aimed to identify the factors affecting employees engagement and the target population of the study comprises employees of Commercial Bank of Ethiopia who were former employees of Construction and Business Bank who were professional/clerical and had at least 12 months of employment with the former CBB that are found at Head Office Level and selected district branch offices of the CBE.

#### ***3.4.2 Sampling Technique***

The researcher used stratified random sampling technique to select the respondents from the population. Stratified random sampling was used because it helped to ensure that all parts of the population are represented in the sample in order to increase the accuracy and to

decrease the error in the estimation from the target population. With regards to the respondents who were located at the branch offices, respondents were selected based on the convenience and availability of the branches and employees respectively.

### 3.4.3 Sample Size

According to Kothari (2004), sample size refers to the number of items to be selected from the universe to constitute a sample. It should neither be excessively large, nor too small. It should be optimum. An optimum sample is one which fulfills the requirements of efficiency, representativeness, reliability and flexibility.

The Researcher determined the sample size using Taro Yamane (1967)'s sample size determination formula as it provides a simplified formula and the sample size is determined at 95% confidence level with an acceptable sampling error of 5%.

To identify the number of sample size, the researcher used the closure report of the *Employee Assessment and Placement Team Exit Report* to get the exact number of employees located at the Head office and Branch offices located in Addis Ababa city.

Out of the total employees (1,988) of the former CBB, 1,047 of the employees are located out of Addis Ababa which reduces the sample targets to  $(1,988 - 1,047 = 941)$ . From these eligible employees 13% of the employees have worked over 25 years which makes them eligible for retirement at the time of M&A  $(941 * 13\% = 122)$   $941 - 122.33 = 818$  out this 818 employees about 47.33% of the total employees are Clerical Employees which makes our total population  $818 * 47.33\% = 387.47$  who fit to reply to the questionnaires based on the criteria set above.

After applying the following formula, the sample size is 196

$$n = N/(1 + N(e^2))$$

$$n=387.47/(1+387.47*(0.052))$$

$$n=196.8\sim 196$$

Where: n = Sample size N = Population size e = Level of precision or acceptable sampling error (5%).

The research instrument will be distributed in the following manner

**Table 3-0-1 Questionnaire Distribution Table**

S. No	Branches	Number of Employees	Percentage
1	Head Office	84	43%
2	East Addis Ababa District Branches	28	14.25%
3	West Addis Ababa District Branches	28	14.25%
4	North Addis Ababa District Branches	28	14.25%
5	South Addis Ababa District Branches	28	14.25%
<b>Total No of Employees</b>		<b>196</b>	<b>100%</b>

### 3.4. Sources of Data

In order to obtain information relevant to the study, both primary and secondary data were employed. While secondary data, documents related the Human Resources reports of the bank were collected.

### 3.5. Data Collection Procedure

The researcher used questionnaire that translated the information needed into a set of specific questions that the respondents could and would answer, uplifts, motivates, and encourages the respondents to become involved, to cooperate, and to complete and strive to minimize respondent fatigue, boredom, incompleteness, and nonresponsive which avoided errors.

### 3.6. Data Collection Instrument

In order to obtain the necessary data, the researcher used Questionnaire and a semi structured interview. The questionnaire for the independent variables was adopted from Shela Sayeed (2016) and the one for the dependent variable was adopted from UWES and both questionnaires were tested and validated by previous studies and had satisfactory psychometric properties (Schaufeli et al., 2002) with Cronbach alpha. The questionnaires used had a five-point Likert-scale scored between Zero (Not at all) to four (Frequently, always) and contains 17 items for the dependent variable. And 19 items for the independent variables. The following table shows the breakdown of the questionnaire.

*Table 3-0-2 Summary of Measures*

No.	Study Variables	Source of Items (scale or Instrument source)	No. of Items in the Scale	Chronbach's Alpha Results
1	Working Environment	Shela Sayeed (2016)	4	.668
2	Compensation and benefits		4	.562
3	Career Growth and Advancement		5	.755
4	Intrinsic Motivations		6	.805
5	Employee Engagement	UWES	17	.861

**Table 3-0-3: Reliability Statistics Dependent Variable (work engagement subscales)**

Scale	Cronbach's Alpha	No of Items
<b>Engagement scale</b>	.887	17
<b>Vigor</b>	.649	6
<b>Dedication</b>	.811	5
<b>Absorption</b>	.738	6

*Source: Dimensions of Work Engagement*

It also involved collection of secondary data from the bank's reports and journals to help in creating a strong data for the study, which will assist in proper interpretation and analysis using appropriate analytical tools.

### **3.7. Data Analysis Methods**

In order to compare the different factors, Explanatory data analysis was used to analyze the data, to define and predict the relationship between the dependent variable and the independent variables using Statistical Package for Social Science (SPSS) software. Tables are also used to present and make an easily understandable findings in order to arrive at meaningful result(s) which reduced the data into a summary. The collected data from the respondents was then be incorporated in the discussion and interpretation part of the research. After having all these done, conclusions and recommendations were drawn based on the data analysis and interpretation output.

### **3.8. Validity and Reliability**

In order to ensure validity of the questionnaire and the interview questions used, the researcher tried to meticulously and thoroughly look in to the empirical studies and other

literatures related the subject matter in consultation with the advisor.

Reliability was considered by doing a pre-testing of the questionnaire using Cronbach's alpha measure of internal consistency on a section of the study sample and modifications have been incorporated for clarity, comprehensiveness, relevance and meaning. Subsequently, the improved version of the questionnaire was reprinted, duplicated and dispatched accordingly to the respondents. The instruments used can help show the Factors affecting Employee engagement by collecting relevant data.

(Sekaran and Bougie, 2016) said that Reliability is a sign of the firmness and evenness with the instrument measures the idea and helps to assess the soundness of a measure. In doing the reliability test, the researcher found Cronbach's alpha values using SPSS Version 23 for the items in each construct as indicated in table 9 below. According to Sekaran and Bougie (2016) reliabilities less than 0.60 are considered to be poor, those in the 0.70 range, acceptable, and those over 0.80 are good.

**Table 3-4: Reliability Statistics Analysis (Cronbach's Alpha)**

S.N	Variables of the Study	No. of Items	Cronbach's Alpha Value
1	Working Environment	4	.668
2	Compensation and Benefits	4	.562
3	Career Growth and Advancement	5	.755
4	Intrinsic Motivations	6	.805
5	Employee Engagement	17	.861

Source: Researcher's survey data output (2020)

### 3.9. Research Ethics

The researcher kept the confidentiality of responses of participants and ensure that the finding of the study will reflect the responses of the respondents. In general, utmost and

unwavering attention was paid by the researcher to ensure the overall data collection, analysis and interpretation was carried out ethically in a manner that dovetails with the appropriate procedures. In doing so, the researcher ensured that the output of the study genuinely portrayed the reality on the ground and meaningfully contributed its part to the betterment and improved thoughts on the factors affecting the employee engagement.

