



**ST. MARY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES**

**ASSESSING THE DETERMINANTS OF EMPLOYEE ENGAGEMENT  
AT BANK OF ABYSSINIA S.C**

**By  
WOINSHET ALEBACHEW**

**JUNE, 2018  
ADDIS ABABA, ETHIOPIA**

**ASSESSING THE DETERMINANTS OF EMPLOYEE ENGAGEMENT AT  
BANK OF ABYSSINIA S.C**

**By**

**WOINSHET ALEBACHEW**

**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL  
OF GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF  
MASTER OF BUSINESS ADMINISTRATION**

**JUNE, 2018**

**ADDIS ABABA, ETHIOPIA**

**ST. MARY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES  
SCHOOL OF BUSINESS**

**ASSESSING THE DETERMINANTS OF EMPLOYEE ENGAGEMENT AT  
BANK OF ABYSSINIA S.C**

**By**

**WOINSHET ALEBACHEW**

**APPROVED BY BOARD OF EXAMINERS**

\_\_\_\_\_  
**Dean, School of Business**

\_\_\_\_\_  
**Advisor**

\_\_\_\_\_  
**External Examiner**

\_\_\_\_\_  
**Internal Examiner**

## **ACKNOWLEDGMENTS**

I would like to extend my deepest gratitude to a number of people who have made this thesis possible. First and foremost, I would give the almighty God praises for his guidance, protection and provision during the period of my work. I would like to thank my thesis Adviser, Shoa Jemal (Asst. Professor) for his precious and constructive comments and suggestion.

This study was also made possible by the assistance obtained from the respondents who have demonstrated their willingness to complete the questionnaires and provide me with the required information, valuable for the completion of the study. Moreover, special thanks go to my colleagues for their assistance and cooperation in the data collection process and their overall support and encouragement.

## TABLE OF CONTENTS

ACRONYMS .....	v
LIST OF TABLES .....	vi
LIST OF FIGURES .....	vii
ABSTRACT .....	viii
<b>CHAPTER ONE-INTRODUCTION .....</b>	<b>1</b>
1.1 Background of the Study.....	1
1.2 Background of the Company .....	3
1.3 Definition of Terms.....	3
1.4 Statement of the Problem.....	4
1.5 Research Questions .....	5
1.6 Objective of the Study.....	6
1.6.1 General Objective .....	6
1.6.2 The specific objectives of the study .....	6
1.7 Significance of the Study .....	6
1.8 Scope of the study .....	7
1.9 Limitation of the Study .....	7
1.10 Organization of the Study .....	7
<b>CHAPTER TWO-REVIEW OF RELATED LITERATURE .....</b>	<b>9</b>
2.1 Theoretical Literature.....	9
2.1.1 Defined Engagement.....	9
2.1.2 Importance of Engagement .....	12
2.1.3 Levels of Employee Engagement .....	13
2.1.3.1 Engaged Employees.....	13
2.1.3.2 Not Engaged.....	13
2.1.3.3 Actively Disengaged.....	14
2.1.4 Different Employee engagement models and theory .....	14
2.1.4.1 Kahn’s Model.....	14

2.1.4.2 Maslach, Schaufelli and Leiter Model .....	15
2.1.4.3 Robinson, Perryman and Hayday Model .....	15
2.1.4.4 Penna’s Model of Employee Engagement (2007) .....	15
2.1.4.5 Social exchange theory (SET).....	16
2.1.4.6 Saks Model Multidimensional Approach.....	16
2.1.5 Determinants of Employee Engagement.....	17
2.2 Empirical Review.....	23
2.3 Conceptual Frame work .....	24
2.4 Study Hypotheses .....	25
<b>CHAPTER THREE-RESEARCH DESIGN AND METHODOLOGY.....</b>	<b>26</b>
3.1 Study Design.....	26
3.2 Population, Sample Size and Sampling Techniques.....	26
3.2.1 Population .....	26
3.2.2 Sample size .....	27
3.2.3 Sampling techniques .....	28
3.3 Source of Data.....	28
3.4 Data Collection Instrument .....	28
3.5 Procedures of Data Collection .....	29
3.6 Pilot Test.....	29
3.7 Reliability of the study.....	29
3.8 Method of Data Analysis .....	30
3.9 Ethical considerations .....	30
<b>CHAPTER FOUR-DATA ANALYSIS AND INTERPRETATION .....</b>	<b>31</b>
4.1 Characteristics of the Respondents .....	31
4.2 Analysis of the Collected Data.....	34
4.2.1 Descriptive analysis .....	34
4.2.2 Correlation Analysis .....	40
4.2.3 Regression Analysis.....	42

4.2.3.1 Multiple Linear Regression Analysis.....	42
4.3 Testing Hypothesis.....	43
<b>CHAPTER FIVE-FINDINGS, CONCLUSIONS AND RECOMMENDATIONS .....</b>	<b>48</b>
5.1 Summary Major Findings .....	48
5.2 Conclusions.....	50
5.3 Recommendations.....	51
<b>6. REFERENCE.....</b>	<b>52</b>
Annex – 1-RESEARCH QUESTIONNAIRE.....	ii

## **ACRONYMS**

BoA :	Bank of Abyssinia
CIPD:	Chartered Institute of Personnel and Development
EE:	Employee Engagement
HR:	Human Resource
HRM:	Human Resource Management
IES:	Institute of Education Sciences
JC:	Job Characteristics
OCB:	Organization Citizenship Behaviour
OJ:	Organizational Justice
POS:	Perceived Organizational Support
PSS:	Perceived Supervision Support
SET:	Social Exchange Theory
SHRM:	Society of Human Resource Management



## LIST OF TABLES

Table 1-Sample Size Of The Study.....	27
Table 2-Alpha Coefficient For Each Section Study.....	30
Table 3-Demographical Characteristics Of Respondents .....	32
Table 4-Respondent View Regarding Job Characteristics.....	34
Table 5-Respondent View Regarding Organizational Justice .....	35
Table 6-Respondent View Regarding Perceive Organizational Support.....	36
Table 7-Respondent View Regarding Perceive Supervision Support .....	37
Table 8-Respondent View Regarding Rewards .....	38
Table 9-Respondents View Regarding Recognitions .....	39
Table 10-Correlation Coefficient .....	40
Table 11-Pearson Correlation Analysis .....	41
Table 12-Model Summary .....	42
Table 13- Coefficient Of Regression Analysis .....	42

## **LIST OF FIGURES**

Figure 1- Conceptual frame work of the study.....	25
---	----

## ABSTRACT

*The main objective of the study is, to the exploration and discussion of what it meant by employee engagement and why, simultaneously, reviewing its important, the research more precisely tries to assess and studies the determinant factors of employee engagement at Bank of Abyssinia. The determinants covered were job characteristics, organizational justice, perceive organizational support, perceive supervision support, reward and recognitions. A theoretical foundation was compiled for the study based on the literature review. The study adopted a Descriptive-Explanatory research design. The data collected through a self-administered questionnaire was distributed to 250 non- managerial employees but 214 respondents filled and replied were found valid for analysed. Correlation and regression was used to analyse the study hypothesis. The finding of the study shows that job characteristics, organizational Justice, perceive organizational support, perceive supervision support, reward and recognitions have statistically significant and positive relationship with employee engagement. The study recommends that BoA should give special attention to programmes and activities that promote employee engagement which has a positive linkage to performance. Finally, the knowledge gained from this thesis will be used by students who are interested in the topic of employee engagement, as well as in human resource management reviews, to address issues regarding the employee engagement.*

**Key Words:** *Determinants, Engagement, Bank of Abyssinia*

# CHAPTER ONE

## Introduction

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

### 1.1 Background of the Study

Employees are the key component of every organization. Work is the center of every Employees life. They devote all their waking time at task. Maintaining a strong employer and employee relationship can be the key to the ultimate success of an organisation, the result is advantageous. It is known that if, a strong relationship is in place employees will be more productive, more efficient, create less conflict and will be more loyal (Hafiz et.al. 2011). Employee engagement is the heart of the employment relationship.

Over the past decade, the workplace has been changed so fast, Because of globalization. The characterized of globalization is rapidly change the organization Environment into speedy, innovation, quality, and customer satisfaction. This rapidly changing business environment is increasingly forcing organizations develop different strategy to survive in a competitive global economy. Their survival depends on the ability to satisfy customer needs, while achieving quality, flexibility, innovation and organisational responsibility, through the engagement and commitment of employees (Fay & Luhrmann, 2004).

A high level of effective and efficient engagement of employees in their duty requires effective HRM system (Kaila, 2012). Human resource is one of the most important resources than any other resource for the achievement of organization's objectives to be competent in the dynamic environment and to overcome various threats retaining quality human resource, which is very essential for the company. To make sure that all staff are treated fairly across the organisation and equally valued, it is important to establish the framework within which this policy and procedure operates. If the company applied rules fairly and consistently to all employees and

rewarded based on their performance and merit, employees perceive the evaluation process as fair this lead to higher organizational engagement. If employees perceive organizational procedures as unfair, they may take destructive actions which may lead to reduced organizational engagement. unfair procedures will cause a reduction in organizational Engagement even when an employee is satisfied with the outcome (Kaila, 2012). Moreover, this issue is highly interconnected with productivity which comes from a great or high correlation with individual, group and organization performance ultimately leads to a success and it becomes a measure through the quality customer experience and customer loyalty on the flip side of the coin. (Harter, Schmidt & Hayes, 2002).

The link between the determinants of employee engagement has been studied constantly over the few decades. Each study has been confirmed by a lot of researchers on the linkage between employee and the performance of the organization it makes total sense. Organizations where employees showed high levels of engagement demonstrated a greater capacity for innovation, experienced higher retention rates, less absenteeism and fewer work-related accidents. (Gallup, 2013) they had lower levels of negative or unproductive factors that affect organizational business. They had higher levels of the things you want in the organization or the factors that drive success and customer satisfaction. In stressing this issue Armstrong (2006) pointed out that engaged workforce is more productive and loyal. In any form such manner of employee can bring about positive impact on the attitudes, absence and turnover levels (Buchingham & Coffman, 1999). In addition to this, it is a unique source to build a sustainable competitive advantage help to achieve to fulfill their vision. In other words, they play a great role in providing a product and service to its customer and meet ultimate objective. As it is stated above human resource management with emphasis on engagement is paramount in any type of business. With the same context, the banking industry, precisely looking into Bank of Abyssinia's HR management with the highlights of employee engagement shall contribute to the strong business model at the end of the line i.e. improved performance. The main reason of conducting an employee engagement survey is to evaluate the level of engagement based on the determinants at Bank of Abyssinia. It is important in order to establish sync between what top management offers and what employees' expectation.

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

BoA has a vision to be a choice of customer, employee and shareholder such vision will remain to be a dream if discretionary effort is not taken to creating a work environment where all employees are fully engaged. For the purpose of the study, the researcher is going to assess factors responsible for employee engagement and what the Bank can do to get the best out of its employee.

