



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

**EFFECT OF INTRINSIC MOTIVATIONAL FACTORS ON EMPLOYEES'  
ENGAGEMENT  
(The case of Commercial Bank of Ethiopia)**

**By  
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For Partial Fulfillment of the Requirements For Master s of Arts Degree in Human  
Resource Management

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**MA PROGRAM**  
**EFFECT OF INTRINSIC MOTIVATIONAL FACTORS ON EMPLOYEE**  
**ENGAGEMENT**

**(The case of commercial bank of Ethiopia)**

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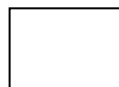
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## **DECLARATION**

I hereby declare that the thesis entitled, “The Effect of Intrinsic Motivational factors on Employees Engagement: The Case of Commercial Bank of Ethiopia is my own work towards the fulfillment of Master in Human Resource Management and that, to the best of my knowledge, it has not been submitted for post graduate program in this or other universities. However, references from the work of others have been clearly stated and acknowledged. The work was done under the guidance of Atsede Tsefaye (PhD), Addis Ababa University, college of Business and Economics.

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## Abstract

*The concept of intrinsic work motivation and employee engagement is a popular term for today's business and management research. Moreover, intrinsic motivational factors are often considered a useful tool for employee engagement. The purpose of this study is to examine the effects of intrinsic motivational factors on employee engagement in Commercial Bank of Ethiopia. A sample of 335 respondents was drawn from the employees of the Commercial Bank of Ethiopia by using survey software. A structured questionnaire was distributed to the selected respondents. The response rate from the intended sample was 90 percent. Explanatory method is used to conduct the research. Regression analysis was run using SPSS Version 20.0. Quantitative data was used to analyze the data which was collected for the study. The finding of this study shows that from the four factors of intrinsic motivation; namely, Interesting work, Job appreciation and Job autonomy have a positive and significant relationship on Employee engagement and the work achievement negatively affect the employee engagement t. These findings are beneficial for Commercial Bank of Ethiopia to engage their employees. Finally, the researcher suggests that the Commercial Bank of Ethiopia focuses on intrinsic motivational factors to motivate and engage employees better and to achieve the desire objectives.*

**Key Words:** Employee Engagement, Interesting work, Work achievement, Job appreciation, and Job autonomy

# CHAPTER ONE

## 1.1 Background of the Study

Today's business requires becoming more efficient and effective to increase productivity. To meet this requirement, business organizations are highlighting on the importance of intangible assets particularly an engaged human capital. An engaged work force is a unique source to build a sustainable competitive advantage and to fulfill organizations vision. Thus, having an Engaged human resource is deemed to be the most important source of competitive advantage to win in the market. Organizational productivity depends upon employee happiness or wellbeing. When wellbeing is positive, it would have a positive impact on employee engagement that enable employee to perform according to organizational standards and objectives (Xanthopoulou *et al.* 2009).

Organizations are trying to improve their performance in order to place their company ahead of their competitors. At some point, it was considered that satisfied employees who are content with their work experience were a good formula for organizational success. Satisfied employees stay long with a company and contribute to workforce stability and productivity (Sanchez & McCauley, 2006). However, nowadays, in a global and competitive business environment, the mere condition of satisfied and stable employees is not enough to bring necessary improvement in organizational performance. Satisfied employees may just meet the work demands, but this will not lead to higher performance mandatory for a global scale (Abrham, 2012). Motivation is very important for employees to become more engaged to contribute to improvement of organizational performance.

A study of motivation was pioneered many years ago by several well-known scholars, including Pavlov, Watson, and Skinner (1997) and Lepper (1997). Since then, the topic has received a great deal of attention from scholars in different fields of study in attempts to further explore and establish new theories of motivation. Based on many established motivation theories, extrinsic and intrinsic motivations are acknowledged as the fundamental tenets of motivation theory (Sansone and Harackiewicz, 2000, as cited in Bateman and Crant, 2003; Ryan and Deci, 2000). Intrinsic motivation occurs when intrinsic motivation comes from within an individual.

Individuals who are intrinsically motivated at work tend to have higher job satisfaction and higher job performance because they feel their job is interesting, challenging, and meaningful (Amabile et al., 1994; Herzberg, 1968) while extrinsic motivation happens from factors outside an individual that lead to a specific outcome (Ryan and Deci, 2000).

Early studies of motivation showed that extrinsic motivation such as monetary rewards was more effective in motivating employees and more powerful in controlling behavior than intrinsic motivation (Mickel and Barron, 2008). Studies in the hospitality industry have also claimed that tangible rewards like monetary incentives or increases in wages can effectively motivate employees (Lam et al., 2001; Smith et al., 1996). However, more current studies have revealed a shift from extrinsic motivation to intrinsic motivation (Benabou and Tirole, 2003; Gagne' and Deci, 2005; Pink, 2009; Ryan and Deci, 2000). Recent studies have found that employees would most value a job that has aspects that are important and meaningful to them rather than job promotions, income, and job security (Grant, 2007).

Pink (2009) confirmed the results and claimed that some individuals were more creative and motivated when they believed they were doing meaningful work (purpose), in charge of their work (autonomy), and getting better and better at their work (mastery). Furthermore, recent studies in the hospitality industry have also indicated that intrinsic motivations such as the nature of the work or feelings of accomplishment were key drivers for hospitality employees (Chuang et al., 2009). In addition, Van Beek et al.s (2012) recent study of 760 Chinese nurses and physicians asserted that intrinsic motivation was positively associated with work engagement.

Van Beek et al. (2012) further explained that motivation from within had helped individuals achieve higher levels of energy, dedication, and absorption at work. However, their study also found a positive relationship between work engagement and extrinsic motivation. The study indicated that intrinsically motivated employees have higher levels of work engagement when extrinsic factors are involved.

It is understandable from the above discussion that intrinsic motivation and employee engagement are the important aspects of organizational success. This point has been proven in the case of the studies conducted in the hospitality industry. An important question to ask at this juncture is: can the case of intrinsic motivation and employee engagement in the hospitality industry be confirmed by extending it to business organizations like a bank? Taking such a bank

to be Commercial Bank of Ethiopia, do the results of the studies regarding the effects of intrinsic motivation and employee engagement hold true? Commercial Bank of Ethiopia (CBE) plays a vital role for overall development of country's economy. It is possible to consider CBE as the case to which we extend the above discussions from the context of the hospitality industry. Thus this research undertakes to see the effect of intrinsic motivational factors on employee engagement in context of CBE.

## **1.2 Background of the Organization**

Commercial Bank of Ethiopia (CBE), established in 1940, is the leading and pioneer commercial bank in Ethiopia. It is the first to introduce modern banking in the country. It has 1444 branch offices stretched across the whole country and out of which 249 branch offices located in Addis Ababa city as of June 30, 2019. Beside it has opened two branches in South Sudan and has been in the business since June 2009. It is the leading African bank with assets of 712 billion Birr as on June 30 2019([www.combanketh.com.et](http://www.combanketh.com.et)).

CBE plays a major role in the economic progress and development of the country. Moreover, it is the first bank in Ethiopia to introduce ATM service for local users and Pioneer to introduce Western Union Money Transfer Services in Ethiopia early 1990s and currently working with other 20 money transfer agents. Furthermore, it has strong correspondent relationship with more than 50 renowned foreign banks and a SWIFT bilateral arrangement with more than 700 others banks across the world. ([www.combanketh.com.et](http://www.combanketh.com.et)) Moreover, CBE combines a wide capital base with more than 35000 employees and currently it has more than 30 million account holders. Its vision is to become a world-class commercial bank by the year 2025 and its mission is to be committed to best realize stakeholders' needs through enhanced financial intermediation globally and supporting national development priorities, by deploying highly motivated, skilled and disciplined employees as well as state-of-the-art technology.

However, CBE ignores to conduct the research on the areas of intrinsic work motivation and engagement. Intrinsic motivation helps employees of commercial bank of Ethiopia to engage in their work. For example, when a worker recognizes that her/his job role is significant, employee will spend more time in understanding the organizational challenges and searching a creative solution. Therefore, CBE needs highly motivated and engaged employees in order to meet its

vision and enhance its human as well as financial asset and also top management must be aware and get deeply involved to increase level of employee engagement.

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

Motivation at work has grown to become one of the central issues that organizations and managers worldwide are facing (Amabile,1993). Research has shown that the quality of performance can be different when an employee is intrinsically motivated and when an employee is extrinsically motivated (Ryan & Deci 2000).

Beyond motivation, to achieve success in today's highly competitive environment, many Organizations have identified the need to engage their workforce. As organizations have realized this requirement, employee engagement has become an increasingly popular topic for researchers and practitioners in recent years (Saks, 2006; Christian, Garza, & Slaughter, 2011; Smith & Macko, 2014; Sinha & Trivedi, 2014).

Several research works indicated that organizational performances will come as a result of intensive employee engagement. Some authors go even further by claiming that employee satisfaction is not enough to build performance in organizations, as employees must be engaged. Engaged employees are not just satisfied with their work, they are emotionally committed to their work, their organization and its goals (Kruse 2012) .Studies show that highly engaged employees perform 20 percent better and 87 percent less likely to leave the organization, which indicates that employee engagement is linked to organizational performance (Lockwood 2007). Furthermore, organizations that are able to maintain high levels of employee engagement command a source of competitive advantage and difficult for competitors to replicate it (Hewitt, 2012; Lockwood, 2007).

Achieving high levels of employee engagement, however, seems challenging for organizations. Studies show that globally 42 percent of employees are considered somewhat or completely disengaged (Hewitt 2012). This shows that organizations should support in improving their employee engagement level, which makes it an interesting area to investigate further.