The researcher would also like to acknowledge the studies and literatures done previously by different scholars and researchers and reflect on the ethical issues in every aspect of the activity doing this study.

## CHPATER FOUR

### DATA ANALYSIS, PRESENTATION AND INTERPRETATION

This part of the research presents the research results, analysis and interpretation in light of the foreseen research objectives. With the view to identify factors affecting employee engagement, a survey was conducted using questionnaires (Appendix 1). Accordingly, the questionnaires were distributed to a total of 196 staff members of the former Construction and Business ban employees currently working at the Commercial bank of Ethiopia out of which 190 questionnaires were returned. Besides, 5 questionnaires were found to be incomplete and hence excluded in the interest of maintaining data integrity and quality. Subsequently, a total of 185 questionnaires were used in the research.

Whereas the first section of the questionnaire discusses demographic data of the respondents, the second part contains the four main evaluating factors representing the Independent Variables, i.e. Working Environment, Compensation and Benefits, Career Growth and Advancement, and Intrinsic Motivations. While the third part of the questionnaire contained three main points in order to evaluate the engagement levels of employees grouped as Vigor, Dedication and Absorption responses of the respondents were assessed based on a Five Point Likert Scale of 0-4 (where 0 indicates “Strongly Disagree” while 4 indicates “Strongly Agree”). Rating of Factors Affecting Employee Engagement.

The collected data were processed using SPSS Version 23 after having the explanatory analysis of the findings and evaluation was conducted to evaluate the effect of independent variables on the dependent variable using regression analysis.

## 4.1 Response Rate of the Questionnaire

As mentioned at the beginning of the chapter and the determined sample size in the methodology, 196 questionnaires were distributed to the sampled respondents. Out of the total questionnaires distributed, 185 (94%) valid questionnaires were found and used for the analysis.

## 4.2 Demographic Profile of the Respondents

The demographic profile of the respondents is discussed under the following table.

*Table 4-1 Frequency Table of Demographic Profile of the Respondents*

	Description	Frequency	Percent
<b>Gender</b>	Female	86	46.5
	Male	99	53.5
	Total	185	100.0
<b>Age</b>	Less than 25 years	1	.5
	25-34 years	67	36.2
	35-45	79	42.7
	Above 45 years	38	20.5
	Total	185	100.0
<b>Did you work in former CBB?</b>	Yes	185	100.0
<b>Duration of Service</b>	Less than a Year	1	.5
	1-5 years	36	19.5
	6-10years	105	56.8
	Above 10 years	43	23.2
	Total	185	100.0
<b>Level of education</b>	Diploma	2	1.1
	BA/BSc	118	63.8
	MA/MSc	64	34.6

	PHD & above	1	.5
	Total	185	100.0
<b>Marital Status</b>	Single	46	24.9
	Married	97	52.4
	Divorced	18	9.7
	Widowed	24	13.0
	Total	185	100.0

Source: Researcher's survey data output (2020)

As it can be seen from the overall respondents of the survey, 53.5% were male and 46.5% were females which implies that both genders were involved objectively in the study thus the findings of the study did not suffer from gender bias.

**Age Group:** The frequency table results showed that 0.5% of the respondents belong to age group of less than 25 years, 36% of them belong to 25-34 years of age group, 43% of them are between 35-45 years of age and the remaining 21% belongs to above 45 years of age group. The result shows that even though majority (42.7%) of the respondents belong to 35-45 years of age group, other age groups are also fairly included in the study.

**Work Experience** Regarding work experience, duration of service in the bank, 100% of the respondents reported that they have worked in the former CBB and 0.5% of them have less than a year of work experience. 19.5% of them had worked between 1-5 years, while 57% of them had 6-10 years and the remaining 23% have worked above 10 years in the bank. Majority of the respondents had work experience between 6-10 years. This indicates that the majority of the respondents are at their senior level of their career.

**Level of Education** Regarding level of education, 1% of the respondents were diploma holders, 64% of them were BA/BSc holders, almost 35% of them were MA/MSC holders and the remaining 0.5% were PHD & above holder. This indicates that majority of the respondents could easily grasp and fill out the survey questionnaire.

**Marital Status** With regards to their marital status, 25% of the respondents were single, Majority of the respondents 52% of them are married, 10% of them are divorced and the remaining 13% are widowed.

### 4.3 Item Analysis

#### 4.3.1 Item Analysis Independent Variables

*Table 4-2 Working Environment Frequency and Percentage Analysis*

Working Environment	Strongly Disagree		Disagree		Uncertain		Agree		Strongly Agree		Total		Mean	SD
	F	%	F	%	F	%	F	%	F	%	F	%		
Changes that may affect me are communicated to me prior to implementation of M&A.	4	2.2	39	21.1	65	35.1	47	25.4	30	16.2	185	100	2.32	1.05
Everybody is treated fairly in this organization.	0	0	55	29.7	29	15.7	69	37.3	32	17.3	185	100	2.42	1.09
Employee performance evaluations are fair and appropriate.	12	6.5	22	11.9	11	5.9	134	72.4	6	3.2	185	100	2.54	0.97
There is never a pressure to finish my work on time.	0	0	55	29.7	50	27	65	35.1	15	8.1	185	100	2.22	0.97
<b>Aggregate Mean</b>	<b>4</b>	<b>2.18</b>	<b>42.8</b>	<b>23.1</b>	<b>38.8</b>	<b>20.9</b>	<b>78.8</b>	<b>42.6</b>	<b>20.8</b>	<b>11.2</b>	<b>185</b>	<b>100</b>	<b>2.38</b>	<b>1.02</b>

Source: Researcher's survey data output (2020)

Concerning working environment, the majority or nearly average respondents (42%) agreed that changes that may affect them were communicated to them prior to implementation. However, considerable number of respondents (35%) of them are uncertain about the issue.

Above average or the majority of the respondents (55%) agreed that everybody was treated fairly in organization. And the majority of the respondents (76%) also agreed that employee performance evaluations was fair and appropriate. In addition, near to average (43%) respondents agreed that there was never a pressure to finish their work on time. However, considerable number of respondents (30%) agreed that was a pressure to finish their work on time.

