



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

The Effect of Employees Engagement on Strategy Implementation – The Case of Wegagen Bank

A Thesis submitted to School of Graduate Studies of Addis Ababa University College of Business and Economics in Partial Fulfillment of The Requirements for the Award of Master of Science in Management

By: Yeneneh Abebaw: GSE/0378/11

Advisor: Asres Abitie(PhD)

May, 2021

Addis Ababa

Addis Ababa University
College Business and Economics
Msc Program in Management

***The Effect of Employee Engagement on Strategy
Implementation: A Case of Wegagen Bank***

By

Yeneneh Abebaw

Approved by:

Asres Abitie (PhD)

Name of Advisor

Signature

Date

Zelalem G/Tsadik (PhD)

Name of Internal Examiner

Signature

Date

Habtamu Endris (PhD)

Name of External Examiner

Signature

Date

Chairman of the Department

Signature

Date

The Effect Of Employee Engagement On Strategy Implementation

STATEMENT OF CERTIFICATION

This is to certify that Yeneneh Abebaw has carried out his research work entitled ***“The Effect of Employee Engagement on Strategy Implementation: the Case of Wegagen Bank”*** for the partial fulfillment of award of Masters of Science in Management at Addis Ababa University, College of Business and Economics. This study is original and is not submitted for any Degree in this University or any other Institutions.

Approved by:

Name: **Aseres Abitie (PhD)**

Signature: _____

Date: _____

The Effect Of Employee Engagement On Strategy Implementation

STATEMENT OF DECLARATION

I, hereby, declare that this thesis /Project work/entitled “***The Effect of Employee Engagement on Strategy Implementation: the Case of Wegagen Bank***” is based on my original research work carried out by myself under the supervision and guidance of Asres Abitie (PhD). I also declare that this study has not been submitted earlier in full or in a part there, for the award of other similar Degree, Diploma, Fellowship, or any other similar titles to this or any other University or Institution.

Name of the Researcher: Yeneneh Abebaw

Signature: _____

Date: _____

ACKNOWLEDGEMENT

First, I would like to thank to my God for keeping my health, strength and giving me everything I deserve.

Next, I give my gratitude to my advisor: Asres Abitie (PhD), for his suggestion to conduct the research with this topic, and for his subsequent encouragements, valuable comments and directions.

Third, I would like to thank the staff of Wegagen Bank for their unreserved cooperation in filling the questionnaires and their timely responses.

Finally, I also owed special debt to my friends and co-workers who have been besides me with their moral support and assistance throughout the process of the study.

The Effect Of Employee Engagement On Strategy Implementation

ABSTRACT

The purpose of this research is to investigate the effect five selected components of employee engagement (leadership, training & development, empowerment, communication, rewards & recognition) on strategy implementation in the case of Wegagen Bank. The study used stratified sampling method to collect data from the population of the bank targeted at head office, Addis Ababa districts and city branches. Data were collected using structured questionnaire and analyzed using Quantitative descriptive and inferential statistics methods. Hence, descriptive statistics was used to analyze the mean, standard deviation, and frequency distribution of the variables under consideration, whereas Pearson correlation coefficient and multiple regressions were used to analyze the inferential statistics. The study found out that, leadership, training & development, empowerment and communication have significant positive effect on strategy implementation. On the other hand, the rewards& recognition has been found to have positive yet insignificant effect on strategy implementation. The study recommends undertaking further researches affecting strategy implementation by including external factors which this research has not included in its scope of study.

Key words: *employee engagement, strategy implementation, leadership, training & development, empowerment, communication, rewards & recognition*

The Effect Of Employee Engagement On Strategy Implementation

TABLE OF CONTENT

ACKNOWLEDGEMENT	i
ABSTRACT.....	ii
LIST OF TABLES	vi
LIST OF FIGURES.....	viii
ABBREVIATION /ACRONYM.....	ix
CHAPTER ONE.....	1
INTRODUCTION	1
1.1. Background of the Study.....	1
1.2. Statement of the Problem	3
1.3. Research Questions.....	5
1.4. Research Objectives.....	5
1.4.1. General objectives	5
1.4.2. Specific objectives	5
1.5. Significance of the Study	6
1.6. Scope of the Study	6
1.7. Limitation of the Study.....	7
1.8. Organization of the Study	7
CHAPTER TWO	8
LITRATURE REVIEW	8
2.1. Introduction	8
2.2. Employee Engagement	8
2.2.1. Evolution and definitions of employee engagement	8
2.2.2. Models of Employee Engagement	10
2.3. Strategy Implementation.....	20
2.3.1. Overview of strategy implementation	20
2.3.2. Key Dimensions of Successful Strategy Implementation	21
2.4. The Effect of Employee Engagement on Strategy Implementation	27

The Effect Of Employee Engagement On Strategy Implementation

2.5. Empirical Research Reviews	29
2.6. Conceptual Framework	33
2.7. Study Hypothesis	34
CHAPTER THREE	35
RESEARCH DESIGN AND METHODOLOGY	35
3.1. Background of Wegagen Bank	35
3.2. Research Design	36
3.3. Research Approach.....	37
3.4. Sampling Design.....	37
3.4.1. Target population and sampling frame.....	37
3.4.2. Study subject.....	38
3.4.3. Sampling techniques	39
3.4.4. Sample size	40
3.5. Data Sources and Research Instrument	42
3.5.1. Operationalization of the constructs	42
3.5.2. Instrument validity.....	44
3.5.3. Instrument reliability.....	44
3.6. Data Analysis Methods.....	46
3.6.1. Descriptive Statistics	46
3.6.2. Correlation analysis	47
CHAPTER FOUR.....	49
DATA PRESENTATION, ANALYSIS AND INTERPRETATION	49
4.1. Introduction	49
4.2. Questionnaire Response Rate	49
4.3. Descriptive Analysis	49
4.3.1. Demographic characteristics of the respondents.....	49
4.3.2. Descriptive statistics on study variables	53
4.4. Inferential Statistics	63
4.4.1. Correlation analysis	63

The Effect Of Employee Engagement On Strategy Implementation

4.4.2. Testing Assumptions of Classical Linear Regression Model (CLRM)	66
4.4.3. Multiple Regression analysis.....	68
4.4.4. Hypothesis testing	75
CHAPTER FIVE	79
SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.....	79
5.1. Introduction	79
5.2. Summary of Findings.....	79
5.3. Conclusion.....	82
5.4. Recommendation.....	83
REFERENCES.....	87
Appendices	I

The Effect Of Employee Engagement On Strategy Implementation

LIST OF TABLES

Table 2.1: collection of employee engagement definition from literature.....	9
Table 2.2: empirical studies about factors affecting employee engagement.....	29
Table 3.1: population size of the bank on the basis of occupational categories...	35
Table 3.2: districts and number of branches under district domain.....	35
Table 3.3: population distribution on the basis of occupational categories.....	40
Table 3.4: sample size determination.....	41
Table 3.5: sample size distribution on the basis of occupational categories.....	41
Table 3.6: operationalization of constructs.....	43
Table 3.7: decision rules for alpha values.....	45
Table 3.8: Cronbach values for study variables.....	46
Table 4.1: age category of respondents.....	50
Table 4.2: gender distribution of respondents.....	50
Table 4.3: service year distribution of respondents.....	51
Table 4.4: educational background of respondents.....	52
Table 4.5: workplace of respondents.....	52
Table 4.6: occupational categories of respondents.....	50
Table 4.7: description of statistics result on leadership.....	53
Table 4.8: description statistics result on training and development.....	56
Table 4.9: description statistics result on empowerment.....	57
Table 4.10: description statistics result on communication.....	58
Table 4.11: description statistics result on rewards and recognition.....	59
Table 4.12: description statistics result on employee engagement.....	60
Table 4.13: description statistics result on strategy implementation.....	61
Table 4.14: summary of descriptive analysis.....	62

The Effect Of Employee Engagement On Strategy Implementation

Table 4.15: correlation values for the study variables.....	64
Table 4.16: correlation between employee engagement and strategies implementation.....	65
Table 4.17: testing for autocorrelation assumption.....	67
Table 4.18: testing multicollinearity assumption.....	68
Table 4.19: regression analysis model.....	69
Table 4.20: ANOVA test.....	71
Table 4.21: testing significance of beta coefficients.....	72

LIST OF FIGURES

Fig. 2.1: Hewitt’s engagement model.....10

Fig 2.2: Sakes model of employee engagement.....11

Fig 2.3: Penna’s (2007) Hierarchical Model.....12

Fig.2.4: Robinson’s model of employee engagement drivers.....13

Fig. 2.5 conceptual model for the study.....33

Fig. 4.1: scatter plot for testing homoscedasticity.....annex II

Fig. 4.2: Frequency distributions for the residual errors..... annex II

Fig. 4.3: normal P-P plot of regression.....annex II

ABBREVIATION / ACRONYM

- ANOVA:** Analysis of Variance
- B:** Beta coefficient of the model equation
- CLRM:** Classical Linear Regression Model
- Df.** Degree of freedom
- ε :** Error Term
- Ha:** Alternative hypothesis
- IEBC:** Independent Electoral and Boundaries commission
- NGO:** Non –Governmental Organization
- NPP:** Normal Probability Plot
- OLS:** Ordinary Least Square
- SD:** Standard Deviation
- SPSS:** Statistical Package for Social Sciences
- VIF:** Variance Inflation Factor

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Employee engagement has become a major issue for all types of businesses after the period, 1990. It is for this reason that high-performance theory considers employee engagement (which is the intellectual and emotional attachment that an employee has for his or her work), as the heart of performance especially among knowledge workers (Holbeche & Matthews, 2012).

The concept of employee engagement is considered by researchers as a desirable condition and related to old management issues such as job satisfaction, motivation and commitment, yet stronger and more powerful. Nowadays, many organizations have their own engagement meanings, measurement tools, and have been conducting various surveys related to it (Imparatori, 2017).

Cook (2008) conceptualized employee engagement as the passion and energy employees deliver their best to their organizations. This means that it is all about the willingness as well as the ability of employees to give sustained discretionary effort to help their organization succeed. It is also characterized by employees' commitment to the organization to go above and beyond what is expected of them to deliver outstanding service. Engaged employees feel inspired by their work; are customer oriented in their approach; worry about the future of the company, and are prepared to invest their own effort to see that the organization succeeds.

Jogi& Srivastava (2015, p. 66) revealed the importance of employee engagement is clear when looking at the differences in performance between work teams with high and low levels of employee engagement. Employee engagement program is a powerful evidence of its impact on the profitability of an organization. Based on the report of *The State of the American Workplace: Employee Engagement Insights for U.S. Business Leaders* report, they further claimed that “engaged workers are

The Effect Of Employee Engagement On Strategy Implementation

the lifeblood of their organizations”, and this is more evident in the case of banking industry.

Many research studies have tried to identify factors leading to employee engagement and developed models to draw implications for managers. Their diagnosis aims to determine the drivers that will increase employee engagement levels. Most factors that are found to derive employee engagement are non-financial in nature, though the importance of financial aspects is not discredited (Swarnalatha &Prasanna, 2012). Among the various factors in the literatures, this research has aimed to consider leadership, training and development, communication, empowerment and reward and recognition as the key factors in Wegagen Bank’s context.

Nienaber& Martins (2016) stated that employees are stakeholders in strategy management because they have a stake in organizational goal achievement and think about their work and how it contributes to goal achievement. Hence their voce should be heard in relation to strategy shaping. Employee engagement and strategy are highly interdependent and consist of interacting parts. Engagement also contributes to competitive advantage, which is the hallmark of an organizational strategy.

Rajasker(2014,p.170) claims that “strategy formulation is basically entrepreneurial in nature and requires a great deal of analysis, judgment, and innovation. However, strategy implementation requires administrative and managerial talent and an ability to foresee obstacles that might arise in strategy implementation”. There is however, a challenge to convert the formulated strategy in to sensible action as Okumus (2003), citing Miller(2002) study, stated researchers often insist considerable share of strategic initiatives, often more than 70% are not well executed in many organizations.

Pholoba(2015) describes strategy execution encompasses the interpretation of strategic goals in to performance objectives. As a result, employees must be deeply

The Effect Of Employee Engagement On Strategy Implementation

engaged for organizations to succeed. An organization ability to implement its strategy successfully is a result of its ability to socialize employees to its strategy. Despite this reality, the ever-popular vision and mission statements have in most cases failed to engage employees in the implementation of strategic goals of many organizations.

There is not sufficient empirical research to show the role of employee engagement on strategy implementation of an organization. This research tried to contribute in filling this gap by identifying key determinants of employee engagement and exploring the effects they have over the poor implementation of organizational strategies in the case of Wegagen Bank.

1.2. Statement of the Problem

The banking sector in Ethiopia operates in a volatile and rapidly changing business environment where there is stiff competition; customer expectation of service excellence requirement is increasing and stern regulatory requirements are deeper. Having sound strategic management system is considered by many organizations as one of the major management interventions to battle this phenomenon (Abraham, 2012).

Wegagen Bank, as one of the competitors in this industry, is expected to withstand the competition and assuring its survival and succeed. Records revealed that since its establishment in June 1997, the bank has crafted and implemented strategic plans in four rounds; and currently the 5th round five-year strategic plan is under formulation stage. Despite the bank's seemingly attractive strategy formulation efforts, particularly, that of its latest round strategic plan (2015\16 to 2019\20), it has been hugely unable to successfully meet the targeted goals and objectives.

The Effect Of Employee Engagement On Strategy Implementation

If the recent five years financial performance trend of Wegagen Bank is reviewed in terms of profit against the peer group banks¹, the result reveals that it is ranked as average performer both in growth rate and share. Moreover, the yearly performance of the bank over the past strategic period has not been successful and failed short of achieving its financial targets which were ambitiously planned in the strategy document.

Though various external and internal factors could be attributed for the failure, low level of employees' engagement towards their work is the most visible challenge which has affected the realizations of strategic objectives in the bank. This is substantiated by some employees' disengaged behaviors demonstrated starting from the top level management to the officer level. It is obvious that successful strategy implementation critically needs leaderships' commitment and action more than any other thing. However, leaders in the bank lack the necessary commitment and engagement to properly and effectively monitor, coordinate and follow-up the status of the strategic plan accomplishment and take timely measures for the practical problems encountered in the process of implementation. Dissatisfaction on structural and job design changes in every strategic plan period also creating staffs' low level of engagement on their jobs, associated with high level of turnover, and lack of intrinsic motivation for enhancing performance which, in turn, affect the bank in excusing its strategic objectives.

Thus it is believed that absence of the required level of employee engagement in Wegagen Bank has its own part on poor implementation of its strategy. Cognizant of this, this research has identified and discussed key employee engagement factors which are presumed to have paramount effect on strategy implementation of the bank.

Not adequate research has so far been conducted about the effect of employee engagement on implementing strategic plan. Hence, the absence of similar studies

¹ Peer group banks refer to the six private banks which are of equivalent in age

The Effect Of Employee Engagement On Strategy Implementation

in the area, coupled by due importance of figuring out the degree of relationship between the two variables in the case of banking sector, can be considered as the triggering ground behind conducting this research.

1.3. Research Questions

The followings are the key questions which the research is expected to address:

- Which employee engagement dimensions (*leadership, training & development, empowerment, communication, reward and recognition*) have positive and significant effect on strategy implementation of Wegagen Bank?

1.4. Research Objectives

1.4.1. General objectives

The general objective of the research is to examine and determine the effect of employee engagement factors on the implementation of organizational strategy in Wegagen Bank.

1.4.2. Specific objectives

The specific objectives of the research are:

- to examine the effect *leadership* on *strategy implementation* in Wegagen Bank;
- to examine the effects *training and development* on strategy implementation in Wegagen Bank
- to examine the effect *empowerment* on strategy implementation in Wegagen Bank
- to examine the effect *communication* on strategy implementation in Wegagen Bank
- to examine the effect *reward and recognition* on strategy implementation in Wegagen Bank

1.5. Significance of the Study

The findings of this research are expected to give the management of the bank (whom they are primarily concerned for strategic management of the company) important source of information to make knowledge-based decisions with respect to buying – in employees in an effort to effectively execute organizational strategy. The research uncovered major setbacks related to employee engagement and strategy implementation of the bank and forward pertinent recommendations for the management's quick intervention.

The absence of similar studies in the relationship between employee engagement and strategy management can also make the research an important baseline for other researchers, particularly, in the banking sector to further come up with their endeavors in the area.

1.6. Scope of the Study

The research has explored the relationship between employee engagement and strategy implementation by considering only five selected factors of employee engagement which are believed to have significant impact in strategy implementation of the bank. Hence, there are some other known factors of employee engagement which has not been covered by this study.

Moreover, since the bank is a large organization with the size of its employees exceeding 5000, and its branches geographically scattered across the country, the study has been delimited to target employees of the bank working at head office and branches located in Addis Ababa. Nevertheless, since almost half of the branches and districts are found in Addis Ababa, sampling representativeness would not be a major issue for the research even if its scope doesn't include those employees working out of Addis Ababa.

1.7. Limitation of the Study

This study is based on a cross-sectional design, which measures the variables at a single point in time. Therefore, any changes in the variables under study over time have not been covered in the research.

Inadequacy of previous studies with respect to the effect of employee engagement on strategy implementation could be another major limitation of the study particularly to refer empirical and theoretical literatures.

Finally, employee engagement is influenced by many other factors in addition to those selected by the researcher (*leadership, communication, training and development, empowerment and reward and recognition*). Thus, it could be considered as a limitation not to consider the other determinants of employee engagement, and yet future researches are recommended to address these limitations.

1.8. Organization of the Study

The research report consists of five chapters with the first chapter introduces what the study is about, the problem to be examined, the objectives, significance, limitation and delimitation of the study. Chapter two provides a highlight of pertinent theoretical and empirical reviews of the literature and conceptual framework relevant to the study. The third chapter provides description about the methodology and the research design used in this study. The fourth chapter presents the results and discussions of the study based on data collected from primary and secondary sources. The results of the descriptive statistics, correlation analysis and regression analysis were also presented in the fourth chapter of this study. The study ends with chapter five by the conclusion and recommendations parts that brings to light the major findings of the study and important recommendations that the management should make the necessary interventions to achieve successful implementation of strategy in the bank.

CHAPTER TWO LITRATURE REVIEW

2.1. Introduction

The process of reviewing relevant literatures would help the researcher to understand different theoretical and empirical knowledge that can be considered as foundations for the ongoing study. Accordingly, the study will explore various literatures to cover concepts and definitions of employee engagement, key derivivers of employee engagements and strategy implementation, and finally the link between employee engagement and strategy implementation.

2.2. Employee Engagement

2.2.1. Evolution and definitions of employee engagement

Devi(2017) has pointed out that employee engagement is evolved or it is related with other management theories such as with job satisfaction, organizational commitment and organizational citizenship behavior, but it is much broader than the concepts of ‘commitment’ and ‘motivation’ in management literature. Employee engagement is generally seen as a two -way interaction between employee and organization for which the organization has the accountability to show the way.

Much of the academic research on engagement is inspired by the proposed definition of Kahn (1990, p. 694) as he defined employee engagement as ‘*the harnessing of organization members to their work roles*’. In effect, employees show their engagement *physically* (which is about the physical energies exerted to accomplish tasks), *cognitively* (employees beliefs about the organization), and *emotionally* (the attitude of employees towards their organization) during role performances.

