



**FACTORS AFFECTING EMPLOYEE ENGAGEMENT: *THE*
*CASE OF ZEMEN BANK S.C.***

**BY
BEZA SHIFERAW**

**A THESIS SUBMITTED TO ADDIS ABABA UNIVERSITY COLLEGE
OF BUSINESS AND ECONOMICS IN PARTIAL FULFILLMENT OF
THE REQUIREMENT FOR MSC IN MANAGEMENT**

**ADVISOR
LAKEW ALEMU (PhD)**

**OCTOBER 2019
ADDIS ABABA, ETHIOPIA**

CANDIDATE’S DECLARATION

I, Beza Shiferaw, hereby declare that this Master Thesis titled “Factors Affecting Employee Engagement: *The Case of Zemen Bank S.C.*” is my novel work and this study has not been submitted for the award of any program or any other institution. I have carried out the present study independently with the guidance and support of the research advisor, Lakew Alemu (PhD). Any other research or academic sources used here in this study have been duly acknowledged.

Statement of Certification

This is to certify that Beza Shiferaw has carried out her research work on the topic entitled “Factors Affecting Employee Engagement: *The Case of Zemen Bank S.C.*”. The work is original in nature and is suitable for submission for the award of MSc in Management.

Advisor’s Name: **Lakew Alemu (PhD)**

Signature: _____

Date: _____

**ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND
ECONOMICS MSC IN MANAGEMENT**

Factors Affecting Employee Engagement: *The Case of Zemen Bank S.C.*

**Declared by:
Beza Shiferaw**

This is to certify that the thesis prepared by Beza Shiferaw, titled: “Factors Affecting Employee Engagement: *The Case of Zemen Bank S.C.*” and submitted in partial fulfillment of the requirements for The Master of science Degree in Management complies with the regulations of the Addis Ababa University College of Business and Economics and meets the accepted standards with respect to originality and quality.

Name of Advisor: _____ Signature _____ Date _____

Name of Internal Examiner: _____ Signature _____ Date _____

Name of External Examiner: _____ Signatures _____ Date _____

Name of Department head: _____ Signature _____ Date _____

Acknowledgement

First of all, my greatest gratitude goes to my Advisor, Dr. Lakew for his keen interest in my work, constant supervision, insightful critiques of drafts, invaluable, constructive and enduring comments and professional advice from the inception to the completion of this thesis which eased the process of revision significantly.

My special thanks also go to the staff of Zemen Bank S.C who cooperated with me by filling up the questionnaires and higher officials for their cooperation and providing valuable information for completing the thesis.

I also owed special debt to my friends and relatives who have been beside me throughout my work by providing me both material and moral support and all family members and my husband who contributed towards my success and indispensable friends who gladly shared my responsibilities when I was in need of it.

Table of contents

List of Table	ix
List of Figure	ix
ACRONYMS AND ABBREVIATIONS	x
Abstract	xi
CHAPTER ONE	1
INTRODUCTION	1
1.1 <i>Background of the study</i>	1
1.2 <i>Background of the Organization</i>	2
1.3 <i>Statement of the Problem</i>	3
1.4 <i>Research Questions</i>	4
1.4.1 Basic Research Question	4
1.4.2 Sub Research Questions	5
1.5 <i>Objectives of the study</i>	5
1.5.1 General Objective	5
1.5.2 Specific Objectives	5
1.6 <i>Significance of the Study</i>	5
1.7 <i>Scope of the study</i>	6
1.8 <i>Operational Definitions of Key Terms and Concepts</i>	6
1.9 <i>Organization of the Study</i>	7
CHAPTER 2	8
LITERATURE REVIEW	8
2.1 <i>Introduction</i>	8
2.2 <i>Defining Employee Engagement</i>	8
2.3 <i>Evolution of Employee Engagement</i>	10
2.4 <i>Levels of Employee Engagement</i>	11
2.5 <i>Theories & models of employee engagement</i>	12
2.5.1. Job burnout theories	12
2.5.2. Job Demands–Resources (JD-R) model	13
2.5.3. Harter, Schmidt & Hayes’s satisfaction-engagement approach	14
2.5.4. Social Exchange Theory	15
2.6 <i>Empirical Review of Studies</i>	16
2.7 <i>Drivers of Employee Engagement</i>	17

2.7.1. Leadership.....	19
2.7.2. Communication.....	19
2.7.3. Learning and Development.....	21
2.7.4. Work Environment.....	21
2.7.5. Perceived Organizational Support.....	23
2.8. Summary of literature review.....	23
2.9. Conceptual Framework.....	24
2.10. Study Hypothesis.....	25
CHAPTER THREE	26
RESEARCH METHODOLOGY	26
3.1. Description of the study area.....	26
3.2. Research Approach.....	26
3.3. Research Design.....	27
3.4. Research Strategy.....	27
3.5. Target population, Sampling Technique and Sample Size.....	28
3.5.1. Target Population of the study.....	28
3.5.2. Sampling Technique.....	28
3.5.3. Sample Size.....	30
3.6. Research Instrument.....	30
3.7. Data Collection.....	31
3.8. Data Analysis.....	31
3.9. Validity and Reliability.....	33
3.9.1. Validity.....	33
3.9.2. Reliability.....	33
CHAPTER FOUR	35
DATA PRESENTATION, ANALYSIS AND INTERPRETATION	35
4.1. Introduction.....	35
4.2. Response Rate.....	35
4.3. Descriptive Analysis.....	36
4.2.1 Respondents' Characteristic.....	36
4.2.2 Descriptive statistics of study variables.....	40
4.2.3 Tests for Effect of Demographic characteristic variables on Dependent variable.....	41

4.4. <i>Tests and Analysis to examine the factors affecting Employee Engagement.</i>	42
4.4.1 Normality Test	42
4.4.2 Correlations Analysis: Relationships between the Variables	44
4.4.3 Multicollinearity Assumptions	46
4.4.4 Auto-correlation Assumption /Durbin–Watson test/	47
4.4.5 Multiple Regression Results	48
4.5. <i>Moderating Analysis</i>	52
4.5.1 Test of Moderation (Moderator: POS)	53
4.5.2 Test for Effect Independent variable on Employee Engagement due to perceived organizational support)	55
CHAPTER FIVE	58
SUMMARY, CONCLUSION AND RECOMMENDATIONS	58
5.1. <i>Introduction</i>	58
5.2. <i>Summary of The Major Findings</i>	58
5.3. <i>Conclusion</i>	60
5.4. <i>Recommendations</i>	61
5.5. <i>Suggestion for Further Study</i>	62
REFERENCE	63

List of Table

Table 3.1: List of population by group	29
Table 3. 1: Reliability Coefficients of Research Measures (Cronbach’s Alpha)	34
Table 4. 1: Questionnaire Distributed and it’s Response Rate	35
Table 4. 2: Summary of Respondents’ Gender	36
Table 4. 3: Summary of Respondents' Age	37
Table 4. 4: Summary of Respondents' Academic Qualification	37
Table 4. 5: Summary of Respondents' Marital Status	38
Table 4. 6: Summary of respondents’ Position	39
Table 4. 7: Summary of respondents’ service years	39
Table 4.8: Descriptive Statistics of variables	40
Table 4. 9 Variables Entered/Removed^a	41
Table 4. 10 Coefficients^a for Demographic characteristic variables	42
Table 4. 11: Tests of normality competitive performance	43
Table 4. 12: Correlation table for independent and dependent variables	45
Table 4. 13: Collinearity statistics value	47
Table 4. 14: Model Summary	48
Table 4. 15: ANOVA table	49
Table 4. 16: Coefficients table	50
Table 4. 17: Model Summary of Moderating variable	52
Table 4. 18: ANOVA^a for Moderation test	53
Table 4.19: Model Summary for Moderation test	54
Table 4. 20: Regression coefficient for Moderation test	56
Table 4. 21: Conditional effects of the focal predictor at values of the moderator(s) ...	57

List of Figure

Figure 2. 1: Conceptual Framework	24
Figure 4: 1: <i>Normal distributions of the data</i>	44

ACRONYMS AND ABBREVIATIONS

C	Communication
GST	Goal Setting Theory
HRM	Human Resource Management
LD	Learning & Development
LS	Leadership
NBE	National Bank of Ethiopia
OCB	Organizational Citizenship Behavior
POS	Perceived Organizational Support
S.C	Share Company
SDT	Determination Theory
SET	Social Exchange Theory
SPSS	Statistical Packages for Social Science
WE	Working Environment

Abstract

Employee engagement is one of the primary determinants of employee's performance and business success. In order to obtain the greatest out of their employees and sustain their success, organizations are expected to know what factors are affecting the Employee engagement of their work force. In line this, the purpose of this study is assessing the factors that affect employee engagement in Zemen Bank S.C. Specifically it investigated the effects of learning & development, communication, leadership, work environment and perused organizational support on employee engagement. A descriptive and explanatory research design was employed. The target population was 692 respondents while a sample size of 212 were selected using a simple random sampling to ensure representativeness. Both quantitative and qualitative methods of data analysis were used to get a conclusion of the findings of the subject matter. The finding of the study shows that learning & development, communication, leadership and work environment have strong and positive correlation with employee engagement. The conclusion of the study is that learning & development, communication, leadership, work environment and perused organizational support have significant impact on employee engagement. Basing on the study, finding the researcher recommend the bank should create a work environment were employees feel safe, should give due attention on the leadership practices, should give due attention if training is given continuously and are given at high quality level, should have enhanced Communication system and should have maintain strong organizational support.

Key words: Learning and Development, Working Environment, leadership, communication system and Employee Engagement.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The developing dimension of vulnerability in the business condition expects associations to consistently adjust to changes and suit various needs of the workforce. Associations frequently contend and take on different endeavor to make due by bringing down costs, cutting costs, renovating business procedures and scaling back the quantity of workers. Expecting that there is a point of confinement to cutting expenses and scaling down, new ways to deal with Human Resource Management are inevitable for organizational survival and progress. As opposed to concentrating on decreasing costs, the move of the concentration in Human Resource Management (HRM) is to build Employee Engagement.

As a result, numerous articles have been published that call for a more positive approach that focuses on the workforce, that is, engaging employees rather than focusing on problem-coping strategies (Luthans & Avolio 2009; Bakker & Schaufeli 2008; Luthans & Youssef 2007; Avey et al. 2008; Youssef & Luthans 2007; Seligman et al. 2005).

Scholastic writing presents a few meanings of engagement. One of the first and most unmistakable meanings of engagement is given by Kahn (1990) and it proposes that individual engagement is: the harnessing of organization members' selves to their work roles; in engagement, individuals utilize and convey themselves physically, cognitively, and emotionally amid when executing a job (p.694)". His view focused on the personal engagement of workers in order to accentuate performance improvement through employing and expressing themselves on physical, cognitive and emotional levels during their performance. In the case of disengagement, employees withdraw from role performance and try to defend themselves physically, cognitively or emotionally (Kahn, 1990). In summary, following Kahn (1990), engagement means the employees' psychological presence at work.

The thought of Employee Engagement has started to get wider attention and regards to wards the concept in most recent decade (Hallberg and Schaufeli 2006; Demerouti et al. 2001a; Saks and Gruman 2011). Though research discoveries shift marginally, the vast majority of these

examinations share a comparable end: that drew in engaged employees appear to be a significant fountain of organizational competitiveness (Teng et al. 2007; Salanova and Schaufeli 2008). Connected Engaged employees are individuals who give full optional effort at work, and are exceptionally incredible and committed to their activity, while disengaged employees are individuals who are motivationally detached from work, who don't have the vitality to buckle down and who are not excited at work (Bakker et al. 2008; Towers Perrin 2009). By most records, employee engagement influences efficiency, productivity, profitability, employee retention and client administrations (Zigarmi et al. 2009; Xanthopoulou et al. 2009). All things being equal, very little is offered in the present assemblage of information concerning how best to energize and stimulate employee engagement (Bakker et. al 2007; Bakker and Schaufeli 2008).

Nonetheless, to establish an environment for employee engagement it is critical to realize which elements influence it. Regardless of whether there are various investigates led on the theme around the world (antecedents of employee engagement and results of employee engagement) the quantity of inquires done in the region of employee engagement in Ethiopian banks is not sufficient to give a full knowledge on the issue. Furthermore, the dimension of degree given towards the impacts and significance of employee engagement compare with other HR key components is low in contrast with the high impacts it is making on an organization's efficient performance and profitability.

As a result, from the above definitions and discussion of various literatures, this study focus on the study of different factors that affect employee engagement has be presented by looking at different studies and theories on the subject matter. In addition, the variables relation has been considered against a moderating variable organizational support. Finally, the effect of the selected predictors on the engagement of Zemen Bank S.C Addis Ababa employees has be deeply analyzed.

1.2 Background of the Organization

Zemen Bank S.C is a privately owned commercial bank established in 2008 in accordance with the “licensing and supervision of banking business proclamation No. 84/1994” of Ethiopia to undertake commercial banking activities. The bank obtained its license from the National Bank of Ethiopia (NBE) on 17 June 2008 and started its business activities on 2 October 2008, in accordance with the NBE’s letter of 29 September 2008.

Zemen Bank S.C has a unique business model that fits very well with the needs of high net worth individuals and companies. The Bank's key differentiators are the use of state-of-the-art banking technologies and its excellence in customer service.

At present, the bank has more than 800 employees and 32 city and outline branches in Ethiopia.

The main functions of Zemen Bank S.C is accepting deposits from the public and advancing them as loans. However, besides these functions there are many other functions, which this bank performs. Main functions of Zemen Bank S.C are as follows: -

1. Accepting deposits and paying deposits,
2. Giving loans
3. Providing Overdraft
4. Discounting of Bills of Exchange
5. Investment of Funds
6. Agency Functions
7. Exchange of foreign currency under rules and regulation
8. Miscellaneous Functions

1.3 Statement of the Problem

The fundamental reason of undertaking employee engagement overview is to discover the elements that really drive employees to play out their best. It is significant to set up matchup between what top administration offers and what workers' desire. The reason being, these days, directors are quicker in realizing what really can draw in or withdraw workers. The bank continues conducting employee engagement reviews now and again with the goal that they can structure or upgrade the current strategies and actualize key changes so as to expand the profitability and proficiency of workers. Other than that, it will help them in holding the best ability inside the association.

As indicated by, Sundaray (2011) if an association can draw in, embrace, engage with and build up their assets they can increase upper hand in the market place. An engaged workforce can't just prompt upper hand, it likewise creates positive environment within the association which can be significant to those giving proficient administrations to their customers (Macey and Schneider,

2008). This is especially significant within the financial service industry as they keep on battling for new business and retain existing customers.