## **1.2 Background of the company**

Bank of Abyssinia was established as per the intent of the new policy and the Ethiopian investment code and it came into existence on February 15, 1996 according to the Commercial Code of Ethiopia 1960, and the Licensing and Supervision of Banking Business Proclamation No. 84/1994 with a subscribed capital of Birr 25 million, an authorized capital of Birr 50 million and a paid-up capital of Birr 25 million ([www.bankofabyssinia.com](http://www.bankofabyssinia.com), Accessed on January, 2018). The Bank has shown significant growth over the past 20 years. Currently the branches' number reached 282 across the country. While the total number of its work force reached 3,485 as of June 30, 2017. The annual report of the bank states that by the fiscal year 2016/17 it earned a total revenue of 704.5 million birr and its total asset has reached to Birr 25.3 billion, whereas its total capital, and account holders has gone up to Birr 2.90 billion and 750,387 respectively.

## **1.3 Definition of Terms**

- Employee Engagement- is the level of commitment and involvement of the employees towards their organization and its values (Kahn, 1990).
- Job characteristics- as a set of environmental variables that are considered to be important causes of employees' affection and behavior (Hackman & Oldham, 1976)

- Organizational justice- an employee's perception of their organisation's behaviours, decisions and actions and how these influence the employees own attitudes and behaviours at work (Greenberg, 1987)
- Perceive Organization support- the degree to which employees believe that their organizations appreciate their contributions and care about their well-being (Eisenberger et al., 1986)
- Perceive Supervision support- the angle of view of employees to their supervisor in assessing their contribution to the organization and the employer concern for their welfare (Rhoades et al., 2001).
- Rewards the return for performance of a desired behavior; positive reinforcement (Cofman, 2012).
- Recognition- Any word or deed towards making someone feel appreciated and valued for who they are and recognized for what they do (Mokaye et.al, 2014).

#### **1.4 Statement of the Problem**

Employees who are engaged in their work and to their organizations give companies key competitive advantages including higher productivity and lower employee turnover. Even though Gallup (2013) worldwide report, shows that, worldwide only 13% of employees are fully engaged at work. The rest of people around the globe are not engaged or actively disengaged at work-meaning they are emotionally disconnected from their workplaces and less likely to be productive. In addition to this report shows that highest proportions of actively disengaged workers are found in the Middle East, North Africa and sub-Saharan Africa regions.

Gallup estimates that these actively disengaged employees cost the U.S. between \$450 billion to \$550 billion each year lost in productivity. Beside this if employees are engage to the organization the organization avoiding employee replacement costs. According to SHRM (Society of Human Resource Management) the cost of replacing one \$8 per hour employee can exceed \$3,500, which gives companies a strong financial incentive to maintain their existing staff members through strong employee engagement practices.

The challenges not just retaining talented people, but fully engaging them, capturing their minds and hearts at each stage of their work lives (SHRM, 2007). Because it affects the quality of service in banks with a consequent effect on customer satisfaction and ultimate performance.

The competitions among rivalry banks are non-price competition. They compete provision of quality service to customers. To provide the quality service to customer needs to create motivated and engaged employees. It means organizations that aspiration to improve their performance must be concerned about internal issues related to employee engagement and view their employees as customers too.

Irrespective of the fact that few numbers of studies on employee engaged have been done in the world these studies were carried out in different countries and organization. But the researcher couldn't find study on engagement has been done at bank of Abyssinia. Because of this lack of information, there is exists a gap of knowledge regarding the study of employee engagement within the Bank of Abyssinia, as a result missed opportunities for growth, development, and change that could essentially affect the performance of an organization. Implying the result of other countries research may not mirror of realities (Maertz, 1998).

In order to create an environment for employee engagement, it is vitally important to be aware of the determinant factors. The study sought to assess the determinants of employee engagement at Bank of Abyssinia.

## **1.5 Research Questions**

This study primarily focuses on answering the following basic research questions in order to address the problem stated:

1. To what extent job characteristics affects employee engagement at Bank of Abyssinia?
2. To what extent perception of organizational justice has effect on employee engagement at Bank of Abyssinia?
3. How "perceived organizational support" affect employee engagement at Bank of Abyssinia?
4. How " Perceived Supervision Support" affects employee engagement at Bank of Abyssinia?



5. What is the effect of reward system on employee engagement at Bank of Abyssinia?
6. How much Employee recognitions Affect employee engagement at Bank of Abyssinia?

## **1.6 Objective of the Study**

The study has conducted by drawing general and specific objectives which are clearly stated as shown below.

### **1.6.1 General Objective**

The general objective of this research is to assess the current level of employee engagement at Bank of Abyssinian.

### **1.6.2 The specific objectives of the study**

- To assess the level of job characteristics in predicting employee engagement at BoA.
- To identify the level of organizational justice in predicting employee engagement at BoA.
- To measure the effect of perceived organizational support in predicting employee engagement at BoA.
- To assess the effect of perceived supervision support in predicting employee engagement at BoA.
- To identify the effect of Reward system in predicting employee engagement at BoA.
- To examine the recognition culture in predicting employee engagement at BoA.

## **1.7 Significance of the Study**

The finding of this study has a paramount importance for the following groups.

- To have good understanding about the determinants of employee engagement.
- To empirically inform decision makers and others concerned about the existing problem and to solve the problems regarding the employee engagement of the bank.
- To help the management in designing effective system that effectively motivated employee and make them engage to the bank.
- Contribute to the existing body of knowledge in addition to a literature on the employee engagement of employee in the Bank industry

## **1.8 Scope of the study**

Various authors and researchers have proposed drivers of employee engagement, which include a wide range of factors. However, this study focused only six determinates of employee engagement (job characteristics, organizational justice, perceived organizational support, perceived supervision support, rewards and recognition) based on Saks modified (2006) model.

Because of time and budget constraint, this research was delimited to geographical location and the sample was restricted in Addis Ababa branches (East and West District).

This researcher also delimited to the data collection tools used. There are different data collection tools such as questionnaire, interview, observation and experiment. However, the researcher used only questionnaire for this study. This research is further delimited to the number and type of respondents.

## **1.9 Limitation of the Study**

Some factors were found as the limitations of the study. First, lack of time became the main factor in collecting data and referring many relevant documents in- depth for analysis. During the data collection process, some of the employees were busy of their daily routine tasks to fill the questionnaire. Hence, were not willing to answer and finish all the questions in the questionnaire. And also, some respondents were not punctual in returning the questionnaire; these are the limitation of the study. The limitations were overcome by introducing the importance of the research to respondents and by giving some extra time to fill the questionnaires.

## **1.10 Organization of the Study**

The study has comprises five chapters. The first chapter covers introduction, background of the study, definition of the term, statement of the problem, research questions, objective of the study, significant of the study and scope of the study. Under chapter two the related literature is presented. Chapter three includes the research methodology incorporating; description of the study area, research design, population and sampling technique, types of data and data collection tools, data collection procedure, the data analysis and presentation method in brief, and ethical

consideration. Chapter four is the data presentation, analysis and interpretation part. Finally, chapter five covers the Finding, conclusion, and recommendation parts.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **Introduction**

This chapter elaborates different literature that the researcher came across when researching the topic of employee engagement and see what different authors thought of employee engagement.

#### **2.1 Theoretical Literature**

##### **2.1.1 Defined Engagement**

Employee engagement has become widely used popular terms (Robinson et.al. 2004). One of the challenges defining the term engagement is lack of universal definition. Different writers defined in different way in this case it has numerous characteristics. According to MacLeod & Clarke, 2009 it has more than 50 characteristics. This is the main problem of defining employee engagement. The definition lacks of consistency, rare to find two people defining it in same way (Macey & Schneider, 2008). Therefore, it has been defined from different perspectives and in many different ways. Even though this made it more difficult to understand the actual meaning of employee engagement.

The term employee engagement was firstly used by the human resource practitioners and business firm, researches in the academic community have lagged behind (Macey & Schneider, 2008) until 1990. William Kahn was the first academic researcher to define the concept of employee engagement (Kahn, 1990).

The literature on employee engagement builds on earlier research that focuses on issues of commitment, satisfaction and organizational behavior (Katz & Kahn, 1978). The reason for this attention is research's on engagement has suggested that improving employee engagement have direct impact on improved performance, which eventually leads to organizational goal realization (MacLeod & Clarke, 2009).

The multi-factorial concept of employee engagement originally derives from William Kahn (1990). According to Kahn (1990) employee engagement is the level of commitment and involvement of the employees towards their organization and its values.

Definition from CIPD (2013) considers employee engagement as an umbrella concept which captures various means and can elicit extra effort from employees. Alfes et.al (2010) divide employee engagement into three core sides which are intellectual engagement, affective engagement and social engagement. Thus, the concept of employee engagement is an “omnibus” term involves many aspects of employee relations.

More recently Engagement is described two-way interaction between the employee and the employer (CIPD, 2005). Therefore, the cited characteristics of an engaged workforce include having a focus on motivation, satisfaction, commitment, finding meaning at work, pride and advocacy of the organization, and having a connection to the organization’s overall mission and goals (Scottish Executive Social Research, 2007).

Armstrong (2006) defines engagement as a positive two – way relationship between an employee and their organization. Both parties are aware of their own and the other’s needs, and the way they support each other to fulfill those needs.

Different company define engagement in different perspective after they were the theory of engagement is ultimately put into practice; they offer a great insight into how engagement is viewed and used in the real world.

Vodafone defines employee engagement as an outcome "measured or seen as a result of people being committed to something or someone in the business – a very best effort that is willingly given". (Suff, 2008)

Johnson and Johnson define employee engagement as ‘the degree to which employees are satisfied with their jobs, feel valued, and experience collaboration and trust. Engaged employees will stay with the company longer and continually find smarter, more effective ways to add value to the organisation. The end result is a high performing company where people are flourishing and productivity is increased and sustained’. (Catteuw et al., 2007)

BT believes employee engagement is "a combination of attitudes, thoughts and behaviours that relate to satisfaction, advocacy, commitment, pride, loyalty and responsibility'. BT claims it is 'broader than the more traditional concept of employee satisfaction and relates to the extent to which employees are fully engaged with the company and their work'. (BT, 2008)

Barclays suggests a formal definition of employee engagement might be,

"The extent, to which an employee feels a sense of attachment to the organisation he or she works for, believes in its goals and supports its values.' Barclays also suggest that it is possible to 'gain a good sense of someone's engagement by asking a simple question, would you recommend Barclays as a good place to work. (Barclays, 2008).

Dell refers to being engaged as "giving time and talent to team building activities'. (Dell, 2008)

Nokia Siemens Networks describes being engaged as 'an emotional attachment to the organization, pride and a willingness to be an advocate of the organization, a rational understanding of the organisation's strategic goals, values, and how employees fit and motivation and willingness to invest discretionary effort to go above and beyond'(Nokia Siemens Networks, 2008).

The University of York suggests that Employee engagement is a combination of commitment to the organisation and its values plus a willingness to help out colleagues .... Employee Engagement goes beyond job satisfaction and is not simply motivation' (University of York, 2008).

The Civil Service sees being engaged as more than just being satisfied or motivated. Engaged employees have a sense of personal attachment to their work and organisation that means they want to give of their best to help it succeed. Engaged employees tend to speak positively about their organisation and have an active desire to stay.'

