

**FACTORS AFFECTING EMPLOYEE ENGAGEMENT IN  
DASHEN BANK SHARE COMPANY, ADDIS ABABA**

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**A THESIS SUBMITTED TO OFFICE OF GRADUATE STUDIES OF  
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## **Declaration**

I, the undersigned, declare that this study entitled “Factors Affecting Employee Engagement in Dashen Bank S.C Addis Ababa” is my original work and has not been presented for a degree in any other university, and that all sources of materials used for the study have been duly acknowledged.

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## **Certificate**

This is to certify that this study, “Factors Affecting Employee Engagement in Dashen Bank S.C Addis Ababa.”, undertaken by NEBIYAT HUSSIEN for the partial fulfillment of the Requirements for the Degree of Master of Arts in Human Resource Management at Addis Ababa University College of Business and Economics School of Commerce, is an original work and not submitted earlier for any degree either at this University or any other University.

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Factors Affecting Employee Engagement in Dashen Bank S.C Addis Ababa

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## Contents

Abstract .....	i
Acknowledgement.....	ii
List of Abbreviations/Acronyms .....	iii
List of Tables.....	iv
List of Annexes .....	v
CHAPTER ONE: INTRODUCTION .....	1
1.1 Background of the Study .....	1
1.2Statement of the Problem .....	2
1.3Research Questions .....	4
1.4 Study Hypothesis.....	4
1.5 Objective of the Research.....	5
1.5.1 General Objective .....	5
1.5.2 Specific Objectives .....	5
1.6 Significance of the Study.....	6
1.7 Scope of the study .....	6
1.8 Limitation of the study .....	8
1.9 Definition of key Terms .....	9
1.10 Organization of the Study.....	9
CHAPTER TWO: REVIEW OF RELATED LITERATURE .....	11
2.1 The Concept and Definition of Employee Engagement.....	11
2.2 Engagement & other constructs.....	13
2.3 Levels of Employee Engagement .....	14
2.4Outcomes of Employee Engagement .....	16
2.5 Theories & models of employee engagement .....	18
2.5.1 Job burnout theories .....	18
2.5.2 Job Demands–Resources (JD-R) model .....	19
2.5.3 Harter, Schmidt & Hayes’s satisfaction-engagement approach .....	20
2.5.4 Social Exchange Theory .....	21
2.6 Empirical Review of Studies .....	22
2.7Predictors of Employee Engagement .....	24

2.7.1 Demographic factors .....	25
2.7.2 Job Characteristics.....	28
2.7.3 Rewards and Recognition.....	28
2.7.4 Perceived Supervisory Support: .....	30
2.7.5 Perception of organizational justice .....	31
2.8 Employee Engagement Strategies .....	32
2.9 Summary .....	35
2.10 Conceptual frame work of the study .....	35
<b>CHAPTER THREE: RESEARCH METHODS.....</b>	<b>37</b>
3.1 Description of the study area.....	37
3.2 Research Approach.....	37
3.3 Research Design .....	38
3.4 Population of the study .....	38
3.5 Sample Size Determination .....	39
3.6 Sampling Technique.....	40
3.7 Data Type and Sources.....	44
3.8 Instrument of Data Collection .....	44
3.9 Validity and Reliability .....	46
3.10 Data Collection Procedures .....	47
3.11 Method of Data Analysis.....	48
3.12 Model Specification.....	48
3.13 Ethical Considerations.....	49
<b>CHAPTER FOUR: DATA ANALYSIS, INTERPRETATION AND DISCUSSION .....</b>	<b>50</b>
4.1 Demographic Background of Respondents .....	51
4.2 Descriptive Statistics .....	53
4.2.1 Descriptive Statistics of the four independent variables of the study.....	53
4.2.2 Descriptive statistics of employee engagement & its two dimensions.....	54
4.3 Relationship of Demographic Factors with Employee Engagement.....	55
4.3.1 Gender .....	55
4.3.2 Work Experience .....	56
4.3.3 Educational Qualification.....	57
4.3.4 Age.. .....	58

4.4 Correlation Analysis .....	59
4.4.1 Correlation between job characteristics & employee engagement .....	60
4.4.2 Correlation between reward & recognition & employee engagement .....	61
4.4.3 Correlation between organizational justice & employee engagement.....	61
4.4.4 Correlation between supervisory support & employee engagement .....	61
4.5 Regression Analysis .....	63
4.5.1 Multi-co linearity .....	64
4.5.2 Normality Test.....	64
4.5.3 Multiple Regression Analysis.....	65
4.6 Result of Interview questions .....	68
4.7 Result of quantitative & qualitative analysis .....	69
4.8 Discussion .....	70
CHAPTER FIVE: Summary, Conclusion and Recommendation .....	73
5.1 Summary of Findings .....	73
5.2 Conclusion.....	75
5.3 Recommendation.....	76
5.4 Areas of Future Research .....	79
REFERENCES .....	i
Annex- 1 .....	vi
Annex 2 .....	x

## Abstract

*The purpose of this study was to study about the factors affecting employee engagement in Dashen bank S.C Addis Ababa area based on social exchange theory. The study employed combination of Descriptive & causal research designs in which a stratified systematic sampling method was used to collect data from professional employees of Dashen Bank S.C found in branches under the four districts of Addis Ababa and head office. Accordingly, 287 questionnaires were distributed and 276 were obtained & used for further analysis. The collected data was analyzed using spss software version 20.in addition, to analyze the collected data descriptive statistics (frequencies, means & standard deviations), ANOVA, independent sample T-test, correlation & regression analysis were used. Interview was also conducted with selected higher officials of the bank. The Results obtained indicate that from the four demographic factors examined in the study (gender, work experience, educational qualification & age) the level of engagement varies with gender in which women were found to have a higher level of engagement than men in Dashen bank S.C. in addition, it was found that Job characteristics, Reward & Recognition, perception of organizational justice and perceived supervisory support all have a significant effect on employee engagement. Based on the findings the researcher forwarded some recommendations for the bank which would be helpful for creating an atmosphere for employee engagement these include; designing jobs that are high on the five core job characteristics, improving its organizational justice by for e.g being fair & consistent in terms of how it provides rewards & benefits & how it implements organizational policies & procedures, it should provide training to its supervisors & managers on how to properly communicate with and provide support for subordinates& it needs to revise its rewards according to changes in the market trend & work on the transparency of its recognition strategy.*

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**Key words:** Factors Affecting Employee Engagement, Employee Engagement, Dashen Bank S.C

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## **List of Abbreviations/Acronyms**

**EE** = Employee Engagement

**H.O** = Head Office

**OC** = Organizational Commitment

**OCB** = Organizational Citizenship Behavior

**SET** = Social Exchange Theory

**SPSS** = Statistical Package for Social Science

**ANOVA**= Analysis of Variance

## List of Tables

<b>Table 3.1</b> -Total Number of population in Target study areas.....	39
<b>Table 3.2</b> - proportionate stratified sample size of respondents.....	41
<b>Table 3.3</b> - Total Number of branches in the four districts of Addis with current grade.....	42
<b>Table 3.4</b> - Component of questions related to Factors affecting employee engagement.....	45
<b>Table 3.5</b> - Component of Questions related to the level of employee engagement.....	46
<b>Table 3.6</b> - summary of scales &cronbach's alpha values after full scale data collection.....	47
<b>Table 4.1</b> - Demographic Background of Respondents.....	51
<b>Table 4.2</b> - Descriptive statistics of the factors affecting employee engagement.....	53
<b>Table 4.3</b> - Descriptive Statistics of employee engagement & its two dimensions.....	55
<b>Table 4.4</b> - result of independent sample T-test for Gender.....	56
<b>Table 4.5</b> -result of one way ANOVA for work experience.....	57
<b>Table 4.6</b> -result of one way ANOVA for educational qualification.....	58
<b>Table 4.7</b> - result of Independent Samples Test for Age.....	59
<b>Table 4.8</b> - correlation matrix of the independent variables & employee engagement.....	60
<b>Table 4.9</b> - correlation matrix of the independent variables & employee engagement Dimensions.....	62
<b>Table 4.10</b> - result of Multi co linearity test.....	64
<b>Table 4.11</b> - result of normality test.....	65
<b>Table 4.12</b> -result of multiple linear regression analysis.....	66
<b>Table 4.13</b> -Summary of Hypothesis testing.....	71

## List of Annexes

<b>Annex 1</b> - Data collection Instrument.....	i
<b>Annex 2</b> - Interview Questions.....	v

# **CHAPTER ONE**

## **INTRODUCTION**

This chapter provides the general back ground of the research. It introduces the research problem and the associated research questions to be answered & objectives to be achieved. It includes back ground of the organization, scope & limitation of the study, significance of the study, definition of key terms & organization of the study.

### **1.1 Background of the Study**

For the past several years employee engagement has been a hot topic in the corporate circle & is a buzz word that employers think they understand but face difficulties and challenges while practicing, (Siddhanta and Roy, 2010).

It is arguably the most critical metric for organizations in the 21<sup>st</sup> century. Most if not all other key measures that reflect and drive organizational performance (customer satisfaction, innovation, profitability, productivity, loyalty and quality) are products of engaged and committed employees, (Siddhanta and Roy, 2010).

According to Shuck and Wollard (2009), the first & most popular Definition of employee engagement appears in an Academy of Management Journal article, “Psychological Conditions of Personal Engagement and Disengagement at Work” (Kahn, 1990). For him engagement means to be psychologically present when occupying and performing an organizational role.

Burnout researchers define engagement as the opposite or positive antithesis of burnout Maslach, Schaufeli and Leiter (2001). Research on burnout and engagement has found that the

core dimensions of burnout (exhaustion and cynicism) and engagement (vigor and dedication) are opposites of each other Gonzalez, Schaufeli, Bakker & Lloret (2006).

In his 2006 study Saks suggested that one way for individuals to repay the organization is through engagement. He was the first one to present separate states of engagement: job engagement (psychological presence in one's job) and organizational engagement (psychological presence in one's organization)

It is crucial to have an engaged workforce because employee engagement is linked to business unit outcomes like customer satisfaction, productivity, profitability, turnover & safety (Harter, Schmidt & Hayes 2002). Since employees are critical to the achievement of organizational goals, attention should be given to their level of engagement.

But to create an atmosphere for employee engagement it is important to know which factors affect it. However, even if there are numerous researches conducted on the topic worldwide ( antecedents of employee engagement, outcomes of employee engagement & the moderating effects of employee engagement) the number of researches done in the area of employee engagement in Ethiopian banks is not enough to give a full insight on the issue.

Therefore, in this study different factors that affect employee engagement are presented by looking at different studies and theories on the subject matter. In addition, the effect of the selected predictors on the engagement of Dashen Bank S.C Addis Ababa employees is deeply analyzed and finally various strategies to boost or maintain the engagement of employees are discussed.

## **1.2 Statement of the Problem**

In recent years, employees comfort on the job has been recognized as an important factor for measuring their productivity (Mokaya and Kipyegon, 2014). According to Saks (2006),

highly engaged employees make a substantive contribution to their agency and may predict organizational success. But, the reverse holds true as well as disengaged employees can be a serious liability. Ayer, (2006) compares disengagement to a cancer & states that if it is left untreated it can slowly erode an organization the same way cancer erodes a patient's body.

Operating in the highly competitive banking industry of Ethiopia, Dashen Bank has been taking various measures designed to beat competitors, increase its market share and attract and retain customers.

However, during the annual Dashen bank manager's conference of July 2016, the president of the bank stated that in the concluded fiscal year the bank has witnessed gaps in customer service quality, increasing number of discrepancies especially in branch operations & noncompliance to internal policies & procedures of the bank Which he claimed were largely a result of the decrease in employee engagement and determination.

Besides, observation made by the researcher (the researcher being an employee of the bank) and informal interview held with some employees of the bank reveals that they are unhappy with their job; they put in time but not energy or passion in to their work. They seem to be emotionally detached from the bank and are constantly checking newspapers and other Medias to find out about vacant posts in other organizations.

Many of the previous researches on the topic have tried to look in to various factors or predictors of Employee Engagement (e.g Kiruthika and Kavitha 2015, Mokaya and Kipyegon 2014, Mani 2011) the outcomes of employee engagement (e.g Kazimoto 2016, Albdour and Altarawneh 2014, Bhatla 2011) and the predictors as well as the consequences of employee engagement i.e moderating effect of employee engagement (e.g Dajani 2015, Ram and Prakbar 2011, Bedarkar&Pandita2014).

On the other hand, the number of researches conducted in Ethiopian banks is lacking specially by broadening the concept to include both job & organization engagement. Therefore, the basic problem of the study is with the increasing competition in the banking industry of Ethiopia, with the different initiatives undertaken by the bank and with the current shortage of study on employee engagement in Ethiopian banks, what could be some of the factors responsible for creating employee engagement in Dashen Bank S.C

### **1.3 Research Questions**

The main research question the research attempts to answer is

What are the factors that affect employee engagement in Dashen Bank S.C Addis Ababa?

