



SEEK WISDOM, ELEVATE YOUR INTELLECT AND SERVE HUMANITY!



Addis Ababa University
Department of Public Administration and
Development Management

Factors Affecting Employee Engagement in CBE
West Addis Ababa District

PREPARED BY:
MEKDES TEKA

September 2019
Addis Ababa, Ethiopia

Factors Affecting Employee Engagement in CBE West Addis Ababa District

ADVISOR
DR. Deribe Assefa

A thesis submitted to Addis Ababa University College of Business and
Economics Department of Public Administration and Development
Management in Partial fulfillment of the requirement for the degree of Masters
in Public Management and Policy

September 2019
Addis Ababa, Ethiopia

DECLARATIONS

I, Mekdes Teka, declare that this thesis is my original work, prepared under the guidance of Dr. Deribe Assefa. All sources of materials used for the thesis have been duly acknowledged, the researcher further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Submitted by:

Full Name-----Signature-----Date-----

Approved by:

This Thesis has been submitted for examination with my approval.

Name of Advisor-----Signature-----Date-----

Addis Ababa University
College of Business and Economics
Department of Public Administration and Development Management

This is to certify that the thesis prepared by Mekdes Teka entitled “Factors Affecting Employee Engagement in CBE West Addis Ababa District”, which is submitted in partial fulfillment of the requirements for the Degree of Masters in Public Management and Policy (MPMP), complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

Approved by Board of Examiners

_____	_____	_____
Advisor	Date	Signature
_____	_____	_____
Internal Examiner	Date	Signature
_____	_____	_____
External Examiner	Date	Signature
_____	_____	_____
Chairperson of Department or	Date	Signature
Graduate committee		

Acknowledgments

First of all, I would like to thank God helping me for the successful accomplishment of this research paper. I would like to express my sincerely gratitude also to my advisor Dr. Deribe Assefa for the continuous support in all the time of writing this thesis.

My sincere thanks also go to my family, specially to Sisay Chaka and his best friends Seid yesuf and Amare Tesfaye for their assistance in accomplishment of this thesis work. I am indebted to my best friends and employees of CBE West Addis Ababa District for their cooperation in the process of data collection.

Once again I want to thank all individuals who give support in the successful writing of my thesis.

Table of Contents

Acknowledgments.....	i
List of Tables	v
List of Figures	v
List of Appendices	vi
List of Acronyms and/or Abbreviations.....	vii
<i>Abstract</i>	viii
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background of the Study.....	1
1.2 Statement of the Problem.....	2
1.3 Research Questions`.....	4
1.4 Research Objective	4
1.4.1 General Objective	4
1.4.2 Specific Objectives	4
1.5 Significance of the Study	5
1.6 Scope of the Study	5
1.7 Limitations of the Study.....	5
1.8 Organization of the Study	6
CHAPTER TWO: LITRATURE REVIEW	7
2.1 Theoretical Literature Review	7
2.1.1Employee Engagement	7
2.1.2 Theory of Employee Engagement.....	9
2.1.3 Employee Engagement versus other Constructs.....	9
2.1.4 Consequence of Employee Engagement.....	11
2.1.5. Factors that Predict Employee Engagement	11
2.2 Empirical Literature Review.....	14
CHAPTER THREE: RESEARCH METHODOLOGY.....	21
3.1 Research Design & Method	21
3.2 Data Source and Type.....	21
3.3 Sampling Technique and Sample Size.....	22

3.3.1 Sampling Technique	22
3.3.2 Sample Size.....	22
3.4 Data Collection Methods	23
3.5. Data Analysis Methods	25
3.5.1 Multiple Regression	26
3.5.2 Reliability Test.....	27
3.6. Ethical Consideration.....	29
CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERPRETATION.....	30
4.1. Introduction.....	30
4.2. Demographic Characteristics of Respondents	30
4.2.1. Gender.....	30
4.2.2. Age.....	31
4.2.3. Monthly remuneration.....	31
4.2.4. Qualification of Respondents.....	32
4.2.5. Work experience	32
4.2.6. Position	33
4.3 Reliability test	33
4.4 Descriptive Statistics.....	34
4.5 Pearson's Correlation Analysis	35
4.6 ANOVA and Goodness of Fit.....	37
4.7. Multiple Regression Analysis	38
4.8. Post Estimation / Diagnostic / Tests	41
4.8.1 Test for Heteroscedasticity	41
4.8.2 Test for Multicollinearity	42
4.8.3 Test for Normality.....	43
4.8.4 Model Specification Test	43
4.8.5 Test for Autocorrelation.....	44
CHAPTER FIVE: FINDINGS, CONCLUSION AND RECOMMENDATION	46
6.1 Major Findings.....	46
6.2 Conclusion	47
6.3 Recommendation	47
References.....	49

Appendix.....	52
---------------	----

List of Tables

Table 3.1: Sampling and Sample Size	23
Table 3.2: The components of questions related to factors of EE	25
Table 3.3: The questions related to employee engagement	26
Table 4.1 Gender combination of respondents	30
Table 4.2 Age of respondents	31
Table 4.3 Respondents monthly remuneration	31
Table 4.4 Qualification of the respondents	32
Table 4.5 Work experience of respondents.....	32
Table 4.6 Position of Respondents.....	33
Table 4.7 Result of Reliability Test	33
Table 4.8 Descriptive Statistics for the study variables	34
Table 4.9 Correlation analysis between the study variables	36
Table 4.10 Anova and goodness of fit	37
Table 4.11 Ordinary Least Square regression result	39

List of Figures

Figure 1 Conceptual framework	19
-------------------------------------	----

List of Appendices

Appendix 1: Research Questionnaire

Appendix 2 OLS Regression

List of Acronyms and/or Abbreviations

BLUE	Best Linear Unbiased Estimators
CBE	Commercial Bank of Ethiopia
EE	Employee Engagement
JC	Job characteristics
KMO	Kaiser Meyer Olkin
OCB	Organization Citizenship Behavior
OJ	Organizational Justice
POS	Perceived Organizational Support
RR	Rewards and Recognition

Abstract

Employee engagement is considered as the most powerful factor to measure an organization's strength that leads to superior performance for goal achievement. Commercial Bank of Ethiopia is one of the service giving organizations where employee engagement is crucial factor in determining superior performance. In spite of its appreciating benefit of employee engagement for enhanced performance, it didn't get any considerable attention from the side of management as well as the stockholders. This study is, therefore, intended to examine the factors affecting Employee Engagement in CBE West Addis Ababa District. A theoretical foundation was compiled for the study based on the reviewed literature. The study used cross sectional data and samples were selected based on Multi-stage sampling technique. The study applied OLS regression analysis using the collected data from the respondents. The findings of the study shows that Job characteristics, rewards & recognition and organizational justice have statistically significant and positively affect employee engagement. However, the study unexpectedly revealed that Perceived Organizational Support has negative effect on employee engagement. The study suggests that bank higher officials and all stakeholders should give high emphasis to reward and recognition and consider the other factors such as Job characteristics and organizational justice to improve employee engagement that leads to achieve organizational success.

Key Words: Employee Engagement, Commercial Bank of Ethiopia, Job characteristics, Reward & Recognition, Organizational Justice and Perceived Organizational Support

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Employee engagement often is measured along with employee commitment. Employee engagement was firstly introduced by the Kahn (1990: 694) defining that “the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances.”

According to Saks (2006), there is few definitions of engagement in use, one of which is that engagement is about creating an employee who work with full energy and interest that can align with the organization goals and the one who releases unrestricted effort and delivers the aspirations of the organization by creating an emotional relationship.

Researchers have found that engaged employees are more likely to contribute their knowledge, improve their job performance, be creative and cooperate with others (Janz and Prasanphanich, 2003). Employee engagement has a positive impact on task performance and the effective functioning of an organization also depends on employee's effort that extend beyond formal duties (Judge *et.al.*,2001).

Employee engagement has supreme role in the goal and performance of an organization. If your employees were engaged, they would produce superior quality performance in optimal time and lead to growing profits. Employee Engagement is a fundamental concept in the effort to understand and describe, both qualitatively and quantitatively, the nature of the relationship between an organization and its employees. One can define “engaged employee” as someone who is fully absorbed by and is enthusiastic about their work and so takes positive action to enhance the organization’s reputation and interests. An engaged employee has a positive attitude towards the organization and its values. An organization with “high” employee engagement might therefore be expected to outperform those with “low” employee engagement. Employee Engagement has received considerable attention in the last few years. Many companies invest considerable amount of resources in programs to monitor and increase the level of employee engagement (Heskett et al., 1997).

Some benefits of Employee Engagement to the organization include reduced complaints and grievances, low employee termination and turnover rates and improved employee morale. On the other hand, the benefits to the employee include job satisfaction which leads to personal satisfaction, improved self-esteem and high levels of self-development. Employee survey studies show that employees are more satisfied when they have different opportunities at work, which include increasing chances to participate in interesting projects, creating jobs with a satisfying degree of challenge, and giving increased responsibilities.

In direct connection with the issue under consideration (Employee Engagement) procedural approaches followed by the Commercial Bank of Ethiopia can be seen roughly as follows. Accordingly, CBE provides checking accounts, saving accounts and money market accounts and accepts time deposits and provides many other banking services to its huge number of clients(CBE, 2018). This service-oriented sector of the economy as a whole plays an important role in the economy of the country. The quality of banking services offered to customers and community greatly depends up on the efforts of the employee. Job satisfaction of bank employees' is highly affected by the specific liking and disliking experienced in their jobs and the ways through which authority treats employees in fulfilling their needs. Accordingly, Employee engagement has paramount effect in determining the success or failure of an organization. It's obvious that there are challenges for management today to motivate employees to provide quality services as it has been observed that there is tough competition among commercial bank of Ethiopia and other private owned banks to provide best service to satisfy their customers (Derara, 2014). One of the human resource function is to ensure employees' work place motivation. If employees are not satisfied, they will not perform up to expected norms (petchark, 2004)

Therefore, Commercial Bank of Ethiopia has to give huge emphasis for the effective engagement of its employees in order to reach the goals that the bank has already set and become competitive commercial bank in the world.

1.2 Statement of the Problem

Over the past two decades the great changes in the global economy crates higher competition among business organizations which had important implications for the relationship among

employees & employers as well as for employee engagement. For instance resource scarcity, increasing global competition, customer demand for high quality, high labor cost have incited organizations to restructure them for greater return on equity. Restructuring in some company mean decreasing in layer of management and staff (Corace, 2007). Even though restructuring can help organization to compete, these changes have broken the expectation of reciprocity and the traditional psychological employment “contract” (Corace, 2007). This is, therefore, employees realize that they are not able to work for single employer until they retire.

