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**THE INFLUENCE OF CUSTOMER BEHAVIOR ON FRONTLINE EMPLOYEE
ENGAGEMENT: IN CASE OF COMMERCIAL BANK OF ETHIOPIA IN ADDIS
ABABA AREA ZONE**

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COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MARKETING MANAGEMENT**

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**A THESIS SUBMITTED TO SCHOOL OF GRADUATE STUDIES OF ADDIS ABABA
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June, 2018

AUTHOR'S DECLARATION

I hereby declare that I am the sole author of this thesis. This is a true copy of the thesis, including any required final revisions, as accepted by my examiners.

I, the undersigned, declare that this work titled “**The Influence of Customer Behavior on Frontline Employee Engagement: In Case of Commercial Bank of Ethiopia in Addis Ababa area zone**” is in my own effort and study. I have produced it independently except with the guidance and suggestion of my advisor Getie Andualem. (Dr) and the source materials used for this research paper have duly acknowledged. This has not been submitted either in part or full in this university or any other university for the purpose of earning any degree. It is submitted here in partial fulfillment of the required of the degree of Masters of Marketing Management.

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CERTIFICATE

This is to certify that this study “**The Influence of Customer Behavior on Frontline Employee Engagement: In Case of Commercial Bank of Ethiopia Under Addis Ababa area zone**”, undertaken by Abebe Mebratu for the partial fulfillment of Masters of Marketing Management at Addis Ababa University, has been submitted to Addis Ababa University College of Business and Economics, Department of Marketing Management, with my guidance and approval.

Research Advisor: Getie Andualem. (Dr)

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Date _____

SCHOOL OF GRADUATE STUDIES

“The Influence of Customer Behavior on Frontline Employee Engagement: In Case of Commercial Bank of Ethiopia under Addis Ababa area zone”

By:

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LIST OF MAIN ABBREVIATIONS

Abbreviations

CBE

EE

FEE

OCB

POS

SPSS

Explanations

Commercial Bank of Ethiopia

Employee Engagement

Frontline Employee Engagement

Organizational citizenship behavior

Perceived organizational support

Statistical Package for Social Sciences

ABSTRACT

The main purpose of the study was to investigate relationships between perceived customer behaviors (including customer participation, citizenship behavior, complaint behaviour, and misbehavior) and frontline employee engagement (FEE) in employee of Commercial Bank of Ethiopia under Addis Ababa area zone. The population of this study was employees of CBE who are working with various branches of the bank found in various geographical locations of Addis Ababa specifically from the four districts i.e. North, south, west and east of the bank, which have got 261 branches. The research is quantitative method and cross-sectional field survey and correlational study. By using Multi-stage sampling, 368 employees were selected as the sample of the study. The standardized measurement scales were adapted and distributed to 368 employees in the form of questioners but, 341 respondents filled and replied were found valid for analyzed. A quantitative method which was cross-sectional study with deductive approach was chosen in this research. The SPSS version 20.00 for windows was used to process the primary data which was collected through questionnaire; a theoretical framework was used as a guideline to test the relationships between customer behavior and frontline employee engagement. Next, the research presents the research framework, methods, measures and findings and conclusion. Multiple regression analysis assessed the impact of customer behavior on employee engagement. Results indicate the positive effects of customer participation and citizenship behaviour on FEE were accounted for by explained such behaviours. Customer complaint had poor negative effect on employee engagement and customer misbehaviour also had positive insignificant effect on FEE. Findings highlighted the need for customer behaviour intervention to encourage their participation and manage their complaint behaviours during service encounters. Implications for practice are also discussed in the manager/supervisor development such as sensitivity training and workplace culture improvement to create the right environment for engagement.

Key words: - customer participation, customer citizenship, customer complaint behavior, customer misbehavior, employee Engagement

CHAPTER ONE

1. Introduction

1.1. Back Ground of the Study

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

Employee engagement is the level to which employees feel motivated and involved in their workplace. Job responsibilities, work relationships and growth opportunities are among primary internal factors affecting engagement. External factors include competing career opportunities, along with family and social obligations (Kokemuller, 2010).

There is considerable interest in understanding how best to provide excellent service. However, co-production requires the cooperation of both parties i.e. employees, employers and customers. Just as engaged frontline employees delight their clients in positive interactions, clients also play roles in the co-production dynamics. By showing respect and affection for employees, clients boost their self-esteem and inspire their commitment to excellence (Pierce & Gardner, 2004). Conversely, in stressful interactions, poorly behaved customers may ruin the mood and frustrate service providers. Further, individual customer incivility may trigger employee incivility (Walker, van Jaarsveld, & Skarlicki, 2014).

Customer behaviors can be traced back to personality, affective commitment to the firm, and perceived organizational justice (Patterson, Razzaque, & Terry, 2003). For example, the altruism motivation is activated by some customers' inclinations to help employees without expectation of reward. For example, altruistic customers are more likely to express sympathy and give advice to service providers even after a negative service experience (Presi, Saridakis, & Hartmans, 2014), thus encouraging employees to engage with their jobs more than usual.

The study focused on four types of customer behavior during service encounters i.e., customer participation, complaint, citizenship, and misbehavior. *Customer participation* referred to the "expected and required behavior necessary for the successful production and delivery of the service" (Groth, 2005, p.11). *Customer citizenship* consisted of "voluntary and discretionary behaviors not required for the successful service delivery but directly or indirectly help the

service encounter and the organization” (Groth, 2005, p.11). For example, customers may be willing to offer many forms of assistance ranging from carrying their bags to reporting potential safety problems to employees. Social support is sometimes embedded in the service context and customer participation or citizenship can be very utilitarian. *Customer complaint*, triggered by perceived dissatisfaction with a purchase episode (Singh, 1988), included a set of multiple responses such as verbal complaint, non-verbal complaint, or no response at all (Tronvoll, 2012). *Customer misbehavior* referred to “actions by customers who intentionally or unintentionally, overtly or covertly, act in a manner that, in some way, disrupts otherwise functional service encounters” (Harris & Reynolds, 2003, p.145). Examples of misbehavior are shoplifting, fraud, vandalism, and psychological or physical victimization (Harris & Reynolds, 2003, 2004; Fullerton & Punj, 2004). Customer complaint or unmannerly behavior may have grave repercussions on frontline employee emotional perception of such encounters and as a result, their engagement at work may be influenced.

A majority of employee-based service delivery features high levels of interpersonal interaction, which is paramount to customer experience and value creation. The defining characteristic of the interaction process is “co-production” between the provider and the client during service encounters. Service encounters represent the period of time that a customer interacts with a service (Shostack, 1985).

Clients work together with frontline employees to create services. The hallmark of excellent customer service is engaged staff who are ready and able to fulfill the roles assigned to them. *Engaged employees* are those who “work with passion and feel a profound connection to their company” and “drive innovation and move the organization forward” (Gallup Employee Engagement Center [GEEC], 2012, p.21). We believed engagement was relevant because of its profoundly emotional quality. *Employee engagement* was originally defined 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” (Kahn, 1990, p.694). While engagement is positively associated to service quality (Harter, Schmidt, & Hayes, 2003), we wished to investigate the dynamic nature of service encounters and its effect on engagement.

Studies on customer behaviors such as participation and complaint have been fruitful. They suggested that customer participation have a positive effect (Yi et al., 2011) or negative impact

(Chan, Yim, & Lam, 2010) on frontline employee commitment; customer complaints together with customer demands negatively affect frontline employees' customer-oriented attitude through employees' emotional exhaustion (Stock & Bednarek, 2014).

Commercial Bank of Ethiopia is the leading bank in Ethiopia, established in 1942 and Pioneer to introduce modern banking to the country. It has 1222 branches stretched across the country and 261 branches in Addis Ababa area zone as of September 14, 2017. Beside it has opened two branches in South Sudan and has been in the business since June 2009 and the leading African bank with assets of 485.7 billion Birr by the 2016/17 fiscal year. It plays a catalytic role in the economic progress & development of the country. Moreover, the first bank in Ethiopia to introduce ATM service for local users and Pioneer to introduce Western Union Money Transfer Services in Ethiopia early 1990s and currently working with other 20 money transfer agents. Furthermore, it has strong correspondent relationship with more than 50 renowned foreign banks and a SWIFT bilateral arrangement with more than 700 others banks across the world. Final, CBE combines a wide capital base with more than 33,000 talented and committed employees and currently it has more than 15 million account holders. Its vision is to become a world-class commercial bank by the year 2025 and its mission is committed to best realize stakeholders' needs through enhanced financial intermediation globally and supporting national development priorities, by deploying highly motivated, skilled and disciplined employees as well as state-of-the-art technology. (<http://www.cbe.com/> accessed on September, 2017)

To make a change so that the Commercial Bank of Ethiopia are better on people oriented environment or employee engagement, top management must be aware and get deeply involved. Finally, Ethiopia's organization must create a good working environment to continuous the employee engagement to build on physically powerful leadership intense customer focus, strong strategic direction and as well as unbiased compensation packages and transparency to increase the employee engagement and to reduce the brain drain. Most organization as well as their management invested on the workforces and employees throughout the design core job characteristics , supportive management and so on because employers known that employees would be one of the main resource for the organization to be survived.

1.2. Statement of the Problem

A majority of employee-based service delivery features high levels of interpersonal interaction, which is paramount to customer experience and value creation. It has been well recognized that frontline staff engagement plays a pivotal role in the success of any customer-facing business (Harter et al., 2003). Frontline employees are more likely to experience more incivility from customers than those who work in the back of house. Frequently, both positive and negative emotional states can be transferred between customers and employees via emotional contagion (Kramer, Guillory, & Hancock, 2014).

Studies on customer behaviors such as participation and complaint have been fruitful. They suggested that customer participation have a positive effect (Yi et al., 2011) or negative impact (Chan, Yim, & Lam, 2010) on frontline employee commitment; customer complaints together with customer demands negatively affect frontline employees' customer-oriented attitude through employees' emotional exhaustion (Stock & Bednarek, 2014). There was also a stream of literature that explored scopes and effects of customer citizenship and misbehavior. These studies found that the behaviors perceived to be helpful and constructive enhanced the consolidation of the customer-employee relationship (Revilla-Camacho, Vega-Vázquez, & Cossío-Silva, 2015) and reduced the impact of work stress on employees (Verleye, Gemmel, & Rangarajan, 2015). However, those behaviors perceived as less civil tended to have negative influences on employees (Fisk et al., 2010).

Yet it is not an easy job to engage frontline staff. A recent Gallup study reported that nearly 71% of U.S. service workers were “not engaged” or “actively disengaged”; less than 29% reported being engaged at work (GEEC, 2015a). Although some empirical research has been carried out on antecedents of employee engagement (Saks, 2006), In order to create an environment for employee engagement, it is vitally important to be aware of the determinant factors.

Despite employee engagement being an important ingredient to employee productivity, there is no empirical research that has been conducted on the subject matter in relation to commercial banks in Ethiopia.

Therefore, the researcher were interested to study and identify what are the influences of customer behavior to frontline Employee Engagement (EE), nowadays among the employees who work in the Commercial Bank of Ethiopia in Addis Ababa area zone. Literature reviewed suggests that no study on influence of customer behavior on employee engagement has been

done in the Banking industry in Ethiopia. The study therefore, aimed to bridge the existing knowledge gaps by finding responses to the following research questions.

1.3. Research Questions

To achieve the above purposes, five research questions would be developed to guide the research process. The relationships to be investigated in this study would illustrate in:

RQ1: How does customer participation influence frontline employee's engagement in commercial Bank of Ethiopia?

RQ2: How do customer citizenship behaviors' affect frontline employee engagement in commercial Bank of Ethiopia?

RQ3: Does customer compliant behavior have an effect on frontline employee engagement in commercial Bank of Ethiopia?

RQ4: To what extent customer misbehavior affect frontline employee engagement in commercial Bank of Ethiopia?

1.4. Objective of the Study

1.4.1. General Objective

The study aims at making meaningful inquiry and investigation into the effects of the Customer behavior in determining frontline employee engagement in the Commercial bank of Ethiopia in Addis Ababa area zone.