Leeds Metropolitan University refers to engagement through employees using their 'talents to the full wherever possible' (Leeds Metropolitan University, 2008)

The NHS sees engagement as 'a measure of how people connect in their work and feel committed to their organisation and its goals. People who are highly engaged in an activity feel

excited and enthusiastic about their role, say time passes quickly at work, devote extra effort to the activity, identify with the task and describe themselves to others in the context of their task (doctor, nurse, NHS manager), think about the questions or challenges posed by the activity during their spare moments (for example when travelling to and from work), resist distractions, find it easy to stay focused and invite others into the activity or organisation (their enthusiasm is contagious)' (NHS National Workforce Projects, 2007)

### **2.1.2 Importance of Engagement**

An organization's capacity to manage employee engagement is closely related to its ability to achieve high performance levels and superior business results. Some of the advantages of engaged employees include the following. Engaged employees will stay with the company, be promoter of the company and its products and services, and contribute to bottom line business success. They will normally perform better and are more motivated. There is a significant link between employee engagement and profitability. Engaged employees form an emotional connection with the company. This impacts their attitude towards the company's clients, and thereby improves customer satisfaction and service levels. Further, engagement builds passion, commitment and alignment with the organization's strategies and goals hence increasing employees' trust in the organization. In a competitive industry such as Banks, can cultivate employee loyalty by engaging them. Through this, firms can effectively transform employees to brand ambassadors for the company. A highly engaged employee will consistently deliver beyond expectations.

Employee engagement is critical to any organization that seeks to retain valued employees. The Watson Wyatt consulting companies has proved that there is an intrinsic link between employee engagement, customer loyalty, and profitability. As organizations globalize and become more dependent on technology in a virtual working environment, there is a greater need to connect and engage with employees to provide them with an organizational identity.

According to Hewitt (2005), enhancing employee engagement creates a "win-win" situation. Employees are happier and more productive and this ultimately leads to a positive impact on business results. Employee engagement also acts as a catalyst towards the retention of staff. Greenberg (2004) observes that employee engagement is critical to any organization that seeks

not only to retain valued employees, but also to increase its levels of performance. The more highly engaged your employees are, the more likely you are to have a strongly customer-focused organization. Finally, and perhaps least surprisingly, Perrin (2003) found strong linkages between what the customer focused employees expressed about their organization and revenue growth.

A highly engaged employee will consistently deliver beyond expectations. As organizations globalize and become more dependent on technology in a virtual working environment, there is a greater need to connect and engage with employees to provide them with an organizational identity.

### **2.1.3 Levels of Employee Engagement**

According to the Gallup, the Consulting Organization, there are mainly three types of engagement that occur in the organization. All are different in terms of involvement and their role in the organization. Types of employee engagement are

#### **2.1.3.1 Engaged Employees**

These employees are loyal and committed to the organization. They are more productive, more likely to stay with their company for at least a year, less likely to have accidents on the job, and less likely to steal. These employees have most of their performance related workplace needs met (Kaila, 2012). An engaged employee is considered as the base of the organizational development (Kaila, 2012). Such kind of employees carries the organization in positive direction. They not only perform their work but also play an important role in achieving the organizational goals and objectives (Kaila, 2012). Engaged employees want to use their talent and strength at work every day. They perform with passion, drive innovation and move their organization forward through their performance (Vazirani, 2007)

#### **2.1.3.2 Not Engaged**

These employees may be productive but they are not psychologically connected to their company. They only care about their work not any other things like goals, objectives and development of the organization. They do not have energy and passion in their work (Reilly,



2014). They are more likely to miss workdays and more likely to leave. These employees have some of their performance related workplace needs met but have many needs unmet.

These categories of employees do not have cooperative relationship with their colleagues as well as the employers also (Kaila, 2012). Their contribution is little in the success and development of the organization.

### **2.1.3.3 Actively Disengaged**

Actively disengaged these employees are physically present but psychologically absent. They are unhappy with their work situation and insist on sharing that unhappiness with their colleagues. These employees have most of their performance related workplace needs unmet (Kaila, 2012)

Actively disengaged employees do not perform their work in a proper manner and do not complete their work timely. Their contribution is almost negligible in the success and development of the organization. They are unhappy at work and look after the work of the other member of the organization. Such kind of employee carries the organization in the negative direction and organization suffers in achieving its goals and objectives (Vazirani, 2007).

### **2.1.4 Different Employee engagement models and theory**

There has been little in the way of Employee engagement model or theory development. While elaborating the concept of employee engagement, researchers like Khan (1990), Maslach et al. (2001), Robinson et al. (2004), Saks (2006) Aon Hewitt (2011) and Penna (2007) formulated different models that categorically discussed about the various dimensions of employee engagement.

#### **2.1.4.1 Kahn's Model**

Kahn model (1990) of employee engagement is considered to be the oldest model of employee engagement. After Interviewed with summer camp counselors and organizational members of an architecture firm about their moments of engagement and disengagement at work. Kahn (1990) found that there were three psychological conditions associated with engagement or disengagement at work: meaningfulness, safety, and availability. In other words, workers were

more engaged at work in situations that offered them more psychological meaningfulness and psychological safety, and when they were more psychologically available.

#### **2.1.4.2 Maslach, Schaufelli and Leiter Model**

Another model of engagement comes from the research work of Maslach, Schaufelli and Leiter on “Job Burnout” in the year 2001. According to Maslach et al (2001), six areas of work-life leads to burnout and engagement: workload, control, rewards and recognition, community and social support, perceived fairness, and values and also the study described that Job engagement as the positive antithesis of burnout noting that burnout involves the erosion of engagement with one’s job (Maslach et al., 2001).

In addition to this they argue that job engagement is associated with a sustainable workload, feelings of choice and control, appropriate recognition and reward, a supportive work community, fairness and justice, and meaningful and valued work. Like burnout, engagement is expected to mediate the link between these six work-life factors and various work outcomes.

#### **2.1.4.3 Robinson, Perryman and Hayday Model**

The model developed by Robinson, Perryman and Hayday (2004) their model was described in the research work entitled “The drivers of employee engagement”, where they suggested that employee engagement is a positive attitude held by the employees towards the organization and its values. 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. The model emphasizes, the commitment of employees is possible when the organization continues to focus on developing and nurturing the employees.

#### **2.1.4.4 Penna’s Model of Employee Engagement (2007)**

Penna (2007) has given a hierarchical model of engagement factors, which shows the impact each level will have on the engagement and retention of talent in an organization. He said that the meaning at work if once achieved, will lead to employee engagement. This model has given hierarchy which starts at basic working conditions, then learning developing, career growth and advancement, then good leadership, trust and respect which will lead to better meaning for the

job of any employee. If a person receives meaningfulness in that job, it will help to better attract good employees, retaining them and for engagement of the employees. If the organization successfully achieves these engagement factors, it will be big achievement for having engaged employees.

#### **2.1.4.5 Social exchange theory (SET)**

The Social Exchange Theory provides a theoretical basis of why employees determine to become more engaged or less engaged in their work either positively or negatively. It is the most accepted and widely used theory in the recent research on employee engagement (Saks, 2006).

#### **2.1.4.6 Saks Model Multidimensional Approach**

According to Saks 2006 defined Engagement “a distinct and unique construct that consists of cognitive, emotional, and behavioral components that are associated with individual role performance”. He also pointed out that engagement is distinguishable from several related constructs, such as organizational commitment, organizational citizenship behavior and job involvement. This study provided one of the first empirical tests of the antecedents and consequences of employee engagement (Saks, 2006).

The core of Saks (2006) model was based on the hypotheses that there were two types of employee engagement: job engagement and organization engagements. He was the first academic researcher to differentiate these two states of engagement. His work provided an important bridge between previous early theories of employee engagement, practitioner literature, and the academic community (Shuck & Wollard, 2010).

In order to test his model, Saks (2006) surveyed 102 employees working in a variety of jobs and organizations. He found that the antecedent variables explained a significant amount of the variance between job engagement and organization engagement, most importantly, job characteristics for job engagement and organizational support for both states of engagement. Moreover, this study also showed the two states of engagement positively correlated with job satisfaction, organizational commitment, organizational citizenship behavior, and intention to quit (Saks, 2006).

Saks 2006 explained theoretical foundation for explaining employee engagement can be found in social exchange theory (SET), He described why he choose social exchange theory instead of others both Kahn's (1990) and Maslach et al.'s (2001) models "indicate the psychological conditions or antecedents that are necessary for engagement, they do not fully explain why individuals will respond to these conditions with varying degrees of engagement. "

A basic principle of SET is that relationships change over time into trusting, loyal, and mutual commitments as long as the parties accept by certain "rules" of exchange Saks (2006). SET argues that obligations are generated through a series of exchanges between parties who are in a state of reciprocal interdependence. Rules of exchange usually involve reciprocity or repayment rules such that the actions of one party lead to a response or actions by the other party.

Hence, it can be stated that the link between different predictors and engagement may be stronger for individuals possessing a strong exchange ideology. As we see, employee engagement consists a psychological and emotional connection between employees and their organization which could be turned into negative or positive behavior at work. The organization plays the main role of engagement.

### **2.1.5 Determinants of Employee Engagement**

The level of employee engagement depends on certain factors or determinants. Although there is little empirical research on the factors that predict employee engagement, it is possible to identify a number of potential drivers from Saks (2006) model. The literature is unclear as to which variables are the strongest predictors. Therefore, variables for this study were chosen by reviewing the limited data that are available regarding employee engagement. The researcher chooses Saks (2006) studies because of the only studies included both job and organizational engagement.

#### **2.1.5.1.1 Job characteristics.**

Psychological meaningfulness involves a sense of return on investments of the self-in role performances (Kahn, 1990). According to Kahn (1990), psychological meaningfulness can be achieved from task characteristics that provide challenging work, variety, allow the use of different skills, personal discretion, and the opportunity to make important contributions.

Hackman & Oldham's (1980) in his model puts core job characteristics into five (i.e. skill variety, task identity, task significance, autonomy, and feedback).

**Skill variety.** The degree to which the work requires several different activities and use different skills and talents of the employee for successful completion. The Jobs that are high in skill variety are seen by employees as more challenging because of the range of skills involved; relieve monotony that results from repetitive activity; and gives employees a greater sense of competence.

**Task identity.** The degree to which the job includes a “whole” identifiable piece of work that is carried out from start to finish and that results in a visible outcome is its task identity when employees work on a small part of the whole, they are unable to identify any finished product with their efforts. They cannot feel any sense of completion or responsibility for the whole product. However, when tasks are broadened to produce a whole product or an identifiable part of it, then task identity has been established.

**Task significance.** A job is more meaningful if it is important to other people it is the degree to which the job has a substantial impact on the lives of other people, whether those people are in the immediate organization or in the external environment. The point is that employees should believe they are doing something important in their organization or society, or both.

**Autonomy.** The extent of individual freedom and pleasure in the work and its scheduling indicates autonomy. More autonomy leads to a greater feeling of personal responsibility for the work. It is considered fundamental in building a sense of responsibility in employees. Although most employees are willing to work within the broad constraints of an organization, employees want a certain degree of freedom. Autonomy has become very important to people in the workplace.

**Job feedback.** The amount of information employees receives about how well or how poorly they have performed is feedback. The advantage of feedback is that it helps employees to understand the effectiveness of their performance and contributes to their overall knowledge about the work. At one firm, feedback reports from customers who contact the company with problems are given directly to the employees who handle the customers' complaints, instead of being given only to the department manager.