For this reason employees have felt less committed to their employers with reduced expectations of reciprocity (Corace,2007). Studies revealed that an estimated 14- 30% of the employees are engaged in running the business (Schwartz et al.,2007). To further emphasize how widespread this problem is and how critical it can be; simply look the finding Gallup Organization (2012) cited by Kim *et.al.*, (2008), the organization took hundreds of companies in the survey and result showed that 54% of workers were not engaged and out of which 17% were actively disengaged.

Even though the highlight on engagement development had burn out in recent years, scholars are still divergent in their views regarding what employee engagement is, how to get it, and its form and appearance when achieved (Yasmin, 2011). According to Balain (2009) & Kim et al., (2008) many empirical studies & literatures revealed different results regarding factors such as Job characteristics, Rewards & recognition, Perceived Organizational support, organizational justice and demographic profiles (gender, years of services and education level) that predict employee engagement in human services that caused unclear for the choice of which variables are the strongest predictors (Balain, 2009; Kim et al., 2008).

In addition to conflicting results regarding employee engagement predictors, this study emanated from most of the pervious empirical researches were conducted on manufacturing industries like Coffman & Gonzalez-Molina(2002), Balain(2009), Kim et al., (2008) and Saks(2006). However, more researches are needed on the factors affecting employee engagement in other industry especially for service sectors industry by which human element is very essential for their success. Commercial bank of Ethiopia is one of the service sector industries in Ethiopia and it has more than 30,000 employees in which their engagement is very crucial factor for the existence of the organization.

Therefore, this research is intended to investigate and identify which factors highly affect the engagement of employee in CBE West Addis Ababa District. This might help banking service administrators to understand and foster the positive state of staff engagement in their organization which leads to show critical elements in achieving successful outcomes for organization as well as for their individual clients in highly competitive scenario.

1.3 Research Questions`

The following are the major research questions

- How job characteristics affect employee engagement?
- To what extent reward & recognition have an effect on employee engagement?
- How perception of organizational justice have an effect on employee engagement?
- To what extent perceived organizational support affect employee engagement?
- How enhance employee engagement in CBE ?

1.4 Research Objective

1.4.1 General Objective

The overall objective of the study is to examine the major influential factors that affect employee engagement in CBE.

1.4.2 Specific Objectives

- To examine the effect of job characteristics in predicting employee engagement
- To investigate the effect of rewards & recognition in predicting employee engagement
- To investigate the effect of perception of organizational justice in predicting employee engagement.
- To explore the effect of perceived organizational support in predicting employee engagement.
- To investigate possible ways of enhancing employee engagement in CBE.

1.5 Significance of the Study

Studies made so far in Ethiopia with the objective of examining factors affecting employee engagement in service giving organization are very few. As a result, the theoretical significance of the study is to contribute on the area of factors affecting employee engagement in service sectors in general and for the banking sector in particular.

In addition it will give stakeholders the opportunity to gain knowledge about the factors that affect Employee Engagement in Commercial Bank of Ethiopia and it may as serve as reference for future researchers.

Moreover , the study draws some conclusions and identifies the major factors affecting employee engagement in commercial bank of Ethiopia. Thus, it will give signal to the management of the bank in particular and policy makers in general to focus on the main factors affecting employee.

1.6 Scope of the Study

Even though, CBE has many branches outside Addis Ababa as well as Addis Ababa area, due to the scope of the study the research focus on factors affecting employee engagement in CBE West Addis district branches only.

1.7 Limitations of the Study

The study faced challenges like resistance from the some respondents to fill parts of the questionnaire and shortage of related literature our country. In addition this study concentrates only internal factors that affect employee engagement; however there might be other external factors that affect employee engagement significantly.

1.8 Organization of the Study

The remaining chapters of this study are structured as follows: Chapter two provides an overview of theoretic and empirical literatures on the link between employee engagement and its determinant. Specifically, empirical literatures structured chronologically. The chosen methodology and data sources are described in chapter Three. While Chapter four reports & interpret the empirical results. Chapter five presents conclusion & recommendations that derived from the result of the study.

CHAPTER TWO: LITRATURE REVIEW

2.1 Theoretical Literature Review

2.1.1Employee Engagement

Employee engagement has been defined differently by different researchers as well as human resources practitioners and scholars.

According to Kahn (1990) people draw upon themselves to varying degrees while performing work tasks and they can commit themselves physically, cognitively, and emotionally in the various roles they perform. Or, they may choose to withdraw and disengage from their work roles and work tasks. Results of Kahn's study suggest that there are three psychological conditions that shape how people perform their roles meaningfulness, safety, and availability. Kahn's identification of the three psychological conditions now serves as a framework for the study of employee engagement.

Kahn (1990) describes the state of meaningfulness as one in which workers feel worthwhile, useful, and valuable, and that they are making a difference and are appreciated for the work they do. Safety is described as an environment in which people feel an ability to act as what would be normal for the individual without fear of negative consequences. Safety is found in situations in which workers trust that they will not suffer because of their engagement with their work and where they perceive the climate to be one of openness and supportiveness. Availability is defined by Kahn (1990) as the sense of having personal, physical, emotional, and psychological means with which to engage with their job tasks at any particular moment.

The definitions of employee engagement that the recent author found are similar to those of the previous Shaufeli et al. (2002), May et al. (2004) and Saks (2006). Employee Engagement is defined as the level of commitment, involvement and passion as a positive, fulfilling work related state of mind that is characterized by vigor, dedication and absorption'. They further state that engagement is not a momentary and specific state, but rather, it is "a more persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behavior.

Engagement can best be described as a harnessing of one's self to his or her roles at work. In engagement, people express themselves cognitively, physically and emotionally while performing their work roles (Kahn, 1990).

According to Robinson et al. (2004) employee engagement has become a widely used and popular term in most of business organizations. However, most of what has been written about employee engagement can be found in practitioner journals where it has its basis in practice rather than theory and empirical research. In Robinson et al. (2004) view, even if there has been surprisingly little academic and empirical research on a topic, but EE has become so popular. As a result, employee engagement has the appearance of being what some might call, "old wine in a new bottle."

Furthermore, Kahn (1990) defines personal engagements as the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances. Personal disengagement refers to "the uncoupling of selves from work roles; in disengagement, people withdraw and defend themselves physically, cognitively, or emotionally during role performances". Thus, according to Kahn (1990, 1992), engagement means to be psychologically present when occupying and performing an organizational role.

According to Rothbard (2001) as cited in Saks (2006), "Engagement is a psychological presence, but goes further to state that it involves two critical components: attention and absorption". Attention refers to "cognitive availability and the amount of time one spends thinking about a role" while absorption means "being engrossed in a role and refers to the intensity of one's focus on a role."

Analyzing both academic and practitioner understandings of employee engagement could add to the knowledge of how employee engagement is understood as well as whether or not employee engagement is a meaningful concept and warrants further academic research to strengthen its theoretical foundations and practical application in the organization.

2.1.2 Theory of Employee Engagement

The strong theoretical rationale for explaining employee engagement can be found in Social Exchange Theory (SET) to Saks (2006). The SET provides a theoretical basis of why employees determine to become more engaged or less engaged in their work. According to SET, responsibilities are created through various interactions of the parties who are interdependent with each other. SET is basic tenet holds that relationships gradually develop into trusting, loyal, and mutual pledges on the condition that the parties to the pledge follow rules of exchange. Therefore, one way for employees to repay their organization is through their level of engagement. In other words, the level of employee engagement depends on the advantages they receive from the organization.

Showing dedication to one's work in large amounts of cognitive, emotional, and physical resources is a perceptive way for employees to show their appreciation to their organization's services. SET states that individuals having a strong exchange ideology are more inclined to feel obliged to return the organizational benefits that they receive. Hence, it can be stated that the link between different predictors and engagement may be stronger for individuals possessing a strong exchange ideology. As we see, employee engagement consists of a psychological and emotional connection between employees and their organization which could be turned into negative or positive behavior at work and the organization plays the main role of engagement (Sake, 2006).

2.1.3 Employee Engagement versus other Constructs

It would appear that there are sufficient grounds for arguing that engagement is related to, but distinct from, other constructs in organizational behavior (Saks 2006). For example, Robinson et al., (2004) state that: "... engagement contains many of the elements of both commitment and organizational Citizenship Behavior (OCB) but is by no means a perfect match with either. In addition, neither commitment nor OCB reflects sufficiently two aspects of engagement – its two way nature, and the extent to which engaged employees are expected to have an element of business awareness."

Saks (2006) argues that organizational commitment also differs from engaging in that it refers to a person's attitude and attachment towards their organization. Whilst it could be argued that engagement is not merely an attitude; it is the degree to which an individual is attentive to their work and absorbed in the performance of their role. Besides, while OCB involves voluntary and informal behaviors that can help co-workers and the organization, the focus of engagement is one's formal role performance rather than purely extra-role and voluntary behavior.

Engagement is most closely associated with the constructs of job involvement and 'flow'. According to Kanungo, (1982) as cited in May et al., (2004), "Job involvement is defined as a cognitive or belief state of psychological identification". This differs from engaging in that it is concerned more with how the individual employs him/her self during the performance of his/her job. Furthermore, whilst the focus of job involvement is on cognitions, engagement, according to most definitions, also encompasses emotions and behaviors.

According to Maslach et al. (2001), engagement is characterized by energy, involvement, and efficacy, the direct opposite of the three burnout dimensions of exhaustion, cynicism, and inefficacy. Research on burnout and engagement has found that the core dimensions of burnout (exhaustion and cynicism) and engagement (vigor and dedication) are opposites of each other (Gonzalez-Roma et al., 2006).

According to Schaufeli et al. (2002) engagement is defined as "a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption." They further state that engagement is not a momentary and specific state, but rather, it is "a more persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual or behavior.

In the academic literature, engagement is said to be related to but distinct from other constructs in organizational behavior. For example, Robinson et al., (2004) state that: engagement contains many of the elements of both commitment and OCB, but is by no means a perfect match with either. Similarly, neither commitment nor OCB reflects sufficiently two aspects of engagement – its two-way nature, and the extent to which engaged employees are expected to have an element of business awareness.