A standout amongst the most noteworthy recommendations for accomplishing employee engagement is to take part in HRM programs, which for the most part mentions to the exercises of arranging work and overseeing individuals to accomplish organizational goals (Zhang et al. 2012). An issue lays in the way that HR experts and supervisors are continually being stood up to with the squeezing challenge regarding how they can draw in employees to be engaged. For example, an ongoing report by a worldwide counseling firm discovered that four workers out of ten are not engaged in around the world (AON Hewitt Report 2012).

Considering the significance of employee engagement for businesses, Deloitte had conducted a survey in the year 2015/16 to measure Zemen Bank S.C 's employee engagement level and subsequent in-house survey was done by the bank that measures employee engagement level after the recommended remedies are applied, in spite of, the investigation appears as no expansion in the engagement level. Accordingly, this study investigated and justify the key drivers that will influence employee engagement from different parameters that are not covered by Deloitte and in a distillation of the various models and studies reviewed on the literature these five key drivers repeatedly emerge. These are *Leadership, Communication, Learning & Development, and Working Environment* Furthermore, the study focused on the moderating role of perceived organizational support among the independent and dependent variable. (i.e leadership, communication, learning & Development and work environment being IV and Employee Engagement DV).

1.4 Research Questions

The study has both basic and sub research questions to address the objectives of the study.

1.4.1 Basic Research Question

Based on the above statement of problem, the study attempt to answer what specific factors affect employee engagement and study the role of POS as a moderating variable in Zemen Bank S.C Addis Ababa.

1.4.2 Sub Research Questions

1. Does leadership affect employee engagement level in Zemen Bank S.C?
2. Does Communication affect employee engagement level in Zemen Bank S.C?
3. Does Learning & Development affect employee engagement level in Zemen Bank S.C?
4. Does Working Environment affect employee engagement level in Zemen Bank S.C?
5. What is the moderating role of POS on the relationship among leadership, communication, learning & development, work environment towards EE?

1.5 Objectives of the study

This part of the study outlines the general & specific objectives the research aims to achieve after its completion.

1.5.1 General Objective

The general objective of this research is to investigate factors that affect employee engagement and the moderating role of POS in Zemen Bank S.C in Addis Ababa area.

1.5.2 Specific Objectives

This study has the following specific research objectives: -

- ✓ To investigate the effect of leadership on employee engagement in employees of Zemen Bank S.C.
- ✓ To examine the effect of Communication on employee engagement in employees of Zemen Bank S.C.
- ✓ To analyze the effect of Learning & Development on employee engagement in employees of Zemen Bank S.C.
- ✓ To test the effect of Working Environment on employee engagement in employee of Zemen Bank S.C.

1.6 Significance of the Study

The findings of the study are expected to contribute a lot for the Bank. The primary significance of this study is “employee engagement” with its demolitions affecting employees’ performance

while suggesting corrective actions and indicating areas for further examination to the decision-making organs for the Bank and ultimate help the bank achieve its target in specific areas. For the wider audience of this research, it will try to create clarity about the concept on engagement and the specific factors affecting employee engagement. The study also gives light to future study as a source of literature

1.7 Scope of the study

The study would be more fruitful if it would be conducted widely, including other financial industry particularly the banking sector. However, due to resource constraints, the study is delimited to Zemen Bank S.C Addis Ababa only, and the depth of the study delimited to assess factors that influence employee engagement, i.e. Leadership, Communication, Learning and Development and Work Environment.

1.8 Operational Definitions of Key Terms and Concepts

For this study, the operational definitions for the key terms and concepts are presented as follows:

- ❖ **Employee Engagement:** is a property of the relationship between an organization and its employees. An "engaged employee" is one who is fully absorbed by and enthusiastic about their work and so takes positive action to further the organization's reputation and interests.
- ❖ **Leadership:** Leadership is a process by which a person influences others to accomplish an objective and directs the organization in a way that makes it more cohesive and coherent. Leaders carry out this process by applying their leadership attributes, such as beliefs, values, ethics, character, knowledge, and skills.
- ❖ **Communication:** Two-way process of reaching mutual understanding, in which participants not only exchange (encode-decode) information, news, ideas and feelings but also create and share meaning. In general, communication is a means of connecting people or places.
- ❖ **Learning & Development:** To enable employees to engage, companies must actively balance the demands on employees with opportunities for appropriate recovery and renewal from period of stress. Make sure that the company-working environment, hours of working and rest must be compliance with the local labor laws.

- ❖ **Perceived Organizational Support:** Employees who feel valued and believe that the organization is concerned for their well-being are more likely to feel a sense of responsibility towards their employer, resulting in increased loyalty and commitment to the organization
- ❖ **Working Environment:** The term work environment is used to describe the surrounding conditions in which an employee operates. The work environment can be composed of physical conditions, such as office temperature, or equipment, such as personal computers. It can also be related to factors such as work processes or procedures. Most of all it is the relationships with colleagues and relationships with management creating positive atmosphere.

1.9 Organization of the Study

The study is presented in five chapters. The first chapter contains the introduction part of the paper which comprises the background of the study, background of the company, statement of the problem, basic research questions, objectives of the study, hypothesis of the research, significance of the study, and scope and operational definition of key terms and concepts.

The second chapter provides the relevant theoretical and empirical information obtained from related reviewed literatures pertaining to the topic under the study. The third chapter presents the research methodology part used to carry out the research activities. This part of the research comprises the type and design of the research, the population and samples of the study, sampling methods and procedures employed, data sources and data collection instruments used, the data collection procedures, the data analysis and presentation methods used.

The fourth chapter shows the findings, the interpretation and discussion parts of the research. Finally, the fifth chapter contains the summary, conclusion and recommendation and Suggestion for Further Study.

CHAPTER 2

LITERATURE REVIEW

2.1. Introduction

In order to fully assess the levels of employee engagement in the Bank, it will first be necessary to analyze the available literature and understand the meaning of employee engagement.

This chapter reviews the offered literature from each lecturers and practitioners on employee engagement. The chapter begins with the various definitions of employee engagement and its distinction from other Constructs-Organizational commitment and organizational citizenship behavior (OCB). The evolution of employee engagement is examined followed by the key models of employee engagement. The key drivers of worker engagement that are known throughout the literature review are mentioned. The section concludes with a summary of the literature review including any considerations that are relevant for the study matter.

2.2. Defining Employee Engagement

One of the Primary challenges given within the literature is that the variation concerning the definition of employee engagement. MacLeod and Clarke (2009) as several as fifty completely different definitions of the term employee engagement. Many academic journals and writers admit that engagement is an accepted term and acts as an indicator of however employees connect with their work setting.

Kahn (1990, 9.694) defines employee engagement as the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances". It is clear from these definitions that the understanding of the term of employee engagement continuous to vary.

In order to consider Kahn's (1990) definition, employee engagement is defined as being psychologically as well as physically present when occupying and performing and organizational role. The cognitive aspect of employee engagement is about employee's beliefs about the

organization, its leaders and working conditions. The emotional aspect is concerned with how employees feel and whether they have positive or negative attitude towards the organization.

The physical side of employee engagement relates to the physical energies exerted by people to undertake their roles.

Although it is acknowledged and accepted that employee engagement is a multi-faceted construct, as suggested by Kahn (1990), Truss et al. (2006) define employee engagement simply as passion for work, a psychological state which is seen to incorporate the three dimension for engagement discussed by Kahn (1990), and captures the common theme running through all these definitions. According to Robinson et al., 2004, p.9, he defines and explains employee engagement as “a positive thinking (attitude) held by the employee towards the organizations and its worth. An engaged employee is alert to business context, and works with colleagues to improve performance within the job for the benefit of the organization. The organization should work to develop and nurture engagement, which needs a two-way relationship between leader and employee.

The literature conjointly highlights that the numerous definitions of the term employee engagement will cause issues of equivalence and sometimes get confused with alternative constructs. Whilst it is acknowledged that employee engagement has been defined in many different ways, it is also argued that the definitions sound similar to more established constructs such as organizational citizenship behavior (OCB) and organizational commitment (Robinson *et al.*, 2004).

Whilst elements of the definition of employee engagement overlaps with organizational commitment and OCB, there are also differences. Many researchers counsel that engagement is said to employees’ voluntary behavioral aspects (Bakker and Schaufeli, 2008; Saks, 2006), whereas structure commitment is additional attitudinal in nature as well as emotional, continuance, and normative domains (Song and Kim, 2009).

In conclusion, it appears that the definition of employee engagement can sometimes overlap with other constructs such as employee commitment and organizational citizenship behavior. However, it is still a distinct and unique construct, which embraces cognitive, emotional, and physical components that are associated with individual role performance. It can be said that engagement,

which has a positive effect on the employees' behavior and attitude, can be derived from a strong mutual relationship between the employer and its employees. However, it is important to note that, as Robinson (2007) outlined, it is unlikely that a one-size fits all approach will bring its benefits, as engagement and its drivers depend on the organization, employee group, the individual and the job itself.

For the purposes of this study, Kahn (1990, p.694) definition of employee engagement will be utilized “*the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances*”.

2.3. Evolution of Employee Engagement

Some of the earliest research into areas such as motivation and job satisfaction began in the 1930s with researchers examining the link between goal attainment, motivation and the effects this had on employee behavior. This research referred to as the Goal Setting Theory (GST) has demonstrated that setting specific stretch but attainable goals directly normalizes performance, while increasing job satisfaction and commitment to the organization (Latham and Locke, 1990). In the 1960s, Herzberg looked at the individuals needs in relation to the work environment and claimed that there are two factors influencing how employees feel about work (Herzberg *et al.*, 1957). These factors are described as extrinsic hygiene factors including working conditions, style of supervision and pay, and intrinsic factors such as recognition, responsibility, advancement and achievement which directly affect satisfaction (Herzberg *et al.*, 1957). In the 1980s, Self Determination Theory (SDT) progressed further on the needs of goal attainment. SDT is based on the relationship between the individual's psychological needs and the reason for performing the task (Deci and Ryan, 1987).

In the 1990s, Kahn features in much of the literature and was the first theorist to describe the concept of personal engagement in a work context. As previously stated, the multi-factorial concept of employee engagement originally derives from William Kahn's (1990 p.694) description of personal engagement, as the “*harnessing of individual's selves to their role performance on*

physical, cognitive and emotional levels". Rothbard (2001) together with Schaufeliet *al.* (2006) all concur with Kahn (1990) that employee engagement is a form of psychological presence at work.

More recent research has started to look at the antecedents of employee engagement and has acknowledged three aspects of motivation, identified as cognitive, emotional and behavioral (Saks, 2006). Saks tested a number of antecedents in relation to engagement such as job characteristics, rewards and recognition, and supervision. All of these antecedents were found to be related to job and organizational engagement (Saks, 2006).

2.4. Levels of Employee Engagement

The Blessing white (2013) research update presents the following five levels of Employee Engagement

- **The Engaged:** High contribution and high satisfaction

These employees are at the apex where personal and organizational interests align. They contribute fully to the success of the organization and find great satisfaction in their work. They are known for their discretionary effort and commitment. When recruiters call, they cordially cut the conversation short. Organizations need to keep them Engaged, because they can transition over time to any of the three adjacent segments, a move that would likely impact workforce morale and the bottom line.

- **Almost Engaged:** Medium to high contribution and satisfaction

A critical group, these employees are among the high performers and are reasonably satisfied with their job. They may not have consistent "great days at work," but they know what those days look like. Organizations should invest in them for two reasons: They are highly employable and more likely to be lured away; they have the shortest distance to travel to reach full engagement, promising the biggest payoff.

- **Honeymooners& Hamsters:** High satisfaction but low contribution

Honeymooners are new to the organization or their role – and happy to be there. They have yet to find their stride or clearly understand how they can best contribute. It should be a priority to move them out of this temporary holding area to full alignment and productivity.

Hamsters may be working hard, but are in effect spinning their wheels, working on non-essential tasks, contributing little to the success of the organization. Some may even be hiding out, curled up in their cedar shavings, content with their position (“retired in place”). If organizations don’t deal with them, other employees will have to work harder and may grow resentful.

- **Crash& Burners:** High contribution but low satisfaction

Disillusioned and potentially exhausted, these employees are top producers who aren’t achieving their personal definition of success and satisfaction. They can be bitterly vocal that, executives are making bad decisions or that colleagues are not pulling their weight. They may leave, but they are more likely to take a breather and work less hard, slipping down the contribution scale to become disengaged. When they do, they often bring down those around them.

- **The Disengaged:** Low contribution and satisfaction

Most Disengaged employees didn’t start out as bad apples. They still may not be. They are the most disconnected from organizational priorities, often feel underutilized, and are clearly not getting what they need from work. They’re likely to be skeptical, and can indulge in contagious negativity. If left alone, the Disengaged are likely to collect a paycheck while complaining or looking for their next job. If they can’t be coached or aligned to higher levels of engagement, their exit benefits everyone, including them.

2.5. Theories & models of employee engagement

2.5.1. Job burnout theories

This theory of engagement is based in the literature on job burnout. In a review of the job burnout literature, Maslach et al. (2001) discussed job engagement as an expansion of the burnout construct noting that engagement is the opposite of burnout. They further suggested that engagement can be assessed by the opposite pattern of scores on the three Maslach-Burnout Inventory (MBI) dimensions.

According to Maslach et al. (2001), job burnout is the result of mismatches in six critical areas of organizational life, which are considered to be the major organizational antecedents of burnout:

workload, control, rewards and recognition, community and social support, perceived fairness, and values. The greater the gap or mismatch between the person and these six areas, the greater the likelihood of burnout. Conversely, the greater the match or fit between a person and these six areas of organizational life, the greater one's engagement. In other words, engagement is associated with a sustainable workload, feelings of choice and control, appropriate recognition and reward, a supportive work community, fairness and justice, and meaningful and valued work.

Maslach and Leiter (2008) found some support for their theory with respect to the perception of fairness in the workplace. This approach also suggests that, like burnout engagement mediates the relationship between these six work-life factors and work attitudes (e.g., job satisfaction, organizational commitment) as well as stress-related health outcomes. In other words, mismatches lead to burnout, while matches lead to engagement, and burnout and engagement lead to work and health outcomes.

2.5.2. Job Demands–Resources (JD-R) model

Schaufeli, (2013), notes that many studies on work engagement have used the Job-Demand Resources Model (JD-R Model) as an explanatory framework. As stated in Kamau & Sma (2016), This model was established by Demerouti, Bakker, De Jonge, Janssen and Schaufeli (2001a)

The JD-R Model assumes that work engagement results from inherently motivating nature of resources, whereby two types of resources are distinguished; Job resources, which are defined as those aspects of the job that are functional in achieving work goals, reduce job demands , or stimulate personal growth and development.(e.g., performance feedback, job control and social support from colleagues) ,Personal resources , which are defined as those aspects of the self that are associated with resiliency and that refer to the ability to control and impacts one's environment successfully (e.g., self-efficacy ,optimism ,and emotional stability), (Kamau & Sma, 2016).