*Table 4-3 Compensation and Benefits Frequency and Percentage Analysis*

Compensation and Benefits	Strongly Disagree		Disagree		Uncertain		Agree		Strongly Agree		Total		Mean	SD
	F	%	F	%	F	%	F	%	F	%	F	%		
My pay is fair	8	4.3	54	29	13	7	85	46	25	14	185	100	2.35	1.16
I am satisfied with the organization's benefit packages.	0	0	24	13	145	78	0	0	16	8.6	185	100	2.83	.761
I am satisfied with the reward/ incentive schemes for good performances.	4	2.2	39	21	45	24	84	45	13	7	185	100	2.34	.960
The Organization has good Retirement and Insurance Plans	0	0	11	5.9	43	23	113	61	18	9.7	185	100	2.75	.711
Aggregate Mean	3	1.6	32	17	62	33	71	38	18	9.7	185	100	<b>2.57</b>	<b>0.90</b>

Source: Researcher's survey data output (2020)

Regarding compensation and benefits, the majority of the respondents (46%) agreed that pay is fair while about 29% of them disagree with this, Majority of the respondents (78%) are uncertain if they are satisfied with the organization's benefit packages or not while none of the respondents strongly disagree nor agree about this while insignificant percentage of the respondents (13%&8.6%) disagree and agree respectively. (45%) of the employees are satisfied with the reward/ incentive schemes for good performances they do while small percentages (2.2%&7%) strongly Disagree & Strongly Agree about this. none of the respondents strongly disagree about their organization has good Retirement and Insurance Plans while 61% agree

and 9.7 strongly agree about this. However, a significant number (43%) respondents are uncertain if their company has good retirement and insurance plans.

**Table 4-4 Career Growth and Advancement Frequency and Percentage Analysis**

Career Growth and Advancement	Strongly Disagree		Disagree		Uncertain		Agree		Strongly Agree		Total		Mean	SD
	F	%	F	%	F	%	F	%	F	%	F	%		
The organization provides as much training when I need to perform my job well.	2	1.1	13	7	31	16.8	126	68.1	13	7	185	100	2.73	.739
I trust if I do a good Job my Company will consider me for a promotion.	4	2.2	35	18.9	67	36.2	70	37.8	9	4.9	185	100	2.24	.891
My Job does make good use of my Skills and abilities.	4	2.2	38	20.5	14	7.6	118	63.8	11	5.9	185	100	2.51	.956
I think that I am able to progress in my Job.	4	2.2	2	1.1	34	18.4	112	60.5	33	17.8	185	100	2.91	.771
My manager is actively interested in my professional development and advancement.	4	2.2	12	6.5	61	33	80	43.2	28	15.1	185	100	2.63	.895
Aggregate Mean	<b>3.6</b>	<b>1.98</b>	<b>20</b>	<b>10.8</b>	<b>41.</b>	<b>22.4</b>	<b>101</b>	<b>54.7</b>	<b>18.8</b>	<b>10.1</b>	<b>185</b>	<b>100</b>	<b>2.60</b>	<b>0.85</b>

Source: Researcher's survey data output (2020)

Table 4.4 presents the Career Growth and advancement frequency & percentage which corresponds to 68.1% of the employees agree that the organization provides as much training needed to perform their job well while 16.8% of them were uncertain about this. It is also noted here that insignificant number (1.1% & 7%) of the respondents strongly disagree and disagree about the training the organization provides them to do their jobs well. The remaining 7% of the respondents strongly agreed that the organization provides them the training they needed to perform their jobs well.

About 37.8% of the respondents agree that if they do a good Job their Company will consider them for promotion while almost a similar amount (36.2%) of respondents are uncertain about this and 18.9% of them disagree that their Company will consider them for promotion while the remaining 2.2% and 4.9% strongly disagree and strongly agree respectively.

Majority of the respondents (63.8%) agree that their Job does make good use of their Skills and abilities while 20.5(%) disagree to it and the remaining 2.2% strongly disagree, 7.6% disagree and 5.6% strongly agree about this.

60.5% of the respondents agree that they are able to progress in their jobs while a comparative number of (18.4% & 17.8%) respondents are uncertain and strongly agree about their job progress. Insignificant amount (2.2% & 1.1) respondents strongly disagree & disagree accordingly.

43% of the respondents said that their manager is actively interested in their professional development and advancement. 15.1% of the respondents also strongly agree about this. While a significant number (33%) of the respondents were uncertain if their manager is actively interested in their professional development and advancement and the remaining 2.2% & 6.5% respondents responded their strong disagreement and disagreements respectively.

**Table 4-5 Intrinsic Motivations Frequency and Percentage Analysis**

Intrinsic Motivations	Strongly Disagree		Disagree		Uncertain		Agree		Strongly Agree		Total		Mean	SD
	F	%	F	%	F	%	F	%	F	%	F	%		
There is a strong feeling of teamwork and cooperation in this organization.	1	0.5	32	17.3	7	3.8	87	47	58	31.4	185	100	2.91	1.044

The environment in this organization supports a balance between work and personal life.	1	0.5	11	5.9	21	11.4	66	35.7	86	46.5	185	100	3.22	.907
My job does not cause unreasonable amount of stress in my life.	0	0	4	2.2	17	9.2	126	68.1	38	20.5	185	100	3.07	.607
I have regular information and good understanding of the mission and goals of this organization.	0	0	2	1.1	4	2.2	116	62.7	63	34.1	185	100	3.3	.565
My supervisor and coworkers care about me as a person.	0	0	16	8.6	10	5.4	114	61.6	45	24.3	185	100	3.02	.804
My manager always treats me with respect.	0	0	16	8.6	9	4.9	123	66.5	37	20	185	100	2.98	.773
<b>Aggregate Mean</b>	<b>0.33</b>	<b>0.17</b>	<b>13.5</b>	<b>7.28</b>	<b>11.3</b>	<b>6.15</b>	<b>105</b>	<b>56.9</b>	<b>54.5</b>	<b>29.5</b>	<b>185</b>	<b>100</b>	<b>3.08</b>	<b>0.78</b>

Source: Researcher's survey data output (2020)

Table 0-5 represents the Intrinsic Motivations Frequency and Percentage Analysis, which are 47% & 31.4% of the respondents agreed and strongly agreed that there is a strong feeling of teamwork and cooperation in this organization. While 17.3% of the respondents disagreed about this and in significant number of the respondents i.e 3.8% & 0.5% of the respondents uncertain and strongly disagreed respectively.

The environment in this organization supports a balance between work and personal life was strongly agreed by most of the respondents (46.8%) and agreed by (35.7%). While insignificant number of respondents (5.9%) and 0.5%) Disagree and strongly disagree about this. The remaining 11.4% of the respondents were uncertain about this.

None of the respondents believe that their job does cause unreasonable amount of stress in their lives while majority of the respondents 68.1% & 20.5% of the respondents agree & strongly agree that it does not cause unreasonable stress in their lives respectively. The remaining 9.2% are uncertain and 2.2% disagree.

62.7% of the respondents agree and 34.1% strongly agree that they have regular information and good understanding of the mission and goals of their organization. While the remaining 2.2% were uncertain 1.1% disagree and none of them disagree about that they have regular information and good understanding of the mission and goals of their organization.