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

2.1.4 Consequence of Employee Engagement

Saks (2006) has defined the consequences of employee engagement in the following manner:

- A. Job Satisfaction:** Job satisfaction, a widely researched construct, is defined as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences. It has been found that while the relationship between job satisfaction and performance is weak at the individual level, but is stronger at the aggregate level.
- B. Organizational Commitment:** This also differs from engaging in that it refers to a person's attitude and attachment towards their organization. Engagement is not an attitude; it is the degree to which an individual is attentive and absorbed in the performance of their roles.
- C. Intention to Quit:** Intention to quit includes basically the reasons why employees are going to quit the job, and what factors made the employee to leave the organization. The engaged employees do not frequently quit the job.
- D. Organizational Citizenship Behavior (OCB)** involves voluntary and informal behaviors that can help co-workers and the organization, the focus of engagement is one's formal role performance rather than extra-role and voluntary behavior.

2.1.5. Factors that Predict Employee Engagement

Although there is little empirical research on the factors that predict employee engagement, it is possible to identify a number of potential drivers from Saks (2006) and Maslach et al., (2001) model. The literature is unclear as to which variables are the strongest predictors. Therefore,

variables for this study were chosen by reviewing the limited data that are available regarding employee engagement.

A. Job Characteristics

Jobs that are high on the core job characteristics provide individuals with the room and incentive to bring more of themselves into their work or to be more engaged (Kahn, 1992). This is based on Hackman & Oldham's (1980) as cited in Sake (2006), "job characteristics model and in particular, the five core job characteristics (i.e. Skill variety, task identity, task significance, autonomy, and feedback)".

- Skill variety is the degree to which the job requires a variety of different skills and talents of the person.
- Task identity is the degree to which the job requires doing a whole and identifiable piece of work from beginning to end.
- Task significance is the degree to which the job has a substantial impact on the lives of other people, whether those people are in the immediate organization.
- Autonomy is the degree to which the job provides substantial freedom, independence and discretion to the individual in scheduling the work and in determining the procedures to be used in carrying it out.
- Job-based feedback is the degree to which carrying out the work activities required by the job provides the individual with direct and clear information about the effectiveness of his or her performance.

Based on Sake (2006) from the perspective of SET, one can argue that employees who are provided with enriched and challenging jobs will feel obliged to respond to higher levels of engagement.

B. Rewards and Recognition

People vary in their engagement as a function of their perceptions of the benefits they receive from a role (Kahn 1990). According to Sake (2006), a sense of return on investments can come from external rewards and recognition in addition to meaningful work. Therefore, one might

expect that employees' will be more likely to engage themselves at work to the extent that they perceive a greater amount of rewards and recognition for their role performances. Moreover Maslach et al., (2001) have also suggested that while a lack of rewards and recognition can lead to burnout, appropriate recognition and reward is important for engagement. In terms of SET, when employees receive rewards and recognition from their organization, they will feel obliged to respond to higher levels of engagement.

C. Organizational justice

The safety dimension identified by Kahn (1990) involves social situations that are predictable and consistent. While distributive justice pertains to one's perception of the fairness of decision outcomes, procedural justice refers to the perceived fairness of the means and processes used to determine the amount and distribution of resources (Colquitt, 2001; Rhoades et al., 2001). A review of organizational justice research found that justice perceptions are related to organizational outcomes such as job satisfaction, organizational commitment, organizational citizenship behavior, withdrawal, and performance (Colquitt et al., 2001). However, previous research has not tested adequately relationships between fairness perceptions and employee engagement.

The effect of justice perceptions on various outcomes might be due in part to employee engagement. In other words, when employees have high perceptions of justice in their organization, they are more likely to feel obliged to also be fair in how they perform their roles by giving more of themselves through greater levels of engagement.

D. Perceived Organizational Support

Psychological safety, according to Kahn (1992), involves a sense of being able to show and employ the self without negative consequences. An important aspect of safety stems from the amount of care and support employees' perceive to be provided by their organization as well as by their direct supervisor. In fact, Kahn (1990) found that supportive and trusting interpersonal relationships as well as supportive management promoted psychological safety. Supportive environments allow members to experiment and to try new things and even fail without fear of the consequences (Kahn, 1990). Social support is also one of the conditions in the Maslach et al.,

(2001) model and a study by Schaufeli & Bakker (2004) found that a measure of job resources that includes support from colleagues predicted engagement. A lack of social support has also consistently been found to be related to burnout (Maslach et al., 2001). This is to mean, employees' who have higher POS might become more engaged to their job and organization as part of the reciprocity norm of SET in order to help the organization reach its objectives (Rhoades et al., 2001).

2.2 Empirical Literature Review

Empirical literature seek information about the way specific problems or resources are distributed among the populations encountered in professional practice. Or, social workers might be interested in finding out about the way that certain people experience an event or phenomenon. Empirical literature resources may provide answers to many of these types of social work questions. In addition, resources containing data regarding *social indicators* may also prove helpful. Social indicators are the “facts and figures” statistics that describe the social, economic, and psychological factors that have an impact on the well-being of a community or other population group.

In this paper empirical studies are reviewed related to employee engagement by different authors.

The study of Brid (2015) focused on examining the key drivers of employee engagement in a declining outsourcing company in Dublin, Ireland and contributed to the knowledge of employee engagement in declining companies. He said that it is important to monitor employee engagement at every stage of the company lifecycle. His research was conducted on five key drivers of engagement, namely, Leadership, Communication, Organizational Support, Learning and Development and Working Environment. Their influence on EE was strongly supported by the survey's findings. Results revealed that only half of the respondents were engaged and there was considerable scope for improvement. From the results of the survey, he found out that, respondents placed a strong emphasis on feeling safe in the work environment by having close working relationships with their line manager and colleagues without fear of negative consequences, during the decline period. The other important factor he found out in influencing

engagement levels was opportunities for development, together with having both upward and downward communication between leadership and employees.

In Abubaker, (2002) study of examining the factors influencing employee engagement in the financial sector of Malaysia, which focused on three main concepts i.e. empowering leaders' behavior, high performance work practices (HPWP) and the possible role of one's faith EE. The study findings suggested that empowering leadership behavior – showing concern, participative decision making, leading by example, coaching and communicating – have the largest effect on employee engagement. Employees experience a significant level of engagement when their leader shows concern. Empowering leadership behavior will significantly impact employee engagement among employees in the financial sector in Malaysia. Hence, empowering leadership behavior plays a significant role in engaging employees at work.

On the other hand, Abubaker (2002) also identified that religiosity play a crucial role in engaging employees at work among the Malaysians' Muslims. Religiosity acts as self-control and when the going gets tough, faith helps believers to self-regulate. Therefore, when work is viewed as a moral obligation and self-enhancement, the development of employee engagement seems encouraging.

Since the majority of the sample included in the study were Malay Muslims, which may have negatively affected the finding and made it difficult to identify if there is any distinctive pattern of HR practices among different religious groups in Malaysia. The findings were also focused only on empowering leaders' behavior, high performance work practices and the possible role of religiosity, which did not incorporate other employee engagement factors, like perceived supervisory and organizational support and internal locus of control.

The work of Kumar (2011), in Odisha, India focuses on various factors which lead to employee engagement and what should company do to make the employees engaged. He suggested that proper attention on engagement strategies will increase the organizational effectiveness in terms of higher productivity, profits, quality, customer satisfaction, employee retention and increased adaptability. Employee engagement develops positive attitude among the employees towards the organization.

Kumar (2011), also emphasized that organization should recognize employees, more than any other variable, as powerful contributors to its competitive position. Engaged employees can help their organization achieve its mission, execute its strategy and generate important business results. Therefore, employee engagement should be a continuous process of learning, improvement, measurement and action. Kumar(2011), also provides a noteworthy implication for practitioners that organizations with higher levels of employee engagement outperform their competitors in terms of profitability. Engaged employees give their company's crucial competitive advantages—including higher productivity, customer satisfaction and lower employee turnover.

There are a number of factors which influence employee engagement, according to Kumar (2011), these are Recruitment, Job Designing, Career Development Opportunities, Leadership, Empowerment, Equal Opportunities and Fair Treatment, Training and Development, Performance Management, Compensation Health and Safety, Job Satisfaction, Communication, Family Friendliness.

In this study satisfaction is considered as a factor that affect EE, unlike the study of Sake (2006); where Job Satisfaction is considered as a consequence of EE, by defining it as a pleasurable emotional state resulting from the appraisal of one's job. According to Gill et al., (2010),as cited in Kumar(2011),“Job Satisfaction isthe positive feelings employees enjoy when they are recognized for having achieved goals in line with their own values”. In line with the study conducted by Sake (2006), this research used Job Satisfaction as a consequence of EE.

According to Maha (2015), even if there is an increasing contribution on the concept of employee engagement, there is a shortage of academic studies on that construct in emerging economies. Maha (2015), study was aimed at identifying the key drivers of employee engagement within the Egyptian banking sector based on social exchange theory (SET). The study finding indicated that leadership and organizational justice were the most significant drivers of employee engagement. In addition, compensations and benefits, policies and procedures and training and development were also determined as predictive variables of employee engagement.

Maha (2015) also argued that the concept employee engagement should not be regarded as another HR strategy. Organization and employees are both dependent on each other to fulfill their goals and objectives. Therefore, employee engagement should not be understood as a onetime exercise but needs to be part and parcel of the business DNA for the success story of any company. Engaged employees can help their organization achieve its mission execute its strategy and generate important business results. Therefore, organizations today should actively look forward to fulfilling employee`s expectations and thus, create an impact on the performance of employee, which directly affects the organization`s performance. As a limitation it is found out that, since the study is based on a small number of employees working in the Egyptian banking sector, it is short coming is generalizing the results of the study for other sectors.

According to Sandeep et al., (2008) employee engagement has become a hot topic in recent years. Despite this, there remains a scarcity of critical academic literature on the subject, and relatively little is known about how employee engagement can be influenced by management. The review of the different literature indicates that there are more employees who are disengaged or *not* engaged than there are engaged employees. Despite this, many organizations believe that engagement is a dominant source of competitive advantage. Results from research organizations and corporate results have demonstrated that there may be a strong link between engagement, employee performance and business outcomes. Recent research in the UK and other countries shows that there are more disengaged employees than there are engaged employees in today`s organizations.

Based on Gallup's new 142-country study (2013), the State of the Global Workplace accounts only 13% of employees worldwide are engaged at work. In other words, about one in eight workers -- roughly 180 million employees in the countries studied are psychologically committed to their jobs and likely to be making positive contributions to their organizations. The bulk of employees worldwide, 63% are "not engaged," meaning they lack motivation and are less likely to invest discretionary effort in organizational goals or outcomes. And 24% are "actively disengaged," indicating they are unhappy and unproductive at work and liable to spread negativity to coworkers. In rough numbers, this translates into 900 million not engaged and 340 million actively disengaged workers around the globe where the study carried out.

