
DETERMINANTS OF EMPLOYEE ENGAGEMENT IN COMMERCIAL BANK OF ETHIOPIA ADDIS ABABA AREA



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DECLARATION

I, the undersigned, declare that this study entitled “DETERMINANTS OF EMPLOYEE ENGAGEMENT IN COMMERCIAL BANK OF ETHIOPIA ADDIS ABABA AREA.” is my original work and has not been presented for a degree in any other university, and that all sources of materials used for the study have been duly acknowledged.

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CERTIFICATE

This is to certify that this study, “DETERMINANTS OF EMPLOYEE ENGAGEMENT IN COMMERCIAL BANK OF ETHIOPIA ADDIS ABABA AREA.”, undertaken by DERARA TESSEMA for the partial fulfilment of Masters of Business Administration [MBA] at Addis Ababa University, is an original work and not submitted earlier for any degree either at this University or any other University.

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SCHOOL OF GRADUATE STUDIES
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List of Acronyms

CBE- Commercial Bank of Ethiopia

CIPD-Chartered Institute of Personnel and Development

EE- Employee engagement

GWA-Gallup Workplace Audit

JC- Job characteristics

KMO-Kaiser Meyer Olkin

NEA-National Education Association

OCB-organization citizenship behaviour

OJ- Organizational justice

POS- Perceived Organizational support

RR- Rewards and recognition

SHRM- Society of Human Resource Management

UWES-Utrecht Work Engagement Scale

Abstract

Previous to this study, no identified research projects had looked specifically determinants of employee engagement in the field of human services in Ethiopia. Therefore, this empirical study was conducted to understand the determinants of employee engagement specifically in CBE Addis Ababa Area Zone. A theoretical foundation was compiled for the study based on the literature review. The research is cross-sectional field survey and co relational study. For this study a Multi-stage sampling was used, 361 employees were selected as the sample of the study. The standardized measurement scales were adapted and distributed to 361 employees in the form of questioners but, 315 respondents filled and replied were found valid for analysed. The independent T- test and logit were used to analyse the study hypothesis in stata. Results indicate no differences in engagement scores for males and females, for education level, or for years of service in the bank. The results of the study also indicate that the work live factors listed in the study have a significant effect on Employee Engagement in CBE. Moreover, the results of the study come up with new findings that POS Comparatively highest effect on predicting Employee engagement.

Key Words: Determinants of Employee Engagement, Employee Engagement, Commercial Bank of Ethiopia.

CHAPTER-ONE: INTRODUCTION

1.1. Introduction

This introductory chapter is intended to provide information concerning an overview of the study. It involves background of the study, statements of the problems and research questions, objectives, significance, assumptions and scope. Also it includes the definition of important terms and the organization of thesis.

1.2. Background of the study

The challenge today is not only just retaining talented people, but fully engaging them, capturing their minds and hearts at each stage of their work lives. In recent years the term “employee engagement” has taken a fundamental role on organizational effectiveness (Saks, 2006). This is gaining popularity because it poured significance impact on employee outcomes, explaining a rich level of involvement, passion and exuberance for work as compare to other variables like organizational commitment and job satisfaction. This thesis was examines how “employee engagement” is a comparatively attractive research topic, its various drivers...

Employee engagement was firstly introduced by the Kahn (1990) that “harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances.”

According to Saks(2006) there is a few definitions of engagement in used, including the employees who work for its making sure the energies and interests are aligned with the organisation’s goals, releases unrestricted effort and delivers the aspirations of the organisation by create an emotional relationship with employees. When talk about commitment is referred on how the employee’s engage towards their organisation. Engagement also about the unlimited effort an employee is geared up to put in, it has

three levels: Is it the workplace that they prefer to work and willingness to stay, will they plan to go for the extra mile with the organisation? There is always a interlinking between the determinants of employee engagement in the organisation (Saks, 2006).

The link between the determinants of employee engagement has been studied constantly over the few decades. Each study has been confirmed by a lot of researchers on the linkage between employee and the performance of the organisation it make total sense. Basically, when the employees satisfied with their current jobs it will come up to be a happy and cheerful employees and willingness to contribute into that organisation all the time. The organisations with that happy employee have been seen to improve the working environment while increased the work productivity and quality. Therefore, to increase employee engagement levels and turn in results in increased company profitability.

The main reason of conducting an employee engagement survey is to find out the factors that actually drive employees to perform their best. It is important in order to establish sync between what top management offers and what employees' expectation. The reason being, nowadays, managers are keener in knowing what actually can engage or disengage employees. The organisations keep on conducting employee engagement surveys from time to time so that they can design or redesign the existing policies and implement key changes in order to increase the productivity and efficiency of employees. Besides that, it will assist them in retaining the best talent within the organisation.

After the researcher go through some literature review that discusses by other researchers' studies on the determinants of employee engagement and finalised the demographic profiles and this four working live factors of the study which are Job characteristics, Rewards and recognition, Perceived Organizational support, and

organizational justice are various determinants of employee engagement which will be discussed further in this paper.

As it reflect on the idea of employee engagement, the researcher need to investigate the “drivers” of engagement. In other words, what do organisations have to do to get their employees feel that sense of having commitment with them? Similarly, employee engagement in that sense is very similar to customer engagement. Employee engagement is about how your employees really feel about your organisation? Do they have that sense of pride of belonging? Will they recommend their best friend to work in their organisation? Will they allow their children to work with this organisation after graduate? This can be described as similar to what a customer may feel towards a particular organisation “brand-name”. If customers feel good about a particular “brand”, like what they perceive, use the product make them feel proud or good using it, the product works well. Then, they tend to buy or continue to use more of those products. They might even tell their friends about the products and the company.

In any country, banking sector plays a vital role for overall development of primary and industrial sectors. The employees in banking company take painful effort to deliver the multiple needs of its customers. Banking industry is still emerging industry in our country; the entry of private banks laid foundation stone and passed a mile journey from its start.

CBE is the leading bank in Ethiopia, established in 1942 and Pioneer to introduce modern banking to the country. It has 780 branches stretched across the country and 238 branches in Addis Ababa area zone as of January 6, 2014. Beside it has opened two branches in South Sudan and has been in the business since June 2009 and the leading African bank with assets of 158.11 billion Birr as on June 30th 2013. It plays a catalytic role in the

economic progress & development of the country. Moreover, 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. Final, CBE combines a wide capital base with more than 18,000 talented and committed employees and currently it has more than 7 million account holders. Its vision is to become a world-class commercial bank by the year 2025 and its mission is 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. (<http://www.cbe.com/> accessed on March, 2014)

To make a change so that the Commercial Bank of Ethiopia are better on people oriented environment or employee engagement, top management must be aware and get deeply involved.

Finally, Ethiopia's organization must create a good working environment to continuous the employee engagement to build on physically powerful leadership intense customer focus, strong strategic direction and as well as unbiased compensation packages and transparency to increase the employee engagement and to reduce the brain drain. Most organisations as well as their management invested on the workforces and employees throughout the design core job characteristics , supportive management and so on because employers known that employees would be one of the main resource for the organisation to be survived.

1.3. Problem Statement

Over the past two decades the great changes in the global economic had important implications for the relationship among employees and employers and therefore for employee engagement. For instance the costly and scarcity resources, increasing global competition, customer demand for high quality, high labour cost have incited organization to restructure them for greater return on equity. Restructuring in some company mean decreasing in layer of management and staff (Corace, 2007). Even though restructuring can help organization to compete, these changes have broken the expectation of reciprocity and the traditional psychological employment “contract” (Corace, 2007). Employees realize that they are not able to work for single employers until they retire.

For this reason employees have felt less commitment to their employers with reduced expectations of reciprocity (Corace,2007).Consultant studies reveal that an estimated 14-30% of the employees are engaged in running the business (Schwartz et al.,2007). To further emphasize how widespread this problem is and how critical it can be, consider the Gallup study Kim et al. (2008) in which hundreds of companies were surveyed. Results from their surveys showed that 54% of workers were not engaged and 17% were actively disengaged.

Besides, more recently employee engagement has become an area of focus within organizations for the purpose of retention as a means of avoiding expensive employee replacement costs resulting from staff who voluntarily quit their jobs. According to SHRM (Society of Human Resource Management) the cost of replacing one \$8 per hour employee can exceed \$3,500, which gives companies a strong financial incentive to maintain their existing staff members through strong employee engagement practices.

Moreover, ineffective it is costly to managing turnover as it not only includes the expenses related through the hiring and providing employees training but also included the cost of intangible like leaving of the talented employees, experiences or expertise staffs from the organisation is hardly to be verified.

Even though the highlight on engagement development and burn out in recent years, scholars are still divergent in their views regarding what employee engagement is, how to get it, and its form and appearance when achieved (Yasmin, 2011). Because regarding the work live factors (Job characteristics, Rewards and recognition, Perceived Organizational support, and organizational justice) and demographic profiles (gender, years of services and education level) that predict EE in human services not similar results have noted in most of previous EE surveys and the literature is unclear as to which variables are the strongest predictors (Balain, 2009; Kim et al., 2008).

If empirical research evidence of how importance employee engagement can be, studies from the determinants of employee engagement on the opposite condition, and unexpectedly little academic and empirical research has been conducted on determinants of employee engagement and a large portion of it comes from the business management community which conducted in manufacturing industries (Coffman & Gonzalez-Molina, 2002; Balain, 2009; Kim et al., 2008; Saks, 2006). If academic studies do not satisfactorily identified key drivers of employee engagement special in human services staff from workers in other industries (Corace, 2007; Schwartz et al., 2007; Yasmin, 2011). Then, to settle this argument, more research that focuses specifically on the determinants of employee engagement in human services occupations is necessary. Empirical data are needed so professionals can better understand key drivers of employee

engagement and use what they learn about it to develop managerial interventions and alternative strategies that foster engagement for human services workers.

Therefore, the researcher is interested to study and identify what are the work live factors and demographic profiles might be predict EE nowadays among the employees who work in the CBE Addis Ababa area zone. to help banking service administrators understand and foster the positive state of staff engagement in their organization an engaged workforce may provide a buffer against the costly effects of disengagement and burnout, turnover and may prove to be a critical element in achieving successful outcomes for organization as well as for their individual clients in highly competitive scenario.