The job characteristics model indicates that the three critical psychological states affect various personal and work outcomes namely, people's internal work motivation, growth satisfaction, general job satisfaction, and work effectiveness. The higher the experienced meaningfulness of work; experienced responsibility for outcomes of the work; and knowledge of the actual results of work activities, the more positive the personal and work outcomes will be. When employees perform jobs that incorporate high levels of the five core job characteristics, they should feel highly motivated, be highly satisfied with their jobs, and perform work effectively.

In fact, Jobs that are high on the core job characteristics provide employees with motivation to be more engaged (Kahn, 1990). Job enrichment was positively related to meaningfulness and meaningfulness mediated the relationship between job enrichment and engagement (May et al., 2004). Maslach et al. (2001) model also suggest the importance of job characteristics for engagement he argue that Job characteristics, especially feedback and autonomy, have been consistently related to burnout. From a SET perspective, one can argue that employees who are provided with enriched and challenging jobs will feel obliged to respond with higher levels of Engagement.

#### **2.1.5.1.2 Organizational justice**

Organizational justice was firstly defined by Greenberg (1987) as it is person's conception and reaction towards the fairness in the organization. Organizational justice is the question whether fairness is being considered in the organization or not Greenberg (1990). The attention of individuals towards the fairness of events and circumstances is naturally in their routine lives. Most questions that are being asked in the organizations was the procedure followed?

If employees perceive an organization is fair and just to them, they will respond by putting more effort and by increasing their engagement (Saks, 2006). The fairness in assigning rewards, resources or even inflicting punishment at work have influence on engagements Mutunga, (2009). According to Tabibnia, Satpute et al. (2008) organizational justice or fairness leads towards the concept that the activity is appropriate in accordance with the code of conducts, which can be explained in terms of ethic, religion, fair-play, or law.

Greenberg 1990 divided organization justice into two Distributive justice and procedural justice. Distributed justice is the perceived fairness in distributing rewards in the organization while

procedural justice is fairness in the procedure used in making decisions in the distribution of rewards. Distributive justice relates to outcomes or final decisions in evaluation to what others receive while the procedural justice refers to perceived fairness of procedures, it relates to the methods and procedures through which these rewards and outcomes are divided (Robinson et.al, 2004).

Procedural justice level is high when members feel that they have a right to give opinion in the procedures or the processes includes the characteristics just like flexibility, correctness, ethicality, consistency and lack of biasness Saks, (2006).

Organisational policies, procedures, structures and systems decide the degree to which employees are engaged in an organisation. It has been evident from previous research that companionable organisational policies and procedures are extremely important for employee engagement and the eventual achievement of the business goals.

Important policies and procedures may include fair recruitment and selection, flexi-timing, aid in balancing work and life, and fair promotional policies. Studies (e.g. Robinson., 2004) show that the recruitment policy of an organisation has a direct impact on future employees' engagement and commitment.

#### **2.1.5.1.3 Perceived organizational Support**

Perceived organizational support (POS) is defined as the degree to which employees believe that their organizations appreciate their contributions and care about their well-being (Eisenberger et al.,1986) and give values (Eisenberger et al., 2004). They feel obliged and want to reciprocate by applying more dedication towards their work under the norms of SET Researchers argued that when employees perceived that their organization treated them fairly, they will show strong engagement towards their organization (Saks, 2006) and show negative attitudes.

POS is the social exchange relationship between employer and employee Scholars identified it is an important construct since it has the positive impact on the quality relationship of management and employee found that POS moderates the relationship between employee engagement and turnover purposes and argued that employees show low level of intentions to leave the organization as POS has compensated the relatively low level of employee engagement.

Thus, organizational rewards and satisfactory job conditions such as pay, promotions, job enrichment, and influence over organizational policies contribute more to POS. If the employee believes that they result from the organization's voluntary actions, as opposed to external constraints such as union negotiations or governmental health and safety regulations (Eisenberger et al., 1986). Social exchange theorists argue that resources received from others are more highly valued if they are based on unlimited choice rather than circumstances beyond the donor's control. Such voluntary aid is welcomed as an indication that the donor genuinely values and respects the recipient.

#### **2.1.5.1.4 Perceived Supervisor Support**

From global perceptions, employees concerning their valuation by the organization, they develop overall views regarding the degree to which supervisors value their contributions and care about their well-being. When they received a positive or negative support and recognition from their supervisors in exchange for their efforts (Maertz et al., 2007), when the supervisor directing and evaluating subordinates' performance, employees view their supervisor's promising or disapproving orientation toward them as symptomatic of the organization's support (Eisenberger et al., 1986). They consider their supervisors as agents working on behalf of organization. The strength of this relationship depends on the degree to which employees identify the supervisor with the organization, as opposed to viewing the supervisor's actions as individual (Eisenberger, 2009).

Kahn (1990) found that supportive and trusting interpersonal relationships as well as supportive management promoted psychological safety. Employees felt safe in work environments that were characterized by openness and supportiveness. Supportive environments allow members to experiment and to try new things and even fail without fear of the consequences (Kahn, 1990). In their empirical test of Kahn's model, May et al. (2004) also found that supportive supervisor relations was positively related to psychological safety.

PSS is also likely to be an important predictor of employee engagement. In fact, a lack of support from supervisors has been found to be an especially important factor linked to burnout (Maslach et al. 2001). In addition, first-line supervisors are believed to be especially important for building engagement and to be the root of employee disengagement (Armstrong, 2006).



#### **2.1.5.1.5 Reward**

The exact meaning of the word “reward” is it is something that is offered by the organization to the workers in response of their performance and contributions which are expected by the workers.

Reward is defined as intrinsic or extrinsic compensation on completion of a project or meeting performance objectives. Intrinsic reward often includes praise, while extrinsic reward is tangible and can be in the shape of direct or indirect compensation. Some time, employee’s thinking of reward and its equity was considered as one of the key factors influencing degree of job involvement. This supports the work by lot many researchers who established a positive relationship between reward and Employee Engagement, (Armistrong (2006). In line with these studies of the renowned scholars, reward is hypothesized to have positive and direct relationship with Employee Engagement.

#### **2.1.5.1.6 Recognitions**

Recognition is the sense which is given to an individual for being a valued person of an organization, in more simple words recognition is monetary and non-monetary rewards offered in the public place or communicated in the work place regarding the success or accomplishment of an individual (Robinson(2004). It can be greeting, approval, appreciation, financial reward etc. It has a motivations power. It is a positive importance given to workers for a positive behavior.

It is normally given to worker when they accomplish a specific goal and complete the specific task. Efficient people would naturally like to get recognition for their skill and excellence in their work. The recognition can be formal (years of award), informal (sincere thanks, pass around trophy), financial incentives etc. Such recognition can do many things that what a cash reward can do. The aim of recognition is to satisfy workforce. Profitable organization knows achieving their mission requires creativity, good business plan and action and these operations can come from their workforce. Armstrong (2005), underlined on the point that, recognition is supposed to be given carefully. That is, it must be related to real achievements of employees. The recognition given will have a great impact if it is followed by provision of achievement bonuses awards.

Recognition is appropriate factor of worker engagement. It motivates employees that satisfy customers, trustworthiness and effectiveness of organization. Organizations with engage workers feel better productivity than disengage employees, minimize turnover risk, and diminishes stress and increase confidence. Researchers found that through engagement, recognition is one of the main methods for employee motivation(Kalil,2012)

Saks (2006) argued that employees will be more likely to be engaged towards the job to the extent that they receive the amount of rewards and recognition on their job performances. The organization should have good reward and recognition system and provide certain compensation and benefits to improve the level of engagement among employees (Vazirani, 2007).

## **2.2 Empirical Review**

This section pays attention findings from researchers on the subject matter. Regardless of the fact that a number of studies on employee engagement has been done in Europe, America, Asia and Australia, very little has been done in Africa.

**Yasmin (2011):** The results showed that job characteristics contribute to job engagement, and Organizational engagement. Perceived organizational support was significantly positively related to job engagement and organizational engagement.

**Deepa Mishra, Sampada Kapse and Dhara Bavad (2013):** This study finds out the factors influencing the employee engagement among the banks in Kutch district of Gujarat. Employees of two public sector banks and two private sector banks of this region were studied. The analysis confirms the relevance of the factors, including proper pay system equal opportunities, honest communication for employee engagement.

**Kangure, Wario and Odhiambo (2014)** study focused on the relationship between characteristics (job clarity, job autonomy, job significance and job performance) and employee engagement. The study results revealed that job clarity, job autonomy, job significance and job performance, have a positive significant relationship with employee engagement. The overall results also revealed that job characteristics explain 95.2% of employee engagement among state corporations in Kenya.

**Anjali Gummadi and S. Anitha Devi (2013):** The study focused on finding out the effect of determinants of employee Romita Khurana, V. K. Singh- Employee Engagement and Its Impact on Business Outcomes - A Comparative Analysis with Reference to Banking in Uttarak hand engagement on employee engagement. The study was carried out in different private and public sector banks in the Guntur urban area. Four determinants, supervisory support, training and development, reward and work environment were considered. The study provides thought provoking managerial ideas in order to improve the employee engagement among employees focusing on certain factors like supervisory support, training and development and work environment.

**Swatee Sarangi and R. K. Srivastava (2012):** This paper has investigated the role and impact of organizational culture and communication on driving employee engagement. The findings of the study have practical implications for the banking sector. It has unraveled the dimensions of organizational culture and communication which need to be focused for enhancing vigor, dedication and absorption of employees in the banking sector.

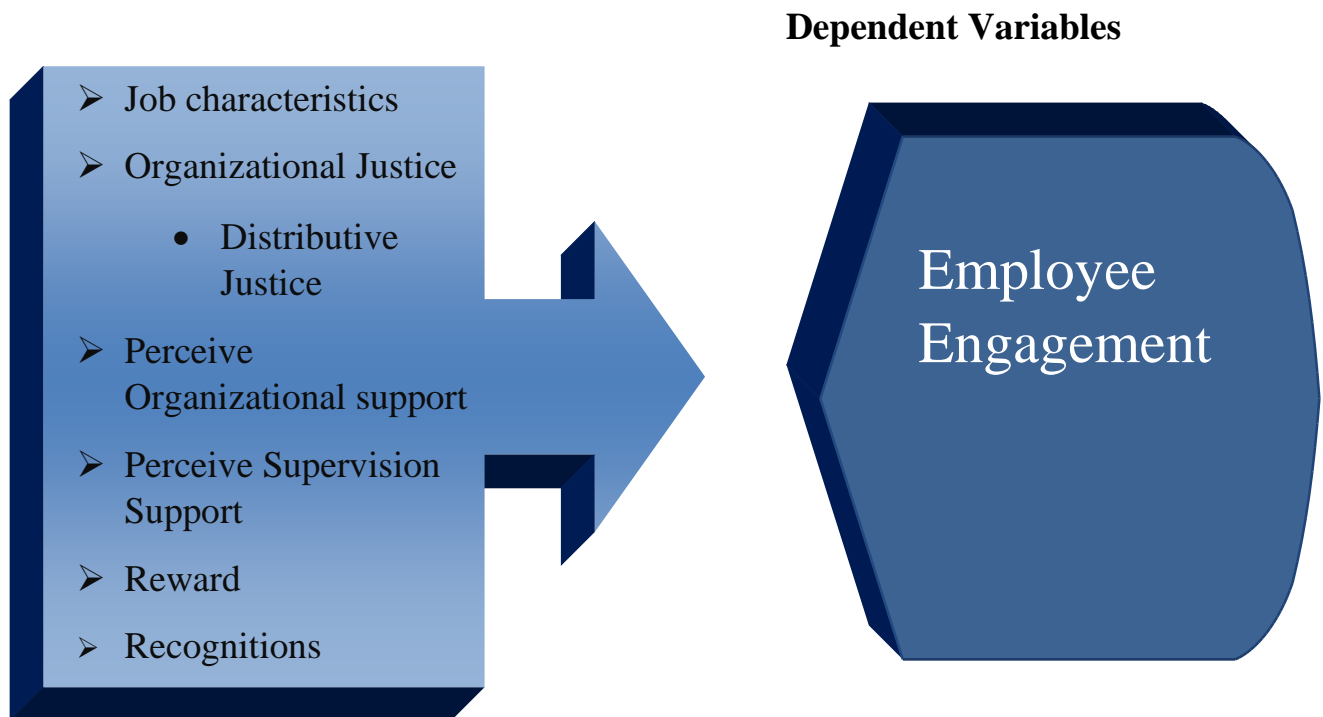
**Hafiz Abdur Rashid, Ammar Asad and Mian Muhammad Ashraf (2011):** The study investigated the factors persuading employee engagement and linkage of employee engagement to personal and organizational performance in banking sector of Pakistan. The study found the following factors that influence engagement decision making / co-ordination, employee performance appraisals, performance reward systems, employee involvement, training and career development, and human resource practices. The results show that there is a significant relationship among employee engagement and decision making /co-ordination, performance reward systems and employee involvement whereas training and career development and employee performance appraisals are insignificantly related.