The low levels of engagement among global workers continue to hinder gains in economic productivity and life quality in much of the world. Engaged Workers are most common in U.S. and Canada (29%), actively disengaged in MENA (Middle East and North Africa) and sub-Saharan Africa i.e. on the average 34%. However, in the same report (*Ibid*) it is indicated that, low workplace engagement offers an opportunities to improve business outcomes.

Regardless of region or industry, businesses seeking to adapt to rapidly changing global economic conditions must learn how to maintain high-productivity workplaces and grow their customer bases in widely varying social, cultural, and economic environments.

Through focusing on Cooperative Bank of Kenya, Mokaya&Kipyegon(2014), studied the determinants of Employee Engagement in the Banking Industry and used an explanatory research approach method, by considering sample of 214 respondents from 496 employees Mokaya&Kipyegon (2014), used primary data questionnaire and analyzed the result using descriptive and inferential statistics. The study result shows that Employee engagement was significantly affected by performance management system, personal development and growth, workplace recreation, and compensation package. Their finding revealed that a single unit increase in workplace recreation increases employee engagement by 0.09, personal development and growth by 0.219, performance management system by 0.386.

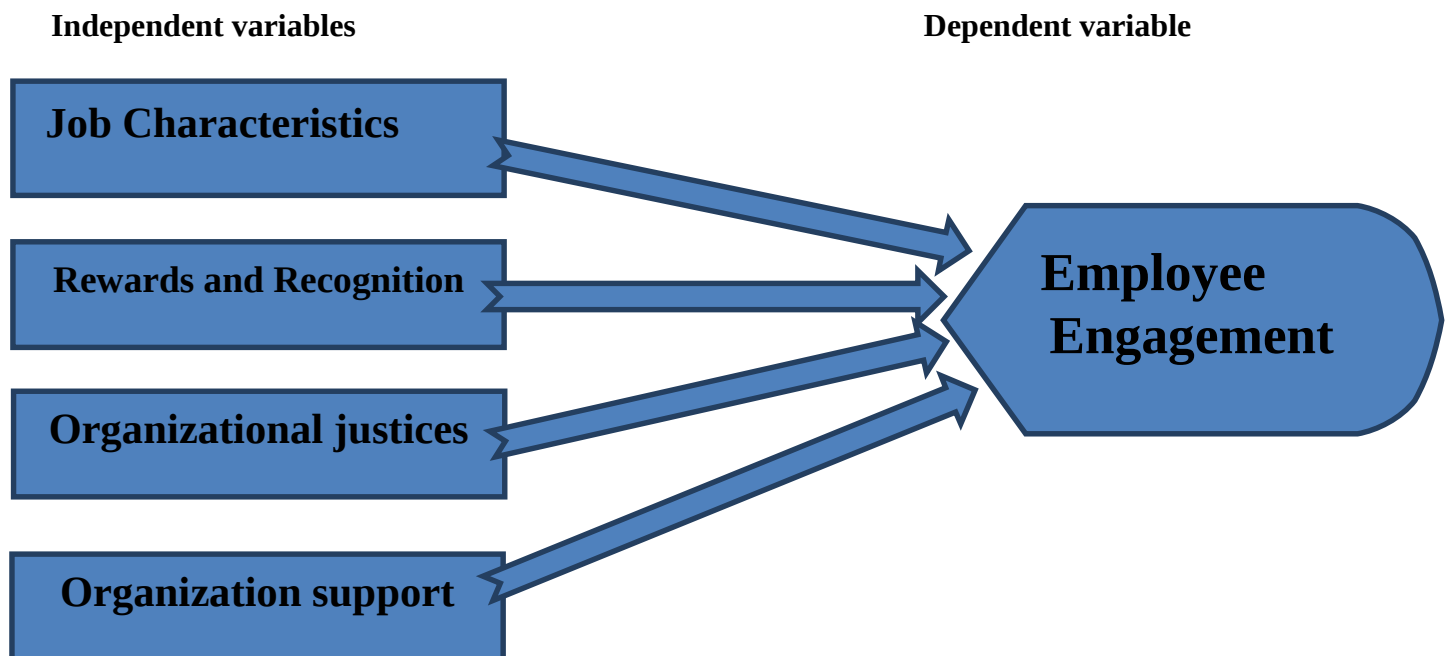
Furthermore, remuneration package by one unit would increase employee engagement by and 0.389 units. Their justification regarding to remuneration package is associated with banks basic salary was reasonable as noted by majority of the respondents and they were being remunerated adequately for their efforts, and that the pay and benefits were commensurate with their skills and experience. Regarding to work place, psychological and social fulfillment can determine their employees are motivated to stay, carry out, and contribute to organization success. Furthermore, their finding shows that low engagement and job satisfaction can contribute to multiple organizational problems and have been associated with increased levels of turnover and absenteeism, adding potential costs to the organization in terms of low performance and decreased productivity.

The study performed in Commercial Bank of Ethiopia by Derara (2014) argued that the research was the first of its kind, specifically determinants of employee engagement in the field of human services in Ethiopia. The study helped in determining factors affecting EE, generally in banking industry, and more particularly in CBE. The results of the study indicated that there were no differences in engagement scores for males and females, for education level, or for years of service in the bank. On the other hand, Job characteristics, Rewards and Recognition, Organization Justice, Perceived Organizational Support have a significant effect on Employee Engagement at CBE. Moreover, POS has got the highest effect on predicting Employee engagement.

2.3 Conceptual Framework of the Study

Based on the overall review of related literatures and the theoretical framework, the following conceptual model in which this specific study is governed was developed. The model used in the current study offers a unique effect of work life drivers which can lead to employee engagement. This model was tested in the Ethiopian banks.

Figure 1 Conceptual framework



Source :(Adopted from Sake, 2006)

Figure 1 Conceptual Framework of the Study

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design & Method

Saunders et al. (2007), defines research design as the general plan of how the research questions would be answered. It is the conceptual structure within which research is conducted. It constitutes a blue print for the collection, measurement, and analysis of data. The research design for this study was the Cross-sectional field survey method because data was collected at one point of time during a period of one and half months to assess the relationship between Independent variables and employee Engagement in commercial bank of Ethiopia west addis ababa district. In cross-sectional field surveys, independent and dependent variables are measured at the same point in time using a single questionnaire (Anol, 2012). In addition the study was also co relational in design because there was intended to establish the relationship between dependent and independent variable of the study. Co relational research aims to ascertain if there is a significant association between two variables (Reid, 1987).

A survey is a method of collecting data in which people are asked to answer a number of questions (usually in the form of a questionnaire). The reliability of a survey's results depends on whether the sample of people from which the information has been collected is free from bias and sufficiently large. According to Leary (2004) the major advantages of questionnaires are that they can be administered to groups of people simultaneously, and they are less costly and less time-consuming than other measuring instruments. For this study, survey research method has chosen where the questionnaire used to collect the information.

3.2 Data Source and Type

Primary data was used in this study. Primary data is the data which is gathered for the purpose of the research specifically to get detail information. A questionnaire consisting the independent variables and dependent variables have been conducted by extracting sources from few established questionnaire. The questionnaires were distributed to sampling amount of Professional Staff of those randomly selected branches of West Addis Ababa area branches to fill up and later were tested of the result using STATA software.

The data type that required to run econometric model for the study is basically cross-sectional data which were collected from the sampled respondent.

3.3 Sampling Technique and Sample Size

3.3.1 Sampling Technique

Sekeran (2001) defines a sample as a portion of the population that has attributes as the entire population. As for this study it was assumed that the all CBE branches under West Addis Ababa District operate in a similar manner with respect to policies and practices despite the fact that they are located in different geographical areas , the researcher was used, a Multi-stage sampling, If we have a population dispersed over a wide geographic region, It may be difficult or impossible to take a simple random sample of the units of the study population randomly, because of Logistical difficulties may discourage single-stage random sampling techniques. However, when a list of clusters are available on the study population (e.g., districts, villages or Branch grade), a number of these clusters can be easily compiled in order to select a sample randomly (Creswell, 2003).

Therefore, for this study the researcher was started with a cluster of branches based on their grade level (Grade 1,Grade 2, Grade 3and Grade 4 branches) under CBE West Addis districts, within these four clusters, the researcher selected a simple random sample number of branches which proportional to the size of a cluster and from the selected branches the study used simple random sampling to select the sample size of employees proportionally from the size of the selected branch. In this case, we have a three-stage sampling process consisting of cluster and simple random sampling.

3.3.2 Sample Size

To enhance the results and reliability of the study, the researcher used large sample size of the total population. In order to determine the sample size for the study, an attempt is made to use the following simplified formula to calculate sample sizes.

In this research, source materials consisted of all professional staff of CBE working in around 277 branches of west district that have junior and senior staff. Sampling location is West Addis Ababa area zone of the bank.

According to Yamane (1967), with 95% confidence level and 0.05 sampling errors are assumed for the following equation

$$n = \frac{N}{1 + N(e)^2}$$

Where n is the sample size, N is population size and e is the level of precision.

Using the above formula, the sample size was determined at 318 from 2350 employees of West Addis Ababa area branches of CBE. Even if the sample size is determined as 318, as a contingency the researcher will distribute 350 questionnaires.

How a three stage sampling and sample size process carry out;

Table 3.1: Sampling and Sample Size

No	Branch Grade	No of Braches	No of Employee	No Branch proportional	No Employee proportional	No of selected Branches	No selected Employee
1	Grade 1	151	985	54.5%	41.9%	11	133
2	Grade 2	98	576	35.3%	24.5%	6	78
3	Grade 3	16	371	6.0%	15.8%	8	50
4	Grade 4	12	418	4.2%	17.8%	5	57
Total	4	277	2350	100%	100%	30	318

3.4 Data Collection Methods

This research will used primary data as the principal source of information. As the unit of analysis was the individual, the researcher was interested to collect original data from a population and measuring the perceptions of individuals. A survey was deemed the most suitable

design to achieve the objectives of the research. Survey instruments, such as observations, face-to-face interviews, telephone interviews, and personally-administered questionnaires, structured questionnaires to group of individuals and mailed questionnaires were considered. As the researcher was interested to collect original data from a population, the populations were very big to observed or interviewed. Thus, a survey by a questionnaire was considered the most appropriate method for measuring the perceptions of the workers, while minimizing the possibility of researcher bias and providing a greater degree of subjectivity because of the direct response and feedback from the respondents that can be collected in short period of time and in an easier manner.