On a more comprehensive way, various definitions of employee engagement have been compiled to demonstrate the differences and similarities between them as follows:

The Effect Of Employee Engagement On Strategy Implementation

Table 2.1: collection of employee engagement definitions from literature

<i>Author</i>	<i>Definition</i>
<i>Harter et al.(2002)</i>	<i>The individuals involvement and satisfaction with, as well as enthusiasm for work</i>
<i>Towers Watson (2008)</i>	<i>Employees relationship with the organization, its leadership and their work experience</i>
<i>the conference board (2006)</i>	<i>A heightened emotional and intellectual connections that employees have with their job, organization, manager and their co-workers</i>
<i>Robinson et el. (2004)</i>	<i>A positive attitude held by the employee towards the organization and its values</i>
<i>Storey et el. (2008)</i>	<i>A set of positive attitudes and behaviors enabling high job performance of a kind that is in tune with the organization's mission</i>
<i>Vance (2006)</i>	<i>The connection and commitment that employees exhibit towards their organization , leading to high level of productive work behavior</i>
<i>corporate leadership council(2004)</i>	<i>The extent to which employee commit to something or someone in their organization, how hard they work, and how long they stay as a result of that commitment</i>

Source: Holbeche& Matthews (2012, p.11)

It can be understood from these collections of definitions that, there is no single standard definition as various experts place emphasis on different aspects of the subject. Some focus on what derives engagement, while others consider on the effects of engagement. Some look at specific players involved such as the role of the supervisor,

Holbeche& Matthews (2012) insist employee engagement builds on several more familiar work place concepts such as employee commitment, organizational citizenship behavior, positive attitude to work, and job satisfaction. Moreover, it appears that the definition of employee engagement can sometimes overlap with other constructs. However, it is still a distinct and unique construct, which

The Effect Of Employee Engagement On Strategy Implementation

embraces cognitive, emotional, and physical components that are associated with individual role performance. It can also be said that engagement, which has a positive effect on the employees' behavior and attitude, can be derived from a strong mutual relationship between the employer and its employees.

Thus, in order to be in line with the purpose of the research i.e. about linking employee engagement with strategy implementation, the operational definition of this research is based on the definition of Storey et al. (2008) which asserts '*employee engagement is 'an attitude of mind, a set of positive attitudes, emotions and behaviors enabling high job performance of a kind that is in tune with the organization mission'*'.

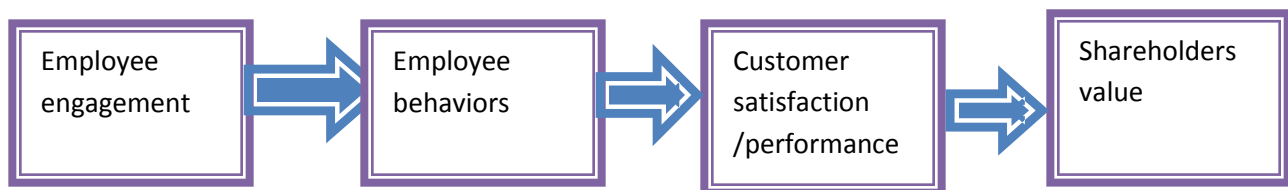
2.2.2. Models of Employee Engagement

A number of models of employee engagement have been proposed by various researches at different times with the most frequently referred are presented hereafter:

I. Derivers of engagement –Hewitt's model

This model begins with employees being engaged regardless as to what level engagement may or may not be or the job fit of the employees (Harris, 2006). The model is graphically depicted as follows:

Fig 2.1: Hewitt's engagement model



Source: Hewitt, 2000

According to the model, the behavior of employees is influenced by their level of engagement. These behaviors have a direct impact on customer satisfaction

The Effect Of Employee Engagement On Strategy Implementation

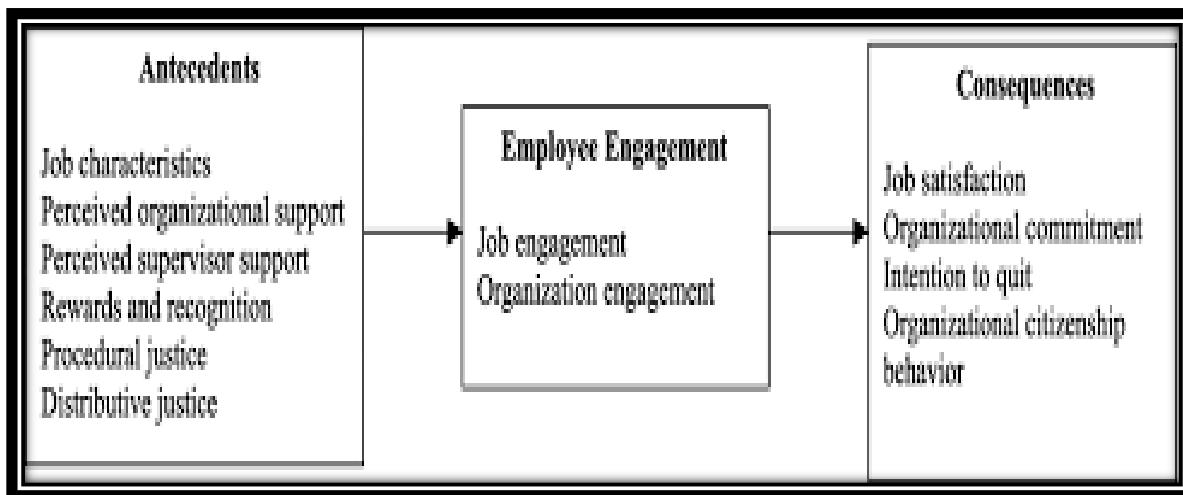
/business performance, which in turn positively or negatively affects the shareholders' value.

Derivers of employee engagement according to the model include *people, compensations, process and procedures, quality of life, opportunities and work values.*

II. Sakes Multi-Dimensional Model

Sakes (2006) developed a conceptual framework in the context of his research work on 'antecedents and consequences of employee engagement' which focused on three basic aspects of employee engagement. These are the employees and their psychological makeup and experience; the ability of the employer to create a conducive environment that promotes employee engagement; and interaction between employees at all levels. The model was based on the social exchange theory and showed the interconnection of three parameters: antecedents, employee engagement and consequences.

Fig 2.2: Sakes model of employee engagement

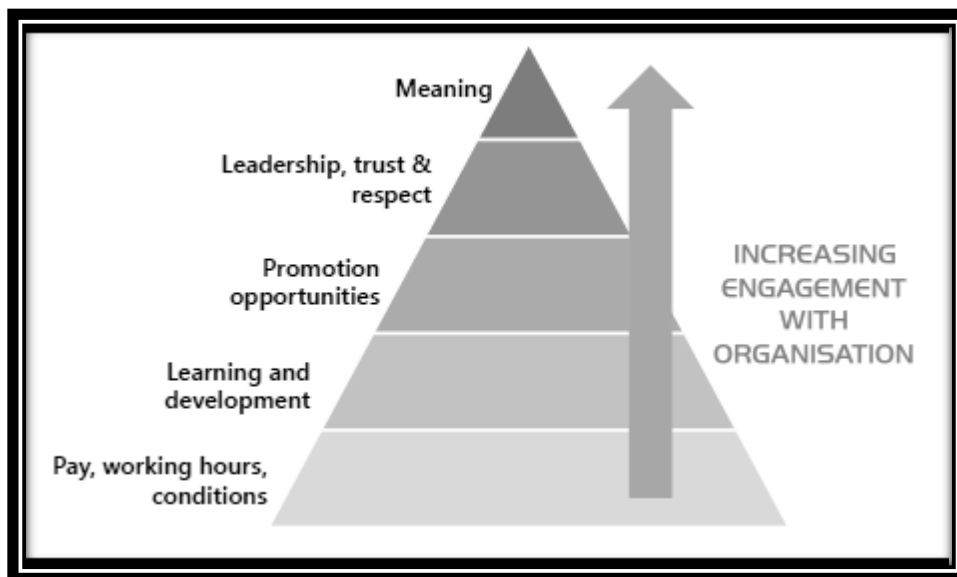


Source: Sakes, 2006

III. Penna's Hierarchical Model

Penna (2007) presents a hierarchical model of engagement. This model indicates that staff is seeking to find "meaning" at work. Penna defines "meaning" as fulfillment from the job. Fulfillment comes from the employee being valued and appreciated, having a sense of belonging to the organization, and feeling as though they are making a contribution, and is matching with the underlying theoretical framework of Robinson. Penna states that the organization becomes more attractive to new potential employees and becomes more engaging to its existing staff

Fig2.3: Penna's (2007) Hierarchical Model



IV. Robinson's Model

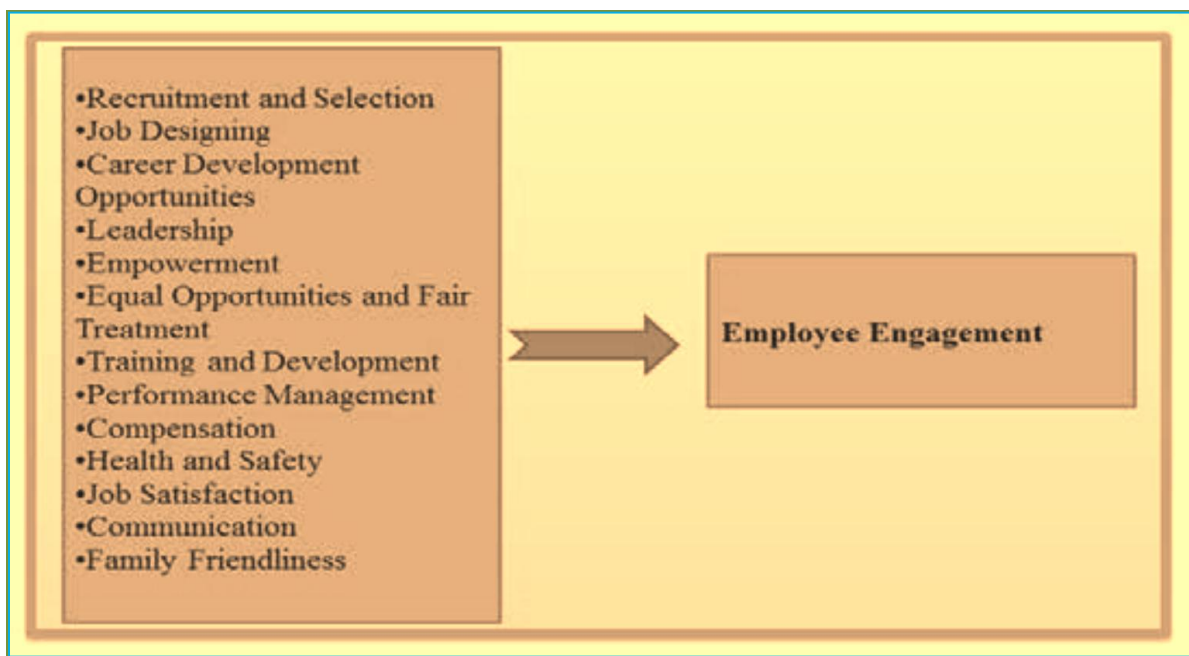
Robinson et al. (2004) model focuses on feeling of valued and involved within which are a range of elements with a varying influence on the extent to which employees feel valued, involved and hence engaged. Some of the elements are fundamental or contractual requirement of employment such as pay and benefits and health and safety, and others are those aspects where the organization must

The Effect Of Employee Engagement On Strategy Implementation

show extra efforts to ensure employees feel valued and involved, such as effective communication, management and cooperation (Holbeche and Matthews, 2012).

The model further identified that an engaged employee is one who is aware of business context and works with colleagues to improve performance within the job to add value to the organization. It emphasizes that employee engagement is a two way relationship between the employer and employees thus insist that the commitment of employees is possible when the organization continues to focus on developing and nurturing the employees.

Fig.2.4: Robinson's model of employee engagement drivers



Source: Mehta (2013, p.211)

Sundaray (2011) revealed that Robinson's factors of employee engagement are common to all organizations regardless of sector. The factors are believed to create a feeling of valued and involved among the employees though and the relative strength of each factor could vary depending on the organizations.

Hence, this researcher is based on Robinson's model of 'drivers of employee engagement' for the very reason that the factors involved are commonly applied for

The Effect Of Employee Engagement On Strategy Implementation

all types of organizations including the banking industry. According to the model, there are 13 factors which have their own level of effect on employees' engagement to their role

This study attempts to focus only on the five main drivers of employee engagement which the researcher believes that they have strong effect in Wegagen Bank's context in affecting its strategic plan accomplishment. They include: leadership, training and development, empowerment, communication and reward and recognitions.

i. Leadership

Various scholars have pointed out the impact of organizational leadership on employee engagement and come up with various results. Whittington et al. (2017) highlighted by referring Barsin (2015) findings that leadership is one of the most important drivers of engagement. The authors underlined leadership process begins with senior bodies who cast a compelling vision that appeals to both the head and heart for the organization, and move down to involve managers at every level to engage in a set of transformational leadership behavior that inspire, and motivate employees.

Based on the study of Rourkela Steel Plant, Sahoo and Mishra (2012, p. 9), described that "employee engagement requires active support and commitment from the top executives through establishing and adequately communicating of the mission, vision and values". For an employee engagement to succeed, the senior people at the apex of the organization should believe in it, buy in it, and pass it down to employees. This is to mean that employee engagement does not need a mere lip-service from the leaders rather their dedicated hearts and action-oriented services.

When leaders of organization are committed to organizational success, employees trust level also increase. Leaders' commitment in achieving organizational success is measured by results they deliver, the resources they marshal, and the value

The Effect Of Employee Engagement On Strategy Implementation

that they add. In effect, employees develop trust to increase their engagement level when they see their leaders effectively achieve those things (Elliott and Corey, 2018).

Moreover, the leaders' ability to create strong interactions among employees, giving value to their contributions, and leading in a "person-centered" way builds an engaging environment in which employees' performance level increase (Mansoor & Hassan, 2016). Wiley (2010) also underlined when the people at the top are visionary and effective, employee engagement increases so that organizations experience better business success.

Taking all the above sources in to account, it can be generalized that leadership is an important element in engaging employees at work place. Hence, if the leaders demonstrate their quality for clearly communicating the vision, mission, values and objectives of the organization; inspiring and motivating employees; show strong commitment in achieving organizational success; get trust by the teams and respond proper feedback and valuing employees, the level of employee engagement will increase to increase the organizational performance and success.

ii. Training and Development

Sundry (2011) revealed training and development is one of the major areas contributing to employee engagement. When employees wait long on their job with the same skill and knowledge, they get bored and contemplate about leaving organization because of the redundancy of skills. The situation can be cited as one of the reasons for employee turnover, which in turn, initiate for the need of training, re-training and multi-skill training.

Patro(2013) said that training would help new and current employees acquire the knowledge and skills they need to perform their jobs better. His idea gets supported by researchers: Malik, Rubina and Adil (2013) as they insist employee training is a learning experience that significantly shapes employee behavior in the sense of increased productivity. Training focuses in improving and up grading

The Effect Of Employee Engagement On Strategy Implementation

of the skills and knowledge of the employees which ultimately adds into the job performance by enhancing employee engagement. The authors further insisted that employees are more likely to be engaged when they are well clarified about company's expectation and understand about their career opportunities. By training and developing employees in a transparent manner and aligning the ends of both the employees and the organization would result enhanced engagement.

Moreover, Swarnalatha &Prasanna (2012) further consolidated the above views by emphasizing training and development is among the main strategies which increase the level of employee engagement. When employees get more knowledge about their job through adequate training and development programs, their confidence about it increases, and they develop the power to work without routine follow-up from their supervisors, which in turn, help them build self-efficacy and commitment.

On the other hand, Vance (2006) insisted orientation should be added as an important element of training as it gives a chance to encourage employees' engagement by explaining how the new recruit's job contributes to the organization's mission. Through orientation, new staff will be aware of the organization structure, his or her co-workers, and understand safety regulations and procedural matters. In short, training and development is important to foster person-organization fit which is vital for developing and dedicated employees.

Patro(2013) described career development opportunities as one of the key factors in employee engagement. The opportunity for career development implemented in any organization influences employee engagement and has the impact to retain talented workforce. Moreover, Jogi &Srivastava (2015, p.67) referring the study of Wellins and Concelman(2005) emphasized that organization can induce the level of employee engagement through establishing a learning culture and applying individual development programs for every employee.

The Effect Of Employee Engagement On Strategy Implementation

It can be summarized from all the above body of knowledge that organizations that invest much to positively change the behavior of employees, enhance their skills and knowledge through adequately providing training and development are more likely to engage fully in their work because they derive their satisfaction by mastering new tasks. Adequate and on the job –training program increases employees’ engagement, job performance and productivity.

Moreover, personal development through extended learning program and career development opportunities for growth has strong contribution for employees’ engagement and commitment.

iii. empowerment

Empowerment is the ability of an employee to be directly involved in and have influence over their work. The organizations that typically have the highest level of employee engagement are the very same organizations in which employees are empowered²

Employees of any organization need to be involved in decisions that affect their jobs. Organizations with high engagement environment create trust and challenge so that employees are motivated to give input and innovative ideas to move the organization forward Sundaray (2011, p.56).

Markos&Sridevi (2010) pointed out that one of the various strategies to foster engagement in organizations is to give employees more job autonomy so that they are able to make freedom of following their best way as long as they come up with the expected result. Macey and Schneider (2008), cited in Egwuonwu (2015) study, also revealed that empowerment is one of the various determinants of employee engagement and is explained by a frame work involving a feeling of authority, responsibility, self- efficiency, self- competence, belief in one self and self- control.

²<https://www.industryweek.com/talent/engagement/article/22001689/five-ways-to-empower-employees-for-higher-engagement>

The Effect Of Employee Engagement On Strategy Implementation

Taking those views in to account, it can be inferred that empowerment gives employees the power to take decisions, taking responsibility for their duties, independency from unnecessary supervision, be competent for their role, and enjoy confidence on their skills and knowledge. As a result, employees who have all these attributes of empowerment will tend to be engaged to their work more than those who have not.

iv. communication

According to Markos&Sridevi (2010) quoting the 2006 survey of Chartered Institute of Personnel and Development (CIPD) conducted on 2000 employees from across Great Britain indicates that communication is the top priority to lead employees to engagement. The report singles out having the opportunity to feed their views and opinions upwards as the most important driver of people's engagement. The report also identifies the importance of being kept informed about what is going on in the organization.

Robbins (2012, p. 406) revealed communication acts to motivate and engage by clarifying employees what is to be done, how well they are doing, and what can be done to improve performance if it is not up to par. As employees set specific goals, work towards those goals, and receive feedback on progress toward goals, communication is required.

Ranjan (2014) also candidly reported that a relationship between an employee and supervisor can only grow and remain strong if there is continuous flow of communication from both sides. Internal communications play an effective role in the engagement of employees. Understanding the modes of capturing employee feedback and analyzing them to act on engagement drivers are important steps in enhancing employee engagement. He further describes that an organization cannot afford to neglect internal communication as a critical area, if it wants to grow and keep its customers and employees engaged and happy.

The Effect Of Employee Engagement On Strategy Implementation

According to Mahajabeen (2018), effective communication has the power to considerably increase employee engagement and their work productivity for organizations success. It is the key tool in creating an engaged personnel who represents an organization's most vital investment and ultimately determines its success or failure.

Krishnan & Wesley (2013) also supported the foregoing views in his study by suggesting that communication makes a positive difference in engagement. His study highlighted that highly engaged employees receive communication from their supervisors far more frequently than low engaged employees. It also concluded that employees should be kept informed for any organizational changes and their voices should be considered.

Accordingly, it can be deduced that employee engagement level increases when there is smooth flow of information from upward, down ward directions and horizontally across all functional units; when employees are communicated properly about vision and mission, changes and performance of their organization; when their opinions and feedback get valued.

v. Rewards and Recognitions

It is another indispensable antecedent to employee engagement. Rewards and recognition entails financial rewards, and non- financial benefits. The degree of employees' engagement is directly related with the attractiveness and market competitiveness of received compensation and benefits (Dajani&Zaki, 2015).