Although employee engagement is an important component to employee and organization performance, to the best of researcher's knowledge, only limited empirical research has been conducted on the subject matter in relation to Commercial Bank of Ethiopia. In this regard, there was a survey conducted in collaboration with Frankfurt School of Finance and Management Consulting Team to measure bank wide employee engagement level in January and February 2013. The finding of this survey was based on respondents only from head office and district level employees, which did not fully represent employees of CBE. The results indicated that engagement level varies among process and district levels, and it was also concluded that contributing factors to employee engagement are employee commitment, focus quality, work expectation and compensation and benefits.

Head office and district level employees are, indeed, important to consider. However, the roles they play as compared to the general employee of CBE are only partial. Employees of CBE other than those in the head office and district level play the major roles and make significant contributions to the organization in order to be competent with the domestic as well as foreign banks. In particular, intrinsically motivated employees would influence the efficiency of the organization and could lead to achieving the organization's vision and goals (Hussin, 2011). Employees get intrinsic reward directly from job they perform, job satisfaction, interesting work, job appreciation or the sense they help a client. Intrinsically motivated workers engage in their works because of their own interest and enjoy the job due to search for new solutions for business challenges. They are also more likely to burn up energy to identify problems and find innovative solutions (Cooper & Jayatilaka 2010).

Thus, Commercial Bank of Ethiopia needs to take up and implement intrinsic motivational factors related research and models that accommodate all levels of its employees. Though the bank has big economic welfare mechanism in Ethiopia's financial institutions, empirical findings related to the effect of intrinsic motivational factors on employees' engagement are seriously lacking.

Therefore, the above issue has initiated the researcher to conduct such a study and to fill the knowledge gap by examining the effect of intrinsic motivation on employees' engagement at Commercial Bank of Ethiopia based on the four factors or variables, namely, interesting working environment, job appreciation, work achievement and job autonomy.

## **1.4 Research Questions**

This study attempts to address the following basic research questions:

1. What is the level of employee engagement in CBE?
2. What are the intrinsic motivational factors that have effect on employee engagement?
3. Is there an empirically identifiable relationship between intrinsic motivational factors and employee engagement?

## **1.5 Research Objectives**

### **1.5.1 General Objective**

The general objective of the study is to investigate the effect of intrinsic motivational factor on employee engagement.

### **1.5.2 Specific Objectives**

The specific objectives are:

- To identify intrinsic (as opposed to that of extrinsic) motivational factors in CBE
- To investigate which intrinsic motivational factors have effect on employee engagement in CBE.
- To determine the level of employee engagement in CBE as a direct result of intrinsic motivational factors.

## **1.6 Research Hypotheses**

The following research hypotheses are formulated for the purpose of the study based on the conceptual frame work.

H1: Interesting work environment is positively related to employee engagement.

H2: Work achievement is positively related to employee engagement

H3: Job appreciation is positively related to employee engagement.

H4: Job autonomy is positively related to employee engagement.

Interesting work plays a role in employee engagement. It is Organizational inspiration towards interesting job, encouraging employees towards performance of job. When employee get interesting working environment that would lead to job engagement means to display their selves in working role they are performing.

Work achievement is a thing that an employee has done successfully, especially using their own effort and skill. It defines as a performance outcome that indicates the extent to which a person has accomplished specific goals or a given task that were the focus of activities in the organization working place.

Job appreciation has a direct link with job engagement. It promotes development of trust between colleagues; they help each other's and maintain good relation for the benefits of organizational objectives. Organization can make success business operations through promoting job appreciation.

Job Autonomy refers to 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 Hackman & Oldham (1975).

## **1.7 Significance of the study**

The study is hoped to be highly significant for Commercial Bank of Ethiopia. As the researcher understands that the researches that have been conducted by Frankfurt School of Finance and Management on this topic are not enough. The topic remains in need of more and more empirical researches especially in Ethiopia and specifically for CBE.

The findings of the study may also have practical significance on how to best help CBE in developing best engaged human resource. Thus this study provides direction to the organization in order to work on this important area, that is, the relationship between intrinsic motivational factors and employee engagement. The organization may also benefit from this study in terms of useful information regarding intrinsic motivational factors and employee engagement which help

to formulate policies accordingly. Generally, the organization could use the findings of this study for better outcomes.

This research also helpful for others interested researchers on similar area of study to use as a reference and to investigate in depth.

## **1.8 Scope of the Study**

Different authors and researchers have proposed drivers of employee engagement, which include a wide range of factors such as employee communication, reward and recognition, job security and job responsibility (Kahn, 1990; May, Gilson & Harter, 2004; Saks, 2006). It is difficult to best conceptualize all the factors influencing employee engagement. Conceptually, however, this study is limited to intrinsic motivational factors by focusing only on four major factors, namely, interesting work, job appreciation, work achievement and job autonomy.

Concerning methodological scope, the study used quantitative research design. The Rationale behind using quantitative approach is because it is the most appropriate method to address the research questions.

Geographically, the study enclosed to CBE branches that exist in Addis Ababa area i.e. Head Office and four Districts it focus on north Addis Ababa districts because it is difficult to cover all areas and offices throughout the city, let alone the country. Moreover, non-clerical employees such as guards, drivers, janitors and messengers are excluded from the population because those positions are outsourced from the bank. On top of that, employees who have less than one year of experience aren't be included in the study since they are considered by the bank as trainees and they are not involved in the core activities of the bank. Thus, although the scope of the study is limited as indicated, the researcher assumes that the chosen sample represented the population based on the science of applying the findings on a proper set of sample to a given general population.

## **1.9 Definition of key terms**

**Employee Engagement:** It refers to the employees' willingness and ability to contribute to company success through putting extra time, brainpower and energy to their work (Perrin, 2003).

**Disengagement:** In disengagement, people withdraw and defend themselves physically, cognitively, or emotionally while performing their work roles (Kahn, 1990).

**Actively Disengaged:** Actively disengaged employees are not just unhappy at work; they are busy acting out their unhappiness (Global Workplace Report, 2013)

**Intrinsic Motivation:** Individuals are intrinsically motivated when they seek enjoyment, interest, satisfaction of curiosity, self-expression, or personal challenge in the work (Amabile, 1993).

## **1.10 Organization of the Study**

The study is designed to have five chapters. The first chapter deals with introduction; the second chapter focuses on theoretical and empirical literature review. The third chapter discusses research design and methodology which is followed by the fourth chapter that contains data analysis and interpretation. Finally, in chapter five, conclusions and recommendations are presented based on the results that were obtained.

# **CHAPTER TWO**

## **REVIEW OF RELATED LITERATURE**

### **2. 1 Theoretical Literature**

This section discusses theoretical literature associated with the study. It includes concepts of employee engagement, definition of employee engagement, employee engagement theories and models and categories of employee engagement.

#### **2.1.1 Concepts of Employee Engagement**

Employee engagement has become a widely used and popular term Robinson, Perryman & Hayday (2004). 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. Employee engagement is an ambiguous one, and a myriad of different definitions of employee engagement can be derived from current research and practice driven literature Macey & Schneider (2008). Macey and Schneider (2008) write that casual observation suggests that the organizational management interest in the concept of employee engagement can be attributed to the proposed improvements it can bring to organizational performance as has been suggested from the findings of many studies (Smith & Macko, 2014; Harter, Schmidt & Hayes, 2002; Paradise, 2008; Wellins, Bernthal & Phelps, 2005). For this reason, many of the given definitions are based around the contribution employee engagement makes to organizational performance, particularly those given by practitioners and HR consultancy firms as they tend to focus on these presumed positive consequences (Macey & Schneider, 2008; Shuck, 2011).

This focus on organizational performance has not only influenced the definitions that are given, but has also directed the focus of current research. Researchers and academics generally go beyond this performance driven definition of employee engagement, focusing on defining and validating the Fundamentally psychological concept of employee engagement Shuck (2011).

Kahn (1990) is commonly credited as being the first researcher applying engagement theory to the context of the workplace (Shuck, 2011; May *et al.*, 2004; Sinha & Trivedi, 2014) and many important contributions made to the employee engagement field has based their studies on his

work; including the multi-dimensional approach to employee engagement provided by Saks (2006) and the empirical testing of Kahn's model by May et al. (2004).

As Kahn (1990) was the one to conceptualize the term of employee engagement, and many researchers who incorporated the concept of employee engagement in their studies have utilized it.

### **2.1.2 Definition of Employee Engagement**

Employee engagement has been defined differently by different researchers as well as human resources practitioner and scholars. Each definition reflects the author's specific conceptualization of the construct.

In the academic literature, a number of definitions have been provided. Stockley (2007) defines engagement as the extent that employees believe in the mission, purpose, and values of an organization, and demonstrates that commitment through their actions employees and their attitude towards the employer and customers. Most often, it has been defined as emotional and intellectual commitment to the organization (Baumruk, 2004; Richman, 2006) or the amount of discretionary effort exhibited by employees in their jobs Frank, Finnegan & Tayler (2004).

According to Robinson (2004), engagement is the employee's positive attitude towards the organization and its value. Employee engagement means working with co-workers and being conscious of the business context to advance performance in the job for the advantage of the organization.

Gibson (2006) defines employee engagement as "a heightened emotional connection that an employee feels for his or her organization that influences him or her to exert greater discretionary effort to his or her work" (as cited by Khan, 2007). Gallup Consulting (2008) describes employee engagement as "the extent to which employees are psychologically connected to something or someone in the organization".