For this research, the questions in the questionnaire will be closed-ended or structured in order to ease the process of analyzing the data from respondents. Thus, the results gathered from respondents were increase the speed and accuracy of recording, as well as more comparable. The questions were adapted from previous research papers conducted by Saks (2006). The questions are designed by simple English to reduce misunderstanding and uncertainties on the questions by the respondents.

This questionnaire consist of three parts, section one is general information, in section two, it consists of questions of four determinants of Employee Engagement where the four variables are Job characteristics, Rewards and recognition, Perceived Organizational support, and organizational justice. And section three it consists of questions of three components of psychological engagement including cognitive, emotional and physical. The questions were formed in a five point Likert scale such as 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree which allows respondents to indicate level of agreement with the statement provided. It was lead to a better understanding towards the Antecedents of Employee Engagement of CBE. The researcher personally approached the organization and explained to the employee about the purpose of the study.

Generally the questionnaire consisted of 34 questions as shown in the Table 3.1 and 3.2 below

Table 3.2: The components of questions related to factors of EE

S.No	Factors	Items	Scale	Source
1	Job characteristics	7	Five-point Likert	Saks(2006)
2	Rewards and recognition	6	Five-point Likert	Saks(2006)
3	Organization justice	8	Five-point Likert	Saks(2006)
4	Perceived organizational support	5	Five-point Likert	Saks(2006)

In order to answer the questions, respondents have to select their choice of agreement based on the five point Likert scale according to their opinion on each item. Each answer has been given a score and it is assumed that the format is easier for the respondents to understand the concepts and provide precise answers.

Final questioners related to employee engagement: - This section consists of questions that can measure the employee engagement. Employee engagement was measured in three components of psychological engagement including cognitive (e.g. Time passes quickly when I perform my job), emotional (e.g. I get excited when I perform well on my job) and physical engagement (e.g. I stay until the job is done) The respondents rated their level of agreement/disagreement to the stated statement based on five-point Likert scales

Table 3.3: The questions related to employee engagement

S.No	Factors	Items	Scale	Source
1	Employee engagement	8	Five-point Likert	Saks(2006)

3.5. Data Analysis Methods

Once data was collected, it was necessary to employed statistical techniques to analyze the information, as this study is quantitative in nature. Data was analyzed using STATA software. The statistical tools were aligned with the objectives of the research.

From inferential statistics, Ordinal logistic regression model have been employed to develop functional relationship among the independent variables and dependent variable. Ordinal regression have been used because it is appropriate method to show the relationship between ordinal response variable and regressors that are rated on five point likert scales (Liu,2010). Particularly, multiple regression analysis methods were used. Thus, both the strength of the relationship between variables and the level of statistical significance has been assessed.

3.5.1 Multiple Regression

The equation of multiple regression on this study is generally built around two sets of variable, namely dependent variables (Employee Engagement /EE) and independent variables (**Job Characteristics** /JC/,**Reward and Recognition** /REW/, **Organizational Justice** /OJ/and **Perceived Organizational Support** /POS/). The basic objective of using multiple regression equation on this study is to make the study more effective at describing, understanding and predicting the stated variables. This is primarily used to identify the major influential factors for employee engagement.

Accordingly, the regression equation on the above variables can be stated as follows

$$ENG_i = \alpha + \beta_1 JC + \beta_2 REW + \beta_3 OJ + \beta_4 POS + \varepsilon_i$$

Where, EE is the dependent variable- Employee Engagement **JC, REW, OJ and POS** are the explanatory variables (or the regressors) ε_i =error term set up to demonstrate the unexplained portion of the dependent variable through the above four important exogenous variables. Besides α indicates constant which shows the magnitude or the value of engagement when the coefficient for the above four explanatory variables become zero. Whereas the coefficient, $\beta_1, \beta_2, \beta_3$ and β_4 are acquainted with the extent of change in the dependent variable when the explanatory variable changes by one percent, ceteris paribus. Furthermore from the above expression i stands for the number of observations included in the data.

Before running multiple regressions result the study checked pre estimation i.e Reliability

3.5.2 Reliability Test

As stated by “Hair et al., (2007) reliability indicates the extents to which a variables or set of variables is consistent in what it is intended to measure”(cited by Siddiqi; 2011). Reliability analysis used to measure the consistency of a questionnaire. There are different methods of reliability test, for this study Cronbach’s alpha is considered to be suitable. Cronbach’s alpha is the most common measure of reliability. As described by Andy (2006) the values of Cronbach’s alpha greater than 0.7 is good.

3.5.3 Diagnostic Tests/Post-Estimation Tests

Once the models have been estimated diagnostic tests are conducted in order to determine whether the model are well specified or not. In particular, this tests include heteroscedasity test, autocorrelation, normality, multicollinality and model specification.

3.5.3.1 Heteroscedasticity

According to (Gujarati, 2004) Heteroscedasticity means that error terms do not have a constant variance. If Heteroscedasticity occur, the estimators of the ordinary least square method are inefficient and hypothesis testing is no longer reliable or valid as it will underestimate the variances and standard errors. To test for the presence of heteroscedasticity, the popular white test is employed in this study. The hypothesis for the Heteroscedasticity test was formulated as follows:

H₀: There is no Heteroscedasticity problem in the model.

H₁: There is Heteroscedasticity problem in the model.

$\alpha = 0.05$

Decision Rule: Reject H₀ if p-value is less than significance level. Otherwise, do not reject H₀.

3.5.3.2 Autocorrelation

According to Brooks (2008), when the error term for any observation is related to the error term of other observation, it indicates that autocorrelation problem exist in this model. In the case of autocorrelation problem, the estimated parameters can still remain unbiased and consistent, but it is inefficient. The result of T-test, F-test or the confidence interval will become invalid due to the

variances of estimators tend to be underestimated or overestimated. Due to the invalid hypothesis testing, it may lead to misleading results on the significance of parameters in the model. In this study to test for the existence of autocorrelation, the popular Breusch-Godfrey Serial Correlation LM Test was employed. The hypothesis for the autocorrelation test was formulated as follows:

H₀: There is no autocorrelation problem in the model.

H₁: There is autocorrelation problem in the model.

$\alpha = 0.05$

Decision Rule: Reject H₀ if p-value less than significance level. Otherwise, do not reject H₀.

3.5.3.3 Normality

As noted in Brooks (2008) a normal distribution is not skewed and is defined to have a coefficient of kurtosis of 3. One of the most commonly applied tests for normality; the Bera-Jarque formalizes these ideas by testing whether the coefficient of skewness and the coefficient of excess kurtosis are zero and three respectively. Brooks (2008) also states that, if the residuals are normally distributed, the histogram should be bell-shaped and the Bera-Jarque statistic would not be significant at 5% significant level. The hypothesis for the normality test was formulated as follows:

H₀: Error term is normally distributed

H₁: Error term is not normally distributed

Decision Rule: Reject H₀ if p-value of less than significance level. Otherwise, do not reject H₀.

3.5.3.4 Multicollinearity

An implicit assumption that is made when using the OLS estimation method is that the explanatory variables are not correlated with one another. Multicollinearity will occur when some or all of the independent variables are highly correlated with one another. If the multicollinearity occurs, the regression model is unable to tell which independent variables are influencing the dependent variable if there is no relationship between the explanatory variables, they would be said to be orthogonal to one another. If the explanatory variables were orthogonal to one another, adding or removing a variable from a regression equation would not cause the values of the coefficients on the other variables to change. Usually, as noted by Hair et al. (2006) correlation coefficient below 0.9 may not cause serious multicollinearity problem.

3.5.3.5 Model Specification

According to Brooks (2008), Specification error occurs when omitting a relevant independent variable, including unnecessary variable or choosing the wrong functional form, so that regression model will be wrongly predicted. If the omitted variable is correlated with the included variable, the estimators are biased and inconsistent. If the omitted variable is not correlated with the included variable, the estimators are unbiased and consistent. Ramsey RESET test was used to see whether the developed model is correctly regressing.

H₀: the model is correctly specified

H₁: the model is not correctly specified

$\alpha = 0.05$

Decision Rule: Reject H₀ if p-value is greater than significance level. Otherwise, do not reject H₀.

3.6. Ethical Consideration

There are certain ethical protocols that have been followed by the researcher. The first is soliciting explicit consent from the respondents. This ensures that their participation to the study is not out of their own volition. The researcher also ensured that the respondents were aware of the objectives of the research and their contribution to its completion. One other ethical measure exercised by researcher is treating the respondents with respect and courtesy (Leary, 2004). This was done so that the respondents were at ease and more likely to give honest responses to the questionnaire.

There were also ethical measures that have been followed in the data analysis. To ensure the integrity of data, the researcher checked the accuracy of encoding of the survey responses. This was carried out to ensure that the statistics generated from the study are truthful and verifiable (Leary, 2004).

CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1. Introduction

This chapter deals with presentations, discussions and analysis of the collected data through questionnaires. The main objective of the chapter is examining the significance of the independent variables on the employment engagement of the Commercial Bank Ethiopia West Addis Ababa district through the appropriate test of the models and regression analysis. The first part is focused on demographic characteristics of the respondents, whereas the second part presents the results of the econometric models regression and the post regression analysis.

4.2. Demographic Characteristics of Respondents

4.2.1. Gender

Table 4.1 Gender combination of respondents

Gender	Frequency	Percent
Female	172	54%
Male	146	46%
Total	318	100

As can be seen from the above table out of the 318 respondents, 46 percent were male and the remaining 54 percent were female.

4.2.2. Age

Table 4.2 Age of respondents

Age range	Frequency	Percent
< 20 years	0	0
21-30 Years	164	51.7
31-40 Years	123	38.8
>40 Years	31	9.5
Total	318	100

As shown from table 4.2 above there are no respondents less than 20 years age range, while age between 21-30 years covers the major share of the respondent by 51.7% or 164, that of age between 31-40 years 38.8% or 123 respondents, finally age range greater than 40 years covers 9.5% of the 318 respondents counting 31 in number.

4.2.3. Monthly remuneration

Table 4.3 Respondents monthly remuneration

Remuneration Range	Frequency	Percent
<5000	54	16.9
5000-10,000	197	61.94
10,001-20,000	67	21.16
20,001-30,000	0	0
>30,001	0	0
Total	318	100

As can be seen from the above table around 16.9 percent of the respondent earning a monthly salary of below five thousand birr. While around 61.94 percent of the respondents have got a monthly salary between five thousand and ten thousand birr. The remaining portion of the respondents earned between ten thousand and twenty thousand birr.