1.4. Research questions

The questions that may be appear here are:

- 1) Do demographic profiles of bank employees leads to differences in employee engagement level?
- 2) Do Job characteristics have an effect on employee engagement?
- 3) Do reward and recognition have an effect on employee engagement?
- 4) Does Perception of Organizational justice has an effect on employee engagement?
- 5) Does Perceived Organizational Support has an effect on employee engagement?

1.5. Objective of the Research

The general objective of the study is:

The study aims at making meaningful inquiry and investigation into the effects of the work live factors and demographic profiles in determining employee engagement in the CBE Addis Ababa area zone.

Banking sector is chosen for this study because it aims to foresee the employee engagement of banking sector.

The specific objectives of the study are to;

- ✚ To analyse whether demographic profile of bank employees leads to differences in employee engagement level. Variables like gender, years of service, and education level
- ✚ To examine the effect of Job characteristics in predicting employee engagement
- ✚ To measure the effect of Rewards and recognition in predicting employee engagement
- ✚ To investigate the effect of Perception of Organizational justice in predicting employee engagement
- ✚ To explore the effect of Perceived Organizational Support in predicting employee engagement.

1.6. Research Hypothesis

Following are hypothesis which are developed for the purpose of this study

H1. There are significant difference across employees with different years of work experience in the current organization in predicting the overall engagement level of bank employees.

H2. There are significant difference between genders in predicting the overall engagement level of bank employees.

H3. There are significant difference across different educational qualification categories of employees in predicting the overall engagement levels of bank employees.

H4. Job characteristics have significant effect in predicting employee engagement.

H5. Reward and recognition have significant effect in predicting employee engagement.

H6. Perception of Organizational justice has significant effect in predicting employee engagement.

H7. Perceived organization support has significant effect in predicting employee engagement.

1.7. Significance of the research

This study will significantly help the future researchers who are willing to conduct study on this topic.

- ✚ This study will provide guidance to the employer of banking organizations.
- ✚ This research will also be helpful for management and other decision making bodies.
- ✚ This study will useful for policy makers and practioners.
- ✚ It will provide certain direction for future researchers.
- ✚ Stakeholders will also get help from this study.
- ✚ Current research will helpful for banking employees.

1.8. Definition of key terms

Key terminology	Definition	Author(s)
Job characteristics	psychological meaningfulness can be achieved from task characteristics that provide challenging work, variety, allow the use of different skills, personal discretion, and the opportunity to make important contributions	Kahn (1990, 1992)
Rewards and recognition	Recognition and rewards are a method organisations use to make employees feel respected and valued.	Kahn (1990)
Perceived Organization support	It is seen as a guarantee that the organization will help the employee when they need any aid to run their jobs and tasks effectively and easily handle the nerve-wracking conditions.	Rhoades and Eisenberger (2002)
organizational justice	It is person's conception and reaction towards the fairness in an organization.	Greenberg (1987)
Employee engagement.	is to be psychologically present when occupying and performing an organizational role	Kahn (1990)

1.9. Assumptions and Scope of the study

1.9.1 Assumptions

A major assumption of this study was that all participants would answer the survey questions truthfully. Anecdotal comments from participants in the pilot study noted that the instrument was simple and took only minutes to complete. It therefore was assumed that a significant number of those surveyed would respond. Additionally, it was assumed that the various branches of this Bank operate in a similar manner with respect to policies and practices despite the fact that they are located in geographical areas that span the state.

1.9.2 Scope of the study

Various authors and researchers have proposed drivers of EE, which include a wide range of factors (Kahn, 1990; May et al., 2004; Saks, 2006) it is difficult to best conceptualize factors influencing EE. This study however, focused only on main four work live determinates of EE (Job characteristics, Rewards and recognition, Perception of Organizational justice and Perceived Organizational Support) and some demography variables (gender, year of service and education level) of based on Kahn (1900) and Saks (2006) model. The study also delimited itself to CBE branches that exist in Addis Ababa area, it does not focused on branches out of this area. Also within Addis Ababa area branches, the study focused on employees in some selected branches of CBE. However, the recommendation provided can help all branches of the bank over the country to have insight on determinates of EE in Bank employees and take corrective measurement.

1.10. Conclusion

This chapter focused on the overall purpose and direction for this study. Chapter Two highlight the key research in this study area with a review of the relevant literature. The following

Chapters Three, Four, and Five are provided a detailed description of the study, its findings and a discussion of its implications for policy, practice, and research in the field of human services.

CHAPTER TWO

LITRETURE REVIEW

2.1 Introduction:

This chapter will address the literature related to Concepts and operational definition, theoretical and empirical review, and the development of the theoretical framework to be tested in the study, finally end this chapter with the conclusion.

2.2. Concepts and operational definition of employee engagement

2.2.1. Concepts of employee engagement

Employee engagement has become a widely used and popular term (Robinson et al., 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. As noted by Robinson et al. (2004), there has been surprisingly little academic and empirical research on a topic that has become so popular. As a result, employee engagement has the appearance of being somewhat faddish or what some might call, “old wine in a new bottle.”

To make matters worse, employee engagement has been defined in many different ways and the definitions and measures often sound like other better known and established constructs like organizational commitment and organizational citizenship behaviour (Robinson et al., 2004). Most often it has been defined as emotional and intellectual commitment to the organization or the amount of discretionary effort exhibited by employees in their jobs (Frank et al., 2004).

In the academic literature, a number of definitions have been provided. Kahn (1990, p.694) defines personal engagement’s the harnessing of organization members’ selves to their work roles; in engagement, people employ and express themselves physically,

cognitively, and emotionally during role performances.” Personal disengagement refers to “the uncoupling of selves from work roles; in disengagement, people withdraw and defend themselves physically, cognitively, or emotionally during role performances”. Thus, according to Kahn (1990, 1992), engagement means to be psychologically present when occupying and performing an organizational role.

Rothbard (2001, p. 656) also defines 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 one’s focus on a role.”

Schaufeli et al. (2002, p. 74) define engagement “as a positive, fulfilling, work-related state of mind that is characterized by vigour, dedication, and absorption.” They further state that engagement is not a momentary and specific state, but rather, it is “a more persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behaviour”.

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

12.2.2 Operational definition

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

Kahn found that people draw upon themselves to varying degrees while performing work tasks and they can commit themselves physically, cognitively, and emotionally in the various roles they perform. Or, they may choose to withdraw and disengage from their work roles and work tasks. Results of Kahn's study suggest that there are three psychological conditions that shape how people perform their roles -- meaningfulness, safety, and availability. Kahn's identification of the three psychological conditions now serves as a framework for the study of employee engagement. Specifically, Kahn (1990) describes the state of meaningfulness as one in which workers feel worthwhile, useful, and valuable, and that they are making a difference and are appreciated for the work they do. Safety is described as an environment in which people feel an ability to act as what would be normal for the individual without fear of negative consequences. Safety is found in situations in which workers trust that they will not suffer because of their engagement to their work and where they perceive the climate to be one of openness and supportiveness. Availability is defined by Kahn (1990) as the sense of having the personal physical, emotional, and psychological means with which to engage with their job tasks at any particular moment.

The definitions of employee engagement that the current author found are those by Shaufeli et al. (2002), May et al. (2004) and Saks (2006). Employee Engagement is defined as the level of commitment, involvement and passion as a 'positive, fulfilling work related state of mind that is characterized by vigor, dedication and absorption' (Shaufeli et al., 2002)

Saks (2006) defines engagement as being psychologically present in both job and organisation roles. This follows on from Kahn (1990) conceptualisation of engagement as

being psychologically present, however Saks (2006) does not explain what he mean by psychological presence.

As researcher understand from the definition given by several scholars there is overlap between engagement and an others constructs like job satisfaction, job involvement, organizational commitment and organizational citizenship behaviour.

Thus, the researcher argue that less time has been spent defining and validating the construct of employee engagement causing lack of construct definition and interpretation of the construct in right ways by separating from others constructs. To change the view of what some might call, “old wine in a new bottle.” Still it need commonly accepted academic definition.

It is important that one conceptualisation of employee engagement is thorough so that identifying the key drivers as well as measuring instruments will actually assess employee engagement and no other related constructs or only partial aspects of the concept. If one cannot define employee engagement then one cannot know what is being measured resulting in the implications being very vague (Macey & Schneider, 2008).

Therefore, the researcher is based on objective of this study operationalized the definition of engagement according to Kahn (1990) Engagement is more than simple job satisfaction. It can best be described as a harnessing of one’s self to his or her roles at work. In engagement, people express themselves cognitively, physically, and emotionally while performing their work roles (Kahn, 1990). This is a widely used engagement definition within the academic literature (e.g. Luthans and Peterson, 2002; Bhatnagar, 2007).

The researcher by considering to be the holistic sensation that people feel when they act in total involvement that state where there is little distinction between the self and the

work environment. Engagement is most closely related to the constructs of job involvement (Brown 1996)

2.3. Theoretical and empirical review

Although there is abundant social services research on burnout, empirical data on determinants of engagement are limited (Freeney & Tiernan, 2006). Most of what has been written has come from consulting firms and those practicing in the field of management (Saks, 2006). The following review of the literature will discuss the theoretical back ground and determinants of employee engagement. Highlights from previous studies on employee engagement will also be reviewed.

2.3.1 Theoretical review

2.3.1.1 Theoretical back ground

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

Showing dedication to one's work in large amounts of cognitive, emotional, and physical resources is a perceptive way for employees to show their appreciation to their organization's services. SET states that individuals having strong exchange ideology are

more inclined to feel obliged to return the organizational benefits that they receive. Hence, it can be stated that the link between different predictors and engagement may be stronger for individuals possessing a strong exchange ideology. As we see, employee engagement consist a psychological and emotional connection between employees and their organization which could be turned into negative or positive behaviour at work. The organization plays the main role of engagement.

2.3.1.2. Determinants of employee engagement

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

2.3.1.2.1. Demographic variables

A) Gender

Researchers have often considered gender as a possible predictive factor in levels of engagement for human services employees. Sprang et al. (2007), found support for a gender influence as females in the study were found to have a greater risk of suffering from burnout. However, in the Turkish study of school counsellors conducted by Yildirim (2008) results showed that levels of burnout did not differ significantly between males and females. While actual results vary, some studies suggest that females are more vulnerable to stress and, therefore, tend to report higher levels of burnout than do their male counterparts (Sprang et al., 2007). Similar results have been noted in engagement surveys (Schaufeli et al., 2006) men scored slightly higher on the three engagement dimensions than did women in the study. In examining whether or not men will score

higher on the instrument used in this study, gender will be compared to the participant's total score on the engagement scale.