1.4.2. Specific Objective

- ❖ To examine the effect of customer citizenship behaviors' in predicting employee engagement
- ❖ To investigate the influences of customer participation on their engagement at work.
- ❖ To evaluate the effect of Perception of customer compliant behavior on employee engagement
- ❖ Analyze the extent of customer misbehavior to affect frontline employee engagement
- ❖ To suggest relevant recommendation based on the finding for the study area

1.5. The Research Hypothesis:

To address the above identified research questions and objectives, the following research hypothesis would be formulated. The variables used for testing the hypothesis would present as follows.

H1: Customer behavior affects Frontline Employee Engagement.

H1a: Customer participation which creates happiness or comfort positively affects Frontline Employee Engagement

H1b: Customer citizenship behavior positively affects Frontline Employee Engagement.

H1c: Customer complaint behavior has a negative influence on FEE

H1d: Customer misbehavior has a negative influence on FEE.

1.6. Significance of the Study

Organization's performance highly depends on the employee's level of motivation. In present competitive working environment it is important for an organization to find out factors that may motivate its employees. This study is one of very few studies which have investigated the influence of customer behavior on frontline employee engagement in banking sector, especially in Commercial Bank of Ethiopia.

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

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

1.7. Scope/ Delimitation of the Study

This study focused on some of customers' behavior variables (customer participation, customer citizenship, customer compliant behavior, customer misbehavior) that affect Employee Engagement and some demography variables (gender, year of service and education level). The study also delimited itself to Commercial Bank of Ethiopia branches that exist in Addis Ababa area; it does not focus on branches out of this area. Also within Addis Ababa area branches,

the study was focus on frontline employees in some selected branches of CBE. However, the recommendation would be help to all branches of the bank over the country to have insight on the influence of customer behavior on frontline employee engagement in Bank employees and take corrective measurement.

1.8 Organization of the study

This paper is organized into five chapters. The first chapter is an introduction which includes background of the study, problem statement, objective of the study, research questions, and hypothesis of the study, significance of the study and scope and limitation of the study. The second chapter is review of related literatures which consists theoretical background and important findings from different literatures. The third chapter discussed about research methodology and design. Then, analysis of data has been made on chapter four and finally, conclusions and recommendations which were given to the company is the last chapter of this study.

CHAPTER TWO

Literature Review

Literature review is prepared in two parts, i.e. the theoretical review and the empirical review part. In the theoretical review part the theories that states about the customer behavior and the variables that influence front line employee engagement. The empirical literature part discusses past studies that were conducted on the area of influence of customer behaviors on front line employee engagement. In this part the variables that were included, the methodology that is used to undertake the study and the results of the study under review are discussed.

2. Theoretical Review

2.1. Engaged Frontline Employees in Customer Service

2.1.1 The Key Role of Frontline Employee during Service Encounters

Frontline employees are service providers who are in first contact with the customer. As Harris and Ogbonna (2002, p.163) summarized, “the attitudes and behaviors of frontline, customer-contact service providers are a significant factor in customers’ perceptions and interpretations of service encounters”. Frontline employees are largely responsible for quality control and value creation during service encounters.

2.1.2 Engaged Frontline Employees

In the service sector, engaged frontline employees are of central importance for a great guest experience. Engaged employees employ and express themselves cognitively, emotionally, and physically (Kahn, 1990) to the organization, job, and supervisors/coworkers (Collins, 2013). Essentially, the concept of engagement captures how frontline employees experience their work: as enthusiastic and psychologically committed to the organization, as energetic and fully involved in the service delivery, and as strongly affiliated with supervisors and coworkers. Therefore, work engagement is a motivational state of work-related well-being (Xanthopoulou, Bakker, & Fischbach, 2015)..

2.1.3 Dealing with Customer Deviance

Dealing with arrogant, rude, or even aggressive customers happens in frontline employees’ daily work life. In a context where customer sovereignty takes priority, employees often feel obliged

to make their clients content and believe that paying customers have the right to behave in a certain way (Ivarsson & Larsson, 2010). On top of that, employees are required to be service-minded and customer-oriented, understand customers' situation, and tackle the customer deviance in a proper way.

2.2 The Importance of Customer Behavior during Service Encounters

The service literature regards service encounter as a process of co-production with the customer acting as a co-producer, contributor, and partial employee. Customers are more than passive recipients of service and associated value. They are actively involved in creating value (Beckett & Nayak, 2008; Vargo & Lusch, 2004). Customer involvement may enhance their feelings of control over the service delivery (Jacob & Rettinger, 2011) and contribute to quality perceptions, satisfaction and repurchases (Kelley, Donnelly, & Skinner, 1990; Eisingerich, Auh, & Merlo, 2014). Customer altruism behavior may also help to improve service quality and elevate customer satisfaction (Bowen & Schneider, 1985). As such, clients may be effectively regarded as "partial" employees.

On the other hand, values can also be co-destroyed. When things do not work out, customers tend to interpret their negative experiences as loss of time or esteem and attribute blame to employees rather than the cause of the circumstance. Moreover, some are reciprocally motivated to recoup their losses or destroy the organization's resources (Smith, 2013).

2.3. Interpersonal Dynamics between Customers and Frontline Employees

Frontline employees are more likely to experience more incivility from customers than those who work in the back of house. Frequently, both positive and negative emotional states can be transferred between customers and employees via emotional contagion (Kramer, Guillory, & Hancock, 2014).

When employees are performing emotional labor during service encounters, the impact of customer behaviors seems somewhat dormant and hidden. Whether employees are happy or unhappy with a client, they have to comply with display rules and are expected to be friendly, responsive, and caring when wearing uniforms and performing their duties. Any discrepancy between display rules and felt emotions may lead to emotion-rule dissonance and then negatively affect employee work engagement (Hulsheger & Schewe, 2011).

2.4 Customer Behavior as an Influencer of FEE

Customer behaviors can be traced back to personality, affective commitment to the firm, and perceived organizational justice (Patterson, Razzaque, & Terry, 2003). For example, the altruism motivation is activated by some customers' inclinations to help employees without expectation of reward. For example, altruistic customers are more likely to express sympathy and give advice to service providers even after a negative service experience (Presi, Saridakis, & Hartmans, 2014), thus encouraging employees to engage with their jobs more than usual.

2.4.1 Customer Behavior during Service Encounters

Customer citizenship and misbehavior may be viewed as contextual behaviors for they are not required for co-production but are helpful or detrimental for organization well-being (Fowler, 2013). From the employee perspective, customer complaint and misbehavior are typically framed as increased job demands associated with job stressor (Penney & Spector, 2005; Bakker & Demerouti, 2007). Customer participation and citizenship are mostly regarded as positive contributor or booster to employee satisfaction (Yi et al., 2011).

Borman and Motowidlo (1993) suggested that employee performance be divided into task performance and contextual performance. Using those basic categories, customer participation and complaint may be treated as necessary or expected behaviors (i.e., task behaviors) for the accomplishment of service co-production or service recovery (Groth, 2005).

H0: Customer behaviour significantly affects FEE.

2.4.1.1 Customer Participation

Customer participation is low when services and products are standardized and customers play an inactive role. The participation level is high if a customer is actively involved with the service co-production and the value cannot be created apart from the customer's engagement (Wattanakamolchai, 2008).

Participation itself can be intrinsically enjoyable if customers are successful in completing their assigned tasks during service delivery. High levels of participation increase customers' value perception and loyalty to the brand (Vivek, Beatty, Dalela, & Morgan, 2014).

Initially, customer participation may create happiness during service encounters. Satisfied clients are often happily activated and immersed in their hedonic experiences (Gambetti, Graffigna,

&Biraghi, 2012). The passion of happy customers, in turn, may positively influence their service providers through an emotional contagion process, whereby the value of happiness can be transferred from customers to employees (Frey, Bayon, & Totzek, 2013). Further, customer participation can effectively remove or substitute for some of the labor tasks performed by frontline staff (Bendapudi & Leone, 2003) and positively affects their commitment (Yi et al., 2011). To some extent, the more customers are engaged, the more employees are able to involve in social interaction with their clients, and more value of comfort is created during the more rewarding interaction.

However, if services fail due to customers' own inadequacy and incompetence, employees may suffer emotionally from the frustrated customers and tend to be more emotionally distant and less productive (Zeithaml & Bitner, 2000). Especially, when customer participation readiness is low, the effect of participation on service outcomes and employee benefits may taper off (Dong, Sivakumar, Evans, & Zou, 2015). Additionally, customer participation may create employee job stress (Chan et al., 2010). A shift of power and control to customers through their participation may lead to role incongruence and cause some employees (e.g., professional therapists) to feel uncomfortable. Further, handling incompatible customer demands or behaviors requires employees to regulate their emotional expressions more than usual. Emotional labor is salient in high customer-contact services and has become another job stressor that causes burnout (Rupp, McCance, Spencer, & Sonntag, 2008).

H1a: Customer participation which creates happiness or comfort positively affects Frontline

2.4.1.2 Customer Citizenship Behavior

In the literature, customer citizenship behavior was categorized in many ways. Groth (2005) identified three dimensions of customer citizenship: recommendations to friends and family, providing feedback to the organization, and helping other customers. Bove, Pervan, Beatty, and Shiu (2009) refined customer citizenship into eight major categories: positive word of mouth, service improvement suggestions, displays of affiliation, policing of other customers, customer voice behavior, customer flexibility, customer special participation, and benevolent acts of service facilitation. This study adopted Bove et al's (2009) construct model because it demonstrated the key determinants and holistic structure of customer citizenship in face-to-face encounters.

The service literature has extended organizational citizenship behavior to the customers' domain. Unlike customer participation, which relates to the in-role behavior required by the co-production, customer citizenship entails voluntary and discretionary behavior that go beyond customer role expectations (Groth, 2005).

Customers provide crucial physical or mental inputs during service encounters. When customers provide suggestions for service improvement or police other customers to behave themselves, employees may perceive the customers' goodness and feel better as a result. We know, for example, that customer citizenship behaviors may have direct, positive impacts on employee commitment and satisfaction through fostering a sense of security. If employees perceive that customers treat them with kindness, the value of security is likely to boost their job satisfaction and engagement with the organization (Yi et al., 2011). Also, customer citizenship behaviors can be helpful for employee performance. Tourists in a tour group helped facilitate communication to bring harmony and conviviality to the tour as well as motivate and support tour guides (Liu & Tsaur, 2014); guests' helpful and courteous actions when buying books helped salespersons improve individual productivity (R. J. Shannahan, Bush, L. J. Shannahan, & Moncrief, 2015). Further, in line with social exchange rules, customer-oriented employee citizenship behaviour may occur (Barnes et al., 2015) as a form of reciprocation.

H1b: Customer citizenship behavior positively affects Frontline Employee Engagement

2.4.1.3 Customer complaint Behavior

When service failure occurs, customers raise their voice about these problems. Complaints can be defined as the customer's protest reaction to the performance (Singh and Widing Robert, 1991). A complaint is an action taken by an individual who involves communicating something negative regarding a product or service, either to the firm manufacturing or marketing that product or service, or to some third party organizational entity (Garrett Dennis *et al.*, 1991).

If customers experience any lack of quality during the process of value creation, they may immediately give feedback, complain or voice their unfavorable experience to others. However, complaints do not always stem from service failure and sometimes may be caused by unreasonable expectations. In the airline service, customer complaints may be related to actual and expected on-time performance; an increase in the latter may significantly increase customer complaints (Chow, 2015). As such, a disappointed customer may attribute their negative

emotions to service providers who should not be blamed for. Therefore, all possible customer complaint was taken into account in the study regardless of their reasons.

Hirschman (1978) suggested three possible behavioral responses of customers during the complaint process: voice a complaint, exit the relationship through switching, or take no action.

A crucial aspect of service recovery entails frontline employees knowing how to deal with customer complaints. However, staff members may experience considerable stress because of the demands such complaints place on them. Customer demands increase employees' emotional exhaustion, which in turn negatively affects employee attitude and commitment (Stock & Bednarek, 2014). Stress may emerge from the imbalance of power, i.e., customer sovereignty and employee subordination during the customer-employee interaction (Ivarsson & Larsson, 2010). Customers alone have the right to define service quality while service providers need to be service-minded and customer-oriented to address their problems. Although sometimes employees are in authority, in most cases complaining customers may have much more power than employees. Further, this imbalance can become even more pronounced with aggressive customer responses. The more self-confident the client, with strong affirmation and gestures, the more subordinated employees may feel (Ivarsson & Larsson, 2010).