4.2.4. Qualification of Respondents

Table 4.4 Qualification of the respondents

Educational Level	Frequency	Percent
Masters and Above	40	12.7
First Degree	269	84.5
Diploma	9	2.8
Total	318	100

As clearly depicted from the above table, all of the respondents have disclosed their educational level. 2.8 percent of the respondents have completed diploma. However, 84.5 percent, and 12.7 percent were degree and Masters & above respectively.

4.2.5. Work experience

Table 4.5 Work experience of respondents

Work experience	Frequency	Percent
< 5 years	151	47.6
5-10 years	126	39.7
11-15 years	31	9.7
>15 years	10	3
Total	318	100

As can be seen from the table above the work experience of the respondent scores >15 year, 3 percent or 10 in number and less than five year 47.6 percent or 151 indicates the highest percentage of respondents were in this range in their work experience.

4.2.6. Position

Table 4.6 Position of Respondents

Position	Frequency	Percent
Management	19	6
Non-Management	299	94
Total	318	100

The above table 4.6 clearly shows that 6 percent of the respondents were having the position of managerial post, whereas the remaining 94 percent of the respondents entitled a non-managerial posts.

4.3 Reliability test

Once the responses were collected, Chronbach's Alpha was conducted to test the reliability of the instrument. The resulting Alpha value from the instrument used in this study was similar to that of the pilot study and is considered to be within the acceptable range of reliability. As stated by Nunnaly (1978) the closer the reliability coefficient to 1.00 is the better. In general, reliabilities less than 0.60 are considered poor; those in the range of 0.60 to 0.80 are considered good and acceptable.

In this study, all the independent variables and dependent variable, met the above requirement. The alpha value for each question is identified and summarized in table below.

Table 4.7 Result of Reliability Test

Variables	Number of Attributes	Cronbach's Alpha
Employee engagement (EE)	8	0.75
Job characteristics (JC)	7	0.81
Rewards and Recognition(REW)	6	0.77
organizational justice (OJ)	8	0.71
Perceived organizational support (POS)	5	0.79

Source: StataCronbach's Alphaoutput

4.4 Descriptive Statistics

In this section the results from descriptive statistics are discussed. The descriptive statistics was used in order to get insight into the variables based on the response of the respondent. Descriptive statistics are usually used to analyze means, ranges, and numbers of valid cases for a given variable. Mean is the average that reflects the central tendency, while standard deviation is average degree to which scores deviate from the mean. Mean and standard deviation will be applied to analyze the data.

Table 4.8 Descriptive Statistics for the study variables

. sum

Variable	Obs	Mean	Std. Dev.	Min	Max
Obs	318	159.5	91.94292	1	318
ENG	318	2.055818	.5515871	1.375	3.25
JC	318	2.518419	.5830396	1.428571	3.142857
REW	318	3.738994	.9670398	1.666667	4.833333
OJ	318	3.277123	.76908	1.5	4.25
POS	318	3.88239	1.152424	1	5

Source: Stata output summary statistics result

As can be seen from the above table the mean statistics for all variables ranged between 2.06 to 3.88 indicating all variables are not equally practiced to enhance employee engagement (EE). Job Characteristics (JC) appears to be the least practiced with a mean statistic of 2.51. Reward (REW) and Perceived Organizational Support (POS) have the highest mean value of 3.74 and 3.88 respectively, which are an indication that employees believe that Reward & recognition and Perceived organizational support are the most important factors that enforced within the organization.

Engagement building is a never ending process which lays its foundation for a meaningful and emotionally enriching work experience. It is more than making people happy and paying them more money. It is more important than pay and benefits are in attracting and retaining people. However, the employee engagement level of the organization as indicated in the above table was

found to be low (mean value 2.06) which indicates that the organization is unable to create engagement for its employees.

To see detail corresponding average responses for the constructs were: Job Characteristics JC (Mean = 2.5, SD =0.551), Reward REW (Mean = 3.74, SD = 0.967), Organizational Justice OJ (Mean = 3.277, SD = 0.769), Perceived Organizational support POS (Mean = 3.88, SD =1.152) and Employee Engagement EE (Mean = 2.056, SD = 0.551). The mean scores ranged between **2.06** and **3.88** and the standard deviations were in the range of **0.551** and **1.152**. Since the standard deviations were small compared with mean scores, this suggests that the computed averages represent the observed data. Put differently, the calculated means are a good replica of the real population (Field, 2006).

4.5 Pearson's Correlation Analysis

Correlation is an analysis that measures the strengths of association between two variables. The value of the correlation coefficient varies between +1 and -1. When the value of the correlation coefficient lies around ± 1 , then it is said to be a perfect degree of association between the two variables. The more the correlation coefficient value goes towards 0, the relationship between the two variables becomes weaker (Cohen& West, 2003).

The below 4.8 table demonstrates that the correlation analysis generated for all the variables to define correlation coefficients with a two tailed significance test. The identified independent variables contributing to employee engagement are Job Characteristics (JC), Reward (REW),Organizational Justice (OJ), Perceived Organizational support (POS).The dependent variable here is Employee Engagement (EE).

Table 4.9 Correlation analysis between the study variables

. pwcorr ENG JC REW OJ POS, sig obs						
	ENG	JC	REW	OJ	POS	
ENG	1.0000					
	318					
JC	0.6247	1.0000				
	0.0000					
	318	318				
REW	0.6917	0.7954	1.0000			
	0.0000	0.0000				
	318	318	318			
OJ	0.2991	0.6268	0.5192	1.0000		
	0.0000	0.0000	0.0000			
	318	318	318	318		
POS	0.2680	0.7116	0.6787	0.8242	1.0000	
	0.0000	0.0000	0.0000	0.0000		
	318	318	318	318	318	

Source: Stata correlation output

Job Characteristics provides a set of implementing principles for enriching job in organizational settings. Encourages employees to make a commitment and wanting to give more than is required or expected through empowerment, flexibility innovation and clear goals. According to table 4.8 the correlation coefficient value $r = 0.647$, indicates a positive and significant relationship with Employee Engagement.

Reward and Recognition is an important contribution to the success of business initiatives like quality improvement, product development or customer service. It is job related activates such as award for completing an important project under predetermined schedule. Likewise, according to table above the correlation coefficient value $r = 0.6917$, indicates a positive relationship with Employee Engagement.

Organizational Justice is an important variable that plays major role in improving the employee performance and engagement. Because different studies have shown, if employees are not treated fairly it result in reduced output from the employees as a natural response to the unfair treatment. As indicated on the above table the correlation coefficient value shows ($r = 0.2991$) a positive relation with Employee Engagement.

Perceived organizational Support is the degree to which employees believe that their organization values, their contributions and cares about their well-being and fulfill socio emotional needs. As per the above table the correlation coefficient value $r = 0.2680$, indicates a positive relationship with employee engagement.

Thus, all the previously discussed factors correlate suitably, representing positive relationship with employee engagement with correlation coefficients.

4.6 ANOVA and Goodness of Fit

In this section, in examining the challenges that could affect employment engagement in Commercial Bank of Ethiopia WAD, the study used a regression analysis to test the effect of the six independent (explanatory) variables on the dependent (explained) variable i.e. the employment engagement. Thus, in this part of study, the researcher used multiple regression analysis to examine whether one or more independent variables influence the variation of the dependent variable. To show how well the model containing those of six explanatory variables actually explains the variations in the dependent variable, i.e. the variable of employment engagement, it is necessary to test it through the goodness of fit statistic

Table4.10Anova and goodness of fit

Source	SS	df	MS	Number of obs = 318
Model	61.7813922	4	15.4453481	F(4, 313) = 139.46
Residual	34.6653452	313	.110751902	Prob > F = 0.0000
Total	96.4467374	317	.304248383	R-squared = 0.6406
				Adj R-squared = 0.6360
				Root MSE = .33279

Source: Stata Regressionoutput

At the upper left of the above table regress reports an analysis-of-variance (ANOVA) table. The column headings SS, df, and MS stand for “sum of squares”, “degrees of freedom”, and “mean square”, respectively. The total sum of squares is 96.44 of which 61.78 accounted by the model and the remaining 34.66 left for unexplained. Because the regression included a constant, the total sum reflects the sum after removal of means, as does the sum of squares due to the model.

The table also reveals that there are 317 total degrees of freedom (counted as 318 observations less 1 for the mean removal), of which 4 are consumed by the model, leaving 313 for the residual.

The F statistic associated with the ANOVA table is 139 .46. The statistic has 4 numerator and 313 denominator degrees of freedom. The F statistic tests the hypothesis that all coefficients excluding the constant are zero. The chance of observing an F statistic that large or larger is reported as 0.0000, which indicates all independent variables are jointly potent to explain the dependent variable. In other word the model used for the study is significantly good enough in explaining the variation in the dependent variable.

R-squared is measured the goodness of fit of the explanatory variables in explaining the variation in the employment Engagement. As clearly shown in the above table R-squared is 0.6406, and the R-squared adjusted for degrees of freedom is 0.6360. Therefore: 63.65% of variation in employee engagement explained by job characteristics, reward & recognition, organizational justice and perceived organizational support. The remaining 36.35 % percent of variation in employee engagement was explained by other variables which are not included in the model. The root mean squared error located in the right bottom of the above table, labeled Root MSE is 0.33279. It is the square root of the mean squared error reported for the residual in the ANOVA table.

4.7. Multiple Regression Analysis

Multiple regression analyses were performed to evaluate the effect of each independent variable on employee engagement. Regression analysis is a statistical tool for the investigation of magnitudinal associations between variables (Faraway, 2002).

Here the technique used to test the model is OLS linear regression analysis. It is assumed that for conducting the examination of the performance of employee engagement, the key factors play an important role. The examination of employee engagement (EE) is considered the independent variables and job characteristics (JC), reward and recognition (REW), organizational Justice (OJ) and Perceived organizational support (POS) are considered as independent variable

Table4.11 Ordinary Least Square regression result

ENG	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
JC	.364009	.0585438	6.22	0.000	.2488199	.4791981
REW	.4242335	.0337522	12.57	0.000	.3578235	.4906434
OJ	.2068731	.0440238	4.70	0.000	.1202531	.2934931
POS	-.3581469	.0337525	-10.61	0.000	-.4245575	-.2917364
_cons	.2654018	.0964427	2.75	0.006	.0756439	.4551597

As can be seen from the above OLS regression result with the exception of perceived organizational support all included independent variable have positively and significantly affect employee engagement. However, perceived organizational support has negative and significant effect on employee engagement. The detail result revealed by this study on the relationship between each independent variable and employee engagement presented below.