H₁. There are significant difference between genders in predicting the overall engagement level of bank employees.

B) Employee Work experience

The amount of work experience is variable that has been studied for its association with engagement. Research findings on the subject are conflicting. Some studies indicate that individuals new to their jobs score higher on measures of level of engagement while others indicate no relationship between years of service and level of engagement (Yildirim, 2008)

In a different study, Schwartz et al. (2007), sampled 1,200 social workers to find out if social work clinicians decline in hope or exhibit increased burnout over the course of their careers. They discovered that level of engagement seemed to decline with increasing service years. While some studies on burnout agree that individuals with less years of service are likely to report higher levels of burnout, the opposite is thought to be true of engagement. Coffman and Gonzalez-Molina (2002) report that, in general, workers start off energized and engaged with their jobs but tend to drop off in as little as six months, and significantly decline in engagement after ten years of employment. Therefore, an individual's "years of service" to the bank was examined in this study to see if participants' scores do indeed decline over the course of their career.

H₂. There are significant difference across employees with different years of work experience in the current organization in predicting the overall engagement level of bank employees

C) Educational qualification

Researchers have often considered educational qualification as a possible predictive factor in levels of engagement for human services employees. Blue collar workers were less engaged than educators (Schaufeli et al., 2006). In another side Different educational qualification categories like diploma, bachelor's degree, master's degree and doctorate degree of employees do not play a significant role in predicting overall employee engagement levels (Schaufeli et al.,2006) similar results have been noted in engagement surveys. Engagement did not seem to differ systematically among educational qualification categories (Swatee, 2009)

H₃. There are significant difference across different educational qualification categories of employees in predicting the overall engagement levels of bank employees

2.3.1.2.2. Job characteristics.

Psychological meaningfulness involves a sense of return on investments of the self-in-role performances (Kahn, 1992). According to Kahn (1990, 1992), psychological meaningfulness can be achieved from task characteristics that provide challenging work, variety, allow the use of different skills, personal discretion, and the opportunity to make important contributions. This is based on Hackman and Oldham's (1980) job characteristics model and in particular, the five core job characteristics (i.e. skill variety, task identity, task significance, autonomy, and feedback). In fact, job characteristics, especially feedback and autonomy, have been consistently related to burnout (Maslach et al., 2001). From a SET perspective, one can argue that employees who are provided with enriched and challenging jobs will feel obliged to respond with higher levels of engagement. Therefore, H4 is the following:

H₄. Job characteristics has significant effect in predicting employee engagement.

2.3.1.2.3. Rewards and recognition

Kahn (1990) reported that people vary in their engagement as a function of their perceptions of the benefits they receive from a role. Furthermore, a sense of return on investments can come from external rewards and recognition in addition to meaningful work. Therefore, one might expect that employees' will be more likely to engage themselves at work to the extent that they perceive a greater amount of rewards and recognition for their role performances. Maslach et al. (2001) have also suggested that while a lack of rewards and recognition can lead to burnout, appropriate recognition and reward is important for engagement. In terms of SET, when employees receive rewards and recognition from their organization, they will feel obliged to respond with higher levels of engagement. Thus, the fifth hypothesis is as follows:

H5. Reward and recognition has significant effect in predicting employee engagement.

2.3.1.2.4. Organizational justice.

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

The effect of justice perceptions on various outcomes might be due in part to employee engagement. In other words, when employees have high perceptions of justice in their organization, they are more likely to feel obliged to also be fair in how they perform their roles by giving more of themselves through greater levels of engagement. Therefore, H6 are as follows:

H6. Perception of Organizational justice has significant effect in predicting employee engagement.

2.3.1.2.5. Perceived organizational support.

Psychological safety involves a sense of being able to show and employ the self without negative consequences (Kahn, 1992). An important aspect of safety stems from the amount of care and support employees' perceive to be provided by their organization as well as their direct supervisor. In fact, Kahn (1990) found that supportive and trusting interpersonal relationships as well as supportive management promoted psychological safety. Supportive environments allow members to experiment and to try new things and even fail without fear of the consequences (Kahn, 1990). Social support is also one of the conditions in the Maslach et al. (2001) model and a study by Schaufeli and Bakker (2004) found that a measure of job resources that includes support from colleagues predicted engagement. A lack of social support has also consistently been found to be related to burnout (Maslach et al., 2001). In other words, employees' who have higher POS might become more engaged to their job and organization as part of the reciprocity norm of SET in order to help the organization reach its objectives (Rhoades et al., 2001). Therefore, H7 are as follows:

H7. Perceived organization support has significant effect in predicting employee engagement.

2.3.2. Empirical reviews

In the following table some known previous studies which examine predictive factors for employee engagement will be explored and possible criticism given on each of them by the current researcher.

Author	Findings and criticism
(Saks 2006).	<p>Results of the survey showed that the psychological conditions leading to organization and job engagement, as well as the consequences of each, are different. The study results also showed that perceived organization support predicted job and organization engagement; by comparison, particular job characteristics predicted individual job engagement. The researchers concluded that procedural justice predicted organization engagement and that job and organization engagement are both related to employee attitudes, intentions, and behaviours. In particular, job and organization engagement predict job satisfaction, commitment to the organization,</p> <p>To criticize this study; 1st, didn't explain what he mean by psychological conditions. 2nd, didn't explain the difference b/n job and organization engagement based on theories. , 3rd didn't identified the strongest predictor among them. 4th as study focused on manufacturing the implication for others sectors unknown.</p>
Bakker and Schaufeli (2008)	<p>The study results also showed that engagement is conceived as a set of motivating resources, it is conceived in terms of commitment and extra-role behaviour, and it is independently from job resources and positive organizational outcomes.</p> <p>To criticize this study; Clearly, this seems like putting old commitment wine in new engagement bottles. for instance, as “a psychological state where employees feel a vested interest in the company’s success and perform to a high standard that may exceed the stated requirements of the job” or as “personal satisfaction and a sense of inspiration and affirmation they get from work and being a part of the organization”.</p>
Woodruffe (2006)	<p>The results showed that ten ways to engage employees like advancement, autonomy, civilized treatment, employer commitment, environment, exposure to senior people, awarding of due praise, availability of support, feeling of being challenged, feeling of being trusted, feeling of working for a good and reliable organization, feeling of working on useful assignments and respecting work/life balance.</p> <p>To criticize this study; He was emphasised only on non-financial motivators and also didn't not identified their sizes of importance.</p>

Yasmin (2011)	The results showed that job characteristics contribute to job engagement, and organizational engagement. Perceived organizational support was significantly positively related to job engagement and organizational engagement. To criticize this study; didn't not explain well the difference b/n job and organization engagement based on theories. It has given emphasis only on non-financial motivators. Also didn't not identified which predictor more affected which type of engagement.
Anitha (2011)	The study implies that enhancing working environment in all its aspects including physical and emotional environment, effective leadership along with improved team and co-worker relationship results in employees having a healthy engagement with their work. To criticize this study; failed to communicate clearly what the working environment its aspects. Also didn't not identified which is Powerful contributor more than any other variable.

2.4. Theoretical and Conceptual Frame work of the study

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

This model was tested in the Ethiopian banks.

Independent variables

dependent variable

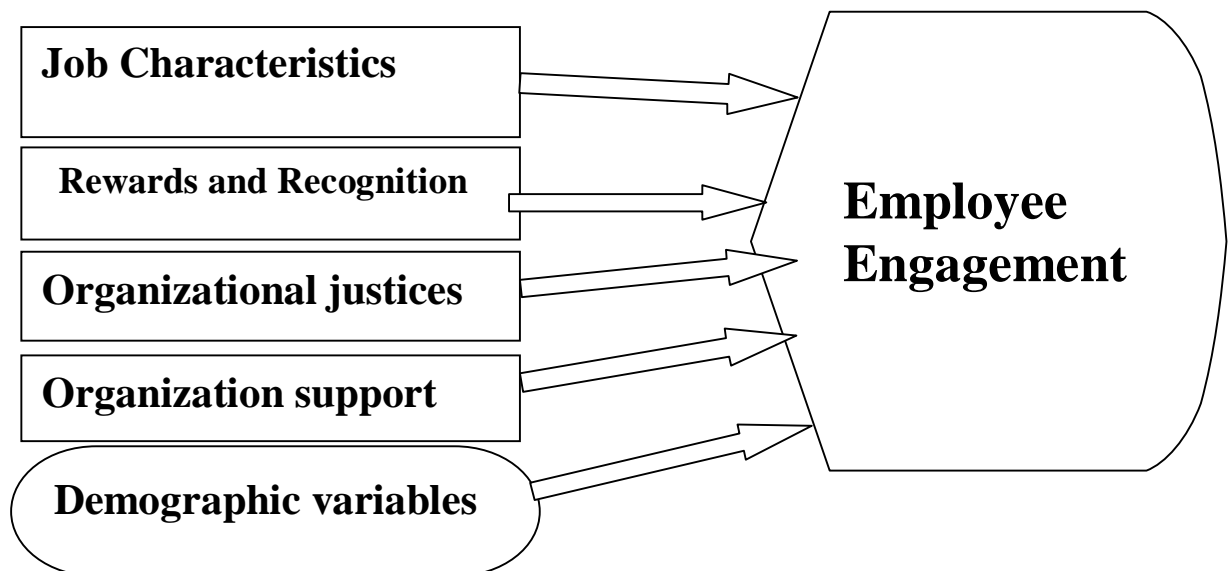


Fig1. Proposed conceptual model

Summary

In general, Extensive literature review suggested that not much emphasis has been given on exhaustively identifying the antecedents and predictors of Employee Engagement. The literature is unclear as to which variables are the strongest predictors. Since engaging employees is a pertinent issue, focused efforts need to be undertaken by business organizations in that direction. Dimensions and characteristics of engaged employees were not rightly identified and studied. Literature review also revealed absence of a holistic employee engagement model. Another gap identified was the absence of such a study in Ethiopia.