Staff stress may emerge when staff members are not empowered to solve programs. Issues arise, for example, when customer complaints require resource allocation decisions on the part of staff members. Most customer complaints can be handled in two ways: by routinization and standardization or by empowerment and personalization (Schneider & Bowen, 1993; Leidner 1993). Choosing the former, employees provide solutions regulated by standardized scripts. This response may be adequate so not stress results. However, if this approach does not meet, staff members may be required to allocate resources to solve the problem (Victorino, Bolinger, & Verma, 2012). This is often the case because emergent problems can be heterogenic and unpredictable and empowerment allows employees to provide rapid and individualized responses to them. In such cases, stress occurs if employees are not given authority to make personal decisions to sort out the issue under the time pressure of service recovery. Stress may also emerge because of the negative emotional baggage that can accompany complaints. Complaints arise when some of the aspects of the service fail. Those providing the service may personalize the complaint and feel that they too have failed.

2.4.1.3.1 Types of Complaining Customers

There are different types of complainers. These are as follows (Hoyer, MacInnis, 2007):

- *Passives*: These customers who are least likely to complain.
- *Voicers*: Those who are likely to complain directly to the retailer or service provider.
- *Irates*: Those who are angry customers that are most likely to engage in negative word of mouth, stop patronage, and complain to the provider but not to a third party such as the media or government.
- *Activist*: They engage heavily in all types of complaining, including complaining to a third party.

H1c: Customer complaint behaviour has a negative influence on FEE.

2.4.1.4 Customer misbehavior

Theoretically, customer misbehavior differs from customer complaints in that misbehavior is a series of deliberate acts that violate widely held norms (Reynolds & Harris, 2006). A divergence of labels are listed and used interchangeably in the literature such as deviant customer behavior (Reynolds & Harris, 2006), jay-customer behavior (Harris & Reynolds, 2004), and customer incivility (Walker et al., 2014). It seems that customer misbehavior is common and performed by the majority rather than the minority of consumers (Harris & Reynolds, 2003). Most importantly, such unmannerly behavior seems endemic within the service and hospitality sectors (Reynolds & Harris, 2006). It is of interest to investigate thoughtless or abusive actions of customers that cause problems for employees, the service organization, and other clients (Harris & Reynolds, 2004).

Handling customer misbehavior (like rudeness) can be difficult. Frontline employees work under pressure – they have to keep calm and are supposed to be courteous and efficient. This can be difficult in the face of customer misbehavior. They can employ either an indirect strategy or a direct strategy (Akkawanitcha et al., 2015).

An indirect strategy might be categorized as a passive-aggressive technique in which employees withdraw their citizenship behavior. For example, employees may still perform their basic in-role duties but resist doing anything extra. Such behaviors offer a passive response and therefore it is not easily detected by customers (Akkawanitcha et al., 2015).

More direct strategies are more observable. Employees may respond to a customer's rude remarks by slowing down the service handling thereby getting back at the client through "invisible revenge". They might even engage in service sabotage, which is more target-specific than withdraw citizenship.

Conversely, staff members may ignore the client misbehavior. For example, they might dismiss the behavior and attribute it to reasons beyond the control of the customer (e.g., childhood trauma) and gradually develop a sense of immunity. Thus, empathy can be a coping strategy for employees in some cases. Employees always consider customer misbehavior a job stressor whatever coping strategies they employ (Penney & Spector, 2005).

H 1d: Customer misbehaviour has a negative influence on FEE.

2.6. Theory and Practice of Employee Engagement

An explosion of academic and practitioner interest in employee engagement has been witnessed because of its potential contribution to bottom line outcomes such as customer satisfaction, employee productivity, and financial performance (Kular, Gaterby, Rees, Soane, & Truss, 2008; Richman, 2006). However, there is a dearth of research that conceptualizes employee engagement in service settings or examines its contextual antecedents from a frontline perspective

2.6.1 Conceptualization and Definition of Employee Engagement

Obviously, many different concepts used to define employee engagement make it more or less overlap with other established constructs such as organizational commitment (Cropanzano & Mitchell, 2005; Richman, 2006), organizational citizenship behavior (Hallberg & Schaufeli, 2006), and job involvement (Brown, 1996; May et al., 2004). The Gallup Organization, the most widely recognized name associated with employee engagement, produces their annual report of global engagement survey and describes engaged employees without venturing to provide a definition of their own.

Slåtten and Mehmetoglu (2011) defined job engagement as the job involvement and organizational commitment. Workers are engaged with their jobs when they are physically satisfied; hence psychological conditions have positive influence in job engagement.(Silva, 2006) suggested that organizational engagement consists of four major factors i.e. Commitment

to the organization, Commitment to immediate supervisors, Commitment to top management and Commitment to work groups.

Employee engagement is a complex, broad construct that subsumes many well researched ideas such as commitment, satisfaction, loyalty and extra role behavior. An engaged employee extends themselves to meet the organization's needs, takes initiative, reinforces and supports the organization's culture and values, stays focused and vigilant, and believes he/she can make a difference (Macey, 2006). In practice, organizations typically define engagement as being a part of the organization, having pride and loyalty in the company, being committed, and going "above and beyond the call of duty". Kahn (1990) defined 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.

The hallmark of ideal service encounters is engaged frontline employees working in situations, in which interacting parties are involved in each other's practices (Grönroos & Ravald, 2011). Employees, customers, supervisors, and coworkers may all be involved, and the interaction among them can be physical or virtual. Engaged staff are expected to provide responsive, friendly, and efficient service to their clients, offer voluntary support to their coworkers, assist their supervisors, and work with integrity in every service scenario. In this way, *frontline employee engagement* (FEE) seems to possess four component parts. First, employees feel the passion and personal affiliation for their service organization. Second, they value their personal involvement when interacting with customers, providing services, and developing a relationship with them. Third, they feel a personal commitment and affiliation to their supervisor. Finally, they value relationships and feel an emotional attachment to their coworkers or other team members.

2.6.2. Importance of employee engagement

According to Hewitt (2005), enhancing employee engagement creates a "win-win" situation. Employees are happier and more productive and this ultimately leads to a positive impact on business results. Employee engagement also acts as a catalyst towards the retention of staff. Greenberg (2004) observes that employee engagement is critical to any organization that seeks not only to retain valued employees, but also to increase its levels of performance. The more highly engaged your employees are, the more likely you are to have a strongly customer-focused organization. Finally, and perhaps least surprisingly, Perrin (2003) found strong linkages

between what the customer focused employees expressed about their organization and revenue growth. There is also an inverse relationship between customer focus and the cost of goods sold.

2.6.3 Frontline Employee Engagement in Practice

The value co-created at the time of service largely depends on whether frontline employees are always there for their clients or emotionally available to the client. Engaged employees have the spirit of service; they provide authentic care to clients and create more personalized experiences tailored to guests' preferences. Engaged employees are more positive about both opportunities and difficulties at work than others (Slatten, 2009). When handling guest complaints, an engaged employee may be more innovative in customizing his or her service in developing solutions (Slatten & Mehmetoglu, 2011). In short, engaged employees work with passion and a strong affiliation with their company and then drive innovation going forward (GEEC, 2012).

However, globally, employee engagement is on the decline (GEEC, 2015a). It has been 30 years since Gallup pioneered the concept of the engagement survey and it suggests a deepening disengagement in the service sector today (GEEC, 2015a). Despite the dramatic growth of the service economy, less than 29 percent of North American service staff report being engaged at work (GEEC, 2015a). Clearly, it is not an easy job to engage frontline service staff. Engagement emerges from a complex dynamic, hinging not only on workplace design but also on customer-employee interactions as well as employee social relations and perceived social support. The results of GEEC (2015a) triggered the researcher's interest in the frontline engagement conceptualization, the emotional dynamics of service encounters, and the role of workplace social support. Much of the service literature has investigated the impacts of frontline employees on customer satisfaction and loyalty, however, what remains to be revealed is the extent to which this relationship exists in the reverse and the role of emotional dynamics and social support within this relationship.

2.6.4. Impact of Customer Behavior on Frontline Employee

Given the dyadic nature of service encounters, behavior may be investigated from two primary perspectives: the actors' and the targets'. The majority of research following the target's perspective may affirm the importance of employee actor's performance (Ivarsson & Larsson, 2010), yet this study departed from the actors' point of view of customer behavior. Social

exchange theory was borrowed to provide a theoretical foundation for investigating employee experience of customer behavior.

2.6.5. Social Exchange Theory

In service interactions, customers may perceive the enthusiasm of an engaged frontline employee who is going the extra mile to delight them. In return, they may be delighted and intend to repurchase the service. Likewise, when frontline employees receive gratitude and recognition from customers, they feel obliged to respond in kind and repay the clients. There is a dark side to reciprocity however. Employees may respond to clients' aggressive remarks by taking revenge on them, thereby reducing service quality, dampening their engagement, and threatening their own workplace well-being. Another benefit of social exchange in the workplace may be the support that emerges through ongoing relationships. The term "*relationship*" often refers to an association among several interacting partners, where different forms of interpersonal exchange are involved. It can be presumed that employees may form distinguishable social exchange relationships with their employing organizations (Liden, Sparrowe, & Wayne, 1997), direct supervisor (Flynn, 2003), coworkers (Moorman, Blakely, & Niehoff, 1998), and customers (Sheth, 1996). In these relationships, employees receive organizational support from their company but social support from their supervisor, coworkers, and clients. These social supports provided and received have been conceptualized as the "quality" of the social exchange (Cropanzano & Mitchell, 2005; Chiu, Yeh, & Huang, 2015).

The framework of Social Exchange Theory (Emerson, 1981; Cropanzano & Mitchell, 2005) provides a strong theoretical rationale for understanding service interactions and workplace behaviors. During interactions, both parties have expectations that their relationship will operate smoothly as long as both parties abide by certain "rules" of exchange. Reciprocity and repayment in kind are probably the best-known exchange rules; obligations are generated and individuals return the benefits they receive. Specifically, people are most likely to match the goodwill and helpfulness toward the party with whom they have a social exchange relationship (Malatesta, 1995; Malatesta & Byrne, 1997).

2.6.6. Frontline Employee Perception of and Responses to Customer Behaviors

Reciprocal relationships are important in the collaborative activities of customers and frontline employees. A good customer intangibly "supports" service providers during service encounters

and as a result, may feel valued or treated with dignity at work. This relationship can evolve and engender beneficial consequences. For example, the economic resources (e.g., gratuities) and socio-emotional resources (e.g., trust) obtained from the relationship help employee produce effective work behavior and positive attitudes (Cropanzano & Mitchell, 2005; Ruiller & Van der Heijden, 2014). In particular, socio-emotional outcomes not only help address employees' social and esteem needs but also create job satisfaction. For example, trust and love from clients, as the recognition of employee achievement, are motivators that are primary cause of employee satisfaction (Herzberg, 1968). This study focused on the socio-emotional rather than economic side partially because some forms of "transactional exchange", such as tips, are not common in this service sectors.

Thus far, customer behavior during service encounters may have an impact on employee engagement through affecting employees' emotions and attitude.

2.6.7. Positive Word-of-Mouth Intention

Swanson and Kelley (2001) defined that word-of-mouth intention as the act of telling to others about a satisfactory or unsatisfactory experience of the service or service provider. Information from word-of-mouth is highly reliable that can help to influence customers' intentions to purchase products/services from the firm, as well as their perceptions about a particular firm (Zeithaml et al., 1993, as cited in Maxham (2001)). Maxham (2001) similarly confirmed that customers who perceived fair and effective responses to their service failure by the firm would be engaged in positive word-of-mouth behavior.