### **2.3 Conceptual Frame work**

Based on the overall review of related literatures and the theoretical framework, the following Conceptual model in which this specific study is governed was developed. The researcher develop the frame work based on modified Saks (2006) However Saks (2006) study both the

consequence and the antecedent of Employee engagement the researcher use only the antecedent of employee engagement.

## In Dependent Variables



*Figure 1- conceptual frame work of the study*

## 2.4 Study Hypotheses

H<sub>1</sub>- Job characteristics has a positive and a significant effect on Employee Engagement at Bank of Abyssinia

H<sub>2</sub>- Organisational Justice has a positive and significant effect on Employee Engagement at Bank of Abyssinia

H<sub>3</sub>- Perceiver organization support has a positive and significant effect on Employee Engagement at Bank of Abyssinia

H<sub>4</sub>- Perceiver Supervise support has a positive and significant effect on Employee Engagement at Bank of Abyssinia

H<sub>5</sub>- Reward has positive and significant effect on Employee Engagement at Bank of Abyssinia

H<sub>6</sub>- Recognition has a positive and significant effect on Employee Engagement at Bank of Abyssinia.

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **Introduction**

This chapter brings the reader an overview of the research design, population, sample size, sampling techniques, data sources, data collection tools and procedure, methods of data analysis, validity and reliability are presented in this chapter.

#### **3.1 Study Design**

Saunders et al. (2007), defines research design as the general plan of how the research questions would be answered. It is the conceptual structure within which research is conducted. It constitutes a blue print for the collection, measurement, and analysis of data. The research design for this study was Descriptive -Explanatory survey method. Moreover, the study was adopts a quantitative research approach, Quantitative method is study involving analysis of data and information that are descriptive in nature and qualified (Sekaran, 2003).

#### **3.2 Population, Sample Size and Sampling Techniques**

##### **3.2.1 Population**

The target population of the study was clerical and non- Managerial employee of Bank of Abyssinia Located East and West Addis abeba districts who are working at different job position with a size of 639 employees out of the total population (BoA HR Database, November 2017). The researcher excluded employees of non-clerical like janitors and securities, Messenger, who are outsourced from other organization; managerial post employees since they are appointed by bank, may alter the research result and also the internal factors which is supervision practice already exercised by themselves; Moreover, the target population was selected as consideration of the easy access to data, cost effectiveness and easy manageability of the study.

### 3.2.2 Sample size

To determine the sample size for the study, the researcher use the following simplified formula to calculate sample sizes. According to Yamane (1967), with 95% confidence level and 0.05 sampling error are assumed for the equation.

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

$$n = \frac{639}{1 + 639(0.05)^2}$$

**= 246 employee**

Where n – designates the sample size the research uses.

N - Designates total number of Bank of Abyssinia non-managerial employees in Addis Ababa area.

e – Designates maximum variability or margin of error 5% (0.05).

1 – Designates the probability of the event occurring

*Table 1-Sample size of the study*

No	Districts	Non managerial Staff of BoA in Addis Ababa area	Proportion sample size
1	East Addis District	234	90
2	West Addis District	405	156
	<b>Total</b>	639	246

Hence, the researcher has taken 246 respondents as sample of the study from the total targeted population. The questionnaires that were distributed for the sample employees have two parts. The first part requests about demographic characteristics and the second focus on questions related to the determinants of employee engagement and The questions were formed in a five

point Likert scale such as 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree which allows respondents to indicate level of agreement with the statement provided. It was lead to a better understanding towards the Determinants of Employee Engagement at Bank of Abyssinia.

### **3.2.3 Sampling techniques**

Sampling is the process of selecting a suitable sample for the purpose of determining parameters or characteristics of the whole population. To carry out a study, one might bear in mind what size the sample should be, and whether the size is statistically justified and lastly, what method of sampling is to be used (Leedy, 1997).

The researcher applied probability sampling techniques use in the selection of samples from the population. First, the population is stratified in to two groups based on the number of districts in Addis Ababa. Then, respondents were select from each stratum proportionally by using simple random sampling to distribute questionnaires which were totally 246 non-managerial sample employees. The select target population was selected and stratifies basing on position held in the bank. Hence the population of the study was non-management employees.

### **3.3 Source of Data**

The study used both primary and secondary data source of information data was collected from questionnaire is firsthand information which is primary data. The data was used from the literature review is secondary data, for which, the source is fully acknowledged in the reference part.

### **3.4 Data Collection Instrument**

The data required for this research is collected by using self-administered questionnaire were designed, distributed and filled by the sample respondents to collect primary data. Because, the questionnaire is usually cheap, easy to administer to a large number of respondents, and normally gets more consistent and reliable results. The questionnaire was categorized based on the selected model or conceptual framework.

### **3.5 Procedures of Data Collection**

For this research, the data was collected using self-administered questionnaires were designed, distributed and filled by the sample respondents to collect primary data because the survey instruments such as observations, face-to –face interviews, telephone interviews, and personally-administered questionnaires well be considered. As the researcher, it was interested collect the original data from a population, the populations very big to observed or interviewed. Thus, a survey by a questionnaire considered the most appropriate method for measuring the perceptions of the workers, while minimizing the possibility of researcher bias. The data was distributing and collect by the researcher and the structured questionnaire was also employed with five point Likert ranking scale.

### **3.6 Pilot Test**

A pilot study is a mini-version of a full-scale study or an experimental testing of the data collection instrument. This is usually done in preparation for the complete study (Teijlingen & Hundley, 2001).

To ensure validity and reliability of data, the questionnaire was pilot-tested with twenty five (10% of total sample size) employees before its administration. Probability random sampling method was utilised in selecting the employees that filled in the questionnaires. The pre-test data was subjected into reliability testing using Cronbach Alpha, resulting in a reliability coefficient of 0.899 which is above 0.7; the minimum recommended by Santos and Reynolds (1999).

### **3.7 Reliability of the study**

In quantitative research, reliability refers to the capability to reproduce the result of a study. Joppe (2000,) defines reliability, the extent to which results are consistent over time and an accurate representation of the total population under study. For example, if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable.

Cronbach's alpha coefficient is the most frequently used index of reliability. Cronbach's alpha coefficient is the most common way to assess reliability. A value of Cronbach's alpha coefficient



above 0.70 is regarded as acceptable. The alpha value for each question is identified and summarized in Table-2 as shown below.

*Table 2- Alpha Coefficient for each section study*

<b>Variable for the study</b>	<b>No of item</b>	<b>Alpha Value</b>
<b>JC</b>	5	.797
<b>OJ</b>	5	.835
<b>POS</b>	5	.863
<b>PSS</b>	4	.912
<b>Reward</b>	4	.783
<b>Recognitions</b>	4	.781

*Source; Own survey April, 2018*

Therefore, the finding in this specific study is strongly supported by the reality in the context and the general theory in the field, even though factors such as context and methodology employed have shaped the result.

### **3.8 Method of Data Analysis**

The collected data from employee was analyzed through SPSS version 20 and results are going to be summarized, and presented using tables, charts and graphs.

### **3.9 Ethical considerations**

In doing any research, there is an ethical responsibility to do the work honestly and with integrity. The basic principle of ethical research is to preserve and protect the human dignity and rights of all subjects involved in a research project (Leedy and Ormrod, 2013). In this regard, the researcher assured that the respondents' information was confidential and used only for the study purpose. The researcher also committed to report the research findings in a complete and honest manner, without confusing others about the nature of the results. As a general rule, therefore the study was not raising any ethical anxiety.

## **CHAPTER FOUR**

### **DATA ANALYSIS AND INTERPRETATION**

#### **Introduction**

The chapter deal with analysis and presentation of the data collected through questionnaire. Descriptive statistics frequency, mean, and percentile were used to analyze the data. The finding from the questioner was analyzed by using SPSS (version 20). Among 250 questionnaires that were distribute to employee as the representative of the total population 214 questionnaires properly fill and returned which is 85% response rate so, the response rate is enough to carry out the analysis.

#### **4.1 Characteristics of the Respondents**

The first part of the questionnaire consists of four items about the demographic information of the respondents. It covers the personal data of respondents, such as gender, age, educational qualification and year of service at BoA. The following tables depicted each demographic characteristic of the respondents.

Table 3- Demographical Characteristics of Respondents

Characteristics of respondent		Frequency	Percent
<b>Gender</b>	Male	120	56.1
	Female	94	43.9
	Total	214	100
<b>Age</b>	Under 24	12	5.6
	25-34	102	47.7
	35-44	70	32.7
	45 & Above	30	14
	Total	214	100
<b>Education Level</b>	Diploma	21	9.8
	BA	131	61.2
	Master	62	29
	Total	214	100
<b>Experience at Bank</b>	0-5	87	40.7
	6-10	39	18.2
	11-15	45	21.0
	16-20	43	20.1
	Total	214	100

Source- Own Survey April, 2018

The researcher used descriptive statistics as indicated in Table 3 for the statistical analysis of the demographic profile collected from the respondents. The statistics indicated that males accounts

120(56.1), while 94(43.9) are female respondents. This implies that male respondents outweigh the female respondents.

The age range for the study was between under 24 up to 45 and above. The ages under 24 participants, making up 5.6% of the entire sample population. The ages 25-34 had 102 participants, making up 47.7% of the sample population, while the ages 35-44 had 70 participants, making up 32.7% of the survey population. Finally, the oldest sampled population of the study 45 and above 30 participants with a valid percentage of 14 % of the study.

Looking at the explanation above, it is clearly evident that more of the younger employees (25-34) took part in the survey, as result; the researcher can conclude that the younger population in BoA was more dominant in this study.