Kahn (1990) defines personal engagement as the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances. Therefore, according to definition, engagement is employee level of obligation and participation for organizational sake and its value. For this study the researcher's will use Kahn's definition of employee engagement.

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, cited in Saks, 2006) job engagement means worker should be psychologically available during performance of organizational role. Schaufeli, Marti´nez, Marque´s-Pinto, Salanova, and Bakker (2002) discussed employee engagement as a positive, fulfilling, work related state of mind that is characterized by vigor, enthusiasm and absorption. They further discussed that engagement is not a momentary and specific state, but it is more persistent and pervasive affective cognitive state that is not focused on any particular event, object, individual or attitude.

Rothbard (2001) also defined engagement as 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 ones focus on a role.” Burnout researchers define engagement as the opposite or positive antithesis of burnout Maslach, Schaufeli, & Leiter (2001). 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, Schaufeli, Bakker, and Loret (2006). Although the definition and meaning of engagement in the practitioner literature often overlaps with other constructs, in the academic literature it has been defined as a distinct and unique construct that consists of cognitive, emotional, and behavioral components that are associated with individual role performance.

### **2.1.3 Social Exchange Theories**

One of the most famous theories related to employee engagement is **Social exchange theory**. Social exchange theory (SET) has for a long time acted as one of the main theories for explaining and understanding the motivational basis behind behaviors in the workplace, connecting concepts of social psychology, sociology, and anthropology (Settoon, Bennett & Liden, 1996; Cropanzano & Mitchell, 2005; Slack, Corlett & Morris, 2014).

The theory provides a theoretical basis of why employees determine to become more engaged or less engaged in their work. According to Social Exchange Theories, responsibilities are created through various interactions of parties who are interdependent with each other. Basic principle of Social Exchange Theories is relationship develops overtime in to expectation, **Trustworthy** and mutual commitments as long as both parties accept some rules of exchange.

The rules of exchange involve mutually accepted rules so that the movements of one party would lead to reaction by the second party. Therefore, one way for employees to repay their organization is through their engagement level. That is, employees' engagement levels depend on the advantages they receive from the organization. Organizations should bring employees fully in to their job roles and allocate higher amount of physical, cognition and emotional resources. On the other hand, employees would exchange their engagement for benefits and resources given by organization.

Showing dedication to ones work in large amounts of cognitive, emotional, and physical resources is a perceptive way for employees to show their appreciation to their organizations services. Consequently, employees with higher level of engagement are likely to be in good quality relations with their organizations and would likely to report positive behavior and objectives towards employers. On the other hand, when employers become unsuccessful to provide these benefits or resources to workforce, they are more likely to disengage to their job roles.

The literature explained the importance of employee job engagement. Organizational productivity depends upon employee happiness or wellbeing. When wellbeing is positive and operational zed, it would have a positive impact on employee engagement that enable employee to perform according to organizational standards and objectives Xanthopoulou *et al.* (2009).

#### **2.1.4 Motivation**

Many years ago Pavlov, Watson, and Skinner (Lepper et al., 1997) are pioneers in the study of motivation. Since then, the topic has received a great deal of attention from scholars in different fields of study in attempts to further explore and establish new theories of motivation. Based on many established motivation theories, (Sansone and Harackiewicz, 2000, as cited in Bateman and Crant, 2003; Ryan and Deci, 2000).

Moreover, previous studies of motivation have shown that extrinsic motivation such as monetary rewards were more effective in motivating employees and more powerful in controlling human behavior than intrinsic motivation (Mickel and Barron, 2008). Studies in the hospitality and entertainment industries have also claimed that concrete rewards like monetary incentives or increases in salaries can effectively motivate employees (Lam et al., 2001; Smith et al., 1996).

Although more current studies have revealed a shift from extrinsic motivation to intrinsic motivation (Benabou and Tirole, 2003; Gagne' and Deci, 2005; Pink, 2009; Ryan and Deci, 2000) recent studies have found that employees would most value a job that identifies the individual themselves found to be important and meaningful to them rather than job promotions, income, and job security (Grant, 2007). Pink supported the results and claimed that some individuals were more creative and motivated when they believed they were doing meaningful work (purpose), in charge of their work (autonomy), and getting better and better at their work (mastery) (Pink, 2009). Furthermore, recent studies in the hospitality industry have also indicated that intrinsic motivations such as the nature of the work or feelings of accomplishment were key motivators for employees (Chuang et al., 2009).

As evidenced by previous studies, the effects of motivation on work engagement are not consistent or agreed upon. Therefore, further discussion of extrinsic and intrinsic motivation is needed, especially in the hospitality setting. The two vital concepts of motivation, extrinsic and intrinsic motivation, are explained in the following section to elaborate the relationship between motivation and work engagement.

#### **2.1.4.1 Extrinsic motivation**

Extrinsic motivation deals with derived motivation that comes outside of an individual that lead to a specific outcome (Ryan and Deci, 2000). A study conducted on children by Ross et al. (1976), for example found that contingent rewards such as candies make children engage more in a drawing

Many companies use such rewarding method to motivate employees achieve a desired outcome. The concept has been popularly applied to motivate employees and the results have indicated that extrinsic factors do motivate employees, especially when reinforcement like a reward is implemented. Several previous studies have found evidence that extrinsic motivation helps

employees be more productive in the workplace. performance feedback and pay-for-performance were two factors that had to be in play to increase employees' performance at work as cited in Srivastava and Barmola (2011), Roethlisberger and Dickson (1939). In addition to this Srivastava and Barmola (2011) also asserted that extrinsic motivation such as pay, wages, bonuses, and other incentives were very important to increase employees' productivity. This also was found applicable in the hospitality industry setting, an early study by Weaver (1988).

#### **2.1.4.2 Intrinsic motivation**

contrary to extrinsic motivation, intrinsic motivation comes from within an individual. Jobs that are interesting, challenging, and meaningful do satisfy employees intrinsically (Amabile et al., 1994; Herzberg, 1968). In an early study of intrinsic motivation, White (1959) observed that some animals engaged in behaviors in the absence of both reward and reinforcement.

He concluded that humans and animals were not only motivated by extrinsic rewards such as money or food to change their behaviors, as Watson (1913) and Skinner (1948) claimed, but they were also intrinsically interested and curious about their surroundings, which drove them to learn and master the challenges posed by the environment. White (1959) acknowledged that these behaviors were driven by feelings of fun and being challenged to extend ones capabilities. Still more, Ryan and Deci (2000: 56) defined intrinsic motivation as the doing of an activity for its own sake rather than for some intended consequence. In this circumstance, intrinsic motivation is the result of work that is both fun and challenging. Many studies of intrinsic motivation in the workforce have been conducted to seek a better way to motivate individuals.

Employees are motivated when the work itself is challenging and interesting (Dyer and Parker, 1975; Herzberg, 1968; Wong et al., 1999). Herzberg (1968) mentioned that the work itself was one of the motivators intrinsic to the job that increases an individual's motivation. In addition, Amabile (1993: 186) stated that the nature of the work itself is "the most basic fact of a person's life within an organization. Lam et al. (2001), for example, conducted a study of 171 employees of Hong Kongs Chinese restaurants and found a significant difference between new employees' perceptions and expectations of fast-food restaurants' job characteristics (e.g., challenging job, meaningful work, sense of accomplishment).

The results showed that new employees found that the nature of the work in the hospitality industry, especially in fast-food restaurants, was not exciting, challenging, or meaningful. As a result, as mentioned in previous studies (Amabile, 1993; Chalofsky and Krishna, 2009; Herzberg, 1968), job factors that were not challenging and meaningful could reduce employees' motivation to perform better and to engage more at work. Furthermore, the study also analyzed the relationship between job satisfaction and three job characteristics (e.g., challenging job, meaningful work, sense of accomplishment), training and development (e.g., learning opportunity promotion opportunity, autonomy), and compensation and fairness (e.g., competitive salary, benefits).

However, the findings showed that the relationship between job satisfaction and compensation and fairness at the level of  $p < 0.05$  was not significant. Thus, one can conclude that exciting, challenging, and meaningful tasks increase employees' intrinsic motivation and job satisfaction. According to Coffman (2002), there are, in terms of engagement, three groups of employees: Engaged, Not engaged and actively disengaged.

**Engaged.** An engaged employee can be described as one who is desirous of his job, is personally responsible and obligated to his/her work in the company. An engaged employee could go further than their job description and help improve the company's standing in the marketplace. Vazirani (2007) states that an engaged employee is a builder as he is aware of what is expected of him in his job and he is able to achieve it. An engaged employee works consistently every day at a significant committed level using his effort, talent and strength and comes up with innovation to uplift his company's status.

**Not Engaged.** According to Coffman (2002) the second group of employee is the "Non Engaged Employees". Such kinds of employees do not have energy during performing their job. "Non Engaged Employees" according to Vazirani (2002) have tendency to concentrate on the task rather than on the outcomes that the company try to achieve, they do and finish what they have been told to do. They consider themselves by accomplishing their task they achieve a result.

**Actively Disengaged.** These employees are characterized as openly unhappy with their jobs and they try to convince engaged employees to be disengaged. According to Vazirani (2007), this type of employees can be described as “cave dwellers” as they are constantly against everything and they always try to view everything with negativity influencing those around them. In addition, Vazirani (2007) revealed that employees increasingly depend on each other in the creation of products and services. So therefore, an actively disengaged employee seeking problems may affect the performance of the whole organization. From the summary above, we can conclude that the field of employee engagement is being understood better now than ever before. There are also indications that organizations are looking towards research based solutions to improve their employee engagement.