According to the JD-R Model, resources energize employees, encourage their persistence, and make them focus on their efforts. That is, resources foster engagement in Terms of vigor (energy), dedication (Persistence), and absorption (focus) (Schaufeli, 2013).

JD-R Model also assumes that in its turn engagement results to positive outcomes such as job performance. JD-R Model, posit that work engagement mediates the relationship between job and personal resources on the one hand and positive outcomes on the other (Schaufeli ,2013).

JD-R Model also postulates that when the resources are poor this may lead to burnout. Therefore, there is need for organizations to ensure that relevant resources are available to employees in order to avoid burn outs, (Kamau & Sma, 2016).

According to this model strenuous job demand would also lead to burn out. The JD-R model also shows that job demands might increase work engagement. However, Schaufeli (2013), notes that this is only true for those job demands that have the potential to promote mastery, personal growth, learning and goal attainment.

2.5.3. Harter, Schmidt & Hayes’s satisfaction-engagement approach

In 2002, Harter et al. presented one of the most widely read and cited works on employee engagement, where he used 7939 business units to examine the benefits of engagement. Employee engagement was defined here as an “individual’s involvement and satisfaction with as well as enthusiasm for work” (Harter et al., 2002, p. 269).

In their meta-analysis, they agreed with Kahn’s concept (1990) and saw engagement occurring when the employees are emotionally and cognitively engaged and when they know what is expected of them. They also agreed that engagement was dependent on the employees having the tools necessary to do their tasks, feelings of fulfillment, perceiving themselves as being significant, working with others whom they trust and having the chance for improvement and development.

Using Kahn’s (1990) framework, Harter et al. developed a measure, consisting of 12 items, which assesses the employees’ perception of their company as a working place. Results of the meta-analysis provided the evidence for the positive relationship between employee engagement and several important business outcomes: customer satisfaction, loyalty, profitability, productivity, employee turnover, and safety.

2.5.4. Social Exchange Theory

As stated in Kamu and Sma (2016) Social Exchange Theory (SET) evolved from thondikes (1932, 1935) reinforcement theory and mills mariginal utility theory (1923). Further they state that it also arose out of the philosophical traditions of utilitarianism, behaviorism & neo classical economics& the work of sociologists (Balu, 1964 , Homans, 1961, Thibat& Kelley, 1959)who focused on the rational assessment of self interest in human social relationships.

A basic tenet of SET is that relationships evolve over time into trusting, loyal, and mutual commitments as long as the parties abide by certain “rules” of exchange (Cropanzano and Mictchell, 2005).

This Rule of exchange usually involves reciprocity or repayment rules such that the action of one party leads to a response or action by the other party. For example, when individuals receive economic and socio emotional resources from their organization, they feel obliged to respond in kind to repay the organization (Cropanzano and Mitchell, 2005).

According to Saks (2006) a stronger theoretical rationale for explaining employee engagement can be found in social exchange theory (SET). He further states that one way for individuals to repay their organization is through their level of Engagement. That is, employees will choose to engage themselves to varying degrees in response to the resources they receive from their organization. Bringing oneself More fully into one’s work roles and devoting greater amounts of cognitive, emotional, and physical resources is a very profound way for individuals to respond to an organization’s actions.

It is more difficult for employees to vary their levels of job performance given that performance is often evaluated and used as the basis for compensation and other administrative decisions. Thus, employees are more likely to exchange their engagement for resources and benefits provided by their organization, (Saks 2006).

In summary, SET provides a theoretical foundation to explain why employees choose to become more or less engaged in their work and organization. Thus, the amount of cognitive, emotional, and physical resources that an individual is prepared to devote in the performance of one’s work

roles is contingent on the economic and socio emotional resources received from the organization, (Saks 2006).

Even though there are various theories that explain the relationship between employee engagement and its antecedents, this study focused mainly on social exchange theory (SET) because it was found to have a strong theoretical rationale for explaining about employee engagement.

2.6. Empirical Review of Studies

From the review of literature, most studies on employee engagement have looked at the level of engagement among employees, factors influencing engagement and relationship between engagement & individual as well as organizational outcomes. In this part of the literature review the researcher has tried to sample some recent studies on employee engagement specially those of the last ten years.

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

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

Bedarkar & pandita (2013) conducted a study on drivers of employee engagement impacting employee performance. The study identified three drivers of employee engagement namely communication, work life balance & leadership. In addition, they argued that these drivers lead to a better employee performance ultimately resulting in a higher organizational performance.

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

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

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

Taj (2015) conducted a study on employee engagement in the public sector of West Africa and identified the following drivers of employee engagement work place wellbeing, organizational policies, compensation, training & career development, team &coworker, leadership & work environment.

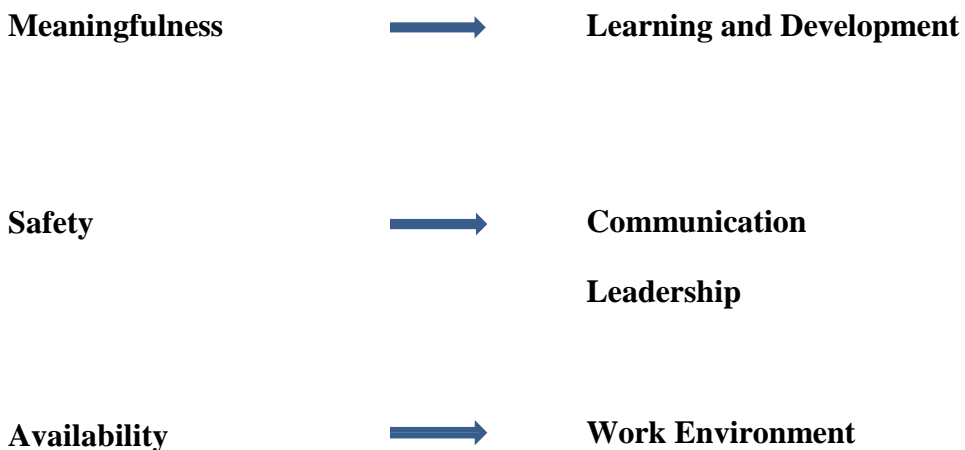
All The three studies focused on identifying factors influencing employee engagement however, the study by Garg (2014) was different from the others in that it tried to highlight the significance of not only organizational factors but also individual factors in ensuring the engagement of employees.

2.7. Drivers of Employee Engagement

It is clear from reviewing the literature on models and studies of employee engagement that a definitive list of engagement drivers does not exist. It is evident that drivers of engagement can vary between organizations and they can be impacted by factors such as industry type, role and company culture. However, there are similarities to be found amongst the various engagement models, and some common drivers' surface. In a distillation of the various models and studies, the following five key drivers repeatedly emerge:

1. Leadership
2. Communication
3. Learning & Development
4. Working Environment
5. Perceived Organizational Support

Each of the five key drivers identified can be related to Kahn's (1990) engagement model, tested by May *et al.* (2004). Meaningfulness can refer to how the organization supports its employees through reward and recognition, and make them feel valued for their contribution to the company. Learning and Development opportunities allow for an employee to improve their skills and feel invested in, which leads to increased engagement levels. Safety refers to how safe employees feel at work and how safe it is for them to express their views openly without judgement. It also relates to having both a supportive line manager and interpersonal relationships. Availability relates to the job role and how available the employee is to do their job, and if they have good work-life balance. According to Kahn (1990) meaningfulness, safety and availability all lead to increased engagement levels.



2.7.1. Leadership

Leadership and Communication were highlighted by Robinson *et al.* (2004) and Penna (2007) as being key organizational drivers of engagement. Leaders that responded to feedback from employees and demonstrated a genuine commitment to the employees' well-being were seen as important factors that influenced employee engagement.

Employee engagement also related to how positive a view an employee held of their senior managers. When employees feel involved through a collaborative leadership style, their engagement levels tend to increase (Macey & Schneider, 2008).

Saks (2006) argues that supervisors are crucial in building engagement amongst employees and that they can also be at the root of disengagement. Jensen, McMullen & Stark (2007) agree with the importance of the manager, in creating an engaging work climate, and the impact they can have on an employee's commitment, performance and productivity.

Transforming an organization is difficult and change implementation is influenced by a variety of factors (Sirkin, Keenan and Jackson, 2005). Change management theorists frequently state that in order to have an effective change program there is a vital need for strong leadership. Kotter (1996) has noted the importance of leading change in preference to actually managing it. When a company is planning to cease its operations, strong leadership appears to be at the forefront of maintaining employee engagement. Change leaders, according to Armstrong and Taylor (2014) must recognize where change is taking place, assess it and then enable the implementation of this change successfully into the organization. Leaders in these scenarios are generally responsible for communicating the strategy and supporting employees around them to ensure it is implemented correctly. According to the CIPD (2014), this form of leadership is a key enabler as it provides the vision and the rationale for change.

2.7.2. Communication

The CIPD (2006) commissioned a major nationwide survey of employee attitudes and engagement. The research was conducted by Kingston Business School using a sample of 2000 employee's from across Great Britain. In this report, communication was the top priority. The

report singles out employees having the opportunity to feed their views and opinions upwards as the most important drivers of employee engagement. The report also identifies the importance of being kept informed about what's going on in the organization. This outcome implies that employees want a sense of involvement and to some extent be in a partnership with their employer. Simon (2011) supports the theory of communication and reinforced the two-way communication channels between employees and managers as a key driver to engaging employees.

The feeling of being well informed about what is happening in the organization and thinking that their manager is committed to the organization were other important drivers according to the CIPD (2006). The Institute of Employment carried out a survey among employees in the NHS and suggested that the drivers of employee engagement were “*a sense of feeling valued and involved*”, and “*the extent to which employees feel able to voice their ideas*”, along with “*the opportunities employees have to develop their jobs*”, (Robinson *et al.*, 2004, p.15).

Simon's (2011) study illustrated that two-way communication; high quality line management, a development focus for employees and a commitment to employee wellbeing are among the top drivers of employee engagement within organizations.

Robinson *et al.* (2004) explains further that employee engagement requires a two-way relationship between employer and employee that continuously needs to be developed in order to maintain levels of engagement. Allowing employees to have a voice is important when looking at engagement (Rees & French, 2010). This can be established by having effective communication channels that allow both upward and downward communication, which will help create a more open and trusting environment, resulting in higher levels of engagement (Attridge, 2009).

Purcell *et al.* (2003) study found a number of factors to be strongly associated with high levels of employee engagement. The most important factor highlighted in this study was related to an employees' involvement in their work. Communication was found to be a factor, as engagement levels were affected by the amount of information employees received about how the company was performing, and how they contributed to the company achieving its business objectives. Furthermore, employees having involvement in company decisions' affecting their job or work was also associated with high levels of engagement.

To maintain trust during difficult periods such as layoffs, senior management must communicate effectively, provide rationale for the decisions they make, and treat employees in a dignified and respectful manner (Folger and Skarlicki, 1998; Dirks and Skarlicki, 2004).

2.7.3. Learning and Development

Hazelton (2014) discusses how training and career development in organizations can lead to an employee having more positive emotions about their organization. When an organization invests in its employees, it provides them with a sense of fulfillment as they are getting the opportunity to develop their skills. This leads to increased engagement and higher productivity levels. Though training and development can be costly and time consuming, if employees feel they are being invested in, it will help sustain their levels of engagement (Ahmadi *et al.*, 2012).

Wellins and Concelman (2005) support Ahmadi *et al.* (2012) by stating that the employee's willingness to develop and learn promotes innovation and creativity in the workforce. Managers need to work with employees by finding out their strengths and areas for development, and provide opportunities for improving skills and capabilities.

When an organization goes through significant change, the literature states that learning and development is central to employee engagement. Cameron (1994) states that providing opportunities for personal growth and development for individuals in the midst of downsizing rather than ignoring everything except the financial bottom line is key to increasing engagement levels.

Woodruffe (1999) confirms the assumption that people will be more engaged to the extent that their needs are met by their employer. As the Company in this study is closing, employees need time to think about their future employment, and therefore want to upskill to make them more employable in the future.

2.7.4. Work Environment

Several studies have shown that a supportive working community is a major contributing factor to an employee's work life that affects engagement (Maslach *et al.*, 2001). Simon (2011) found, where

there was effective internal co-operation within an organization, employee engagement was present. A cooperative working environment where employees value teamwork was also identified as a driver of employee engagement in the Towers Perrin Talent Report (2003).

Lee & Peccei (2007) state that employees who feel valued and believe that the organization is concerned for their well-being, are more likely to feel a sense of responsibility towards their employer. This results in higher levels of commitment to the organization.

Kahn (1990, p.708–709) stated that interpersonal relationships promote psychological safety if they provide support, trust, openness, flexibility and lack of threat. Findings of the study conducted by May *et al.* (2004) showed that the relationship between an employee and its supervisor is also an important factor affecting employee engagement. Schaufeli and Bakker (2004) and Saks (2006) confirmed that support from colleagues predicts engagement.

Attridge (2009) states that the work environment is affected by factors such as relationships with colleagues and relationships with management. Kahn (1990, p.693) described psychological safety as a “*feeling of being able to show oneself without fear of negative consequences to one’s self image, status, or career*”. From these statements, it appears that working in a safe environment with supportive relationships is one of the key drivers of employee engagement.

According to Holbeche and Springett (2003) people’s perceptions of their workplace are linked to their levels of engagement and, ultimately, their performance. They argue that employees actively seek meaning through their work and, unless organizations try to provide a sense of meaning, employees are likely to quit. Holbeche and Springett (2003) argue that high levels of engagement can only be achieved in workplaces where there is a shared sense of destiny amongst employees.

According to Gandolfi (2008, p.11) “*survivors generally find themselves with increased workloads and job responsibilities while frequently receiving few or no resources, training and support*”. This states that survivors of downsizing companies are typically left with less resources but still expected to do the same amount of work.

2.7.5. Perceived Organizational Support

Employees who feel valued and believe that the organization is concerned for their well-being are more likely to feel a sense of responsibility towards their employer, resulting in increased loyalty and commitment to the organization (Lee & Peccei, 2007).

According to a study conducted by Aon Hewitt (2011), recognition is a key driver of employee engagement. Employees who don't feel appreciated at work are also more likely to leave their jobs. Feeling valued and involved is the key to Robinson *et al.* (2004) model of engagement.

Employee voice can be defined as the ability for employees to have an input into organizational decisions (Lucas *et al.*, 2006). It has been argued that one of the key drivers of employee engagement is for employees to have the opportunity to feed their views upwards (Truss *et al.*, 2006). Researchers at Towers Perrin (2003) found employers are improving at giving employees the freedom to make decisions relating to their jobs.