Regarding educational qualification of respondents on table 3 above, 131(61.2) hold BA degree,62(29%) Master degree where 21(9.8%) diploma. This shows that majority of respondent 193(90.2) are having sufficient knowledge and academic preparation to provide the Banking industry required services.

Respondents have served at Bank of Abyssinia from less than one year up to 20 years. The majority of the respondents have served the company between less than 1 year up to 5 years which consists 87 (40.7 %) of the study group. The other 39 (18.2 %) respondents worked between 6 - 10 years while respondents who have served for 11-15 years followed with a frequency of 45 representing 21.0% and 21% respondent serve 16-20 years.

According to the table, respondents of the study are largely dominated by workers who have been working in the bank for less than one year up to five years. Since most of the respondents are youngsters they have few years of work experience.

## 4.2 Analysis of the Collected Data

### 4.2.1 Descriptive analysis

In this section various statistical data analysis tools such as mean, frequency and percentile are used to analyze the collected data. The summary of descriptive statistics of all variables that are evaluated based on a 5-point Likert scale (“1” being “strongly disagreed” to “5” being “strongly agreed”). Thus, detail of the analysis is presented as follows:

*Table 4- Respondent view regarding Job characteristic*

Statements		Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	mean	Std. Deviation
		Count						
There is adequate autonomy to do my job	Count	6	53	36	103	16	3.33	1.019
	%	2.8	24.8	16.8	48.1	7.5		
My job is significant and important to me and others	Count	12	35	9	105	53	3.71	1.171
	%	5.6	16.4	4.2	49.1	24.8		
The actual work itself provide clues whether I performed well	Count	3	33	46	98	34	3.59	.978
	%	1.4	15.4	21.5	45.8	15.9		
My job require using variety skills and talents to do different things	Count	9	47	40	79	39	3.43	1.143
	%	4.2	22.0	18.7	36.9	18.2		
My job involve doing a whole and identifiable piece of work	Count	12	45	18	123	16	3.40	2141.073
	%	5.6	21.0	8.4	57.5	7.5		
<b>Total Mean 3.49</b>								

**Source: Own Survey, April, 2018**

From the table 4 presented above, we can understand that majority of respondents are satisfied by the work design of the Bank. Based on the table, the mean value of each of five statement design to measure job characteristics is above the average 3 (Job autonomy 3.33, task significant 3.71, task identity 3.40, Job feedback 3.59, skill variety 3.43). The overall job characteristics mean value is 3.49. The highest mean obtained from the item that stated about task significant and the lowest mean score from job autonomy.

Table 5 –Respondent view regarding Organizational justice

Statements		Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std deviation
Those procedures have upheld ethical and moral standards	Count	12	27	78	54	43	3.42	1.113
	%	5.6	12.6	36.4	25.2	20.1		
Bank has fair evaluation and promotion system		23	55	56	49	31	3.05	1.225
		10.7	25.7	26.2	22.9	14.5		
Employees are allowed to challenge decisions made by their supervisors	Count	9	59	75	43	28	3.10	1.078
	%	4.2	27.6	35.0	20.1	13.1		
Bank manager fair in communicating with employee	Count	9	42	53	76	34	3.39	1.099
	%	4.2	19.6	24.8	35.5	15.9		
Pay and benefits are given fairly according to my effort, my experience, responsibility and qualification	Count	16	61	57	37	43	3.14	1.244
	%	7.5	28.5	26.6	17.3	20.1		
Total Mean 3.22								

Source- own Survey April, 2018

As the table illustrates, the overall organizational Justice mean value is 3.22 it's above the cutoff point. In addition to this, each statement average mean score is above the cut off points. Even if majority of respondents are neutral with the statement procedures have supported ethical and moral standards (n=78, 36.4%), fairly evaluation and promotion system (n=56, 26.2%) and allowed to challenge decisions made by their supervisors (n=75, 35.0). There is confusion on selecting either agree or disagree. Based on the score, we cannot conclude the procedural and distributive of justice is enough at Bank of Abyssinia. Those participant's perceptions on the distributive justice of the organizational are in quite low level we can see this from the above table majority respondents disagree for the statement of Pay and benefits are given fairly and consider efforts, experience, responsibility and qualification.

Table 6- Respondent view regarding Perceive organizational support

Statements		Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Deviation
My organization involve me in decision making that will affect me	Count	15	63	62	65	9	2.95	1.024
	%	7.0	29.4	29.0	30.4	4.2		
The Bank provides tools that help me grow and navigated my carrier	Count	19	49	56	78	12	3.07	1.083
	%	8.9	22.9	26.2	36.4	5.6		
The Bank has a culture that allows me to develop my professional skills	Count	6	68	71	57	12	3.00	.962
	%	2.8	31.8	33.2	26.6	5.6		
In this organization poor performance are supported by training and coaching to enhance their performance	Count	9	38	81	74	12	3.20	.939
	%	4.2	17.8	37.9	34.6	5.6		
This organization cares about employees	Count	3	53	66	80	12	3.21	.928
	%	1.4	24.8	30.8	37.4	5.6		
Total mean value							3.09	

Source- Own survey April, 2018

The above table 6 shows that the average mean score is 3.09 which can be considered as moderate. Even though the mean point of involves employees in decision making that will affect them under cutoff points 2.95 and the frequency of respondents in the middle of the road about the Bank has a trend of developing employees' professional capacity (71,33.2%) and poor performance supported by training and coaching (81, 37.9 %).

From this data we can infer that most of employees of the bank has average attitude towards the organizational support. When an employee believes the organisation will provide the necessary, and additional, resources when they are required to successfully perform their role efficiently and effectively. But the bank should concerned Participation employee in the decision making because it leads to harmony in the organization and It also improves staff moral and support.

Table 7- Respondent view regarding Perceive supervision support

Statements		Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std deviations
My supervisor cares about my well-being he/she considers my goals& values	Count	14	37	58	93	12	3.24	1.019
	%	6.5	17.3	27.1	43.5	5.6		
My supervisor encourage to apply new abilities and skills on my daily work		3	36	72	94	9	3.33	.853
		1.4	16.8	33.6	43.9	4.2		
when I have a question or need help My supervisor is available	Count	6	43	32	100	33	3.52	1.065
	%	2.8	20.1	15.0	46.7	15.4		
My supervisor helps me learn from my mistakes and turns them into productive development opportunity	Count	3	46	40	88	37	3.51	1.056
	%	1.4	21.5	18.7	41.1	17.3		
Total mean 3.40								

Source- own survey April, 2018

The above table 7 shows that the average mean score of BoA Employee Perceive supervision support is 3.40 which can be considered as high mean score.

Moreover to this we can also observe from the data the mean score of each of four statement above the average points it considering high. supervisor cares and gives value for employee (3.24), supervisor encourage to apply new abilities and skills on daily work (3.33), when there is a question or need help supervisor is available (3.52) and supervisor helps to learn employees from them mistakes and turns into productive (3.51).

Based on the score we can conclude that BoA employee have a good Perceive supervision support.



Table 8- Respondent view regarding Rewards

Table 8 – Summary of response about Reward								
Statements		Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std, deviation
Good performance is rewarded fairly	Count	39	37	70	50	18	2.86	1.208
	%	18.2	17.3	32.7	23.4	8.4		
I received equal payment to others doing similar work in other banks		4	39	83	66	22	3.29	.946
		1.9	18.2	38.8	30.8	10.3		
The bones plan of the Bank encourages to perform better	Count	13	25	80	77	16	3.24	1.010
	%	6.1	11.7	37.4	36.0	7.5		
With my profession, there are Opportunities for more advancement	Count	27	28	70	71	18	3.12	1.138
	%	12.6	13.1	32.7	33.2	8.4		
Total Mean score 3.13								

Source- own survey April 2018,

Furthermore, the above table 8 result shows that the total mean score of reward system is 3.13 above the cutoff points. When we see each statement mean score good performance is rewarded fairly 2.86 it's below cutoff points. This result show that BoA has not performance based reward system. The rest of 3 statement mean score is above cut off points but when we see the frequency of the statement majority respondents are neutral, received equal payment compare with other banks 38.8(80) the bones systems encourages to perform better 37.4(80).

Based on the score, we can conclude that the bank should provide performance based reward system. If the bank provides performance based reward system employee can improve themselves to be more efficient and effective and also more engaged with the organization and job.

Table 9- Respondents view Regarding Recognitions

Statements		Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	mean	Std.devations
In the last six month, I get Praise from my supervisor	Count	28	89	50	33	10	2.53	1.069
	%	13.1	41.6	23.4	15.4	4.7		
I received adequate recognitions to the bank for my contributions		17	95	61	32	9	2.63	.973
		7.9	44.4	28.5	15.0	4.2		
I feel that my job receives enough attention from my company	Count	15	53	73	58	15	3.02	1.041
	%	7.0	24.8	34.1	27.1	7.0		
My supervisor makes me feel that I matter to our team / department	Count	19	39	40	92	24	3.29	1.156
	%	8.9	18.2	18.7	43.0	11.2		
Average mean score 2.87								

The above table 9 shows that the average mean score of employee recognition is 2.87 which can be considered as low mean score. We can also see table 9 the mean value of each of four statement design to measure employee recognition is get Praise in the last six months 41.6% (89) of the respondents and I received adequate recognitions for my contribution 44.4. % (95) respondents are disagreed. On the other side majority of respondent neutral on my job receives enough attention 34.1(78).

From this data we can infer that most of respondents has not good attitude towards the recognitions system. Based on the score there is lack of recognitions to give the employee contributions, same jobs don't receive enough attention. We can conclude that the bank should showing appreciation for subordinates' good performance and providing recognition for the contributions.

#### 4.2.2 Correlation Analysis

The hypotheses discussed in the 2<sup>nd</sup> chapter aimed to investigate the relationship between independent variables (JC, OJ, POS, PSS, reward and recognition) and dependent variable (employees' engagement) at Bank of Abyssinia.

Correlation analysis is done to examine this relationship.

The Pearson Product-Moment Correlation Coefficient is a statistic that indicates the degree to which two variables are related to one another. The sign of a correlation coefficient (+ or -) indicates the direction of the relationship between -1.00 and +1.00. Variables may be positively or negatively correlated. A positive correlation indicates a direct positive relationship between two variables. A negative correlation, on the other hand, indicates an inverse, negative relationship between two variables (Ruud et. al. 2012).

Table 10 below clearly shows that the relationship between two variables will be negligible, low, moderate, substantial, or very strong.

*Table 10 Correlation Coefficient*

Correlation coefficient(r)	Strength of the correlation
From 0.01 up to 0.09	Negligible association
From 0.10 up to 0.29	Low association
From 0.30 up to 0.49	Moderate association
From 0.50 up to 0.69	Substantial association
From 0.70 and above	Very strong association

Source: Joe W. Kotrlik, J. C. Atherton, A. Williams and M. KhataJabor.(2011)

Determining the degree of association between the selected determinant factors (job characteristics, organizational justice, perceive organizational support, perceive supervision support, reward and recognition) and employee's engagement is the main purpose of conducting an analysis using Pearson correlation.