The specific research questions are:

1. Is there any relationship between demographic variables (Gender, age, and work experience and education level) and employee engagement level?
2. Do job characteristics have an effect on employee engagement?
3. Do reward and recognition have an effect on employee engagement?
4. Does perceived supervisory support have an effect on employee engagement?
5. Does perception of organizational justice have an effect on employee engagement?

### **1.4 Study Hypothesis**

**H1:** There is significant difference between the level of employee engagement of males & females in Dashen Bank S.C

**H2:** There is significant difference between the levels of employee engagement across work experience in Dashen Bank S.C

**H3:** There is significant difference between the levels of employee engagement across Educational Qualifications in Dashen Bank S.C

**H4:** There is significant difference between the levels of employee engagement across Age in Dashen Bank S.C

**H5:** High job characteristics have significant effect on Employee Engagement in Dashen Bank

**H6:** Rewards & Recognition have significant effect on Employee Engagement in Dashen Bank

**H7:** Perceived supervisory support has significant effect on Employee Engagement in Dashen Bank

**H8:** Perception of organizational Justice has a significant effect on Employee Engagement in Dashen Bank

## **1.5 Objective of the Research**

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

### **1.5.1 General Objective**

The general objective of this research is to investigate factors that affect employee engagement in Dashen Bank Share Company in Addis Ababa area.

### **1.5.2 Specific Objectives**

The specific objectives the research aims to achieve are:

- To examine the relationship between engagement level & demographic profile (Gender, age, work experience and education level) of the Bank's employees.

- To examine the effect of job characteristics on employee engagement in employees of the Bank.
- To examine the effect of rewards and recognition on employee engagement in employees of the Bank.
- To examine the effect of supervisory support on employee engagement in employees of the Bank.
- To examine the effect of perceived organizational justice on employee engagement in employees of the Bank.

## **1.6 Significance of the Study**

The result of this study provides insight and information for administrators of the Bank & practitioners about employee engagement in Dashen Bank S.C Addis Ababa. Administrators from the bank may benefit from the survey feedback and could implement strategies for change that addresses participant responses.

In addition, it offers the banks service administrators a chance to understand & foster a positive state of staff engagement in the Bank by demonstrating how critical engagement is. It is also be helpful for current and future research on the area of employee engagement.

## **1.7 Scope of the study**

The current study is constrained by different factors like lack of finance, resources & shortage of time hence it was found imperative that the scope of the study be delimited conceptually, methodologically, geographically and with time.

Conceptually, various authors and researchers have proposed a wide range of factors as

drivers of employee Engagement. This study however, focuses on four determinants of Employee Engagement (Job characteristics, Rewards and recognition, Perception of Organizational justice and Perceived organizational Support) based on Kahn (1990) and Saks (2006) model. They were chosen because Kahn's (1990) model shows the earliest study on employee engagement and the second model by Saks (2006) is more recent and further tried to study about employee engagement by broadening the aspect to include both job and organization engagement.

Therefore this study tried to measure employee engagement by broadening the concept to include two aspects namely job & organization engagement.

Even though there are different number of theories which explain the relationship between engagement and its drivers this study will focus on social exchange theory. This is because according to Saks (2006) a stronger theoretical rationale for explaining employee engagement is found in social exchange theory.

Methodologically, this research was conducted by mixing both quantitative & qualitative approaches i.e. data was obtained from a questionnaire filled by employees of the bank & interview held with selected management officials of the bank. Using the mixed approach has helped the researcher to eliminate shortcoming of using only one approach

In addition the study focused mainly on professional employees of the bank to collect the required data from the data collection instrument this is because most of the management employees of the bank are also shareholders therefore the responses they provide to some of the questionnaire items might be biased and could seriously affect the finding of the study hence they aren't included in instrument data collection. In addition most of the non-clerical employees of the bank are outsourced, the nature of their job is different, they don't operate in an office

setting and they won't be able to understand the content of the questionnaire accordingly the study focuses on professional employees of the bank only. However, interview was conducted with two higher management officials of the bank to identify what the current practice is with regards to employee engagement in the bank.

Geographically the scope of the study is delimited to Dashen bank S.C branches found in Addis Ababa area only specifically selected branches under the four districts of Addis Ababa& head office. Since all of the branches of Dashen bank S.C operate in similar manner with respect to policies, job characteristics, rewards & recognition, and the like, it was assumed that studying selected branches in Addis Ababa& forwarding recommendations can also be helpful to other branches of the bank found all over the country

Time wise since the study was conducted for academic purpose it was subjected to the academic calendar of the university which runs from November 2016 up to June 2017.

## **1.8 Limitation of the study**

During the course of this study the researcher faced some challenges during administration & analysis of data collection. These included: distributed questionnaires not being returned on time or not returned at all and in some cases failure on the part of respondents to provide genuine responses since some of the questionnaires items measures their attachment to their organization & their job.

However, the researcher tried to overcome this challenge by redistributing additional questionnaires which helped to increase response/ return rate and also the researcher took in to analysis those questionnaires which were considered to be valid & genuine only.

## 1.9 Definition of key Terms

**Job Characteristics:** - task characteristics that provide challenging work, variety, allow the use of different skills, personal discretion, and the opportunity to make important contributions, (Kahn 1990, 1992).

**Rewards and Recognition:** - Methods used by organizations to make employees feel respected and valued by providing psychological as well as financial benefits, (Kahn, 1990).

**Perceived supervisory support:** - the way employees feel about the help they get from their supervisors, (Kamu and Sma, 2016).

**Organizational justice :-** The extent to which employees perceive workplace procedures, interactions and outcomes to be fair in nature & How these influences the employees own attitudes and behaviors at work, ( Susanna, 2006).

**Employee Engagement:** - the extent to which people employ & express themselves physically cognitively and emotionally during role performance, (Kahn, 1990).

## 1.10 Organization of the Study

This study is organized in to five chapters. They are discussed below;

**Chapter one:** - is the introduction part of the study & deals with the back ground, objective, problem statement, research question, Significance, scope and limitation of the study.

**Chapter two:** - is review of related literature hence it contains a review of existing literatures written on the area of employee engagement.

**Chapter three:** - is about the research methods used for the study& deals with topics like research approach research design and method of data analysis

**Chapter four:** - is about data presentation, analysis & discussion

**Chapter five:** - is the last chapter of the study and presents the summary, conclusion and recommendation of the study along with areas of future research.

At the back of the research document a set of Annexes that contain the questionnaire & interview questions used to collect the primary data for the study are attached.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

In this part of the study various literatures written on the area of employee engagement are reviewed in order to shed light on the concept of employee engagement and to provide the theoretical as well as conceptual frame work of the study.

#### **2.1 The Concept and Definition of Employee Engagement**

Employee engagement has become a widely used and popular term (Robinson Perryman & Hayday, 2004). According to Saks (2006) Most of what has been written about employee engagement can be found in practitioner journals where it has its basis in practice rather than theory and empirical research.

It is often used loosely as a notion which embraces pretty well everything the organization is seeking with regard to the contribution and behavior of its employees in terms of job performance, discretionary effort, motivation, commitment to the organization and organizational citizenship, (Armstrong, 2010).

Some researchers e.g. Macey and Schnider, (2008) believe employee engagement is “old wine in a new bottle. This is because it is comprised of existing constructs including organizational commitment, job involvement, job satisfaction, wellbeing and organizational citizenship behavior (Little & Little 2006, Harter, et al 2002, Saks 2006). However, Macey & schnider (2008) claim that it involves more than existing constructs & includes the personality , mood and actions of those in the work place.

In the academic literature, a number of definitions have been provided. The first and most popular definition of employee engagement appears in an Academy of Management Journal article, “Psychological Conditions of Personal Engagement and Disengagement at Work” Kahn (1990) in which personal engagement was 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.” Personal disengagement refers to “the uncoupling of selves from work roles; in disengagement, people withdraw and defend themselves physically, cognitively, or emotionally during role performances” (p. 694). Thus, according to Kahn (1990, 1992), engagement means to be physically & psychologically present when occupying and performing an organizational role.

Building on Khans (1990, 1992) work on psychological Engagement & presence Rothbard (2001, p. 656) defines engagement as “one’s psychological presence in or focus on role activities”. In addition, Rothbard (2001) draws on Khan’s notion that engagement and psychological presence involve being attentive & focused on a role but goes further and elaborates on this concept by suggesting that there are two critical components of role engagement: attention and absorption. Attention refers to “cognitive availability and the amount of time one spends thinking about a role” while absorption “means being engrossed in a role and refers to the intensity of one’s focus on a role.”

Burnout researchers define engagement as the opposite or positive antithesis of burnout Maslach, Schaufeli & Leiter (2001). According to Maslach et al. (2001), engagement is characterized by energy, involvement, and efficacy, the direct opposite of the three burnout dimensions of exhaustion, cynicism, and inefficacy. Research on burnout and engagement has

found that the core dimensions of burnout (exhaustion and cynicism) and engagement (vigor and dedication) are opposites of each other, (Gonzalez-Roma et al., 2006).

Saks (2006) defined employee engagement as “a distinct and unique construct consisting of cognitive, emotional, and behavioral components that are associated with individual role performance (p.602).

On the basis of the Balain and Sparrow (2009) analysis, engagement happens when people are committed to their work and the organization and motivated to achieve high levels of performance. It has two interrelated aspects: first, job engagement, which takes place when employees exercise discretionary effort because they find their job interesting, challenging and rewarding; and second, organizational engagement, when they identify with the values and purpose of their organization and believe that it is a great place in which to work.

In summary, employee engagement in the academic literature has been defined as a distinct and unique construct that consists of cognitive, emotional, and behavioral components associated with individual role performance. Furthermore, the way it operates and its description can take many forms accordingly it has different approaches to its definition which includes job & organizational engagement

## **2.2 Engagement & other constructs**

In the academic literature, engagement is said to be related to but distinct from other constructs in organizational behavior. Saks (2006) for example, Robinson et al. (2004, p. 8) states that engagement contains many of the elements of both commitment and organizational citizenship behavior (OCB), but is by no means a perfect match with either. In addition, neither commitment nor OCB reflect sufficiently two aspects of engagement – its two-way nature, and the extent to which engaged employees are expected to have an element of business awareness.

Organizational commitment also differs from engagement in that it refers to a person's attitude and attachment towards their organization. Engagement is not an attitude; it is the degree to which an individual is attentive and absorbed in the performance of their roles. And while OCB involves voluntary and informal behaviors that can help co-workers and the organization, the focus of engagement is one's formal role performance rather than extra-role and voluntary behavior, (Saks 2006, p.602).

Engagement also differs from job involvement Saks (2006). According to May, Gilson & Harter (2004), job involvement is the result of a cognitive judgment about the need satisfying abilities of the job and is tied to one's self-image. Engagement has to do with how individuals employ themselves in the performance of their job. Furthermore, engagement involves the active use of emotions and behaviors in addition to cognitions. May et al.(2004,p. 12) also suggest that "engagement may be thought of as an antecedent to job involvement in that individuals who experience deep engagement in their roles should come to identify with their jobs."

In summary, even though engagement is distinguishable from several related constructs, most notably organizational commitment, organizational citizenship behavior, and job involvement it still has some overlap with them & it is important to distinguish between employee engagement and other constructs so that identifying the key drivers as well as measuring instruments will actually assess employee engagement and its full aspects.

### **2.3 Levels of Employee Engagement**

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

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

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

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

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

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

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

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

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

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

**The Disengaged:** Low contribution and satisfaction

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

## **2.4 Outcomes of Employee Engagement**

One of the reasons that employee engagement has received so much attention is that it is believed to be associated with important employee and organization outcomes. For example, Saks (2006) states that there is a reason to expect employee engagement to be related to individuals attitudes, intentions & behaviors i.e. individuals who are more engaged are likely to be in more trusting and high quality relation with their employer and will be more likely to report more positive attitudes and intentions toward the organization.

According to Armstrong (2010), High levels of engagement result in behaviors such as maximizing discretionary effort, taking initiative, wanting to develop or aligning actions

with organizational needs. That in turn delivers a range of organizational benefits like higher productivity or performance, lower staff turnover & improved safety.

According to Halbesleben (2010), a study in which a Meta-analysis of work engagement was conducted it was found that engagement was positively associated with positive outcomes at work, including a stronger relationship between dedication-an identification based component of engagement and commitment. In addition, it was found that engagement was related to higher commitment, health, performance, and lower turnover intentions.

In another study conducted by Halbesleben, Harvey, & Bolino, (2009), it was found that engagement can have negative consequences such as work interference with family.