Survey of Rewards and Employee Engagement by Scott et al (2010) also supported that organizations that encourage managers to engage employees through incentive programs have got effective results than those organizations that do not.

Vance (2006, p. 14) described strategic compensation/rewards can powerfully influence employee engagement and commitment. Some compensation components encourage commitment to employers, while others motivate

The Effect Of Employee Engagement On Strategy Implementation

engagement in the job. Recognition is also critical to the culture and operation within the workplace, which impacts workforce engagement (Osborne & Hammoud 2017)

A study conducted by Saks and Rotman (2006) found that rewards and recognition are significant antecedents of employee engagement. They observed that when employees receive rewards and recognition from their organization, they will feel obliged to respond with higher levels of engagement. organizations should therefore give due emphasis in making their remuneration compatible to the job the employees are doing, and incentives at least competitive in the market in order to retain, motivate and engage their employees. Moreover, non- financial aspects including management recognitions of employees' performance and success further enhance the productivity of their work.

2.3. Strategy Implementation

2.3.1. Overview of strategy implementation

Strategic management, which is a set of decisions and actions that define the long-run performance of an organization, has four important phases including environmental scanning, strategy formulation, strategy implementation, and evaluation and control. Strategy implementation is a very critical and vital phase of strategy management which converts strategies and policies into action through the development of programs, budgets, and procedures (Wheelen & Hunger, 2011).

In the process of strategy management, implementation is the most difficult phase yet plays the most important role for company success. Sterling (2003, p.27) assures this statement by stating, "*Effective implementation of an average strategy beats mediocre implementation of a great strategy every time.*"

Mwanthi(2018),citing Aaltonen and Ikavalko (2002),indicated organizations often give little attention for strategy implementation than strategy formulation. This is

The Effect Of Employee Engagement On Strategy Implementation

partly associated with the fact that it is always more difficult to do something (strategy implementation) than to say you are going to do it (strategy formulation), or overlooking it for the belief that it is easy to do. Moreover, people are not exactly sure of what strategy implementation includes and where it begins and ends.

It has become obvious that organizations which are able to implement their strategic plan achieve better performances than those organizations which are unable to do that, but these strategies often fail because of problems at the strategy implementation phase (Al-Kandi, Asutay & Dixon, 2013). To indicate how far strategies fail during implementation phase, Rajasekar (2014), citing Čater, T., & Pučko, D. (2010) indicated that 80 percent of organizations have well-formulated strategies, but only 14% of them are successfully implemented causing a waste of resources and decreasing performance.

Strategic decisions should, therefore, be implemented with awareness that their success is vital for the organization in question. By identifying the factors that influence the process and outcomes of the strategy implementation stage, an organization will be better prepared for its future performance, which will ultimately contribute to its bottom line performance.

In general, as David (2011) says there must be a translation of strategic thought into strategic action. This translation is much easier if managers and employees of the firm understand the business, feel a part of the company, and through involvement in strategy-formulation activities, have become committed and engaged to helping the organization succeed.

2.3.2. Key Dimensions of Successful Strategy Implementation

Various theories and empirical researches support implementation of strategy is usually measured using some internal changes including culture, structure, leadership and resources Cambell, Stonehouse & Houston (2002); Chemwei, & Leboo, & S. Jerotich Koech, 2014; agiri, Ngui & Mathenge (2018); Rajasekar (2014).

The Effect Of Employee Engagement On Strategy Implementation

According to Rajasekar(2014),strategy implementation could also be affected by external factors including the political, economic, social, technological factors. But these external factors are out of the scope of this research. The internal factors (culture, structure, leadership, and resources) have been independently assessed hereafter as how they contribute to the implementation of strategy of organizations.

i. Leadership

One key role of leadership is to guide organizations through their vision in formulating and executions of strategies. In the process of strategic formulation, leaders give an essential variation of the planning matrix, and in the execution phase, they put their efforts to achieve the strategic objective of organization Mubarak, & Yusuf (2019, p.39).Hence, leaders should clearly define their strategy, goals and initiatives before embarking on implementation. Mwanthi (2018), citing Brumm and Drury (2013), revealed that one of the key competencies of a leader in an organization is the ability to plan the direction he or she is leading. Effective leaders should listen voices and feedbacks of subordinates, be great at strategic planning and developing their followers to words organizational goals.

Allio (2012) pointed out the other key role of a leader in an organization which is communication the purpose of strategy, the expected process for its use, to multiple levels of staff in the organization, both to educate and to socialize its use. Jenipher& Daniel (2014) supported Allio's assertion in that communication of vision, mission, and strategies of the organization by the leaders before putting it into effect is a key element of strategy implementation.

Beer and Eisenstat (2000),as cited in Rajasekar(2014), approached another role of leadership in strategy implementation from a reverse perspective by suggesting that poor leadership leads to poor motivation and coordination resulting in employees' lack of trust in top management. When there is poor management and

The Effect Of Employee Engagement On Strategy Implementation

coordination across functional units, strategy implementation will be significantly affected.

Rajasekar(2014) also added the leadership style in any given organization influences how the chosen strategies will be implemented through influencing organizational structure, delegation of responsibilities, involving and valuing employees, decisions making, and the incentives and rewards systems, all of which are essential ingredients in the successful implementation of strategies in any given organization.

From the above views of different researchers, it can be learnt that leadership in an organization has a key role in implementing strategic plan by applying his/her skills, among other things, on formulating organizational plan, communicating vision and mission of the organization, motivating and developing followership, coordinating and participating teams, influencing of all systems in the organization.

ii. Resource allocation

David (2011, p.219) asserts that resource allocation is a central management activity which helps to effectively implement organizational strategy. Resource allocation in organization is basically based on priorities established by annual objectives. Nothing could be more detrimental to strategic management and to organizational success than for resources to be allocated in ways consistent with priorities indicated by approved annual objectives. Many researchers agree there are at least four types of resources: financial, physical, human, and technological resources.

Getz and Lee (2011), as cited in Mwanthi (2018), argued many organizations discover that they have not made progressive achievements as predicted by their strategies partly because they do not invest the required amount of time, energy, and resources in managing the implementation of the strategy as they do in setting the strategy.

The Effect Of Employee Engagement On Strategy Implementation

Cambell, Stonehouse& Houston (2002) also described after strategy formulation, management attention will shift to analyze and evaluate the resource-mix requirements to meet the stated strategic objectives of the organization. Hence, in order to successfully implement the planned strategy an organization will need to work out how to resource it. This means how it will obtain the requisite finance, skilled manpower, the materials; etc. The extent to which the resource needs to be allocated adequately and without wasting should also not be overlooked.

On another perspective, the concept of Resource Based View (RBV) is being given due emphasis in modern management as it is the key factor in strategic management of organizations. It emphasis resources of an organization is the fundamental determinant of competitive advantage and performance (Katana,Waiganjo&Mugambi 2016).

Lemarleni et al (2017) underlined that strategy implementation get successful when management marshals the required level of resources appropriately. Too little resource slows the process of implementation and too much of it is a waste making the organization inefficient and reduces financial performance. The process of strategy implementation requires optimum capital allocation and distribution; hiring of best staff with the necessary skill and knowledge; launching of up-to-date technology.

Hence, organizations investing adequately and optimally on human, financial, material and technological resources can easily enable to successfully execute their strategies and organizations can realize competitive advantage.

iii. Organizational structure

In order for an organization to be capable of delivering its strategy, it has to ensure optimal alignment of positions, accountabilities and authorities with the aim of realizing its successful strategy execution Capelle(2014, p. 40).

Kavale (2012) is also in line with Capelle's view by defining that structure is the design of the organization through which strategy is administered. In more

The Effect Of Employee Engagement On Strategy Implementation

elaborative way, changes in an organization's strategy inevitably results in altering organizational structure for the effectiveness of implementing strategic objectives. Structural design of an organization describes roles, responsibilities and lines of reporting and can deeply influence the sources of competitive advantage. Thus, failure to re-align structures appropriately following the change in strategy can affect strategy implementation.

Researches by (Cespedes, 1995; Webster, 1997), as cited in Akpan&Waribugo (2016) also underline that the effect of organizational structure on the implementation of organizational strategies is significant as it creates a clear understanding of the processes needed to achieve formulated organizational strategies. They stressed that proper organizing of jobs and roles in an organization reduces the challenges managers have to confront during the process of implementing strategies in the face of turbulent global operating environment.

David (2011, p. 220) focuses that changes in strategy often require changes in organization structure for two major reasons: the first one is organizational structure largely dictates how objectives and policies will be established, and the other is that structure dictates how resources will be allocated.

It can be summarized in light of those aforementioned views that changes in strategy lead to changes in organizational structure (structure follows strategy). Structure should be designed to facilitate the strategic pursuit of an organization and, therefore, follow strategy. Structure is thus about defining roles, level of responsibilities, reporting relationship, etc. and through determining all these aspects that an organization be able to realize effective strategy implementation. Overall, as Kavale(2012) recommended top management must monitor the structure of an organization from the beginning of strategy crafting through to its implementation and align it to the remote environment.

iv. Organizational culture

According to Cambell, Stonehouse& Houston (2002), strategy implementation often entails investigating the fitness of an existing culture to launch the formulated strategy. Different strategic courses of actions are differently undertaken where there are cultural variations, for example, that organizations dominated by resistance cultures would be more difficult to undertake a program of radical change than, say, those that exhibit prospector characteristics. Analysis made about *what is the culture there now*, and *what should be required* for a strategy is one of the most important aspects of its implementation as the gap between the two could involve either changing the culture or compromising on strategic objectives such that undertaking cultural change may not be mandatory.

David (2011, p. 235) insisted strategists should preserve, consolidate, and build upon aspects of an existing culture that fit with newly formulated strategies. Aspects those cultural aspects which do not support the proposed strategy should be identified and changed. An optimal culture is one that best supports the mission and strategy of the company of which it is a part.

Often organizations get their existing culture very challenging so that they tend to maintain their strategy within the bounds of that condition (Scholes, Johnson & Whittington, 2008). Accordingly, managers try to deal with the changing environment in a way they can cope up with the existing culture.

Ahmadi et al (2012), in their findings, come up with a conclusion that there is a strong positive relationship between organizational culture and strategy implementation. The level of correlation between the two however varies depending on the types of culture the organization is experiencing (whether the type of culture is adhocracy, clan, market or hierarchy).

Furthermore, Oduol (2015) supported the above researchers' views by stating that for organizational performance to improve; present organizational culture should be supportive and compatible with intended strategies and day to day activities of

employees. In general, since there is a strong relationship between culture and strategy implementation, when implementing a new strategy, a company should take the time to assess strategy-culture compatibility. Strategy execution will be effective if the prevailing culture supports so or is modified to fit its implementation.

2.4. The Effect of Employee Engagement on Strategy Implementation

Bigler and Williams (2013), as cited in Pholoba (2015), claimed that engagement involves winning the minds and hearts of people which is about raising confidence in the strategic course of action and organizational strategy accomplishments. Engagement is not a one-time event, rather an outcome of continuously and regularly making effective dialogue and good interaction based on trust. It has been found out through various studies that engaged employees with confirming implementation principles and behavior often have intrinsic motivation to execute tasks that are highly correlated with strategic objectives.

On the other hand, Gerhard Diedericks (2012) suggested that many would agree that employee engagement is critical to effective strategy execution of business organizations although still there may be organizations where their acceptable levels of employee engagement do not support to increase the level of their strategy executions. Accordingly, it can be said that employee engagement is one of the necessary determinants but not a sufficient condition to successful strategy execution.

Nienaber & Martins (2016) stated that organizational leadership should consider employee engagement as a driver to enhance strategy implementation. Hence they should enable employees to be committed and engaged in achieving strategy executions. This can be achieved by reviewing the long-term goals of the organization through connecting employees emotionally underpinned by the importance of recognizing their contributions. Aligning of jobs with organizational goals is also a very important and customary approach in the process of

The Effect Of Employee Engagement On Strategy Implementation

evaluating employees' contribution to targets, which in turn, are derived from the strategic objectives. Both engagement and strategy have multiple, interdependent and interacting parts, making them complex, and because of this, engagement can be considered as a hallmark to sound strategy implementation and is the tool to achieve organizational goals.

According to Joy Evans (2012), when organizations are in the course of strategy management, the inevitable challenge is to get executive management to engage the rest of their organization with the planning process. Often top management feels that they are doing well at employee involvement, when in fact they are doing poorly. Failing to embrace that strategic planning is a team sport devalues the outcome. That is where employee engagement can help because employees offer a vast amount of business knowledge that can be leveraged during strategic management

Shrestha (2019, p. 128) also attempted in his study to link organizational performance with employee engagement by highlighting that “organizational performance improves through enhancing employee engagement. Once employees are engaged, they willingly feel ownership toward the organization and internalize the organizational objectives and want to stay as part of the organization”. It can be understood that employees are engaged for internalizing organizational objectives and enhancing performance means that they are engaged for strategy implementation.

Maotwanyane (2017) recommended that strategy formulation & implementation should be considered simultaneously to ensure that synergy between the two process are integrated with employees engaged at both levels of decision making during goal setting and implementation. Moreover, Yang (2019) revealed that the core of strategy execution is people. The attitude of organizational members from top level management to lower level employees determines the motivation for strategy execution of the organization.

The Effect Of Employee Engagement On Strategy Implementation

Therefore, strategy execution requires a buy-in, in the form of compliance through the attitudes of commitment, trust and identification with the exertion of the effort to achieve strategic objectives from employees.

2.5. Empirical Research Reviews

As it is disclosed in the research limitation section, empirical studies directly conducted about the effects of employee engagement on strategy implementation are not adequately available not only in Ethiopian context but also in international level. However, different Ethiopian researchers have conducted at different times about factors affecting employee engagement and factors affecting strategy implementation on independent basis. Moreover, studies about the effects of some factors of employee engagement over strategy implementation are also identified in African context. Hence, empirical researches about factors affecting employee engagement in Ethiopian context, and the effects of the components of employee engagement on strategy implementation obtained from international sources are reviewed hereafter.

i. Factors affecting employee engagement

Three recently studied studies have been traced and considered about factors affecting employee engagement.

Table 2.2: empirical studies about factors affecting employee engagement

Researcher	Title and selected variables	Findings
Bezashiferaw (2019)	factors affecting employee engagement in the case of Zemen bank <ul style="list-style-type: none">• <i>learning & development,</i>• <i>communication,</i>• <i>leadership,</i>• <i>work environment</i>• <i>perceived organizational support</i>	All the factors have significant impact on employee engagement in the bank
GezahgnAyalew	determinants of employee engagement in	All the three factors

The Effect Of Employee Engagement On Strategy Implementation

(2019)	<p>the case of Abyssinia bank</p> <ul style="list-style-type: none"> • <i>Job characteristics</i> • <i>reward and recognition,</i> • <i>and leadership style</i> 	<p>have strongly and positively predict employee engagement.</p>
Derara Tessema (2014)	<p>determinants of employee engagement in the case of commercial bank of Ethiopia</p> <ul style="list-style-type: none"> • <i>job characteristics,</i> • <i>perceived organizational support,</i> • <i>reward & recognition,</i> • <i>and organizational justice</i> 	<p>Similar to the above researchers all have significant effect in predicting employee engagement</p>

It can be concluded that the findings of the three researchers is a very good supporting input for this research too for the following reasons:

- Four of the five factors which this research want to study (learning and development, communication, leadership and reward and recognition) have been employed as factors of employee engagement
- All the researchers have focused on the banking context which conforms with this research
- All the three researchers have made their studies in the Ethiopian context which also works for this research

ii. *The effect of employee engagement on strategy implementation*

Pholoba (2015) conducted his research on employee engagement in strategy execution at the South African Army Infantry Formation. The researcher used quantitative and descriptive survey design and stratified sampling method to determine the extent how employees are engaged in the execution of organizational strategy. The study revealed that there is considerable positive relationship between employee engagement and strategy implementation, and the former predicts the later.

On the other hand, Alharthy et al (2017) made Meta analysis study to identify influencing factors of strategy implementation and their effect on performance by

The Effect Of Employee Engagement On Strategy Implementation

focusing on service organization at both public and private sectors. The study showed that most of the strategy fails at implementation phase and *employee engagement* was found to be one of the four key determinants of strategy implementation that play an influential role in the successful implementation of the strategy along with *Management Decisions, Organizational System, and Organizational Performance*.

iii. ***Effects of dimensions employee engagement on strategy implementation***

a) *Effect of leadership on strategy implementation*

- Momanyi&Juma (2015) sought to establish the influence of leadership involvement on strategy implementation in Energy Sector Parastatals in Kenya. Descriptive and inferential statistics were employed and the study found out that leadership has positive influence on strategy implementation in the Energy Sector Parastatals in Kenya.
- Nyong'a&Maina (2019) made a research on influence of strategic leadership on strategy implementation at Kenya Revenue Authority, southern region in Kenya. The study adopted a descriptive research design and simple random sampling method of 49 sample size. The researcher used an open and structured questionnaire to collect data. The finding shows that strategic leadership has a positive and significant relationship with strategy implementation. The study concluded that management commitment, participative leadership, employee motivation system and delegation as strategic leadership practices have a positive and significant impact o strategy implementation in the organization.
- Abujarad (2019/20) also conducted his study on the effect of leadership style on strategy implementation in NGOs, a case in Gaza strip. The researcher considered three types of leadership styles (transformational, transactional, and laissez-faire leadership) as dimensions. The result showed that strategy implementation is positively predicted by both transformational and

The Effect Of Employee Engagement On Strategy Implementation

transactional while laissez-faire leadership has shown a negative prediction on strategy implementation.

b) The effect of training and development on strategy implementation

- Rotich&Osodo (2017) conducted an empirical study on the influence of employee training on strategy implementation at Independent Electoral and Boundaries Commission (IEBC) at north rift and western regions, Kenya. Result of the study showed that there existed significant ($p < 0.01$) positive relationship between employee level of training and strategy implementation at IEBC.

c) The effect of empowerment on strategy implementation

- Ondari, Gesimba&Njau (2019) undertook a research on effect of Staff Autonomy on Strategy Implementation in Private Security Firms in Nakuru County, Kenya. Regression analysis result shows that staff autonomy (empowerment) has positive and significant effect in private security firms in Nakuru County on strategy implementation ($r^2 = .239$, $\beta = .305$, $p = .000$).

d) The effect of communication on strategy implementation

- Anyieni&Areri (2016) conducted a research on Assessment of the Factors Influencing the Implementation of Strategic Plans in Secondary Schools in Kenya. The specific objectives were to analyze the effects of leadership style and communication in successful implementation of the strategic plans. A descriptive survey design using stratified sampling was used with the study population comprised of the school managers. The findings revealed that communication has significant impact in implementing its strategic plan in the schools.
- Moreover, Jenipher& Daniel (2012) made a research with the objectives of investigating the effects of communication on the success of strategy implementation process among commercial banks in Nakuru County, Kenya. The findings resulted there is ineffective communication which hampered the process of strategy execution. Based on the findings, they

The Effect Of Employee Engagement On Strategy Implementation

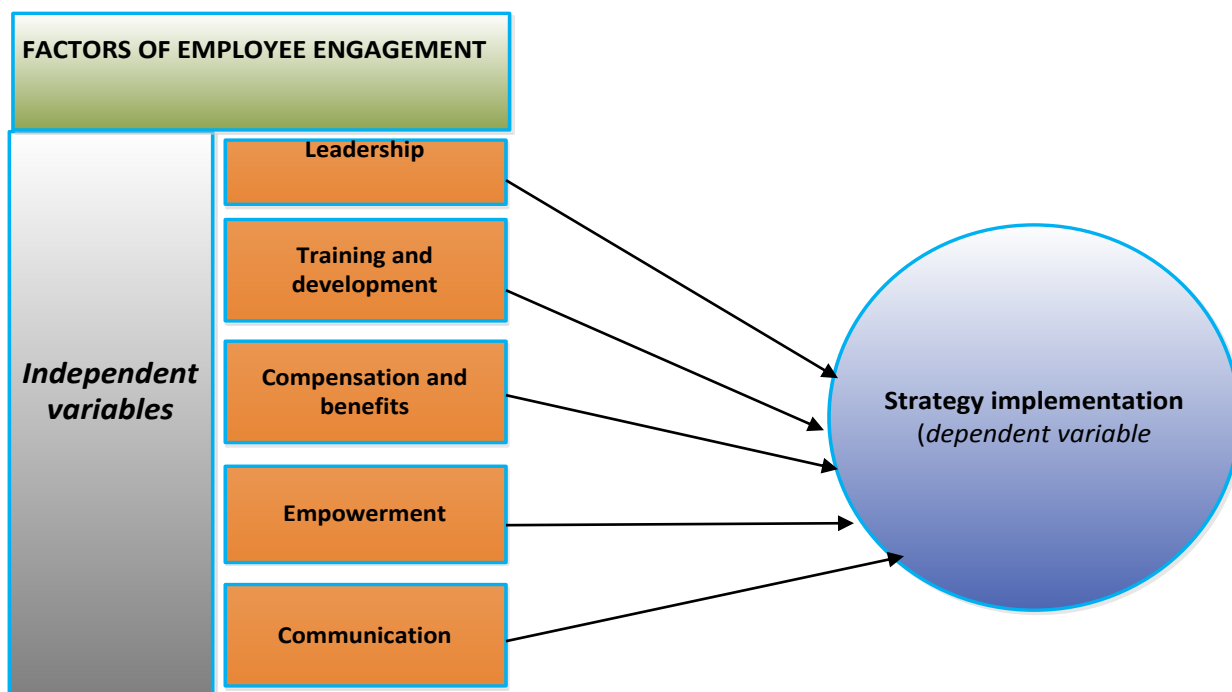
recommended commercial banks should ensure that employees and other stake holders are well communicated for enhancing strategy implementation.