2.8. Empirical Literature Review

Mokaya , and Kipyegon, (2014) suggested that Employee engagement is considered one of the most powerful measures of a company's vigor towards competitive advantage and high performance. Employee engagement involves creating prospects for employees to attach with their managers, colleagues and organizations. The study sought to assess the determinants of employee engagement in the banking industry in Kenya. The determinants covered were performance management system, personal development and growth opportunities, and workplace recreation and remuneration. All the variables covered had positive influence on employee engagement. However, remuneration was the highest contributor of employee

engagement with workplace recreation having the least influence. The study recommends that bank managers should give special attention to programs and activities that promote employee engagement which has a positive linkage to performance. Such programs should include two-way communication system, ensure that employees have necessary resources they need to do their jobs, give employees appropriate training to increase their knowledge and skills, establish reward systems in which outstanding job performance is rewarded through various financial and nonfinancial incentives, build a distinctive corporate culture that encourages hard work and keeps success stories alive, develop a strong performance management system which holds managers and employees accountable, place attention on top-performing employees to reduce their turnover.

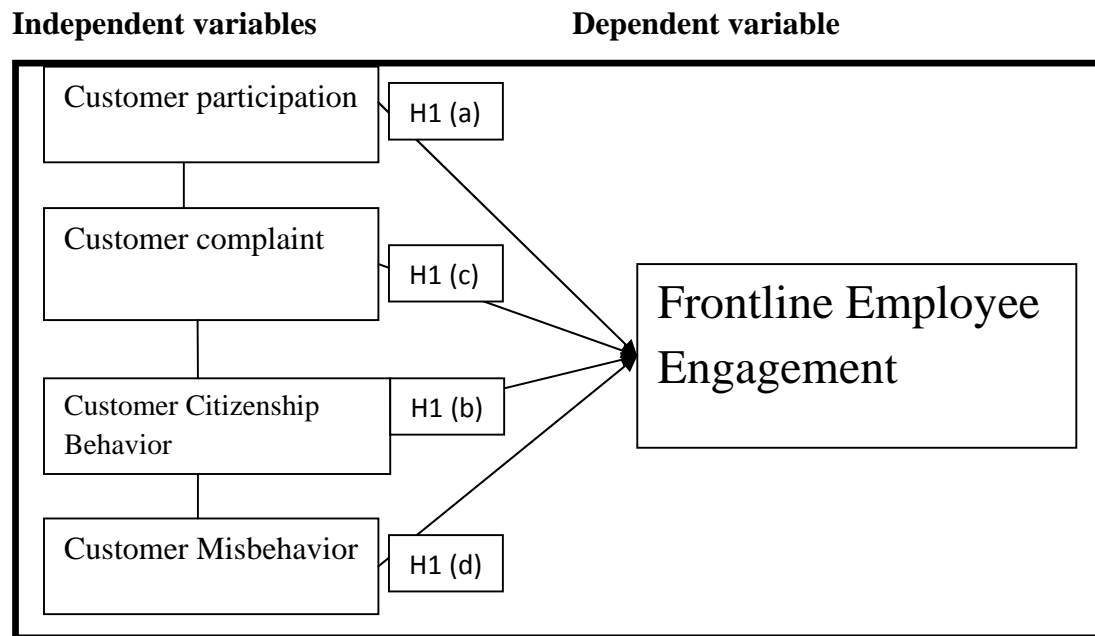
Andersen et al, (2015) suggest that Employee engagement correlates strongly with customer experience. The more engaged the service employees, the more likely it is that customers will be satisfied with the service provided – even to a level where they will actively recommend the service provider to others. To deliver a consistently high level of service and to effectively communicate and engage with the employees or guests of the organization, the Service Provider must be able to engage its own employees to understand how they can deliver on the value proposition originally promised and demonstrate how they are part of bringing the customers' purpose to life. The primary drivers behind customer experience are: Motivation and engagement of service staff, Amount of training and quality of service staff, knowledge of, and the ability to act on, customer expectations by service staff. Customer experience (as measured by the Net Promoter Score) is closely linked to contract profitability. The more likely the customer is to recommend a service provider, the more profitable the contract.

(Wu and Liu,2014) suggest perceived organizational support (POS) is positively related to three types of service-oriented organizational citizenship behaviors (OCBs) – loyalty, service delivery, and participation – and that organizational commitment fully mediates the relationships between POS and service-oriented OCBs.

Studies on customer behaviors such as participation and complaint have been fruitful. They suggested that customer participation have a positive effect (Yi et al., 2011) or negative impact (Chan, Yim, & Lam, 2010) on frontline employee commitment; customer complaints together with customer demands negatively affect frontline employees' customer-oriented attitude through employees' emotional exhaustion (Stock & Bednarek, 2014).

2.9 Conceptual Frame work of the study

Based on the overall review of related literatures and the theoretical framework, the following conceptual model is developed in which this specific study is governed. The model used in the current study offers a unique effect of customer behavior drivers which can lead to employee engagement. This model would test in Commercial Bank of Ethiopian.



Source: (Ying Fu, 2016)

Fig1. Proposed conceptual model of customer behavior-FEE

CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

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

3.2. Research Approach

There are two methods that provide in the research method such as quantitative and qualitative, where one of them is not better than the others, all of this depends on how the researcher want to do a research of study (Ghauri and Kjell , 2005). To achieve the aforementioned objectives, the study adopts a quantitative research approach; where it can be use of a questionnaire provide predominantlyly descriptive and qualified data.

A quantitative research enables the researcher to collect objective and numerical data to apply statistical tools and used to establish relationships of the variables used in this study.

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

3.3 Research Design

Saunders et al. (2007), defines research design as the general plan of how the research questions would be answered. The research design for this study was the Cross-sectional field survey method because data was collected at one point of time to assess the relationship between Independent variables and dependent variable. In cross-sectional field surveys, independent and dependent variables are measured at the same point in time using a single questionnaire (Anol, 2012). In addition the study was also co relational in design because there was intended to establish the relationship between dependent and independent variable of the study. Co relational

research aims to ascertain if there is a significant association between two variables (Reid, 1987). Completed surveys will hand-coded in an SPSS dataset.

3.5. Sampling Design

3.5.1 Target Population

All the items under consideration in any field of inquiry constitute a population. Sekeran(2001) defines a population as “the entire group of people, events, or thing of interest that the researcher wishes to investigate”. The target population for the study consisted of 4,626 professional staff of CBE working in around 261 branches of Addis Ababa area zone of the bank that are junior and senior staff. Quite often, it was select only a few Employees from the population for the study purposes.

3.5.2 Sampling Frame

The sampling frame can be defined as set of source materials from which the sample is selected. The definition also encompasses the purpose of sampling frames, which is to provide a means for choosing the particular members of the target population that are to be includes in the survey (Anthony, 2003). In this research, source materials consist of all professional staff of CBE working in around 261 branches that are junior and senior staff and sampling location is Addis Ababa area zone of the bank.

3.5.3 Sampling Technique

The employees so selected constitute what is technically called a sample. Sekeran (2001) defines a sample as a portion of the population that has attributes as the entire population. As for this study it was assume that all branches of CBE operate in a similar manner with respect to policies and practices despite the fact that they are located in geographical areas that span the state, the researcher was use a Multi-stage sampling. Sampling Technique which is according to Creswell (2003) refers to a further development of the principle of cluster sampling.

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

Depending on our sampling needs, we may combine the single-stage techniques to conduct multi-stage sampling (Creswell, 2003). Therefore, For this study the researcher wsa start with a cluster of bank districts in the Addis Ababa area zone of CBE, and within each four cluster, selected a simple random sample of branches which proportional to the size of a cluster and within each branch, selected a simple random sample of employees for study which proportional to the size of a branch. In this case, we have a three-stage sampling process consisting of cluster, proportional and simple random sampling.

3.5.4 Sampling Size

The sample size for the study calculated according to the formula recommended by Yamane's (1967) with 95% confidence and 5% acceptable sampling error.

$$n = \frac{N}{1+N*(e)^2} = \frac{4626}{1+4626(0.05)^2} = 368$$

Where: **n** = Sample size **N** = Population size **e** = (5% at 95% confidence level)

Kumar singh (2006) suggested that one should include at least 30 subjects in a sample since this number permits the use of large sample statistics. Statistically speaking, a sample $n = 30$ is considered large, since with this n , the t-distribution and the normal curve are practically the same for hypothesis testing purposes. In experimental research, one should select a sample that will permit at least 30 in each group. Descriptive research typically uses larger samples; it is sometimes suggested that one should select 10-20 per cent of the accessible population for the sample. Based on the above assumption the sample size the researcher take from branches is 30.

To determine the sample size from each district (cluster) the researcher use proportional sampling from each cluster in the formula of $Pi = n (Ni/N)$, Where, pi =number of sample in each district (cluster), n =sample size, Ni =total population in each district, and N =total population.

Based on this we can generate the following sample from each strata.

Let Sample of size $n = 368$ to be drawn from a population of size $N = 4626$ which is divided into four district office.

Table 3.1 how a three-stage sampling process carry out					
No	District categories	No of branches	No of employees	No of selected branches	No of selected Employees
1	Northern District	75	1275	9	101
2	Eastern District	62	1054	7	84
3	Western District	69	1182	8	94
4	Southern District	55	1115	6	89
Total	4	261	4,626	30	368

Source from corporate HR development of CBE September, 2017

3.5.4. Sampling error

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

3.6 Source of Data

The main source of this study is primary data source collected from frontline customer-service employees in the Banking sector of Ethiopia specifically in commercial bank of Ethiopia. As the research is intended to assess the influence of customer behavior on employee engagement, the primary data were collect from employees via questionnaires distribution and collection. The data that are collected from sample survey through questionnaire that describes numerical figures is the quantitative data types that used in this study, the main sources of primary data are respondents who are permanent employee of commercial bank of Ethiopia. The secondary data that is relevant to the study was collect from the bank written document, and internet access etc.

3.7. Data collection instrument

To get the information, researcher has design and was distribute a set of questionnaire. A questionnaire consisting the independent variables and dependent variables have been conducted by extracting sources from few established questionnaire. As the researcher was interest to collect original data from a population, the population is very big to observed or interviewed. Thus, a survey by a questionnaire is consider the most appropriate method for measuring the perceptions of the workers, while minimizing the possibility of researcher bias and providing a greater degree of subjectivity because of the direct response and feedback from the respondents that can be collected in short period of time and in an easier manner. The questionnaires were distributed to sampling amount of Professional Staff of those randomly selected branches of Addis Ababa area zone.

3.8. Method of Data Analysis

Once data is collected, it is necessary to employ statistical techniques to analyze the information, as this study is quantitative in nature. Data were analyzed using SPSS 20 software version.

Descriptive statistics and spearman's correlation was utilized. An inferential statistics was used to ascertain the relationship between dependent and independent variables. Beside these, Ordinal logistic regression model and multiple regression models jointly were employed to develop functional relationship between the dependent variable that is frontline employee engagement given in ordinal scales and the explanatory variable that are dimensions of customer behaviors rated on likert scales. Ordinal regression is used because it is appropriate method to show the relationship between ordinal response variable and regressors that are rated on five point likert scales. Thus, both the strength of the relationship between variables and the level of statistical significance were assessed.

Linear regression examined the association between customer behavior and their effects on employee engagement.

3.8.1 Model specification

Model specification can be defined as the exercise of formally stating a model i.e. the explicit translation of theory into mathematical equations and involves using all the available relevant theory research and information and developing a theoretical model. Regressed

which has more than two outcomes in the form of likert scale questions are importantly regressed through ordinal logistic regression (Gujarati, 2004). Gujarati (2004) explains this issue as follow;

In the bivariate logit and probit models we were interested in modeling a yes or no response variable. But often the response variable, or regressed, can have more than two outcomes and very often these outcomes are ordinal in nature; that is, they cannot be expressed on an interval scale. Frequently, in survey-type research the responses are on a Likert-type scale, such as “strongly agree, agree,” or “strongly disagree. These are ordinal scales in that there is clear ranking among the categories.

As a result, ordinal logistic regression is the preferred logistic regression type in this study. The following models are developed for the purpose of running ordered or ordinal logistic regression that is necessarily to test Exploring the influence of Customer Behavior on Frontline Employee Engagement in the case of Commercial Bank of Ethiopia Addis Ababa area zone.