Table 11 Pearson correlation analysis of the data

		Correlations						
		JC	OJ	POS	PSS	Reward	Recognition	EE
JC	Pearson Correlation	1	.569**	.340**	.469**	.446**	.390**	.719**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	214	214	214	214	214	214	214
OJ	Pearson Correlation	.569**	1	.451**	.480**	.527**	.415**	.778**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	214	214	214	214	214	214	214
POS	Pearson Correlation	.340**	.451**	1	.434**	.515**	.433**	.705**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	214	214	214	214	214	214	214
PSS	Pearson Correlation	.469**	.480**	.434**	1	.440**	.496**	.753**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	N	214	214	214	214	214	214	214
Reward	Pearson Correlation	.446**	.527**	.515**	.440**	1	.562**	.773**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	214	214	214	214	214	214	214
Recognition	Pearson Correlation	.390**	.415**	.433**	.496**	.562**	1	.736**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
	N	214	214	214	214	214	214	214
Total EE	Pearson Correlation	.719**	.778**	.705**	.753**	.773**	.736**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	214	214	214	214	214	214	214

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

**Source-own survey April 2018**

The correlation analysis indicates that there is a significant and positive very strong correlation among variables ( $r=0.719$ ,  $r=0.778$ ,  $r=0.705$ ,  $r=0.753$ ,  $r=0.773$ ,  $r=0.736$ ) Thus, we can conclude from the correlation results any corresponding change in the independent variables such as increase job characteristics, organizational justice, perceive organizational support, perceive supervision support, reward and recognition it will have a positive and moderate relative impact on the dependent variable of employees engagement.

### 4.2.3 Regression Analysis

Linear regression analysis is used to measure the statistical significance of the effect of each Individual independent variable on the dependent variable. Here below depicted and explained are the linear regression of various independent variables and dependent variable

#### 4.2.3.1 Multiple Linear Regression Analysis

Table 12-Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	1.000 <sup>a</sup>	1.000	1.000	.000

a. Predictors: (Constant), Reward, PSS, JC, POS, Recognition, OJ

As shown in the above table 12 the overall bundle of determinant factors of the six independent variables such job characteristics, organizational justice, perceive organizational support, perceive supervision support, reward and recognition explains 100 % ( $R^2 = 1.000$ ) of the dependent variable (employee engagement). This suggests that 100 % of employees' engagement level in the bank clearly depends on the independent variables.

Table 13 Coefficient of regression analysis

Coefficients <sup>a</sup>						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	4.212E-017	.000		.000	1.000
	JC	.167	.000	.216	102998307.663	.000
	OJ	.167	.000	.241	108560064.652	.000
	POS	.167	.000	.214	105644317.717	.000
	PSS	.167	.000	.240	114684597.944	.000
	Reward	.167	.000	.209	92667323.179	.000
	Recognition	.167	.000	.222	104644804.841	.000

a. Dependent Variable: Total employee engagement

Source: Sample Survey Dec, 2016

From the above table 13, we can easily compare the relative contribution of each of the different variables by taking the beta value under the unstandardized coefficients. The higher the beta value, the strongest its contribution becomes. Accordingly, Organizational Justice (Beta=.241) makes the strongest unique contribution to explaining the dependent variable followed perceive

supervision support (B=.240), then recognition (B=.222) then job characteristics(B=.216). On the other hand, perceive organizational support and reward are contributors to explaining the Dependent variable with beta values of 0.214 and 0.209 respectively.

From the above table 13, shows that the coefficient of employee engagement multiple regression based on the result on the multiple regression formula is drawn as: -

$$EE = 4.212 + .216 JC + .241 OJ + .214 POS + .240 PSS + .209 Reward + .222 Recognition$$

### 4.3 Testing Hypothesis

Based on the above regression multiple regression model the hypothesis of the study are tested and presented as follow.

#### Hypothesis: 1

H1- Job characteristics has a positive and significant effect on employee engagement at BOA.

H<sub>0</sub>- Job characteristics has no a positive and significant effect on employee engagement at BOA.

As the above regression result shows table 13 job characteristics has  $p=.000$ ,  $p<0.05$  and Beta value  $=.216$  makes the strongest unique contribution to explaining the dependent variable in which the results revealed that, a one-unit increase or positive change in job characteristics would lead to 21.6 % increase the level of employee's engagement.

Therefore, we accept the alternative hypothesis(H1) and reject the null hypothesis.

This finding is similar to results from previous studies, in which it was discovered that employees who are provided with enriched and challenging jobs will feel obliged to respond with higher levels of engagement (kahn,1990,1992; Maslach et al., 2001; May et al.,2004; Yasmin 2007, 2011 farh et.al).

The implication from the findings in this study if the employees feel that their jobs

provided variety, freedom, identity and proper feedback the employees get more engrossed and engaged in their work thereby leading to more quality, productivity and efficiency.

## **Hypothesis: 2**

H2 : Organisational Justice has a significant and positive effect on employee engagement at BoA.

H0 : Organisational Justice has no a positive and significant effect on employee engagement BoA.

As indicated in the above table 13 the result of organizational justice which shows that  $p=.000$ ,  $p<0.05$  and Beta value .241. This implies the presence of moderate relationship between organizational justices in which the results revealed that, a one-unit increase or positive change in "organizational justice" would lead to a 24.1% unit increase the level of employee's engagement.

Therefore, we accept the alternative hypothesis (H2) and reject the null hypothesis(H0).

Thus, organizational justice is one of the major of Employee engagement antecedent that help employees to being engaged to the organization. This finding is similar to results from previous studies, in which it was discovered that a lack of fairness can aggravate burnout and while positive perceptions of fairness can improve engagement (Colquitt, 2001; Kahn, 1990; Maslach et al., 2001; Saks, 2006 Rhoades et al., 2001).

The implication from the findings in this study was that when employees have high perceptions of justice in their organization, they are more likely to feel obliged to also be fair in how they perform their roles by giving more of themselves through greater levels of engagement. On the other hand, low perceptions of fairness are likely to cause employees to withdraw and disengage themselves from their work roles.

## **Hypothesis: 3**

H3- Perceiver organization support has a positive and significant effect on employee engagement at BoA

H0- Perceiver organization support has no positive and significant effect on employee engagement at BoA

From the above table 13 shows that  $P=.000$ ,  $p<0.05$  and Beta value .214 This implies the presence of moderate relationship between perceive organizational support in which the results revealed that, a one-unit increase or positive change in "perceive organizational support" would lead to a 21.4% unit increase the level of employee's engagement.

Therefore, we accept the alternative hypothesis(H3) and reject the null hypothesis (H0)

The result of the research showed that perceived organization support had significant influence on employee engagement at Bank of Abyssinia.

The result of this research was similar with the theory that was used in this research, (Eisenberger et al., 1990; Kahn, 1990; Ladd & Henry, 2000; Rhoades et al., 2001 Randall et al., 1999; Saks, 2006; Shore & Wayne, 1993).

Where based on theory could be concluded that organization support on employees was very important, the higher the organizational support to employees associated of the needs of employees, the engagement of employee would be higher. In the other hand, if the organization had low support on the employees needs so the work engagement of employees in organization would be low.

#### **Hypothesis: 4**

H4- Perceiver supervise support has a positive and significant effect on employee engagement at BoA.

H0- Perceiver supervise support has no positive and significant effect on employee engagement at BoA.

From the above table 13 shows that  $p=.000$ ,  $p<0.05$  and Beta value .240 This implies the presence of moderate relationship between perceive organizational support in which the results revealed that, a one-unit increase or positive change in "perceive organizational support" would lead to a 24% unit increase the level of employee's engagement.

Therefore, we accept the alternative hypothesis (H4) and reject the null hypothesis (H0).



The null hypothesis is thus rejected as there is sufficient evidence. The outcome is consistent with SET which suggests PSS is related to positive organizational outcome (Deconinck, 2010; Lai & Kapstad; Pepe, 2010)

The implication from the findings in this study was subordinates' perception on their supervisor would have an influence on employee's engagement; if the perception which was shown was positive and high, the employees engagement would be positive too. Supervisor support or supervisor on subordinates was very important to determine the attitude and the work of subordinates in completing a given task. positive perception was able to increase the involvement of subordinates in the organization, so that subordinates had a responsibility and concern for the progress of the organization.

### **Hypothesis: 5**

H<sub>5</sub>- Reward has a positive and significant effect on Employee Engagement at BoA.

H<sub>0</sub>- Reward has no positive and significant effect on Employee Engagement at BoA.

From the above table 13 shows that  $p=.000$ ,  $p<0.05$  and Beta value .222 This implies the presence of moderate relationship between reward system in which the results revealed that, a one-unit increase or positive change in "reward" would lead to a 22.2% unit increase the level of employee's engagement.

This implies the presence of moderate relationship between reward system and employees' engagement at the Bank which is statistically significant. This shows that the higher received rewards, the higher the engagement of the employee.

This is in line with the findings by Taufek, Zulkifle, and Sharif (2016), Srivastava and Bansal (2016) and Anitha (2014) where rewards system is one of the important factors that strongly affect how the employee will engage in their work.

Therefore, we accept the alternative hypothesis (H<sub>5</sub>) and reject the null hypothesis (H<sub>0</sub>)

### **Hypothesis: 6**

H<sub>6</sub>- recognition has a positive and significant effect on Employee Engagement at BoA.

H<sub>0</sub>- recognition has no positive and significant effect on Employee Engagement at BoA.

From the above table 13 shows that  $P=.000$ ,  $p<0.05$  and Beta value .222 This implies the presence of moderate relationship between employee recognition in which the results revealed that, a one-unit increase or positive change in "recognition" would lead to a 22.2% unit increase the level of employee's engagement

Therefore, we accept the alter-native hypothesis (H6) and reject null hypothesis (H0).

Therefore, one might expect that employees' will be more likely to engage themselves at work to the extent that they perceive a greater amount of recognition for their role performances. Maslach et al. (2001) have also suggested that while a lack of recognition can lead to burnout, appropriate recognition is important for engagement. In terms of SET, when employees when employees receive recognition from their organization, they will feel obliged to respond with higher levels of engagement.

#### 4.5.3. Summary of Hypothesis Testing

No	Develop hypothesis	Test result
1	(Ho1) Job characteristics has a positive relationship and significant effect on employees' engagement	Accept
2	(Ho2) organizational justice has a positive relationship and significant effect on employees' engagement	Accept
3	(Ho3) Perceive organizational support has a positive relationship and significant effect on employees' engagement	Accept
4	(Ho4) Perceive supervision support has a positive relationship and significant effect on employees' engagement	Accept
5	(Ho5) Reward has a positive relationship and significant effect on employees' engagement	Accept
6	(Ho6) ) Recognition has a positive relationship and significant effect on employees' engagement	Accept

## CHAPTER FIVE

### FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Based on the results of data analysis and interpretation in the previous chapter the following Summary of major findings, conclusions and recommendations are given.

#### 5.1 Summary Major Findings

The major findings of the study are:

- Based on the result job characteristics was one of the highest rated determinants of employee engagement. Respondents agreed they job is significant, provide challenging work, allow use of different skills, personal discretion, got feedback from the job itself and they job is identifiable from start to finish.
- Respondents either agreed or disagreed the distributive justice of the bank, the fairness of evaluation and promotion system, making decision accordance with the procedures, code of conducts and make judgments.
- Based on the data majority respondent disagree getting pay and benefits according to them effort, experience, and responsibility.
- Most of the respondents agree that the banks cares about the wellbeing of employees and provide necessary material and equipment that help employees to develop their carrier even if, the respondent's replay shows that the organization doesn't involve in decision making that will affect employee. The mean value less than cut off points 2.95.
- It was observed that employee's shows moderate relationship with them supervisor they perceive their superior cares about their progress and also gives opportunity to apply new abilities and skills, help learn from the mistakes and change into productivity.
- Based on the respondent's replay, BoA has not a system that fairly performances based rewarded system.
- Based on the respondent's replay, BoA have the lowest employee recognition culture lack of Praise from their supervisor, lack of adequate recognitions for employee contributions.