- Another study made on the influence of communication on strategy implementation among pharmaceutical companies in Kenya by Mutisya (2016) shows communication greatly influences strategy implementation in the companies. 74% of the changes in strategy implementation are attributed in three predictive variables: communication media, type of communication, and communication flow.

2.6. Conceptual Framework

A conceptual framework illustrates what we expect to find through our research. It defines the relevant variables for our study and maps out how they might relate to each other. The research identifies employee engagement factors as independent variables and strategy implementation as dependent variable and their relationship is graphically depicted as follow

Fig2.5: Conceptual Model of the Study



2.7. Study Hypothesis

Based on the aforementioned theoretical and conceptual framework, the research will have the following hypothesis:

Ha 1: *Leadership has positive and significant effect on Strategy Implementation in Wegagen Bank S.C*

Ha 2: *Training and Development have positive and significant effect on Strategy Implementation in Wegagen Bank S.C*

Ha 3: *Empowerment has positive and significant effect on Strategy Implementation in Wegagen Bank S.C*

Ha4: *Communication has positive and significant effect on Strategy Implementation in Wegagen Bank S.C*

Ha5: *Rewards & recognition has positive and significant effect on strategy implementation in Wegagen Bank S.C*

CHAPTER THREE
RESEARCH DESIGN AND METHODOLOGY

3.1. Background of Wegagen Bank

Wegagen Bank is one of the private Ethiopian banks operating since its date of establishment 1997 by 15 shareholders with total paid up Capital of 30 million and authorized capital of 60 million. Data found from human resource division indicate that as of September 30, 2020, the total number of staff reached 4,910 of which 3,281 are Males and 1,629 are Females.

The following table portrays overview of structural and staff arrangement of the bank.

Table3.1: population size of the bank on the basis of occupational category

<i>Occupation</i>	<i>Head Office</i>	<i>Addis Ababa City (district and branches)</i>	<i>Outlying (district and branches)</i>	<i>Total</i>
<i>Top level Managers</i>	<i>26</i>	<i>4</i>	<i>6</i>	<i>36</i>
<i>Middle and supervisory level managers</i>	<i>48</i>	<i>163</i>	<i>231</i>	<i>442</i>
<i>Professional</i>	<i>285</i>	<i>1085</i>	<i>1481</i>	<i>2851</i>
<i>Non -professional (Clerical and Non Clerical)</i>	<i>351</i>	<i>535</i>	<i>695</i>	<i>1581</i>
<i>Total</i>	<i>710</i>	<i>1787</i>	<i>2413</i>	<i>4910</i>

The size of the bank can be understood more by the number of district offices and service out lets (branches) it entails as enumerated below:

Table3.2: Districts and number of branches under district domain

<i>No</i>	<i>District</i>	<i>Number of branches</i>
<i>1</i>	<i>North Addis Ababa</i>	<i>29</i>
<i>2</i>	<i>East Addis Ababa</i>	<i>44</i>

The Effect Of Employee Engagement On Strategy Implementation

3	<i>West Addis Ababa</i>	51
4	<i>South Addis Ababa</i>	39
5	<i>Jimma</i>	30
6	<i>Diredawa</i>	21
7	<i>Bahirdar</i>	28
8	<i>Hawassa</i>	42
9	<i>Shire</i>	51
10	<i>Mekelle</i>	56
	<i>Total</i>	391

Source: *Marketing and corporate communication, Sept 30, 2020*

3.2. Research Design

A research design is a master plan that specifies the methods and procedures for collecting and analyzing the needed information Zikmund (2013, p.66). There are different research design approaches to be followed depending on different classification of criteria. Among these criteria, determining the research approach based on the purpose of the study is a very common strategy for researchers. As clearly stated in the objective section of the study, the purpose of this study is to determine the level of employee engagement factors and their effect over the implementation of strategic plan in Wegagen Bank.

The research has used both descriptive and explanatory types of research design. Descriptive research design, as the name implies, describes characteristics of objects, people, groups, organizations, or environments. The main reason for applying it in this study is, therefore, for describing the characteristics (demographic variables) of the respondents (age, sex, educational background, and experience) part of the research questions. It helps us describe and analyze the degree of impact each variable has on employee engagement and strategy implementation in the bank's context using mean, standard deviation and frequency distribution.

The Effect Of Employee Engagement On Strategy Implementation

The explanatory type of research design seeks to identify a cause and effect relationships. Hence, the study has used it in order to understand the relationship between the independent variables (factors of employee engagement) and dependent variable (strategy implementation) using statistical tools including correlation and regression analysis.

Finally, the research is cross sectional type as data for all variables of study was collected at one point of time using a single survey questionnaire.

3.3. Research Approach

According to Creswell (2014), there are three basic research approaches; quantitative, qualitative and mixed approaches. The researcher has applied pure quantitative research approach as the data collected need to be expressed in numeric form with the purpose of applying statistical tests like descriptive and inferential analysis which are in line with the objectives of the research.

Hence demographic related data has been analyzed using descriptive statistics such as frequencies and percentages. On the other hand, data collected for study variables based on the 5-point likert scale have been analyzed using descriptive analysis to measure the level of respondents' agreement with the help of mean and standard deviations. Inferential statistics such as Pearson correlation and multiple regression analysis have been also used to identify the relationship between the variables under study and test the pre-established hypotheses.

3.4. Sampling Design

Zikmund (2013, p.68) describes "sampling is any procedure that draws conclusion based on measurements of a portion of population".

3.4.1. Target population and sampling frame

Target population in statistics is the specific population about which information is desired. Sekeran (2016, p. 104) defines population as "the entire group of

The Effect Of Employee Engagement On Strategy Implementation

people, events or things of interest that the researcher wishes to investigate”. The target population for the study is 1611 employees comprising of 30 top level managers, 211 middle and supervisory level managers, and 1370 professional staffs working at head office, 4 district offices and 163 branches in Addis Ababa city.

According to Cooper and Schindler (2011), a sampling frame is the population or the list containing the population element of the study. In this study, the sampling frame is organized based on the staffs’ level of occupation in the bank’s structural hierarchy as:

- **Top level management groups:** consisting the higher decision making bodies of the bank such as the Vice Presidents, Directorates, and District Managers
- **Middle level and supervisory management groups:** job holders consisting of Deputy District Managers, Division Managers and Branch Managers
- **Professional staff:** consisting of the majority of the bank’s employees assigned at different levels starting from entry to senior positions, and working at different functional units (in both technical and non-technical areas).

From the total population of the bank, the study deliberately excluded **non-professional (clerical and non-clerical)** staffs consisting the lower level job holders of the bank such as clerks, secretaries, security officers, drivers, etc...) as the impact they have on strategy management is very small.

3.4.2. Study subject

Sample was drawn only from head office functional units, Addis Ababa city districts and branches. The sample has covered all types of management groups and professional level employees save clerical and non-clerical ones. This is because staffs who are assigned in clerical and non-clerical job posts are assumed to have little impact on strategy management of the bank. On the other hand, those who are assigned at managerial and professional (at all levels) are directly or

The Effect Of Employee Engagement On Strategy Implementation

indirectly involved in the strategy management process and hence bring about significant impact on the strategic plan implementation of the bank.

Moreover, the sample has excluded those districts and branches located out of Addis Ababa taking into consideration the scarcity of time and cost.

Finally, the research has not considered employees of the bank whose organizational service is less than one year as new employees take some time to understand their emotional and intellectual values. Moreover, excluding these employees helps so as to take maximum causation in reliability of data collected as these employees are less experienced.

3.4.3. Sampling techniques

The most important aspect of sampling is that the sample selected should be representative of the population. With representative it means the characteristics of the sample closely match the population. The two broad categories of sampling techniques are probability and non-probability sampling techniques. Probability sampling gives every individual in the population equal chance of being included in the sample, while non –probability sampling does not.

The researcher has pursued a mix of both stratified and simple random probability sampling techniques which are elements of probability sampling techniques. Stratified sampling divides the sampling frame in to several homogenous groups called strata based on some defined factors.

Accordingly, the population working at head offices, districts and branches located in Addis Ababa will be primarily stratified based on job occupations(top management, operational management, professional officers,).Based on this occupational classification, a simple random probability sampling technique will be employed to select respondents from each stratum.

The Effect Of Employee Engagement On Strategy Implementation

Table3.3: target population distribution on the basis of occupational category

<i>Occupation</i>	<i>Head Office</i>	<i>Addis Ababa City (district and branches)</i>	<i>Population (N)</i>
<i>Top level Managers</i>	26	4	30
<i>Middle and supervisory level managers</i>	48	163	211
<i>Professional staff</i>	285	1085	1370
<i>Total</i>	359	1252	1611

The reason for stratifying the respondents on occupational differences is that engagement factors are believed to differently affect the employees across these specific categories.

3.4.4. Sample size

The sample size used for this study is the sample size determination method developed by Carvalho (1984). The observed limitation by the researcher with this method is that the small number of sample size it generates as compared to other methods of computing sample size. However, due to homogeneity nature of factors affecting respondents in branches, it is not a problem for the study. Since, the majority of respondents are from bank branches, the researcher believes that variability on the majority of engagement and strategy implementation factors across branches is not that much large. Moreover, work nature of employees including: transaction types, the system they use, and other service systems are standardized and thus have equal effect on employees. Hence, expected responses from branches will be almost homogeneous which does not worry the researcher about which type of sample size determination method to pursue.

Another justification to use this method is because of its cost and time advantage in comparison to other methods.

The Effect Of Employee Engagement On Strategy Implementation

Table 3.4: Sample Size Determination

Population size	Sample size scenario		
	Small	Medium	Large
<i>51-90</i>	<i>5</i>	<i>13</i>	<i>20</i>
<i>91-150</i>	<i>8</i>	<i>20</i>	<i>32</i>
<i>151-280</i>	<i>13</i>	<i>32</i>	<i>50</i>
<i>281-500</i>	<i>20</i>	<i>50</i>	<i>80</i>
<i>501-1, 200</i>	<i>32</i>	<i>80</i>	<i>125</i>
<i>1, 201-3, 200</i>	<i>50</i>	<i>125</i>	<i>200</i>
<i>3, 201-10, 000</i>	<i>80</i>	<i>200</i>	<i>315</i>
<i>10, 001-35, 000</i>	<i>125</i>	<i>315</i>	<i>500</i>
<i>35, 001-150, 000</i>	<i>200</i>	<i>500</i>	<i>800</i>

Source: (Abdissa & Fitwi, 2016)

Due to the above reasons, the researcher has opted in favor of the medium scenario-based sample size (125 respondents) selected from the total population of 1611 employees.

Proportionate stratified sampling was conducted to increase the chances of being able to make comparisons between strata. Thus, the respondents sample size distribution has been allocated proportional to the size of the total population as follows:

Table 3.5: sample size distribution on the basis of occupations

Occupations	Population Size Distribution	Percentage	Sample Size Distribution
<i>Top level management</i>	<i>30</i>	<i>0.02</i>	<i>3</i>
<i>Middle and supervisory level of managers</i>	<i>211</i>	<i>0.13</i>	<i>16</i>
<i>Professional staff</i>	<i>1370</i>	<i>0.85</i>	<i>106</i>
Total	1611	1.00	125

3.5. Data Sources and Research Instrument

The required data was obtained from both primary and secondary sources, with the former being the basic tool of the study to gather data from the banks staff using a well-crafted questionnaire. Structured questionnaire is important because it is easy for respondents to answer anonymously, easy to analyze statistically and response choice would clarify the question for respondents. Using questionnaire as a tool to collect data is also advantageous in terms of time, and cost efficiency (Sekaran, 2016).

The designed questionnaire is aimed to measure the perceptions of respondents on questions associated with each variable of interest. It has two major parts: with the first part is associated with demographic related information and thus respondents have been asked to answer their age, gender, educational level, working experience and occupational category. The second section of the questionnaire is all about the study variables (independent and dependent variables), and measured based on a 5-point likert scale. With regard to this part, there are a total of 44 items, made up of 32 items for measuring the five variables of employee engagements, and 12 items for measuring strategy implementation of the bank.

3.5.1. Operationalization of the constructs

According to Bryman & Bell (2011), operationalizaion is the bridge between theory and reality making it possible to measure the theory in reality, and used in most structured questionnaires to conceptualize theoretical literatures in to specific tool to collect data. It is difficult to use one indicator for measuring concepts in reality since the same incident may be understood differently by different individuals.

Therefore, the different constructs obtained from various sources of literatures have been broken down in to groups of indicators, which in turn, converted in to items that help collect the intended data. This operationalization of data collection instrument is presented in the following table.

The Effect Of Employee Engagement On Strategy Implementation

Table 3.6: Operationalization of constructs

Variables		Indicators	Items size and measurement type	Sources
<i>Employee engagement</i>	<i>Leadership</i>	<ul style="list-style-type: none"> • <i>Employees trust,</i> • <i>giving value to employees,</i> • <i>Leadership strength</i> • <i>support given to employees,</i> • <i>effectiveness,</i> • <i>vision articulation</i> 	7 items and 5-point likert scale	<i>Adopted from-Beza Shiferaw & Gezahgn Ayalew (2019), with modification by the researcher</i>
	<i>Training and development</i>	<ul style="list-style-type: none"> • <i>Adequacy</i> • <i>Applicability</i> • <i>Meeting requirements</i> • <i>Level of satisfaction</i> • <i>Organizational dedication</i> 	7 items and 5-point likert scale	<i>Adopted with modification from Jalal Hanaysha (2016), Jet Mboga & Krista Troiani (2018).</i>
	<i>Empowerment</i>	<ul style="list-style-type: none"> • <i>Competency,</i> • <i>confidence,</i> • <i>decision making authority,</i> • <i>supervisors trust on employees,</i> • <i>independence</i> 	5 items and 5-point likert scale	<i>Adopted from Jalal Hanaysha (2016)</i>
	<i>Communication</i>	<ul style="list-style-type: none"> • <i>Communication level among work units</i> • <i>Supervisors level of understanding on employees</i> • <i>Employees awareness on organizational goals</i> • <i>Employees information on recent developments</i> • <i>Degree of information sharing on organization decisions</i> 	7 items and 5-point likert scale	<i>Adopted with modification from Noorimah Mohd Mustaffa, 2017, Derara Tessema , 2014</i>
	<i>Reward & recognition</i>	<ul style="list-style-type: none"> • <i>Compatibility,</i> • <i>competitiveness,</i> • <i>reasonability,</i> • <i>success recognition</i> • <i>satisfaction</i> 	6 items and 5-point likert scale	<i>Adopted with modification from Noorimah Mohd Mustaffa, 2017, Derara Tessema , 2014</i>
	<i>Leadership</i>	<ul style="list-style-type: none"> • <i>commitment and support</i> • <i>clarity of objectives</i> 		

The Effect Of Employee Engagement On Strategy Implementation

Variables		Indicators	Items size and measurement type	Sources
Strategy implementation		<ul style="list-style-type: none"> • <i>adequacy of knowledge & skill</i> • <i>staff motivation</i> • <i>staff involvement</i> • <i>communication</i> 	12 item and 5-point likert scale	adopted with modification from Joanna Radomska, 2014
	Structure	<ul style="list-style-type: none"> • <i>alignment of jobs and structure to strategy</i> • <i>Ability of clearly defining roles and responsibilities</i> 		
	Resources	<ul style="list-style-type: none"> • <i>Adequacy</i> • <i>Proper allocation and utilization</i> 		
	Culture	<ul style="list-style-type: none"> • <i>Fitting of organizational culture to strategy</i> 		

3.5.2. Instrument validity

Among the various ways to keep measurement errors to minimum is by ensuring the research instrument as valid and reliable. According to Hair et al. (2007), validity as about the degree to which a measurement tool accurately represents what is supposed to measure. Accordingly, the researcher tried to secure the content validity of the data collection instrument by adopting previously tested questionnaires with some modifications to fit their purposes. Moreover, pilot testing from 10 purposely selected experts (whom the researcher believes they have strong research background) was conducted and their constructive comments incorporated to increase the validity of the instrument. In the previous section, construct validity was also ensured through making all the variables operational.

3.5.3. Instrument reliability

Validity is a necessary but not sufficient condition for a measurement tool. A second important criterion: reliability test should be made. It is about the ability of the measure to consistently produce the same results under different

The Effect Of Employee Engagement On Strategy Implementation

conditions. The easiest way of ensuring reliability of the research instrument is to test the same group of people twice so that a reliable test will produce similar score at both points in time. Hair et al. (2007) defines reliability as the extents to which a variable or set of variables is consistent in what it is intended to measure.

The Cronbach's alpha coefficient is a statistical tool that evaluates the confidentiality through the inner consistency of a questionnaire. For the utilization of this coefficient, it is a requirement that all the items of a research instrument use the same measurement scale (Mohajan, 2017)

Table 3.7: Decision rule for alpha value

No	Cronbach's alpha value	Internal consistency
1.	$\alpha \geq 0.9$	Excellent
2.	$0.8 \leq \alpha < 0.9$	Good
3.	$0.7 \leq \alpha < 0.8$	Acceptable
4.	$0.5 \leq \alpha < 0.6$	Poor
5.	$\alpha < 0.5$	Unacceptable

Source: Mohajan(2017)

Based on the above decision rule, a pre-tested study based on some selected respondents results in reliability alpha values greater than 0.7 for all variables, thus, meet the minimum acceptable level.