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

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

Where; Y is frontline employee engagement

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

$X_1, X_2 \dots X_p$ are dimension of customer behaviours that affects the frontline employee engagement.

α_j - are the cut points (threshold parameters)

$\beta_1, \beta_2 \dots \beta_p$ are logit coefficient of customer behaviours

3.8.2 Diagnostic Tests

A. Linearity:

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

B. Independence of errors: This assumption is the same as for ordinary regression basically it means that cases of data should not be related; for example, we cannot measure the same people at different points in time. Violating this assumption produces over dispersion (Andy, 2006). Over dispersion creates a problem because it tends to limit standard errors and result in narrower confidence intervals for test statistics of predictors in the logistic regression model. Given that the test statistics are computed by dividing by the standard error, if the standard error is too small then the test statistic will be bigger than it should be, and more likely to be deemed significant (Andy, 2006). Similarly, narrow confidence intervals will give us overconfidence in the effect of our predictors on the outcome. In short, there is more chance of Type I errors (Andy, 2006).

C, Parallel Lines

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

D. Multi-collinearity.

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

E. Adequate cell count

As per the rule of thumb, 80% of cells must have more than five counts. No cell should

have zero count as it is considered as a missing value and excluded from the study. The large percentage of cells with missing data could lead to a decrease actual sample size from the model construction or an inaccurate chi-square test for the model fitting, since the model goodness-of-fit is usually dependent of chi-square test (Agresti, 2002).

F. Tests of Overall Model fit

For the selected model before proceeding to examine the individual coefficients, we should look at overall tests of the null hypothesis that the location coefficients for all of the variables in the model are 0. It can base on the change in $-2\log$ -likelihood when the variables are added to a model that contains only the intercept. The change in the likelihood function has a chi-square distribution even when there are cells with small observed and predicted counts. This value provides a measure of how well the model fits the data. The log likelihood statistic is analogous to the error sum of squares in multiple regressions. As such it is an indicator of how much unexplained information remains after fitting the model. The larger the value of the log likelihood the more unexplained observations there are and a poorly fitting model. Therefore, a good model means a small value for $-2LL$. If a model fits perfectly, the likelihood is 1, and $-2 \times \log 1=0$.

G. Goodness-of-Fit Measures

A good-fitting model has several benefits. The structural form of the model describes the patterns of association and interaction. The sizes of the model parameters determine the strength and importance of the effects. Inferences about the parameters evaluate which explanatory variables affect the response variable y , while controlling effects of possible confounding variables. Finally, the model's predicted values smooth the data and provide improved estimates of the mean of y at possible explanatory variable values. For logistic regression, the model coefficients are estimated by the maximum likelihood method and the likelihood equations are non-linear explicit function of unknown parameters. The ordinal logistic regression model is fitted to the observed responses using the maximum likelihood approach. In general, the method of maximum likelihood produces values of the known parameters that best match the predicted and observed probability values. Therefore, it is usually used a very effective and well known Fisher scoring algorithm to obtain ML estimates. A model for logit $pr(y = i)$ alone is ordinary logit model for a binary response in which categories 1 to I form one outcome and categories $i+ 1$

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

3.9 Variable and measurement

The questionnaire is used tools for collecting data from respondents in this specific study. The questionnaire was a five page which is divided into three sections includes; section-one, section- two, and section-three. All sections of the questionnaires are developed in English language.

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

Section-two: Questions pertaining to customer behaviours:- This section measures the four dimensions of customer behavior (customer participation, customer complaint, customer citizenship and customer misbehaviour) that influences the frontline employee engagements. Generally the section consisted of 39 questions as shown in the Table-2 below.

Table 3.2 The components of questions related to customer behaviours

s/n	Customer behaviours	Item
1	Customer participation	11
2	Customer complaint	8
3	Customer citizenship	9
4	Customer misbehavior	11

Source: Research Questionnaire, 2018

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

Section-three: Items related to frontline employee engagement: - This section consists of questions that can measure the frontline employee engagement. The respondents rated their level of agreement/disagreement to the stated statement based on five-point likert scales. In general the section consisted of 14 questions.

Table 3.3: The questions related to employee engagement.			
S. No.	Factors	Items	Scale
1	Employee engagement	14	Five-point Likert

Source: Research Questionnaire, 2018

3.9.1. Validity of the Questionnaires

Hair et al. (2007) defined the validity as “the degree to which a measure accurately represents what is supposed to”. Validity is concerned with how well the concepts are defined by the measure(s). It also refers to the extent to which an empirical measure adequately reflects the real meaning of the concept under consideration. However, an instrument cannot measure the attribute of interest if it is unpredictable, inconsistent, and inaccurate. Bhattacharjee (2012) mentioned about four types of validity: Internal validity, External validity, construct validity, and Statistical conclusion validity.

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

External Validity: It refers to whether the observed associations can be generalized from

the sample to the population, or to other people, organizations, contexts, or time (Bhattacharjee, 2012). The more representative, the more confident we can be in generalizing from the sample to the population. This study addresses external validity through taking representative samples and can be generalized to all branches of CBE over the country and give a little insight to other commercial banks in Ethiopia.

Moreover, since the unit of analysis is individuals in organization, population validity is realized.

Construct Validity: It examines how well a given measurement scale is measuring the theoretical construct that it is expected to measure. It can be classified as face validity and content validity. Face validity refers to the degree to which a test appears to measure what it purports to measure. We use content validity when we want to find out if the entire content of the behavior/ construct/ area is represented in the test. We compare the test task with the content of the behavior. This is a logical, not an empirical one. Many constructs in social science research such as empathy, resistance to change, and organizational learning are difficult to define, much less measure. In this study, the researcher tried to address the construct validity through defining clearly the construct of interest and develop valid measures that operationalize defined constructs. Moreover, addresses through the review of literature and adapting instruments used in previous research.

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

3.9.2. Reliability of the Questionnaires

Reliability differs from validity in that it relates not to what should be measured, but instead to how it is measured. Hair et al. (2007) defines reliability as the extents to which a variable or a set of variables is consistent in what it is intended to measure.

To ensure the inner consistency of the present instrument, it was used the cronbach's alpha coefficient. Developed by Lee Cronbach in 1951, the cronbach's alpha coefficient is a statistical tool that evaluates the confiability through the inner consistency of a questionnaire. For the utilization of this coefficient, it is a requirement that all the items of an instrument use the same measurement scale. The cronbach's alpha is obtained by the variance of individual components and by the variance of the components sum of each evaluated, aiming to investigate the possible relations between the items. This way, the variance used at cronbach's coefficients calculus is: the number of question of the instrument (K), the variance of each Question (s_i^2), and the total variance of the instrument (st^2). The cronbach's alpha coefficient can be calculated through the following equation.

$$\alpha = \left(\frac{k}{k-1} \right) * \left(1 - \frac{\sum_{i=1}^k Si^2}{St^2} \right)$$

Source: Cronbach Lee, (1951).

As stated by Masdia Masri (2009), the closer the reliability coefficient to 1.00 is the better. In general, reliabilities less than 0.60 are considered poor; those in the range of 0.60 to 0.80 are considered good and acceptable. In this study, all the independent variables and dependent variable frontline employee engagement, met the above requirement.

3.10. Ethical Consideration

Ethical clearance and permission obtained from the institutional review board Faculty of Business and Economics of Addis Ababa University, Ethiopia. Permission is also granted from all the selected branches of CBE through formal letter. Participation in the study is on the voluntary basis and participants are asked for willingness before they are provided the questionnaire. The subjects are also assured that their responses used only for the purpose of the study. An attempt is made first to explain the objectives and significance of the study to the respondents. Name and other identifying information are not used in the study. The researcher safeguarded all information related to the participants. Their privacy, identity and confidentiality are maintained by assigning them code numbers instead of names (anonymity).

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSIONS

4.1. Introduction

As indicated in the preceding chapters, this research study attempted to examine the influence of customer behavior on employee engagement in Commercial Bank of Ethiopia. A total of 368 questionnaires were distributed to employees and (n = 341) completed and submitted the survey, an overall response rate of (92.66 %), it was considered robust by Nunnally (1978) the data collected were presented, analyzed and interpreted using SPSS Software version 20. given that the objectives of investigation and testing is the effects of independent variables on dependent variable of the study; therefore, the most appropriate statistical testing for testing the hypothesis of the study is spearman correlation testing and ordinal logistic regression.

This study focused on the hidden drivers of frontline employee engagement through the lens of employee-customer interaction. Data were analyzed with common significance levels of 0.05 and 0.01 for two-tailed tests through this chapter

4.2 Diagnostic test

4.2.1 Sampling error

The Kaiser – Meyer Olkin test was used for measuring sampling precision. The KMO statistic varies between 0 and 1. A value close to 1 indicates that patterns of correlations are relatively compact and so factor analysis should yield distinct and reliable factors (Andy2006).

Table 4.1: Kaiser Meyer Olkin (KMO) Test for Sample precision (Adequacy)	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.722

(Source: The Researcher’s Survey, 2018)

The KMO statistic for sample is 0.718, is considered to be ‘good precision’ and adequate and one can construe that it is appropriate to conduct factor analysis on the sample, which will yield distinct and reliable factors (Andy, 2006).

4.2.2. Reliability test

Reliability test was conducted on the dependent and independent variables, internationalization factors and entrepreneurial orientation. The Cronbach’s alpha is used in this study to assess the

internal consistency of the research instrument, the developed (Alpha) is a coefficient of reliability used to measure the internal consistency of a test or scale, and it resulted as a number between 0 and 1. As the result approaches to 1 the more is the internal consistency of the items, which means all the items measure the same variable. In general, reliabilities less than 0.60 are considered poor; those in the range of 0.60 to 0.80 are considered good and acceptable. In this study, all the independent variables and dependent variable, met the above requirement. The alpha value for each question is identified and summarized in Table -4.2 as shown below.

Table 4.2: Alpha coefficient for each section of Questionnaire

s/n	Variability of the study	No of items	Alpha value
1	Customer participation	11	0.765
2	Customer complaint	8	0.734
3	Customer citizenship	9	0.788
4	Customer misbehavior	11	0.782
5	Employee engagement	14	0.826

Source: Research Questionnaire, 2018

4.2.3. Linearity:

This assumption can be tested by looking at whether the interaction term between the predictor and its log transformation is significant (Andy, 2006; Hosmer & Lemeshow, 1989). Thus for this study the researcher has been checked the interaction term between the predictor and its log transformation is significant at 0.01.

4.2.4. Model fitting Information

How good a job does the model do of predicting outcomes? „General answer is “hits and misses” Model fitting section provides results of ordinal logistic regression versus reduced model (intercept) with complimentary log-log link function. Large values of the log-likelihood statistic indicate poorly fitting statistical models, because the larger the value of the log-likelihood, the more unexplained observations there are. The presence of a relationship between the dependent variable and combination of independent variables is based on the statistical significance of the final model. The -2LL of the model with only intercept is 2,300.344 while the -2LL of the model with intercept and independent variables are 2113.766. The difference (Chi-square statistics) is

2300.344– 2113.766 = 186.578 which is significant at $\alpha=0.05$, $p<.000$. The conclusion is that there is relationship between customer behaviour and FEE.

Table 4.3 Model Fitting Information

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	2300.344			
Final	2113.766	186.578	111	.000

Source: The Researcher’s Survey, 2018

4.2.5. Goodness of fit

Pearson is widely used in statistics to measure the degree of the relationship between the linear related variables. Deviance is a likelihood-ratio test used under full maximum likelihood. The deviance can be regarded as a measure of lack of fit between model and data. The larger the deviance, the poorer the data will fit to the model. The null hypothesis states that the observed data are consistent with the fitted model. The fit is said to be good if P-value is greater than 0.05. As we clearly observed from the following table, P-values for both Pearson and Deviance are >0.05 . The null hypothesis is accepted and the conclusion is that the observed data were consistent with the estimated values in the fitted model since the p was significant, $p=1.00>0.05$. Therefore, the fit of the model is good.