Research indicates that by better understanding engagement, new strategies could be developed that would increase levels of employee engagement, thereby possibly decreasing the costly negative effects of burnout for employees in the human services field. Unfortunately, research that examines predictors of employee engagement specifically in the human services field is extremely limited. Additional research is needed to further our knowledge of engagement in human services settings and to identify what the predictors and consequences of engagement might be. A detailed study of key predictors of employee engagement in human services occupations should lead to the development of specific strategies that could increase engagement for the staff of other human services organizations.

CHAPTER THREE

3 . RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

In this chapter the practical method used in order to answer the research questions and fulfill the purpose of the research are presented. Also it provides an overview of the research study, research hypothesis, and model specification, a description of the instrument used for data gathering, targeted population, sampling procedure, and unit of analysis, sources of data used, and methods of data analysis, presentation and interpretation.

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. The research design for this study was the Cross-sectional field survey method because data was collected at one point of time during a period of two months to assess the relationship between Independent variables and employee Engagement of employees in commercial bank of Ethiopia. In cross-sectional field surveys, independent and dependent variables are measured at the same point in time using a single questionnaire (Anol, 2012). In addition the study was also co relational in design because there was intended to establish the relationship between dependent and independent variable of the study. Co relational research aims to ascertain if there is a significant association between two variables (Reid, 1987).

3.3 **Research Approach**

There are two methods that provide in the research method such as Quantitative and Qualitative, where one of them is not better than the others, all of this depends on how the researcher want to do a research of study(Ghauri and Kjell , 2005). To achieve the aforementioned objectives, the study adopts a purely quantitative research approach, where it can be use of a questionnaire provided predominantly descriptive and qualified data. Quantitative method is study involving analysis of data and information that are descriptive in nature and qualified (Sekaran, 2003).

A quantitative approach is one in which the investigator primarily uses postpositive claims for developing knowledge, i.e., cause and effect relationship between known variables of interest or it employs strategies of inquiry such as experiments and surveys, and collect data on predetermined instruments that yield statistics data (Creswell, 2003).

3.4 **Research Method**

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

3.5. Sampling Design

3.5.1 Target Population

All the items under consideration in any field of inquiry constitute a population. Sekeran (2001) defines a population as “the entire group of people, events, or thing of interest that the researcher wishes to investigate”. The target population for the study consisted of 5990 professional staff of CBE working in around 238 branches of Addis Ababa area zone of the bank who are junior and senior staff. Quite often, it selected only a few items from the population for the study purposes.

3.5.2 Sampling Frame & Sampling Location

The sampling frame can be defined as set of source materials from which the sample is selected. The definition also encompasses the purpose of sampling frames, which is to provide a means for choosing the particular members of the target population that are to be included in the survey (Anthony, 2003). However, sampling location is a place where a research is conducted or/and a place where information is acquired. In this research, source materials consisted of all professional staff of CBE working in around 238 branches who are junior and senior staff. sampling location is Addis Ababa area zone of the bank.

3.5.3 Sampling Technique

The items so selected constitute what is technically called a sample. Sekeran (2001) defines a sample as a portion of the population that has attributes as the entire population. As for this study it was assumed that the all branches of CBE operate in a similar manner with respect to policies and practices despite the fact that they are located in geographical areas that span the state, the researcher was used, a Multi-stage sampling. Sampling

Technique which is according to Creswell (2003) refers to a further development of the principle of cluster sampling.

If we have a population dispersed over a wide geographic region, It may be difficult or impossible to take a simple random sample of the units of the study population at random, because of Logistical difficulties may discourage single-stage random sampling techniques. However, when a list of clusters of study units is available (e.g., districts, villages or schools) or can be easily compiled, a number of these groupings can be randomly selected (Creswell, 2003).

Depending on our sampling needs, we may combine the single-stage techniques to conduct multi-stage sampling (Creswell, 2003). Therefore, For this study the researcher was started with a cluster of bank districts in the Adise Abeba area zone of CBE, and within each four cluster, selected a simple random sample of branches which proportional to the size of a cluster and within each branche , selected a simple random sample of employees for study which proportional to the size of a branch. In this case, we have a three-stage sampling process consisting of cluster and simple random sampling. parallel, sample of male and female were matched proportional to with entier population

1. Table 1 How a three-stage sampling process carry out

No	District categories	No of branches	No of employees	No of branch Proportion	No of employees Proportion	GenderProportion		No of selected branches	No of selected employees	
						No of M	No of F		M	F
1	Northern district	71	1795	0.298	0.299	1311	484	6	108	
									M	F
									79	29
2	Eastern district	56	1480	0.235	0.247	1140	340	5	87	
									M	F
									67	20
3	Weastern district	63	1370	0.264	0.229	973	397	5	83	
									M	F
									59	24
4	Southern district	48	1345	0.202	0.225	929	416	4	83	
									M	F
									57	26
Total	4	238	5990	100%	100%	4353	1637	20	361	
									M	F
									249	112

Source from corporateHR development of CBE march, 2014

3.5.4 Sampling Size

The ever increasing demand for research has created a need for an efficient method of determining the sample size needed to be representative of a given population. In the article “Small Sample Techniques,” the research division of the National Education Association (1960) has published a formula for determining sample size. Formula for determining needed sample size when population size known is the following;

$$S = \frac{X^2 NP(1-P)}{d^2(N-1) + X^2 P(1-P)}$$

s = required sample size.

X² = the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841).

N = the population size.

P = the population proportion

d = the degree of accuracy expressed as a proportion (.05).

For this study the researcher has been used the above formula by considering sampling technique to minimized sampling error and determined the sample size 361 from 5990 employees of Addis Ababa area branches.

3.5.4.Sampling error

According to Andy(2006) refers to the random varations in the sample estimates around the true population parameters.the measurments of sampling error is known as “a precision of sampling plan”.when sample size is increased precision can be improved.however. increasing sample size has its own limitations.The Kaiser – Meyer Olkin test was used for measuring sampling error (adequacy) (Andy, 2006).

3.6. Unit of Analysis and Time dimension

One of the most important ideas in a research study is the unit of analysis. The unit of analysis is the major entity that you are analyzing in a study. According to Kahn (1990)

the most common assessment of employee engagement is the individual attitude and perception . This is because individual job attitudes and perception are important indicators of employee engagement level. The ways that people respond to their job roles and with organization roles have consequences for their personal engagement level (saks 2006). For the purpose of this study, the unit of analysis was individuals. Fife-schaw (2002) describes cross-sectional research as the comparison between subgroups and the discovery of relationship between variables. A cross-sectional research study was performed with data only once over a period of a few days in order to complete the questionnaire.

3.7. SOURCES OF DATA

Primary data was used in this study. Primary data is the data which is gathered for the purpose of the research specifically (Sekaran, 2010). To get the information, researcher had designed and were distributed a set of questionnaire. a questionnaire consisting the independent variables and dependent variables have been conducted by extracting sources from few established questionnaire. The questionnaires were distributed to sampling amount of Professional Staff of those randomly selected branches of Addis Ababa area zone to filled up and later were tested of the result using STATA software. Prior to the data processing, a pilot study were conducted with detailed was specified in later section to enabled the reliability of this instrument was empirically tested.

3.8. Research Instrument

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

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

3.9. Questionnaire Design

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

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

towards the Antecedents of Employee Engagement of CBE. The researcher personally approached the organization and explained to the employee about the purpose of the study.

3.10. Data Analysis Procedures

Once data was collected, it was necessary to employ statistical techniques to analyse the information, as this study is quantitative in nature. Data was analysed using STATA software. The statistical tools were aligned with the objectives of the research. The independent samples T-test was chosen as the non-parametric statistical measure for demographic variables (Andy,2006)

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

3.10.1. Model specification

Model specification can be defined as the exercise of formally stating a model i.e. the explicit translation of theory into mathematical equations and involves using all the available relevant theory research and information and developing a theoretical model. Regressand which has more than two outcomes in the form of likert scale questions are importantly regressed through ordinal logistic regression (Gujarati, 2004).

Gujarati (2004) explains this issue as follow; in the bivariate logit and probit models we were interested in modelling a yes or no response variable. But often the response variable, or regressand, can have more than two outcomes and very often these outcomes

are ordinal in nature; that is, they cannot be expressed on an interval scale. Frequently, in survey-type research the responses are on a Likert-type scale, such as “strongly agree,” “somewhat agree,” or “strongly disagree. These are ordinal scales in that there is clear ranking among the categories.

As a result, ordinal logistic regression is the preferred logistic regression type in this study. The following models are developed for the purpose of running ordered or ordinal logistic regression that is necessarily to test the effects of predictors on employee engagement.

According to Liu (2010), the formula to compute ordinal logistic regression is the following:

$$\ln Y = \ln \left(\frac{\pi_j(x)}{1 - \pi_j(x)} \right) = \alpha_j + (-\beta_1 x_1 - \beta_2 x_2 \dots - \beta_p x_p)$$

Where; Y is employee engagement

$\Pi_j(x) = \pi(V \leq j / x_1, x_2, \dots, x_p)$, which is the probability of being at or below category j, given a set of predictors $j= 1, 2, J-1$.

$X_1, x_2 \dots x_p$ are predictors of employee engagement

α_j are the cut points (threshold parameters)

3.10.2. Diagnostic Tests

A. Linearity:

In ordinary regression we assumed that the outcome had linear relationships with the predictors. In logistic regression the outcome is categorical and so this assumption is violated. This is why we use the log (or logit) of the data. The assumption of linearity in logistic regression, therefore, assumes that there is a linear relationship between any continuous predictors and the logit of the outcome variable.

B. Independence of errors: This assumption is the same as for ordinary regression basically it means that cases of data should not be related; for example, we cannot

measure the same people at different points in time. Violating this assumption produces over dispersion (Andy, 2006).

Over dispersion creates a problem because it tends to limit standard errors and result in narrower confidence intervals for test statistics of predictors in the logistic regression model. Given that the test statistics are computed by dividing by the standard error, if the standard error is too small then the test statistic will be bigger than it should be, and more likely to be deemed significant (Andy, 2006). Similarly, narrow confidence intervals will give us overconfidence in the effect of our predictors on the outcome. In short, there is more chance of Type I errors (Andy, 2006).