Perceived organizational support was proven to have a positive influence on job and organization engagement (Saks, 2006). Perceived organizational support refers to an employees' beliefs that the organization values their contribution and cares about their wellbeing (Rhoades and Eisenberger, 2002). The level of support employees receive from the organization influences their psychological safety and enables them to employ themselves without fear of negative consequences (Kahn, 1990). This displays that employees want to work in a safe environment where their employer cares about them both a personal and professional basis.

2.8. Summary of literature review

There are many definitions of employee engagement and it can often get confused with other constructs such as organizational commitment and organizational citizenship behaviour (OCB). The term employee engagement evolved from earlier research on goal setting and motivation. Models of engagement were reviewed to understand the various factors influencing employee engagement. Studies on companies that went through a downsizing process reported that surviving employees often can be ignored. The following drivers were identified as key to influencing employee engagement: Leadership, Communication, Learning and Development, Organizational Support and Working Environment. These five key drivers can all be related to Kahn's (1990)

engagement model of meaningfulness, safety and availability. The literature indicates that employee engagement has many benefits for an organization such as improved business performance, customer satisfaction and staff retention.

The next chapter will discuss the research objectives and research methodology adopted to answer the research questions posed.

2.9. Conceptual Framework

Employee Engagement in both developing and developed countries depends on various factors such as Employee Engagement.

These factors if well organized and well managed will result to Employee Engagement which eventually results into the organizational development.

A conceptual framework assists to simplify the proposed relationships between the dependent variable and the independent variables in a study and allows the same to be depicted diagrammatically. The conceptual framework explains the relationship between independent and dependent variables in the stud. The independent variables in this study are Employee Engagement and moderating variable is perceived organizational Support. Employee Engagement is presented in dependent variable. The relationship between independent, moderating and dependent factors can be exemplified as in the following figure.

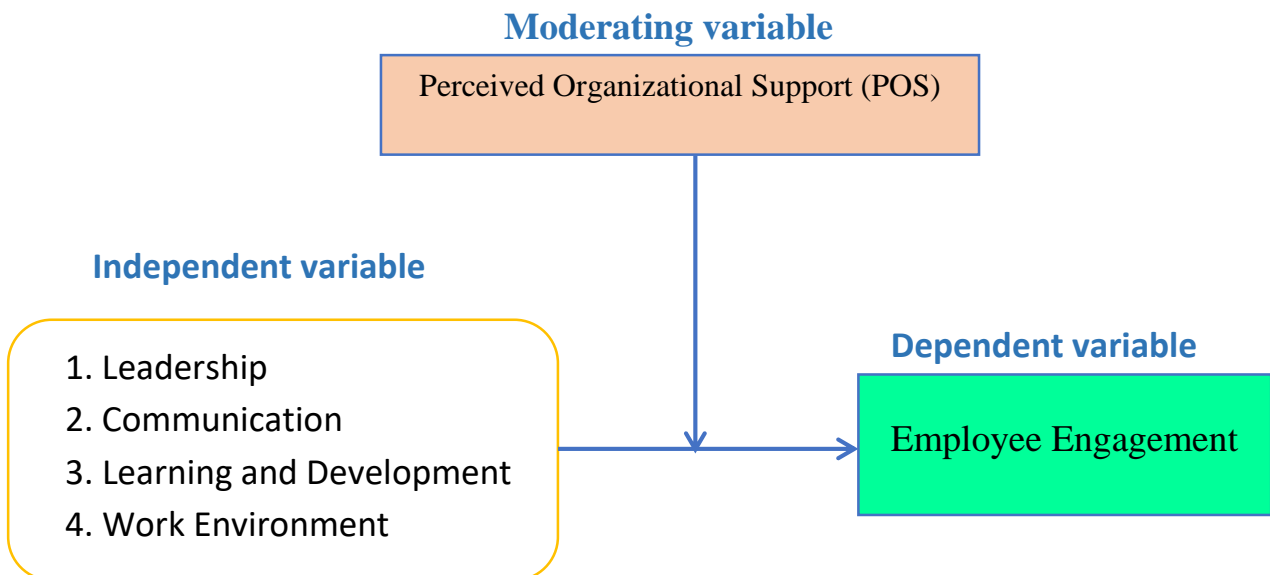


Figure 2. 1: Conceptual Framework

2.10. Study Hypothesis

- H1:** Leadership does not have significant effect on Employee Engagement in Zemen Bank S.C
- H2:** Communication does not have significant effect on Employee Engagement in Zemen Bank S.C
- H3:** Learning and Development does not have significant effect on Employee Engagement in Zemen Bank S.C
- H4:** Work environment does not have significant effect on Employee Engagement in Zemen Bank S.C
- H5:** POS does not moderate the relationship between independent variable and Employee Engagement

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter elaborates on the detailed research design and Approach of the study. It explains the population of the study, sample size, sampling technique, data type & source, instrument of data collection, procedure of data collection, method of data analysis & Ethical considerations to be applied over the course of the study.

3.1. Description of the study area

The study area is Addis Ababa which is located at central part of Ethiopia. Pursuant to the Ethiopian Constitution of 1995, the city of Addis Ababa is one of the two federal cities that are accountable to the Federal Government of Ethiopia. It is the capital city of Ethiopia. Founded in 1886. (AA City Administration)

The study will be carried out in Zemen Bank is a privately owned commercial bank established in 2008 in accordance with the “licensing and supervision of banking business proclamation No. 84/1994” of Ethiopia to undertake commercial banking activities. The bank obtained its license from the National Bank of Ethiopia (NBE) on 17 June 2008 and started its business activities on 2 October 2008, in accordance with the NBE’s letter of 29 September 2008. (www.zemenbank.com)

As per the annual report of the fiscal year 2017/2018 branches with in Addis Ababa region are around 23 where the research will take place only in Addis Ababa region.

3.2. Research Approach

Scientific studies can be conducted as either quantitative or qualitative studies. Many researchers are concerned with the choice between a quantitative and a qualitative methodology (Sobh & Perry 2006). Most people regard the difference between qualitative and quantitative approach as one between numbers and words, with quantitative researchers focusing on numbers and qualitative researchers on words. This distinction is not accurate, as many qualitative researchers use numbers in their analyses. Rather, the distinction should be made according to when the information is quantified (Mooi and Sarstedt 2011).

Qualitative researchers use words and meanings in smaller samples to build theories (Sobh & Perry 2006). Qualitative studies are seeking descriptive data through a holistic viewpoint and examine several variables, but only in a small population. On the other hand, Quantitative studies deal with amounts of something, the occurrence or frequency and answer *what* questions. The studies deal with a few variables, which will be measured by figures or will be translated into figures and analyzed statistically after the data is collected.

Since the objective of this study as specified above is to assess the key drivers of employee engagement and due to its descriptive nature, quantitative approach will be in use for this study.

3.3. Research Design

Leedy (1997:195) defines research design as a plan for a study, providing the overall framework for collecting data.

Since objective of this study is to assess the factors affecting employee engagement in Zemen Bank S.C, descriptive type of research design is more appropriate. The study chooses the descriptive design because it will enable the researcher to describe about the three variables and critically examine their relationship in detail.

3.4. Research Strategy

The most important condition for differentiating among various research strategies is to identify the research questions being asked. This study in general aims to assess the key factors affecting employee engagement and the moderating effect of POS.

The two main research strategies to use when collecting and analyzing empirical evidences in quantitative approach are experiment and survey research methods (cross-sectional or longitudinal). Of which cross-sectional Survey method will be deployed in this study.

Survey research provides a quantitative or numeric description of trends, attitudes, or opinions of a population by studying a sample of that population. It includes cross-sectional, with the data collected at one point in time and longitudinal, with data collected over time studies using

questionnaires or structured interviews for data collection, with the intent of generalizing from a sample to a population (Creswell 2009).

Surveys are strongest for researches that measure variables and also it can measure many variables, often with multiple indicators, at one time (Neuman 2006).

3.5. Target population, Sampling Technique and Sample Size

3.5.1. Target Population of the study

A population is the group of units about which the researcher wants to make judgments. These units can be groups of individuals, customers, companies, or products (Mooi and Sarstedt 2011). The population of interest for this study is 692 employees of Zemen Bank S.C. working in Addis Ababa as per the information collected from the bank's Human Recourse database as of March, 2019.

3.5.2. Sampling Technique

The need to sample is one that is almost invariably encountered in quantitative research. Sampling is the process of selecting units (e.g., people, organizations) from a population of interest so that by studying the sample the researcher may fairly generalize the study results back to the population from which they were chosen (Trochim 2000).

The most important aspect of sampling is that the sample selected is representative of the population. With representative it means that the characteristics of the sample closely match those of the population (Mooi and Sarstedt 2011). The two broad categories of sampling techniques are probability sampling and non-probability sampling.

Probability sampling is based on selection by random means while non-probability sampling is based on selection by non-random means (Williman 2006). And non-probability sampling does not give every individual in the population an equal chance of being included in the sample.

For this thesis, the probability sampling method is chosen because it gives the most reliable representation of the whole population (Williman 2006).

Stratified sampling: is dividing the sampling frame or the population into several different homogenous groups called strata. These strata are based on key sample characteristics, such as different departments in organizations. Subsequently a random number of observations from each stratum will be drawn (Mooi and Sarstedt 2011) and to ensure that each stratum is equally represented, an equally sized randomized sample is obtained from each stratum separately. The samples are then combined to form the complete sample from the whole population (Walliman 2001). It is used when cases in the population fall into distinctly different categories or strata (Williman 2006).

The employee of Zemen Bank S.C. working in Addis Ababa comprises a total number of 692 personnel. Accordingly, the groups will be Six. The below table summarizes the grouping of the employees: -

Table 3.1: List of population by group

S. N.	Strata	Population (N)
1	Executive management	5
2	Senior Management	53
3	Middle Management	122
4	Supervisory Management	153
5	Professional Staff	359
Total		692

Source: Zemen Bank S.C. HR Report (March 31, 2019)

At the time of administrating the questionnaire, the study will focus on the above five groups only because non-Professional employees are outsourced and not the permanent employees of the bank, the nature of their job is different from others, they don't operate in an office setting& they won't be able to understand & relate with items included in the questionnaire hence they will not be included in the study.

3.5.3. Sample Size

Having selected a suitable sampling method, the remaining problem is to determine the sample size. The preference for a large sample must be balanced against the practicalities of the research resources, that is, cost, time and effort.

In order to determine the sample size for this study, an attempt is made to use the following simplified formula to calculate sample size. According to Yamane (1967), with 95% confidence level and 0.05 sampling errors are assumed for the following equation:

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

Where:

n = is sample size

N = the population size proportion (assumed to be 0.5) (Total population considered will be 622 when disregarding non-professional employees)

e = the level of precision (0.05)

Therefore,

$$n = \frac{692}{1 + 692(0.05)^2} = \underline{\underline{254}}$$

Accordingly, a total number of 254 respondents from employees of Zemen Bank S.C. have chosen for data collection

3.6. Research Instrument

Asking questions is an obvious method of collecting both quantitative and qualitative information from people (Williman 2006). The four types of data collection forms in survey design are: self-

administered questionnaires; interviews; structured record reviews and structured observations Creswell (2009).

In order to test the research hypotheses that underpin this study, the research instrument that the researcher will use is structured questionnaire that allows to measure factors affecting employee engagement and study the existing relation of the moderating variable.

Questionnaires are particularly suitable for quantitative data and also they are convenient, the personal influence of the researcher is also eliminated and respondents will have time to check fact and think about their answers, which tends to lead to more accurate information and also it is cheap and quick to administer (Williman 2006). Using a questionnaire enable researchers to organize the questions and receive replies without actually having to talk to every respondent (Williman 2006).

The research questionnaire will consist of two sections. The first section will gather information about respondent's profile like age, gender, education, service years and so on and the other section will collect data about the research variables using a five - point Likert scale, ranging from "1 =strongly disagree" to "5 = strongly agree". The data collecting instrument was adapted from **Raida, Ab (2013)**.

3.7. Data Collection

To conduct this research, information will be obtained from both primary and secondary data sources were used. To get a good understanding and to make the findings as reliable as possible, primary data will be collected from a total of 254 systematically selected employees of Zemen Bank survey method, in particular; via structured questioner.

The study also will collect secondary data from written materials like: academic books, journals, magazines, research papers, internet resources for literature review.

3.8. Data Analysis

One of the primary purposes of scientific investigation is to discover relationships among phenomena in order to explain, to predict and possibly control their occurrence. It is in the discovery and quantification of these relationships that statistical methods are valuable tools

(Walliman 2001). Statistical methods enable researchers to present and describe the data and, if necessary, to discover and quantify relationships (Williman 2006).

SPSS is a computer package specializing in quantitative data analysis. It is powerful, able to deal with large datasets, and relatively easy to use (Mooi and Sarstedt 2011). The primary data will be collected through questionnaire will be sorted and screened for any errors and then will be processed using statistical software SPSS version 25.

The main objective of this study was to examine the factors affecting employee engagement in Zemen Bank S.C Addis Ababa under the moderating role of POS. The data collected were presented, analyzed and interpreted using SPSS software version 25.

The questionnaire was developed in five scales ranging from 1 (strongly disagree) to 5 (strongly agree). Harry and Deborah (2012) state that Likert scale data are analyzed at the interval measurement scale by calculating a composite score (sum or mean) from four or more Likert type items. Since the questionnaire of the study was developed as Likert scale, sum or mean was calculated for the Likert items of each variable during the data analysis procedure. According to Harry and Deborah (2012) descriptive statistics recommended for Likert scale data include mean for central tendency and standard deviation for variability, in addition other data analysis procedures recommended for such type of data include Pearson's correlation (r), t-test, ANOVA, and regression analysis.

Given that all of the independent and dependent variables of the study consist of Likert scale data, and given that the aim of investigation was to test the effect of the independent variables (Leadership, Communication, Learning & Development and Work Environment) on the dependent variable (Employee Engagement) and the moderating role by POS, the most appropriate statistical test for testing the hypothesis of the study was found to be Descriptive statistics, correlation, linear regression analysis and Baron and Kenny (1986) Test have been used to analyze the data.

To further understand the relationship between the variables, regression analysis was carried out. In addition, variables were regressed using a model and all coefficients interpreted. The model took this formula (Ho, 2006):

$$Y = \beta_0 + \beta_1 \chi_1 + \beta_2 \chi_2 + \beta_3 \chi_3 + \beta_4 \chi_4 + \epsilon$$

Where: Y = Dependent Variable (Employee Engagement (EE))

χ_{1-n} = Independent variable (χ_1 is Working Environment (WE), χ_2 is Learning and Development (LD), χ_3 is Communication (C) and χ_4 is Leadership (LS))

β_0 = the constant

β_{1-n} = the regression coefficient or change included in Y by each χ

ϵ = error term

Therefore, the research design of this study used both descriptive and inferential type of research design.