Table 4.4 Goodness-of-Fit

	Chi-Square	Df	Sig.
Pearson	18004.553	13461	1.000
Deviance	1940.519	13461	1.000

(Source: The Researcher’s Survey, 2018)

4.2.6 Pseudo R-square

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

Cox & Snell's pseudo R-square has maximum value approaches to 99.6% of the change in employee engagement level is explained by predictors such as customer participation, customer complaint behavior, customer citizenship behavior and customer misbehavior

Table 4.5 Pseudo R-Square

Cox and Snell	.996
Nagelkerke	.997
McFadden	.801

(Source: The Researcher's Survey, 2018)

4.2.7 Test of Parallel Lines

Test of parallel lines is designed to make judgment about model adequacy. The model null hypothesis states that the slope coefficients in the model are the same across the response categories. As it is observed from the table below significance is greater than 0.05 that indicates there is no significant difference for the corresponding slope coefficients across the response categories, suggesting that the model assumption of parallel lines was not violated in the model

Table 4.6: Test of Parallel lines

Model	-2log likelihood	Chi-square	Df	Sig.
Null hypothesis	0.00			
General	0.00	0.00	663	1.00

4.3. General Demographic Information

Demographic variables included gender, age, education, work experience in the banking industry in the current employer. The frequency of a particular customer behavior referred to the number of times individual survey respondents encountered such behavior during the week before the survey. Frequencies of four types of customer behavior were counted. Then respondents were asked to recall and reflect upon the encounters.

Table 4.7 Demographic Characteristics of the Survey Sample

Variables		Frequency	Percent
Gender	Male	235	68.9
	Female	106	31.1
	Total	341	100.0
Age	18-30	241	70.7
	31-40	65	19.1
	41-50	34	10.0
	51-60	1	.3
	Total	341	100.0
Educational qualification	high school completed	1	.3
	college certificate	1	.3
	Diploma	2	.6
	first degree	288	84.5
	second degree	48	14.1
	Other	1	.3
	Total	341	100.0
Work experience	1-4	231	67.7
	5-8	93	27.3
	9-12	11	3.2
	13-16	5	1.5
	17-25	1	.3
	Total	341	100.0

(Source: researcher survey, 2018)

All the survey respondents were full-time service workers. The demographic characteristics of the survey sample were evenly distributed among male and female worker. It was notable male worker constituted a clear majority of the frontline workforce profiled in this thesis. As observed

in Table 4.7, over two-thirds of the sample 68.9% (n = 235) were male respondent; and 31.1% (n = 106) were female.

According to the above table 4.7, age category of the respondent shows highly dominated by youngsters between ages 18-30 which accounts more than half of the respondents 70.7% (n=241) followed by 19.1% (n=65) of the respondents are between the age of 31-40, while age group of 41-50 and above 50 constitutes 10% and 0.3% respectively. This indicates that most of the employees are young and highly implies CBE's employment trend focuses on new and young employees.

Regarding to the employee education qualification, the above table 4.7, clearly indicated that majority of the work forces 84% (n=288) acquired their first degree and Master degree holders constitute 14.1% (n = 48) of the respondent while the rest 1.4 % of the respondents are Diploma, college certificate, and other holders. This shows that majority of the employees are degree holders because the company adopted a recruitment policy of young fresh graduate and a minimum of bachelor degree is required to join the workforce of CBE.

Majority of the respondents (67.7%) joined CBE as new comers for the company from the last five years and 27.3% of the respondents spent their employment time for 5-8 years with the organization. There are also employees who served the bank for 9-12 years and are about 3.2% and 1.5% of the employees served for 13-16 years working in the bank, only 0.3% of the respondents served the bank and spent their life with CBE above 17 years. Therefore, the sample is more of from employees that joined CBE in the last five years.

4.4 Descriptive Statistical analysis

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)

Table 4.8 descriptive Statistics

	Participatio	Complai	Citizenshi	Misbehavi	Employee
	n	nt	p	or	engagement
N	Valid	341	341	341	341
	Missing	0	0	0	0
Mean	3.6838	3.4875	3.7094	3.4718	3.6901
Std. Error of Mean	.02973	.03307	.03016	.03063	.03306
Median	3.7273	3.6250	3.7778	3.4545	3.7857
Std. Deviation	.54908	.61059	.55701	.56557	.61044

(Source: researcher survey, 2018)

The mean rating and the standard deviation of the of respondents' evaluation of customer behavior is presented on Table 4.8. Respondents overall mean rating was 3.68. It indicates that customer participation on employee engagement is good according to (Poonlar Btawee: 1987) the mean score of 3.51-4.50. All the mean value of the respondents shows a good result. Customer complaint on employee engagement is moderate according to (Poonlar Btawee: 1987) the mean score of 2.51-3.50. All the mean value of the respondents shows a moderate result and standard deviation of .61, customer citizenship behavior has a mean value of 3.70 and standard deviation of .55, customer misbehavior has a mean value of 3.47 and standard deviation of .56, finally employee engagement has a mean of 3.69 and standard deviation of .61. It has been observed in the above table that almost all the Mean are similar. High Standard Deviation means that the data are wide spread, which means that respondent give variety of opinion and the low standard deviation means that respondent express close opinion.

4.5. Correlation Analysis

Correlation is a way to indicate the degree to which two or more variables are associated with or related to each other. The spearman's correlation coefficient was computed for the purpose of determining the relationships between the variables. Spearman's correlation coefficient is appropriate method to measure the correlation when the data are measured at ordinal level (Andy, 2006). Correlations are the measure of the linear relationship between two variables. A correlation coefficient has a value ranging from -1 to 1. Values that are closer to the

absolute value of 1 indicate that there is a strong relationship between the variables being correlated whereas values closer to 0 indicates that there is little or no linear relationship (Fikre et al., 2009). As described by Andy (2006), the correlation is a commonly used measure of the size of an effect: values of ± 0.1 represent a small effect, ± 0.3 is a medium effect and ± 0.5 is a large effect.

4.5.1. Correlation analysis between customer behavior and FEE in CBE

Spearman correlation was conducted to know the degree of relationship between customer behaviour and FEE in CBE. The correlation analysis undertaken here assists to check the main hypothesis of the study.

Table 4.9: Correlation between customer behaviour and frontline employee in CBE

	r coefficient	P value
Customer behavior	.408**	.000

**correlation is significant at the 0.01 level (2tailed)

(Source: research survey, 2018)

As shown in the above table, there is significant positive relationship between customer behaviour and frontline employee engagement at a significant level of 0.01 ($r= 0.408^{**}$, $p= 0.000$). This indicates that employees with customer behaviour are committed and maintain a long term relationship with their organization. Thus, the result supports for the main hypothesis states that customer behaviour significantly affects FEE in Commercial Bank of Ethiopia.

Table 4.10 Correlation among dependent and independent variables matrix

		Employee engagement
Participation	Correlation Coefficient	.337**
	Sig. (2-tailed)	.000
	N	341
Complaint	Correlation Coefficient	-.117*
	Sig. (2-tailed)	.031
	N	341

Citizenship	Correlation Coefficient	.448**
	Sig. (2-tailed)	.000
	N	341
Misbehavior	Correlation Coefficient	.106
	Sig. (2-tailed)	.050
	N	341
Employee engagement	Correlation Coefficient	1.000
	Sig. (2-tailed)	.
	N	341

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

* . Correlation is significant at the 0.05 level (2-tailed).

(Source: researcher survey, 2018)

In order to see the correlation between customer behavior variable and FEE, Spearman's correlation test was conducted, and the results found were like shown in table 4.10. As it is clearly indicated in the table, there is significant positive correlation between customer participation and customer citizenship behavior and FEE with 99% confidence interval ($r=.448$ and $.337$, $p=.000$ and $.000$ respectively). Hence we accept the Hypothesis H1a and H1b.

However, there was weak relationship (nearly to zero) between employee engagement and customer complaint behavior and customer misbehavior even though it is significant at 95% confidence interval ($r=-.117$ and $.106$, $p=.031$ and $.050$ respectively). We fail to accept the hypothesis H1d that customer misbehavior has negative influence on customer behavior. On the other hand, H1c was supported that customer complaint behaviour has a negative relationship with FEE.

4.6. Regression analysis

This regression analysis was conducted to know and understand by how much each independent variable (customer participation, customer complaint, customer citizenship and customer misbehavior) explains the dependent variable that is frontline employee engagement. The results of the regression analysis are the following.

4.6.1 Multi-collinearity test

For multiple regressions, the researcher was checked the collinearity problem with the assumption of tolerance and VIF statistics. Andy (2006) suggests that a tolerance value less than 0.1 almost certainly indicates a serious collinearity problem. (Liu2010) also suggests that a VIF value greater than 10 is because for concern and in these research data the values are below 10 for all predictors. It seems from these values that there is not an issue of co linearity between the predictor variables. The researcher uses Variance Inflation factor (VIF) to check the Multicollinearity among the independent variables. Multi-collinearity exists if VIF is greater than 10. (Freund and Littell 2000: 98). Table 4.11 shows that the value of VIF for each independent variable is smaller than 10, so the problem of Multicollinearity does not exist.

This means that the derived model is likely to be unchanged by small changes in the measured variables. Higher VIFs mean more severe multicollinearity.

Table 4.11 multi-collinerity test

Model	Collinearity Statistics	
	Tolerance	VIF
Participation	.759	1.318
Complaint	.876	1.142
Citizenship	.732	1.366
Misbehavior	.987	1.013

Dependent variable: employee engagement

(Source: researcher survey, 2018)

The researched checked through Tolerance and VIF and the above table result indicated that there is no multicollinearity between the variables.

4.6.2 Regression analysis on customer behavior on FEE

The regression model was used to determine how the four customer behavior dimensions impact on employee engagement in the banks (Table 4.12.1). The results showed that there is a significant relationship between customer behavior and employee engagement ($p < 0.05$). This means customer participation, customer complaint behavior, customer citizenship behavior and customer misbehavior, determine employee engagement. An R-Square of 0.229 was obtained

indicating that all four customer behavior jointly determine 22.9% of employee engagement. An attempt made to estimate how the individual variables contribute to employee engagement revealed that amongst the four dimensions of customer behavior, Table 4.12.3. Titled as coefficients of customer behavior dimensions, helps us to understand which variables among the four independent variables is the most important in explaining the variance in employee engagement. If we can see the Beta column under standardized coefficients below, we can understand that the highest number in the beta is customer citizenship behavior, as it indicated in the table; high beta value shows that it is significant in explaining. 0.354 for customer citizenship is the leader driver of employee engagement, followed by customer participation, with 0.224. Even though the frequency of customer complaint behaviour was not significantly associated with FEE, the scope of customer complaint ($r = -.052^{***}$) was negatively associated with FEE.

Customer misbehavior towards employees ($r = .029^*$) were slightly associated with FEE. However, perceived stress on the part of employees resulting from these behaviours was not significantly associated with FEE. Results revealed that there was weak positive significant relationship between any type of customer misbehavior and FEE. The findings also revealed that all the dimensions have significant relationship with employee engagement with ($p < 0.05$) hence they constitute the determinants of employee in Commercial Bank of Ethiopia.

Table 4.12.1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin - Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.488 ^a	.238	.229	.52128	.238	26.273	4	336	.000	1.859

a. Predictors: (Constant), misbehavior, complaint, Participation, citizenship

Table 4.12.2 ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	28.557	4	7.139	26.273	.000 ^b
	Residual	91.304	336	.272		
	Total	119.861	340			

a. Dependent Variable: Employee engagement b. Predictors:

b. (Constant), misbehavior, complaint, Participation, citizenship

Table 4.12.23 Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.786	.297		6.023	.000
Participation	.242	.059	.224	4.100	.000
Complaint	-.060	.059	-.052	-1.029	.030
Citizenship	.321	.051	.354	6.361	.000
Customer misbehavior	.030	.050	.029	.599	.020

a. Dependent Variable: Employee engagement

4.6.3 Front line Employee engagement and Customer Participation

In this case, the results of correlation of customer participation and R Square (0.145) are taken into consideration. This R square is the explained variance and it is actually the square of the multiple R (0.380)² which is 0.843. Therefore, it is pointed out that 14.5 % of customers; loyalty is explained by trust. As it is indicated in the appendix participation was considered as predictors of employee engagement and reported high level of significance $p < 0.01$. And also the R square value of 0.145 confirming that, 14.5% of the variation in employee engagement is explained by customer participation. Customer participation as used for prediction was found to be significantly related to FEE as the p-value is less than 0.01.