C. Multicollinearity:

Although not really an assumption as such, multicollinearity is a problem as it is for ordinary regression (Liu, 2010). In essence, predictors should not be too highly correlated. It is essential to test for collinearity following a logistic regression analysis.

D. Parallel Lines

When you fit an ordinal regression, you assume the relationship between the independent variables and the logits are the same for all the logits. That means that the results are a set of parallel linear or planes – one for each category of the outcome variable. In other words, ordinal regression assumes that the coefficients that describe the relationship between, say, the lowest versus all higher categories of the response variable are the same as those that describe the relationship between the next lowest category and all higher categories, etc. This is called the proportional odds assumption or the parallel regression assumption. Thus, in order to assess the appropriateness of the model proportional odds assumption is normally evaluated (O'Connell, 2000).

E. Adequate cell count

As per the rule of thumb, 80% of cells must have more than five counts. No cell should have zero count as it is considered as a missing value and excluded from the study. The large percentage of cells with missing data could lead to a decrease actual sample size from the model construction or an inaccurate chi-square test for the model fitting, since the model goodness-of-fit is usually dependent of chi-square test (Agresti, 2002).

F. Tests of Overall Model fit

For the selected model before proceeding to examine the individual coefficients, we should look at an overall tests of the null hypothesis that the location coefficients for all of the variables in the model are 0. It can base on the change in $-2 \log$ -likelihood when the variables are added to a model that contains only the intercept. The change in the likelihood function has a chi-square distribution even when there are cells with small observed and predicted counts. This value provides a measure of how well the model fits the data. The log likelihood statistic is analogous to the error sum of squares in multiple regressions. As such it is an indicator of how much unexplained information remains after fitting the model.

The larger the value of the log likelihood the more unexplained observations there are and a poorly fitting model. Therefore, a good model means a small value for $-2LL$. If a model fits perfectly, the likelihood is 1, and $-2 \times \log 1 = 0$.

G. Goodness-of-Fit Measures

A good-fitting model has several benefits. The structural form of the model describes the patterns of association and interaction. The sizes of the model parameters determine the strength and importance of the effects. Inferences about the parameters evaluate which explanatory variables affect the response variable y , while controlling effects of possible

confounding variables. Finally, the model's predicted values smooth the data and provide improved estimates of the mean of y at possible explanatory variable values.

For logistic regression, the model coefficients are estimated by the maximum likelihood method and the likelihood equations are non-linear explicit function of unknown parameters. The ordinal logistic regression model is fitted to the observed responses using the maximum likelihood approach.

In general, the method of maximum likelihood produces values of the known parameters that best match the predicted and observed probability values. Therefore, it is usually used a very effective and well known Fisher scoring algorithm to obtain ML estimates. A model for $\text{logit } \text{pr}(y \leq i)$ alone is ordinary logit model for a binary response in which categories 1 to i form one outcome and categories $i+1$ to c form a second outcome. The deviance is used to construct a goodness-of-fit test for the model. Likewise, the Pearson chi-square statistics also compares the model fit to the actual data.

Both goodness-of-fit statistics should be used only for models that have reasonably large expected values in each cell. If the model fits well, the observed and expected cell counts are similar, the value of each statistic is small, and the observed significance level is large. As usual large chi-square and deviance value provide the evidence of lack of fit. When the fit is poor, residuals and other diagnostic measure describes the influence of individual observation on the model fit and highlight reason for the inadequacy.

3.10.3.. The odds ratio: $\text{Exp}(\beta)$

A more common and possibly more useful measure of effect size for categorical data is the odds ratio. More crucial to the interpretation of logistic regression is the value of the odds ratio ($\text{Exp}(B)$), which is an indicator of the change in odds resulting from a unit change in the predictor (Liu,2010). As such, it is similar to the b coefficient in logistic

regression but easier to understand (because it doesn't require a logarithmic transformation). When the predictor variable is categorical the odds ratio is easier to explain.

Odds ratios in logistic regression can be interpreted as the effect of a one unit of change in independent variable in the predicted odds ratio with the other variables in the model held constant(Liu,2010)

3.11. Variable and measurement

The instrument used in this study was adapted by the researcher (see Appendix) By using Kahn (1990) definition of engagement that is to be psychologically present when occupying and performing an organizational role and adapt measuring instruments which fit with the context from Saks (2006) measuring instruments on employee engagement. It was developed for the specific purpose of measuring the engagement of individuals working in the human services field. .The questionnaire was a four page which is divided into three sections includes; section-one, section- two, and section-three. All sections of the questionnaires are developed in English language.

Section-one: Demographic information of respondents: - The first section of the questionnaire requires information about personal and demographic data of respondents. Question covering gender, age, educational level, job titles, time spent with supervisory and length of service in the organization were asked, and the responses interpreted using frequency distribution and percentage.

Section-two: Questions pertaining to listed factors: - This section measures the four drivers of EE

(Job characteristics, Rewards and recognition, Perceived Organizational support, and organizational justice) that influences employee engagement. Generally the section consisted of 18 questions as shown in the Table-2 below.

S. No.	Factors	Items	Scale	Source
1	Job characteristics	7	Five-point Likert	Saks(2006)
2	Rewards and recognition	6	Five-point Likert	CIDP (2005)
3	organizational justice	8	Five-point Likert	CIPD(2005)
4	Perceived Organizational support	5	Five-point Likert	Saks(2006)

Source: Research Questionnaire, 2014

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

Section-three: Items related to employee engagement: - This section consists of questions that can measure the employee engagement. Employee engagement was measured in three components of psychological engagement including cognitive (e.g. Time passes quickly when I perform my job), emotional (e.g. I get excited when I perform well on my job) and physical engagement (e.g. I stay until the job is done) The respondents rated their level of agreement/disagreement to the stated statement based on five-point likert scales. In general the section consisted of 8 questions as shown in the table-3 below.

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

Source: Research Questionnaire, 2014

3.11.1 Validity of the Questionnaires

One way to try to ensure that measurement error is kept to a minimum is to determine properties of the measure that give us confidence that it is doing its job properly. The first property is validity, which is whether an instrument actually measures what it sets out to measure. Validity refers to whether an instrument measures what it was designed to measure;

Hair et al. (2007) defined the validity as “the degree to which a measure accurately represents what is supposed to”. Validity is concerned with how well the concepts are defined by the measure(s). It also refers to the extent to which an empirical measure adequately reflects the real meaning of the concept under consideration.

However, an instrument cannot measure the attribute of interest if it is unpredictable, inconsistent, and inaccurate. Leary(2004) mentioned about four types of validity: Internal validity, External validity, construct validity, and Statistical conclusion validity.

Internal Validity: is how the findings of the research match reality and as the researcher measure the things that are aimed to measure. Moreover, the reality in quantitative research is an ongoing processes, it always changes due to the fact that what is being studied is how people understand the job. This specific study is cross-sectional field survey and poor in internal validity because of the inability to manipulate the independent variable and because cause and effect are measured at the time. The other measure of internal validity is whether the finding is baseless or not. Therefore, the finding in this specific study is strongly supported by the reality in the context and the general theory in the field, even though factors such as context and methodology employed have shaped the result.

External Validity: It refers to whether the observed associations can be generalized from the sample to the population, or to other people, organizations, contexts, or time (Leary, 2004). The more representative, the more confident we can be in generalizing from the sample to the population. As for this study it was assumed that the all branches of CBE operate in a similar manner with respect to policies and practices despite the fact that they are located in geographical areas that span the state, addresses external validity through taking representative samples and can be generalized to all branches of CBE over the country and give a little insight to other private banks in Ethiopia. Moreover, since the unit of analysis is individuals in organization, population validity is realized.

Construct Validity: It examines how well a given measurement scale is measuring the theoretical construct that it is expected to measure. It can be classified as face validity and content validity. Face validity refers to is whether the instrument is measuring what it claims to measure. We use content validity when we want to find out if the entire content of the behaviour/ construct/ area is represented in the test. We compare the test task with the content of the behaviour. This is a logical, not an empirical one. Many constructs in social science research such as empathy, resistance to change, and organizational learning are difficult to define, much less measure. We can also assess the degree to which individual items represent the construct being measured, and cover the full range of the construct (content validity).

In this study, the researcher tried to address the construct validity through defining clearly the construct of interest and develop valid measures that operationalize defined constructs. Moreover, addresses through the review of literature and adapting instruments used in previous research.

Statistical Conclusion Validity: It examines the extent to which conclusions derived using a statistical procedure is valid. Because qualitative research designs do not employ statistical test, statistical conclusion validity is not applicable. Since this specific study is quantitative it is worthy full to consider the issue of statistical conclusion validity. This type of validity is addressed through selection of the right statistical method used for hypotheses testing. Therefore, the appropriate statistical testing is independent T-test and ordinal logistic regression given that all of the independent and dependent variables of the study have been measured in ordinal scale is carefully selected by researcher so that it realized the statistical conclusion validity.

3.11.2 Reliability of the Questionnaires

Validity is a necessary but not sufficient condition of a measure. A second consideration is reliability, which is the ability of the measure to produce the same results under the same conditions. To be valid the instrument must first be reliable. The easiest way to assess reliability is to test the same group of people twice: a reliable instrument will produce similar scores at both points in time (test–retest reliability).

Reliability refers to is whether an instrument can be interpreted consistently across different situations. Reliability differs from validity in that it relates not to what should be measured, but instead to how it is measured. Hair et al. (2007) defines reliability as the extents to which a variable or a set of variables is consistent in what it is intended to measure. To ensure the inner consistency of the present instrument, it was used the cronbach's alpha coefficient. Developed by Lee Cronbach in 1951, the cronbach's alpha coefficient is a statistical tool that evaluates the confidentiality through the inner consistency of a questionnaire. For the utilization of this coefficient, it is a requirement that all the items of an instrument use the same measurement scale.

The cronbach's alpha is obtained by the variance of individual components and by the variance of the components sum of each evaluated, aiming to investigate the possible relations between the items. This way, the variance used at cronbach's coefficients calculus is: the number of question of the instrument (K), the variance of each question (S_i^2), and the total variance of the instrument (S_t^2).