### **2.1.5 Relationship between Intrinsic**

#### **Motivational Factors and Employee Engagement**

After thoroughly reviewing the previous literature, there is direct relationship between intrinsic motivation with different variables and employee engagement. Kahn (1990) and May, Gilson and Harter (2004) models of engagement argue that people need both self-expression and self-employment in their working lives. Moreover, they identified three psychological conditions for engagement i.e. psychological meaningfulness, safety and availability. Lee (2013) explained self-determination theory and relates its three psychological desires of human behavior i.e. autonomy, competences and relatedness with employee engagement. When these three desires are accomplished, employee considers themselves self-determined motivated. Furthermore, these desires keep employees in job role as happy employee. When these desires are not accomplished, their motivation is called non self-determined lapointe (2013). Kahn (1990) and May, Gilson and Harter (2004) model of engagement shows some relationship with self-determination theory. Both explains psychological conditions, if fulfill can work as motivation (through autonomy, competences and relatedness) and employee engagement (through psychological meaningfulness, safety and availability).

Maskach and Leiter (2008) associated burnout to both positive and negative responses to the job. The positive responses are in the form of engagement (motivation) and negatives are in the form of job dissatisfaction, absenteeism, intention to leave the job, turnover, stress.

They also identify few factors that can show the way towards employee engagement i.e. reward and recognition, autonomy, work itself, etc. These factors can be used to motivate employees and results in employee positive responses (engagement).

Christain et al. (2011), Kahn (1990) and May et al. (2004) linked motivation and employee engagement. Motivation and employee engagement result in increased firm productivity and employee performance. Most scholars have linked motivation and engagement to high profit and employee performance. Intrinsic motivation has also been linked with employee engagement from organizational and contextual factors, but little empirical evidence supports this statement (Deci & Ryan, 1985; Chalofsky & Krishna, 2009).

According to Zhang, (2010) intrinsic motivation is one of the most appropriate and strong influence on workers creativity. Employees get intrinsic reward directly from job they perform. Job satisfaction, interesting work, job appreciation or the sense they help a client. Intrinsic motivated workers employ in a job because of their own interest in it and enjoy the job due to search for new solutions for business challenges and are more likely to burn up energy to identify problems and find innovative solutions Cooper & Jayatilaka (2010). Intrinsic motivation begins from a positive response to qualities of a job role. Intrinsic motivated workers engage because of their own interest in a task. Theorists are agreeing on point that intrinsic motivation is a psychologist level that describes deep participation in a job role. Task enjoyment activities provide employees a sense of engaging instead of just performing organizational operations and it helps employees to gratify their desires for pleasure. Intrinsic motivated employees give more attention to a task for their own mean and to look at substitute ways for solving different problems of business Cooper & Jayatilaka (2010).

After detailed literature reviewed, this study tries to investigate there is a significant effect of intrinsic motivational factors on employee engagement. This paper emphasizes on examining the effect of intrinsic motivational factors in light of four components, namely interesting work, work achievement, job appreciation and job autonomy.

### **2.1.5.1 Interesting Work Environment**

Interesting work environment refers to a term that describes the experience of employees who are passionate about and energized by their work, find meaning and purpose in their jobs, feel that they can express their complete selves at job and feel connected to those with whom they work and elaborate it, contains physiological arousal, positive effect, a belief that one's work makes a contribution, a sense of connection to others and a common purpose, a sense of perfection and transcendence Saks (2011).

Interesting work environment is a source of connection and social relations with coworkers and fulfillment of the organizational task without any conflict. Organizations those are value-based better able to know their workers mind and know how to build organization and make reach to the aim of mission Saks (2011).

Employees search to work in interesting work while organizations are searching methods to engage their employees in interesting working environment.

Interesting work environment plays a role in employee engagement. It is Organizational inspiration towards interesting job, encouraging employees towards performance of job. When employee get interesting working environment that would lead to job engagement means to display their selves in working role they are performing. According to the above reviewed literature and the tenets of SET, the researcher conjectures the following hypothesis:

*H1: Interesting work environment is positively related to employee engagement.*

### **2.1.5.2 Work Achievement**

Work achievement is a thing that an employee has done successfully, especially using their own effort and skill. It defines as a performance outcome that indicate the extent to which a person has accomplished specific goals or a given task that were the focus of activities in the organization working place. According to the above reviewed literature and the tenets of SET, the researcher conjectures the following hypothesis:

*H2: Work achievement is positively related to employee engagement.*

### **2.1.5.3 Job Appreciation**

Job appreciation can be defined as acknowledge the value and meaning of something an event, a person, a behavior, an object and feeling a positive connection to it Fagley (2012). It is an important factor for the success of any organization and it may help employees to inspire hem/herself as well as aspiration to help peers, management and clients. Appreciation can be defined as acknowledge the value and meaning of something an event, a person, a behavior, an object and feeling a positive connection to it. When employees are appreciated, feel good about themselves and they have many things give to others, on the other hand when they are exhausted, less able to perform their job functions properly and performance level become worse Fagley & Adler (2012).

Job appreciation has a direct link with job engagement. It promotes development of trust between colleagues; they help each other's and maintain good relation for the benefits of organizational objectives.

Organization can make success business operations through promoting job appreciation. According to the above reviewed literature and the tenets of SET, the researcher conjectures the following hypothesis:

*H3: Job appreciation is positively related to employee engagement.*

### **2.1.5.4 Job Autonomy**

Job Autonomy refers to 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 Hackman & Oldham (1975). With a highly independent job, employees can perceive work outcomes as mostly depending on their efforts, feeling personally responsible for the success or failure of the actions.

This involves the degree of freedom an employee has to make their own decisions and implement their own ideas. The more liberty to take on that responsibility the more inclined the employee may be to work harder on the workplace and be more satisfied with the result.

According to the above reviewed literature and the tenets of SET, the researcher conjectures the following hypothesis:

*H4: Job autonomy is positively related to employee engagement.*

## **2.2 Empirical Literature Review**

Maylett and Waner (2014) shared results of studies conducted over a period of 14 years in 70 countries and with 14 million employee engagement survey responses. The results showed that highly engaged employees are 87% less likely to leave their organization and companies with low engagement scores earn an operating income of 33% lower than companies with more engaged employees. Equally interesting was the finding that engaged companies grow profits as much as 300% faster than their competitors.

According to Gallups latest findings (2014), 87% of workers are not engaged or actively disengaged and are emotionally disconnected from their workplaces and less likely to be productive.

The proportion of actively disengaged employees has decreased from 27% to 24% in 2014 compared to 2013. However, actively disengaged employees continue to outnumber engaged employees by nearly 2 to 1, implying that at the global level, work is more often a source of frustration than one of fulfillment. It also means countless workplaces worldwide are less productive and less safe than they could be and are less likely to create badly needed new jobs and happy thriving human beings.

According to CBE (2013), employee engagement and retention survey report the employee's engagement score is 65%. The study compared employee engagement scores across employee survey groups and concluded that Business Development Management process appeared more highly relatively disengaged. There was no survey category where relatively high engagement scores had been recorded. Employees in Adama, Dessie, Gonder and Jimma Districts were relatively more highly engaged than other survey categories.

Nebat (2015) conducted a thesis on employee engagement practices and challenges in Multi Choice Ethiopia Limited. The study showed employees are engaged with a mean value of 3.54. Among the engagement drivers listed only management support had found a significant effect on employee engagement and concluded that current level of employee engagement level was slightly lower than that of 2013 and higher than the neutral level.

From the summary above, it is concluded that the field of employee engagement is being Understood better now than ever before and looking towards to improve employee engagement. There is a limited literature available on theory development of engagement. Kahns (1990) and Maslachs et al (2001) provides models, which help to understand employee engagement. Many of the contemporary researchers built their concepts of engagement from Kahns 1990 and Maslach et als 2001 works (Shuck and Wollard, 2010). Kahn (1990) in his qualitative study interviewed organizational participants of a firm about engagement and disengagement of employees during working environment. He found employees can be engaged on a physical, emotional and cognitive level, and these levels are significantly affected by three psychological domains: meaningfulness, safety and availability Kahn (1990).

In turn, these domains create influence on how employees perceive and perform their roles at work. He further found employees become more participative and involve in working environment that provide more psychological meaningfulness and psychological safety and become more psychologically available. May et al (2004, cited in Kular et al., 2008) found this point that safety, meaningfulness and psychological safety are very important for employee engagement and are connected to engagement.

Another model of employee engagement emanates from burnout concept by Maslach et al (2001). In their study, they positioned employee engagement as the positive antithesis to burnout. Accordingly, employee engagement was defined as a persistent positive affective state of fulfillment in employees, characterized by vigor, dedication and absorption Schaufeli, *et al.* (2002). *Vigor* refers to the employees' willingness to invest their efforts into their job, the high levels of energy and their endurance and persistence in the face of difficulties. *Dedication* refers to the employees' strong involvement in their work, their feelings of enthusiasm and significance. *Absorption* happens when the employee is pleasantly occupied with work, this can be seen by the employee not keeping the track of time and their inability to separate themselves from the job at hand Maslach *et al.* (2001).

Burnout or disengagement arises when there is an imbalance between the workers and the six work settings: workload, control, reward, community, fairness, and values Maslach *et al.* (2001). They explained further job engagement is connected with a sustainable workload, feelings of choice and control, appropriate recognition and reward, a supportive work community, fairness and justice and meaningful and valued work. May *et al.* (2004, cited in Kular *et al.*, p.5) supports Maslach (2001) and stated that, the concept of meaningful and valued work is connected with employee engagement. Employees view about meaning regarding job place are connected to their engagement level and performance. According to the research outcomes, many employees practice a greater search of meaning in their jobs than in their daily life. The reasons might be because they spend more time in jobs than other activities of their lives.