Table 3.8: Cronbach's values for study variables

Variables	Number of items	Cronbach's alpha values	Internal consistency
Leadership	7	0.85	Good
Training & development	7	0.84	Good
Empowerment	5	0.77	Acceptable
Communication	7	0.73	Acceptable

The Effect Of Employee Engagement On Strategy Implementation

Rewards & recognition	6	0.72	Acceptable
Strategy implementation	12	0.80	Good
Overall item	44	0.78	Acceptable

Source: (SPSS Output Own Survey Result, 2021)

3.6. Data Analysis Methods

Data collected from the field have been coded and categorized according to the questionnaire items using frequency distribution tables and percentages. Once data is collected, it is necessary to employ statistical techniques to analyze the information. All quantitative data collected entered into statistical package for social science software (SPSS) for analysis purposes.

The reason for selecting the SPSS statistical package is that it facilitates the calculation of all essential statistics, such as descriptive statistics, reliability test, linear and multiple regression analysis, required for data analysis and present findings. Furthermore, SPSS is easily available and user friendly so it can be learnt within a short period of time.

The following are the data analysis methods used in this study:

3.6.1. Descriptive Statistics

The researcher used descriptive statistics to measure demographic variables such as age, gender, working experience, educational background, place of work and occupational categories. Statistical tools like frequencies, percentage, mean, & standard deviation values are also used to provide summary of information in the data set. The conclusions made from measuring the mean values have been used to provide useful information for further investigations.

3.6.2. Correlation analysis

A correlation is a design in which researchers use the co-relational statistic to describe and measure the degree or association (or relationship) between two or more variables or sets of scores (Creswell, 2014). Correlation coefficient was used to investigate the strength in a relationship between the variables, measured by Pearson's correlation coefficient (r) and the summary of correlation analysis is presented in data analysis part.

3.6.3. Regression analysis

The researcher has used multiple regression analysis for studying the effect of each component of independent variable (*leadership, training & development, empowerment, communication, rewards and recognition*) on dependent variable on (*strategy implementation*). The model specification using multiple linear regression equation is presented here below;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$$

Where,

- i. **Y**= Dependent Variable (Strategy Implementation).
- ii. **X**=Independent variable (*Dimensions Of Employee Engagement*)

Where;

- *X1; leadership,*
- *X2; training & development,*
- *X3; empowerment ,*
- *X4; communication,*
- *X5; reward & recognition*
 - *β_0 = constant coefficient*
 - *β_1 = un- standardized regression coefficient of leadership*
 - *β_2 = un- standardized regression coefficient of training and development*

The Effect Of Employee Engagement On Strategy Implementation

- β_3 = un- standardized regression coefficient of empowerment
- β_4 = un- standardized regression coefficient of communication
- β_5 = un- standardized regression coefficient of reward and development
- ε = error term

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1. Introduction

The data collected should be processed to make them useful, that is, to turn them in to information which can easily be understood by people (Saunders et al, 2007). This section, therefore, presents in- depth analysis of descriptive and inferential statistics in line with the established research objectives. In doing so, SPSS version 20 has been used to present and analyze the findings and results from the data set.

4.2. Questionnaire Response Rate

The researcher distributed 125 questionnaires to the bank staffs working at head office and Addis Ababa branches, and out of which managed to collect 118 questionnaires. In terms of percentage, the returned questionnaires account 94.4%, which is a very good response rate. After the questionnaires were collected, strict verification made to check their consistency and completeness before embarking on data processing phase.

4.3. Descriptive Analysis

4.3.1. Demographic characteristics of the respondents

Demographic characteristics of the respondents in this study include the personal profile related information including age, gender, working experience, educational qualification, work place and occupation. The reason for including demographic variables in the study is to seek whether information of respondents' characteristics represent the target population for generalization purposes.

Descriptive statistics using frequency and percentage distribution of respondents for each type of demographic characteristic are presented hereafter:

i. Respondents Age category

Table 4.1 age category of respondents

Age range		Frequency	Percent	Cumulative Percent
Valid	18-25	12	10.2	10.2
	26-33	43	36.4	46.6
	34-41	47	39.8	86.4
	42-49	13	11.0	97.5
	above 50	3	2.5	100.0
	Total	118	100.0	

Source: SPSS output of own survey, 2021

A closer look at the age distribution in the above table shows us that the majority of respondents (39.8%) are within the age range of 34-41 years, closely followed by the age range of 26-33, accounting for 36.4%. Thus, the sample population is largely dominated by the two age groups (middle aged employees) which together have share of 76.2%.

Thus, despite size differences, participates from all age group have taken part in the study. Hence, respondents are mature enough to responsively provide accurate data to the researcher. Moreover, this is a good sign that the majority of the banks workforce lies in the productive age group and shoulder more responsibility and burden by engaging in implementing the strategic plan of the organization.

ii. Respondents Gender distribution

Table 4.2: gender distribution of respondents

		Frequency	Percent	Cumulative Percent
Valid	male	77	65.3	65.3
	female	41	34.7	100.0
	Total	118	100.0	

The Effect Of Employee Engagement On Strategy Implementation

Source: SPSS output of own survey, 2021

As indicated in table 4.2 above, male respondents which accounts for 65.3% of the total are a bit smaller than twice the female respondents (34.7%). The fact that both gender respondents are participated in the study means that there is diversity in respondents, and the data collected will not be distorted due to factors related with gender distribution.

iii. Respondents Service year in the bank

Table 4.3: service year distribution of respondents

		Frequency	Percent	Cumulative Percent
Valid	2-5	27	22.9	22.9
	6-10	44	37.3	60.2
	11-15	29	24.6	84.7
	above 15	18	15.3	100.0
	Total	118	100.0	

Source: SPSS output of own survey, 2021

Respondents whose service year ranges from 6 years to 10 years dominates the others, accounting for 37.3 % followed by respondents who have 6-10 years of services in the bank, holding 24.6% of the total respondents. The sample population whose service year below 5 years and above 15 years is also large with both having a cumulative a share of 38.2%. From this, one can deduce that the majority of the respondents have worked long in the bank to know well the culture of the organization.

The Effect Of Employee Engagement On Strategy Implementation

iv. Respondents Educational background

Table 4.4: educational background of respondents

		Frequency	Percent	Cumulative Percent
Valid	Diploma	11	9.3	9.3
	1st degree	72	61.0	70.3
	2nd degree and above	35	29.7	100.0
	Total	118	100.0	

Source: SPSS output of own survey, 2021

As it can be seen from the table above, considerable number respondents (61%) have first degree level of education followed by those with 2nd degree and above (29.7%). Thus, the sample population tells that the bank's employees have sufficient educational background to be able to provide the needed information responsibly.

v. Respondents work place

Table 4.5: work place distribution of respondents

		Frequency	Percent	Cumulative Percent
Valid	head office	45	38.1	38.1
	District	13	11.0	49.2
	Branch	60	50.8	100.0
	Total	118	100.0	

Source: SPSS output of own survey, 2021

Since the large number of staff of the bank work at various branch outlets, the sample population from which data is collected from has considered the size differences as a result of work places. Accordingly, a little more than half of the

The Effect Of Employee Engagement On Strategy Implementation

respondents (50.8) are from branch locations in Addis Ababa, followed by head office staff (38.1%), and then finally districts (11%). Hence, the respondents' size differences are in line with their corresponding population size differences, and fulfill requirements of sample representativeness.

vi. Respondents occupational category

Table 4.6: occupational categories of respondents

		Frequency	Percent	Cumulative Percent
Valid	top management	3	2.6	2.5
	operational manager	34	28.8	31.4
	professional staff	81	68.6	100.0
	Total	118	100.0	

Source: SPSS output of own survey, 2021

As far as respondents occupational positions are concerned, those who are at professional job positions are predominantly large, accounting for 68.6% of the total. They are distantly followed by operational manager job positions, holding of 28.8% of the total. Respondents having both occupational categories enjoy cumulative share of 97.4% where the remaining 2.6% is owned by top management positions. The fact that the majority of respondents reside on the professional employees and first line managers is supportive of the study as the actual execution of organizational strategic plan is mainly realized through these individuals.

4.3.2. Descriptive statistics on study variables

Descriptive analysis in this section is used to organize, summarize, tabulate and interpret collected data about the different independent and dependent variables

The Effect Of Employee Engagement On Strategy Implementation

using statistical measures. For the sake of easing analysis, the researcher has curtailed the degree agreement or disagreement of respondents for each statement by summarizing the five point Likert scale response in to three. This is done by consolidating agree and strongly agree responses in to one positive response (i.e. agree), disagree and strongly disagree responses in to one negative response (i.e. disagree) and the neutral response is taken as it is.

Hence, on the likert scale, the researcher takes point 3 is taken as the average value of the scale and any mean value above this is considered as indicator of agreement by the respondents; whereas, any mean value lower than it is considered as an indicator of disagreements by the respondents.

a) Descriptive statistics on employee engagement dimensions

i. Leadership

There are seven items to measure the level of employee engagement through respondents' perception of leadership component as indicated below:

Table 4.7: descriptive statistics result on leadership

<i>established Items to measure leadership</i>	<i>Response level of agreement</i>			<i>Mean</i>	<i>Std.dev</i>
	<i>Disagree</i>	<i>neutral</i>	<i>Agree</i>		
<i>I have trust in the leaders (management) of the bank.</i>	49.2%	33.1%	17.8%	2.51	1.05
<i>The management of the bank demonstrates employees are important to the company's success.</i>	28.8%	27.1%	44.1%	3.11	1.12
<i>I feel my supervisor is providing me strong leadership.</i>	19.5%	24.6%	56%	3.38	0.96
<i>My supervisor provides me honest feedback on my regular performance.</i>	17.8%	22%	60.2%	3.47	0.95
<i>My supervisor always helps me to</i>					

The Effect Of Employee Engagement On Strategy Implementation

<i>develop my strengths.</i>	34.7%	23.7%	41.5%	3.10	1.05
<i>Managers at the bank are effective in meeting organizational requirements.</i>	45.8%	31.4%	22.9%	2.62	1.09
<i>Managers articulate the compelling vision of the future.</i>	26.3%	39%	34.7%	3.08	0.93
<i>Grand Average Value</i>	<i>31.72%</i>	<i>28.70%</i>	<i>39.60%</i>	<i>3.03</i>	<i>1.02</i>

Source: SPSS output of own survey (2021)

An observation on the table shows that respondents seem to have no trust in the overall management of the bank as the mean value of responses fall down (2.51), or 49.2 % of the respondents express their disagreement on the question related to employees trust level towards to the management of the bank. The statement “*Managers at the bank are effective in meeting organizational requirements*” has also got the second least point from the respondents’ level of agreement, with a mean value of 2.62 or 45.8% of the respondents have feel managers of the bank are not effective in meeting organizational needs.

The overall grand mean indicates that the variable leadership got a mean value of 3.03 with standard deviation 1.02. Thus, we can deduce that respondents have minor level of agreement, in fact; they are very close to show neither their agreement nor disagreement on the statements that measure the effectiveness of leadership role in the bank.

ii. Training and development

This dimension of employee engagement has also been measured using 7 items, where the first four items focuses purely on the training aspects and the last three items on employee career developments.

The Effect Of Employee Engagement On Strategy Implementation

Table 4.8: descriptive statistics result on training and development

<i>established Items to measure training & development</i>	<i>Response level of agreement</i>			<i>Mean</i>	<i>Std. deviation</i>
	<i>disagree</i>	<i>neutral</i>	<i>Agree</i>		
<i>My department provides me enough learning and training opportunities to meet the changing needs of the workplace.</i>	50.8 %	24.6%	24.6%	2.69	1.00
<i>Overall, the on- the- job training I receive is applicable to my job.</i>	30.5%	17.8%	51.7%	3.19	1.09
<i>Overall, the training I receive helps me to meet my needs</i>	26.3%	17.8%	56%	3.31	1.04
<i>Overall, I am satisfied with the amount of training I receive on the job</i>	50.0%	23.7%	26.3%	2.72	1.00
<i>I am satisfied with my opportunities for professional growth.</i>	48.3%	22%	29.6%	2.70	1.13
<i>I am pleased with the career opportunities available for me.</i>	47.5%	25.4%	27.1%	2.68	1.09
<i>My organization is dedicated to my professional development</i>	52.5%	28%	19.4%	2.55	1.00
<i>Grand Average Value</i>	<i>43.70 %</i>	<i>22.76 %</i>	<i>33.53%</i>	<i>2.83</i>	<i>1.05</i>

Source: SPSS output of own survey (2021)

The grand average value for training and development is below 3, with mean value=2.83, and SD =1.05. 43.70% of the total respondents have not a good feeling on the training and development practice of the bank, 22.76% of the respondents have become neutral, and 33.53% of the respondents show agreement or positive feeling on it.

This is because 5 items of training and development dimension have mean values less than 3 showing that the level of respondents' disagreement exceeds that of their level of agreement for the statements, and the bank should do more on its

The Effect Of Employee Engagement On Strategy Implementation

training and employee development program in order to increase the level of employee engagement.

iii. Empowerment

Employee empowerment, as another dimension of employee engagement, has been measured using 6 related items, and the result of respondents' descriptive statistics about it is presented hereafter;

Table 4.9: descriptive statistics result on empowerment

<i>established Items to measure empowerment</i>	<i>Response level of agreement</i>			<i>Mean</i>	<i>Std.dev</i>
	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>		
<i>I feel competent to perform the tasks required for my position.</i>	4.2%	3.4%	92.4%	4.17	0.68
<i>I am confident about my capabilities and skills to do my job.</i>	3.4%	1.7%	94.9%	4.30	0.67
<i>I have the authority to make the necessary decisions to perform my jobs well.</i>	28%	16%	56%	3.34	1.12
<i>My manager trusts me to make the appropriate decision in my job.</i>	23.7%	21.2%	55.1%	3.36	1.08
<i>I have considerable opportunities for independence in how I do my job</i>	34.7%	20.3%	45%	3.11	1.19
Grand average value	18.80%	12.52%	68.68%	3.65	0.94

Source: SPSS output of own survey (2021)

When we see the grand average value for empowerment, 68.68% of the sampled populations have agreed on all the five items associated with measuring empowerment, with only 18.80% expressed their disagreement. The corresponding grand mean value is also 3.65 with SD =0.94, which means that respondents feel high level of agreement towards the empowerment practice in the bank. Overall, as far as employees' empowerment level in the bank is concerned, respondents

The Effect Of Employee Engagement On Strategy Implementation

have a good feeling and their level of agreement is high with the mean value for all items is greater than 3.

iv. communication

The level of respondents' agreement on communication dimension has been analyzed with 7 items as follows:

Table 4.10: descriptive statistics result on communication

<i>established Items to measure communication</i>	<i>Response level of agreement</i>			<i>Mean</i>	<i>Std. deviation</i>
	<i>disagree</i>	<i>neutral</i>	<i>Agree</i>		
<i>There is good communication among work units of the bank.</i>	35.6%	29.7%	34.7%	2.99	1.21
<i>I believe my supervisor really understands me.</i>	11.9%	31.4%	56.7%	3.5	0.83
<i>I am always kept informed about how well organizational objectives are being met.</i>	39.0%	20.3%	40.7%	2.99	1.21
<i>Top management is providing employees with the kinds of information they really want.</i>	31.4%	42.4%	26.2%	2.87	0.97
<i>I am pleased with the management's effort to keep employees up-to-date on recent developments.</i>	48.3%	30.5%	21.1%	2.66	1.01
<i>Information is shared to all employees in a timely manner from the bank.</i>	44.9%	31.4%	23.7%	2.74	1.00
<i>I am kept informed about reasons behind organizational decisions.</i>	50.0%	24.6%	25.4%	2.63	1.09
<i>Grand Average Value</i>	<i>37.30%</i>	<i>30.04%</i>	<i>32.64%</i>	<i>2.91</i>	<i>1.04</i>

Source: SPSS output of own survey (2021)

The grand average value for respondents average level of agreement on communication dimension shows 2.91, which is lower than 3. Hence, it can be summarized that, on average, respondents' level of agreement is low on the communication items in general. In terms of relative percentage, of the total, 37.30%, 30.04% and 32.64% of respondents disagreed, become neutral, and

The Effect Of Employee Engagement On Strategy Implementation

agreed respectively on all the statements of communication, which shows that the percentage of respondents expressing disagreements is higher than those who are neutral or those expressing their agreements.

v. reward and recognition

Six items are developed in association with measurement of rewards and recognition level of the bank as follows:

Table 4.11: descriptive statistics result on reward and recognition

<i>Items to measure rewards and recognition</i>	<i>Response level of agreement</i>			<i>Mean</i>	<i>Std.dev</i>
	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>		
<i>I believe the salary I get paid are compatible to my work.</i>	19.5%	20.3%	60.2%	3.44	0.91
<i>Salary and benefits package of the bank is competitive compared to other similar organizations.</i>	24.6%	9.3%	66.1%	3.40	1.06
<i>The salary and benefit system of the bank treats each employee reasonably</i>	17.8%	38.1%	44.1%	3.24	0.86
<i>My successes are recognized by my manager and co-workers.</i>	22.0%	33.1%	44.9%	3.24	0.96
<i>I get praise for my good performance from my supervisor.</i>	33.9%	26.3%	39.8%	3.00	1.06
<i>Overall, I am satisfied by the bank's reward and recognition practice.</i>	30.5%	24.6%	44.9%	3.05	1.08
Grand average value	24.72%	25.28%	50.00%	3.23	0.98

Source: SPSS output of own survey (2021)

The grand average value for rewards and recognition shows a mean value of 3.23 and SD=0.98. This can also be substantiated by the fact that about 50% of the respondents have expressed their agreement on the statements, and only 24.75% of respondents have expressed their disagreements, with the remaining becoming

The Effect Of Employee Engagement On Strategy Implementation

neutral. Overall, it can be concluded that majority of respondents have remained agree on the statements and the standard deviation showing less than 1 also supports the level of agreement is moderate .

b) Descriptive statistics on employee engagement (mean value of the 5 variables)

Taking the mean value of the descriptive statistics of all the five independent variables gives the aggregate mean value of the employee engagement to measure the level of employee engagement in Wegagen Bank. Accordingly, the following table shows the descriptive statistics for the employee engagement as a combined value of the five independent variables.

Table 4.12 descriptive statistics of employee engagement

variable	Descriptive statistics Mean value for the variables
Leadership	3.04
Training & development	2.84
empowerment	3.65
communication	2.91
Rewards & recognition	3.23
<i>Employee engagement</i>	<i>3.13 (average value of the five dimensions)</i>

c) Descriptive statistics on strategy implementation

Under analysis of this section, there are 12 items employed to understand the level of respondents' agreement on each item. The items are made to reflect the various components of strategy implementation such as leadership competency, structure, resource allocation and culture.

The Effect Of Employee Engagement On Strategy Implementation

Table 4.13: descriptive statistics result on strategy implementation

<i>established Items to measure strategy implementation</i>	<i>Response level of agreement</i>			<i>Mean</i>	<i>Std. dev.</i>
	<i>disagree</i>	<i>neutral</i>	<i>Agree</i>		
<i>Senior management of the bank show commitment and support for strategy implementation</i>	55.1%	29.7%	15.3%	2.36	1.06
<i>Strategic objectives of the bank are clearly formulated and defined</i>	32.2%	35.6%	32.2%	2.91	1.09
<i>There is adequate skill & knowledge necessary to implement strategy among the staff</i>	29.7%	33.9%	36.5%	3.05	1.06
<i>There is good coordination across work units when implementing strategy of the bank</i>	44.1%	37.3%	18.6%	2.64	0.95
<i>There is good or sufficient exchange of information regarding strategy implementation</i>	54.2%	33.1%	12.7%	2.45	0.91
<i>supervisors at lower level effectively motivate staff in implementing strategy</i>	34.7%	41.5%	23.7%	2.83	0.97
<i>There is strong involvement of employees who are essential from the view point of strategy implementation</i>	48.3%	29.7%	22%	2.68	0.95
<i>Jobs and organizational structure of the bank are properly designed to support strategy</i>	39%	39%	22%	2.77	1.00
<i>Roles and responsibilities are properly defined to support strategy</i>	39%	30.5%	30.5%	2.85	1.03
<i>The bank has the necessary resources (human, material, technology) that enable achieve its objectives</i>	17.8%	25.4%	56.8%	3.42	0.93
<i>Resources are properly allocated and utilized in the bank</i>	44%	28%	28%	2.74	1.07
<i>The organizational culture of the bank is suitable to achieve its strategic objectives</i>	44.1%	28.8%	27.1%	2.72	1.14
<i>Grand Average Value</i>	<i>40.18%</i>	<i>32.71%</i>	<i>27.12%</i>	<i>2.78</i>	<i>1.01</i>

Source: SPSS output of own survey (2021)

As shown above in table 4.12, the mean values of all except two items (item 3 and item 10) are less than 3. This indicates that respondents have not expressed their agreements almost on all the statements that are designed to recognize the level of strategy implementation in the bank.