3.12. Control variables

In all analyses, age, amount of time spent with immediate supervisor and job title were controlled for. Prior studies have demonstrated that these demographics are potential predictors of the study criterion (Avery et al., 2007; Ang et al., 2003; Avolio et al., 2004; Schwartz et al., 2007).

3.13. Ethical Considerations

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

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

CHAPTER-FOUR

DATA ANALYSIS AND DISCUSSIONS

4.1. Introduction

As indicated in the preceding chapters, this research study attempted to examine the Determinants of employee engagement in Commercial Bank of Ethiopia. A total of 361 questionnaires were distributed to employees and (n = 315) completed and submitted the survey, an overall response rate of (87 %), it was considered robust by Nunnally (1978) the data collected were presented, analysed and interpreted using STATA 12 software version. given that the objectives of investigation and testing is the effects of independent variables on dependent variable of the study; therefore, the most appropriate statistical testing for the hypothesis of the study are independent T test and ordinal logistic regression.

4.2. Diagnostic tests

4.2.1 sampling error

The Kaiser – Meyer Olkin test was used for measuring sampling precision.

The KMO statistic varies between 0 and 1. A value close to 1 indicates that patterns of correlations are relatively compact and so factor analysis should yield distinct and reliable factors (Andy2006).

Table 4: Kaiser Meyer Olkin (KMO) Test for Sample precision (Adequacy)	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.832

(Source: The Researcher's Survey)

The KMO statistic for sample is 0.832 , is considered to be ‘good precision’and adequate and one can construe that it is appropriate to conduct factor analysis on the sample ,which will yield distinct and reliable factors (Andy2006).

4.2.2. Reliability test

Once the responses were collected, Chronbach’s Alpha was conducted to test the reliability of the instrument. The resulting Alpha value from the instrument used in this study was similar to that of the pilot study and is considered to be within the acceptable range of reliability.

As stated by Nunnaly (1978) the closer the reliability coefficient to 1.00 is the better. In general, reliabilities less than 0.60 are considered poor; those in the range of 0.60 to 0.80 are considered good and acceptable. In this study, all the independent variables and dependent variable, met the above requirement. The alpha value for each question is identified and summarized in Table-4 as shown below.

Table 5: Alpha coefficient for each section of Questionnaire			
s/n	Variables of the study	No. Items	Alpha Value
1	Job characteristics	7	0.78
2	Rewards and Recognition	6	0.76
3	organizational justice	8	0.79
4	Perceived organizational support	5	0.83
5	Employee engagement	8	0.82

Source: Research Questionnaire, 2014

4.2.3. Linearity:

This assumption can be tested by looking at whether the interaction term between the predictor and its log transformation is significant (Andy, 2006; Hosmer & Lemeshow,

1989). Thus for this study the researcher has been checked the interaction term between the predictor and its log transformation is significant at 0.01.

4.2.4. Independence of errors;

As violating this assumption produces over dispersion (Andy, 2006).

Over dispersion is present if the ratio of a chi-square goodness-of-fit statistic to its degrees of freedom is greater than 1 (this ratio is called the dispersion parameter, ϕ) (Andy, 2006). Over dispersion is likely to be problematic if the dispersion parameter approaches or is greater than 2. When the Pearson chi-square and deviance statistics are very discrepant, then over dispersion is likely (Andy.2006). In view of that for this study the ratio of a chi-square goodness-of-fit statistic to its degrees of freedom is $7.145 \div 341 = 0.02095$ which is less than 1. Therefore, this assumption is not violated

4.2.5 Multi-collinearity.

As with ordinary regression, for this study the researcher was checked this assumption with tolerance and VIF statistics. Andy (2006) suggests that a tolerance value less than 0.1 almost certainly indicates a serious collinearity problem. (Liu, 2010) also suggests that a VIF value greater than 10 is cause for concern and in these research data the values are below 10 for all predictors. It seems from these values that there is no an issue of collinearity between the predictor variables. Which means that the derived model is likely to be unchanged by small changes in the measured variables. In another word, these values give us some idea as to how accurate our regression model is. Thus no concern with biasing effect of collinearity.

Table 6. Multi-collinearity test			
Coefficients^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Job characteristics	.668	1.497
	Rewards and Recognition	.956	1.046
	Organization Justice	.803	1.245
	Perceived organizational support	.638	1.568
a. Dependent Variable: EE			

(Source: The Researcher's Survey)

4.2.6.. Model fitting Information

How good a job does the model do of predicting outcomes? „General answer is “hits and misses” Model fitting section provides results of ordinal logistic regression versus reduced model (intercept) with complimentary log-log link function. Large values of the log-likelihood statistic indicate poorly fitting statistical models, because the larger the value of the log-likelihood, the more unexplained observations there are. The presence of a relationship between the dependent variable and combination of independent variables is based on the statistical significance of the final model. The -2LL of the model with only intercept is 701.976 while the -2LL of the model with intercept and independent variables are 0.000. The difference (Chi-square statistics) is $701.976 - 0.000 = 701.976$ which is significant at $\alpha=0.05$, $p<.000$.

Table 7. Model Fitting Information				
Model	-2Log Likelihood	Chi-Square	Df	Sig.
Intercept Only	701.976			
Final	.000	701.976	24	.000

(Source: The Researcher's Survey)

The above table that compares the model (or models in a stepwise analysis) to the baseline (the model with only the intercept term in it and no predictor variables). This table can be useful to compare whether the model had improved (from the baseline) as a result of entering the predictors that you have. $\text{Prob} > \chi^2 = 0.0000$ ► the model as a whole is statistically significant at 0.01

4.2.7. Goodness of fit

Pearson is widely used in statistics to measure the degree of the relationship between the linear related variables. Deviance is a likelihood-ratio test used under full maximum likelihood. The deviance can be regarded as a measure of lack of fit between model and data. The larger the deviance, the poorer the data will fit to the model. The null hypothesis states that the observed data are consistent with the fitted model. The fit is said to be good if P-value is greater than 0.05. Therefore, we want these statistics to be non-significant. A significant result would mean that our model was significantly different from our data (i.e. the model is a bad fit of the data). As we clearly observed from the following table, P-values for both Pearson and Deviance are > 0.05 .

Now, obviously, if our model is a good fit of the data then the observed and expected frequencies should be very similar. The null hypothesis is accepted and the conclusion is

that the observed data were consistent with the estimated values in the fitted model .suggests that the model fits the data reasonably well (Pretty much).

Table 8: Goodness- of – fit			
	Chi-Square	df	Sig.
Pearson	7.145	341	1.000
Deviance	13.777	341	1.000

(Source: The Researcher’s Survey)

4.2.8. Pseudo R-square

As it is clearly observed from the table Nagelkerke and McFadden indicates that predictors are explain the variation in the employee engagement level perfectly. This shows the ratio of the likelihoods suggests the model predicted the outcome perfectly. It can vary between 0 (indicating that the predictors are useless at predicting the out- come variable) and 1 (indicating that the model predicts the outcome variable perfectly).

Cox & Snell’s pseudo R-square has maximum value approaches to 75.9% of the change in employee engagement level is explained by predictors such as Job characteristics, Rewards and recognition, Perceived Organizational support, and organizational justice.

Table 9.Pseudo R-Square	
Cox and Snell	.759
Nagelkerke	.787
McFadden	.5108

(Source: The Researcher’s Survey)

Thus the full model predicts the outcome.

4.2.9. Test of Parallel Lines

Test of parallel lines is designed to make judgment about model adequacy. The model null hypothesis states that the slope coefficients in the model are the same across the response categories. As it is observed from the table below significance is greater than 0.05 that indicates there is no significant difference for the corresponding slope coefficients across the response

categories, suggesting that the model assumption of parallel lines was not violated in the model

Table 10. Test of Parallel Lines ^a				
Model	-2Log Likelihood	Chi-Square	Df	Sig.
Null Hypothesis	.000			
General	.000 ^b	.000	96	1.000
The null hypothesis states that the location parameters (slope coefficients) are the same across response categories.				

(Source: The Researcher's Survey)

4.3. Inferential Statistics

In this section the results of the inferential statistical techniques used in the study are presented. In order to test the research hypothesis, independent samples T-test and ordinal logistic regression were used. Based on the results obtained from the research, conclusions are drawn with respect to each hypothesis generated for the research undertaken in the CBE at which the research was conducted.

4.3.1. Independent samples T-test result

Independent sample T-test has been used to test the demographic variables

H1: There is significant difference between genders and participants' level of engagement.

The independent samples T-test was chosen as the statistical measure for this question. Results of the Mann-Whitney U test indicated that equal variances could be assumed and an alpha level of .05 was chosen for this test. Asymp. Sig. (2-tailed) 0.561 this result do not support any significant association between engagement score and gender. Thus, fail to accept the hypothesis.

	employee engagement
Mann-Whitney U	5957.500
Wilcoxon W	7848.500
Z	-.581
Asymp. Sig. (2-tailed)	.561
a. Grouping Variable: Gender	

(Source: The Researcher's Survey)

This finding is similar to results from previous studies, in which it was discovered that engagement and burnout did not differ significantly between genders (Schaufeli et al., 2006; Yildirim, 2008). However, the scores in this study differed from a previous study, in which it was discovered that men scored slightly higher on the three engagement dimensions than did women (Bakker and Salanova, 2006).

The implication from the findings in this study was that males and females are given equal opportunities to engage with their job in the bank.

H2: There is significant difference between years of service to the bank and Participants' level engagement.

Independent groups Kruskal-Wallis test analysis was used to examine this question and to determine the degree of relationship between years of service and level of engagement.

Because the data in this sample are not at the interval or ratio level of measurement, Kruskal-Wallis test was chosen. The Kolmogorov-Smirnov test for normality indicated the total score and years of service variables were not normally distributed, thus further confirming the use of Kruskal-Wallis test. For the purpose of this study, the generally accepted .05 rejection level was used to determine if the hypothesis could be supported (Wienbach and Grinnell ,2007).

Results, chi-squared with ties = 2.731 with 3 d.f.pr = 0.4350, do not support any significant association between engagement and years of service. Thus, fail to accept the hypothesis.

This finding differs from the theoretical assumption of work engagement which says that engagement will decrease over time (Coffman & Gonzalez-Molina, 2002). However, the finding leads further support to the theoretical concept that engagement is not tied directly to seniority (Buhler 2006). Additionally, findings from this study are similar to burnout study, which found no relationship between burnout and years of service (Yildirim, 2008).