3.9. Validity and Reliability

3.9.1. Validity

Statistical validity also used to measure the validity of the research through use of correct statistical procedure and instruments (Neuman, 2007). To insure the statistical validity of the study, quantitative data were collected using survey questioner and analysis the data using correct statistical instruments like descriptive statistics, inferential statistics, correlation and regression analysis to see the relationship of the variable and reach concrete conclusion.

3.9.2. Reliability

Reliability refers to the extent to which your data collection techniques or analysis procedures will yield consistent findings (Saunders et al., 2007). The data reliability test is measured by using Cronbach's Alpha. Cronbach's Alpha was also calculated as part of the reliability test to assess how valid the results were and should produce similar generalized results if the sample size were increase (Field, 2006). The Alpha value is ranges from a maximum of 1.0 for a perfect score to minimum of zero, good measure of the alpha should be 0.70 or higher (Neuman, 2007). According to William and Barry (2010) scales exhibiting a coefficient alpha between 0.80 and 0.96 are considered to have very good reliability, between 0.70 and 0.80 are considered to have good reliability, and alpha value between 0.60 and 0.70 indicates fair reliability and when the coefficient

alpha is below 0.60, the scale has poor reliability. Accordingly, the Cronbach's Alpha values of the survey indicate very good reliability and the result are presented in table 3.2.

Table 3. 1: Reliability Coefficients of Research Measures (Cronbach's Alpha)

Items	Cronbach's Alpha	N of Items
Leadership	.871	7
Communication	.896	7
Learning and Development	.736	6
Organizational Support	.895	7
Work Environment	.855	6
Employee Engagement	.878	6
Overall Reliability	.953	32

Source: Own survey (2019)

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1. Introduction

This chapter deals with presentations, discussion and interpretation of the data collected through questionnaire. The discussion particularly focused on response rate, demographic characteristic of the respondents, relationships among the variables in the conceptual framework, correlation and regression analysis. The following descriptive statistical analysis shows the conceptual framework adopted for this study. Particularly, the analysis demonstrates the research questions, which are response rate, demographic characteristic of the respondents, communication, leadership, learning and development, working environment and employee engagement. To make discussions the study used mean, percentile, correlation and regression analysis.

4.2. Response Rate

In order to conduct this research a total of 254 questionnaires were distributed to employees found in Addis Ababa and 212 (83.5%) useable questionnaires were obtained valid and used for further analysis. This information was statistically analyzed and summarized in the frequency and percentage table 4.1 below

Table 4. 1: Questionnaire Distributed and it's Response Rate

S.N.	Strata	Population	Questionnaire Distributed		Returned Questionnaire	
			No.	%	No.	%
1	Executive management	5	2	0.72%	1	0.39%
2	Senior Management	53	19	7.65%	6	2.36%
3	Middle Management	122	45	17.63%	37	14.57%
4	Supervisory Management	153	56	22.11%	46	18.11%
5	Professional Staff	361	132	52.16%	120	47.24%
Total		692	254	100%	212	82.68%

Source: Own survey (2019) and Zemen Bank S.C. HR Report (March 31, 2019)

4.3. Descriptive Analysis

4.2.1 Respondents' Characteristic

Nowadays, organizations are facing the challenge of work force diversity so it is imperative to explore how demographic variables influence the development of employee engagement. This could be of immense benefit to organizations. Several personality and demographic variables have been previously studied in relation to employee engagement. James, et al, (2007) reported that older workers were more engaged than younger workers when they worked with a supportive supervisor in a supportive psychological climate. As for gender, Avery et al. (2007) found that women were more engaged than their male co-workers.

Gallup report also observed a difference in engagement levels of employees with different marital status. Married employees were found to be more engaged than those who were unmarried. This finding suggests that a settled personal and professional life is one of the reasons behind high engagement level. All this research support shows that the role of various demographic dimensions has an impact on the level of engagement displayed by an employee. Therefore, the researcher tried to look at some prominent demographic statues in accordance to Zemen Bank as per the below tables of representations.

Most studies as stated above show that female employees are more engaged than their co-workers male employees. As indicated in the table 4.2 as the case of Zemen Bank, male respondents were a bit higher (male 59% and female 41 %) this might have an effect on the engagement level of the employees.

Table 4. 2: Summary of Respondents' Gender

Gender	Frequency	Percent	Cumulative Percent
Female	87	41	38.4
Male	125	59	100.0
Total	212	100.0	

Source: Own survey (2019)

Regarding the age of respondents, as shown in the table 4.3 the sample population was largely dominated by the age group of 25-35 (66%) followed by the group between the age of 36-45 (44%). This implies that most of the sample respondents were middle aged. The rest of the respondents consisted, 22 (10.4 %) with the age of 25 and below, 6(2.8%) in between the age of 46 and 55 and above. The fact that more middle age staffs are working in the bank can be a good sign that they are ready to settle and be engaged in the bank as more responsibility and burden comes related with the age group. This age group will only require little work to make them an engaged staff.

Table 4. 3: Summary of Respondents' Age

Age	Frequency	Percent	Cumulative Percent
Below 25	22	10.4	10.4
25-35	140	66.00	76.4
36-45	44	20.8	97.2
46-55	6	2.8	100
Total	212	100.0	

Source: Own survey (2019)

Based on table 4.4 below, the largest group of the sample population comprised first-degree holders, which is 72.6% of the total respondents; followed by second-degree holders which comprised 25.9%. This shows that the majority of the respondents were with sufficient educational background to give feedback to the study matter.

Table 4. 4: Summary of Respondents' Academic Qualification

Education level	Frequency	Percent	Cumulative Percent
Diploma	3	1.4	1.4
Degree	154	72.6	74.1
Master's Degree & above	55	25.9	100
Total	327	100.0	

Source: Own survey (2019)

Based on table 4.5 below, the largest group of the sample population comprised Married respondents which is 45.8%; followed by married with children which are 35.8%. Making Divorced and Single respondents 1.9% and 16.5% respectively. This shows that the majority of the respondents were married as stated early giving them higher room to be more engaged due to higher responsibility.

Table 4. 5: Summary of Respondents' Marital Status

Marital Status	Frequency	Percent	Cumulative Percent
Single	35	16.5	16.5
Married	97	45.8	62.3
Married children	76	35.8	98.1
Divorced	4	1.9	100
Total	212	100.0	

Source: Own survey (2019)

As indicating in the table 4.6, Concerning the respondents Position, the sample populations was mainly dominated by Professional staff, which is 56.6% and followed by Supervisory level employees (22.6%). Making Middle Management, Senior Management and Executive Management as 17.5%, 2.8% and 0.5 % respectively. This implies that, majority of the Position of employee can affects employee engagement.

Table 4. 6: Summary of respondents’ Position

Respondents position	Frequency	Percent	Cumulative Percent
Professional	120	56.6	56.6
Supervisory	48	22.6	79.2
Middle Management	37	17.5	96.7
Senior Management	6	2.8	99.5
Executive Mgt.	1	0.5	100.00
Total	212	100.0	

Source: Own survey (2019)

As indicated in the table 4.7 Concerning the service years, the sample populations were mainly dominated by a service years of 1-5 years, which is 46.2% and followed by 6-10 years of services (25.4%). This implies that, majority of the respondents have more than one years of relationship with bank giving it room for engagement level to increase.

Table 4. 7: Summary of respondents’ service years

Work Experience	Frequency	Percent	Cumulative Percent
less than 2 years	21	6.4	6.4
2-5 years	151	46.2	52.6
6-10 years	83	25.4	78.0
over 10 years	72	22.0	100.0
Total	327	100.0	

Source: Own survey (2019)

4.2.2 Descriptive statistics of study variables

One statistical approach for determining equivalence between groups is to use simple analyses of means and standard deviations for the variables of interest for each group in the study (Marczyk et al. 2005). The descriptive statistics (mean and standard deviation) in respect of each variable is shown in the following table. The mean indicates to what extent the sample group on average agrees or does not agree with the different statement. The lower the mean, the more the respondents disagree with the statement. The higher the mean, the more the respondents agree with the statement.

Table 4.8: Descriptive Statistics of variables

	Mean	Std. Deviation	N
Leadership	3.5662	.92589	212
Communication	3.1462	.94969	212
Learning & Development	2.9072	.93760	212
Work Environment	3.2233	.93760	212
Employee Engagement	2.7186	.8092	212
Organizational Support	2.9077	.8800	212

Source: Own survey (2019)

Based on table 4.8 above, Leadership has the highest mean score of 3.5662 followed by Work Environment with a mean score of 3.2233. Communication stood at third level with a mean value of 3.1462. Learning & Development and Organizational Support have more close mean value by giving a slight higher value to POS respectively i.e. 2.9011 and 2.9072.

The interpretation was made based on the following measurement scale intervals or range. Mean scores 4.51-5.00 excellent or very good, 3.51- 4.50 good, 2.51-3.50 average or moderate, 1.51-2.50 fair and 1.00-1.50 is poor (poonlar Btawee,1987)). Accordingly, all the variables lie in the category between 2.51-3.50. Which means respondents have moderat perception on each of the variable under consideration.

4.2.3 Tests for Effect of Demographic characteristic variables on Dependent variable

The study employed stepwise regression analysis to test whether demographic characteristics have effects on employee engagement or not.

Accordingly, the study conducted stepwise regression analysis for Service year, Marital Status, Gender, Age, Position and Academic Qualification separately.

Table 4. 9 Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Service year at Zemen Bank S.C.		Stepwise (Criteria: Probability-of-F-to-enter \leq .050, Probability-of-F-to-remove \geq .100).
2	Marital Status of respondents		Stepwise (Criteria: Probability-of-F-to-enter \leq .050, Probability-of-F-to-remove \geq .100).
3	Gender of the respondents		Stepwise (Criteria: Probability-of-F-to-enter \leq .050, Probability-of-F-to-remove \geq .100).
a. Dependent Variable: Employee Engagement			

Source: Own survey (2019)

As indicated in the table 4.9 for Service year, Marital Status and Gender are entered to the equation, however Age, Position and Academic Qualification are not entered and not removed. This indicates that the p value for Service year, Marital Status and Gender is less than 0.05 and the p value, Age, Position and Academic Qualification is between 0.05 and 0.1. This also shows that the effect of Service year, Marital Status and Gender on employee engagement is significant and the effect of Age, Position and Academic Qualification on employee engagement is not significant.

Table 4. 10 Coefficients^a for Demographic characteristic variables

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
3	(Constant)	4.092	.226		18.122	.000
	Service year at Zemen Bank S.C.	.392	.077	.332	5.084	.000
	Gender of the respondents	.327	.106	.199	3.080	.002
	Marital Status of respondents	.205	.069	.187	2.989	.003
a. Dependent Variable: Employee Engagement					Source: Own survey (2019)	

Source: Own survey (2019)

As presented in the table 4.10 the Beta Coefficients that present the contributions or positive or negative relationship of each variable to the model. The t and p values showed the influence of the independent variables on the dependent variable. At 5% level of significance and 95% level of confidence, Service year, had a 5.084 level of significance, Marital Status had 2.989 level of significant and Gender showed 3.080 level of significant.

4.4. Tests and Analysis to examine the factors affecting Employee Engagement.

This study used inferential analysis is concerned with the various tests of significance for normality, autocorrelation and multi-collinearity in order to determine the validity of data. The data was sorted to group questions according to applicable constructs under test. Finally, correlation and standard multiple regression analysis were performed. Tests and analysis of the data are presented below:

4.4.1 Normality Test

Frequency distributions come in many different shapes and sizes. It is quite important, therefore, to have some general descriptions for common types of distributions. In an ideal world our data would be distributed symmetrically around the center of all scores. As such, if we drew a vertical line through the center of the distribution then it should look the same on both sides. This is known

as a normal distribution and is characterized by the bell-shaped curve. This shape basically implies that the majority of scores lie around the center of the distribution (so the largest bars on the histogram are all around the central value (Field, 2006).

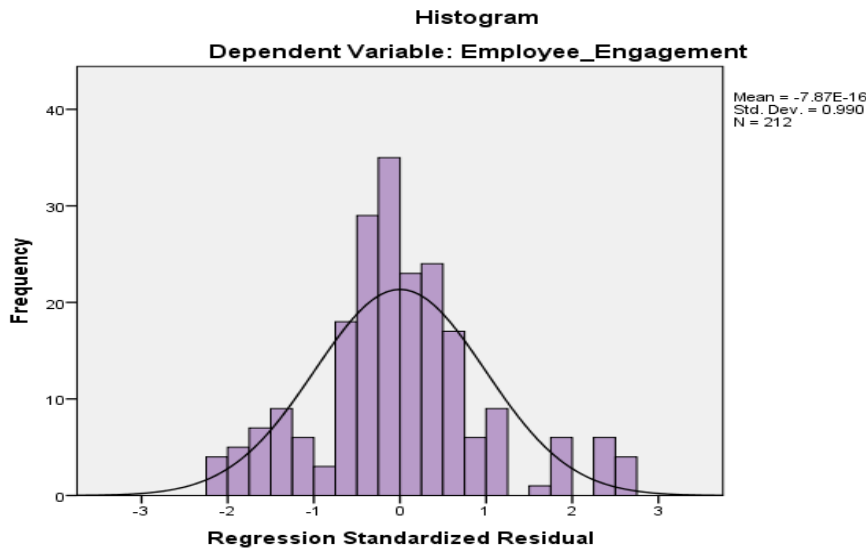
In a normal distribution, the values of skewness are 0. If a distribution has values of skew above or below 0 then this indicates a deviation from normal (Field, 2009). As discussed below in table 4.11, the skewness approaches or around to Zero and normal distribution figure 4.1 also show the data is almost normal. All variables were found to be normal.

Table 4. 11: Tests of normality competitive performance

	Employee Engagement	Leadership	Communication	Learning & Development	Work Environment
Skewness	.138	-.344	-.553	.115	-.607
Std. Error of Skewness	.80981	.92389	.94969	.61941	.93760

Source: Survey Result (2019)

Skewed distributions are not symmetrical and instead the most frequent scores (the tall bars on the graph) are clustered at one end of the scale. A skewed distribution can be either positively skewed (the frequent scores are clustered at the lower end and the tail points towards the higher or more positive scores) or negatively skewed (the frequent scores are clustered at the higher end of and the tail points towards the lower more negative scores) (Field, 2005).