Taking a look at Kahn's (1990) concept of engagement and Maslach *et al.*s (2001) concept of burnout, it can be said that all of researchers presented a similar setting for what influences engagement or burnout. These include the amount of physical, emotional and psychological resources available to the employee and the skills they possess, feelings of choice and control, the need of recognition as a reward, supportive work interactions, and meaningful tasks and valued work (Maslach *et al.*, 2001; Kahn, 1990). However both Kahns and Maslach models indicate psychological conditions just that these are important for employee engagement but not fully explicated why employees will reply to these conditions with changing degree of engagement.

### **Herzbergs Two - Factor Theories**

Herzberg dual factor theory is based on a study involving 203 interviews with accountants and engineers. After analyzing the responses Herzberg concluded two separate dimensions (House and Wigdor, 2002; Bloisi, 2007) that are

- 1) Job satisfaction and job dissatisfaction derive from different sources.
- 2) Simply removing the sources of dissatisfaction will not cause a person to be motivated to produce better results.

Herzberg mixed these two premises into two factors: Hygiene factors and Motivational factors.

**Hygiene factors:** factors are contextual in nature, involving those things surrounding the job i.e. job security, working conditions, quality of supervision, interpersonal relationships, status salary etcetera. These factors would not necessarily motivate an individual to work hard but focused towards increasing employee satisfaction in organization. These factors are considered as extrinsic or external to the nature of job, therefore it should be served as job features. It does not mean that hygiene factors will work as motivator but will just provoke neutral feeling that basic needs are fulfilled.

**Motivator factors:** factors are concerned with the content of the job, such as job challenge, responsibility, achievement, recognition, promotion and growth etcetera. These factors are considered intrinsic, or unique to each individual in his or her own way. The absence of these factors will not create dissatisfaction; however, that person will not be in a position to experience satisfaction. The presence of these factors can act as a motivator in organization.

Herzberg considered both factors important for the smooth running of organization. The hygiene factors are not serving as motivators but their absence may create poor job attitude Bloisi et al. (2007). If proper attention is given to motivators specially to job contents, worker may feel motivated to work harder and produce more Iguisi (2009). Two-factor theory had not only captured the views of researchers but practitioners also utilized this theory to know how certain job attribute can enhance employee motivation Johnson and Lewis (2009). Since we are investigating relationship between intrinsic work motivation and employee engagement, therefore this theory has a great implication for this study. If the organization provides the motivator factors such as interesting work, achievement, appreciation and autonomy, to their employees would enable them to feel satisfaction and engagement in their work. The researcher believes that if the motivator will work as intrinsic motivational factors made the contents and attributes of job in CBE, it can increase the overall motivation and engagement levels of employees.

### 2.3 Conceptual Framework

After discussing the relevant concepts and theories of motivation and employee engagement, conceptual framework of the study has been developed. The framework focuses on four intrinsic motivational factors or drivers of engagement and the researcher assumes that they have significant effect on employee engagement.

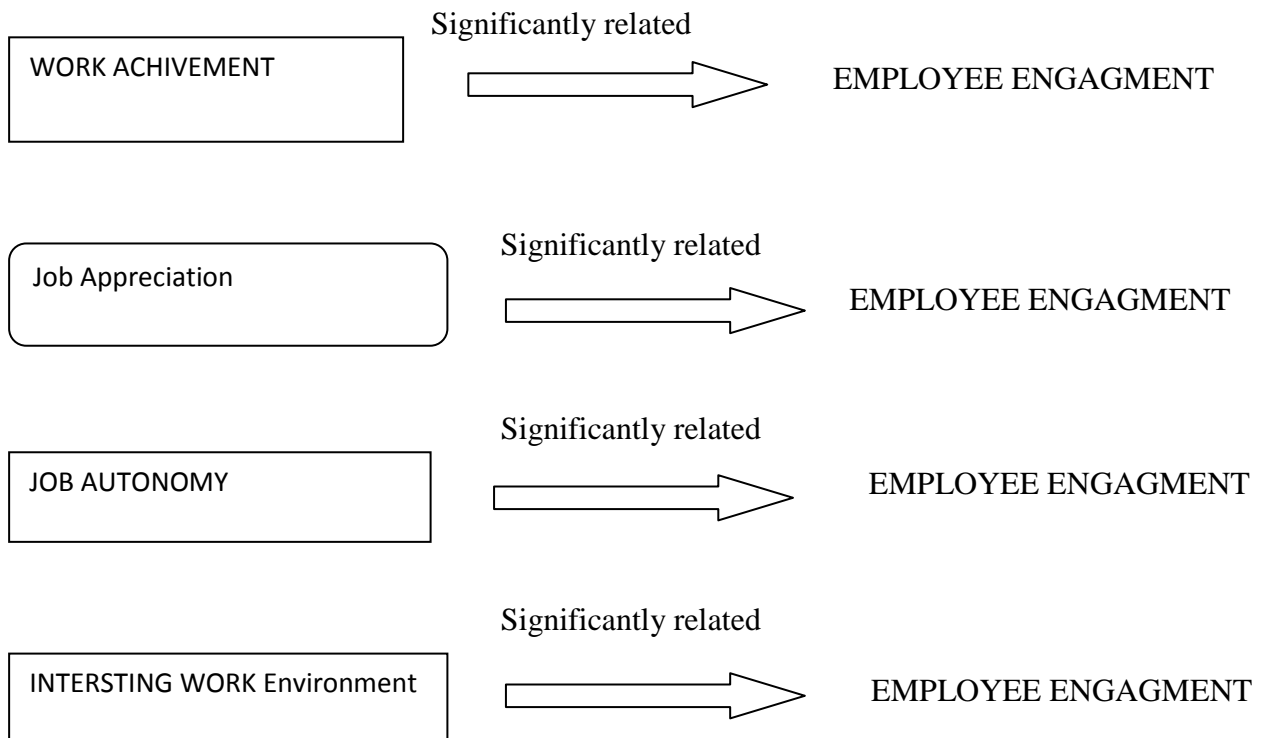


Fig 01

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

The objective of this study is to investigate the effect of intrinsic motivational factors on employee engagement. The research methodologies that are used to achieve the goal are discussed below.

#### **3.1 Research Approach**

There are two main ways of viewing the relationship between theory and practice when conducting a study: deductive and inductive (Saunders, Lewis & Thornhill, 2007; Bryman & Bell, 2011). According to Gephart (2004), the deductive approach, which is commonly associated with quantitative research and a positivist position, has the goal of developing and testing hypotheses between variables.

Qualitative research produces information only on the particular cases studied, and any more general conclusions are only hypotheses. Quantitative methods can be used to verify which of such hypotheses are true. Qualitative research is often used to gain a general sense of phenomena and to form theories that can be tested using further quantitative research.

Quantitative methods have limitations. These studies do not provide reasoning behind participants' responses, they often do not reach under represented populations, and they may span long periods in order to collect the data. Quantitative research using statistical methods starts with the collection of data, based on the hypothesis or theory. Usually a big sample of data is collected – this would require verification, validation and recording before the analysis can take place. Software packages such as SPSS are typically used for this purpose. Causal relationships are studied by manipulating factors thought to influence the phenomena of interest while controlling other variables relevant to the experimental outcomes.

This research was conducted to examine the effect of intrinsic motivational factors on employee engagement by adopting deductive research approach. This choice of research approach is grounded on developing and testing the hypothesis between the independent variable and dependent variable.

## **3.2 Research Design**

Saunders et al. (2007) defines research design as the general plan of how the research questions would be answered. It is the conceptual structure within which research is conducted.

It constitutes a blue print for the collection, measurement, and analysis of data. As this research tries to investigate the effect of intrinsic motivational factors on employee engagement in CBE, explanatory method was used. This is based on the assumption that quantitative method is a proper approach to address the research problem and gives better analysis. In addition to that quantitative research helps the researcher to collect objective and numerical data to apply statistical tools and establishes relationship and causation between variables.

## **3.3 Population and Sample**

Sekeran (2001, p.167) defines a population as “the entire group of people, events, or thing of interest that the researcher wishes to investigate”. The Samples of the study were taken from North Addis Ababa district. Moreover, clericals which are composed of guards, drivers, janitors and messengers are excluded from the population because those positions are outsourced by bank. Thus, the populations which were selected are professionals and managerial employees who are working in North Addis Ababa district. Since those professionals and managerial employees take the largest share of the total population, it is argued that they can objectively represent the remaining portion of the study population.

### **3.3.1 Sample Size Determination**

To determine the sample size for the study based on a margin of error of 5% and confidence level of 95%, the researcher used sample size survey software to choose the respondents among 2050 employees. And also to keep the representativeness of the sample the researcher used stratified random sampling technique using the formula (Dodge, Yadolah-2003):

$Y = (X/N) \times (n)$ , where

Y= No. of items included from each group in the sample

X= No. of items in the population

N= Total population

n= Sample size

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

$$n = \frac{2050}{1 + (2050)(0.05)^2}$$

$$n = \frac{2050}{6.125}$$

$$n = 335$$

According to the following formula the respondent from each grade will be taken.

$$X = 87$$

$$N = 2050$$

$$n = 335$$

$$Y = (X/N) \times n$$

$$= (87/2050) \times 335$$

Y=14 and the calculation for the other branch is similar

**Table 1:** Managerial and professional employees of CBE

Grade	No employees	No.
Grade1	87	14
Grade2	793	130
Grade3	465	76
Grade4	350	57
Special grade	355	58
Total	2050	335

Source; *CBE oracle system January, 2019*

### 3.3.2 Sample Techniques

Stratified and convenient sampling technique were used to select respondents from sample size because it provides more information with the given sample size, and it is the best way of getting information quickly and efficiently that has homogeneity characteristic from members of the

population (Sekeran, 2001). The strata which are included in the sample size are professional and Managerial and the number to be included in each strata is from each grade of the bank.