None of the respondents strongly disagreed and 8.6% disagree that their supervisor and coworkers care about them as a person while majority of the respondents 61.6% agree and 24.3% strongly agree that their supervisor and coworkers care about them as a person while the remaining 5.4% of the respondents were uncertain.

66.5% of the respondents agree that their manager always treats them with respect while 20% of them strongly agree. The remaining 8.6% & 4.9% disagree and were uncertain while none of the respondents disagree about their manager always treats them with respect.

#### ***4.3.2 Item Analysis Dependent Variable***

In this part of the item analysis, the dependent variable, i.e employee engagement in its dimensions will be discussed.

**Table 4-6 Vigor Frequency and Percentage Analysis**

Vigor Related Questions	Strongly Disagree		Disagree		Uncertain		Agree		Strongly Agree		Total		Mean	SD
	F	%	F	%	F	%	F	%	F	%	F	%		
When I get up in the morning, I feel like going to work.	0	0	12	6.5	24	13	116	62.7	33	17.8	185	100	2.92	.751
At my work, I feel bursting with energy.	0	0	9	4.9	53	28.6	87	47	36	19.5	185	100	2.81	.802
At my work, I always persevere, even when things do not go well.	0	0	15	8.2	2	1.1	151	81.6	17	9.2	185	100	2.92	.650
I can continue working for very long periods of time.	0	0	32	17.3	24	13	90	48.6	39	21.1	185	100	2.74	.984
At my job, I am very mentally resilient.	0	0	31	16.8	48	25.9	75	40.5	31	16.8	185	100	2.57	.959
At my job, I feel strong and vigorous.	0	0	7	3.8	22	11.9	109	58.9	47	25.4	185	100	3.06	.724

Source: Researcher's survey data output (2020)

33.5% of the employees disagreed that their job is challenging to them while a comparable amount (25.4%) of respondents agreed and 21.1% of them strongly disagreed the remaining 1.1% of strongly agreed.

67.6% of the respondents agree that their job inspires them while 16.8% of them strongly agree. While the remaining 10% disagreed and 4.9% of were uncertain none of them has a strong disagreed.

Most of (82.7%) agreed & 6.5% strongly agreed that they are enthusiastic about their jobs while 6.5% of them were uncertain and 4.3% of them disagreed. None the respondents had a strong disagreement about it.

About 71.4% & 22.7% of the respondents agreed & strongly agreed that they are proud of the work they do and 4.9% of the respondents disagreed and the remaining 1.1% were uncertain. None of the respondents had a strong disagreement about it.

67% and 9.2% of the respondents find the work they do full of meaning and purpose while agreed and strongly agreed respectively while 17.8% of them were uncertain if they find meaning in what they do. 5.9% of them disagreed.

*Table 4-7 Dedication Frequency and Percentage Analysis*

Dedication Related Questions	Strongly Disagree		Disagree		Uncertain		Agree		Strongly Agree		Total		Mean	SD
	F	%	F	%	F	%	F	%	F	%	F	%		
To me, my job is challenging.	39	21.1	62	33.5	35	18.9	47	25.4	2	1.1	185	100	1.52	1.118
My job inspires me.	0	0	20	10.8	9	4.9	125	67.6	31	16.8	185	100	2.9	.802
I am enthusiastic about my job.	0	0	8	4.3	12	6.5	153	82.7	12	6.5	185	100	2.91	.545
I am proud of the work that I do.	0	0	9	4.9	2	1.1	132	71.4	42	22.7	185	100	3.12	.649
Find the work that I do full of meaning and purpose.	0	0	11	5.9	33	17.8	124	67	17	9.2	185	100	2.79	.684

Source: Researcher's survey data output (2020)

33.5% of the employees disagreed that their job is challenging to them while a comparable amount (25.4%) of respondents agreed and 21.1% of them strongly disagreed the remaining 1.1% of strongly agreed.

67.6% of the respondents agree that their job inspires them while 16.8% of them strongly agree. While the remaining 10% disagreed and 4.9% of were uncertain none of them has a strong disagreement.

Most of (82.7%) agreed & 6.5% strongly agreed that they are enthusiastic about their jobs while 6.5% of them were uncertain and 4.3% of them disagreed. None the respondents had a strong disagreement about it.

About 71.4% & 22.7% of the respondents agreed & strongly agreed that they are proud of the work they do and 4.9% of the respondents disagreed and the remaining 1.1% were uncertain. None the respondents had a strong disagreement about it.

67% and 9.2% of the respondents find the work they do full of meaning and purpose while agreed and strongly agreed respectively while 17.8% of them were uncertain if they find meaning in what they do. 5.9% of them disagreed

*Table 4-8 Absorption Frequency and Percentage Analysis*

Absorption Related Questions	Strongly Disagree		Disagree		Uncertain		Agree		Strongly Agree		Total		Mean	SD
	F	%	F	%	F	%	F	%	F	%	F	%		
When I am working, I forget everything else around me.	23	12.4	80	43.2	23	12.4	54	29.2	5	2.7	185	100	1.66	1.106
Time flies when I am working.	0	0	8	4.3	49	26.5	103	55.7	25	13.5	185	100	2.78	.727
I get carried away when I am working.	2	1.1	27	14.6	71	38.4	57	30.8	28	15.1	185	100	2.44	.955
It is difficult to detach myself from my job.	2	1.1	64	34.6	42	22.7	71	38.4	6	3.2	185	100	2.08	.949
I am immersed in my work.	0	0	31	16.8	7	3.8	128	69.3	19	10.3	185	100	2.73	.861
I feel happy when I working intensely.	0	0	9	4.9	134	72.4	0	0	42	22.7	185	100	3.13	.638

Source: Researcher's survey data output (2020)

Majority of the respondents 43.2% disagreed that they forget everything else around them when they are working while 29.2% of the agreed & 2.7% of them strongly agreed that they do. A similar number of the respondents were uncertain or strongly disagreed (12.4%) about it

55.7% of the respondents agreed that time flies when they are working while 26.5% of were uncertain. The remaining 13.5% of them strongly agreed and 4.3% of them disagreed if time flies when they are working.

38.4% of the respondents are uncertain if get carried away when they are working while a considerable amount 30.8% of them agreed & 15.1% strongly agree that they do the remaining 14.6% disagree and 1.1% of strongly disagreed to it.

38.4% & 3.2% of the respondents agree & strongly agreed that it was difficult for them to detach themselves from their jobs while a significant number 34.6% and 1.1% of the respondent disagreed and strongly to this question.

Majority of the respondents (69.3%) agreed that they are immersed in their work while 16.8% of them disagreed the remaining 10.3% strongly agreed and 3.8% of were uncertain and none of the respondents strongly disagreed.