According to Bhatla (2011) Employee Engagement has the following effect on the performance of employees: it builds passion, commitment, Attracts more people like existing employees, Creates a sense of loyalty, Lowers attrition rate, Increases productivity and improves morale, Provides a high-energy working environment, Improves overall organizational effectiveness & Makes the employees effective brand ambassadors for the company.

Markos and Sridevi (2010) state that an engaged employee consistently demonstrates three general behaviors which improve organizational performance

- ❖ **Say:** the employee advocates for the organization to coworkers and refers potential employees and customers
- ❖ **Stay:** the employee has an intense desire to be a member of the organization despite opportunities to work elsewhere
- ❖ **Strive:** the employee exerts extra time, effort and initiatives to contribute to the success of the business

In summary it can be observed that employee engagement has both individual as well as organizational outcomes therefore organizations need to give attention to it and create a conducive environment for it so that they can be able to reap the benefits associated with having an engaged work force.

## **2.5 Theories & models of employee engagement**

### **2.5.1 Job burnout theories**

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

According to Maslach et al. (2001), job burnout is the result of mismatches in six critical areas of organizational life, which are considered to be the major organizational antecedents of burnout: workload, control, rewards and recognition, community and social support, perceived fairness, and values. The greater the gap or mismatch between the person and these six areas, the greater the likelihood of burnout. Conversely, the greater the match or fit between a person and these six areas of organizational life, the greater one's engagement. In other words, engagement is associated with a sustainable workload, feelings of choice and control, appropriate recognition and reward, a supportive work community, fairness and justice, and meaningful and valued work.

Maslach and Leiter (2008) found some support for their theory with respect to the perception of fairness in the workplace. This approach also suggests that, like burnout,

engagement mediates the relationship between these six work-life factors and work attitudes (e.g., job satisfaction, organizational commitment) as well as stress-related health outcomes. In other words, mismatches lead to burnout, while matches lead to engagement, and burnout and engagement lead to work and health outcomes.

### **2.5.2 Job Demands–Resources (JD-R) model**

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

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

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

JD-R Model also assumes that in its turn engagement results to positive outcomes such as job performance .JD-R Model, posit that work engagement mediates the relationship

between job and personal resources on the one hand and positive outcomes on the other (Schaufeli, 2013).

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

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

### **2.5.3 Harter, Schmidt & Hayes's satisfaction-engagement approach**

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

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

Using Kahn's (1990) framework, Harter et al. developed a measure, consisting of 12 items, which assesses the employees' perception of their company as a working place. Results of

the meta-analysis provided the evidence for the positive relationship between employee engagement and several important business outcomes: customer satisfaction, loyalty, profitability, productivity, employee turnover, and safety.

#### **2.5.4 Social Exchange Theory**

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

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

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

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

amounts of cognitive, emotional, And physical resources is a very profound way for individuals to respond to an organization's actions.

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

In summary, SET provides a theoretical foundation to explain why employees choose to become more or less engaged in their work and organization. Thus, the amount of cognitive, emotional, and physical resources that an individual is prepared to devote in the performance of one's work roles is contingent on the economic and socio emotional resources received from the organization, (Saks 2006).

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

## **2.6 Empirical Review of Studies**

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

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

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

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

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

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

Garg (2014) conducted a study on employee engagement and individual differences across employees of various age, gender, work experience and education in India by taking an in-depth analysis of eight constructs of employee engagement.

The findings of the study showed that significant variations are observed across employees of various age, experience and qualifications while the variation by gender was found to be insignificant.

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

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

## **2.7 Predictors of Employee Engagement**

Based on the review of literature it can be observed that there are various predictors of employee engagement but since the literatures are unclear as to which variables are the strongest predictors the following variables have been selected for this study based on Kahn (1990, 1992) & Saks (2006) model.

### **2.7.1 Demographic factors**

Various researches e.g. Garg (2014) have tried to study the relationship between demographic factors and employee engagement. These demographic factors are stated below to see if they have a relationship with the level of employee engagement.

#### **A) Gender**

In an examination of gender & employee engagement Avery, McKay and Wilson (2007) reported that women were more engaged than their male coworkers. However, a study by Garg (2014) in which ten different industries of India were examined showed that the level of engagement between male & females was equal or no significant difference could be observed.

A Study by Ying Kong (2009) shows that Female employees dedicate significantly more than male employee's in their job engagement. In addition, they Create reasonable atmosphere and conditions for employees, make them involved in job and experience success and happiness, making them more devoted into working. However, this contradicts with the findings by sprang and Clark (2007) who concluded that female employees face more burnout hence are less engaged than their male counterparts.

*Hypothesis 1: There is a significant difference between the level of employee engagement of males & females in Dashen Bank S.C*

#### **B) Employee Work Experience**

The amount of work experience is another variable that has been studied for its associations with engagement. For example a study by Yildirim, (2008) indicates that no relationship exists between years of service and level of engagement. However, the

BlessingWhite (2013) research update states that engagement increases as employees spend more time with the organization.

According to Ying Kong (2009) Employees with a length of working for 0~5 years gain higher scores than those in other groups in job engagement. This is because usually, the employees who have just begun working have a fresh feeling towards their job, and are full of energy.

There appears a fall in job engagement of employees with a length of working for 6~10 years. The two possible reasons: one is that they feel a bit tired after a period of high-engagement into working; another reason is that employees in this group have established their own families, which makes them distribute part of their energy into their families. Thus, it is understandable that there appears a fall in their job engagement, (Ying Kong, 2009).

Then, a rise appears in job engagement of the employees on the whole, after 6 years of working, accordingly, there will appear a fall-rise curve in the job engagement of company employees, (Ying Kong, 2009).

***Hypothesis 2:** There is a significant difference between the levels of employee engagement across work experience in Dashen Bank S.C*

### **C) Educational Qualification**

According to Swaminathan and Ananath (2009), who conducted a study on a publication company in India to analyze the impact of demographic variables on employee engagement, it was found that educational qualification doesn't have a significant influence on the level of engagement of employees.

However, in a study conducted by Garg (2014) Educational qualifications of employee's

was found to have significant impact on employee engagement. I.e. Employee engagement is the maximum for graduate employees while it reduces as a graduate becomes post graduate. The findings are in accordance with different aptitude, vision and capabilities of employees with different level of academic achievements. This is similar with the finding by white paper of dale CARNEGIE (2012) which states the most highly educated individuals are less engaged than others.

***Hypothesis 3:** There is a significant difference between the levels of employee engagement across Educational Qualifications in Dashen Bank S.C*

#### **D) Age**

According to MacLeod and Clarke (2014) there are some significant differences on engagement in terms of age. The youngest and oldest groups of workers tended to score higher on the engagement index. Engagement decreased as age increased with levels progressively falling until the former default retirement age of 65 from where it rose sharply. The sharp increase in engagement among over 65's could be accounted for by the least engaged employees leaving the workforce.

In a study by Garg (2014) it was also found that age of employees has a significant bearing employee engagement with the lower age groups having a steady level of engagement then engagement peaks between the age group of 35-45 years before it decreases in the next age group. However this contradicts with the findings by Swaminathan and Ananath (2009) in which age of employees was found to have no significant influence on the level of engagement.

***Hypothesis 4:** There is a significant difference between the levels of employee engagement across Age in Dashen Bank S.C*

### **2.7.2 Job Characteristics**

This is based on Hackman and Oldham's (1980) job characteristics model and, the five core job characteristics (i.e. skill variety, task identity, task significance, autonomy, and feedback). According to Kahn (1990, 1992) organization members who do a work that is challenging, clearly delineated, varied creative & autonomous are likely to experience psychological meaningfulness.

Jobs that are high on the core job characteristics provide employees with motivation to be more engaged Kahn (1992). Job enrichment was positively related to meaningfulness and meaningfulness mediated the relationship between job enrichment and engagement (May, Gilson & Harter, 2004).

According to Saks (2006) The Social Exchange Theory (SET) perspective is that employees who are provided with enriched and challenging jobs will feel obliged to respond with higher levels of engagement. Therefore, based on the literature reviewed and on the tenets of the social exchange theory, the researcher makes the following hypothesis:

***Hypothesis 5: High job characteristics have a significant effect on Employee Engagement in Dashen Bank***

### **2.7.3 Rewards and Recognition**

According to Mahapatra (2009) there are a number of ways of classifying rewards. A commonly discussed dichotomy is Extrinsic versus intrinsic rewards.

Extrinsic rewards are the tangible rewards mostly of a financial nature such as pay raises, bonuses, and benefits, given to employee's .They are called —extrinsic because they are external to the work itself and others control their size and whether or not they are granted. Intrinsic

rewards are psychological rewards that employees get from doing meaningful work and performing it well, (Mahapatra, 2009).

Extrinsic rewards though significant, play a dominant role in organizations where work is generally more routine and bureaucratic in nature. Pay is an important consideration for most workers in accepting a job, and unfair pay can be a strong de-motivating factor. However, after people have settled down in a job, extrinsic rewards are now less important, as day-to-day motivation is more strongly driven by intrinsic rewards. (Ram and Prabhakar, 2011).

According to Armstrong (2010), recognition is an appreciation shown to individuals for their achievements, either informally on a day to day basis or through formal arrangements. It can take place quietly between managers and individuals in their teams or be visible celebrations of success.

Kahn (1990) reported that people vary in their engagement as a function of their perceptions of the benefits they receive from a role. Saks (2006) states that sense of return on investments can come from external rewards and recognition in addition to meaningful work. Hence one might expect that employees 'to be more engaged at work to the extent that they perceive a greater amount of rewards and recognition for their role performances.

According to Social Exchange Theory, when employees receive rewards and recognition from their organization, they will feel obliged to exercise a fair exchange, by responding with higher levels of engagement, (Saks, 2006). Therefore, based on the literature reviewed and on the tenets of the social exchange theory, the researcher makes the following hypothesis

***Hypothesis 6: Rewards & Recognition have a significant effect on Employee Engagement in Dashen Bank***

#### **2.7.4 Perceived Supervisory Support:**

According to Kahn (1990) supportive & trusting interpersonal relationships promote psychological safety which allows people to try & perhaps fail without fearing the consequences.

An important aspect of safety arises from the extent of care and support employees' perceive to be provided by their organization as well as their direct supervisor, (Saks, 2006).

Kahn (1990) found that supportive and trusting interpersonal relationships as well as supportive management promoted psychological safety. Employees felt safe in work environments that were characterized by openness and supportiveness. In their empirical test of Kahn's model, May et al. (2004) also found that supportive supervisor relations was positively related to psychological safety. In addition, first-line supervisors are believed to be especially important for building engagement and to be the root of employee disengagement (Bates 2004; Frank, Finnegan and Taylor , 2004).

According to Saks (2006) Social Exchange Theory (SET) perspective is when employees believe that their organization is concerned about them and cares about their well-being, they are likely to respond by attempting to fulfill their obligations to the organization by becoming more engaged. Rhoades and Eisenberge (2002), as stated in Saks (2006) state that employees tend to view their supervisor's orientation toward them as indicative of the organization's support hence, Saks (2006) states Perceived Supervisory Support is likely to be an important predictor of employee engagement.

Therefore, based on the literature reviewed and on the tenets of the social exchange theory, the researcher makes the following hypothesis

*Hypothesis 7: Perceived supervisory support has a significant effect on Employee Engagement in Dashen Bank*

### **2.7.5 Perception of organizational justice**

Research on justice in organizations has been a major interest of researchers for over 30 years (Ambrose 2002). Early organizational justice literatures distinguished between two types of fairness distributive justice & procedural justice. Distributive justice deals with the ends achieved (what the decisions are) or the content of fairness, whereas procedural justice is related to the means used to achieve those ends (how decisions are made) or the process of fairness, (Ambrose, 2002).

The safety dimension identified by Kahn (1990) involves social institutions that are predictable and consistent. For organizations, it is especially important to be predictable and consistent in terms of the distribution of rewards as well as the procedures used to allocate them, (Saks, 2006).

According to Saks (2006) When employees have high perceptions of justice in their organization, they are more likely to feel obliged to also be fair in how they perform their roles through greater levels of engagement. On the other hand, low perceptions of fairness are likely to cause employees to withdraw and disengage themselves from their work roles.

According to Social Exchange Theory (SET) employees who have higher perceptions of organizational justice are more likely to Reciprocate with greater organization engagement, (Saks, 2006).