### **3.4 Data Sources and Types**

Both primary and secondary data collecting tools were used to obtain reliable data for the study. The primary source of the data was collected from professionals and managerial employees in the bank. The primary data was collected by using adopt and structured close ended questionnaires. The secondary data was collected from reference books, journals, and internet and company documents.

### **3.5 Data Collection Instrument**

For the purpose of this study, the primary data was collected through structured questionnaire which consists of three main parts. Part 1 contains information regarding the respondents' demographic features which include gender, age, educational qualification, work experience, job grade, position status and marital status. Part 2 of the questionnaire consists of structured five point Likert scale questions related to measuring level of employee engagement. And Part 3 consists of different statements with five points scale related with the four intrinsic motivational factors for employee engagement such as interesting work, work achievement, job appreciation and job autonomy. Level of employee engagement on each driver of employee engagement are calculated by assigning a score of 1 to 5 to the Likert scale with labels of 'Strongly disagree to' and 'Strongly agree', as indicated in the appendix.

### **3.6 Data Collection Procedure**

For this research, related literature regarding motivational factors and employee engagement were reviewed and a standard questionnaire from Gallup (called the Gallup Q12) is to be designed, distributed and filled by the sample respondents to collect primary data. The questionnaires were prepared as such because it is backed by extensive research conducted over a number of years (Gallup, 2014). Standard questionnaire related to motivation Adopted from (Hackman & Oldham 1975). Moreover, the researcher distributed and collected those structured questionnaires personally to the north Addis Ababa city branches, the place where respondents are working.

### 3.7 Validity and Reliability

The reliability of scale shows how free the data is from random error. One of the most commonly used scales of reliability is internal consistency. Internal consistency refers to the degree to which the items that make up the scales are all measuring the same underlying attributes (Pallant, 2005). Cronach's alpha is often used to measure the reliability for a set of two or more constructs where the alpha coefficient values may range between 0 and 1 with higher values indicating higher reliability among the indicators. Accordingly, the reliability of the questionnaire as well as all the variables of the study was tested by using Cronbach Alpha.

Internal reliability for each individual independent variables and dependent variable of the study has been tested. According to George and Mallery (2003) if the value of Cronbachs coefficient alpha is less than 0.60 are considered poor; those in the range of 0.60 to 0.80 are considered good and acceptable. The Cronach's alpha value for all the independent variables and dependent variable that the data collected through questionnaires is reliable and can be used for further statistical analysis. The alpha value for each question is identified and summarized in Table 3 as shown below.

**Table 2:** Summary of Measures

Variable	Measure	No. of Items in the Scale	Cronbachs Alpha Result
Interesting Work	Hackman & Oldham (1975)	3	.941
Work Achievement	Hackman & Oldham (1975)	4	.963
Job Appreciation	Hackman & Oldham (1975)	3	.957
Job Autonomy	Hackman & Oldham (1975)	3	.947
Employee Engagement	Gallup (2012)	12	.962
Total		25	.954

SOURCE; OWN SURVY

For assessing the validity of the questionnaires, experts in the field were asked to judge the relevance and appropriateness of each measure for the target population

### **3.8 Data Analysis**

Data were analyzed based on statistical tools i.e. descriptive and inferential statistics.

Descriptive analysis of mean, frequencies and standard deviation is used to describe the profile of the respondents, employee engagement levels and motivational factors. Pearson correlation test was used to determine the nature, direction and significance of the relationship between intrinsic motivational factors and employee engagement. Regression analysis was also employed to determine the effect of the four independent variables (intrinsic motivational factors) on employee engagement.

### **3.9 Ethical Consideration**

The basic principle of ethical research is to preserve and protect the human dignity and rights of all subjects involved in a research project (Leedy and Ormrod 2013). In this regard, the researcher assures that the respondents' information is confidential and is used only for the study purpose by obtaining the willingness of the case organization. The researcher used proper citation, follow systematic collection, and analysis of data techniques so that the study doesn't raise any ethical anxiety.

## CHAPTER FOUR

### DATA ANALYSIS, INTERPRETATION, AND DISCUSSION

The objective of this study is to assess the effect of intrinsic motivational factor on employee engagement. A total of 364 questionnaires were distributed to sample respondents, out of which 300 (82.42%) of them were properly filled and returned on time. The analysis conducted and the interpretations given are discussed under the following sections.

#### 4.1 Demographic characteristics of sample population

##### 4.1.1 Sample Population by Gender

**Table 3:** Sample Population by Gender

Gender	Frequenc y	Percent
male	203	67.7
female	97	32.3
Total	300	100.0

Source: Own Survey

This information will help management to consider the importance of gender participation in work motivation and engagement. Among number of respondents in our survey (67.7%) were male bank employees whereas 97 (32.3%) were female bank employees. This indicates that the number of male employee's participation is more as compared to female.

This table indicates the number of respondents, both male and female, in my study. The difference in number shown on the above table has come only because of the randomly disseminated questionnaires where females were selected more than males.

#### 4.1.2 Sample Population by Age structure

**Table 4:** Sample Population by Age

Age	Frequenc y	Percent	
20-29	116	38.7	
30-39	180	60.0	
40-49	4	1.3	
Total	300	100.0	

Source: Own Survey

The result of the survey on the table above shows that 116 (38.7%) respondents of bank employees are under the age category of 20-29 years. And 180 (60%) respondents of employees are between 30 and 39 years of age. The rest 4 respondents that account for 1.3 % of the sample are between the ages of 40 and 49 years.

#### 4.1.3 Sample Population by Educational Qualification

**Table 5:** Sample Population by Educational Qualification

	Frequenc y	Percent
Diploma	41	13.7
first degree	176	58.7
masters degree and above	83	27.7
Total	300	100.0

Source: Own Survey

In terms of educational qualification, the sample population was classified in to four Categories ranging from diploma to highest academic qualification. Table 5 displays the different levels of educational qualification along with their corresponding percentage. The highest shares of the sample are undergraduates that account for 58.7% of the respondents. Next come 83(27.7%) post graduates. The last group comprises 41 (13.7%) Diploma holders. This indicates that the majority of sample respondents are undergraduates.

#### 4.1.4 Sample Population by Work Experience

**Table 6:** Sample Population by Work Experience

	Frequenc y	Percent	.
1-5	164	54.7	
6-10	124	41.3	
11-20	11	3.7	
above 21	1	.3	
Total	300	100.0	

Source: Own Survey

As table 7 shows, the majority of the respondents 164 (54.7 %) who participated in this study have served in the organization for less than and equal to 5 years, 124(41.3%) for 6-10 years, and 11 (3.7 %) for 11-20 years and the remaining 1(0.3 %) worked for more than 20 years. This is due to majority of the employees are young i.e. between 20-29 years of age have experience between 1 and 5. So the majority of respondents included in this sample have 5-10 years of work experience.

#### 4.1.5 Sample Population by Position Status

**Table 7:** Sample Population by Position Status  
position status of respondents

	Frequenc y	Percent	Valid Percent	
Management	43	14.3	14.3	
Valid non management	257	85.7	85.7	
Total	300	100.0	100.0	

Source: Own Survey

As can be seen from Table 8, 43 (14.3%) of the sample is managerial staff and 257 (85.7 %) Is non-managerial or professional staff.

#### 4.1.6 Sample Population by Marital Status

**Table 8:** Sample Population by Marital Status

##### marital status of respondent

	Frequency	Percent	Valid Percent	
single	85	28.3	28.3	
married	215	71.7	71.7	
Total	300	100.0	100.0	

Source: Own Survey

The results show that 215 (71.7%) employees were Married and 85 (28.3%) single. These figures indicate that most participants of this study are married.

#### 4.2 Descriptive Analysis

**Table 9:** mean and standard deviation of variables in the study

Variables	N	Mean	Std, deviation
interesting work,	300	3.60	.868
work achievement,	300	7.11	.729
job appreciation	300	3.57	.941
Job autonomy	300	3.65	.886
Employee engagement	300	3.75	.931

Source: own survey

Example: As table 10 above shows interesting work achievement, job appreciation and job autonomy have mean values of 3.60, 7.11, 3.57 and 3.65 respectively. This shows that the mean values of each variable are above neutral state.

of the respondents about the degree of agreement they had about the interesting nature of their work was perceived to have a mean of 3.60 (SD=.868) on a 5-point scale . This shows that respondents generally are satisfied when the jobs they are doing is interesting in the organization and they have a high level of satisfaction.

The average response of the respondents about the degree of agreement they had about opportunities of growth and development of their work was perceived to have a mean of 7.11 (SD=.729). This shows that respondents have high level of satisfaction about work achievement in the organization.

Descriptively, the mean or the average response of the respondents about the degree of agreement they had about praise and recognition of their work was perceived to have a mean of 3.57 (SD=.941) on a 5-point scale that show a moderate mean value. This shows that respondents generally have good feelings when their efforts are being appreciated or given recognition.