The Effect Of Employee Engagement On Strategy Implementation

It can be summarized that 9 items have mean values ranging between 2.45- 2.91, and their SD ranging between 0.91-1.14. Moreover, all the average responses of the items fall below 3, which is 2.78, indicating that number of respondents who disagree or be neutral are much greater than the number of respondents who agree on the items. We can therefore conclude that, almost in terms of all measures (components) of strategy implementation, the result shows strategy is being implemented poorly.

d) Comparing and summarizing descriptive statistics of the variables

Taking in to consideration of the detail analysis of descriptive statistics made for both the dependent and independent variables in the foregoing section, now it is possible to compare and summarize the relative level of respondents' agreement for each variable using their grand mean and standard deviation as terms of reference.

Table 4.14: summary of descriptive analysis

Variables	Sample population	Descriptive statistics		Mean order
		Mean	SD	
Strategy implementation	118	2.78	1.01	6 th
Leadership	118	3.03	1.02	3 rd
Training & dev.t	118	2.83	1.05	5 th
Empowerment	118	3.65	0.94	1 st
Communication	118	2.91	1.04	4 th
Reward & recognition	118	3.23	0.98	2 nd

Source: SPSS output of own survey (2021)

When we see respondents' perception on the statements of independent variables, respondents seem to strongly agree on the items of empowerment, which has the highest grand mean value =3.65, and SD=0.94; followed by reward and recognition with mean value =3.23 and SD=0.98.

The Effect Of Employee Engagement On Strategy Implementation

Leadership, communication and training & development fall in the third, fourth and fifth ranks with their mean values of 3.03, 2.91, and 2.83 respectively. With respect to these variables, it means that respondents show little or no agreement on the issues raised to the respective variables.

The dependent variable, strategy implementation, has the lowest mean value relative to the other independent variables with the mean value=2.78 and SD =1.01 and thus ranked 6th. This shows that a large proportion of the respondents have expressed their disagreement on the majority of the statements of strategy implementation as compared to those expressing their agreements. Moreover, the implication is that majority of respondents believe that strategy implementation in the bank is not satisfactorily undertaken or failed to a large extent.

4.4. Inferential Statistics

One of the major objectives of the study is to assess the relationship that the selected dimensions of employee engagement (i.e. leadership, training and development, empowerment, communication, reward& recognition) have with strategy implementation of Wegagen Bank, and their relative effects on it.

For this purpose, inferential statistics of correlation and regression analysis have been employed and the results are presented hereafter:

4.4.1. Correlation analysis

According to Pallant(2011), correlation provides an indication that there is a relationship between two variables; it does not however indicate that one variable causes the other. It is used to describe the strength and direction of the linear relationship between two variables. Hence, in this study, Bivariate Pearson Product- Moment Coefficient (r) has been used to see the relationship between the dependent variable and each independent variable.

According to Pallant(2010), a value of correlation coefficient between 0.1-0.29 indicates that the relationship between the variables is poor; between 0.3-0.49, the

The Effect Of Employee Engagement On Strategy Implementation

relationship is moderate, and between, 0.5 to 1 shows that there is strong relationship between the variables. Another important point to be noted in the correlation analysis is the probability (p) value to know the significance level of the relationship. If $p > 0.05$, it means that independent variable does not influence the dependent variable. If $p < 0.05$ it means that independent variable influences the dependent variable (Pallant, 2010). The following table illustrates the values of correlation coefficient matrix for the variables under study.

Table 4.15: correlation values for the study variables

		Correlations					
		<i>leadership</i>	<i>Training & development</i>	<i>Empowerment</i>	<i>Communication</i>	<i>Rewards & recognition</i>	<i>Strategy implementation</i>
<i>leadership</i>	<i>Pearson Correlation</i>	1	.703**	.458**	.741**	.496**	.695**
	<i>Sig. (2-tailed)</i>		.000	.000	.000	.000	.000
<i>training & development</i>	<i>Pearson Correlation</i>	.703**	1	.518**	.552**	.523**	.598**
	<i>Sig. (2-tailed)</i>	.000		.000	.000	.000	.000
<i>empowerment</i>	<i>Pearson Correlation</i>	.458**	.518**	1	.446**	.448**	.631**
	<i>Sig. (2-tailed)</i>	.000	.000		.000	.000	.000
<i>communication</i>	<i>Pearson Correlation</i>	.741**	.552**	.446**	1	.444**	.718**
	<i>Sig. (2-tailed)</i>	.000	.000	.000		.000	.000
<i>reward & recognition</i>	<i>Pearson Correlation</i>	.496**	.523**	.448**	.444**	1	.398**
	<i>Sig. (2-tailed)</i>	.000	.000	.000	.000		.000
<i>Strategy implementation</i>	<i>Pearson Correlation</i>	.695**	.598**	.631**	.718**	.398**	1
	<i>Sig. (2-tailed)</i>	.000	.000	.000	.000	.000	

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

Source: SPSS output of own survey (2021)

The Effect Of Employee Engagement On Strategy Implementation

From the table 4.14, it can be understood that the dependent variable- strategy implementation is highly and positively correlated with predictive variables: *communication, leadership, empowerment, training and development* with correlation coefficient of .718, .695, .631, and .598 respectively. The corresponding Sig. (2-tailed) for all variables is also 0.000 which is <0.05. On the other hand, the correlation between strategy implementation and rewards and recognition show moderate and positive with (r=0.398, p<0.01).

According to Bryman & Bell (2011) the correlation coefficient among independent variable should be less than 0.9 this is because of the reason that if two independent variable is highly correlated with correlation coefficient of greater than 0.9 those variables assumed to measure almost the same variable and therefore must be merged in to one and become single variable. According to the result of this study all correlation coefficient for inter-independent variables is less than 0.9 indicating that all the stated independent variables can potentially measure/affect the dependent variable separately.

The following table shows the correlation between employee engagement and the strategy implementation.

Table 4.16: correlation between employee engagement and strategy implementation

Correlations			
		<i>Employee Engagement</i>	<i>Strategy Implementation</i>
<i>Employee Engagement</i>	<i>Pearson Correlation</i>	1	.681**
	<i>Sig. (2-tailed)</i>		.000
<i>Strategy Implementation</i>	<i>Pearson Correlation</i>	.681**	1
	<i>Sig. (2-tailed)</i>	.000	
** <i>. Correlation is significant at the 0.01 level (2-tailed).</i>			

Source: SPSS output of own survey (2021)

The correlation coefficient between the 32 items of employee engagement, and 12 items of strategy implementation is strong and positive with r=0.681, p<0.01.

Hence, employee engagement has strong and positive relationship with strategy implementation.

4.4.2. Testing Assumptions of Classical Linear Regression Model (CLRM)

In order to estimate the parameters in multiple linear regression models and minimize the sum of squared error (the difference between observed value and predicted value), Ordinary Least Square (OLS) method has been considered in this research.

According to OLS method, five key underlying assumptions should be satisfied in order to have correct estimator value. When the assumptions are violated OLS estimators produce biased, inconsistent and inefficient result, and tests of hypothesis are no longer valid. Therefore, in order to protect against the chance of getting and interpreting wrong regression results, the researcher has conducted the following diagnostic tests.

4.4.2.1. Testing the assumption that the error terms have zero mean

Classical linear regression models assume that the error terms should have zero mean value. According to Brooks (2014), if a constant term is included in the regression model equation; this assumption will not be violated. It is noted that under section 3.6.3, the researcher has included a constant term ($\beta_0 =$ constant coefficient) in the model specification. Hence, it is expected that the assumption that the error term should have zero mean value will not be violated.

4.4.2.2. Test for the assumption of autocorrelation

This assumption states that covariance between the error terms over time for same type of data is zero. This is to say that the values of the residuals are independent from one another (or uncorrelated). The assumption of autocorrelation has been tested using Durbin-Watson statistic which is indicated in the model summary table. According to this method, the statistic could vary between 0-4; however, in order to the assumption to be satisfied, the Durbin-Watson statistic should be closer to 2. The result of testing , in the following table

The Effect Of Employee Engagement On Strategy Implementation

shows 1.78, which is closer to 2, in which case the assumption of autocorrelation is not breached.

Table 4.17: test for autocorrelation assumption

Model summary	
Model	Durbin-Watson test result
1	1.78

Source: SPSS output of own survey (2021)

4.4.2.3. Test for the assumption of Homoscedasticity

This assumption states that the variance of the errors is constant at each point of the model. It is tested through plotting the standardized residual against the standardized predicted values. As the predicted value in the x axis increases, the variation in the residual values should remain the same.

As we see the scatter plot (annex II, fig. 4.1), the dots are randomly distributed without any defined pattern which is an indication of meeting the assumption.

4.4.2.4. Test for normality assumption

Another assumption of classical linear regression model is that the residual errors should have normal distribution. Normal distribution is characterized by a bell-shaped curve and occurs when the data is distributed symmetrically around the center of all scores. In a normal distribution, skewness of the data is close to zero. Hence, as we can see the histogram (annex II, Fig.4.2); the residuals are normally distributed to satisfy the assumption of normality.

Further more normal probability plot (NPP) has been also used to test the normality of the data and NPP showed approximately a straight line which can be said that variables of interest is normally distributed (annex II, Fig.4.3)

The Effect Of Employee Engagement On Strategy Implementation

4.4.2.5. Test for the Assumption of Multicollinearity

Brooks (2014) suggests multicollinearity arises when the explanatory variables are very highly correlated with each other. The coefficient of determination (R²) will be high but the individual coefficients will have high standard errors making their effect insignificant on the dependent variable, though regression model 'looks good'.

The most common statistics to detect this problem is using the Variance Inflation Factor (VIF). AVIF value of 10 and more is an indication of the muticollinearity problem Wooldrige(2013, p. 98). As we look table 4.18, the VIF values for all explanatory variables are less than 10, implying that the assumption is met.

Table 4.18: testing multicollinearity assumption

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Leadership	.323	3.091
	Training& development	.437	2.289
	Empowerment	.666	1.501
	Communication	.433	2.307
	Rewards& recognition	.656	1.524
	Dependent variable – strategy implementation		

Source: SPSS output of own survey (2021)

Taking all the 5 diagnostic tests conducted above in to consideration, all the assumptions of CLRM have been satisfied. Hence, the parameter estimators in the regression model do not produce biased, inconsistent and inefficient result, and tests of hypothesis are valid.

4.4.3. Multiple Regression analysis

Multiple regression analysis is the study of how a dependent variable is related with two or more independent variables. Multiple regression analysis also implies that how much of the variance in the dependent variable can be explained by the

The Effect Of Employee Engagement On Strategy Implementation

independent variables Anderson et al, (2011, p. 644). Thus, under this section, the researcher has tried to determine the relationship of each identified independent variable (leadership, training & development, empowerment, communication, rewards and recognition) with the dependent variable (strategy implementation) in Wegagen Bank to be in line with the established objectives.

The following table depicts the multiple regression model summaries consisting of various statistical elements.

I. Coefficient of determination (R-square)

The model summary produced below from the SPSS tells about the power of the model to predict the dependent variable. If the value under the last column (sig.) is less than 0.05, it can be said that the model is statistically significant to explain the outcome variable.

Table 4.19: regression analysis model summary

<i>Model summary</i>									
<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>	<i>Change Statistics</i>				
					<i>R Square Change</i>	<i>F Change</i>	<i>df1</i>	<i>df2</i>	<i>Sig. F Change</i>
1	.806 ^a	.699	.679	.43557	.699	33.127	5	112	.000
<i>a. Predictors: (Constant), rewards & recognition, communication, empowerment, training& development, leadership</i>									
<i>b. Dependent Variable: strategy implementation</i>									

Source: SPSS output of own survey (2021)

From table 4.19, R-square (known as the coefficient of determination) tells us the proportion of variance in the dependent variable (strategy implementation) explained by the model. The value of R-square ranges from 0 to 1 and expressed as percentages. The value of 100% means that the dependent variable is entirely explained by the existing independent variables indicated in the model. On the other hand, the value of R-square is 0% indicates that none of the predictive variables in the model has the power to explain the variability of the dependent variable.

The Effect Of Employee Engagement On Strategy Implementation

In this research, the R-square value is 0.699, which means that 69.9% of the variability of the strategy implementation in Wegagen Bank is attributable to the combined effect of the predictive variables (the combined effect of the 5 components of employee engagement). The remaining 30.1% of the changes in strategy implementation is associated with other factors which are not explained in the model.

In order to avoid overstating the impact of adding an independent variable on the variability explained by the regression equation, an adjusted R-square is important to introduce Anderson et al, (2011,p.655). In this research, the adjusted R-square is 0.679, implying that 67.9% of the variances in the strategy implementation of the bank is brought about by the predictive variables.

From the model summary, it is noted that the value ($R=.806a$) is the multiple correlation coefficients between independent variables: Employee engagement dimensions (leadership, training & development, empowerment, communication, rewards and recognition) and dependent variable (strategy implementation). This is an indication that there is a strong correlation between the aggregate independent variables and dependent variables.

Another important point to look is the p-value which is .000 (which is less than 0.05). This indicates that the model is fit to explain strategy implementation is affected by the dimensions of the employee engagement.

II. Analysis of variance (ANOVA) test

Analysis of variance helps to test the statistical significance of the model in predicting the dependent variable using F-ratio, P-value and defined significance level.

The Effect Of Employee Engagement On Strategy Implementation

Table 4.20: ANOVA test

ANOVA^a						
<i>Model</i>		<i>Sum of Squares</i>	<i>Df.</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
1	<i>Regression</i>	50.520	5	10.104	33.127	.000 ^b
	<i>Residual</i>	34.167	112	.305		
	<i>Total</i>	84.687	117			
<i>a. Dependent Variable: strategy implementation</i>						
<i>b. Predictors: (Constant), rewards& recognition, communication, empowerment, training& development, leadership</i>						

As we see from the above table, the total sum of square of the model (84.68) is the sum of regression sum of square (50.520) and residual sum of square (34.167). Moreover, the total degree of freedom for the regression model (117) is the sum of the degree of freedom for regression (5) and the degree of freedom for the residual (112), which is also 1 less than the size of the sample (118-1).

The mean square for regression model is determined as the quotient of its sum of square value to its degree of freedom (50.520/5), similarly the mean square for residual model is the quotient of its respective sum of square value to its degree of freedom (34.167/112).

The F-test is used to investigate whether set of all the independent variables significantly explain the dependent variable (David R. Anderson et al, 2011, pp 658). The F-ratio, in this study, is 33.127 (computed by dividing the mean square of the regression to the mean square of the residual = 10.437/0.305), and the p-value is .000^b. Since the p-value .000 is less than the established significance level 0.05, the model is statistically significant to predict the dependent variable and is fit for data analysis. Therefore, it can be concluded that there is a significant and positive relationship between employee engagement (measured by the five components) and strategy implementation in the case of Wegagen Bank.

The Effect Of Employee Engagement On Strategy Implementation

III. Testing of significance for individual variable

Using statistics of B-coefficients, t-ratio, and the p-values for each independent variable of the regression model, we can easily determine the significance effect of each independent variable on the dependent variable. The B –coefficient values of the regression equation explains the change in the value of the dependent variable due to a unit change in the independent variable when all other independent variables are held constant. If a variable is said to be significant, the beta values should be different from zero. The standard errors for each corresponding beta values express the extent of these values vary across different samples.

One can understand that the larger the beta coefficient, the smaller the p-value, and the greater contribution of that independent variable on the dependent variable and the vice versa is also true.

Table 4.21: testing significance of Beta coefficients

Model		Un-standardized Coefficients		standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.551	.122		4.510	.000
	Leadership	.273	.032	.351	8.465	.000
	training& development	.105	.033	.129	3.151	.002
	Empowerment	.153	.058	.169	2.912	.004
	Communication	.302	.076	.344	3.974	.000
	rewards & recognition	.033	.080	.033	.411	.682

Source: SPSS output of own survey (2021)

From the above table result the following inferences can be made:

As we can see the table above, the beta values have associated standard errors which are used to determine whether the beta values are significantly different from zero. The general assumption and relationship of coefficient reveal that

The Effect Of Employee Engagement On Strategy Implementation

when the smaller the value of sig., the larger will be the value of t implying that the greater will be the contribution of that predictor and vice versa.

Looking the t-test and sig. value for each independent variable, we can have the following inferences:

Communication: it has statistically significant effect in predicting strategy implementation of the bank with ($t=3.974$, $p=000 < 0.05$). Communication, as compared to other independent variables, has the largest effect on strategy implementation of Wegagen Bank. This finding is supported by previous empirical studies of Anyieni & Areri (2016) who revealed that communication has significant impact on strategic plan of secondary schools in Kenya, and Jenipher & Daniel (2012) whose study indicated that communication has positive and significant effect on strategy implementation in commercial banks in Kenya.

Leadership: with $t=8.465$, $p=000 < 0.05$, leadership has also statistically significant effect in predicting strategy implementation of Wegagen Bank. It is logically true that without the commitment of the management in proper resource allocations, close coordination and follow-up of accomplishments, formulated strategies will not be effectively realized.

Existing literatures supporting this finding include:

- Momanyi & Juma (2015) whose study resulted leadership has positive and significant influence on strategy implementation in the case of energy sector, Kenya.
- Nyonga & Maina (2019) concluded in their study that strategic leadership practice, in revenue authority in Kenya, has positive and significant impact on strategy implementation.
- Abujared (2019) implied in his research that transformational and transactional style of leadership positively predicts strategy implementation in NGOs, Gaza strip.

The Effect Of Employee Engagement On Strategy Implementation

Training & development: has also statistically significant effect on the strategy implementation of the bank with ($t=3.151$, $p=.002<0.05$). The finding is in line with the study of Rotich&Osodo (2017) whose empirical study on the influence of employee training on strategy implementation at Independent Electoral and Boundaries Commission (IEBC) at north rift and western regions, Kenya resulted in significant positive impact on strategy implementation.

Empowerment has ($t=2.912$, $p=.004 <0.05$) to have positive and significant effect on strategy implementation in Wegagen Bank. The result is supported by Ondari, Gesimba&Njau (2019) undertook a research on effect of Staff Autonomy on Strategy Implementation in Private Security Firms in Nakuru County, Kenya. The regression analysis result shows that staff autonomy (empowerment) has positive and significant effect on strategy implementation.

Rewards and recognitions: unlike the other four previous predictive variables, rewards and recognition having, $t=0.411$, $p=.682$, has positive yet insignificant effect on strategy implementation in the bank.

It is therefore inferred that all the predictor variables have statistically significant effect on the dependent variable (strategy implementation) except rewards and recognition whose sig. value is greater than the significance value ($p=0.682>0.05$). The findings of regression analysis for the variables are also supported by their correlations results they have with strategy implementation.