Therefore, based on the literature reviewed and on the tenets of the social exchange theory; the researcher makes the following hypothesis

*Hypothesis 8: perception of organizational Justice has a significant effect on Employee Engagement in Dashen Bank*

## **2.8 Employee Engagement Strategies**

According to Markos and Sridevi (2010) In order to have engaged employees in any organization, managers need to look at the following ten points. These points are referred to as “tablets” because it is believed that they will cure employee disengagement diseases:

1. ***Start it on day one:*** Most organizations do have clear new talent acquisition strategies. However, they lack employee retention strategies. Effective recruitment and orientation programs are the first building blocks to be laid on the first day of the new employee. Managers should be careful in pooling out the potential talent of the new employee through effective recruitment.

The newly hired employee should be given both general orientation which is related to the company mission, vision, values, policies and procedures and job-specific orientation such as his/her job duties, and responsibilities, goals and current priorities of the department to which the employee belongs in order to enable him/her to develop realistic job expectations and reduce role conflict that might arise in the future. After the hiring decision is made, the manager has to ensure role-talent fit when placing an employee in a certain position and exert all managerial efforts needed to retain that talent in the organization.

2. ***Start it from the top:*** Employee engagement requires leadership commitment through establishing clear mission, vision and values. Unless the people at the top believe in it, own it, pass it down to managers and employees, and enhance their leadership, employee

engagement will never be more than just a “corporate fad” or “another HR thing”. Employee engagement does not need lip-service rather dedicated heart and action-oriented service from top management. It requires “Leading by Being example”

**3. Enhance employee engagement through two-way communication:** Managers should promote two-way communication. Employees are not sets of pots to which you pour out your ideas without giving them a chance to have a say on issues that matter to their job and life.

Clear and consistent communication of what is expected of them paves the way for engaged workforce. Involve your people and always show respect to their input. Share power with your employees through participative decision making so that they would feel sense of belongingness thereby increasing their engagement in realizing it.

**4. Give satisfactory opportunities for development and advancement:** Encourage independent thinking through giving them more job autonomy so that employees will have a chance to make their own freedom of choosing their own best way of doing their job so long as they are producing the expected result. Manage through results rather than trying to manage all the processes by which that result is achieved.

**5. Ensure that employees have everything they need to do their jobs:** Managers are expected to make sure that employees have all the resources such as physical or material, financial and information resources in order to effectively do their job.

**6. Give employee’s appropriate training:** Help employees update themselves increasing their knowledge and skills through giving appropriate trainings. Generally it is understood that when employees get to know more about their job, their confidence increases there by being

able to work without much supervision from their immediate managers which in turn builds their self-efficacy and commitment.

**7. *Have strong feedback system:*** Companies should develop a performance management system which holds managers and employees accountable for the level of engagement they have shown. Conducting regular survey of employee engagement level helps make out factors that make employees engaged. After finalizing the survey, it is advisable to determine all the factors that driving engagement in the organization, then narrow down the list of factors to focus on two or three areas. It is important that organizations begin with a concentration on the factors that will make the most difference to the employees and put energy around improving these areas as it may be difficult to address all factors at once. Managers should be behind such survey results and develop action-oriented plans that are specific, measurable, and accountable and time- bound.

**8. *Incentives have a part to play:*** Managers should work out both financial and non-financial benefits for employees who show more engagement in their jobs. Several management theories have indicated that when employees get more pay, recognition and praise, they tend to exert more effort into their job. There should be a clear link between performance and incentives given to the employees.

**9. *Build a distinctive corporate culture:*** Companies should promote a strong work culture in which the goals and values of managers are aligned across all work sections. Companies that build a culture of mutual respect by keeping success stories alive will not only keep their existing employees engaged but also they baptize the new incoming employees with this contagious spirit of work culture.

**10. Focus on top-performing employees:** recently high performing organizations are focusing on engaging their top performing employees. These organizations do what top performing employees are asking for which in turn reduces the turnover of high performing employees and as a result leads to top performance by the business

## **2.9 Summary**

As can be observed from the review of related literatures Employee Engagement has been defined differently by different authors based on their conceptualization of the construct. And also EE has an overlap with other constructs like OCB & Job involvement and is associated with various individual as well as organizational outcomes.

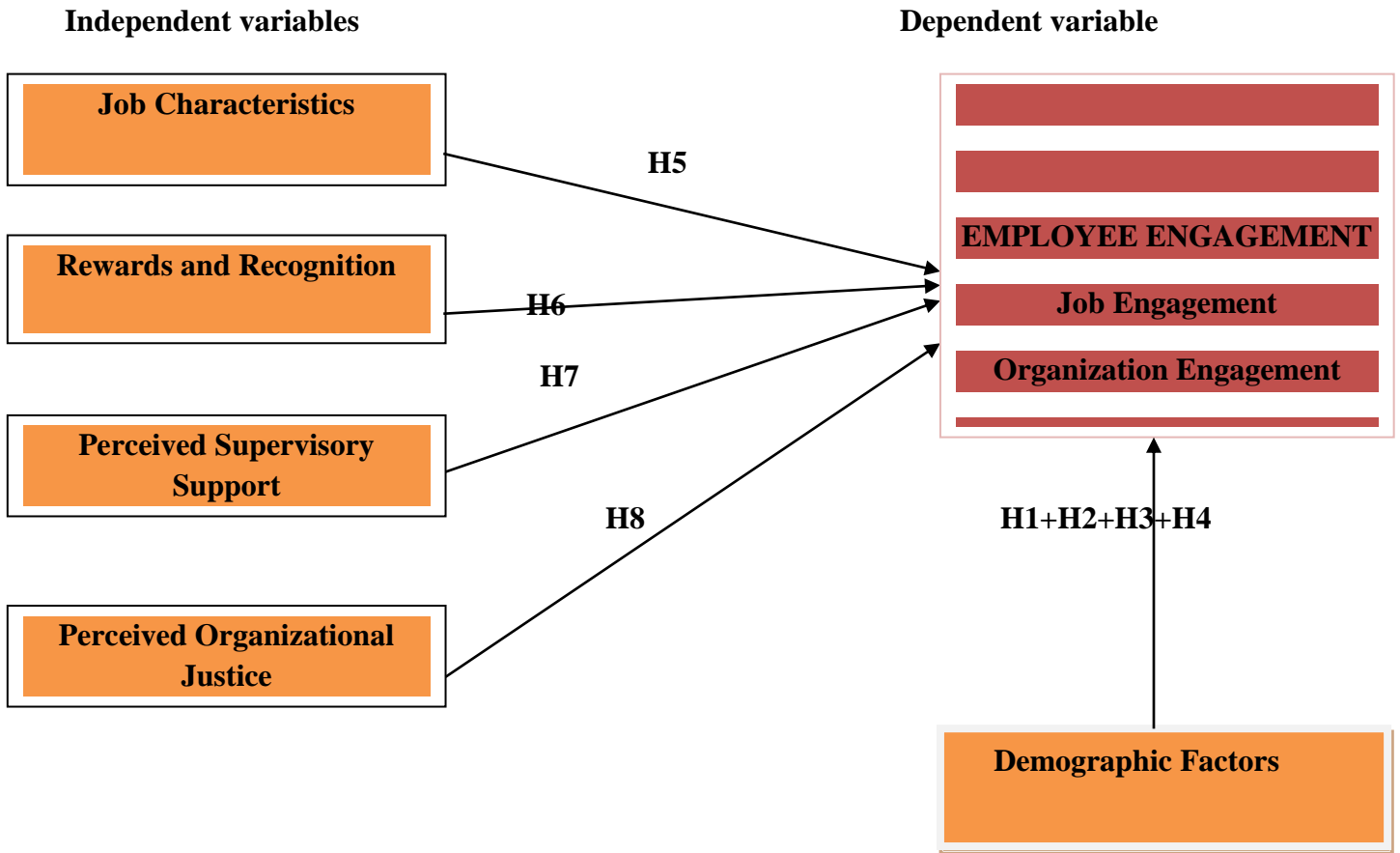
In addition it was observed that there are various factors that affect employee engagement. However there is no generally agreed definition of employee engagement to date therefore there is a need to create a common understanding about the concept so that measuring instruments are able to measure it and its full aspect.

## **2.10 Conceptual frame work of the study**

Based on the overall review of related literatures, the following conceptual framework in which this specific study is governed was developed.

It consists of four independent variables (job characteristics, rewards & recognition, perceived supervisory support, perception of organizational justice) & the dependent variable Employee Engagement has two aspects namely job & organization engagement in addition, demographic variables are also included in the model to see if they have a relationship with employee engagement. The conceptual frame work of the study is depicted in the following Diagram:

Figure 2.1 Conceptual Framework of the Study



Source- own survey 2017

## **CHAPTER THREE**

### **RESEARCH METHODS**

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

#### **3.1 Description of the study area**

This study was carried out in Dashen Bank S.C which came in to existence on September 20, 1995 G.C according to the 1960 Commercial Code of Ethiopia and the licensing and supervision of banking proclamation no.84/1994, ([www.dashenbanksc.com](http://www.dashenbanksc.com)).

According to the bank's annual report for the fiscal year 2015\ 16 it has a total of 12 districts and over 244 branches all over Ethiopia as of June 2016. Out of the total districts four are found in Addis Ababa and contain 138 branches in addition there are eighteen departments and two branches residing under head office.

Therefore, this research was carried out on professional employees of the bank found in selected branches under the four districts of Addis Ababa and head office where the factors affecting employee engagement were examined.

#### **3.2 Research Approach**

There are three types of research approaches mentioned in research method such as quantitative, qualitative, and mixed, 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, (Creswell ,2003).

This research was conducted by mixing both quantitative & qualitative approaches i.e data was obtained from a questionnaire filled by employees of the bank & interview held with selected management officials of the bank. Using the mixed approach has helped the researcher to eliminate shortcoming of using only one approach.

The study employed a mixed approach because the researcher wanted to identify how the four independent variables of the study (job characteristics, rewards & recognition, supervisory support & organizational justice) are currently perceived by employees of Dashen Bank S.C using a standard questionnaire. Interview was also conducted to find out about what the bank is currently doing with regards to employee engagement & the four independent variables of the study.

### **3.3 Research Design**

Among the various types of research designs, the researcher conducted a combination of descriptive & explanatory /causal study. These designs were used because they enable the researcher to describe about & critically examine the relationship between the dependent variable employee engagement with the independent variables Job characteristics, Rewards and recognition, organizational justice and supervisory support.

### **3.4 Population of the study**

The report of Dashen bank human resource department indicates that there are 1130 professional employees working in branches under the four districts of Addis Ababa & head office as of September 30, 2016 which constitute the total population of the study.

To collect data from the questionnaire, the study focused on only professional employees because most of the Management employees are also shareholders of the bank hence the responses they provide for some of the questionnaires items could be biased which would seriously affect the finding of the study. In addition, the non-clerical employees are outsourced and not the permanent employees of the bank, the nature of their job is different from others, they don't operate in an office setting & they won't be able to understand & relate with items included in the questionnaire hence they will not be included in the study as well. However to collect data from the managements side two higher management officials of the bank from human resource department were interviewed.

**Table 3.1 Total Number of population in Target study areas**

No.	Area of target population	Number of professional employees	Total
1	Head office	210	18%
2	East Addis District	224	20%
3	North Addis District	248	22%
4	South Addis District	232	21%
5	West Addis District	216	19%
	<b>Total</b>	<b>1130</b>	<b>100%</b>

Source- Dashen Bank s.c Human Resource Management Department September 30, 2016

### 3.5 Sample Size Determination

The sample size of the study was determined using sample size determination formula adopted from Kothari (2004, p.179) which is given by

$$n = \frac{z^2 \cdot pq \cdot N}{e^2 (N - 1) + Z^2 \cdot p \cdot q}$$

Where

N= size of population (1130)

n= size of sample

e= acceptable error (the precision) at 5%

p= standard deviation of population (0.05)

z= standard variate at 95% confidence level (1.96 in our case).

$$n = \frac{(1.96)^2 * (0.05) (0.05) (1130)}{(0.05)^2 * (1130 - 1) + (1.96)^2 (0.05) (0.05)}$$

**n = 287**

Following the above formula provided by Kothari (2004) the sample size considered for this study is determined to be **287** professional employees of the bank working at branches under the four districts of Addis Ababa & head office.

### 3.6 Sampling Technique

For the purpose of this study the sampling technique used was proportional stratified sampling in combination with systematic sampling. The sample was drawn from the existing professional employees of the Bank found in Addis Ababa by taking the four districts & head office as a stratum.

A formula is provided by Kothari (2004) to calculate the number of elements selected from each stratum  $i = n \cdot p_i$        $p_i = \text{strata } i / N$

Where  $i$  = number of items selected from stratum  $i$

$P_i$  = proportion of population included in stratum  $i$

$n$  = total sample size

$N$  = total population size

Accordingly after applying the above formula the number of respondents selected from each stratum was obtained which is illustrated in the following table

**Table 3.2 proportionate stratified sample size of respondents**

No.	Stratum	Total size of stratum	Proportionate sample of respondents
1	Head office	210	53
2	East Addis	224	57
3	North Addis	248	63
4	South Addis	232	59
5	West Addis	216	55
<b>Total</b>		<b>1130</b>	<b>287</b>

Source- Dashen Bank s.c Human Resource Management Department September 30, 2016 & own survey 2017

Because of inconvenience & time limitation, the researcher took a total of 30 branches as a sample from the four districts in Addis Ababa & head office.