72.4% of the respondents were uncertain if they feel happy when working intensely while 22.7% of strongly agreed that they do feel happy the remaining 4.9% disagree and none of the remaining respondents had strongly disagreed or agreed about feeling happy.

#### **4.4 Descriptive Statistics of Variables**

#### 4.4.1 Mean & Standard Deviations of the Variables

The descriptive statistics of the study variables were summarized and presented in table 4-10 below disclosing the mean and standard deviation of each variable. The average score from the 5-point Likert-Scale questionnaire ranging from 0-4 indicated the extent of their strong agreement to their strong disagreement on the factors affecting employee engagement. Hence, 0-point scale indicates that the respondent strongly disagreed on the factors and 4-point scale indicates that that the respondent strongly agreed on the factors affecting their engagement.

According to (Creswell, 2012), mean value of  $\geq 4.5$ =Very High, 3.51-4.51=High, 2.51-3.5=Moderate, 1.51-2.5=Low;  $< 1.5$ =Very Low. Based on this mean score measurement, the researcher described the mean score of the participants for each categories of variable descriptions.

**Table 4-9: Descriptive Statistics of Variables**

Description	N	Mean	Std. Deviation
Working Environment	185	2.38	1.02
Compensation and Benefits	185	2.57	0.90
Career Growth and Advancement	185	2.60	0.85
Intrinsic Motivations	185	3.08	0.79
Employee Engagement	185	2.65	0.82

Source: Researcher's survey data output (2020)

As indicated in table 4-10 above, the mean score of working environment was 2.38, which is lower than the average/moderate score on the 5-point Likert scale, while the standard

deviation was 1.0. This result indicates that majority of the respondents agreed that the working environment doesn't seem to be favorable or suitable for the respondents. Which means that the changes that may affect them were not communicated to the affected employees, that everybody was not treated fairly, performance evaluations were not fair and appropriate and also there was a pressure to finish their work on time.

The mean score of compensation and benefits was 2.57 while the standard deviation was 0.90. This result indicates that the majority of the respondents moderately agreed that compensation and benefits were favorable for them. This indicates that their pay is fair, they are satisfied with the organization's benefit packages, they are also satisfied with the reward/incentive schemes for good performances and also the organization has good retirement and insurance plans.

The mean score of career growth and advancement was 2.60 while the standard deviation was 0.85. This result indicates that majority of the respondents moderately agreed that career growth and advancement was favorable or suitable for them which indicates that the organization provided them much training, they trust the bank that it will consider them for a promotion if they do a good job, their job made good use of their skills and abilities, they were able to progress and that their managers are actively interested in their professional development and advancement.

The mean score of intrinsic motivations was 3.08 while the standard deviation was 0.79. This result indicates that majority of the respondents moderately agreed that intrinsic motivations are favorable or encouraging for them during and after M & A. This means that there is a strong feeling of teamwork and cooperation, the organization supports a balance between work and personal life, their job does not cause unreasonable amount of stress in their life, they have regular information and good understanding of the mission and goals of the

organization, their supervisor and coworkers care about them as a person and their managers always treats them with respect.

The mean score of employee engagement was 2.65 while the standard deviation was 0.82. This result indicates that majority of the respondents moderately agreed that the employees are vigorous, dedicated and absorbed towards their jobs during and after M & A.

## 4.5 Reliability

As indicated in table 4-11, the Cronbach's alpha coefficients for Working Environment, Compensation and Benefits, Career Growth and Advancement, Intrinsic Motivations & Employee Engagement are 0.668, 0.562, 0.755, 0.805 & 0.861 respectively. The Cronbach's alpha coefficients of Intrinsic Motivations & Employee Engagement showed good reliability and Career Growth and Advancement's reliability is acceptable. The reliability of Working Environment isn't poor while the reliability of Compensation and Benefits is poor. However, we can assume that the general reliability of the measures used in this research are good/acceptable since the overall Cronbach's alpha coefficient of the items is over 0.70 (i.e. .7302)

**Table 4-10: Reliability Statistics Analysis (Cronbach's Alpha)**

S.N	Variables of the Study	No. of Items	Cronbach's Alpha Value
1	Working Environment	4	.668
2	Compensation and Benefits	4	.562
3	Career Growth and Advancement	5	.755
4	Intrinsic Motivations	6	.805
5	Employee Engagement	17	.861

Source: Researcher's survey data output (2020)

## 4.6 Correlation Analysis

As the purpose of correlation analysis is to discover the extent and also the path of the relationship among the study independent variables i.e, Working Environment, Compensation and Benefits, Career Growth and Advancement & Intrinsic Motivations and the Dependent Variable i.e Employee Engagement (categorized under the three dimension). Pearson

correlation analysis was used to explore their relationships and results are summarized in the table 4-12.

**Table 4-11: Pearson Correlation Matrix**

Correlations						
		Working Environment	Compensation and Benefits	Career Growth and Advancement	Intrinsic Motivations	Employee Engagement
Working Environment	Pearson Correlation	1	-.048	.614**	.389**	.076
	Sig. (2-tailed)		.521	.000	.000	.304
	N	185	185	185	185	185
Compensation and Benefits	Pearson Correlation	-.048	1	-.123	-.234**	.017
	Sig. (2-tailed)	.521		.094	.001	.823
	N	185	185	185	185	185
Career Growth and Advancement	Pearson Correlation	.614**	-.123	1	.573**	.389**
	Sig. (2-tailed)	.000	.094		.000	.000
	N	185	185	185	185	185
Intrinsic Motivations	Pearson Correlation	.389**	-.234**	.573**	1	.679**
	Sig. (2-tailed)	.000	.001	.000		.000
	N	185	185	185	185	185
Employee Engagement	Pearson Correlation	.076	.017	.389**	.679**	1
	Sig. (2-tailed)	.304	.823	.000	.000	
	N	185	185	185	185	185

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

Source: Researcher's survey data output (2020)

Cohen (1988) effect size standards, correlation coefficients  $< \pm 0.28$  are small effects; medium effects range from  $\pm 0.28-0.49$ ; and, large effects are greater than  $\pm 0.49$ . Cohen (1998) cited by (Warokka et al. 2012), also interpreted the coefficient of correlation between 0 and 1 as in the following manner. The correlation coefficient (r) ranging from 0.10 to 0.29 may be

regarded as indicating a low degree of correlation,  $r$  ranging from 0.30 to 0.49 may be considered as a moderate degree of correlation, and  $r$  ranging from 0.50 to 1.00 may be regarded as a high degree of correlation.

Accordingly, as we can refer from the above table 4-12 that Working Environment strongly or highly correlates with Career Growth and Advancement by 0.614. It also moderately correlates with Intrinsic Motivations by 0.389 at 0.01 significance levels.