From the above regression analysis table, we can also see that the equation has a constant 55.1 which means that when all the 5 variables are held zero, strategy implementation level in Wegagaen Bank will be performed by 55.1%.

Remembering that the un-restricted regression equation was formulated in the previous section (chapter 3 of this study) as:

$$Y=\beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4 X_4 + \beta_5X_5 +\epsilon$$

The Effect Of Employee Engagement On Strategy Implementation

After finding the beta values through the analysis made in table 21, the equation can now be determined by replacing the unrestricted beta coefficients with the values for the purpose of interpreting the significance of each individual beta values on the outcome variable:

$$Y=0.551 +0.273X1+ 0.105X2+ 0.153X3+ 0.302X4 + 0.033X5 +\epsilon$$

Where,

- i. **Y**= Dependent Variable (*Strategy Implementation*).
- ii. **X1, X2, X3, X4, X5** represent independent variables (*leadership, training and development, empowerment, communication, reward & recognitions*) respectively

Interpretations Based On the Regression Equation

- a unit increase in leadership will increase strategy implementation by 0.273 keeping other variables constant;
- a unit increase made on training and development will result in a 0.105 progress in strategy implementation in the bank, keeping all the other variables constant;
- a unit increase on employee empowerment, keeping all the remaining variables intact, will induce the bank's strategy implementation level by 0.153;
- a unit increase on communication, keeping the remaining variables intact, will progress strategy implementation level of the bank by 0.302;
- when rewards and recognition is made to increase by one unit, keeping all the other variables constant, strategy implementation level increase by 0.033;

4.4.4. Hypothesis testing

Zikmund, et al (2010) states that hypothesis is a statement derived from research objectives and to be proved empirically whether the outcome is true or not. Two contradictory hypotheses (the null hypothesis represented by H_0 , and the

The Effect Of Employee Engagement On Strategy Implementation

alternative hypothesis represented by H_a) go together in hypothesizing and testing process.

The decision criteria to accept or reject the hypothesis are based on comparisons made between the p-value against the level of significance (which is set in this research to be 0.05). Accordingly, the decision will be to reject the null hypothesis when the p-value < 0.05 , and accept it when the p-value > 0.05 .

Research Hypothesis 1: *Leadership has significant effect on Strategy Implementation in Wegagen Bank S.C*

Test result and decision

- *The finding for this assumption is indicated in table 4.21 as Leadership= $\beta_1 = 0.273$, $p=.000$. A unit increase in leadership will result a 0.273 increment in strategy implementation in Wegagen Bank when other variables are held constant.*
- *Because of the result, the researcher rejects the null hypothesis and accepts the alternative hypothesis one which states “Leadership has significant effect on Strategy Implementation in Wegagen Bank S.C”*

Research Hypothesis 2: *Training & Development has significant effect on Strategy Implementation in Wegagen Bank*

Test result and decisions

- *The regression result in the foregoing analysis shows training & development has test statistic of $\beta_2 = 0.105$, $p=.002$. Holding all other explanatory variables constant, a unit progress in training & development in Wegagen Bank will increase its strategy implementation level on average by 0.105.*
- *Since p-value(.002) is less than 0.05, the researcher rejects the null hypothesis and **accepts** the alternative analysis: “Training & Development has significant effect on Strategy Implementation in Wegagen Bank”*

The Effect Of Employee Engagement On Strategy Implementation

Research Hypothesis 3: *empowerment has significant effect on Strategy Implementation in Wegagen Bank*

Test result and Decisions

- *The finding in table 4.21 indicates that the variable empowerment has test statistic of $\beta_3 = 0.153$, $p=.004$. Holding other explanatory variables constant, a unit increment in employee empowerment will increase strategy implementation of the bank by 0.153.*
- *P-value for empowerment is .004 which is also greater than 0.05 leading us to reject the null hypothesis and **accept** the alternative hypothesis.*

Research Hypothesis 4: *Communication has significant effect on Strategy Implementation in Wegagen Bank S.C*

Test result and Decisions

- *From table 4.21, the finding shows communication has test statistic of $\beta_4 = 0.302$, $p=0.000$. Holding other explanatory variables constant, a unit increase in communication will increase strategy implementation of the bank by 0.302.*
- *since p-value for communication (0.000) is less than 0.05, the decision is to reject the null hypothesis and **accept** the alternative hypothesis*

Research Hypothesis 5: *rewards & recognition has significant effect on strategy implementation in Wegagen Bank S.C*

Test result and Decisions

- *From table 4.21, the finding shows rewards & recognition has test statistic of $\beta_5 = 0.033$, $p=0.682$. Holding other explanatory variables constant, a unit increase in rewards & recognition will increase strategy implementation of the bank by 0.033*

The Effect Of Employee Engagement On Strategy Implementation

- *Since p -value(0.682) is greater than 0.05, the researcher accepts the null hypothesis and **rejects** the alternative analysis: “rewards & recognition has significant effect on Strategy Implementation in Wegagen Bank”*

The potential reason for rewards' insignificant effect on strategy implementation of the bank is that, before starting the study, the bank's pay scale was relatively low in the banking industry which caused high turnover rate. However, later on while the study was being conducted, the bank adjusted its salary and employees get satisfied over it. The cross sectional nature of the data where changes of a variable over the year are not considered means that updating the result is difficult accordingly.

CHAPTER FIVE
SUMMARY OF FINDINGS, CONCLUSIONS AND
RECOMMENDATIONS

5.1. Introduction

Under this final chapter, a highlight of research findings and conclusions which were dealt in-depth in chapter four are presented. Based on the findings, constructive commendations are forwarded for the bank's management for their focus of interventions in implementing the long term strategic objectives of the organizations. Moreover, other research areas have been suggested for future studies related to the link between employee engagement and strategy implementation.

5.2. Summary of Findings

As described earlier, the very purpose of this study is to investigate the effect of employee engagement in the executions of strategy in Wegagen Bank by considering leadership, training & development, empowerment, communications, rewards and recognitions as selected dimensions of employee engagement for research.

Descriptive statistics such as mean, standard deviations, and percentage as well as inferential statistics such as Pearson correlation and regression analysis were used in analyzing the collected data through structured questionnaire.

i. Summary of Descriptive statistics analysis

- The overall grand mean for the variable leadership is 3.03 with standard deviation 1.02. Respondents are very close to show neither their agreement nor disagreement on the statements that measure the effectiveness of leadership role in the bank. The reason for low level of score for this variable is that majority of the respondents expressed low level of trust on the leadership of the bank, and also they disagreed on the leadership effectiveness in achieving organizational requirements.

The Effect Of Employee Engagement On Strategy Implementation

- 43.70% of the total respondents have not a good feeling on the training and development issue of the bank, 22.76% of the respondents have become neutral, and 33.53% of the respondents show agreement or positive feeling on it. This means that the majority of respondents feel discomfort about the training and development program of the bank and the grand mean value (2.83) is lower than 3 to substantiate the statement.
- The grand mean value for empowerment is 3.65 with SD =0.94, which means that respondents feel high level of agreement towards the empowerment practice in the bank.
- The grand mean value for respondents average level of agreement on communication dimension shows 2.91, which is lower than 3. Hence, it can be summarized that, on average, respondents' level of agreement is low on the communication items in general. The low level of communication is attributable to the low level of information to employees about organizational accomplishment and decisions and untimely information sharing to work units.
- The level of respondents' agreement for statements related to rewards and recognition variable is moderately high as the number of respondents expressing their agreements is greater than those expressing their disagreements, and the grand mean value shows 3.23. Majority agree that the pay level is comparable to other organization, reasonable and is satisfied to it.
- The average value of descriptive statistics for the five independent variables gives the mean value of employee engagement level on aggregate which is 3.13. This means that respondents on average feel neither engaged nor disengaged in the bank;
- Finally, when we see the level of respondent agreement in relation to the extent of strategy implementation in the bank, the grand mean is 2.78, which is also lower than 3.00. Hence , on average, respondents remain disagree on all items of strategy implementation, it can be summarized that, almost in

The Effect Of Employee Engagement On Strategy Implementation

terms of all measures (components) of strategy implementation, the result shows strategy is being implemented poorly in the bank.

Items contributing to the low level of respondents' agreement on effectiveness of strategy implementation in the bank include;

- ✓ *low level of commitment and support from top management,*
- ✓ *lack of coordination among work units,*
- ✓ *lack of clearly formulating and defining strategic objectives,*
- ✓ *lack of involving employees in strategy management,*
- ✓ *poor alignment of structure and jobs to strategy,*
- ✓ *poor allocation and utilization of resources;*
- ✓ *Unfit organizational culture with strategy.*

ii. Summary of Inferential statistics analysis

Taking the Pearson correlation analysis in to account, four independent variables (leadership, training & development, empowerment and communication) are strongly and positively correlated with the dependent variable (strategy implementation) with their respective correlation coefficients of 0.695, 0.598, 0.631, & 0.718.

Empowerment, on the other hand, is also positively and moderately correlated. The comparison of overall analysis reveals that communication and strategy implementation has the highest correlation, followed by leadership and strategy implementation. The correlation between reward and recognition with strategy implementation is the lowest among the other variables.

On the other hand, employee engagement (in aggregate) has positive and strong relationship with strategy implementation with correlation coefficient of 0.681.

From the model summary table, we have found the coefficient of determination (R-square value) to be 0.699, which means that 69.9% of the variability of the strategy implementation in Wegagen Bank is attributable to the combined effect of

The Effect Of Employee Engagement On Strategy Implementation

the predictive variables (the combined effect of the 5 components of employee engagement). Since the p-value (000) is less than the level of significance, the model is adequate or fit to explain the dependent variable. The remaining 30.1% of the changes in strategy implementation is associated with other factors which are not explained in the model.

This is also to mean that the independent variable, employee engagement explains 69.9 % the variability of the outcome variable (strategy implementation), and the effect of employee engagement on strategy implementation in the bank is positive and significant.

The effect of individual independent variable on the strategy implementation is summarized from test of significance as communication, leadership, empowerment, training and development have positive and significant effect on strategy implementation in Wegagen Bank, and whereas rewards and recognition has positive insignificant effect over strategy implementation as its respective p-values is less than the level of significance (0.05).

The independent variable, communication has the largest effect in predicting the outcome variable (strategy implementation) with its beta coefficient 0.302 higher than other variables and its p-value (.000) is lower than the significance level (0.05). Rewards and recognition, on the other hand, has the least effect in explaining strategy implementation as its p-value (0.682) > 0.05.

5.3. Conclusion

Based on the foregoing findings and analysis made, the researcher concluded the following points:

- The perceptions of respondents towards the level of employee engagement in the bank are not impressive as the score of their agreement lies at 3.03. This is due to the respondents' low level of perception on the three components of employee engagement namely: leadership, communication, training and development practice of the bank.

The Effect Of Employee Engagement On Strategy Implementation

- effectiveness of strategy implementation of the bank (perceived by respondents) is poor as the mean score for the level of agreement in the likert scale is less than 3.00
- The Pearson correlation coefficient between Employee engagement and strategy implementation is high (0.681) implying that there is a strong relationship between the two variables.
- The four independent variables of employee engagement (leadership, training & development, empowerment, and communication) have strong relationship with strategy implementation as their correlation coefficient is greater than 0.5. On the other hand, rewards and recognition has moderate relationship with strategy implementation as its correlation coefficient ranges in 0.3 to 0.5.
- Communication, followed by leadership, has the largest correlation with strategy implementation and rewards and recognition has the least correlation with strategy implementation.
- Communication, leadership, empowerment, training & development have strong and positive effect on strategy implementation of the bank, and rewards and recognition has positive and insignificant effect on the strategy implementation of the bank
- 30.1 % of the variability of strategy implementation in the bank is determined by other factors than the five independent variables studied in this research.

5.4. Recommendation

Based on the findings and analysis made so far, the researcher has recommended the following issues for management interventions in order to improve the practice of strategy implementation in Wegagen Bank.

i. Employee engagement and strategy implementation

Findings from the descriptive statistics show that the level of employee engagement measured by the five dimensions is not encouraging. Likewise,

The Effect Of Employee Engagement On Strategy Implementation

strategy implementation level is not effective due to most importantly lack of senior management commitment and support of strategy, poor alignment of organizational structure and job design, and organizational culture.

In connection to this, more than half of the variation of strategy implementation of the bank is predicted by the five dimensions of employee engagement. This makes employee engagement has potentially significant contribution for the effectiveness of strategy implementation in the bank. Therefore, the management of the bank should enhance the level of employee engagement in order to scale up the effectiveness of implementing its strategic objectives.

ii. Individual dimensions of employee engagement and strategy implementation

➤ *Leadership and strategy implementation:* the correlation between the two variables was found to be high and the former has also a potential positive contribution on the effectiveness of strategy implementation in the bank. However, findings from the descriptive statistics about the effectiveness of leadership indicated that employees have not trust on top management of the bank in meeting strategic objectives of the organization. Employees develop trust in their management when they leaders demonstrate commitment to organizational success, supporting and motivating subordinates to enhance their performance.

Therefore the leaders (specially the top management) of the bank should make changes to address the existing limitation in relation to commitment to organizational success, supporting and motivating employees that lead to achieving effectiveness in strategy management of the bank. The bank should also focus much on developing change initiatives in order to enhance the role of management decision making and subsequent execution (which are the key requirements from leadership of an organization).

➤ *Training & development and strategy implementation:* the findings show that the two variables are strongly correlated and training and development has a

The Effect Of Employee Engagement On Strategy Implementation

positive significant effect on strategy implementation. On the other hand, employees are not satisfied on the adequacy of training and career opportunities in the bank. Therefore, adequate training, and developing their career opportunities should be made to the employees in order to increase their level of engagement, because the more employees are engaged, the more effort they unleash to the execution of strategy.

- *Empowerment and strategy implementation:* based on the findings, similar to the above dimensions, empowerment has a strong correlation with strategy implementation and has positive significant effect. According to the descriptive analysis, the practice of empowerment in the bank is relatively impressive and employees have a good perception on it. Therefore, the recommendation about empowerment is to advise the management of the bank to maintain the existing practice as it has high effect on strategy implementation in this study.
- *Communication and strategy implementation:* we have seen feelings of respondents about communication system and practices are not good. On the other hand, of all the five variables, communication is number one to significantly impact the strategy implementation of the bank. This is also supported by high level of correlation between the two variables.

Thus, the bank should do utmost effort in improving its communication practice by setting good information sharing system among work units, timely delivering decisions of management, communicating accomplishments and new developments to all employees. All these interventions on communication will have huge effect in increasing the level of employee engagement which, in turn, has significant effect on the effectiveness of strategy implementation in the bank.

iii. Suggestions for further studies

Strategy implementation of an organization is affected by various internal and external factors. This study focused only the effect of few internal factors associated with employee engagement on strategy implementation in the bank. Therefore, the researcher recommends undertaking further studies by

The Effect Of Employee Engagement On Strategy Implementation

incorporating external factors like government rules and regulations, market competition, economic and social factors as these factors greatly affect the achievement of strategic objectives.

There are various dimensions of employee engagement that are not covered in this study which could impact strategy implementation like job characteristics, job satisfaction, working environment, performance management, co-worker relationship etc. Therefore, the researcher suggests considering these variables for whom who want to study on the same topic.

REFERENCES

- Abdissa, G., & Fitwi, T. (2016). Determinants of Micro and Small Enterprises Performance in South West Ethiopia: The Case of Manufacturing Enterprises in Bench Maji, Sheka, and Kefa Zones. *Global Journal of Management and Business Research*
- Abrham, N. (2012). Factors impeding strategy implementation in the case of Wegagen Bank
- Abujarad A. H. (2019). The effect of leadership style on strategy implementation in NGOs, a case in Gaza strip.
- Ahmadi, S. A. A., Salamzadeh, Y., Daraei, M., & Akbari, J. (2012). Relationship between organizational culture and strategy implementation: Typologies and dimensions. *Global Business and Management Research*, 4(3/4), 286
- Akpan, E., & Waribugo, S. (2016). The Impact of Structure on Strategy Implementation Among Telecommunication Firms in Nigeria. *European Journal of Business and Management*, 8(14), 59-68
- Alharthy, A. H., Rashid, H., Pagliari, R., & Khan, F. (2017). Identification of strategy implementation influencing factors and their effects on the performance. *International Journal of Business and Social Science*, 8(1), 34-44
- Al-Kandi, I., Asutay, M., & Dixon, R. (2013). Factors influencing the strategy implementation process and its outcomes: Evidence from Saudi Arabian banks. *Journal of Global Strategic Management*, 14(1), 5-15
- Allio, M. K. (2012). Strategic dashboards: designing and deploying them to improve implementation. *Strategy & Leadership*, 40(5), 24-31
- Anderson, D. R., Sweeney, D. J., Williams, T. A., Camm, J. D., & Cochran, J. J. (2011). *Statistics for business & economics*. Nelson Education

The Effect Of Employee Engagement On Strategy Implementation

- Anyieni, A. G., & Areri, D. K. (2016). Assessment of the Factors Influencing the Implementation of Strategic Plans in Secondary Schools in Kenya. *Journal of Education and Practice*, 7(16), 1-8.
- Brooks, C. (2014). *Introductory econometrics for finance*. Cambridge university press
- Bryman A. & Bell, E. (2011). *Business Research Methods*. Oxford: University Press
- Cambell, D., Stonehouse, G., & Houston, B. (2002)) *Business Strategy-An Introduction*. Palgrave: McMillan
- Capelle, R. G. (2013). *Optimizing organization design: A proven approach to enhance financial performance, customer satisfaction and employee engagement*. John Wiley & Sons
- Čater, T., & Pučko, D. (2010). Factors of effective strategy implementation: Empirical evidence from Slovenian business practice. *Journal for east European Management Studies*, 207-236
- Chemwei, B., & Leboo, C. (2014). Factors that impede the implementation of strategic plans in secondary schools in Baringo District, Kenya.
- Cook, S. (2008). *The essential guide to employee engagement: better business performance through staff satisfaction*. Kogan Page Publishers
- Cooper, D. and Schindler, P. (2011) *Business Research Methods*. 11th Edition, McGraw Hill, Boston.
- Creswell, J. W. (2014). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. California: Sage Publications Inc
- Dajani, D., & Zaki, M. A. (2015). The impact of employee engagement on job performance and organisational commitment in the Egyptian banking sector. *Journal of business and management sciences*,3(5), 138-147
- David, F. R. (2011). *Strategic Management: Concepts and Cases*. New Jersey: Pearson Education

The Effect Of Employee Engagement On Strategy Implementation

- Devi, S. (2017). Impact of employee engagement on organizational performance: A study of select private sector banks. *International Journal of Commerce and Management Research*, 1(2), 10-13.
- Egwuonwu, I. C. (2015). Antecedents of employee engagement: an examination of the banking sector of Nigeria (Doctoral dissertation, University of Salford).
- Elliott, G., Corey, D. (2018). *Build it. The Rebel Playbook For World Class Employee Engagement*. Southern Gate, Chichester
- Gerhard Diedericks (2012). Why employee engagement is not equal to effective strategy execution. Retrieved August 20, 2020 from <https://www.bts.com/blog-article/business-insight/why-employee-engagement-effective-strategy-execution>
- Hair, J., Black, W., Babin, B., Anderson, R., & Tatham, R. (2007). *Multivariate Data Analysis*.
- Holbeche, L., & Matthews, G. (2012). *Engaged: unleashing your organization's potential through employee engagement*. John Wiley & Sons.
- Imperatori, B. (2017). *Engagement and disengagement at work, drivers and organizational practices to sustain employees passion and performance*, Springer Milan
- Jenipher, A. N., & Daniel, W. (2014). Effects of communication on the success of strategy implementation process among commercial banks in Nakuru County Kenya. *International Journal of Science and Research*, 3(10), 1672-1675
- Joe Evans (2012). Employee engagement in strategy: execution will not succeed without it. Retrieved September 14, 2020 from <https://www.vistage.com/research-center/business-growth-strategy/employee-engagement-in-strategy-execution-wont-succeed-without-it/>
- Jogi, R. A., & Srivastava, A. K. (2015). Determinants of employee engagement in banking sector: a multivariate study in central Chhattisgarh. *Pacific Business Review International*, 8(3), 66-70.