From head office stratum since there are only two branches under head office which are Dashen main & Premium branch both of them were included in the data collection

To select the remaining 28 specific branches from each of the four districts of Addis Ababa to whom the questionnaires were handed over, a systematic selection formula by Opsomer & Francisco (2011) was used after ordering the branches in each of the four districts according to their grades. The formula states

$$K = \frac{N}{n}$$

Where

**K**= the interval that n numbers of branches are to be taken for sample

N= total number of branches in the district

N= the desired sample of branches

The following table shows the total number of branches found in each district with their current grade.

**Table 3.3 Total Number of branches in the four districts of Addis with current grade**

No.	Stratum	Number of Branches with current grade					Total
		Sub-Branch	Grade.1	Grade.2	Grade.3	Grade.4	
1	East Addis	24	6	1	2	1	34
2	North Addis	23	7	4	1	2	37
3	South Addis	21	8	2	2	2	35
4	West Addis	17	10	2	1	2	32
<b>Total</b>		85	31	9	6	7	<b>138</b>

Source- Dashen Bank s.c office of strategic Management December 31, 2016

As can be seen from the above table the total number of branches found in the four districts of Addis Ababa on December 2016 is 138. from this **East Addis District** has 34 branches which means it contains 25% of the Branches from the total number of branches found in the four districts of Addis Ababa. Out of the total sample of 28 branches ( $0.25 \times 28 = 7$ ) Therefore 7 branches are selected from this district to participate in the study. To identify the specific branches the above systematic selection formula was used which states  $K_{th} = N \setminus n = 34 / 7 = 5$  Based on this 5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup>, 20<sup>th</sup>, 25<sup>th</sup>, 30<sup>th</sup> and 34<sup>th</sup> branch were chosen. These are **Bole Preparatory School, HayaArat, Lam Beret, Shalla, Africa Godana, YererBer& Bole Branches.**

From **North Addis district** 65 employees have been chosen to participate in the study. The district has a total of 37 branches. Which means it contains 27% of the branches from the total number of branches found in the four districts of Addis Ababa. Out of the total sample of 28

branches ( $0.27 \times 28 = 8$ ) therefore, 8 branches are selected from this district to participate in the study. To identify the specific branches the above systematic selection formula was used which states  $K_{th} = N/n = 37/8 = 5$  based on this the 5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup>, 20<sup>th</sup>, 25<sup>th</sup>, 30<sup>th</sup> 35<sup>th</sup>& 37<sup>th</sup> Branches were chosen these are: **BerhanenaSelam, Ghandi, RasDesta, Signal, Amist Kilo, Taitu, Piazza and Golla Branches.**

From **South Addis district** 62 employees have been chosen for the study. The district has 35 branches. Which means it contains 25% of the branches from the total number of branches found in the four districts of Addis Ababa. Out of the total sample of 28 branches, ( $0.25 \times 28 = 7$ ) therefore 7 branches are selected from this district to participate in the study. To identify the specific branches the above systematic selection formula was used which states  $K_{th} = N/n = 35/7 = 5$  based on this the 5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup>, 20<sup>th</sup>, 25<sup>th</sup>, 30<sup>th</sup>& 35<sup>th</sup> branches were chosen. These are: **Furi, Hana Mariam, Mekanissa, Stadium, KalityGebriel, Goffa and Kerra Branches**

From **west Addis district** 56 employees have been chosen to participate in the study. The district has a total of 32 branches which means it contains 23% of the branches from the total number of branches found in the four districts of Addis Ababa. Out of the total sample of 28 branches, ( $0.23 \times 28 = 6$ ) therefore 6 branches are selected from this district to participate in the study. To identify the specific branches the above systematic selection formula was used which states  $K_{th} = N/n = 32/6 = 5$  based on this the 5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup>, 20<sup>th</sup>, 25<sup>th</sup>&30<sup>th</sup> branches were chosen these are: **AskoAddisuSefer, Keranyo, WenberTera, Ayer Tena, Messalemia and Tana Branches.**

After selecting the specific branches, professional employees found in each of them were approached using convenient sampling method and those who were present on their job during questionnaire distribution were asked to fill the survey & return them within three days.

Accordingly, from the returned questionnaires those who were deemed valid & genuine were used for further analysis.

### **3.7 Data Type and Sources**

In conducting this study, the researcher made use of both primary and secondary data types. Primary data was collected through questionnaires filled by the existing professional staffs of the Bank & interview conducted with selected management officials of the Bank. Relevant, accurate, and reliable secondary data was collected from different documents obtained from review of related literatures, published journals, newsletters, internal records and relevant documents, website (Internet), human resource books, brochures, annual reports and magazines, articles and other available sources.

### **3.8 Instrument of Data Collection**

The data collection instrument was a questionnaire prepared in the form of a five point Likert scale to measure factors affecting employee engagement. The data collection instrument was adopted from Saks (2006) study on antecedents & consequences of employee engagement.

Mean rating score was used to present the perception level of employees towards the four independent variables of the study & the dependent variable & a mean score of less than 3.39 was considered as low, the mean score from 3.40 - 3.79 was considered as moderate and mean score of greater than 3.8 was considered as high as illustrated by comparison bases of mean score of five point Likert scale instrument Zaidatol (2009),

The instrument comprised of three sections; section one consists of 5 questions which are about the demographic characteristics of employees. The characteristics include; Sex, Age, level of education, Work experience & Job title / position in the organization.

Section two contains a total of 31 questions about the four factors affecting employee engagement that are selected for the study which are job characteristics, reward & recognition, organizational justice & perceived supervisory support. The questions were prepared using a five point Likert scale such that scale 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree. Respondents were asked to indicate their level of agreement/ disagreement with each of the questions provided.

**Table 3.4 Component of questions related to Factors affecting employee engagement**

<b>S. No</b>	<b>Dimension</b>	<b>Total Questions</b>
1	Job Characteristics	9
2	Rewards and Recognition	8
3	Perception of Organizational Justice	9
4	Perceived Supervisory Support	5
	<b>Total</b>	<b>31</b>

Source- own survey 2017

Section three contains a five item scale to measure the level of job engagement and a four item scale to measure the level of organization engagement adopted from Saks (2006) study. The questions were prepared using a five point Likert scale such that scale 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree. Respondents were asked to indicate their level of agreement/ disagreement with each of the questions provided.

**Table 3.5 Component of Questions related to the level of employee engagement**

<b>Ser. No</b>	<b>Dimension</b>	<b>Total Questions</b>
1	Job Engagement	5
2	Organization Engagement	4
	<b>Total</b>	<b>9</b>

Source- own survey 2017

### **3.9 Validity and Reliability**

Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure (Kothari, 2004). Before the questioner was distributed to the respondents, the instrument was checked by the advisor to see whether it measures what it alleged to measure. The instrument was also commented by practitioners although it was adopted from previous research.

Prior to the actual data collection reliability test was conducted on selected staffs of the bank to check whether the data collection instrument was consistent and dependable in measuring what it intended to measure. Accordingly 30 questionnaires were distributed to employees of the bank as a pilot test and collected to measure the reliability of the instrument. Accordingly, comments received from the respondents were incorporated in the questionnaire before undertaking full scale data collection.

Consequently, Cronbach's alpha was employed to test the reliability of the questionnaire and all of the questionnaire items were found to have a result higher than 0.7. Nunnally (1978) has suggested that score reliability of .70 or better is acceptable when used in basic social science research.

**Table 3.6 summary of scales & cronbach's alpha values after full scale data collection**

Ser. No.	Variables of the Study	No. of Items	Source	Alpha Value
1	Job Characteristics	9	Saks (2006)	.775
2	Rewards and Recognition	8	Saks (2006)	.797
3	Perception of Organizational Justice	9	Saks (2006)	.835
4	Perceived Supervisory Support	5	Saks (2006)	.865
5	Employee Engagement	9	Saks (2006)	.777

Source- own survey 2017

### **3.10 Data Collection Procedures**

To collect data for the study first document & literature review was made. Next questionnaires were developed for the study and pilot tested.

Before distributing the questionnaire to the respondents, the researcher obtained a letter of cooperation from Addis Ababa University School of commerce. Then, a meeting was held with HR manager of the Bank to get an approval for distributing the questionnaires to the selected branches. Next the questionnaires were distributed to 287 professional employees of the bank working in the four districts of Addis Ababa and Head Office. And also, interview was conducted with selected management officials of the Bank.

Subsequently, the data collected was edited and carefully checked to eliminate improperly filled questionnaires so that only usable questionnaires were considered for analysis. Finally, the data obtained was entered & analyzed on SPSS software version 20 and the results were presented using tables & graphs.

### 3.11 Method of Data Analysis

In order to analyze and present the findings of the study, Statistical Package for Social Science (SPSS) Software version 20 was used. Each response of the respondents on factors that affect employee engagement & the level of employee engagement were coded and fed to the software and analyzed using descriptive and inferential statistical tools.

From descriptive statistical tools measures of central tendency (mean), frequency distribution and measures of variability (standard deviation) were used to summarize & describe the response of participants.

To test the hypothesis of demographic variables independent sample T- test & ANOVA were used. From Inferential statistical tools correlation (using Pearson's correlation ( $r$ )), & multiple linear Regression analysis was conducted to identify the relationship between & analyze the effect of the selected variables on Employee Engagement

### 3.12 Model Specification

The relationship between the dependent variable, employee engagement and the four independent variables is expressed as a linear combination of the independent variables plus an error term.

Following Greene (2003), the multiple linear regression model is specified as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where: Y= Employee Engagement

$\beta_0$ = Constant term

X1= Job characteristics

X2= Rewards & Recognition

X3= Supervisory Support

X4= Organizational Justice

Where the  $\beta_s$  are coefficients of independent variables, Xs are column vectors for the independent variables in this case; job characteristics, rewards & recognition, supervisory support & organizational justice while  $\varepsilon$  is a vector of errors of prediction. The error is assumed to be normally distributed with an expected value of zero and a common variance.

### **3.13 Ethical Considerations**

Ethical considerations are expected to arise in any kind of research study. This paper took into consideration those ethical issues on using proper citation, formulating and clarification of the topic, design, access and use of data, analysis and reporting of the findings in a moral and responsible way.

The researcher tried to get the consent of the participants and assured them that the source of data collected would remain confidential and that their anonymity will be maintained. In addition, the Participants were provided with a covering letter stating the purpose of the questionnaire.

## CHAPTER FOUR

### DATA ANALYSIS, INTERPRETATION AND DISCUSSION

As indicated in the preceding chapters, this research study attempted to examine the factors affecting employee engagement in Dashen Bank S.C Addis Ababa. A total of 287 questionnaires were distributed to employees found in Addis Ababa and 276 (96.2%) useable questionnaires were obtained valid and used for further analysis. The data collected were presented, analyzed and interpreted using SPSS software version 20.

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

Given that all of the independent and dependent variables of the study consist of Likert scale data, and given that the aim of investigation was to test the effect of the independent variables (Job Characteristics, Reward & Recognition, Perception of Organizational justice and perceived supervisory support) on the dependent variable (Employee Engagement), the most appropriate statistical test for testing the hypothesis of the study was found to be measures of central tendency (mean & standard deviation), independent sample T-test, ANOVA, and linear regression analysis.

## 4.1 Demographic Background of Respondents

Descriptive statistics using frequencies was used to analyze the demographic characteristics of the respondents and hence the result of the analysis is described in detail hereunder:

**Table 4.1 Demographic Background of Respondents**

Ser. No.	Background	Distribution	Frequency	Percentage
1	Gender	Male	175	63.4%
		Female	101	36.6%
		Total	276	100.0%
2	Age	Under 25	60	21.7%
		25-34	183	66.3%
		35-44	30	10.9%
		45-54	3	1.1%
		Total	276	100.0%
3	Level of Education	Diploma	11	4%
		1 <sup>st</sup> Degree	230	83.3%
		Masters	35	12.7%
		Total	276	100.0%
4	Work Experience	Below 5 years	191	69.2%
		6 to 10 years	69	25%
		11 to 15 years	16	5.8%
		Total	276	100.0%
5	Job title / Position	Customer service Agent	187	67.8%
		Auditor	15	5.4%
		Cashier	12	4.3%
		Officer	34	12.3%
		Expert	28	10.1%
		Total	276	100.0%

Source: own survey 2017

Table 4.1 presents the demographic information of the respondents. As can be seen from the above table item number one, male respondents took the biggest share of the sample population considered under the study (n=175), which is 63.4% of the sample. The sample is consistent with the distribution of males in the bank as they constitute the biggest number from the total employees of the bank.