Compensation and Benefits weakly correlates with Intrinsic Motivations by -0.234 at 0.01 significance level. Career Growth and Advancement strongly or highly correlates with Intrinsic Motivations by 0.573 at 0.01 significance level. It also moderately correlates with Employee Engagement by 0.389 at 0.01 significance level. Intrinsic Motivations strongly or highly correlates with Employee Engagement by 0.679 at 0.01 significance level.

#### **4.7 Test for Assumptions of Linear Regression Model/Regression Diagnostics**

Prior to running the regression analysis to test the research hypotheses, a preliminary analysis (Regression Diagnostics) was conducted to verify the assumptions of classical linear regression model like linearity, normality, multi-collinearity, and homoscedasticity tests/assumptions.

##### ***4.7.1 Linearity Test***

The assumption of linearity can be tested by examining the Normal Probability-Probability (P-P) Plot of the Regression Standardized Residual and the scatter plot. Therefore, the linearity of the relationship between the dependent and independent variables was checked using scatter plots of the regression residuals for the model through SPSS software. The scatter

plot of residuals (see Appendix 4) indicates that the points dwell in a rationally straight line from bottom to top. Therefore, we can conclude that the assumption of linearity was not violated.

#### ***4.7.2 Normality Test***

Normality test was used to determine whether the error term is normally distributed or not. The occurrence distribution of the standardized residuals as compared to a normal dispersal (see Appendix 3). As shown, even though there are some residuals comparatively far away from the curve, many of the residuals are impartially nearby. Moreover, the histograms are curved which lead to conclude that the residual (disturbance or errors) are normally distributed for. Moreover, the histograms are bell shaped which lead to infer that the residual (disturbance or errors) are normally distributed for the model. Thus, we can assume that the assumption of “normally distributed error term” is not violated.

#### ***4.7.3 Multi-collinearity Test***

The Multi-collinearity will occur if some or all of the independent variables are highly correlated with one another. It shows the regression model has difficulty in explaining which independent variables are affecting the dependent variable (Brooks, 2008). Multi-collinearity can be tested either form correlation coefficient results or from the Value of Tolerance and VIF. According to Sekaran and Bougie (2016), the acceptable value of tolerance and Variance Inflation Factor (VIF) is above 0.10 and below 10 respectively.

**Table 4-12: Collinearity Diagnosis**

<b>Coefficients a</b>			
<b>Model</b>		<b>Collinearity Statistics</b>	
		<b>Tolerance</b>	<b>VIF</b>
<i>1</i>	Working Environment	.619	1.616
	Compensation and Benefits	.943	1.061
	Career Growth and Advancement	.491	2.038
	Intrinsic Motivations	.642	1.559
<i>a. Dependent Variable: Employee Engagement</i>			

Source: Researcher's survey data output (2020)

As it is shown in table 4-13, the Tolerance Values are 0.619, 0.943, 0.491 and 0.642 for each independent variable respectively which are above the threshold of 0.10 and the VIF values are also 1.616, 1.061, 2.038 and 1.559 respectively as demonstrated in the above table. These VIF values are below the threshold of 10. Therefore, we can say that there is no collinearity issue between the independent variables.

#### **4.7.4 Test of Homoscedasticity**

As one of the key conventional assumptions of regression is that the variance of the errors is constant across observations. If the errors have persistent variance, the errors are called homoscedastic. The possible existence of heteroscedasticity is a major concern in the application of regression analysis, including the analysis of variance, because the presence of heteroscedasticity can invalidate statistical tests of significance that assume that the modeling errors are uncorrelated and normally distributed and that their variances do not vary with the effects being modeled (Gujarati, 2004).

One of the main assumptions for the ordinary least squares regression is the homogeneity of variance of the residuals. If the model is well-fitted, there should be no pattern

to the residuals plotted against the fitted values. If the variance of the residuals is non-constant, then the residual variance is said to be “heteroscedastic.”

The standard suggestion for examining the assumption of heteroscedasticity in regression analysis is to design the predicted variable values against the residual values. Heteroscedasticity is shown when these values spread or fan-out from left to right or right to left. Thus, the scatter plot shows that majority of the points are concentrated around zero (0) which shows that no violation of homoscedasticity (see Appendix 4).

## **4.8 Regression Analysis**

### **4.8.1 Model Summary**

The researcher also conducted regression analysis to explore the relationship between the independent and dependent variables after testing all the relevant classical linear regression model assumptions for the data used.

As indicated in table 4-14, R-square value for the regression model was 0.555. This shows that the independent variables i.e Working Environment, Compensation and Benefits, Career Growth and Advancement Intrinsic Motivations explain about 56% of the variation in the level of employee engagement. The coefficients of determination (R square value), the regression coefficients (Beta coefficient) and the p-value for the significant relationships is presented and reported in table 4-14.

**Table 4-13: Model Summary**

<b>Model Summary b</b>					
<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>	<b>Durbin-Watson</b>
<b>1</b>	.745a	.555	.545	.31363	1.333
<b>a. Predictors: (Constant), Intrinsic Motivations, Compensation and Benefits, Working Environment, Career Growth and Advancement</b>					
<b>b. Dependent Variable: Employee Engagement</b>					

Source: Researcher's survey data output (2020)

#### 4.8.2 Analysis of Variance (ANOVA) or F-Test

As it is shown in the ANOVA table (table 4-15), the p-value of 0.000 for the Model is less than 0.05 significant level. This indicates that the collected data provides adequate proof to conclude that the regression model was well fit. Which means that the p-value (0.000) is highly significant and can be concluded that factors (Working Environment, Compensation and Benefits, Career Growth and Advancement & Intrinsic Motivations) can predict employee engagement significantly.

**Table 4-14: Analysis of Variance (ANOVA)**

<b>ANOVAa</b>						
<b>Model</b>		<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
<b>1</b>	Regression	22.046	4	5.511	56.030	.000b
	Residual	17.706	180	.098		
	Total	39.752	184			
<b>a. Dependent Variable: Employee Engagement</b>						
<b>b. Predictors: (Constant), Intrinsic Motivations, Compensation and Benefits, Working Environment, Career Growth and Advancement</b>						

Source: Researcher's survey data output (2020)

### 4.8.3 Coefficients of Variables

The regression coefficient results of the Model showed is shown in the table 4-16 t

*Table 4-15: Coefficients of Variables*

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.445	.199		2.239	.026
	Working Environment	-.203	.041	-.315	-4.987	.000
	Compensation and Benefits	.180	.047	.198	3.862	.000
	Career Growth and Advancement	.139	.054	.181	2.554	.011
	Intrinsic Motivations	.605	.051	.744	11.973	.000

Source: Researcher's survey data output (2020)

As shown in the above table, working environment has negative and significant effect on employee engagement ( $a=-0.315$ ,  $p=0.000$ ). The negative effect of working environment on employee engagement implies that the working environment decreased employees' engagement. In other words, the regression coefficient for working environment indicates a percent/unit change in working environment will lead to approximately 32% decrease in employees' engagement.