Source: Own survey (2019)

Figure 4: 1: Normal distributions of the data

4.4.2 Correlations Analysis: Relationships between the Variables

Correlation analysis shows the degree of association between variables and indicates the direction in which the variables associate - positively or negatively (Reimann et.al, 2008). The correlation coefficient is a measure of this relationship and depends on the variability of each of the two variables. Because of covariance, correlation coefficient can take a number with + or – sign (Reimann et.al, 2008). One of the widely used methods to calculate a correlation coefficient is the Pearson product moment correlation. This method results in a number between –1 and +1 that expresses how closely the two variables are related, ± 1 shows a perfect 1:1 relationship (positive or negative) and 0 indicates that no systematic relationship exists between the two variables (Reimann et.al, 2008). The result of correlation is presented on following the tables and interpreted by the guide line suggested by Field (2006); he mentioned that the Pearson correlation coefficient is shown the relationship between the predictor and outcome variable. The relationship is measured in the range of 0.1 to 0.29 is weak relationship, 0.30 to 0.49 is moderate, above 0.50 shows strong relationship; while the positive and negative sign is for the direction of their relationship (Field, 2006).

In this study, bivariate Pearson correlation was used to examine the relationship between each of the independent variables and the dependent variable using a two tailed test of statistical significance at the level of 99% confidence and significance < 0.01 .

Table 4. 12: Correlation table for independent and dependent variables

		Employee Engagement	Leadership	Communication	Learning & Development	Work_ Environment
Employee Engagement	Correlation Coefficient	1.000	.748**	.505**	.629**	.779**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	212	212	212	212	212
Leadership	Correlation Coefficient	.748**	1.000	.465**	.387**	.583**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	212	212	212	212	212
Communication	Correlation Coefficient	.603**	.465**	1.000	.512**	.691**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	212	212	212	212	212
Learning & Development	Correlation Coefficient	.629**	.387**	.512**	1.000	.448**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	212	212	212	212	212
Work Environment	Correlation Coefficient	.779**	.583**	.691**	.448**	1.000
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	212	212	212	212	212
**. Correlation is significant at the 0.01 level (2-tailed).						

Source: Survey Result (2019)

As indicated in the correlation table 4.12 Pearson correlation coefficient was used to determine the strength of relationship between the dependent (employee engagement) and independent variables (Leadership, Communication, Learning and Development and work environment). It is a non-parametric technique which gives a measure of the strength of association between two variables. As it can be shown in the above correlation matrix, each variable is perfectly correlated with itself. Work environment is positively and strongly related to Employee Engagement with Pearson’s correlation coefficient of $r= 0.779$, $P=0 <0.01$, and also, there is found to be a positive and significant relation between Leadership and Employee Engagement as shown by a correlation

figure of $r= 0.748$, $P= 0 <0.01$. This shows that there was positive correlation or strong relationship between Leadership and Employee Engagement, Communication is positively and significantly related to Employee Engagement with Pearson correlation coefficient of $r= 0.603$, $P= 0 <0.01$, this indicates that communication is strongly related to Employee Engagement, there is found to be a positive correlation and significant relation between Learning and Development with employee engagement as shown by a correlation figure of $r= 0.629$, $P=0 <0.01$. This shows that there was strong correlation between Learning and Development with employee engagement. The correlation between all independent variables and dependent variable is proved to be positive and significant which means the improvement in any or all of the independent variable results in improvement in Employee Engagement.

4.4.3 Multicollinearity Assumptions

Multicollinearity exists when there is a strong correlation between two or more predictors in a regression model (Saunders et.al, 2007). There should be no perfect linear relationship between two or more the predictors. So the predictor variables should not correlation too highly (Ho, 2006). If there is perfect collinearity between predictors it becomes impossible to obtain unique estimates of the regression coefficients because there are an infinite number of combinations of coefficients that would work equally well. Perfect collinearity is rare in real-life data, but less than perfect collinearity is virtually unavoidable (Field, 2006). This research data multi-collinearity assumption is checked by the Pearson correlation Coefficient and Collinearity Statistics:

a. Assumption test using Pearson's Correlation Coefficient

The first assumption is checking the value of Pearson correlation coefficient among predictor's variables. If Pearson correlation coefficient (r) value among predictors are below <0.9 , there is no substantial correlation between predictor variables so there is no multi-collinearity problem (Field, 2006). As shown above table 4.12 all the Pearson correlation coefficient values (r) between predictors are below 0.90. Therefore, it is satisfied multi-collinearity assumption and don't have collinearity problem so that it is able to obtain unique estimates of the regression coefficient.

b. Assumption test using Collinearity Statistics

The other way of checking the multicollinearity assumption is that by looking SPSS analysis output correlation table of collinearity statistics value of Tolerance and VIF (Field, 2006). The VIF indicates whether a predictor has strong linear relationship with the other predictor(s). Field (2006), and suggest that if the average VIF is greater than 10, then multicollinearity may be biasing the regression model. Related to the VIF is the tolerance statistics, which is a reciprocal of VIF (1/VIF). Such values below 0.2 are worthy of concern. The Tolerance column value below 0.02 and VIF value above 10 pose a multicollinearity problem. Having this, the Tolerance and VIF value is shown in coefficient table 4.13 below and the analysis indicate that there is no multicollinearity problem.

Table 4. 13: Collinearity statistics value

Model	Collinearity Statistics	
	Tolerance	VIF
Leadership	.297	3.364
Communication	.335	2.985
Learning & Development	.569	1.758
Work Environment	.319	3.134

Source: Survey Result (2019)

4.4.4 Auto-correlation Assumption /Durbin–Watson test/

It is the assumption of independent error tenable or reasonable test. Durbin-Watson used to test for serial correlation between errors. The test statistic value d can vary between 0 and 4, with a value of 2 meaning the residuals are uncorrelated. A value greater than 2 indicates a negative correlation between adjacent residuals, whereas a value below 2 indicates a positive correlation (Field, 2006). Similarly, Ott and Longnecker (2001) defines when there is no serial correlation, the expected value of the Durbin–Watson test statistic d is approximately 2.0; positive serial correlation makes $d < 2.0$ and negative serial correlation makes $d > 2.0$. Although, values of d less than approximately 1.5 (or greater than approximately 2.5) lead one to suspect positive (or negative) serial correlation.

If serial correlation is suspected, then the proposed multiple regression models are inappropriate and some alternative must be sought. In this research model the value of the test is 2.26, so it can be safely assumed that there is no problem of autocorrelation shown in the table 4.13.

4.4.5 Multiple Regression Results

The study conducted a multiple regression analysis so as to test the effect of independent variables (Leadership, Communication, Learning and development and Work environment) on the **Employee Engagement** at Zemen Bank S.C. The researcher applied the statistical package for social sciences (SPSS) to code, enter and compute the measurements of the multiple regressions for the study.

Regression of the effect of independent variables (Leadership, Communication, Learning and development and Work environment on **Employee Engagement** is presented below.

I. Coefficient of Determination

Model summary table describes the overall model whether the model is successful in predicting dependent variables. It gives a value of R square, which measure of how much of the variability in the outcome is accounted for the predictors. In addition, this summary table tells us whether auto-correlation assumption is satisfied or not through Durbin Watson value (Field, 2006).

Table 4. 14:Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.786 ^a	.618	.611	.50533	2.26
a. Predictors: (Constant), Work Environment, Learning & Development, Communication, Leadership					
b. Dependent Variable: Employee Engagement					

Source: Survey Result (2019)

From Table 4.14, the two independent variables that were studied, explain only 61.8% of the variables that are Employee Engagement as represented by the R^2 . This means that other factors not studied in this research contribute 38.2 % affecting Employee Engagement in the case of Zemen Bank. Therefore, further research should be conducted to investigate the other factors (38.2%) that influence the Employee Engagement. Moreover, the adjusted R square gives some idea of how well the model generalizes and ideally it would like its value to be the same or close to, the value of R square (Field, 2006). The model generalization value is the difference between R square and adjusted R square, refer table 4.12 $0.618 - 0.611 = 0.007$, about 7%. Therefore, the adjusted R square value for the model shows that 61.1% of goodness of fit of the model is good.

II. Analysis of Variance /ANOVA/ Test

ANOVA model is more likely to be significant, indicating that at least one group mean is different from another group mean. ANOVA is the appropriate statistical technique to examine the effect of a less-than interval independent variable on an at-least interval dependent variable. If the F test result is not significant, the model should be dismissed and there is no need to proceed to further steps (William and Barry, 2010).

Table 4. 15: ANOVA table

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	85.515	4	21.379	83.722	.000 ^b
	Residual	52.858	207	.255		
	Total	138.374	211			
a. Dependent Variable: Employee Engagement b. Predictors: (Constant), Work Environment, Learning & Development, Communication, Leadership						

Source: Survey Result (2019)

The ANOVA test result of competitive performance is indicated on above table 4.15, it is noticed that F value 83.722 is significant at $P=0<0.001$ levels. Therefore, from the result, it can be concluded that the combination of the independent variables (Leadership, Communication, Learning and development and Work environment) significantly predicts the dependent variable (Employee Engagement)

III. Regression Coefficients or Model for hypothesis testing

Standardized regression coefficient (Beta) is the estimated coefficient indicating the strength of relationship between an independent variable and dependent variable expressed on a standardized scale where higher absolute values indicate stronger relationships (range is from -1 to 1) (William and Barry, 2010).

Table 4. 16: Coefficients table

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.341	.176		7.914	.005
	Leadership	.228	.069	.260	3.306	.001
	Communication	.072	.063	.085	1.141	.003
	Learning & Development	.225	.074	.172	3.025	.000
	Work Environment	0.458	.066	0.530	6.965	.000
a. Dependent Variable: Employee Engagement						

Source: Survey Result (2019)

Table 4.16 shows the Beta Coefficients that present the contributions or positive or negative relationship of each variable to the model. The t and p values showed the influence of the independent variables on the dependent variable. At 5% level of significance and 95% level of confidence, Leadership had a 3.306 level of significance, Work Environment had 6.965 level of significant and communication showed 0.85 level of significant and Learning and Development showed 3.025 level of significant. Hence the most significant factor is Work Environment and the least one is Communication.

According to beta coefficient results, all predictors (Leadership, Communication, Learning and Development and Work Environment) are positively related to dependent variables and significantly affect Employee Engagement. The study conducted a multiple regression analysis to determine the relationship between independent variables and dependent variable.

From the regression equation established, taking all factors (Leadership, Communication, Learning and Development and Work Environment) constant at zero, Employee Engagement at Zemen Bank S.C would be 1.341. Further, if all the other variables (Communication, Learning and Development and Work Environment) are kept constant, a unit increase Leadership, there is an increase of 0. 228 in Employee Engagement at Zemen Bank S.C, a unit increase in Communication, there is an increase of 0. 072 in Employee Engagement at Zemen Bank S.C keeping all other variables (Leadership, Learning and Development and Work Environment) are constant, if all the other variables (Leadership, Communication and Work Environment) are kept constant, a unit increase in Learning and Development, there is an increase of 0.225 in Employee Engagement at Zemen Bank S.C and also a unit increase in Work Environment will lead to a 0. 458 increases in Employee Engagement at Zemen Bank S.C keeping all other variables (Leadership, Communication, and Learning and Development) are constant.

The study discovered that the degree of effect of the effectiveness of change management can determine by those identified independent or predictor variables. The study developed below regression model:

$$EE = 1.341 + 0.458WE + 0.225LD + 0.072C + 0.228LS + \varepsilon$$

By examining the un standardized regression coefficient (β) for each of the predictor variables, the result found that Leadership ($\beta = 0.228, p(0) < 0.05$), Communication, ($\beta = 0.07, p(0.003) < 0.05$), Learning and Development ($\beta = 0.225, p(0) < 0.05$) and Work Environment ($\beta = 0.458, p(0) < 0.05$) show significant positive relationship with effectiveness of change management. So, there is a positive relationship between the predictors (Leadership, Communication, Learning and Development and Work Environment) and outcome (Employee Engagement). As Leadership, Communication, Learning and Development and Work Environment in a good position, Employee Engagement is also improved.

4.5. Moderating Analysis

A moderator is a variable that specifies conditions under which a given predictor is related to an outcome. The moderator explains ‘**when**’ a DV and IV are related. Moderation implied an interaction effect, where introducing a moderating variable changes the direction or magnitude of the relationship between two variables. A moderation effect could be (a) Enhancing, where increasing the moderator would increase the effect of the predictor (IV) on the outcome (DV); (b) Buffering, where increasing the moderator would decrease the effect of the predictor on the outcome; or (c) Antagonistic, where increasing the moderator would reverse the effect of the predictor on the outcome.

Hierarchical multiple regression is used to assess the effects of a moderating variable. To test moderation, we will in particular be looking at the interaction effect between X and M and whether or not such an effect is significant in predicting Y.

According to Hayes, (2012) regression model predicting the outcome variable Y from both the predictor variable X and the moderator variable M. Both effects as well as the model in general (R^2) should be significant and after interaction R^2 change as well as a significant effect by the new interaction term. If both are significant, then moderation is occurring.

According to Hayes, (2012) if the predictor and moderator are not significant with the interaction term added, then complete moderation has occurred and If the predictor and moderator are significant with the interaction term added, then moderation has occurred, however the main effects are also significant.

Table 4. 17: Model Summary of Moderating variable

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.657 ^a	.432	.429	.61169	.432	159.823	1	210	.000

a. Predictors: (Constant), Organization Support

Source: Survey Result (2019)

As shown in the above table 4.17 all independent variable (Leadership) and as shown in the table 4.15 in the above the moderating variable (Organization Support) significantly predicts the dependent variable (Employee Engagement)

Therefore, the study conducted step wise liner regression analysis to test the moderation occurrence.

According to Hayes, (2012) if the models before and after the interaction are significant and the amount of variance accounted for in Model 2 (with the interaction) is significantly more than Model 1 (without the interaction) the moderation is occurred.

4.5.1 Test of Moderation (Moderator: POS)

Baron and Kenny (1986) four step test have been used to analyze the data with moderating variable. Same is presented as follows: -

- H1.** POS does not significantly moderate the relationship between Leadership and EE
- H2.** POS does not significantly moderate the relationship between Communication and EE
- H3.** POS does not significantly moderate the relationship between Learning & Development and EE
- H4.** POS does not significantly moderate the relationship between Work Environment and EE

Table 4. 18: ANOVA^a for Moderation test

Independent Variables	Moderating Variable	Model	df	F	Sig.
Leadership	POS	M1	2	117.425	.000
		M2	3	78.565	.000
Communication		M1	2	83.665	.000
		M2	3	55.546	.000
Learning & Development		M1	2	120.799	.000
		M2	3	80.391	.000
Work Environment		M1	2	137.730	.000
		M2	3	100.949	.000 ^c

Source: Survey Result (2019)

Note: M1 is before interaction and M2 is after interaction

Table 4.19: Model Summary for Moderation test

Variables	Model	R	R Square	R Square Change	df	Sig.
Leadership	M1	.727 ^a	.529	.529	2	.000
	M2	.729 ^b	.531	.002	1	.007
Communication	M1	.667 ^a	.445	.445	2	.000
	M2	.667 ^b	.445	.000	1	.806
Learning & Development	M1	.732 ^a	.536	.536	2	.000
	M2	.733 ^b	.537	.001	1	.017
Work Environment	M1	.754 ^a	.569	.569	2	.000
	M2	.770 ^b	.593	.024	1	.001

Source: Survey Result (2019)

As shown in the ANOVA table 4.18 $F = 117.425$ at ($p = 0$) for Model 1 (without the interaction) and $F = 78.565$ at ($P = 0$) for Model 2 (with the interaction) this shows that models before and after the interaction are significant and also as indicated in the table 4.19 Model 2 with the interaction between leadership and perceived organizational support accounted for significantly more variance than just leadership and perceived organizational support by themselves, R^2 change = .002, $p = .007$, indicating that there is potentially significant moderation between leadership and perceived organizational support on employee engagement.