Item number 2 shows that the age of the majority of the respondents was found out to be between 25-34, followed by those under 25 and 35-44, those between 35-44 constituted 10.9 % while those between 45-54 constituted 1.1 %. This indicates that the sample is consistent with the distribution of young employees in the bank as majority of the banks employees are found to be young under the age of forty four.

According to item number 3 of the above table, 83.3% of the respondents are found to be first degree holders, followed by those possessing Master's Degree (12.7%) Diploma holders constituted 4%. This implies that majority of the Banks employees are first degree holders this happened because positions equal to and above professional post require a minimum of first degree qualification.

In addition, it was found that 69.2 % of the respondents have been working in the bank below 5 years. Followed by those of service year between 6 to 10 years those in between 11-15 constituted 5.8 %. This implies that most of the employees of the bank have an experience of less than 5 years which is a result of most of the employees of the bank being young & fresh graduates who just joined the bank with zero years of work experience.

Besides, customer service agents took the biggest share of professional employees included in the study (67.8%) followed by officers (12.3 %) and experts (10.1%), Auditors constituted 5.4% and cashiers took a share of 4.3%. customer service agents took the majority

due to the their increasing number in the bank which is a result of the increasing number of newly opened branches by the bank & its effort to provide quality service to customers.

## **4.2 Descriptive Statistics**

Descriptive statistics was employed to examine the mean & standard deviation of the responses of respondents with regards to the four factors affecting employee engagement (job characteristics, rewards & recognition, organizational justice & supervisory support)& the two dimensions of employee engagement ( job & organization engagement)

### **4.2.1 Descriptive Statistics of the four independent variables of the study**

The table below (Table 4.2) reveals the mean & standard deviation of the responses of employees with respect to the four independent variables of the study. Mean score < 3.39 was considered as low, the mean score from 3.40 - 3.79 was considered as moderate and mean score > 3.8 was considered as high as illustrated by comparison bases of mean of score of five point Likert scale instrument(Zaidatol, 2009)

Result of the descriptive analysis of job characteristics was found to be (M= 3.73, S.D = .773) which implies that respondents perceived the existence of moderate job characteristics in Dashen Bank S.C. Result of the descriptive analysis of rewards & recognition was found to be (M= 2.76, S.D = 1.070) indicating that only a low level of reward & recognition is perceived by employees of the bank.

In addition, Result of the descriptive analysis of organizational justice was found to be (M= 3.10, S.D = 1.096) implying a low level of organizational justice is perceived by employees of the Bank. Besides, Result of the descriptive analysis of supervisory support was found to be

(M= 3.73, S.D = .981) implying that the respondents perceived the existence of moderate supervisory support in the Bank.

**Table 4.2 Descriptive statistics of the factors affecting employee engagement**

		Job Characteristics	Reward & Recognition	Organization al Justice	supervisory support
N	Valid	276	276	276	276
	Missing	0	0	0	0
	Mean	3.73	2.76	3.10	3.73
	Std. Deviation	.773	1.070	1.096	.981

Source- own survey 2017

#### **4.2.2 Descriptive statistics of employee engagement & its two dimensions**

In this study the engagement of employees was measured from two aspects namely organization engagement & Job engagement. (See table 4.3 below) the response of the respondents indicates that job engagement (M= 3.94, SD = .570) which implies the existence of high level of job engagement in Dashen Bank S.C. Addis Ababa .organization engagement was found to have (M= 2.62, S.D = 1.074) which implies the existence of low level of organization engagement in Dashen Bank S.C Addis Ababa. This is similar with the finding by Saks (2006) & implies that since organization engagement of the employees is lower than job engagement, the employees can be easily lured to join other competitive banks in the industry. However over all employee engagement was found to have a mean or an average response of 3.63 (S.D= .601) which implies that overall employee engagement in Dashen Bank S.C is moderate.

**Table 4.3 Descriptive Statistics of employee engagement & its two dimensions**

	N	Minimum	Maximum	Mean	Std. Deviation
Job Engagement	276	2	5	3.94	.570
Organization Engagement	276	1	5	2.62	1.074
Employee Engagement	276	2	5	3.63	.601
Valid N (listwise)	276				

Source- own survey 2017

### **4.3 Relationship of Demographic Factors with Employee Engagement**

In this study to test the hypothesis of the demographic factors i.e to check if the level of employee engagement has any relationship with demographic factors (Sex, Age, Level of education & Job position) independent sample T- test & ANOVA were used.

#### **4.3.1 Gender**

An independent sample t-test was conducted to evaluate the hypothesis that the level of employee engagement of males and females differs significantly. Accordingly, the result of the test indicates that the level of employee engagement of males and females differs significantly ( $p < 0.01$ ). Refer table 4.4 below.

**Table 4.4 result of independent sample T-test for Gender**

	Levene's Test for Equality of Variances		t-test for Equality of Means							
	F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference		
								Lower	Upper	
Employee Engagement	2.889	.090	-2.605	274	.010	-.19365	.07434	-.34000	-.04730	
			-2.725	237.896	.007	-.19365	.07106	-.33363	-.05367	

A further look in to the mean response of the two groups indicates that women were found to report a significantly higher level of employee engagement (M=3.75) than their male counterparts which is similar with the findings by Ying Kong (2009) this is a result of the fact that females were found to dedicate themselves more to their organizational role than males because they find more fulfillment from their jobs & value their job more than males which makes them more devoted to their work. In addition, women are generally found to be more responsible & composed than men which increases their engagement levels. Accordingly, we reject the null hypothesis and accept the alternative one (H1).

### **4.3.2 Work Experience**

A One Way ANOVA was conducted to investigate whether the level of employee engagement of respondents varies significantly across work experience. The respondents were divided in to four groups according to their work experience (group1: below 5 years, group2: 6 to 10 years and group3 11 to 15 years and group4 above 16 years). Refer table 4.5 below

**Table 4.5 Result of one way ANOVA for work experience**

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	1.031	2	.515	1.430	.241
Within Groups	98.347	273	.360		
Total	99.378	275			

Source: Own Survey 2017

The results indicate that the level of employee engagement doesn't significantly differ across work experience. Thus, the author found that no relationship exists between years of service and level of engagement in Dashen Bank S.C. This is similar with the finding of Yildirim, (2008) who concluded that no relationship exists between years of service and level of engagement. This implies the fact that employee engagement is a continuous process that never ends & organizations who provide emotionally enriching work experience to their workers maintain high engagement level thus experience has no bearing on engagement of employees. Therefore, we accept the null hypothesis and reject the alternative hypothesis (H2)

### **4.3.3 Educational Qualification**

A one way ANOVA was conducted to investigate whether the level of employee engagement of respondents significantly varies across educational qualification by grouping the respondents in to three categories (diploma, 1<sup>st</sup> degree and Masters). Refer table 4.6 below.

**Table 4.6 result of one way ANOVA for educational qualification**

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.097	2	.049	.134	.875
Within Groups	99.280	273	.364		
Total	99.378	275			

Source: own survey 2017

The results indicate that there is no statistically significant difference between the level of employee engagement across educational qualification which is similar with the findings by Swaminathan and Ananath (2009), where it was found that educational qualification doesn't have a significant influence on the level of engagement of employees. This is because other organizational factors were found to have more effect on the engagement of employees than merely educational qualification. Therefore we accept the null hypothesis and reject the alternative hypothesis (H3)

#### **4.3.4 Age**

An independent sample t-test was conducted to evaluate the hypothesis that the level of employee engagement of respondents significantly varies across age. The respondents were divided in to two groups (below 35 and above 35). Refer table 4.7 below

The result of the analysis indicates that there is no statistically significant difference between the level of employee engagement across ages which is similar with the findings by Swaminathan and Ananth (2009) who concluded that no relationship exists between age of the employees and employee engagement level. This is because different individuals are influenced by different factors & other organizational factors have a more significant effect on engagement

than merely age of employees. Accordingly we accept the null hypothesis and reject the alternative one (H4)

**Table 4.7 Result of Independent Samples Test for Age**

	Levene's Test for Equality of Variances		t-test for Equality of Means							
	F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference		
								Lower	Upper	
Employee Engagement	Equal variances assumed	.554	.457	-.675	274	.500	-.075	.112	-.295	.144
	Equal variances not assumed			-.636	39.794	.528	-.075	.118	-.315	.164

Source: own survey 2017

#### 4.4 Correlation Analysis

In this study, correlation analysis was conducted to understand The relationship between the independent variables ( job characteristics, reward & recognition, organizational justice and supervisory support) with the dependent variable employee engagement and its dimensions work engagement & organization engagement.

Pearson’s correlation coefficient( $r$ ) was used to indicate the strength and direction of relationship using the guide that Evans (1996) suggests for the absolute value of( $r$ ) as mentioned in ( Beldjazia and Alatou, 2016): 0.00-0.19: “**very weak**” ,0.20-0.39: “**weak**”, 0.40-0.59:

“moderate”, 0.60-0.79: “strong” & 0.80-1.0: “very strong”. In addition, the p-value was used to indicate the significance of the relationship.

**Table 4.8 correlation matrix of the independent variables & employee engagement**

		<b>Job Characteristics</b>	<b>Reward &amp; Recognition</b>	<b>Organizational Justice</b>	<b>supervisory support</b>	<b>Employee Engagement</b>
<b>Job Characteristics</b>	Pearson Correlation	1				
	N	276				
<b>Reward &amp; Recognition</b>	Pearson Correlation	.365**	1			
	N	276	276			
<b>Organizational Justice</b>	Pearson Correlation	.280**	.509**	1		
	N	276	276	276		
<b>supervisory support</b>	Pearson Correlation	.302**	.359**	.342**	1	
	N	276	276	276	276	
<b>Employee Engagement</b>	Pearson Correlation	.515**	.444**	.476**	.383**	1
	N	276	276	276	276	276

Source\* own survey 2017

#### **4.4.1 Correlation between job characteristics & employee engagement**

The above table (table 4.8) indicates that there is a moderate positive relationship between job characteristics & employee engagement in Dashen Bank S.C ( $r=.515$ ,  $p<0.001$ ). This finding is similar with Ram & Prabhakar (2011) & implies in this case that employees who are provided with enriched and challenging jobs reciprocate with higher level of engagement.

#### **4.4.2 Correlation between reward & recognition & employee engagement**

Reward & recognition was also found to have a moderate positive relationship with employee engagement ( $r=.444$ ,  $p<0.01$ ). This finding is similar with Ram & Prabhakar (2011) study & indicates in this case when performance receives its due recognition & when employees share in from the benefits of the organization they become further engaged.

#### **4.4.3 Correlation between organizational justice & employee engagement**

According to the above table (table 4.4) Organizational justice and employee engagement were found to be positively & moderately related ( $r= .476$ ,  $p< 0.01$ ). This finding is similar with Ram & Prabhakar (2011) study .This indicates in this case when employees perceive their organization to be fair and consistent in how it implements procedures & how it distributes rewards, the employees become more engaged.

#### **4.4.4 Correlation between supervisory support & employee engagement**

According to the above table (table 4.4) supervisory support was found to have a positive & weak relationship with employee engagement ( $r=.383$   $p<0.01$ ). This is in consistence with the findings by Saks 2006 where supervisory support was found to have a positive relationship with employee engagement. this indicates in this case that employees tend to view their supervisor's orientation toward them as indicative of the organization's support & when they believe that their organization is concerned about them and cares about their well -being, they respond by fulfilling their obligations to the organization by becoming more engaged.

**Table 4.9 correlation matrix of the independent variables & employee engagement dimensions**

		Job Characteristics	Reward & Recognition	Organizational Justice	supervisory support	Job Engagement	Organization Engagement
Job Characteristics	Pearson Correlation	1					
Reward & Recognition	Pearson Correlation	.365**	1				
Organizational Justice	Pearson Correlation	.280**	.509**	1			
supervisory support	Pearson Correlation	.302**	.359**	.342**	1		
Job Engagement	Pearson Correlation	.312**	.152*	.299**	.238**	1	
Organization Engagement	Pearson Correlation	.349**	.464**	.475**	.284**	.268**	1
	N	276	276	276	276	276	276

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

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

Source- own survey 2017

According to the above table, the four independent variables (job characteristics, reward & recognition, organizational justice & supervisory support) were found to be positively and significantly related with both job & organization engagement. In addition, it was demonstrated that Job characteristics was found to be more positively & significantly related to job engagement when compared with the other variables ( $r = .312, p < 0.01$ ). This is similar with the finding of Saks (2006) in which job characteristics were found to predict job engagement. Indicating that in this case employees whose jobs are designed to be using their skill set & whose work is significant in the final outcome experienced stronger job engagement.