An implication from the finding is that the bank should continue to enforce policies that promote staff engagement, regardless of how many years they have been on the job.

H3: There is significant difference between educational qualification and participants' level of engagement.

Independent groups Kruskal-Wallis test analysis was used to examine this question and to determine the degree of relationship between educational qualification and level of engagement. Because the data in this sample are not at the interval or ratio level of measurement, Kruskal-Wallis test was chosen. The Kolmogorov-Smirnov test for normality indicated the total score and educational qualification variables were not

normally distributed, thus further confirming the use of Kruskal-Wallis test. For the purpose of this study, the generally accepted .05 rejection level was used to determine if the hypothesis could be supported (Wienbach and Grinnell, 2007). Results, chi-squared with ties = 0.365 with 1 d.f. $p=0.5455$, do not support any significant association between engagement and educational qualification. Thus, fail to accept the hypothesis.

This finding is similar to results from previous studies, in which it was discovered that different educational qualification categories like bachelor's degree, master's degree and doctorate degree of employees do not play a significant role in predicting overall employee engagement levels of human service (Bakker and Salanova 2006; Schwartz et al., 2007). This can be attributed to many bank employees starting their careers soon after graduation and moving up in the organizational hierarchy. Even some take up careers in banking after completion of their master's degree and there are few with doctorate degrees.

The implication from the findings in this study was that educational degrees of employees do not essentially play a role in predicting employee engagement.

One explanation for the study findings on demography profile is that the bank should be providing the environment necessary for staff to engage, regardless of issues such as seniority, genders and educational qualification categories.

4.3.2. Calculating an effect size ;(The odds ratio: Exp (B))

A more common and possibly more useful measure of effect size for categorical data is the odds ratio (Andy 2006). More crucial to the interpretation of logistic regression is the value of the odds ratio (Exp (B)), which is an indicator of the change in odds resulting from a unit change in the predictor. As such, it is similar to the b coefficient in logistic regression but easier to understand (because it doesn't require a logarithmic

transformation). When the predictor variable is categorical the odds ratio is easier to explain.

Odds ratios in logistic regression can be interpreted as the effect of a one unit of change in independent variable in the predicted odds ratio with the other variables in the model held constant (Liu,2010).

Look at the sign of the logit coefficient a positive value indicates, that as the predictor variable increases, so does the likelihood of the event occurring increases. A negative value implies that as the predictor variable increases, the likelihood of the outcome occurring decreases (Liu,2010)

Table 12. The odds ratio: Exp (B)

If this number is < 0.05 then the model is ok.

ologit EE JC RR OJ POS, collinear or nolog iterate(20)						Number of obs = 315	
Log likelihood = -198.03895						LR chi2 (4) = 413.54	
						Prob > chi2 = 0.0000	
						Pseudo R2 = 0.5108	
EE	Coef.	Odds Ratio	Std. Err.	z	P>z	[95% Conf.Interval]	
JC	.6193992	1.857812	.1958157	5.88	0.000	1.511068	2.284122
RR	.4808671	1.398256	.0941353	3.30	0.014	1.027257	2.39772
OJ	1.263737	3.538622	.8429151	5.31	0.000	2.218575	5.644091
POS	1.918663	6.811845	1.682452	7.77	0.000	4.197853	11.05356

They represent the odds of Y occurring when X increases by 1 unit. These are the exp (logit coeff). If the OR > 1 then the odds of Y occurring increases If the OR < 1 then the odds of Y occurring decreases. Look at the sign of the logit coefficients

The t-value has to be higher than 1.96 (for a 95% confidence). If this is the case then we can say that the variable has a significant influence on our dependent variable (y). The higher the z the higher the relevance of the variable.

H4; Job characteristics has significant effect in predicting Employee engagement.

✚ OR engaged after JC =1.86(p=0.000); the odds of having Employee engagement are increased by a factor of 1.86 for every positive incremental of Job characteristics, controlling for other variables in the model.

- ✓ What this tells us is that if the employees were assigned to better Job characteristics the odds of their engagement were 1.86 times higher than if they were assigned to normal Job characteristics.
- ✓ Overall, the results of the Odds Ratio suggest that employees who assigned to better Job characteristics are more likely to reciprocate with greater levels of engagement to their organization. As a result, fail to reject the hypothesis.
- ✓ This finding is similar to results from previous studies, in which it was discovered that employees who are provided with enriched and challenging jobs will feel obliged to respond with higher levels of engagement (kahn,1990,1992; Maslach et al., 2001; May et al.,2004 ;Yasmin, 2011).
- ✓ The implication from the findings in this study If the employees feel that their jobs provided variety, freedom, identity and proper feedback the employees get more engrossed and engaged in their work thereby leading to more quality, productivity and efficiency.

H5. Reward and recognition has significant effect in predicting Employee engagement.

✚ OR RR =1.4 (p=0.014); the odds of having Employee engagement are increased by by a factor of 1.4 for every positive incremental of Rewards and Recognition, controlling for other variables in the model.

- ✓ What this tells us is that if the employees were gained addition Reward and recognition the odds of their engagement were 1.4 times higher than if they were gained to usual Reward and recognition.
- ✓ In general, the results of the Odds Ratio suggest that employees who gain better Reward and recognition are more likely to reciprocate with greater levels of engagement to their organization. As a result, fail to reject the hypothesis.
- ✓ This finding is similar to results from previous studies, in which it was discovered that a lack of recognitions or rewards can lead to burnout, therefore proper recognitions or rewards is very important for engaged employee (Gonzalez-Roma et al.,2006;Kahn,1990;Maslach et al.,2001; Ola, 2011)
- ✓ RR Comparatively lowest effect on predicting Employee engagement. Which mean the lowest contributing factor RR was weak contributor less than any other variable. This finding is supports theory which state that engagement is not a momentary and specific state, but rather, it is “a more persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behaviour”.(Schaufeli et al.,2002)
- ✓ The implication from the findings in this study was that when employees are rarely recognised for a job well done, or when recognition is given inappropriately, engagement will suffer.

H6; Organization justice has significant effect in predicting Employee engagement.

- ✚ OR OJ =3.54 (p=0.000); the odds of having Employee engagement are increased by a factor of 3.54 for every positive incremental of organizational justice, controlling for other variables in the model.

- ✓ What this tells us is that if the employees were played with better Organization justice the odds of their engagement were 3.54 times higher than if they were played with to common Organization justice.
- ✓ Overall, the results of the Odds Ratio suggest that employees who better perception of Organization justice are more likely to reciprocate with greater levels of engagement to their organization. As a result, fail to reject the hypothesis.
- ✓ Thus, organizational justice is one of the major of Employee engagement antecedent that help employees to being engaged to the organization. This finding is similar to results from previous studies, in which it was discovered that a lack of fairness can aggravate burnout and while positive perceptions of fairness can improve engagement (Colquitt, 2001; Kahn, 1990; Maslach et al., 2001; Saks, 2006 Rhoades et al., 2001).
- ✓ The implication from the findings in this study was that when employees have high perceptions of justice in their organization, they are more likely to feel obliged to also be fair in how they perform their roles by giving more of themselves through greater levels of engagement. On the other hand, low perceptions of fairness are likely to cause employees to withdraw and disengage themselves from their work roles.

H7; Perceived organization support has significant effect in predicting Employee engagement.

- ✚ OR POS =6.81 (p=0.000); the odds of having Employee engagement are increased by a factor of 6.81for every positive incremental of Perceived organizational support, controlling for other variables in the model.

- ✓ What this tells us is that if the employees were played with higher organizational support the odds of their engagement were 6.81 times higher than if they were deal with to usual organizational support.
- ✓ Overall, the results of the Odds Ratio suggest that employees who perceived higher organizational support are more likely to reciprocate with greater levels of engagement to their organization. Thus, fail to reject the hypothesis.
- ✓ This finding is supports theory and previous empirical research suggesting that POS creates an obligation in the employee to reciprocate with behaviours that will benefit the supportive organization (Eisenberger et al., 1990; Kahn, 1990; Ladd & Henry, 2000; Rhoades et al., 2001 Randall et al., 1999; Saks, 2006; Shore & Wayne, 1993).
- ✓ The implication from the findings in this study was that when employees believe that their organization is concerned about them and cares about their well-being, they are likely to respond by attempting to full fill their obligations to the organization by becoming more engaged. Employees' who have higher POS might become more engaged to their job and organization as part of the reciprocity norm of SET in order to help the organization reach its objectives
- ✓ The results of the study come up with new findings that POS Comparatively highest effect on predicting Employee engagement. Which mean the highest contributing factor POS was powerful contributor more than any other variable. This new findings differed from a previous study, in which it was discovered that the strongest contributing factor Reward and recognition was powerful contributor more than any other variable(Bijay 2011).

- ✓ In general, researcher can conclude that each factors significantly influences the employee engagement: they will engaged when they recognize positively the factors!

Summary of Hypothesis Testing

This sub-topic summarizes each of hypotheses stated in previous. The results are displayed in the table below.

Table-13: Summary of Hypothesis Testing

No	Hypotheses	Test	Results
H1	There is significant difference between gender in predicting the overall employee engagement level of bank employees	The independent samples T-test (Mann- Whitney U test) Z=-0.581 Sig. 0.561	Fail to accept the hypothesis.
H2	There is significant difference across employees with different years of work experience in the current organization in predicting the overall employee engagement level of bank employees	The independent samples-test (Kruskal-Wallis test) $\chi^2 = 2.731$ with 3 d.f. pr=0.435	Fail to accept the hypothesis.
H3	There is significant difference across different educational qualification categories of employees in predicting the overall employee engagement levels of bank employees.	The independent samples-test (Kruskal-Wallis test) $\chi^2 = 0.365$ with 1 d.f.pr=0.5455	Fail to accept the hypothesis.
H4	Job characteristics has significant effect in predicting Employee engagement.	Logit Odds Ratio = 1.85 P=0.000	Fail to reject the hypothesis.
H5	Reward and recognition has significant effect in predicting Employee engagement.	Logit Odds Ratio =1.39 P=0.021	Fail to reject the hypothesis.
H6	Organization justice has significant effect in predicting Employee engagement.	Logit Odds Ratio=3.54 P=0.000	Fail to reject the hypothesis.
H7	Perceived organization support has significant effect in predicting Employee engagement.	Logit Odds Ratio=6.81 P=0.000	Fail to reject the hypothesis.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

This chapter presents conclusion and some relevant recommendations to practice as well as for future researchers based on objective of the study mentioned in chapter one.