On the other hand, compensation and benefits has positive and significant effect on employee engagement ( $a=0.198$ ,  $p=0.000$ ). The positive effect of compensation and benefits on employee engagement implies that the compensation and benefits packages practiced in the bank increased employees' engagement. In other words, the regression coefficient of 0.198 for compensation and benefits indicates a percent/unit increase in compensation and benefits will lead to approximately 20% increase in employees' engagement.

Career Growth and Advancement has positive and significant effect on employee engagement ( $\beta=0.181$ ,  $p=0.011$ ). The positive effect of Career Growth and Advancement on employee engagement implies that the Career Growth and Advancement in the bank increased employees' engagement. In other words, the regression coefficient of 0.181 for Career Growth and Advancement indicates a percent/unit increase in Career Growth and Advancement will lead to 18% increase in employees' engagement.

Intrinsic Motivations has highly positive and highly significant effect on employee engagement ( $\beta=0.744$ ,  $p=0.000$ ). The positive effect of Intrinsic Motivations on employee engagement implies that the Intrinsic Motivations practice in the bank increased employees' engagement. In other words, the regression coefficient of 0.744 for Intrinsic Motivations indicates a percent/unit increase in Intrinsic Motivations will lead to 74% increase in employees' engagement.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5.1 Summary of Findings

Summary of the major findings of the research that are discussed in the preceding section is presented in the following manner:

Generally speaking, the Working Environment has a strong correlation with Career Growth and Advancement while Career Growth and Advancement also highly correlates with Intrinsic Motivations of the employees. This implies that the independent variables have a significant relationship with one another.

Working environment is found to have a great impact on employee engagement where it shows that respondents feel that environment is more important to engagement of employees and (Anitha 2014) said that there is a significant relationship between work environment and employee engagement.

The findings of Compensation and Benefits also have great effect on employees' engagement if the organization provide better compensation and benefits are motivated to work in the organization and boost the engagement level of employees, organization should be able to provide with certain benefits and compensation. This finding is in agreement with (Saks & Rotman, 2006) who said that employees who perceive that they are paid fairly and if the compensation that they receive is equitable with the scope of their job, feel obliged to their jobs and success of the organization.

Career Growth and advancement also have a great effect on employees' engagement as Khan (1990) said right training and development can greatly enhance employee engagement by nurturing talent and helping people to learn new things and improve their performance.

Intrinsic motivation which has the greatest effect on employee engagement according to the findings of the study which also is supported by Ryan & Frederick, 1997 that only intrinsic motivations (rewards that come directly from the work itself) encourage the profound commitment and sense of ownership needed for a truly engaged and innovative workforce.

On the other hand, the effects of Working Environment on employees' engagement are significant but negative. This research finding is, therefore, in agreement with the findings of people are only willing to devote their –energy where it will be appreciated and when meaningful communication is missing, your employees' willingness to exert discretionary effort will be missing as well.

The ANOVA analysis showed that, the p-value of 0.000 for the Model is less than 0.05 significant level. This indicates that the collected data provides adequate proof to conclude that the regression model was well fit. Which means that the p-value (0.000) is highly significant and can be concluded that factors (Working Environment, Compensation and Benefits, Career Growth and Advancement & Intrinsic Motivations) can predict employee engagement significantly.

## **5.2 Conclusion**

In light of the analysis and interpretation of the data in the foregoing sections, the following conclusions were made:

It can be concluded from the demographic data of the respondents that employees from both sexes were evenly distributed and most of them are between the ages of 35-45, with a working experience between 6-10 years, married, which proves that they are senior in their position to be able to understand and reflect their thoughts on the factors affecting their engagement level.

Both the ANOVA and regression model analysis showed that the independent variables i.e Working Environment, Compensation and Benefits, Career Growth and Advancement Intrinsic Motivations explain about 56% of the variation in the level of employee engagement.

The overall all analysis of the study showed that majority of the respondents were positively and significantly affected by the identified factors i.e career growth and advancement, compensation & benefits and intrinsic motivation that affect employees' engagement.

The working environment has a significant and negative effect on the level of employee engagement.

Intrinsic motivation had the highest significance level compared to the other factors in affecting the employee engagement.

The study further revealed that it is very important to maintain the level of employee engagement to have in place the necessary training, induction working environment in order to have an integrated and engaged employees when merging employees from companies of different culture.

As per the regression analysis result, the dependent variables have positive and significant effects on employee engagement though the degree varies; nevertheless, working environment has a negative but significant effect on employee engagement. Thus, in terms of the stated research questions, the specific empirical findings emerged from the study revealed

that there exists significant and positive relationship between independent variables and dependent variable with the exception of working environment.

### **5.3 Recommendation**

In light of the findings and conclusion of the study, the researcher would like to forward the following recommendations in order to enhance the level of employee engagement.

- The researcher recommends that the bank provides its employees a working environment that is conducive in providing a timely communication, fair treatment that has a fair and appropriate evaluation with less pressure on employees; this can be done through a continuous assessment and survey through staff feedback on the current working environment.
- Improve the physical working environment by providing quality lighting, having walls of the offices a paint, set up plants throughout the office and more etc...
- The bank should maintain its current compensation and benefits which compared to similar businesses in the sector are currently attractive in monetary terms and this strategy is well recognized by the employees and therefore further enhancing it by setting targets and whomever achieves the set targets to be benefited more;
- The bank should also provide its staff the right training and development in areas where the employees can develop themselves for future opportunities as it can greatly enhance and advance the employee's career resulting in greater and better employee engagement for the success of the bank; This could be done through

providing a tailor made/in-house developed modules that are developed for the specific job that they do

- As team work, work life balance, less stressful working environment, understanding of the bank's mission and vision with a co-worker and manger fair treatment have the greatest impact on the employees' engagement, the bank should always strive to maintain and further betterment of its staff engagement to realize its ultimate goal; this can be done through a regularly planned department/branch level get together/gatherings where all the staff would be invited for team building.

#### **5.4 Suggestion for Future Research**

This research was focused only on the former employees of the Construction and Business bank currently working in Commercial Bank of Ethiopia and the findings have shown significant effects on them and for further studies in identifying factors affecting employee engagement and its consequences incorporating all of the employees of the CBE.

Finally, multiple measurement methods can be incorporated like interviews and focus group discussions, HR professionals to qualitatively analyze the factors affecting employee engagement and to increase the validation of the result of the research.