Organizational justice ( $r = .475, p < 0.01$ ) and reward & recognition ( $r = .464, p < 0.01$ ) were more positively & significantly related with organization engagement when compared with other variables this is similar with the findings by Saks (2006). suggesting that employees who receive a greater amount of rewards and recognition for their role performance as well as those

employees who perceive their organization to be fair and consistent in how it implements procedures & how it distributes rewards, are more likely to Reciprocate with greater organization engagement.

In addition supervisory support was found to be positively related to reward & recognition( $r=.359$ ,  $p<0.01$ ) which is similar with the findings by Ram & Prabhakar (2011) indicating that supervisor evaluation & recommendation is pivotal in ensuring equitable reward for performance.

Supervisory support was also found to be positively related to organizational justice ( $r=.342$ ,  $p<0.01$ ) this finding is similar with that of Ram & Prabhakar (2011) indicating that supervisors played a major role in implementation of procedures & distribution of rewards & benefits in a fair & unbiased manner.

In addition, Supervisory support was found to have a positive relation with job characteristics ( $r=.302$ ,  $p< 0.01$ ) which is similar with the finding of Ram & Prabhakar (2011) & means greater autonomy, timely feedback and other job characteristics are related to how supervisors support their employees.

#### **4.5 Regression Analysis**

Regression analysis was conducted to understand by how much the combination of independent variables explains the dependent variable. Before regression analysis was conducted, normality & multi-co-linearity tests were conducted to test regression assumptions. The results are presented as follows.

### 4.5.1 Multi-co linearity

One major assumption that applies in multiple regression analysis is the existence of a very high correlation between the independent variables of the study which is termed as Multi-co linearity (Burns and Burns, 2008)

In this research multi co linearity was checked with tolerance and VIF statistics. Andy (2006) suggests that a tolerance value less than 0.1 almost certainly indicates a serious co linearity problem. Burns and Burns (2008) also state that a VIF value greater than 10 is also a concern. In this study, all of the independent variables were found to have a tolerance of more than 0.1 and a VIF value of less than 10 (see table 4.6 below) which indicates that Multi-co linearity is not an issue in this study.

**Table 4.10 Result of Multi co linearity test**

Model	Co linearity Statistics	
	Tolerance	VIF
Job Characteristics	.828	1.208
Organizational Justice	.707	1.415
Supervisory Support	.810	1.234
Reward & Recognition	.665	1.504

Source: own survey 2017

### 4.5.2 Normality Test

According to West et al. (1996) as stated in Kim (2013), interpretation of normality is based on the absolute value of skewness and kurtosis & substantial non-normality is referred for absolute value of skewness larger than 2 & absolute value of kurtosis larger than 7. Thus, based

on the result of the table below (table 4.11), the normality of the distribution is satisfied for this data.

**Table 4.11 Result of normality test**

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Job Characteristics	276	-1.498	.147	1.530	.292
Reward & Recognition	276	.210	.147	-1.251	.292
supervisory support	276	-1.365	.147	1.254	.292
Organizational Justice	276	-.243	.147	-1.434	.292
Employee Engagement	276	-.253	.147	.100	.292
Valid N (listwise)	276				

### 4.5.3 Multiple Regression Analysis

The results of multiple regression analysis reveals that the four independent variables (Job characteristics, Reward & Recognition, Organizational Justice and Supervisory support) significantly affect employee engagement (see table 4.11 below). The adjusted R<sup>2</sup>= .410 which indicates that 41% of the variation in employee engagement is explained by the four independent variables of the. Study in addition, F= 48.723 and p= 0.000 which indicates a significant regression model.

**Table 4.12 result of multiple linear regression analysis**

Model	Un standardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.637	.155		10.527	.000
1 Job Characteristics	.273	.040	.351	6.903	.000
Reward & Recognition	.074	.032	.132	2.318	.021
Organizational Justice	.144	.030	.263	4.773	.000
supervisory support	.086	.032	.140	2.714	.007

a. Dependent Variable: Employee Engagement

Source: own survey 2017

According to the above table, job characteristic is one factor that significantly affects employee engagement in Dashen Banks S.C. Its dimensions include the five core job characteristics (i.e. skill variety, task identity, task significance, autonomy, and feedback).

This is in line with the findings by Kahn (1992) that jobs that are high on the core job characteristics provide employees with motivation to be more engaged. The results of the study is also supported by Ram and Prabhakar(2011) finding that respondents whose jobs were designed to be using their skill sets, and whose work was significant In the final outcome experienced a higher level of engagement at work. Therefore, we accept the hypothesis (H5) that job characteristics have a significant effect on Employee Engagement in Dashen Bank S.C.

Reward & recognition (which includes pay raise, promotion opportunities, payment, training & development opportunities, and praise from supervisor, challenging work assignment, & public recognition) was also found to be another factor that significantly affects employee engagement in DashenBank s.c.

The result of this study is in line with the findings by Kahn (1990) who reported that people vary in their engagement as a function of their perceptions of the benefits they receive

from a role i.e employees become more engaged at work when they receive a greater amount of rewards and recognition for their role performances. The results of the study are also supported by Ram and Prabhakar (2011) findings that when performance receives its due recognition and share of the pie employees are further engaged. Therefore, we accept the hypothesis (H6) that reward & recognition has a significant effect on Employee Engagement in Dashen Banks S.C.

Supervisory support (which includes availability of help from supervisor, assistance to perform a job to the best of one's ability etc.....) was also found to be another factor that significantly affects employee engagement in Dashen Banks S.C.

This result is in line with the findings by Ram and Prabhakar(2011) that supervisor support plays a significant role in building a sense of belongingness and motivating employees to become more engaged in their job and organization. Further, Hirimuthugoda (2014) also identified that there is a positive relationship between perceived supervisory support and employee engagement since employees feel safe in work environments that are characterized by openness and supportiveness they reciprocate with higher level of engagement. Therefore, we accept the hypothesis (H7) that supervisory support has a significant effect on Employee Engagement in Dashen Banks S.C.

Organizational justice (which includes procedural and distributive justice) was also found to be another factor that significantly affects employee engagement in Dashen Bank S.C.

This result is supported by the findings of Alvi and abbasi (2012) who suggested that organizational justice plays important role in promoting employee engagement in corporate sector particularly in banking. The results of the study are also supported by Ram and Prabhakar (2011) who confirmed that organizational justice has a significant effect on employee engagement. This indicates in this case when employees perceive their organization to be fair

and consistent in how it implements procedures & how it distributes rewards, the employees become more engaged. Therefore, we accept the hypothesis (H8) that Organizational justice has a significant effect on Employee Engagement in Dashen Bank S.C.

In addition, by looking at the results of coefficient of Beta values, it can be inferred that job characteristics ( $\beta = .351$ ,  $p < 0.00$ ) has the highest effect on employee engagement in Dashen Bank S.C. followed by organizational justice ( $\beta = .263$ ,  $p < 0.00$ ).

#### **4.6 Result of Interview questions**

In addition to distributing questionnaires, interview was also used as another data collection method in which two higher management officials of the bank were interviewed (Human Resource Development Director & Benefit Administration and employee relations manager. Accordingly, the researcher forwarded a couple of open ended questions so as to understand what the bank has been undertaking with respect to employee engagement.

The results obtained from the interview reveal that the bank has been taking several initiatives to make the employees more engaged which include offering training & development opportunities, providing various types of benefits like staff housing & car loans, covering full amount of tuition fee for first degree education, medical expense coverage of staff including spouse & child which is up to 90%, revising its fuel allowance based on the market trend and the like.

In addition, it was mentioned that the bank has recognition scheme which takes place once a year during the banks family day event in which best performer employees are selected from each branch & department and their names are called on the stage & displayed on big

screen this employees are then awarded certificate of appreciation & one month salary as a bonus. A staff that has been selected more than twice is given priority during promotion so that he/ she keep performing well.

on top of this, it was found that even though the bank has been undertaking various initiatives to make its employees more engaged & motivated & to be competitive in the industry, it didn't undertake an engagement survey to measure the impact of the initiatives on the engagement of employees & also It was also mentioned that the bank doesn't have a culture of conducting formal employee engagement surveys. On the other hand, it was further stated that the issue of engagement has been raised in various internal meetings lately & the bank plans to work more on it which it aims to begin by formally measuring the impact of its current initiatives on the engagement of employees.

#### **4.7 Result of quantitative & qualitative analysis**

In this study both quantitative & qualitative analysis were used to collect data from employees of the bank in which questionnaires were distributed to professional employees of the bank found in Addis Ababa area & interview conducted with selected management officials of the bank.

The results reveal that even though the bank has been taking various initiatives to improve the engagement of employees such as providing training & development, rewards & benefits and the like, they are perceived to be low by the employees of the bank for example, the rewards provided by the bank such as benefits & recognition and also organizational justice such as how policies and procedures are implemented & rewards are distributed were perceived to be low.

However, since the bank doesn't have a culture of conducting employee engagement survey it was not able to identify how its initiatives are perceived by the employees or what impact they had on them. Therefore, the need arises for the bank to take these factors in to consideration & give attention to employee engagement in the future since having an engaged work force would help it to achieve its objective & serve as competitive advantage over the others.

## **4.8 Discussion**

This study attempted to examine the factors affecting employee engagement in Dashen Bank S.C Addis Ababa area. The results obtained demonstrate that from the selected demographic variables the level of employee engagement varies with gender in which females were found to have a significantly higher level of employee engagement than males.

This result is similar with the findings by Kong (2009) & is a result of the fact that females were found to dedicate themselves more to their organizational roles than males because they find more fulfillment from their jobs & they value their jobs more than males. In addition, females are generally found to be more responsible & composed than males which increases their engagement levels.

The study also revealed that the four selected independent variables i.e job characteristics, reward & recognition, organizational justice and supervisory support significantly affect employee engagement in Dashen bank S.C. The results are consistent with the results obtained by Kahn (1990, 1992), Ram & Prabhakar (2011), Saks (2006), Alvi & Abbasi (2012) & Hirimuthugoda (2014) (among others).

This is because employees who are provided with jobs that are higher on job characteristics are likely to reciprocate with higher levels of engagement & also when employees perceive the presence of organizational justice, reward & recognition and supervisory support they are likely to reciprocate with higher level of engagement.

The study also confirmed Saks (2006) argument that employee engagement can be understood in terms of Social Exchange Theory (SET). That is employees who are provided with the necessary resources to perform their jobs & those who are provided with benefits & recognition for their performance are more likely to reciprocate with greater levels of engagement.

**Table 4.13 Summary of Hypothesis testing**

<b>S.N</b>	<b>Hypothesis</b>	<b>Result</b>
1	<b>H1:</b> There is a significant difference between the level of employee engagement of males & females in Dashen Bank S.C	Accepted
2	<b>H2:</b> There is a significant difference between the levels of employee engagement across work experience in Dashen Bank S.C	Rejected
3	<b>H3:</b> There is a significant difference between the levels of employee engagement across Educational Qualifications in Dashen Bank S.C	Rejected
4	<b>H4:</b> There is a significant difference between the levels of employee engagement across Age in Dashen Bank S.C	Rejected
5	<b>H 5:</b> High job characteristics have a significant effect on Employee Engagement in Dashen Bank	Accepted
6	<b>H6:</b> Rewards & Recognition have a significant effect on Employee Engagement in Dashen Bank	Accepted
7	<b>H7:</b> Perceived supervisory support has a significant effect on Employee Engagement in Dashen Bank	Accepted
8	<b>H8:</b> perception of organizational Justice has a significant effect on	Accepted

<b>S.N</b>	<b>Hypothesis</b>	<b>Result</b>
	Employee Engagement in Dashen Bank	

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter presents summary of findings, the conclusion of the study based on the research findings and recommendation for the bank on areas that need improvement.