As shown in the ANOVA table 4.18 $F = 83.665$ at ($p = 0$) for Model 1 (without the interaction) and $F = 55.546$ at ($P = 0$) for Model 2 (with the interaction) this shows that models before and after the interaction are significant however, as indicated in the table 4.19 Model 2 with the interaction between Communication and perceived organizational support accounted for not significantly more variance than just leadership and perceived organizational support by themselves, R^2 change = .000, $p = .806$, indicating that there is no significant moderation between Communication and perceived organizational support on employee engagement.

As shown in the ANOVA table 4.18 $F = 120.799$ at ($p = 0$) for Model 1 (without the interaction) and $F = 80.391$ at ($P = 0$) for Model 2 (with the interaction) this shows that models before and after the interaction are significant and also as indicated in the table 4.19 Model 2 with the interaction

between Learning & Development and perceived organizational support accounted for significantly more variance than just leadership and perceived organizational support by themselves, R^2 change = .001, $p = .017$, indicating that there is potentially significant moderation between Learning & Development and perceived organizational support on employee engagement.

As shown in the ANOVA table 4.18 $F = 137.730$ at ($p = 0$) for Model 1 (without the interaction) and $F = 100.949$ at ($P = 0$) for Model 2 (with the interaction) this shows that models before and after the interaction are significant and also as indicated in the table 4.19 Model 2 with the interaction between Working Environment and perceived organizational support accounted for significantly more variance than just Working Environment and perceived organizational support by themselves, R^2 change = .024, $p = .001$, indicating that there is potentially significant moderation between Working Environment and perceived organizational support on employee engagement. Therefore, discussed in the above no need of further test for Communication effects on employee engagement due to moderating variable (Organization Support) and it needs further test for Effect Leadership, Learning & Development and Working Environment on Employee Engagement due to perceived organizational support).

4.5.2 Test for Effect Independent variable on Employee Engagement due to perceived organizational support)

Since there is a potentially significant moderation effect, the study runs the regression on the centered terms to examine the effect as follows.

Table 4. 20: Regression coefficient for Moderation test

Independent Variables	Model	Coffe	t	P
Leadership	constant	3.13	7.52	0.00
	Leadership	0.17	1.02	0.01
	Organizational Support	0.36	1.29	0.03
	Interaction	0.01	0.52	0.02
Learning & Development	constant	1.93	3.82	0.01
	Learning & Development	0.05	0.41	0.00
	Organizational Support	0.58	2.89	0.01
	Interaction	0.12	2.22	0.03
Working Environment	constant	2.03	4.52	0.00
	Working Environment	0.07	0.52	0.03
	Organizational Support	0.48	2.29	0.02
	Interaction	0.19	3.52	0.00

Source: Survey Result (2019)

As indicated in the table 4.20 the predictor (leadership) and moderator (Organizational Support) are significant at $p = 0.01$ and 0.03 respectively and the interaction term added, also significant at $p = 0.02$. This indicates that moderation has occurred and the main effects are also significant.

As indicated in the table 4.18 the predictor (Learning & Development) and moderator (Organizational Support) are significant at $p = 0$ and $p = 0.01$ respectively and the interaction term added, also significant at $p = 0.03$. This indicates that moderation has occurred and the main effects are also significant.

As indicated in the table 4.20 the predictor (Working Environment) and moderator (Organizational Support) are significant at $p = 0$ and the interaction term added, also significant at $p = 0$. This indicates that moderation has occurred and the main effects are also significant.

Table 4. 21: Conditional effects of the focal predictor at values of the moderator(s)

Independent Variables	Organizational Support	Effect	t	P
Leadership	3.03	0.02	8.62	0.00
	3.98	0.53	9.82	0.02
	4.51	0.67	10.20	0.01
Learning & Development	-3.59	0.75	10.70	0.00
	0.00	0.91	14.91	0.00
	3.59	1.17	11.60	0.00
Working Environment	2.03	0.45	7.70	0.00
	2.91	0.61	8.91	0.00
	3.79	0.77	7.60	0.00

Source: Survey Result (2019)

As shown in the table 4.21 as the Organizational Support increase the effect of Leadership on employee engagement also increase. This shows that good Leadership and strong Organizational Support improves employee engagement.

As shown in the table 4.21as the Organizational Support increase the effect of Learning & Development on employee engagement also increase. This shows that as Learning and Development increase with Organizational Support improves employee engagement.

As shown in the table 4.21 as the Organizational Support increase the effect of working environment on employee engagement also increase. This shows that good working environment and strong Organizational Support improves employee engagement.

Generally, as indicated in the above discussion, as perused Organizational Support increase the effect of Learning & Development, Leadership and Work Environment on employee engagement is increase. However, the moderating variable (perused Organizational Support) does not affect the effect of Communication on employee engagement.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

This study was conducted to identify the factors affecting employees' engagement that must be exercised effectively to ensure increase engagement of employees and to find out the impact of the Perceived Organizational Support on the factors and change in employee engagement as a whole.

In this chapter of the study, summary of findings, conclusion drawn, and recommendations of the study are stated. Limitation and agenda for future researches is also included at the end of this chapter.

5.2. Summary of The Major Findings

From the demographic characteristics of respondents, male and female respondents were roughly proportionate. Besides, respondents participated in the survey were young aged. Regarding educational background, majority have got first degree and above. In terms of years of service experience, the majority have the experience between 1 to 5 years in Zemen bank.

The descriptive statistics shows that the level of leadership, Work Environment, Learning & Development and Communication is moderate and the level of Organizational Support, Employee Engagement and is low.

Work environment is positively and strongly related to Employee Engagement with Pearson correlation coefficient of $r= 0.779$, $P=0 <0.01$,

From the regression model, a unit increase in Work Environment will lead to a 0.458 increases in Employee Engagement at Zemen Bank S.C. This implies that Work Environment accounts for 45.8% of variations in Employee Engagement at the bank.

From Moderation test as increase perceived Organizational Support increase the effect of Work Environment on employee engagement.

From Pearson correlation coefficient, communication is positively and significantly correlated to effective change management with Pearson correlation coefficient of $r= 0.603$, $P= 0<0.01$

From the regression model, a unit increase in communication, there is an increase of 0.072 in Employee Engagement. This implies that communication accounts for 7.2% of variations in Employee Engagement. Hence, results of the study shows that communication system is one of the factors that can affect Employee Engagement.

From Moderation test perused Organizational Support does not moderate the effect of communication on employee engagement.

From Pearson correlation coefficient, there is found to be a positive correlation and significant relation between leadership and Employee Engagement as shown by a correlation figure of $r= 0.748$, $P= 0 <0.01$.

From Regression model, a unit increase leadership, there is an increase of 0. 228 in Employee Engagement. This implies that leadership accounts for 22.8% of variations in Employee Engagement. The results as shown that leadership is one of the factors that can affect Employee Engagement.

From Moderation test as increase perused Organizational Support increase the effect of Leadership on employee engagement.

From Pearson correlation coefficient, there is found to be a positive correlation and significant relation between Learning and Development and employee engagement as shown by a correlation figure of $r= 0.629$, $P=0<0.01$.

From Regression model, a unit increase in Learning and Development, there is an increase of 0.225 in Learning and Development. This implies that Learning and Development accounts for 22.5% of variations in Employee Engagement. The results as shown that Learning and Development is one of the factors that can affect Learning and Development.

From Moderation test as increase perused Organizational Support increase the effect of Leadership on employee engagement.

5.3. Conclusion

The main objective of the research was to examine factors affecting Employee Engagement in the Zemen Bank S.C. Accordingly, the study tried to test the relationship that exists between employee engagement variables under a moderating effect of Perceived Organizational Support.

Based on the finding the study concludes that independent variable Leadership, Communication, Learning and Development, Work Environment and moderating variable perused organizational support positively affect employee engagement at the bank.

The study further concludes that Work Environment appeared to be the most correlated construct with Employee Engagement in Zemen Bank S.C. with a correlation coefficient of 0.779. It is also the most dominant factor in predicting Employee Engagement. When employees have a good working environment, their engagement level to the bank will increase. Thus, improving the work environment brings about improved Employee Engagement.

Leadership is the second most correlated construct with Employee Engagement in Zemen Bank S.C. with a correlation coefficient of 0.748. It is also the second most dominant factor in predicting Employee Engagement with a beta coefficient of 0.228. When employees of bank have a good leader, employees tend to be engaged.

The other most correlated construct with Employee Engagement in Zemen Bank S.C. with a correlation coefficient of 0.629 is Learning and Development. It is the third most dominant factor in predicting Employee Engagement with a beta coefficient of 0.225. Due to this the study conclude that when employees of the bank given an opportunity to learn and develop, they remain engaged to their bank.

According to the findings, Communication was found to be less considered in the engagement level of the bank; and it has a significant direct relation with employee engagement at 0.603 correlation coefficient. It is the last dominant factor in predicting Employee Engagement with a beta coefficient of 0.07. Lastly the study concluded that perused Organizational Support

moderating or affecting the effect of Learning & Development, Leadership and Work Environment on employee engagement.

5.4. Recommendations

Based on the findings of the study the following recommendations have been forwarded to the bank while designing employee engagement strategies the bank needs to take in to account the different needs of the various demographic groups mainly gender. Since the different needs and expectations of employees of different gender commands different treatment, the bank should take this in to consideration & follow best fit approach while designing employee engagement strategies rather than a holistic or one size fits all approach. For example, the bank could employ various types of work life balance schemes like providing on compound day care services for employees with children specially breast feeding female employees so that they can continue to be engaged in their jobs as well as take care of their children.

- Since Work environment was found to be one of the factors affecting employee engagement & they were perceived to be low, the bank could employ various mechanisms for instance revising its work environment. In previous literature review according to Lee & Peccei (2007) state that employees who feel valued and believe that the organization is concerned for their well-being, are more likely to feel a sense of responsibility towards their employer. This results in higher levels of commitment to the organization. Therefore, the bank should create a work environment were employees feel safe to share their ideas with no fear of consequences.
- The other factor given high weight by this study as a factor of employee engagement is Leadership. As this factor has been proofed as significant element for increased leadership also the fact its supported in previous literature review as Saks (2006) argues that supervisors are crucial in building engagement amongst employees and that they can also be at the root of disengagement. Jensen, McMullen & Stark (2007) agree with the importance of the manager, in creating an engaging work climate, and the impact they can have on an employee's commitment, performance and productivity. The bank should give

due attention on the leadership practices if it includes employees in decision making and weather it gives room to be part of strategy making and so forth.

- Learning and Development is considered as vital element of employee engagement. Hazelton (2014) discusses how training and career development in organizations can lead to an employee having more positive emotions about their organization. When an organization invests in its employees, it provides them with a sense of fulfilment as they are getting the opportunity to develop their skills. This leads to increased engagement and higher productivity levels. Though training and development can be costly and time consuming, if employees feel they are being invested in, it will help sustain their levels of engagement (Ahmadi et al., 2012). Therefore, the bank should give due attention if training is given continuously and are given at high quality level to increase engagement level.
- The bank should have enhanced Communication system in order to increase employee engagement level.
- Finally, Perceived Organizational Support plays a great role in moderating the variables. Perceived organizational support refers to employees' beliefs that the organization values their contribution and cares about their wellbeing (Rhoades and Eisenberger, 2002). The level of support employees receive from the organization influences their psychological safety and enables them to employ themselves without fear of negative consequences (Kahn, 1990). Therefore, when the bank takes major changes on the above variables it can generate a significant output when employees know they have the support and value of their bank.

5.5. Suggestion for Further Study

The scope of this research was attempted to assess factors affecting employee engagement at Zemen Bank S.C. The study found that the variables considered; Learning and Development, Work Environment, leadership and communication accounted for 61.8% variability in change management effectiveness; implying that the 38.2% could be due to other factors beyond the scope of this study. Therefore, further research is recommended on other factors and in other organization.

REFERENCE

- Adler, N. (2001). *International Dimensions of Organizational Behavior*, (2nd edition), Wadsworth Publishing Co, Belmont, CA.
- Alexandru R. & Cosmin T. (2016). Factors Influencing Continuous Organizational Change. *Journal of Defense Resource Management*, Vol. 7, Issue 2 (13).
- Armenakis, A. A. and Harris, S. G. (2015). Crafting a change message to create transformational readiness. *Journal of Organizational Change Management*.
- Asghar I., (2010). The role of Leadership in organizational change: Relating the successful organizational change to visionary and innovative leadership. Master's thesis in Industrial Engineering and Management, Faculty of Engineering and Sustainable Development, University of Gavle.
- Bareil, C. (2013). Two Paradigms About Resistance to Change. *Organizational Development Journal*.
- Battilana, J., Gilmartin, M., Sengul, M., Pache, A. C., & Alexander, J. A. (2010). Leadership competencies for implementing planned organizational change. *The Leadership Quarterly*, Vol. 3(21).
- Bello, S.M., (2012). Impact of Ethical Leadership on Employee Job Performance. *International Journal of Business and Social Science*, Vol. 3 No. 11
- Biniyam, (2014). General assessment West Addis Ababa District on PMS, Addis Ababa, Commercial bank of Ethiopia.
- Brockhaus, R., & Horwitz, P. (2015). In D. Sexton & R. Smilor (Eds.), *the Art and Science of Entrepreneurship*. Cambridge, MA: Ballinger.
- Buchanan D.& Boddy D. (2010). *The Expertise of the Change Agent: Public performance and backstage activity*. Prentice Hall.
- Burnes, B. (2010). *Managing Change: A Strategic Approach to Organizational Dynamics*, 3rd ed., Pearson Education, Harlow.
- Burnes, B. and Jackson, P. (2011). Success and failure in organizational change: An exploration of the role of values. *Journal of Change Management*, Vol.11(2).
- Burnes, B., (2014). *Managing Change, a Strategic Approach to Organization Dynamics*, Pitman Publishing, U.K.