A. Job characteristics and Employee engagement

The effect of job characteristics on employment engagement is positive and statically significant at 1 percent significant level. This shows that employees who are assigned in a position where the job is more comprehensive that require a variety of skills are more likely have greater engagement to their job than those who are assigned in a routine and simple task. This is to mean, as shown in the above OLS result, a one Percent increment in Job characteristics will enhance employee engagement by 0.36 percent remaining other things constant.

This finding in line with the finding of Kahn (1990) studies in this regard supported that Psychological meaningfulness can be achieved from task characteristics that provide challenging work, variety, allow the use of different skills, and the opportunity to make important contributions. Jobs that are high on the core job characteristics provide individuals with the room and incentive to bring more of themselves into their work or to be more engaged involves a sense of return on investments of the self-in-role performances.

The finding also consistence with Derara (2014), strengthen this finding by suggesting, employees who are assigned to better Job characteristics are more likely to reciprocate with

greater levels of engagement to their organization. This is to mean, while each jobs are designed if most or all of the five core job characteristics (i.e. Skill variety, task identity, task significance, autonomy, and feedback) are included in the content of the Job that will motivate employees to get engaged into their given responsibilities and contribute to the achievement of organizational goals.

B. Reward & Recognition and Employee engagement

The result revealed that the impact of reward and recognition on employee engagement is the highest of all other factors. The result indicated that the coefficient of reward and recognition is positive and statistically significant at 1 percent significant level. This confirms that employee engagement of Commercial Bank of Ethiopia has been greatly affected by reward and recognition. This is to mean that, as indicated in the estimation above, a one percent increase in reward and recognition will enhance employee engagement by 0.42% remaining other thing constant.

This result directs that the employees who gain better Reward and recognition are more likely to reciprocate with greater levels of engagement to their organization. This finding consistence with Ola (2011) who found that a lack of recognitions or rewards can lead to burnout, therefore proper recognitions or rewards is very important for engaged employee. In addition the finding also in line with Derara (2014) found that, when employees receive rewards and recognition from their organization, they will feel obliged to respond to higher levels of engagement.

The implication from this finding the researcher can conclude that when employees are rarely recognized for a job well done, or when recognition is given inappropriately, engagement will suffer.

C. Organization Justice and Employee engagement

The result revealed that the effect of organizational justice on employment engagement is positive and statically significant at 1 percent significant level. This confirms that employee engagement of Commercial Bank of Ethiopia has been affected by organizational support. As shown in the above table a one percent increases in organizational support leads to increase

employee engagement by 0.21 percent. The results of the regression suggest that employees who better perception of organization justice are more likely to reciprocate with greater levels of engagement to their organization.

The implication from the findings in this study was that when employees have high perceptions of justice in their organization, they are more likely to feel obliged to also be fair in how they perform their roles by giving more of themselves through greater levels of engagement. On the other hand, low perceptions of fairness are likely to cause employees to withdraw and disengage themselves from their work roles. This finding is in line with Saks (2006) who found that lack of fairness can aggravate burnout and while positive perceptions of fairness can improve engagement.

D. Perceived Organizational Support and Employee engagement

The result showed that the impact of perceived organizational support on employee engagement is negative and statistically significant at one percent significant level. The result revealed that a one percent increase in perceived organizational support leads to decrease employee engagement by 0.36 percent. This implies that employees Perception on organizational support in CBE might be very low which leads to negatively affect employee engagement. This finding also suggests that employees who primarily perceived low organizational support are more likely to respond with low levels of engagement to their organization. This is to mean that when employees believe that their organization is not concerned about them and doesn't care about their well-being, they are not likely to respond to full fill their obligations to the organization and become less engaged.

4.8. Post Estimation / Diagnostic / Tests

4.8.1 Test for Heteroscedasticity

Heteroscedasticity means that error terms do not have a constant variance. If heteroscedasticity occur, the estimators of the ordinary least square method are inefficient.

H₀: There is no heteroscedasticity problem

H₁: There is heteroscedasticity problem

$\alpha = 0.05$

Decision Rule: Reject H0 if P value is less than significant level 0.05. Otherwise, do not reject H0

```
. hettest  
  
Breusch-Pagan / Cook-Weisberg test for heteroskedasticity  
Ho: Constant variance  
Variables: fitted values of EE  
  
chi2(1)      =    0.31  
Prob > chi2   =    0.5762
```

As shown above Brush-pagan stata result no evidence for the presence of heteroscedasticity problem, since the p-values is 0.5762 which is in excess of 0.05, so we cannot reject the null hypothesis.

4.8.2 Test for Multicollinearity

There is no one unique method of detecting multicollinearity or measuring its strength, among several indicators, variance inflation factor (VIF) is used for this particular study. When the co linearity of the variable with the other regressors increases, VIF also increases and in the limit it can be infinite. Some authors therefore use the VIF as an indicator of multicollinearity though they are not free of criticism. The larger the value of VIF, the more “troublesome” or collinear in the variable will be. As a rule of thumb, if the VIF of a variable exceeds 10, which will happen if R² exceeds 0.90, that variable is said to be highly collinear.

```
. vif
```

Variable	VIF	1/VIF
POS	4.33	0.230916
JC	3.33	0.299871
OJ	3.28	0.304771
REW	3.05	0.327943
Mean VIF	3.50	

From the above Stata result we can infer that all the independent variables included in the study are free from multicollinearity problem because the VIF of each variable is less than 10.

4.8.3 Test for Normality

The other important diagnostic test conducted in this paper is the normality assumption (that means the error terms are normally distributed between its mean and variance).

```
. swilk r
```

Shapiro-Wilk W test for normal data

Variable	Obs	W	V	z	Prob>z
r	96	0.98083	1.530	0.941	0.17327

The Stata result of Shapiro - Wilk W test statistic is not significant. The null hypothesis is that the distribution of the residuals is normal, here the p - value is 0.173275 we failed to reject the null (at 95%). We conclude that residuals are normally distributed between the mean and its variance in the study. In other words there is no the problem of normality in the model.

4.8.4 Model Specification Test

Error of model specification occurs when omitting a relevant independent variable and/or including unnecessary variable and/or choosing the wrong functional form. When the omitted variable is correlated with the variable which included, the estimators will be biased and inconsistent and model specification error will tends to occur. If the omitted variable is not correlated with the included variable, the estimators are unbiased and consistent and model specification error will not occur. Therefore, in order to select a correct estimated model, the researcher had carry out the Ramsey-RESET Test to check on the model specification. The hypothesis for the model specification test was formulated as follow;

H0: The model specification is correct.

H1: The model specification is incorrect.

$\alpha = 0.05$

Decision Rule: Reject H0 if P value is less than significant level 0.05. Otherwise, do not reject H0.

```
. ovtest
```

Ramsey RESET test using powers of the fitted values of ROA

Ho: model has no omitted variables

F(3, 84) = 0.50

Prob > F = 0.6806

From the above Stata output, it can be infer that the researcher do not reject null hypothesis (H0), since the p-value is 0.6806 which is greater than significance level of 0.05. Thus, it can be concluded that the model specification is correct for the study.

4.8.5 Test for Autocorrelation

In this study, BreuschGodfrey Serial Correlation LM Test is used to carry out the autocorrelation test. The pvalue is obtained to examine whether the autocorrelation problem occurs in the model. If the p-value is more than 5% significant level, it implies that there is no autocorrelation problem in the model.

The hypothesis for the model specification test was formulated as follow;

H0: There is no autocorrelation problem.

H1: There is autocorrelation problem.

$\alpha = 0.05$

Decision Rule: Reject H0 if P value is less than significant level 0.05. Otherwise, do not reject H0.

```
. estat bgodfrey
```

Breusch-Godfrey LM test for autocorrelation

lags(ρ)	chi2	df	Prob > chi2
1	1.196	1	0.2741

H0: no serial correlation

From the above Stata output, it can be concluded that this research do not reject null hypothesis (H_0), since the p value is 0.2741, which is greater than significance level of 0.05. Thus, it can be concluded that the model does not have of autocorrelation problem.

CHAPTER FIVE: FINDINGS, CONCLUSION AND RECOMMENDATION

6.1 Major Findings

This study has empirically assessed factors affecting employee engagement in CBE West Addis Ababa District using the data collected from 318 sampled respondents. The collection of data was through a structured questionnaire completed from different employee's positions that have been obtained from 4 types of branch grade.

To investigate factors affecting employee engagement this study performed OLS multiple regression. The study result showed that all variables have significantly affect employee engagement at one percent significant level specifically with the exception of Perceived Organizational Support all included variables i.e Job Characteristics, Reward & Recognition and Organizational Justice are found to be positively affect employee engagement.

The following findings are drawn from the analysis.

- Job characteristics (JC) have positive and significant effect on the employee engagement of commercial bank of Ethiopia at one percent significant level with a moderate coefficient in related to other variables. Such result may indicate banks that increase job characteristics type can obtained the higher engagement of the employee.
- The coefficient of the variable Reward & Recognition (REW) was the highest positive and significant relationship with employee engagement at one percent significant level. commercial bank of Ethiopia able to create highly engaged employee as a result of increasing reward & recognition
- The result of Organizational Justice (OJ) revealed a positive coefficient and significant effect on employee engagement at one percent level of significance. This suggests that organizational justice is the one that contribute for the creation of engaged employee.
- The final variable Perceived Organizational Support (POS) have negative and significant relation with employee engagement at one percent significant level. This suggests that commercial bank of Ethiopia need to change the attitude of its employs towards the organization.

6.2 Conclusion

Hence, the following are the conclusion that has been made based on the major findings.

- A reward and recognition is more than a way to show staff what good looks like – it's also the shaping of a culture where people are thanked and respected for their contributions, and begin to associate achievement with satisfaction. This, and the emotional connection, is paramount in improving employee engagement. In addition create opportunities for management-employee relationships to be improved, inspire success and make reward available anywhere at any time is very important to employee engagement.
- Employees who are assigned in a position where the job is more comprehensive and challenging, which require a variety of skills were more likely have greater engagement to their job than those who are assigned to a simple and routine task.
- The study revealed that when employees have high perceptions of justice in their organization, they are more likely to feel obliged to also be fair in how they perform their roles by giving more of themselves through greater levels of engagement. On the other hand, low perceptions of fairness are likely to cause employees to withdraw and disengage themselves from their work roles.

6.3 Recommendation

Engagement building is a never ending process which lays its foundation for a meaningful and emotionally enriching work experience. It is more than making people happy and paying them more money. It is more important than pay and benefits are in attracting and retaining people. The employee engagement level of the organization under study was found to be low which indicates that the organization is unable to create an enriching work experience for their employees.