4.6.4 Front line Employee engagement and Customer Complaint

In the appendix B, Shows the result of regression analysis for complaint and employee engagement. In this case, the results of correlation of these two variables and R Square (0.014) are taken into consideration. Here the R square is the explained variance and it is actually the square of the multiple R (0.120)² which is 0.014. Therefore, it is possible to state that 1.4% of employee engagement is explained by complaint. As it is indicated in the appendix complaint was not considered as predictors of employee engagement and reported high level of significance $p < 0.05$ and also the R square value of 0.014 confirming that, only 1.4% of the variation in employee engagement is explained by complaint.

Thus, Customer complaint behaviour has a negative influence on FEE dimension that help employees to being committed to the organization. Customer complaint or unmannerly behaviour may have grave repercussions on frontline employee emotional perception of such encounters and as a result, their engagement at work may be influenced.

In other word, the high customer complaint stressed the frontline employee engagement to do more and the less also committed to less value for it. Customer complaints together with customer demands positively affect frontline employees' customer-oriented attitude through employees' emotional exhaustion (Stock & Bednarek, 2014).

4.6.5 Front line Employee engagement and Customer Citizenship

As the result of regression analysis of customer citizenship behavior and FEE indicates, citizenship can explain employee engagement in relatively moderate extent. In this case again, the correlation result of these variables and the R square are taken. The R square is the explained variance and it is actually the square of the multiple R (0.444)² which is 0.197. Therefore, it is possible to conclude that 19.7 % of employee engagement is explained by customer citizenship behavior. As it is indicated in the appendix citizenship was considered as predictors of employee engagement and reported high level of significance $p < 0.01$ and also the R square value of 0.197 confirming that, citizenship as used for prediction was found to be significantly related to employee engagement as p-value is less than 0.01.

4.6.6 Front line Employee engagement and Customer Misbehavior

We can also look the regression analysis result of customer misbehavior and employee engagement as it is clearly indicated in the appendix B customer misbehavior can't explain employee engagement in Commercial Bank of Ethiopia or explained by lower level. The correlation result of these variables and the R Square are considered. In this case the R square is the explained variance and it is actually the square of the multiple R $(0.069)^2$ which is 0.005. Therefore, it is possible to state that only 0.5% of FEE is significantly and lowly explained by customer misbehavior. Customer misbehavior was not considered as predictors of employee engagement and reported low level of significance $p < 0.05$ as it is indicated in the appendix. And also the R square value of 0.005 confirming that, 0.5% of the variation in employee engagement is explained by customer misbehavior.

Respondents were asked to recall customer misbehaviours they encountered or observed for the last week before the survey and identify the specific behaviour directed against the provider, financial assets, or other customers.

In general, appropriate measures were identified based on the empirical research to test the hypothesized relationships. Quantitative data obtained and gathered were being treated by using the statistical software program namely statistically package for social science research (SPSS) which were proposed earlier were answered by using a sample of version 20.0 for analysis and for summarization purpose, several techniques of analysis were used including ANOVA test, Correlation and linear regression, therefore from the analysis it is clearly indicated that customer behavior and FEE are related and the measure of correlation between these variables as it is indicated in the correlation analysis is positive. And also it is noticed that the independent variables which are included in the elements of customer behavior have the power to explain the dependent variable as it is indicated in the regression analysis.

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

Table 4.13: Summary of Hypothesis Testing

s/n	Hypothesis	Result
1	H1: Customer behaviour significantly affects FEE.	Support the hypothesis
2	H1a: Customer participation which creates happiness or comfort positively affects FEE.	Support the hypothesis
3	H1c: Customer complaint behaviour has a negative influence on FEE.	Support the hypothesis
4	H1b: Customer citizenship behaviour positively affects FEE.	Support the hypothesis
5	H1d: Customer misbehaviour has a negative influence on FEE	Failed to accept hypothesis

(Source: researcher survey, 2018)

4.7 Frontline Employee engagement/FEE

This study applied a portion (Q12) of the Gallup engagement measurement system, because of its generalizability and substantial criterion-related validity (Harter, Schmidt, Killham, Asplund, 2006). The 14 questions of Q12 highlighted the key elements that form the foundation of strong engagement. However, Q13 did not identify which engagement dimensions are more important for driving frontline performance, when employees engage with their job, company, supervisor or coworker. To address this gap, the researcher borrowed Collins' (2013) multi-dimensional engagement model to review the 14 items of Q12 and classified them into three categories. This helped to identify the individual differences in their specific engagement components.

First, Q01, Q02, Q03, Q09, and Q13 measured the extent to which employees were engaged with their jobs. The questions were "I know what is expected of me at work", "I have the materials and equipment I need to do my work right", I really "throw" myself into my job, "I have the opportunity to do what I do best every day", and "I have had opportunities at work to learn and grow". Second, Q05, Q10, Q11, Q12 and Q14 were measuring employees' engagement with their company. These questions included "I get recognition when I perform well on my job", "At work, my opinions seem to count", Being a member of this organization make me come "alive.", "The mission or purpose of my company makes me feel my job is important", and "I am highly

engaged in this organization. Third, Q04, Q07 and Q08 were evaluating employees' engagement with supervisors or coworkers. Respondents were asked whether, “There is someone at work who encourages my development.”, “There is someone at work who encourages my development”, “My associates or fellow employees are committed to doing quality work”, “I have a best friend at work”.

The mean of engagement of survey respondents was 3.72 (SD = .615) and the median was 3.79, and the skewness was -0.672 and the kurtosis was 0.463 indicating a slightly skewed distribution because of a few extremely medium scores.

Table 4.14-Different levels of FEE component parts

Components	Items	Mean	SD	%of not engaged	%ofactively disengaged	%engaged
Engagement with job	Q01,Q02,Q03,Q09 & Q13	3.71	0.579	1.8	-	98.2
Engagement with company	Q05,Q10,Q11,Q12 & Q14	3.66	0.852	78.1	-	21.9
Engagement with supervisor or coworkers	Q04,Q07 & Q08	3.82	0.646	1.1	-	98.9
FEE	Q01-Q14	3.73	0.583	1.3	-	98.7

(Source: researcher survey, 2018)

Findings suggested that levels of engagement varied across the three components. The subscale of “engagement with company” had the smallest mean (M = 3.66, SD = .852), the smallest proportion (1.8%) of “not engaged” members, but the largest team (98.2%) of “engaged” members. Then followed the “job engagement” (M = 3.71, SD = .579), which had a lower level than the “engagement with supervisor and coworkers” (M = 3.82, SD = .646).

Correlation analyses were performed among engagement components FEE and its components did result in positive and significant relationships. Job engagement ($r = .814, p < .01$) and engagement with supervisor/coworkers ($r = .744, p < .01$) were highly positively associated with FEE, while the strongest significant correlation was found between company engagement ($r = .891, p < .01$) and FEE.

4.8. Discussion of the result

The issue of frontline employee engagement is close to the heart of all companies, especially in the Bank sector of Ethiopia. The study operationalized and tested 4 constructs (customer participation, customer complaint behavior, customer citizenship and customer misbehavior) that affect frontline employee engagement in Commercial Bank of Ethiopia. The three dimensions of the customer behavior show positive correlations with employee engagement. Therefore, the discussion is very vital in providing the clarification the above results. Since the research is explanatory and quantitative in nature, it has typically tested prior hypotheses by measuring relationships between variables; the data are analyzed using statistical techniques.

The findings show that customer behavior can explain 22.9% of employee engagement in commercial bank of Ethiopia. Customer behavior dimensions particularly customer participation and customer citizenship have greater impact on frontline employee engagement.

The above result is supported by theory that the passion of happy customers, in turn, may positively influence their service providers through an emotional contagion process, whereby the value of happiness can be transferred from customers to employees (Frey, Bayon, & Totzek, 2013). Further, customer participation can effectively remove or substitute for some of the labor tasks performed by frontline staff (Bendapudi & Leone, 2003) and positively affects their commitment (Yi et al., 2011). To some extent, the more customers are engaged, the more employees are able to involve in social interaction with their clients, and more value of comfort is created during the more rewarding interaction. On the other hand, the theory on customer complaint is violated that a crucial aspect of service recovery entails frontline employees knowing how to deal with customer complaints. However, staff members may experience considerable stress because of the demands such complaints place on them. Customer demands increase employees' emotional exhaustion, which in turn negatively affects employee attitude and commitment (Stock & Bednarek, 2014). On the other hand, the high customer complaint stressed the frontline employee engagement to do more and the less also committed to less value for it. Customer complaints together with customer demands positively affect frontline employees' customer-oriented attitude through employees' emotional exhaustion (Stock & Bednarek, 2014). On the other hand, the study suggested Ying Fu (2016) Customer misbehaviour towards employee was slightly associated with FEE. However, perceived stress on the part of employees resulting from these behaviours was not significantly associated with FEE.

Regression and Bootstrapping analyses were used to re-test these relationships have a dramatic effect on correlation coefficients but they seemed very weak. Results revealed that there was no significant relationship between any type of customer misbehaviour and FEE. Hence, that study rejects the Hypothesis that customer misbehavior negatively affects frontline employee engagement.

At the same time this study also finds out customer misbehavior have a weak positive relation and customer complaint behavior also weak negative relation to frontline employee engagement.

The results show that customer participation and customer citizenship were significant positive relationship and customer misbehavior also positive but weak correlation.

CHAPTER FIVE

FINDINGS, CONCLUSION AND RECOMMENDATION

5. Introduction

5.1 Summary of the Analysis

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

The main objectives of this research are to see the relationship between customer behavior and employee engagement, the different types of customer behavior exhibited and the level of employee engagement at branch level in commercial Bank of Ethiopia. As such, samples of 368 employees have been contacted out of the 4,626 frontline employees working for the CBE with a one year or more experience within the Bank. The sample members have been proved to be representative of demography, experience as well as job types. The instruments used in customer behavior and employee engagement issues have not only been adopted from previous researches whose reliability and validity have widely be acclaimed they were also tested for the same by this researcher just in case.

5.2. Summary of Findings

The purpose of this study was to examine the influence of customer behavior on frontline employee engagement in the commercial bank of Ethiopia Addis Ababa area zone; it was also explanatory and quantitative in nature, which was conducted from November 2017 to May 2018. the sample size was taken from the population of staff of CBE, who were employee in various geographical locations of Addis Ababa, specifically from the four, north, south, west and east districts of the bank, which have got 261 branches. since there is little understanding about the extent of employee engagement in this particular bank higher officials , that the researcher discuss with, he initiated to conduct this research to investigate the customer behavior dimensions such as customer participation, complain, citizenship, and misbehavior of commercial Bank of Ethiopia, in order to discover whether these dimensions has had the intended strengthening effect on employee engagement, by analyzing the relationship of every construct in the theoretical framework to provide the outcome measures for the hypotheses .The following hypothesis was derived and tested.

H1: Customer behavior affects Frontline Employee Engagement.

H1a: Customer participation which creates happiness or comfort positively affects Frontline Employee Engagement

H1b: Customer citizenship behavior positively affects Frontline Employee Engagement.

H1c: Customer complaint behavior has a negative influence on FEE

H1d: Customer misbehavior has a negative influence on FEE.

The previous chapter presented in detail the extent of customer behavior impact on frontline employee engagement in CBE as it perceived by staff of the sample of the respondents. In this section of the chapter the findings of the respondents are presented in summarized and informative manner. The respondents were asked to answer the impact of the four customer behavior in their engagement to the bank. the researcher have tested the questionnaires before he goes to the analysis by using the reliability test and the result showed that, the coefficient alpha for this study's instrument was acceptable for further analysis. The assessments made on the dimensions was made by analyzing the independent variables i.e. participation, complain, citizenship and misbehavior and dependent variable i.e. employee engagement by using correlation and regression analysis. Accordingly, as it is depicted in table 4.9 and 4.10 the correlation analysis results stated Customer Participation, Customer citizenship with employee engagement are related with relatively high relationship; on the other hand Customer complaint and customer Misbehavior dimension with employee engagement are related with low negative and positive relationship respectively.