- Carnall C.A (2007). Toward the theory of the evolution of organization theory. *Human Relations*, Vol. 39(8).
- CBE, (2010). Information and Communication Systems/Technology Strategy and Implementation Plan for Vision 2025. Addis Ababa, unpublished.
- CBE, (2017). <http://www.commercialbankofethiopia.com/en/corporate/default.aspx>, Retrieved on [Jan, 2018].
- Cummings, T. (2004). Dynamics of Organizational Change and Learning, John Wiley & Sons, chapter Organization Development and Change: Foundations and Applications.
- Davis, S.& Holland, T. (2002). Organizational Change, 3rd edn (London: Prentice Hall).
- Diefenbach, T. (2015), Competing perceptions and business models of senior managers in a higher education institution, *International Journal of Knowledge, Culture and Change, Management*, Vol. 12 (6).
- Dr. Ponduri SB, (2016). “Quality of Human Resource Information Systems at Commercial Bank of Ethiopia (A Case Study of Dessie District at Dessie, Ethiopia)”. *International Journal of Research – Granthaalayah*, Vol. 4, No. 4.
- Emmah S. A. Bosire (2012). Factors Influencing Management of Change in Public Sector Organizations in Kenya McKinsey Quarterly (2009). McKinsey Global Survey Results: Creating Organizational Transformations. Retrieved from <https://www.mckinseyquarterly.com/PDFDownload.aspx?ar=2195> on [Feb 20 218]
- Eshetu S. H. (2017). Succession Planning Practices and Challenges at Commercial Bank of Ethiopia
- Feurer, R. & Chaharbaghi, K. (2014). Defining competitiveness: A holistic approach. *Management Decision*, Vol.32 (2).
- Field, A. (2005). Discovering Statistics Using SPSS, 2nd edn. London: Sage Publication.
- Field, A. (2006). Discovering Statistics Using SPSS (2nded.). London: Sage Publication.
- Field, A. (2009). Discovering Statistics Using SPSS 3rd edn. London: Sage Publication
- Foziya A. (2017). Factors Affecting the Implementation of Enterprise Resource Planning at Commercial Bank of Ethiopia.

- Gathonde A.A. (2015). Factors Affecting Change Management: A Case Study of Kenya Trade Network Agency (Kentrade).
- Grandien, C. & Johansson, C. 2012. Institutionalization of communication management. A theoretical framework. *Corporate Communication. An International Journal*, Vol. 17(2).
- Haider, H., Frensch, P. (2007). Information reduction during skill acquisition: the influence of task instruction. *Journal of Experimental Psychology Applied*, Vol. 5 (2).
- Hayes, A. F. (2012). PROCESS: A versatile computational tool for observed variable mediation, moderation, and conditional process modeling [White paper]. Retrieved from <http://www.afhayes.com/public/process2012.pdf>
- Hayes, B.E. (2007). Measuring customer satisfaction: Survey design, use and statistical analysis methods (2nd Ed). Milwaukee, WI: ASQ Quality Press.
- Hill, C.W.L. and Jones, G. R. (2000). Strategic Management Theory: An Integrated Approach, 5th edition. Houghton Mifflin, Boston, MA.
- Ho, R. (2006). Handbook of Univariate and Multivariate Data Analysis and Interpretation with Spss. USA: Chapman & Hall/CRC
- Hofstede, G. (2005). Cultures and Organizations: Software of the Mind. London: McGraw Hill.
- Hurduzeu, R., (2015). The impact of leadership on organizational performance. SEA - Practical Application of Science Volume III, Issue 1
- Igbaria, M. (1993). User Acceptance of Microcomputer Technology. An Empirical Test, International. *Journal of Management Science*, Vol. 21 No.1.
- Jeff P. (2007). The Challenge of Organizational Change: How Companies Experience it and Leaders Guide it, Free Press, New York, NY.
- Johansson, C. & Ottestig, A.T. (2011). Communication executives in a changing world: legitimacy beyond organizational borders. *Journal of Communication Management*. Vol.15 (2).
- John W. Creswell, (2003). Research Design; Qualitative, quantitative and Mixed Methods Approach. 2nd ed. London: SAGE publication.
- Johnson, G. and Scholes K., (2002). Exploring Corporate Strategy, 6th Edition, Prentice Hall
- Jones, G. R. (2010). Organizational theory, design and change. Singapore: Pearson.

- Jones, R. A., Jimmieson, N. L. & Griffiths, A. (2005). The impact of organizational culture and reshaping capabilities on change implementation success: the mediating role of readiness for change. *Journal of Management Studies*. Vol.42(2).
- Keyton, J. (2011). *Communication & Organizational Culture. A Key to Understanding Work Experiences*. Los Angeles: Sage.
- Kothari, C. (2004). *Research Methodology: Methods and Techniques* (2nd ed.). London, Pitman Publishers.
- Malhotra, N. K. and Birks, D.F. (2006). *Marketing Research: An Applied Approach*. (Updated 2nd European ed.). England: Pearson Education Limited,
- Martin, J. (2012). *Organization Culture: Mapping the Terrain*. London: Sage Publication Inc.
- Mayende A.W. (2016). Assessment of Factors Affecting Effective Change Management in Public Hospitals in Kenya. *International Journal of Economics, Commerce and Management*. Vol. IV, Issue 10. United Kingdom
- McAuley, J., Duberly, J. and Cohen, L. (2010). The Meaning Professionals Give to Management and Strategy. *Human Relations*, Vol. 53(1).
- McLagan, P.A. (2008). The change-capable organization, *Training & Development*, Vol. 57(1).
- Meyer, C. B., & Stensaker, I. G. (2015). Developing Capacity for Change. *Journal of Change Management*, Vol.6(2).
- Mildred, G. P., Sonia, T., John, H., Donna, A., & Lisa, S. (2011). Challenges facing change management theories and research. *Delhi Business Review* X 9(1).
- Min, H., Galle, W. (2003), *E-Purchasing: Profiles of Adopters and Non-adopters*, *Industrial Marketing Management*, Vol. 32.
- Mitiku R. K (2015). The Practices and Challenges of Balanced Score Card Implementation: A Case of Commercial Bank of Ethiopia
- Modahl, M. (2000). *Now or Never. How Companies Must Change Today to Win the Battle for the Internet Consumer*, Orion, London,
- Montfort M. (2013). *Banking in Sub-Saharan Africa: Challenges and Opportunities*, European investment Bank.
- Moran, J. W. and Brightman, B. K. (2011). Leading organizational change, *Career Dev Int*.

- Mugenda, O. & Mugenda, A. (2003). *Research Methods: Quantitative & Qualitative Approaches*. Nairobi, Acts Press.
- Mulu B. (2016). *Assessment of Prospects and Challenges of Employee Performance Management System: A Case of Commercial Bank of Ethiopia (Addis Ababa Area)*.
- NairM. (2004). *Essentials of Balanced Scorecard*, Hoboken, New Jersey, John Wiley & Sons, Inc
- Nasim, S. and Sushil (2011). Revisiting Organizational Change: Exploring the Paradox of Managing. *Journal of Change Management*, 11 (2).
- Negalign M. & Lisanwork A. (2016). The Development of Core Banking System in Ethiopia: Challenges and Prospects (Case Study on Ethiopian Commercial Banks) *Research Journal of Finance*, Vol.7, No.19
- Neuman W.L. (2007). *Basics of Social Research: Qualitative and Quantitative Approaches*. (2nded.). Bosten: Pearson Education Inc.
- NivenR.Paul (2006). *Balanced score card step-by-step for maximizing performance and maintaining results*, new jersey: John w.& sons, inc.
- Norman, D.A. (2008). *The Invisible Computer*, MIT Press, Cambridge, MA.
- Nothhaft, H. (2010). Communication management as a second-order management function. Roles and functions of the communication executive – results from a shadowing study. *Journal of Communication Management*. Vol.14(2).
- Oakland, J. (2000). *Total quality management*. Oxford: Butterworth-Heinemann
- Orgland, M (2007). *Initiating, managing and sustaining strategic change*. London, Great Britain: Macmillan Press Limited.
- Otiso, Henry Nyabuto (2008). *Strategic Change Management Practices: The Case of Africa Merchant Assurance Company*. Nairobi.
- Ott, R. L. and Longnecker M. (2001). *An Introduction to Statistical Methods and Data Analysis*. (5th ed.). USA: Duxbury.
- Patrick, B. (2003). *Social Research Theory, Methods and Techniques*. Great Britain: SAGE Publications Ltd.
- Pearce J.A., Robinson R.B., (2003). *Strategic Management; Strategy Formulation, Implementation and Control*, Irwin, Homewood, Illinois, 8th edition.

- Putnam, L.L. and Poole, M.S. (2008). Organizational communication, in Clegg, S.R. and Bailey, J.R. (Eds). *International Encyclopedia of Organization Studies*, 3: 1031-5. Sage Publications, Thousand Oaks: CA.
- Reichnard, (2013). The Evolution of ERP Systems: A Historical Perspective Kuwait.
- Reimann, C., Filzmoser, P., Garrett, R. G., & Dutter, R. (2008). Statistical data analysis explained: Applied environmental statistics. John Wiley & Sons, Ltd. ISBN: 978-0-470-98581-6.
- Rico, R., Sanchez-Manzanares, M., Gil, F. & Gibson, C. (2008). Team implicit coordination processes: A team knowledge-based approach. *Academy of Management Review*, Vol.33 (1).
- Saunders, M, Lewis, P. and Thornhill, A. (2007). Research Methods for Business Students. (4thed.). England: Pearson Education Limited.
- Schaffer, R.H. & Thompson, H.A., (2014). Successful change program begins with results, Harvard Business Review, Vol. 70 No. 1.
- Schwarz, G. and Stensaker, I. (2014). Time to Take Off the Theoretical Straightjacket and (Re-) Introduce Phenomenon-Driven Research. *The Journal of Applied Behavioral Science*, 50 (4).
- Self, D. R. and Schraeder, M. (2009). Enhancing the success of organizational change. *Leadership & Organization Development Journal*, Vol.30(2).
- Senior, B. (2002), Organizational Change, Pearson Education, Financial Times Prentice Hall.
- Stamatis K. (2015). Effective Change Management in Modern Enterprises. Linnuaeus Universty Sweden
- Temesgen M. K. (2016). Assessment of the implementation of Performance management system in Commercial bank of Ethiopia Using the Balanced Score card: the case of selected branches under West Addis Ababa District
- Tibebe M. (2015). Determinants of profitability of Banks in Ethiopia: The case of Commercial Bank of Ethiopia in Partial Fulfillment for Masters of Business Administration
- Vazerani, N. & Mohapatra, S. (2012). Merging Organizational Culture through Communication – Post Mergers & Acquisitions. *SIES Journal of Management* Vol. 8(1).
- Weiner, B. J. (2009). A theory of organizational readiness for change. *Implementation Sci* 4(1).

- Will, M. G. (2014). Successful organizational change through overcoming risks in Change Management and the Human Factor. *Springer International Publishing*.
- William, G. Z. and Barry J. B. (2010). Essentials of Marketing Research. (4thed.). USA: Cengage Learning.
- Wood, J. C. John P. Kotter & Wood, M. C. (2010). Critical evaluations in business and management. London: Routledge.
- Workalemahu A. (2015). Benefits and Challenges of Outsourcing Practices at Commercial Bank of Ethiopia.

Appendix: Questionnaire

Addis Ababa University

College of Business and Economics, Management Department

Dear Participants,

This questionnaire is designed to collect primary data that supports my research on **Employee Engagement** that I am conducting as a partial fulfillment of the requirements for the degree of MSC in Management.

Hence, your response to the questionnaire has paramount importance to the success of the research. The findings of the research are strictly to be used only for academic purpose authorized by the Addis Ababa University College of Business and Economics.

Thank you for sharing your precious time from your eventful schedule and I appreciate your genuine and prompt response.

Direction: There is no need to write your name

Please, click in the check boxes of your option.

Explanation of the acronyms used: SD- Strongly Disagree, D- Disagree, N-neutral, A- Agree, and SA-strongly agree

Part - I: Profile of Respondents

1.1. Gender Male Female

1.2. Age

Below 25 25-35 year 36-45 years

46-55 years above 56 years

1.3. Academic Qualification

- Below high school High school complete
 College Diploma First Degree
 Second Degree & above other (specify) _____

1.4. Marital Status

- Single Married Married with Children
 Divorced Widowed

1.5. Position

- Professional Supervisory Middle Management
 Senior Management Executive Management

1.6. Service year at Zemen Bank S.C.

- Below 1 year 1-5 years
 6-10 years above 10 years

Part - II

S. N.	Construct and Items	Scale				
		SD	D	N	A	SA
1.1.	I feel that line management are providing strong leadership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.2.	I am happy with my involvement in decisions that affect my work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.3.	I have sufficient autonomy in my day-to-day role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.4.	I have meaningful, two way conversations with my manager around my performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.5.	Good work & performance is acknowledged & appreciated by my manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1.6.	I feel that employees views influence the decisions taken by the Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.7.	My manager provides me with honest feedback on my performance on a regular basis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.1.	I feel that the Directors communicate effectively with colleagues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.2.	Senior Management are good at soliciting employees' views, opinions & suggestions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.3.	I feel that employees views influence the decisions taken by Senior Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.4.	I have the tools and information readily available to do my work well	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.5.	I feels that my opinion matters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.6.	I feel comfortable to initiate conversations with my manager around my performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.7.	I have a clear understanding of the goals and objectives of The Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S. N.	Construct and Items	Scale				
		SD	D	N	A	SA
3.1.	I have mastered the skills necessary to do my job well	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.2.	I have the necessary tools to enable me to do my job effectively	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.3.	I have access to trainings that supports me to do my job well	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.4.	My manager encourages my growth & development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.5.	In the past 12 months, I have had the opportunity at work to learn and grow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.6.	My manager provides the coaching and development I need to improve my performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.1.	My organization really cares about my well-being.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.2.	My organization strongly considers my goals and values	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.3.	My organization shows concern for me.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.4.	My organization cares about my opinions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.5.	My organization would forgive an honest mistake on my part	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4.6.	Help is available from my organization when I have a problem	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7.	My organization is willing to help me if I need a special favor.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.1.	The environment in this organization supports a balance between work and personal life	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.2.	I am able to satisfy both my job and personal responsibilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.3.	The pace of work in this organization enable me to do a good job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.4.	My team work effectively together to meet our objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.5.	The amount of work I am asked to do is reasonable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.6.	The work I do is very important to me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.1.	It would take a lot to get me to leave this organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.2.	I rarely think about leaving this organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.3.	I wouldn't hesitate to recommend this organization to a friend	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.4.	I tell others great things about working here	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.5.	This organization inspires my best work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.6.	This organization motivates me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Thanks You!