#### 5.1 Summary of Findings

The purpose of this study was to investigate the factors affecting employee engagement in Dashen Bank S.C Addis Ababa area by using both qualitative & quantitative data's (mixed approach). The summaries of major findings are as follows:

- Result of the descriptive analysis of job characteristics was found to be (M= 3.73, S.D = .773) which implies that respondents perceived the existence moderate job characteristics in Dashen Bank S.C. While rewards & recognition was found to be (M= 2.76, S.D = 1.070) indicating that only a low level of reward & recognition is perceived by employees of the bank. In addition, organizational justice was found to be (M= 3.10, S.D = 1.096) implying a low level of organizational justice is perceived by employees of the Bank. While supervisory support was found to be (M= 3.73, S.D = .981) implying that the respondents perceived the existence of moderate level of supervisory support in the Bank.
- The result of descriptive analysis of employee engagement dimensions indicates the existence of high level of job engagement (M= 3.94, SD = .570) & low level of organization engagement (M= 2.62, S.D = 1.074) in Dashen Bank S.C Addis Ababa. in addition, overall employee engagement level was found to be moderate( M= 3.63, S.D = .601)

- The results of Independent sample t-test and ANOVA analysis reveals that from the selected demographic variables namely Gender, work experience, level of education and age the level of engagement of employees was found to significantly vary with gender
- Result of correlation analysis indicates that there is a moderate positive relationship between job characteristics & employee engagement in Dashen Bank S.C ( $r=.515$ ,  $p<0.001$ ). While Reward & recognition was found to have a moderate positive relationship with employee engagement ( $r=.444$ ,  $p<0.01$ ).in addition, Organizational justice and employee engagement have a moderate positive relationship ( $r= .476$ ,  $p< 0.01$ ). While supervisory support & employee engagement were found to have a weak positive relationship ( $r=.383$   $p<0.01$ ).
- Supervisory support was also found to be positively & significantly correlated with reward & recognition ( $r=.359$ ,  $p<0.01$ ), organizational justice ( $r=.342$ ,  $p<0.01$ ) & job characteristics ( $r=.302$ ,  $p<0.01$ ).
- Result of Multiple linear regression analysis reveals that all of the four independent variables of the study significantly affect the level of employee engagement in Dashen Bank S.C. However, by looking at the results of coefficient of Beta values, it was inferred that job characteristics ( $\beta =.351$ ,  $p< 0.00$ ) has the highest effect on employee engagement in Dashen Bank S.C. followed by organizational justice ( $\beta =.263$ ,  $p< 0.00$ ).
- In addition, the result of interview with management of the bank reveals that though the bank has been undertaking various measures to make the employees more engaged & motivated it doesn't have a culture of conducting formal employee engagement surveys.

## 5.2 Conclusion

Based on the findings of the study the following conclusions were made:

The study demonstrated that there is a significant difference on the level of employee engagement across sex in Dashen Bank s.c which shows that the bank needs to consider this demographic issue while trying to design mechanisms to improve the engagement of employees.

The results obtained also reveal that the banks rewards & recognition & organizational justice are perceived to be low therefore; the bank needs to work on them. In addition, by looking at the results of coefficient of beta values, job characteristics & organizational justice were found to have the highest effect on employee engagement in Dashen Bank S.C therefore, the Bank needs to work more on these areas.

In addition, the results obtained reveal the existence of a higher level of job engagement than organization engagement in the bank which shows the bank that it needs to work on increasing organization engagement of employees.

The study also demonstrated the importance of four variables (namely job characteristics, rewards & recognition, organizational justice and supervisory support) in predicting employee engagement in Dashen Bank S.C. This would help the Bank to identify how these factors are operating currently and work on them to improve the level of employee engagement in Dashen Bank s.c.

The study also demonstrated that Social Exchange Theory (SET) can serve as a basis to understand employee engagement in Dashen Bank s.c in that employees who are provided with jobs that are higher on job characteristics are likely to reciprocate with higher levels of engagement & also when employees perceive the presence of organizational justice, reward &

recognition and supervisory support they are likely to reciprocate with higher level of engagement.

The study had an implication for managers in particular management of Dashen Bank S.C in that the findings would help them to understand the importance of social exchange for employee engagement. In particular, the results of the study implied that managers need to provide employees with resources and benefits that will oblige them to reciprocate in kind with higher levels of engagement.

The results of the study also revealed that the bank doesn't have a culture of conducting formal employee engagement surveys & that it doesn't have any idea about how its current initiatives are affecting the engagement of employees therefore, the results of the study would help the bank to identify the importance of conducting employee engagement survey as it would help it to focus on key areas.

### **5.3 Recommendation**

Based on the findings of the study the following recommendations have been forwarded to the bank:

While designing employee engagement strategies the bank needs to take in to account the different needs of the various demographic groups mainly gender. Since the different needs and expectations of employees of different gender commands different treatment, the bank should take this in to consideration & follow best fit approach while designing employee engagement strategies rather than a holistic or one size fits all approach. For example, the bank could employ various types of work life balance schemes like providing on compound day care services for

employees with children specially breast feeding female employees so that they can continue to be engaged in their jobs as well as take care of their children.

Since job characteristics were found to be the most significant predictor of employee engagement in Dashen Bank S.C, it should focus on designing jobs that are high on the five core job characteristics. For example:

- It needs to enforce job rotation which would decrease the probability of workers being bored of their job since they will not be stuck on only one job for years on end.
- It needs to combine different tasks in a job which would enable it to enhance task identity and task significance

Since reward and recognition were found to be one of the factors affecting employee engagement & they were perceived to be low, the bank could employ various mechanisms for instance revising its rewards such as salary & other benefits according to changes in the market trend and also it should work more on providing training & development opportunities, career advancement & promotion opportunities among other things.

Even though the bank already has some sort of public recognition scheme in which best performer employees are selected once a year and their names called out in public during the annual family day of the bank, employees are often heard complaining that the scheme is subjected to abuse as those employees with a lot of friends are chosen instead of the hard working ones. Therefore, the bank needs to work more on it to make it more transparent & fair for example by asking customers of branches to vote for employees they perceive to be hard working, choosing employees based on the performance standard set for them & whether they achieve it etc...

Also since supervisory support significantly affects employee engagement the bank needs to take this under consideration and provide various types of leadership trainings to its supervisors and managers on how to properly communicate with and provide support for subordinates.

In addition, managers or supervisors of the bank need to ensure that employees have all the resources they need to do their job & should provide timely feedback to subordinates regarding their performance & should encourage open lines of communication with them.

Since organizational justice was also found to significantly affect the level of employee engagement & was found to be low, the bank needs to work more on it & could employ the following mechanisms to create an atmosphere of fairness & increase employees perception of fairness in Dashen Bank s.c

- For most job candidates, the recruiting and selection process is their first introduction to an organization. How they are treated at this time can have ramifications later therefore the bank needs to be fair & consistent while conducting recruitment and selection.
- After the employees joined the organization the bank should be fair and consistent in terms of how it provides rewards and benefits to the employees.
- The bank should be fair and consistent during employing dispute resolution mechanisms and also conducting performance appraisals and implementation of organizational policies and procedures. i.e the policies shouldn't discriminate any one and should be applied consistently.

The results of interview with management reveals that the bank doesn't have a culture of conducting engagement surveys therefore the bank needs to understand that Employee

engagement is not be a onetime exercise only. Hence, the bank needs to take that in to consideration and conduct engagement surveys from time to time and try to take corrective measures thereof.

For example, when the bank conducts regular engagement surveys it should try to determine all the factors driving employee engagement then it can narrow down the list of factors to focus on two or three areas. It can begin by focusing on the factor that will make the most difference to the employees & put energy around improving that area as it may be difficult to address all factors at once. for example the result of this study reveal that job characteristics has the highest effect on employee engagement in the bank therefore the bank needs to focus more on improving it by employing the above mentioned mechanisms.

#### **5.4 Areas of Future Research**

The results of this study suggest that employee engagement is a meaningful construct that is worthy of future research. Hence, there are several avenues to consider. The scope of the study can be further increased and enriched to include personality variables that might predict employee engagement like self-esteem and locus of control. It could also include other organizational variables than those mentioned in this study to identify their effect on employee engagement in Ethiopian context.

The study can also include other methods like in-depth interviews, focus group interviews, nominal group technique etc. the sample size can be bigger and broader to increase the representativeness& it can also be conducted at the banking industry level (i.e. by including other private and public banks) and or across countrywide (including other industries) so that the results can be more generalized.

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**Annex- 1**  
**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE**  
**GRADUATE PROGRAM**  
**MASTER'S OF ARTS IN HUMAN RESOURCE MANAGMENT**

**Dear Respondent:**

I would like to express my earnest appreciation for your generous time, honest and prompt response.

**Objective of the questionnaire**

This questionnaire is designed to collect data about “**Factors Affecting Employee Engagement in Dashen Bank S.C Addis Ababa**” The information that you provide me with this questionnaire will be used as primary data in my case research. This research is to be evaluated in terms of its contribution in understanding the factors affecting employee Engagement at Dashen Bank S.C Addis Ababa and its contribution to improvement in this area. As a result, the effectiveness of the research is highly dependent on your contribution of providing accurate & reliable data. Information gathered will be treated with utmost confidentiality and will not be used for any other purpose i.e. the secrecy of the information you provide is strictly protected.

**Voluntary Participation**

Please note that participation in this research is entirely voluntary

**Section I: Demographic profile**

**INSTRUCTIONS:** This part of the questionnaire asks you're personal and job related information. Please respond to each question by circling the choice that represents your personal profile.

**1. Sex**

1. Male      2. Female

**2. Age**

- 1) Under 25    2) 25-34    3) 35-44    4) 45-54    5) 55 and above

**3. Level of Education**

- 1) Diploma      2) First Degree    3) Masters      4) PHD and above

**4. Work experience in the Bank**

- 1) Up to 5 years    2) 6 to 10 years    3) 11 to 15 years    4) over 16 years

**5. Job title / Position**

- 1) Customer service agent    2) Auditor    3) Cashier    4) Officer    5) Expert

## Section II: Factors affecting employee engagement

**INSTRUCTIONS :** The following statements are designed to assess the impact of four variables on Employee Engagement in Dashen Bank S.C Please indicate your level of agreement/disagreement with each of the statements by putting (√) mark inside the box

	1	2	3	4	5
<b>1. Job Characteristics</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
<b>6.</b> The job allows me to make a lot of decisions on my own.					
<b>7.</b> The job gives me considerable opportunity for independence and freedom in how I do the work					
<b>8.</b> The job involves doing a number of different things.					
<b>9.</b> the Job requires me to do many different things at work, using a variety of my skills & talents					
<b>10.</b> This job is one in which a lot of people can be affected by how well it gets done					
<b>11.</b> This job involves doing whole and identifiable piece of work with an obvious beginning and end.					
<b>12.</b> managers or coworkers let me know how well am doing on my job					
<b>13.</b> Doing the job it Self provides me with information about my work performance.					
<b>14.</b> The actual work itself provides clues about how well I am doing aside from any feedback coworkers or supervisors may provide.					

	1	2	3	4	5
<b>2. Rewards and Recognition</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
15. a pay raise is available for me					
16. Promotion opportunities are available for me					
17. I am rewarded well for my contribution					
18. I get praise from my supervisor					
19. training and development opportunities are available for me					
20. More challenging work assignments are available for me.					
21. There is some form of public recognition (eg best performer award.					
22. I receive appropriate recognition (beyond my pay) for my contributions and accomplishments					

	1	2	3	4	5
<b>3. Perception of Organizational justice</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
23. The outcomes I receive are appropriate for the work I complete					
24. the outcomes I receive reflect what I have contributed to the organization					
25. The outcomes I receive reflect the effort I put in to my work					
26. I have had influence over the outcomes arrived at by those procedures ( procedures of the bank)					
27. Those procedures have been applied consistently					
28. Those procedures have been free of bias					
29. I have been able to express my views and feelings during those procedures.					
30. I have been able to appeal about the outcomes arrived at by those procedures					
31. Those procedures have upheld ethical & moral standards					

	1	2	3	4	5
<b>4. Perceived supervisory support</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
32. My supervisor cares about my opinions					
33. My supervisor strongly considers my goals & values					
34. Help is available from my supervisor when I have a problem					
35. My supervisor gives me a freedom to try new ways to solve problem					
36. My supervisor is willing to offer assistance to help me perform my job to the best of my ability.					

### Section III: level of Employee Engagement

**INSTRUCTION:** The following statements are designed to assess the level employee engagement in Dashen Bank S.C from two aspects which are Job & organizational engagement Please indicate your level of agreement / disagreement with each of the statements by putting (√) mark inside the boxes.

<b>Employee Engagement</b>	1	2	3	4	5
	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
<b>Job Engagement</b>					
37. I really throw myself in to the job					
38. time passes quickly when I perform my job					
39. I stay until the job is done					
40. I get excited when I perform well on my job					
41. I am highly engaged in my job					
<b>Organization Engagement</b>					
42. being a member of this organization is very captivating					
43. one of the most exciting things for me is getting involved with things happening in the organization					
44. being a member of this organization makes me excited					
45. I am highly engaged in this organization					

## Annex 2

### **Interview Questions**

1. What initiatives & approaches has Dashen Bank s.c used to encourage employees to become or continue to be engaged in their job & organization?
2. Does the Bank have a culture of conducting employee engagement surveys or is there any survey conducted by the bank to measure the impact of the initiatives (if any) on the engagement of employees? If so what was the result obtained?
3. What is the bank planning to do in the near future regarding employee engagement?