Eventually the four dimensions of customer behavior were also assessed their extent of explanation to employee engagement jointly and independently using multiple regression analysis, but before the researcher has made the regression analysis, the independent variables were tested multicollinearity as it indicted in the table 4.11 it is in a safe position because the VIF results showed that all independent variables are less than 10 point, then after as the multiple regression analysis shows all four customer behavior dimensions jointly explain 22.9 % of employee engagement. The previous chapter all independent variables explain the dependent variable with different extent. It is pointed out that 14.5% of employee engagement is explained by participation; 1.4% of employee engagement explained by complaint behavior; 19.7% of employee engagement is explained by customer citizenship and 0.5% of employee engagement explained by customer misbehavior

5.3 Conclusion

This study has extended knowledge of typical customer behaviours during service encounters and their potential impact on employee engagement. Based on primary data that consisted of survey results from 368 frontline employees CBE under Addis Ababa area zone branches, the study tested the associations of customer behaviour, employee assessment of behaviour and employee engagement. Results may contribute to our understanding of an evolving area of antecedents of employee engagement. The findings of the study suggest the following:

- ❖ Frontline employee engagement varied across place, individual work experience, length of service for the current employer.....
- ❖ The employee engagement level in the service sector was disproportionately impacted by their engagement with company.
- ❖ The frequency of customer citizenship behaviour was positively associated with employee engagement; the nature of customer participation and citizenship behaviour were strongly positively associated to employee engagement; the aggression of customer complaint negatively related to employee engagement.
- ❖ The stress perceived by employees when they encountered customer misbehaviours did not affect their engagement.
- ❖ Rather than focus on the engagement score, managers should take employee engagement as a performance management tool, identify the critical influencer of employee engagement, and build an effective work place culture.

5.4 Recommendation

This study provides valuable implications for the banks that have growing interest in ensuring Quality of work life for attracting and retaining quality of human resources.

In general profit maker and service provider, governmental private organizations rely on their employees in order to compete well and gain competitive advantage. In present days improving quality service delivery is growing need to organizations in Ethiopia. To be able to attain the intended objectives effectively, officials in the sectors should engage in a practical means of retaining well experienced and well educated employees whose proficiency is critical to service delivery.

Based on the findings and conclusions of the study, the researcher forwards the following recommendations to the management of the banks and suggestion for other researchers.

- ❖ Frontline employee was one of the most important factors influencing customer satisfaction. But customers of the bank are less satisfied with this dimension.
- ❖ The bank managers should enhance customers' reliability on the bank by fulfilling the service as promised, performing the service exactly at the first time, showing a keen interest in solving customer's problems, providing the service at the promised time and by insisting on error free record.
- ❖ It is obvious that if customers do not have a trust on the banking services it is meaningless to talk about the good will of the bank. Therefore, the bank should handle its customers so well to achieve its organizational aims. Finally, it is worthy to affirm that customers are the key for any business organization's success.
- ❖ Customer behaviour dimension was also considered as one of the most important factors influencing FEE. One way of addressing this could be by treating customer with great respect, giving individual attention to customers, serving customers based on their specific needs and treating customers in a friendly manner. This is to say, the bank management should focus on this factor to maximize customer satisfaction.
- ❖ The bank should ascertain engagement levels of their employees in order to identify gaps and take appropriate measures to bridge gaps
- ❖ As I manipulated the relationship between customer complaint and FEE; and customer misbehaviour and FEE were weak negative and positive relationship, respectively. So, this means that it needs future investigations.
- ❖ As the study only dependent on Commercial Bank of Ethiopia under addis ababa area zone due to limitation of time, financial and other factors. So, frontline employee engagements were very important for all aspect of business like hotel, restaurant etc future researcher should run.
- ❖ In addition to the above recommendation, the bank should create some mechanism to minimize the complaint or to find other techniques that unstop the service at the time of complaint.

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APPENDICES A Research Questionnaire

Addis Ababa University

College of Business and Economics

Marketing management

A questionnaire on the influence of customer
behavior on frontline employee engagement

Dear respondents,

This questionnaire is prepared for research purpose entitled “**The influence of Customer Behavior on Frontline Employee Engagement in the case of Commercial Bank of Ethiopia in Addis Ababa Area Zone**”. The expected respondent of this questionnaire was Professional Staff of those randomly selected branches from each district in Addis Ababa area zone who are junior and senior staff. As part of my thesis I would like to gather some information from you which is help me in an in-depth study of the project. You are expected to give accurate data to make proper analysis. Your participation is completely voluntary, it is not part of your job requirements, and has no impact on your performance appraisal. I would be indebted if you cooperate with me in filling the questionnaire. Since the questionnaire is being used for academic purpose, the information gathered is strictly confidential.

If you have any enquiry you can reach then student researcher via the following address:

Abebe Mebratu

Mob 0923160790/0929078524

E-mail: - abemebratu21@gmail.com

I would like to thank in advance for your honest cooperation!

	standardized interaction.					
8	So many other customers shared the same service facilities at one time that your client was not able to be fully involved in the service or activity.	1	2	3	4	5
9	There is friendly interaction between frontline employees and customers in CBE.	1	2	3	4	5
10	Customers of CBE show a positive attitude towards honesty of the bank's frontline employees.	1	2	3	4	5
11	I have appropriate communication skills to be able to handle the customers properly	1	2	3	4	5
2.Customer's complaint Behavior						
12	You felt that the customer was unhappy with the service but he/she did not engage in any complaining behavior (no complaining response).	1	2	3	4	5
13	If customers experience any lack of quality during the process of value creation, they may immediately give complain or voice their unfavorable experience to others.	1	2	3	4	5
14	One of possible behavioral responses of customers during the complaint process is exit the relationship through switching,	1	2	3	4	5
15	complaints do not always stem from service failure and sometimes may be caused by unreasonable expectations	1	2	3	4	5
16	The customer responded to an unfavorable service experience verbally in a way you consider to have been	1	2	3	4	5
17	The customer responded to an unfavorable service experience in non-verbal communication (gesture, eye contact, and another body language) that you perceive	1	2	3	4	5
18	Customer use negative body language to an unfavorable service experience during services delivery.	1	2	3	4	5

19	consumers who are dissatisfied with an important product will be more likely to engage in a negative word-of-mouth (voice a complain)	1	2	3	4	5
3. Customer Citizenship Behavior						
20	The customer engaged in a positive communication indicating his or her loyalty to your company.	1	2	3	4	5
21	The customer provided suggestions not indicating dissatisfaction but which might help your company improve.	1	2	3	4	5
22	The customer showed loyalty to your company through tangible displays on his/her personal items, such as the logo of your company.	1	2	3	4	5
23	The customer observed other customers to ensure his/her own appropriate behavior	1	2	3	4	5
24	The customer directed his/her complaint to you in the case of a service failure so as to give you an opportunity to rectify the problem and retain the reputation of your company.	1	2	3	4	5
25	The customer had the willingness and tolerance to adapt to situations beyond his/her control.	1	2	3	4	5
26	The customer had the willingness to participate in your company's events, including research and other sponsored activities.	1	2	3	4	5
27	The customer showed the kind and charitable acts during the immediate service exchange	1	2	3	4	5
28	The customer carry a security with the company through tangible and intangible displays on his/her personal items such as name, goodwill of your company.	1	2	3	4	5
4. Customer Misbehavior						
29	Some customer try to abuse Physically when they are not satisfied with the services	1	2	3	4	5

30	When customer dissatisfied with the services Verbally abuse you during that service encounter	1	2	3	4	5
31	Customer show bizarre behavior when service failure is happening during that service encounter	1	2	3	4	5
32	A Customer who dissatisfied with services defiance to rules and regulations	1	2	3	4	5
33	Theft is one of a customer misbehavior directed against financial assets in commercial bank of Ethiopia	1	2	3	4	5
34	Fraudulent assertions to avoid payment is customer misbehavior directly against financial assets in commercial bank of Ethiopia	1	2	3	4	5
35	Computer-based consumer crime carry out by customer directly against financial assets in commercial bank of Ethiopia	1	2	3	4	5
36	Vandalism is customer act when services failure happen in commercial bank of Ethiopia	1	2	3	4	5
37	Hostile physical acts is a customer misbehavior(s) against the other customers you encounter	1	2	3	4	5
38	In services failure customer show Criminal behavior in exchange settings against the other customers you encounter	1	2	3	4	5
39	The service encounter with the above customer was stressful	1	2	3	4	5

Part III; frontline Employee Engagement

Direction: Please indicate your degree of agreement/disagreement with the following statements by **circling** the appropriate number. (1-Strongly disagree; 2-Disagree; 3-Neutral; 4-Agree; and 5-Strongly agree)

No	Description of items	Strongly disagree	Disagre	Neutral	Agree	Strongly Agree
1	I really “throw” myself into my job.	1	2	3	4	5
2	I know what is expected of me at work	1	2	3	4	5
3	I have the materials and equipment I need to do my job right	1	2	3	4	5
4	I stay until the job is done	1	2	3	4	5
5	I get recognition when I perform well on my job	1	2	3	4	5
6	Being a member of this organization is very captivating.	1	2	3	4	5
7	There is someone at work who encourages my development.	1	2	3	4	5
8	I have a best friend at work.	1	2	3	4	5
9	At work, I have the opportunity to do what I do best every day	1	2	3	4	5
10	At work, my opinions seem to count.	1	2	3	4	5
11	The mission/purpose of my company makes me feel my job is important.	1	2	3	4	5
12	Being a member of this organization make me come “alive.”	1	2	3	4	5
13	This last year, I have had opportunities at work to learn and grow.	1	2	3	4	5
14	I am highly engaged in this organization.	1	2	3	4	5

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

Appendix .B Regression analysis

Regression analysis of customer participation on FEE

Model Summary

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	.380 ^a	.145	.142	.54990	.145	57.379	1	339	.000

a. Predictors: (Constant), Participation

b. Dependent Variable: Employee engagement

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	17.351	1	17.351	57.379	.000 ^b
	Residual	102.510	339	.302		
	Total	119.861	340			

a. Dependent Variable: Employee engagement

b. Predictors: (Constant), Participation

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.241	.202		11.076	.000
	Participation	.411	.054	.380	7.575	.000

a. Dependent Variable: Employee engagement

Regression analysis of customer complaint on FEE

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.120 ^a	.014	.012	.59032	.014	4.957	1	339	.027	1.576

a. Predictors: (Constant), complaint

b. Dependent Variable: Employee engagement

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.727	1	1.727	4.957	.027 ^b
	Residual	118.133	339	.348		
	Total	119.861	340			

a. Dependent Variable: Employee engagement

b. Predictors: (Constant), complaint

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.273	.219		14.933	.000
	complaint	-.138	.062	-.120	2.226	.027

a. Dependent Variable: Employee engagement

Regression analysis of customer misbehavior on FEE

Model Summary^b

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	.069 ^a	.005	.002	.59322	.005	1.604	1	339	.206

a. Predictors: (Constant), customer misbehavior

b. Dependent Variable: Employee engagement

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.564	1	.564	1.604	.027 ^b
	Residual	119.296	339	.352		
	Total	119.861	340			

a. Dependent Variable: Employee engagement

b. Predictors: (Constant), customer misbehav

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.506	.200		17.522	.000
	Customer misbehav	.072	.057	.069	1.267	.027

a. Dependent Variable: Employee engagement

Regression analysis of customer citizenship on FEE

Model Summary^b

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	.444 ^a	.197	.195	.53270	.197	83.380	1	339	.000

a. Predictors: (Constant), citizenship

b. Dependent Variable: Employee engagement

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	23.661	1	23.661	83.380	.000 ^b
	Residual	96.200	339	.284		
	Total	119.861	340			

a. Dependent Variable: Employee engagement

b. Predictors: (Constant), citizenship

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.271	.165		13.749	.000
	citizenship	.403	.044	.444	9.131	.000

a. Dependent Variable: Employee engagement