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## APPENDICES

### Appendix 1- Survey Questionnaire

## QUESTIONNAIRE

### Addis Ababa University

#### College of Business and Economics, School of Commerce

#### Office of Graduate Studies Masters of Human Resources Management Program

The objective of this questionnaire is to collect data on the Factors Affecting Employee Engagement. Your cooperation in providing genuine answers to the following questions is highly important for the success of this research.

I would like to assure you in advance that the information you will provide will be used only for academic purposes and your voluntary responses will be kept strictly confidential. You can reach me with the following contact details if you require further information

Eyerusalem Yimer

[Eyerusalem.msc@gmail.com](mailto:Eyerusalem.msc@gmail.com) Tel 0911859864

#### Please note the following points:

- ✓ *Writing your name is not required.*
- ✓ *Please put a check mark (X) on the number you choose.*

1. What is your gender?

- a. 1) Male                      2) Female

2. Did you work in former CBB?

- a. 1) Yes                      2) No

3. How long have you worked for the Construction and Business Bank?

- a. 1) Less than 1 year      2) 1-5 years              3) 6-10 years              4) more  
than 10 years

4. Educational Level

- a. 1) Diploma                      2) BA/BSc holder                      3) MA/MSc and above

5. Age

- a. 1) Less than 25                      2) Between 25-35                      3) Between 35-45                      4) Above 45

6. Marital Status

- 1) Single                      2) Married                      3) Divorced                      4) Widowed

A	Working Environment	S. Disagree	Disagree	Uncertain	Agree	S. Agree
		0	1	2	3	4
A1	Changes that may affect me are communicated to me prior to implementation.					
A2	Everybody is treated fairly in this organization.					
A3	Employee performance evaluations are fair and appropriate.					
A4	There is never a pressure to finish my work on time.					
B	Compensation and Benefits	S. Disagree	Disagree	Uncertain	Agree	S. Agree
		0	1	2	3	4
B1	My pay is fair					
B2	I am satisfied with the organization's benefit packages.					
B3	I am satisfied with the reward/ incentive schemes for good performances.					
B4	The Organization has good Retirement and Insurance Plans					

C	Career Growth and Advancement	S. Disagree	Disagree	Uncertain	Agree	S. Agree
		0	1	2	3	4
C1	The organization provides as much training when I need to perform my job well.					
C2	I trust if I do a good Job my Company will consider me for a promotion.					
C3	My Job does make good use of my Skills and abilities.					
C4	I think that I am able to progress in my Job					
C5	My manager is actively interested in my professional development and advancement.					
D	Intrinsic Motivations	S. Disagree	Disagree	Uncertain	Agree	S. Agree
		0	1	2	3	4
D1	There is a strong feeling of teamwork and cooperation in this organization.					
D2	The environment in this organization supports a balance between work and personal life.					
D3	My job does not cause unreasonable amount of stress in my life.					
D	Intrinsic Motivations	S. Disagree	Disagree	Uncertain	Agree	S. Agree

D4	I have regular information and good understanding of the mission and goals of this organization					
D5	My supervisor and coworkers care about me as a person.					
D6	My manager always treats me with respect.					
	<b>Vigor Related Questions Related Questions</b>	S. Disagree	Disagree	Uncertain	Agree	S.Agree
		<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
1	When I get up in the morning, I feel like going to work.					
2	At my work, I feel bursting with energy.					
3	At my work, I always persevere, even when things do not go well.					
4	I can continue working for very long periods of time					
5	At my job, I am very mentally resilient					
6	At my job, I feel strong and vigorous					

	<b>Dedication Related Questions</b>	S. Disagree	Disagree	Uncertain	Agree	S.Agree
		<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
1	To me, my job is challenging					
2	My job inspires me					
3	I am enthusiastic about my job					
4	I am proud of the work that I do					
5	I find the work that I do full of meaning and purpose					
	<b>Absorption Related Questions</b>	S. Disagree	Disagree	Uncertain	Agree	S.Agree
		<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
1	When I am working, I forget everything else around me					
2	Time flies when I am working					
3	I get carried away when I am working					
4	It is difficult to detach myself from my job					
5	I am immersed in my work					
6	I feel happy when I am working intensely					

## Engagement Related Questions

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

*The following questions are separated in headings. Please keep in mind your experience about each heading after the M&A.*

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

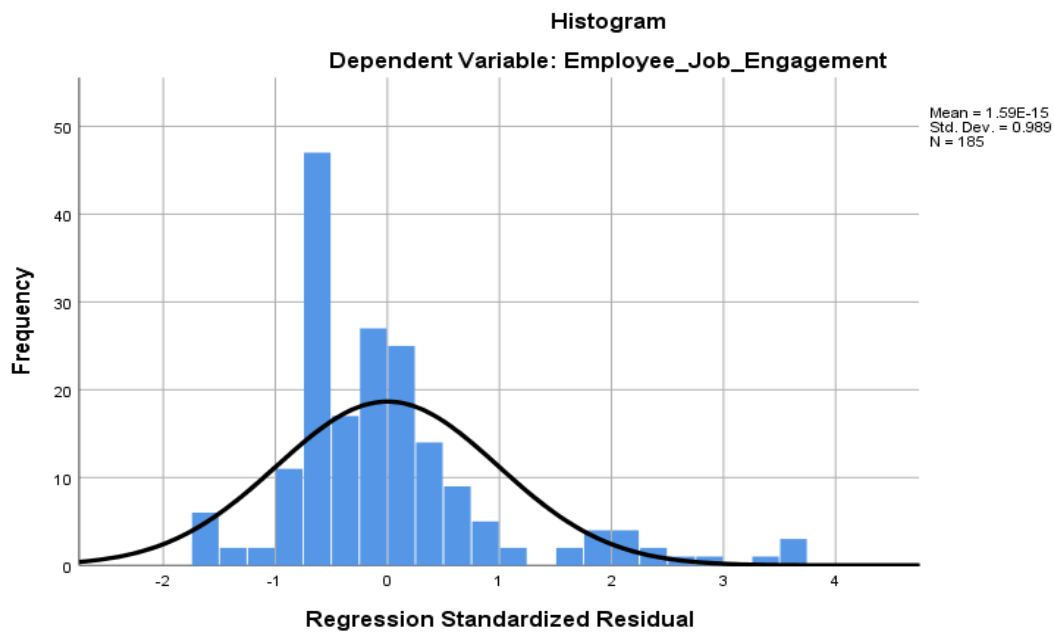
## Appendix 2: Probability-Probability (P-P) Plot of the Standardized Residual

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



Appendix 3: Frequency Distribution of Standardized Residual

Figure 2: Frequency Distribution of the Standardized Residual



Appendix 4: Scatter Plot

### Scatter Plots of Regression Standardized Residual against Standardized Predicted Value