The Effect Of Employee Engagement On Strategy Implementation

- Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of management journal*, 33(4), 692-724.
- Katana, E. L. Influence of Organizational Resources on Strategy Execution in Shipping Companies in Kenya.
- Kavale, S. (2012). The connection between strategy and structure. *International journal of business and commerce*, 1(6), 60-70
- Krishnan, D. S. G., & Wesley, D. J. (2013). A study on impact of employee communication on employee engagement level. *International Research Journal of Business and Management*
- Lemarlani, J. E., Ochieng, I., Gakobo, T., & Mwaura, P. (2017). Effects of resource allocation on strategy implementation at Kenya Police Service in Nairobi County. *International Academic Journal of Human Resource and Business Administration*, 2(4), 1-26
- Magiri, K. M., Ngui, T. K., & Mathenge, P. (2018). Factors affecting strategy implementation: a case of the kenya police headquarters. *International Journal of Liberal Arts and Social Sciences*, 6 (5).
- Mahajabeen B. (2018). Impact of communication on employee engagement. Retrieved August 13, 2020 from <https://nation.com.pk/14-Oct-2018/impact-of-communication-on-employee-engagement>
- Malik, F.A., Rubina and Adil, T, P. (2013). Connecting Training and Development with Employee Engagement: How Does it Matter? *World Applied Sciences Journal*, 28(5), 696-703.
- Mansoor F. and Hassan Z. (2016). Factors influencing Employee Engagement: A study on a Telecommunication Network provider in Maldives, *international journal of accounting & business management*, 4(1), 50-64
- Maotwanyane, G. K. (2017). Addressing the strategy implementation gap with a liabilities approach (Doctoral dissertation, University of Pretoria).

The Effect Of Employee Engagement On Strategy Implementation

- Markos, S., & Sridevi, M. S. (2010). Employee engagement: The key to improving performance. *International journal of business and management*, 5(12), 89-96
- Mehta, D., & Mehta, N. K. (2013). Employee engagement: A literature review. *Economia. Seria Management*, 16(2), 208-215.
- Mohajan, H. K. (2017). Two Criteria for Good Measurements in Research: Validity and Reliability, *Annals of Spiru Haret University*, 17(3), 58-82
- Momanyi, R. G., & Juma, D. (2015). Effect of Leadership Involvement on Strategy Implementation in the Energy Sector Parastatals in Kenya. *International Journal of Science and Research*, 6(6), 100-104.
- Mubarak, M. F., & Yusoff, W. F. W. (2019). Impact of strategic leadership on strategy implementation. *Brief Description Publication Name: British Journal of Management and Marketing Studies*, 2(1), 32-43
- Mutisya, S. (2016). Influence of communication on strategy implementation among Pharmaceutical companies in Nairobi Kenya (Doctoral dissertation, United States International University-Africa).
- Mwanthi, T.N. (2018) "Linking Strategy Implementation with Organizational Performance in Kenyan Universities", *Kabarak Journal of Research & Innovation*, 5(2), 27-49
- Nienaber, H. & Martins, N. (2016). Employee engagement in a South African context. *Randburg: Knowres*, 121-138.
- Nyong'a, T. M., & Maina, R. (2019). Influence of strategic leadership on strategy implementation at Kenya Revenue Authority, southern region in Kenya. *International Academic Journal of Human Resource and Business Administration*, 3(5), 128-159.
- Oduol, S. M. (2015). Effects of organizational culture on performance of subsidiaries of selected regional commercial banks headquartered in Kenya (Doctoral dissertation, University of Nairobi).

The Effect Of Employee Engagement On Strategy Implementation

- Okumus, F. (2003). A framework to implement strategies in organizations. *Management decision*,41(9),871-882
- Ondari Isaac, Gesimba P, O. & Njau J. M. (2019).Effect of Staff Autonomy on Strategy Implementation in Private Security Firms in Nakuru County, Kenya, *IOSR Journal of Business and Management (IOSR-JBM)*, 21(9),29-37
- Osborne, S., & Hammoud, M. S. (2017). Effective employee engagement in the workplace. *International Journal of Applied Management and Technology*, 16(1), 50-67
- Pallant J. (2011). *SPSS Survival Manual: a step by step guide to data analysis using SPSS*: Allen &Unwin
- Patro, C. S. (2013, December). The impact of employee engagement on organization's productivity. In *2nd International Conference on Managing Human Resources at the Workplace* (pp. 13-14).
- Pholoba, K. M. (2015). *Employee engagement in strategy execution at the South African Army Infantry Formation* (Doctoral dissertation, University of the Free State).
- Rajasekar, J. (2014). Factors affecting effective strategy implementation in a service industry: A study of electricity distribution companies in the Sultanate of Oman. *International Journal of Business and Social Science*, 5(9), 169-183
- Ranjan, P. (2014). Do you communicate enough? *Ascent, the Times of India*. 1-4
- Robbins, S. P. & Coulter, M. (2012). *Management*. 11th edition, Upper Saddle River:NewJersey
- Robinson, D., Perryman, S. and Hayday, S. (2004). *The Drivers of Employee Engagement*, Brighton: Institute for Employment Studies
- Rotich Silas K & Osodo Phyllis (2017). Influence of Employee Training on Strategy Implementation at Independent Electoral and Boundaries Commission North Rift and Western Regions, Kenya, *IOSR Journal of Business and Management (IOSR-JBM)*, 19(12),18-26

The Effect Of Employee Engagement On Strategy Implementation

- Sahoo, C.K. and Mishra, S. (2012). A Frame Work towards Employee Engagement. The PSU experience: *ASCI journal of management*, 42(1), 92-110
- Saks, A. M., & Rotman, J. (2006). Antecedents and consequences of employee participation. *Journal of Managerial Psychology*, 600-619.
- Saunders, M. N. K., Lewis, P., & Thornhill, A. (2007). *Instructor's Manual: Research Methods for Business Students*.
- Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill building approach*. John Wiley & Sons.
- Shrestha, R. (2019). Employee Engagement and Organizational Performance of Public Enterprises in Nepal. *International Research Journal of Management Science*, 4(1) 118-135.
- Sterling J. (2003). Translating strategy into effective implementation: dispelling the myths and highlighting what works. *Strategy & Leadership*, 31 (3) 27–34
- Storey, J., Wright, P.M. and Ulrich, D. (eds) (2008) *The Routledge Companion to Strategic Human Resource Management*, London: Routledge
- .Sundaray, B. K. (2011). Employee engagement: a driver of organizational effectiveness. *European Journal of Business and Management*, 3(8), 53-59.
- Swarnalatha, D. C., & Prasanna, T. S. (2012). Employee engagement: the key to organizational success. *International Journal of Management (IJM)*, 3(3), 216-227.
- Vance, R. J. (2006). Employee engagement and commitment. *SHRM foundation*, 1-53
- .Wheelen, T. L., & Hunger, J. D. (2011). *Concepts in strategic management and business policy*. Pearson Education India.
- Whittington, J. L., Meskelis, S., Asare, E., & Beldona, S. (2017). *Enhancing employee engagement: An evidence-based approach*. Springer.
- Wiley, J. W. (2010). The impact of effective leadership on employee engagement. *Employment Relations Today*, 37(2), 47-52.

The Effect Of Employee Engagement On Strategy Implementation

Wooldridge, J. M. (2016). *Introductory econometrics: A modern approach*. Nelson Education.

Yang, L. (2019). A Model for Enhancing Strategy Execution. *Journal of Human Resource and Sustainability Studies*, 7(03), 360-367

Zikmund, W. G., Carr, J. C., & Griffin, M. (2013). *Business Research Methods (Book Only)*, Cengage Learning

Appendices

Appendix I



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

Questionnaire to Be Filled By Employees

Dear respondent:

This questionnaire is aimed at collecting data to study about the ***effect of employee engagement on strategy implementation at Wegagen Bank***. The purpose of the research is in partial fulfillment of Master of Science in Management from Addis Ababa University. The questionnaire is presented in two sections with the first requiring data on demographic related information, and respondents are, therefore, asked to put the right mark (√) on the boxes provided for this purpose. The second section focuses on collecting data about the ***employee engagement*** and ***strategy implementation*** variables and responses are provided based on a 5-point Likert scale

All information provided will be treated with utmost confidentiality and will be used purely for academic purposes. For any clarification you may seek, you can reach me through mobile phone no. 0912184703. Your honest responses are appreciated.

Kind regards,

The Effect Of Employee Engagement On Strategy Implementation

Section I: background information

Please indicate your choice by indicating a thick mark (✓) among the given alternatives

1. Age : 18 – 25 26-33 34-41 42-49 above 50

2. Sex : male female

3. Years of experience in the Bank

2-5 6-10 11-15 above 15 years

4. Your educational qualification level

High school complete Diploma 1st degree 2nd degree or above

5. Your specific work place in the Bank

Head office district branch

6. Your job occupation :

a) top management

b) operational manager

c) professional staff

Section II: The table that follows in the next section consist list of items, Please put “√” mark for every statement based on your level of agreement.

1: Strongly Disagree; 2: Disagree; 3: Neutral; 4: Agree; 5: Strongly Agree

s/n	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I. EMPLOYEE ENGAGEMENT						
a) leadership						
1	I have trust in the leaders (management) of the bank.					
2	The management of the bank demonstrates employees are important to the company's success.					
3	I feel my supervisor is providing me strong leadership.					
4	My supervisor provides me honest feedback on my regular performance.					
5	My supervisor always helps me to develop my strengths.					
6	Managers at the bank are effective in meeting organizational requirements.					
7.	Managers articulate the compelling vision of the future.					
b) Training and Development						
1	My department provides me enough learning and training opportunities to meet the changing needs of the workplace.					
2	Overall, the on- the- job training I receive is applicable to my job.					
3	Overall, the training I receive helps me to meet my needs					

The Effect Of Employee Engagement On Strategy Implementation

<i>s/n</i>	<i>Questions</i>	<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly Agree</i>
4	Overall, I am satisfied with the amount of training I receive on the job					
5	I am satisfied with my opportunities for professional growth.					
6	I am pleased with the career advancement opportunities available for me.					
7	My organization is dedicated to my professional development					
<i>c) Empowerment</i>						
1	I feel competent to perform the tasks required for my position.					
2	I am confident about my capabilities and skills to do my job.					
3	I have the authority to make the necessary decisions to perform my jobs well.					
4	My manager trusts me to make the appropriate decision in my job.					
5	I have considerable opportunity for independence and freedom in how I do my job.					
<i>d) Communication</i>						
1	There is good communication among work units of the bank.					
2	I believe that my supervisor really understands me.					
3.	I am always kept informed about how well organizational goals and objectives are being met.					
4	Top management is providing employees with the kinds of information they really want.					
5	I am pleased with the management's effort to					

The Effect Of Employee Engagement On Strategy Implementation

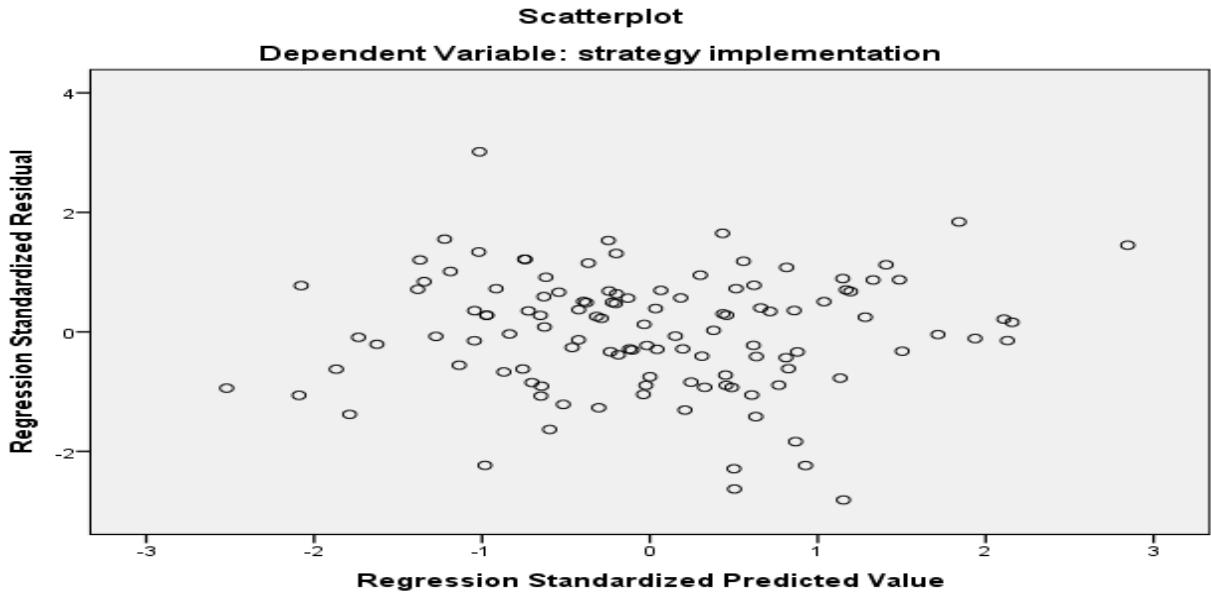
s/n	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	keep employees up-to-date on recent developments.					
6	Information is shared to all employees in a timely manner from the bank.					
7.	I am kept informed about reasons behind organizational decisions.					
e) Reward and Recognition						
1	I believe the salary I get paid are compatible to my work.					
2	Salary and benefits package of the bank are competitive compared to other similar organizations.					
3	The salary and benefit system of the bank treats each employee reasonably					
4	My successes are recognized by my manager and co-workers.					
5	I get praise for my good performance from my supervisor.					
6	Overall, I am satisfied by the bank's reward and recognition practice.					
II. STRATEGY IMPLEMENTATION						
1.	Senior management of the bank show commitment and support for strategy implementation					
2.	Strategic objectives of the bank are clearly formulated and defined					
3.	There is adequate skill and knowledge necessary to implement strategy among the staff					
4.	There is good coordination across work units					

The Effect Of Employee Engagement On Strategy Implementation

<i>s/n</i>	<i>Questions</i>	<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly Agree</i>
	when implementing strategy of the bank					
5	There is good or sufficient exchange of information regarding strategy implementation					
6	supervisors at lower level of structure effectively motivate staff in implementing the banks strategy					
7	There is strong involvement of employees who are essential from the view point of strategy implementation					
8	Jobs and organizational structure of the bank are properly designed to support strategy					
9	Roles and responsibilities are properly defined to support strategy					
10	The bank has the necessary resources (human, material, technology) that enable to achieve its objectives					
11	Resources are properly allocated and utilized in the bank					
12	The organizational culture of the bank is suitable to achieve its strategic objectives					

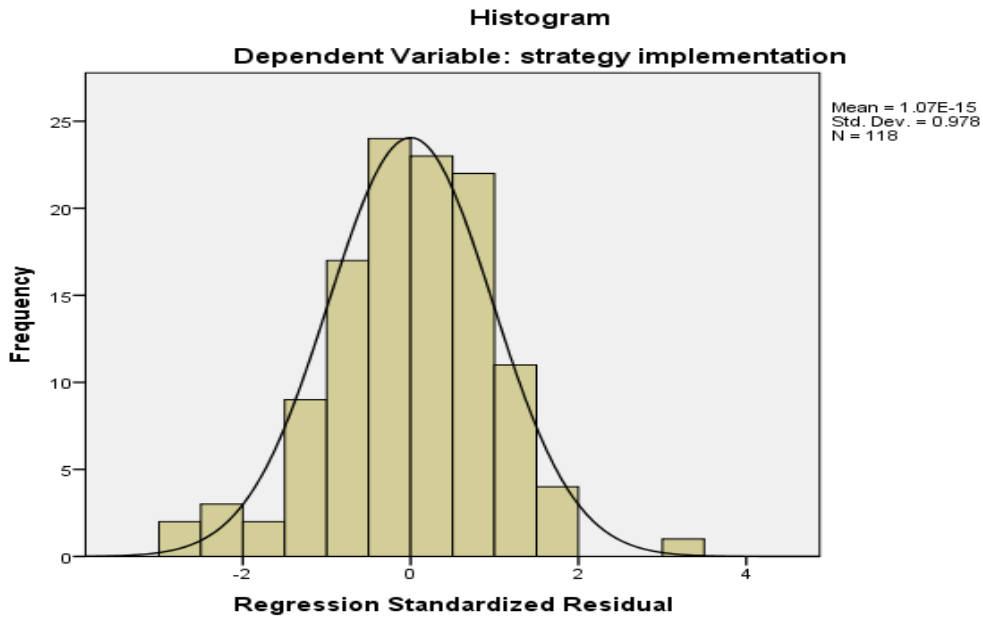
Appendix II

Fig 4.1: scatter plot for testing homoscedasticity



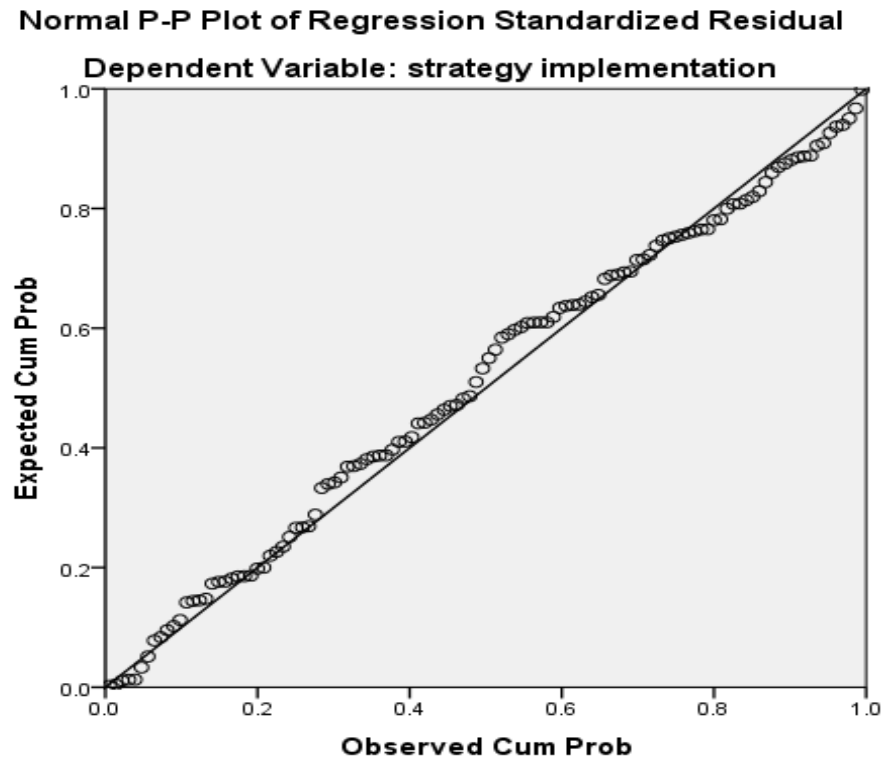
Source: SPSS output of own survey (2021)

Fig 4.2: frequency distribution for residual errors



Source: SPSS output of own survey (2021)

Fig 4.3: Normal P-P plot of regression



Source: SPSS output of own survey (2021)