Based on the major findings of the research the following recommendations are suggested:

- The Management of the bank is recommended to assess and the content of each jobs regularly and make them more comprehensive and challenging that require the skills of

the employees. The bank need to foster a culture of learning and development that extends development opportunities from instructor led sessions to mentoring, coaching, job transfers, self-learning on the job, e-learning and innovation which can simultaneously challenge, support and enable employees to harness their potential for own career progression.

- The Bank should create safe working environments that facilitate openness and supportiveness. Thus, the bank should focus on employees' perception for the support they get from their organization. Which means a shift in the mind set of employees from managers being responsible for their career progression to defining own career progression through self-learning. Though creativity and courage may be required to engage and motivate employees emotionally to operate at their limits, this bold step can help employees develop their learning agility and proactively create the solutions needed for the future which can result in positive and significant impact on employee engagement.
- The management of the bank is strongly advised to give appropriate recognition and reward to its employees. In addition, managers and leaders can take pride in knowing that they have helped others develop and grow. Similarly, it is recommended to strengthen communications by creating an internal communication function within Human Resources Department. This is to ensure clear and consistent information is communicated to employees across the company through a common channel that encourage employee engagement by keeping the workforce energized, focused and productive which is critical to long-term organizational success.

References

- Anol, B. (2012). *Social Science Research: Principles, Methods, and Practices*. USA: University of South Florida.
- Anthony G, (2003) *sampling techniques*, third edition, Wiley, New York
- Bakker A.B. and Schaufeli W. B., (2008). 'Positive organizational behavior: Engaged employees in flourishing organizations', *Journal of Organizational Behavior* 29, 147– 154.
- Bríd (2015). *An examination of the key drivers influencing employee engagement in a declining outsourcing company in Dublin*
- CBE (2018). *The banking service procedure of Commercial Bank of Ethiopia*.
- Coffman, C., & Gonzalez-Molina, G. (2002). *Follow this path. How the world's greatest organizations drive growth by unleashing human potential*. Warner Books.
- Corace, C.J. (2007). Engagement: enrolling the quiet majority. *Organization Development Journal*, 25, 171-176. Retrieved 15 December, 2013, from <http://www.employment-studies.co.uk/main/index.php>.
- Creswell J. W (2009), *Research design: Qualitative and quantitative approaches*, 3rd ed, Sage Publications, London UK
- Derara T, (2014) *Determinants of employee engagement in Commercial bank Ethiopia of Thesis*, Addis Ababa University, Ethiopia
- Field, S. (2006). *Keys to Employee Satisfaction: What You Can Do to Increase Employee Satisfaction*
- Gallup (2013) *new 142-country study on the State of the Global Workplace*. By Steve Crabtree, Washington, D.C.
- Gallup Organization (2012). "Employee Engagement: A Leading Indicator of Financial Performance." Retrieved October 22, 2013. <http://www.gallup.com/consulting/employee-engagement.aspx>
- Ghauri, P., and Kjell, G. (2005). *Research Method in Business Studies*. Harlow: Pearson Education Limited.
- Gonzalez-Roma, V., Schaufeli, W.B., Bakker, A.B., Lloret, S. (2006). "Burnout and work engagement: independent factors or opposite poles?" *Journal of Vocational Behavior*, 68, 165-74.

- Janz, B. & Prasarnphanich, P. 2003. "Understanding the Antecedents of Effective Knowledge Management: The Importance of a Knowledge-Centered Culture," *Decision Sciences* (34:2), pp. 351-384.
- Judge, T., Bono, J. & Locke, E. (2001). Personality and job satisfaction: The mediating role of job characteristics. *Journal of Applied Psychology*, 85, 237–249
- Kahn, W.A. (1990). "Psychological conditions of personal engagement and disengagement at work", *Academy of Management Journal*, 33, 692-724.
- Kim, H.J., Shin, K.H. & Swanger, N. (2008). Burnout and engagement: a comparative analysis using the Big Five personality dimensions. Article in Press.
- Kumar (2011), Employee Engagement: A Driver of Organizational effectiveness.
- Leary, M.R. (2004). Introduction to Behavioral Research Methods. USA: Pearson Education, Inc
- Maha A. Z. Dajani (2015) "The Impact of Employee Engagement on Job Performance and Organizational Commitment in the Egyptian Banking Sector." *Journal of Business and Management Sciences*, vol. 3, no. 5 (2015): 138-147.
- Maslach, C., Shaufeli, W.B. & Leiter, M.P. (2001). Job burnout. *Annual Review of Psychology*, 52, 397-422. Retrieved 15 December, 2013, from <http://www.employmentstudies.co.uk/main/index>
- May, D., Gilson, R. & Harter, L. (2004). The psychological conditions of meaningfulness, safety and availability and the engagement of the human spirit at work. *Journal of Occupational and Organizational Psychology*, 77, 11-37.
- Mokaya & Kipyegon (2014). Determinants of Employee Engagement in the Banking Industry in Kenya; Case of Cooperative Bank. *Journal of Human Resources Management and Labor Studies* Vol. 2, No. 2, pp. 187-200
- Reid, S. (1987). Working with statistics: An introduction to quantitative methods for social scientists. London: Polity.
- Rhoades, L. and Eisenberger, R. (2002), "Perceived organizational support: a review of the literature", *Journal of Applied Psychology*, Vol. 87, pp. 698-714.
- Robinson, D., Perryman, S. & Hayday, S. (2004). The drivers of employee engagement. IES Report 408. Retrieved 15 December, 2013, from <http://www.employmentstudies.co.uk/main/index.php>

- Rothbard, N.P. (2001). Enriching or depleting? The dynamics of engagement in work and family roles. *Administrative Science Quarterly*, 46, 655-684.
- Saks, A. M. (2006). Antecedents and consequences of employee engagement. *Journal of Managerial Psychology*, 21(7), 600-619.
- SandeepKular, Mark Gatenby, Chris Rees, Emma Soane, Katie Truss (October 2008).Employee Engagement: A Literature Review, Kingston University Working Paper Series No 19
- Saunders, M., Lewis, P. and Thornhill, A. (2007).Research method for Business students. England: Pearson Education Ltd.
- Schwartz, R.H., Tiamiyu, M. F., & Dwyer, D.J. (2007).Social worker hope and perceived burnout: The effects of age, years in practice, and setting. *Administration in Social Work*, 31(4), 103119.
- RetrievedNovember30,2013,fromhttp://www.surveymonkey.com/Home_Reasons.aspx
- Sekaran, U. (2001). Research methods for business: A skills building approach. New York: John Wiley and Sons, Inc.
- Siddiqi, K. (2011). Interrelations between Service Quality Attributes, Customer Satisfaction and Customer Loyalty. *The International Journal of Business and Management*, 6(3).

Appendix

Appendix 1 :Research Questionnaire

Addis Ababa University
College of Business and Economics
MPMP Program

Name of student: MekdesTeka

Address: email, mekdesteka@cbe.com.et

Dear respondents: This questionnaire is prepared for research purpose entitled “Factors affecting employee engagement in CBE West Addis Ababa District”. The expected respondents of this questionnaire will be Professional Staff of those from randomly selected branches in West Addis Ababa District who are junior and senior staff. The respondents will be expected to give accurate data to make proper analysis. The data will be kept confidentially and it will be used for study purpose. I would like to thank in advance for your honest cooperation.

Section 1: Demographic data

Gender

Female Male

1) What is your age category?

Below 20 years

21-30 years

31-40 years

Above 40 years

2) What is your monthly remuneration?

Below 10000

10000-20000

20000-40000

40000-70000

Above 70000

3) what is your highest academic ?

Certificate

Higher diploma degree

Masters

Or above

4) How long you worked for the organization

0-5 years

5-10 years

10-15 years

Over 15 years

5) What is your position in the organization?

Management

Non-management

Section 2: Employee Engagement

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1 I really “throw” myself into my job.					
2 Time passes quickly when I perform my job					
3 I stay until the job is done					
4 I get excited when I perform well on my job					
5 Being a member of this organization is verycaptivating.					
6 One of the most exciting things for me is getting involved with things happening in this organization.					
7Being a member of this organization make me come “alive.”					
8 I am highly engaged in this organization.					

Section 3: Factors affecting Employee engagement

Job characteristics

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1 There is much autonomy in my job					
2 My job permit me to decide on my way how to goabout doing the work					
3 There is much variety in my job.					
4 The job requires me to do many different things at work, using a variety of my skills and talents.					
5 Managers or co-workers let me know how well I am doing on my job.					
6Doing the job itself provide me with information about my work performance.					
7 The actual work itself provides clues about how well I am doing – aside from any “feedback” coworkers or supervisors may provide.					

Rewards and Recognition

statement	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1A pay raise, Job security, and a promotion available for me					
2 I get Praise from my supervisor.					
3 Training and development opportunities available for me.					
4 More challenging work assignments available for me.					
5 There is some form of public recognition (e.g. employee of the month).					
6There is a reward or token of appreciation (e.g. lunch)..					

Organization justice

statement	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1The outcomes I receive appropriate for the work I have completed.					
2 My outcomes reflect what I have contributed to the organization					
3 I have been able to express my views and feelings during those procedures.					
4 I have had influence over the outcomes arrived at by those procedures.					
5 Those procedures have been applied consistently.					
6Those procedures have been free of bias.					
7 I Have been able to appeal the outcomes arrived at by those procedures.					
8 Those procedures have upheld ethical and moral standards					

Perceived organizational support

statement	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1 My organization is supportive of my goals and values.					
2 Help is available from my organization when I have a problem.					
3 My organization really cares about my well- being.					
4 My organization shows great concern for me.					
5 My organization cares about my opinions.					

Appendix 2 OLS Regression

```
. reg ENG JC REW OJ POS
```

Source	SS	df	MS	Number of obs = 318
Model	61.7813922	4	15.4453481	F(4, 313) = 139.46
Residual	34.6653452	313	.110751902	Prob > F = 0.0000
Total	96.4467374	317	.304248383	R-squared = 0.6406
				Adj R-squared = 0.6360
				Root MSE = .33279

ENG	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
JC	.364009	.0585438	6.22	0.000	.2488199	.4791981
REW	.4242335	.0337522	12.57	0.000	.3578235	.4906434
OJ	.2068731	.0440238	4.70	0.000	.1202531	.2934931
POS	-.3581469	.0337525	-10.61	0.000	-.4245575	-.2917364
_cons	.2654018	.0964427	2.75	0.006	.0756439	.4551597