Descriptively, the mean or the average response of the respondents about the degree of Agreement they had about freedom to perform and decide independently of their work was Perceived to have a mean of 3.65 (SD=.886) on a 5-point scale. This reveals that respondents generally have high level of feeling or satisfaction regarding jobs autonomy.

Descriptively, the mean or the average response of the respondents about the degree of agreement they had about their engagement towards their work was perceived to have a mean of 3.61 (SD=.931) on a 5-point scale. This indicates that the whole organizational engagement level is merely above average of 3 on a 5-point Likert scale. Based on related review literature, a company with engagement level close to the neutral state typically has an employee who has the greatest tendency to be engaged as they are in the undecided state. These employees do the job to just earn to life. However, if the organization takes remedial actions to fully engage them, it is easy to convert them to fully engaged employees Maylett and Warner (2014).

### 4.3 Correlation analysis

Correlation analysis is primarily concerned with finding out whether a significant relationship exists between two variables Field (2005). It is used to describe the strength and direction of the linear relationship between two variables. Pearson correlation (commonly called Pearson Correlation Coefficient) is used in this study to investigate a relationship between intrinsic work motivation and employee engagement.

The value of Pearson product-moment correlation coefficient (r) normally varies between -1 to +1. The sign indicates whether there is a positive correlation (as one variable increase, other also increase) or negative correlation (as one variable increase, other decrease). According to Field (2005), a coefficient(r) of +1 indicates a perfect positive relationship while -1 indicates a negative relationship. Breaking down the strength of the relationship, values of  $r=\pm 0.1$  to  $\pm .29$  represent a weak relationship while  $r=\pm 0.3$  to  $\pm .49$  represent a medium relationship while  $r=\pm 0.5$  to  $\pm 1.0$  indicate a strong relationship.

**Table 10:** Correlation coefficients between variables of the study

		interest	jobappreciation	workachievement	jobautonomy	employeeengagement
Interest	Pearson Correlation	1				
	N	300				
jobappreciation	Pearson Correlation	.871				
	Sig. (2-tailed)	.000				
workachievement	N	300	300			
	Pearson Correlation	.822	.905			
	Sig. (2-tailed)	.000	.000			
	N	300	300	300		
jobautonomy	Pearson Correlation	.887	.954	.870		
	Sig. (2-tailed)	.000	.000	.000		
	N	300	300	300	300	
	Pearson Correlation	.860	.845	.751	.850	
employeeengagement	Sig. (2-tailed)	.000	.000	.000	.000	
	N	300	300	300	300	300

Source: Own Survey

For most of the relationships, the correlations among independent variables and dependent variables were found to be in the expected direction. A large Significant positive correlations were observed between interesting work and employee engagement ( $r = .860, p < .01$ ), interesting work and employee engagement ( $r = .845, p < .01$ ) and job appreciation and employee engagement ( $r = .751, p < .01$ ) work achievement and employee engagement and job autonomy and employee engagement ( $r = .850, p < .01$ ). These suggest strong positive relationships between the independent and dependent variables.

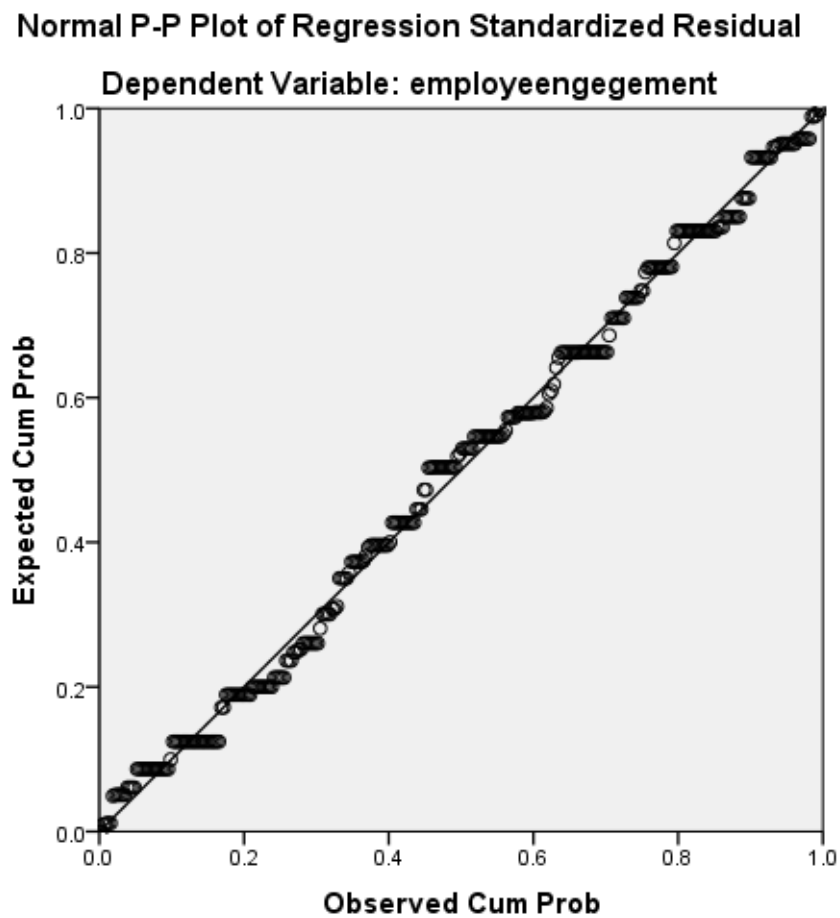
#### **4.4. Regression analysis**

Multiple regression analysis is used to explore the relationship between one dependent variable and a number of independent variables or predictors Pallant (2005). Multiple regression also tells that how much of the variance in dependent variable can be explained by independent variables. It also determines the statistical significance of the results, both in terms of model and the individual independent variables Pallant (2005).

In this study interesting work, work achievement, job appreciation and job autonomy are treated as independent variables and work engagement as the dependent variable. Multiple regression analysis was employed to test the impact of intrinsic motivational factors on employee Work engagement.

#### 4.4.1. Assumption test

Figure 2 Normality Test



Normality test are used to determine if a data set is well-modeled by normal distribution and to compute how likely it is for a random variable underlying the data set to be normally distributed. So this figure shows that the data distributions are normal.

#### 4.4.2 Model test

**Table 11:** Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.887 <sup>a</sup>	.786	.783	5.20402

a. Predictors: (Constant), job autonomy, work achievement, interest work ,job appreciation

Source: Own survey

R -square indicates the degree of independent variables variation explaining the dependent variable Albert (2001). As shown in table 12, the model summary the value of Adjusted R-square is .783 which

Indicates that the independent variables ( interesting work, job appreciation, work achievement and job autonomy) explain 78.3% of the variance in the dependent variable (employee engagement).21.7% change in the dependent variable explained by other variables which have not been included in this regression model.

#### 4.4.3. Model Goodness of Fit Test

**Table 12:** Analysis of Variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	171.31	4	7336.702	270.909	.000 <sup>b</sup>
	Residual	89.38	295	27.082		
	Total	193.23	299			

a. Dependent Variable: employee engagement

b. Predictors: (Constant), job autonomy, work achievement, interest work, job appreciation

Source: Own survey

The above ANOVA table shows the overall goodness of fit of the model ( $F(4,295)=270.909$ ,  $p<0.001$ ) indicating that the model is good fit and statistically significant.

#### 4.4.4. Regression coefficients

**Table 13:** Coefficients table of regression model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	10.776	1.109		9.717	.000
1 Interest Work	1.669	.203	.493	8.219	.000
Jobappreciation	.686	.189	.380	3.632	.000
Workachievement	-.441	.164	-.172	-2.685	.008
Jobautonomy	.716	.348	.200	2.057	.041

a. Dependent Variable: employee engagement

Source: Own survey

An examination of the standardized co-efficient revealed that interesting work environment made the strongest statistically unique contribution in predicting employee engagement ( $\beta=.493$ ;  $p < 0.000$ ), followed by job appreciation ( $\beta=.380$ ;  $p < 0.001$ ). The findings of this research also showed that work achievement ( $\beta=-.172$ ;  $p = 0.008$ ) and job autonomy ( $\beta=.200$ ;  $p < 0.001$ ), have significant effect on employee engagement, overall indicating that Three of intrinsic motivational factors have greatest significant contribution to the prediction of employee engagement and the work achievement negatively affect the employee engagement.

## 4.5. Summary of hypotheses testing

**Table 14:** hypotheses testing

No	Hypotheses	Tests	Result	Implication
H01	There is a significant relationship between interesting work and employee engagement	<i>standardized Coefficients</i> ( $B=0.493$ , $p=0.00$ ), $P < 0.05$	Accept the alternative hypothesis	This intimate that interesting work had positive effect on employee engagement
H02	There is a significant relationship between job appreciation and employee engagement	<i>standardized Coefficients</i> ( $B=0.380$ , $p=0.00$ ), $P > 0.05$	Accept the alternative hypothesis	This implies that job appreciation had significant effect on employee engagement.
H03	There is a significant relationship between work achievement and Employee engagement.	<i>standardized Coefficients</i> ( $B=-0.172$ , $p=0.08$ ), $P > 0.05$	Reject the alternative hypothesis	This intimate that work achievement had insignificant effect on employee engagement
H04	There is a significant relationship between job autonomy and employee engagement.	<i>standardized Coefficients</i> ( $B=0.200$ , $p=0.041$ ), $P < 0.05$	Accept the alternative hypothesis	This indicate that job autonomy had positive effect on employee engagement

Source; own survey

## **4.6 Interpretation and discussion**

Researchers have shown that the level of engagement depends on the size of the organization Temkin (2012). Therefore, the level of engagement that the respondents indicate might not correspond to the engagement level of another banking organization of a different size.