5.1. Conclusions

Based on the findings the following conclusions are made:

1. This study supports the inclusion of job characteristics, rewards and recognition, organization justice and POS in models of employee engagement. The results have important implications for assisting managers and companies to better understand and control factors that may lead to improved levels of employee engagement.
2. This study led to the speculation that job characteristics, rewards and recognition, organization justice and POS are determinants of employee engagement in CBE. Social exchange theory serves as reliable base encompassing the impact of these variables on employee engagement.
3. The study established that employee engagement levels do not differ across different demographic variables such as seniority, gender, and educational level.
4. The study revealed that Jobs that are high on the core job characteristics provide individuals with the room and incentive to bring more of themselves into their work or to be more engaged.
5. This research has shown that when employees receive rewards and recognition from their organization, they will feel obliged to respond with higher levels of engagement.
6. The study revealed that when employees have high perceptions of justice in their organization, they are more likely to feel obliged to also be fair in how they perform their roles by giving more of themselves through greater levels of engagement. On the other

hand, low perceptions of fairness are likely to cause employees to withdraw and disengage themselves from their work roles.

7. The study discovered that when employees believe that their organization is concerned about them and cares about their well-being, they are likely to respond by attempting to full fill their obligations to the organization by becoming more engaged.

5.2. RECOMMENDATIONS

Based on the findings and the conclusions made before the following recommendations are provided:

1. The bank should ascertain engagement levels of their employees in order to identify gaps and take appropriate measures to bridge gaps.
2. The bank should focus on design five core job characteristics (i.e. skill variety, task identity, task significance, autonomy, and feedback).
3. Since reward and recognition strategies play an important role in reflecting the employee engagement, the organisation need to modify their rewards strategy to be aligned with their own particular organisation objective. Today's market trend, employees not only interested at the benefits entitlement and compensation packages offered by the company but they also seek for overall organisational incentive plans.
4. For the bank, it is especially important to be predictable and consistent in terms of the distribution of rewards and job resources as well as the procedures used to allocate them.
5. The bank should focus on building and strengthening supportive and trusting interpersonal relationships as well as supportive management.
7. The bank and employees share a symbiotic relation, where both are dependent on each other to satisfy their needs and goal. Therefore; employee engagement should not be a onetime exercise, but a continuous Process of learning, improvement and action.

5.3. Limitations of the Study

Although there is a notable contributions from this study especially for talented employee retention and full engaging strategies through identified key determinates of EE. The significance of this study need to be viewed and acknowledged in lights of its limitation. Therefore, future research should be conducted on a larger scale by considering more state and private commercial banks from all over the country.

1. The study was quantitative method, cross-sectional Survey and small sample size.
2. The study does not include privet banks as their organizational policies and orientation have been found to be different from CBE.

5.4 Future Research Potential

1. The scope of the study can be further increased and enriched to include more variables under the theoretical framework in future studies like personal factors.
2. Multiple measurement methods for justifiability of the theoretical model can include other methods like in- depth interviews, focus group interviews, nominal group technique etc.
3. The sample can be bigger and broad based to increase the representativeness of the study.
4. The scope of the study can be further broadened to increase various views of employee engagement like job-engagement and organizational engagement.

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APPENDIX 1 RESEARCH QUESTIONNAIRE

Addis Ababa University
College of Business and Economics
MBA Program

Name of student: Derara Tessema

Address: email, lfnbk8@gmail.com Tel: +251720623

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

Section one; Demographic Information:

1. How many years have you worked for the bank?

2 to 5 years _____ 6 to 10 years _____

11 to 15 years _____ 16 to 20 years _____ Over 20 years _____

2. Age: _____

3. Gender: M F

4. What is the highest level of education you have completed?

Circle one:

a) High School

c) Undergraduate Degree

b) College diploma

d) Graduate Degree and above

5. job title;

a) Staff

c) Manager

b) Supervisory

3. Time spent with supervisory

a) short

c) long

b) medium

The table in the next page consists list of items, Please put “X” mark for every statement based on your level of agreement.. Section two; the components of questions related to factors of employee engagement

No.	(Description of items)	Strongl	disagre	Neutral	Agree	Strongl y agree
Job characteristics						
11	There is much autonomy in my job					
12	My job permit me to decide on my way how to go about doing the work					
13	There is much variety in my job.					
14	The job require me to do many different things at work, using a variety of my skills and talents.					
15	Managers or co-workers let me know how well I am doing on my job.					
16	Doing the job itself provide me with information about my work performance.					
17	The actual work itself provide clues about how well I am doing – aside from any “feedback” co-workers or supervisors may provide.					
Rewards and Recognition						
18	A pay raise, Job security, and a promotion available for me					
19	I get Praise from my supervisor.					
20	Training and development opportunities available for me.					
21	More challenging work assignments available for me.					
22	There is some form of public recognition (e.g. employee of the month).					
23	There is a reward or token of appreciation (e.g. lunch).					

Organization justice					
25	The outcomes I receive appropriate for the work I have completed.				
26	My outcomes reflect what I have contributed to the organization				
27	I have been able to express my views and feelings during those procedures.				
28	I have had influence over the outcomes arrived at by those procedures.				
29	Those procedures have been applied consistently.				
30	Those procedures have been free of bias.				
31	I Have been able to appeal the outcomes arrived at by those procedures.				
32	Those procedures have upheld ethical and moral standards				
Perceived organizational support					
33	My organization is supportive of my goals and values.				
34	Help is available from my organization when I have a problem.				
35	My organization really cares about my well- being.				
36	My organization shows great concern for me.				
37	My organization cares about my opinions.				

Section three; questions related to employee engagement

No.	(Description of items)	Strongly disagree	disagree	Neutral	Agree	Strongly agree
Employee engagement						
1	I really “throw” myself into my job.					
2	Time passes quickly when I perform my job					
3	I stay until the job is done					
4	I get excited when I perform well on my job					
5	Being a member of this organization is very captivating.					
6	One of the most exciting things for me is getting involved with things happening in this organization.					
7	Being a member of this organization make me come “alive.”					
8	I am highly engaged in this organization.					

Thank you very much for your participation! Your efforts are greatly appreciated.

APPENDIX 2 TABLE FOR DETERMINING SAMPLE SIZE

Table for Determining Sample Size from a Given Population

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361

Note.—N is population size. S is sample size.

No calculations are needed to use this table.

Source;The NEA Research Bulletin, Vol. 38 (December, 1960), p. 99.

APPENDIX 3 STATA OUTPUT

Table... describes the sample's overall variables scores									
		GN	YR	EL	JC	RR	OJ	POS	EE
	N	315	315	315	315	315	315	315	315
	Missing	0	0	0	0	0	0	0	0
Median		1.00	1.0000	2.0000	24.0000	13.0000	19.0000	14.0000	24.0000
Mode		1	1.00	2.00	24.00	13.00	20.00	14.00	25.00
Per cent iles	25	1.00	1.0000	2.0000	21.0000	12.7500	18.0000	14.0000	18.0000
	50	1.00	1.0000	2.0000	24.0000	13.0000	19.0000	14.0000	24.0000
	75	2.00	2.0000	3.0000	24.0000	14.0000	20.0000	14.0000	25.0000

Key	

tau a	
tau b	
Number of obs	
Sig. level	

	YR	GN	EL	JC	RR	OJ	POS	OE
YR	0.5751							
	1.0000							
	315							
GN	-0.0263	0.3928						
	-0.0553	1.0000						
	315	315						
	0.3521							
EL	-0.0255	-0.0137	0.2969					
	-0.0616	-0.0400	1.0000					
	315	315	315					
	0.2997	0.5155						
JC	-0.0429	0.0411	-0.0137	0.8203				
	-0.0625	0.0725	-0.0278	1.0000				
	315	315	315	315				
	0.2362	0.1827	0.6101					
RR	0.0279	0.0034	0.0070	0.0788	0.8527			
	0.0398	0.0059	0.0138	0.0942	1.0000			
	315	315	315	315	315			
	0.4384	0.9131	0.7976	0.0514				
OJ	-0.0416	0.0385	-0.0244	0.4207	0.0500	0.7292		
	-0.0642	0.0719	-0.0524	0.5440	0.0635	1.0000		
	315	315	315	315	315	315		
	0.2369	0.2008	0.3514	0.0000	0.2068			
POS	-0.0084	0.1027	-0.0092	0.2137	0.0233	0.4086	0.4882	
	-0.0091	0.1087	-0.0098	0.2576*	0.0261	0.4528*	1.0000	
	315	315	315	315	315	315	315	
	0.8830	0.0767	0.8738	0.0000	0.6719	0.0000		
EE	-0.0870	0.0678	-0.0345	0.5315	0.1206	0.6799	0.6149	0.6587
	-0.0976	0.0730	-0.0371	0.6412*	0.3485*	0.7451*	0.6537*	1.0000
	315	315	315	315	315	315	315	315
	0.1124	0.2356	0.5465	0.0000	0.0154	0.0000	0.0000	

ologit EE JC RR OJ POS, collinear or nolog iterate(20)

Ordered logistic regression

Number of obs = 315

LR chi2(4) = 413.54

Prob > chi2 = 0.0000

Log likelihood = -198.03895

Pseudo R2 = 0.5108

EE	Odds Ratio	Std. Err.	z	P> z	[95% Conf. Interval]	
JC	1.857812	.1958157	5.88	0.000	1.511068	2.284122
RR	1.398256	.094135	3.30	0.014	1.02725	2.39772
OJ	3.538622	.8429151	5.31	0.000	2.218575	5.644091
POS	6.811845	1.682452	7.77	0.000	4.197853	11.05356

/cut1	54.45413	4.709792			45.22311	63.68515
/cut2	66.01986	5.453298			55.33159	76.70813
/cut3	71.49715	5.779954			60.16865	82.82565
/cut4	72.8208	5.855683			61.34387	84.29773
/cut5	74.94706	6.040315			63.10826	86.78586