Nebat (2015) conducted a thesis on employee engagement practices and challenges in Multi Choice Ethiopia Limited. The study showed employees are engaged with a mean value of 3.54. Among the engagement drivers listed only management support had found a significant effect on employee engagement and concluded that current level of employee engagement level was slightly lower than that of 2013 and higher than the neutral level.

In this study the research concluded that the study showed employees are engaged with a mean value of 3.75 that is above the average mean value among the motivation factor listed the interesting work job appreciation and job autonomy have significant effect on employee engagement.

# **CHAPTER FIVE**

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

In this chapter the key findings of the study from the data analysis and interpretation of the collected data are discussed. Conclusions derived from the findings of the study and recommendations drawn to address the identified problems are provided. The chapter also concludes with the limitations of the research and possible recommendations for future research.

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

The objective of the study is to determine the impact of intrinsic motivation on employee engagement at CBE. It also aimed to find out the perceived level of engagement as well as intrinsic motivation of the employee. To examine what intrinsic motivational factors affect employee engagement and to identify which intrinsic motivational factors the organization should give due attention. Accordingly, the following major findings were made from the results that have been discussed in the previous chapter.

The finding of this research reveals that the majority of the respondents were male, adults and educated. And also they have worked for more than six years working experience. The result of the study shows that overall Employee Engagement level is at  $M=3.75$  and also the correlation coefficient of the four intrinsic motivation have a positive value that shows a strong relationship with the independent variable work engagement.

Regarding Intrinsic Motivational Factors of Employee Engagement, the average level of satisfaction for, Work Achievement, job Autonomy, interesting work and Job Appreciation is above average mean values.

The analysis from the study shows that from the four intrinsic motivational factors interesting work and job appreciation have statistically significant relationship to Employee engagement (sig. =.000) and job autonomy have significant value of  $p<0.05$  that is 0.41 and the regression coefficient for those Three variables have positive value this implies that they have positive relationship to Employee engagement.

## 5.2 Conclusions

On the basis of the summary of the findings, it is concluded that intrinsic motivational factors play an important role to enhance the level of work engagement. The descriptive finding of this research reveals that the mean score of the overall Employee Engagement level is high. It can be concluded that the presence of employees who have the greatest tendency to be engaged or actively engaged which in turn can have a positive impact on the organization performance.

The result of overall satisfaction level of employees on intrinsic motivational factors of work achievement, interesting work, Job appreciation and job autonomy have moderate mean score (approximate to the medium level). It implies that those intrinsic factors need more emphasis.

The findings of the study show that from the four factors of intrinsic work motivation three of the factor namely interesting work, job appreciation and job autonomy correlate positively with work engagement. This suggests that positive perceptions of intrinsic motivational factors are related to higher levels of work engagement. Multiple regression analysis revealed that in their order interesting work, job appreciation, and job autonomy, all were the predictors of work engagement. In particular, interesting work and job appreciation were the strongest predictors of work engagement where as Employee engagement is least impacted by work achievement. The findings suggest that there is relatively better level of job appreciation and lower level of work achievement. Therefore, much effort is needed to keep the better one and improve the lower ones because actively disengaged more or less have damage to the organization. Not only they are unhappy at work, but they are intent on acting out their unhappiness. They drive away customers. Not-engaged employees can be difficult to spot. They are likely do just enough to fulfill their job requirements. They sleep walk through their day, uninspired and lack motivation Employees are not only interested in extrinsic work motivation offered by the organization but they also seek intrinsic work motivation.

### **5.3 Recommendations**

Based on the combination of the findings of this research certain practical recommendations are proposed for Commercial Bank of Ethiopia: CBE should keep the employees to be rated in factors of intrinsic work motivation in the in order to enhance the engagement levels of the employee. This is especially relevant for HR and managers, as they often are responsible to inspire employees towards where they are satisfied, dedicated, committed and contributors of organizational success.

Although intrinsic motivational factors correlated and predicted work engagement the bank should incorporate such factors in designing employee engagement strategies that can encourage the creation of employee engagement such as work achievement, interesting work and job appreciation and to work more on factors that had lower prediction, such as work achievement. For improvement in employee engagement level of an organization it should have an employee engagement strategy. CBE should build a consistency of engaged employees to keep the statuesque and be more successful. Engaged employees go to extra mile, work with passion, and feel proud connection to their organization. Hence the bank should provide job content improvements.

These improvements will help the employee to be engaged. If employees are engaged their potential extends well beyond his or her job description. And tapping that potential means recognizing how an employee's unique set of beliefs, talents, goals, and life experience drives his or her performance, personal sues and well-being. Gallup's research has found that managers are primarily responsible for their employees' engagement levels. CBE should give direction for managers to take an active role in building engagement plans with their employees. The most successful managers view the 12 Gallup survey questions as the elements for great managing, not just questions for measuring. By doing so, they gain a powerful framework to guide the creation of strong, engaged workforce.

CBE's management should work aggressively on the young age group to increase their motivation by making their jobs more interesting, recognize their work, heightened their level of achievement, letting them to decide by themselves. CBE should conduct additional studies on intrinsic motivational factors by considering mediator role to have consistent employee engagement level across the different demographic variables.

#### **5.4 Limitation of the study**

The limitations of the study are, first, that there are likely to be others intrinsic motivational factors contributing to Employee Engagement not identified in the study. Secondly, the empirical part of the research has a limited generalization. Thirdly, the researcher had opted only in closed ended questionnaire or quantitative analysis only. And also collecting data and communicating with others for advice was very hard due to Pandemic that has occurred in the world. Finally, the analysis excluded those respondents that have below one-year experience and those employees who are non-clerical and worked in outline braches.

#### **5.5 Future research potential**

For future, studies may see additional intrinsic motivational factors which can influence employee engagement and see the reasons behind the difference in engagement levels across different categorical groups. And also other employee engagement measuring tools can be used. Finally, it might be useful for further research to investigate the factors that have the highest influence of intrinsic motivational factors on the employee engagement. In this manner organizations will know in which areas to concentrate their efforts. The investigation could also Conduct quantitative and qualitative study in order to validate the result of this.

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- Own survey 2020

# Appendix One

**ADDIS ABABA UNIVERSITY**  
**COLLEGE OF BUSINESS AND ECONOMICS SCHOOL OF COMMERCE**  
**MA IN HUMAN RESOURCE MANAGEMENT**

**ADDIS ABABA**

**Dear Respondents**

This survey question is prepared for the purpose of gathering data to assess engagement level of employees in Commercial Bank of Ethiopia and to what extent intrinsic motivational factors affect employee engagement. Therefore, I kindly request you to fill this questionnaire genuinely and the data will be used only for the intended professional purpose only.

Please follow the instructions and answer all questions. Your answers will be treated strictly confidential. You need not to reveal your identity. Please call Tsedalu oli 0923759058 for any enquiry you need. I would like to thank you in advance for your honest cooperation.

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

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

1. Gender      Male       Female

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

3. Educational Qualification

Diploma       First Degree       Master's Degree and above       others

4. Work Experience in CBE in years 1-5            6-10            11-20            above 21     

5. Your Job grade in CBE \_\_\_\_\_

6. Position Status      Management      Non Management

7. Marital Status      Single       Married            Separated            Divorced

Widow

**Part two: -Questions related to intrinsic Motivational factors**

Please put tick mark (√) in the box corresponding to the option that identifies your level of overall satisfaction (agreement)

(1= strongly disagree 2= disagree 3= neutral 4= agree 5= strongly agree)

	<b>Interesting Work Environment</b>	1	2	3	4	5
1	The work that I am doing is Interesting					
2	organization is making the work interesting by introducing unique job contents					
3	The work place environment is emotionally positive, comfortable and relaxed					
	<b>Work Achievement</b>					
1	My jobs makes proactive for success					
2	My job and Goal is often challenging and achievable					
3	The job gives me the feeling of accomplishment					
4	I am very likely to enjoy a culture that emphasizes achieving difficult target					
	<b>Job Appreciation</b>					
1	I often receive appreciation for good work					
2	Feedback on my job performance from the organization persuades me for more hard work					

3	I am appreciated by others when I am doing jobs well done					
	<b>Job Autonomy</b>					
1	I decide myself how and when to perform my job					
2	The job gives me a chance to use my personal initiatives or judgment in carrying out the work					
3	The job provides me with significant autonomy in making decision					

Source: Adopted from Hackman & Oldham (1975)

### Part Three: - Employee Engagement Level Survey Questions

Please put tick mark (√) in the box corresponding to the option that identifies your level of overall satisfaction on the true feeling you have on a five points scale where 5 is “strongly agree” and 1 is “strongly disagree”.

**(1= Strongly Disagree 2=Disagree 3=Neutral 4=Agree 5= Strongly Agree)**

NO	Items	1	2	3	4	5
1	I know what is expected of me at work					
2	I have the material and equipment needed to do my work right					
3	At work I have the opportunity to do my best everyday					
4	In the last 2 weeks, I have received recognition or praise for doing good work					
5	My supervisor or colleagues at work seems to care about me as a person					
6	There is someone at work who encourages my development					
7	At work, my opinion seem to count.					
8	The mission /purpose of my company makes me feel my job is important					
9	My associates/fellow employees are committed to do quality work					
10	I have a best friend at work					
11	In the last 6 months, someone has talked me about my progress					
12	In the last year, I had opportunities at work to learn and grow					

Source: Gallup (2012)