- The Pearson's correlations coefficient result shows there is a significant and positive correlation exist between dependent and independent variables for JC ( $r=.719$ ,  $P<0.01$ ), OJ ( $r=.778$ ,  $P<0.01$ ), POS ( $r=.705$ ,  $<0.01$ ) PSS ( $r=.753$ ,  $<0.01$ ), reward ( $r=.773$ ,  $<0.01$ ) and recognitions( $r=.736=<0.01$ ) all are significantly and positively correlated with employees engagement.
- The model summary indicate the linear combination of the independent variable was significantly related to the dependent variable,  $R=1.000$ , adjusted Squair= $1.000$ ,  $P(0.000)$ . the result implies un estimated 100% of total variation in the independent variable, employee engagement is explained by the predictor.
- The regression result shows that JC has  $P<0.05$  and beta value  $.216$  which shows that 21.6% variance in employee engagement due to this variable. This indicates JC has positive and significant relationship with employee engagement. Based on the organizational justice analysis p value is less than 0.05 and the value of Beta  $.241$  which shows that 24.1 change in employee engagement is due to organizational justice.
- The regression result shows that PSS has  $P<0.05$  and beta value  $.214$  which shows that 21.4% variance in employee engagement due to this variable. This indicates PSS has positive and significant relationship with employee engagement. Based on the perceive organizational support analysis p (Sig, =0.00) value is less than 0.05 and the value of Beta  $.240$  which shows that 24.1 change in employee engagement is due to perceive supervision support.
- When we see the regression result of reward (Beta= $0.209$ ) with (Sig. = 0.000) which can infer that reward has positive and significant effect on employees' engagement and which shows that 20.9 change in employee engagement is due to reward.
- On the other hand, recognition employee result (Beta= $0.222$ ) with (Sig. = 0.000) in which we can conclude that recognition give to employee has positive and significant relationship and high contribution to explaining the dependent variable of employees engagement.

## 5.2 Conclusions

Based on the findings the following conclusions are made:

1. This study supports the inclusion of job characteristics, Organizational Justice, POS, PSS, rewards and recognition, in models of employee engagement. The results have important implications for assisting managers and companies to better understand and control factors that may lead to improved levels of employee engagement.
2. This study led to the speculation that job characteristics, organization justice, POS, PSS, rewards and recognition, are determinants of employee engagement at BoA. Social exchange theory & Saks 2006 model serves as reliable base encompassing the impact of these variables on employee engagement.
3. This study suggests that employers who provide motivating job characteristics to their employees who possess high self-efficacy may increase the employee's level of motivation at work. As an exchange to the motivating work, these employees may display positive work attitude such as work engagement which deemed important in enhancing the effectiveness of organizations
4. The study revealed that when employees have high perceptions of justice in their organization, they are more likely to feel obliged to also be fair in how they perform their roles by giving more of themselves through greater levels of engagement. On the other hand, low perceptions of fairness are likely to cause employees to withdraw and disengage themselves from their work roles.
5. The results suggest that POS plays a central role in the employee organization relationship and has important implications for improving employees' well-being and favorable orientation toward the organization.
6. The study discovered that when employees believe that their Supervisor is concerned about them and cares about their well-being, they are likely to respond by attempting to full fill their obligations to the organization by becoming more engaged. Because they consider their supervisors as agents working on behalf of organization.

7. This research has shown that when employees receive rewards and recognition from their organization, they will feel obliged to respond with higher levels of engagement.

### **5.3 Recommendations**

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

1. The bank should ascertain engagement levels of their employees in order to identify gaps and take appropriate measures using periodical review to bridge the gaps.
2. Employees are not satisfied only by the benefits given to them. Rather they seek or demand recognition and to be given a clear credit for their aforementioned accomplishment as well. Hence benefit packages and other techniques has to interested recognitions with various methods or ways.
3. As we infer the result shows in the finding the management should improve pay and benefits based on work experience, responsibility, qualification and effort in equitable manner on the basis of job relative assessments internal value and of the external relativity's i.e. market rate.
4. Performance based reward system can create motivation among employees. While high-performing employees are typically driven by their own high standards, a performance-based incentive compensation package can often motivate them to continue performing at optimum levels. The Bank reward system should take into account individual performance rather than an arbitrary and subjective determination. Because it wouldn't make sense to put an objective reward system in place to identify high performers and provide them with the highest level of incentives and truly reward them for their contributions.
5. Participation of workers in decision-making process has resulted in successful value creation in many organizations. Though the extent to which the bank should participate employees in organizational decision making that will affect them.

## REFERENCE

Agrestic, A. (2007). *An introduction to Categorical Data Analysis* (2<sup>nd</sup> Ed). New York: John Wiley.

Armstrong, A., (2006) *A hand book of human resource management practice*. United kingdom: Kogan page limited.

Armstrong, M. & Brawn,., (2008) *Strategic Reward*. United kingdom: Kogan page limited.

Arup, B. & Roy, S. (2011). *Faculty Engagement in Higher Educational Institution: A proposed model*. Romania: Lumen.

Barclays (2008), *Definition*, retrieve from  
[www.business.barclays.co.uk/BRC1/jsp/brcontrol?task=articleFWvi6&value=7220&target=\\_blank&site=bbb#definition](http://www.business.barclays.co.uk/BRC1/jsp/brcontrol?task=articleFWvi6&value=7220&target=_blank&site=bbb#definition)

Benjamin, O., Ehigie, I., Kolade, Olukayode, A., Afolabi, (2006). Personality factors influencing politicians' attitudes toward wellbeing of citizens. *International Journal of Public Sector Management*, 19 (5), 428-446.

Browne, G & Hemsley, M( 2008). Consumer participation in mental health in Australia: what progress is being made?', *Australasian Psychiatry*, 16(6), 170-177

BT (2008), *Employee Engagement*,  
[www.btplc.com/Societyandenvironment/Ourapproach/Sustainabilityreport/section.aspx?sectionId=29A70D7A-BD69-4A24-BA54-C1BBA56CE841](http://www.btplc.com/Societyandenvironment/Ourapproach/Sustainabilityreport/section.aspx?sectionId=29A70D7A-BD69-4A24-BA54-C1BBA56CE841)

Buchingham, M & C. Coffman, (1999). *First, Break All the Rules: What the World's Greatest Managers Do Differently*. New York: NY: Simon & Shuster.

Catteeuw, F., Flynn, E. Vonderhorst, J. (2007). Employee engagement: boosting productivity in turbulent times. *Organization Development Journal*, 25 (2), 151–157

CIPD (2007), *Employee Engagement*, Retrieved from  
[www.cipd.co.uk/subjects/empreltns/general/empengmt.htm?IsSrchRes=1](http://www.cipd.co.uk/subjects/empreltns/general/empengmt.htm?IsSrchRes=1)

Civil Service (2008), *Introducing Engagement: Understanding the concept and practice of employee engagement*, Retrieved from  
[www.civilservice.gov.uk/documents/pdf/engagements/Introducing\\_Engagement](http://www.civilservice.gov.uk/documents/pdf/engagements/Introducing_Engagement).

Coetzee, M., 2005. The fairness of affirmative action: an organizational justice perspective. *Journal of Behavioral Applied Management*, 9(2), 169-183.

- Coffman, C. & G. Gonzalez-Molina (2002). *Follow this path: How the world's greatest Organizations drive growth by unleashing human potential*. New York, NY: Warner Books, Inc
- Colquitt, J.A., Greenberg, Zapata, J.C., Phelan, C.P., 2005. What is organizational justice? :A historical overview. In Greenberg, J. & Colquitt, J.A. (Eds), *Organizational Behavior and Human Decision Processes*, 100 (1), 110-127.
- Cropanzano, R., & Mitchell, M. S. (2005). Social exchange theory: An interdisciplinary review. *Journal of Management*, 31(6), 874-900.
- Dell (2008), *Community and Employee Engagement*,  
[www.dell.com/content/topics/global.aspx/about\\_dell/values/community\\_outreach/connected\\_emp?~ck=ln&c=us&l=en&lnki=0&s=corp](http://www.dell.com/content/topics/global.aspx/about_dell/values/community_outreach/connected_emp?~ck=ln&c=us&l=en&lnki=0&s=corp)
- Eisenberger, R., Huntington, R., Hutchison, S., & Sowa, D. (1986). Perceived organizational support. *Journal of Applied Psychology*, 71, 500–507.
- Emma, S., Catherine, T., Kerstin, A., Amanda, S., Chris, R., (2012). Employee engagement, organization Performance & individual wellbeing: exploring the evidence, developing the theory, *International Journal of human resource Management*, 24(14), 2657-2669
- Fay, D. & Luhrmann, H. (2004). Current themes in organizational change. *European Journal of Work and Organizational Psychology*, 13(2), 113-119
- Gallup. (2013). State of the American Workplace: Employee high. The finding also supports the assumption of the Engagement Insights for U.S. Business Leaders. research that Co-Employee Support has a significant R e t r i e v e d f r o m h t t p : // w w w . g a l l u p . i m p a c t o n E m p l o y e e E n g a g e m e n t i n B a n k i n g S e c t o r .
- Greenberg, J. (1981). *The justice of distributing scarce and abundant resources*. In M.J. Lerner & S.C. Lerner (Eds.), *The justice motive in social behavior* (2nd ed., pp. 289-316). New York: Plenum Press.
- Greenberg, J. (1990). Employee theft as a reaction to underpayment inequity: the hidden cost of pay cuts, *Journal of Applied Psychology*, 75, 561-8
- Hackman, J.R., Oldham Development of the Job Diagnostic Survey. *Journal of Organizational Behavior and Human Performance*, 15(45), 147-179.
- Hackman, J.R. and Lawler, E.E. (1971). Employees' reactions to job characteristics, *Journal of Applied Psychology*, 34, 229-86.
- Hackman, J.R. and Oldham, G.R. (1975), Development of the Job Diagnostic Survey, *Journal of Applied Psychology*, 60, 159-70.



- Hackman, J.R. and Oldham, G.R. (1976), Motivating through the design of work: test a theory, *Journal of Organizational Behavior and Human Performance*, 16,250-79.
- Hackman, J.R., Oldham, G.R., Janson, R. and Purdy, K. (1975), A new strategy for job enrichment, *California Management Review*, 17 (4),55-71.
- Hafiz, A., Rashid, A., Asad, M.,& Muhammad, A. (2011) Factors Persuading Employee Engagement and Linkage of EE to Personal & Organizational Performance, *Interdisciplinary Journal of Contemporary Research in Business*, 3(5), 98-108,
- Harter, J. K., Schmidt, F. L., & Hayes, T. L. (2002). Business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes: a meta- analysis. *Journal of Applied Psychology*, 87(2), 268-279
- Joe, W. Kotrlik, J. C. Atherton, A. Williams and M. KhataJabor.(2011). Reporting and Interpreting Effect Size in Quantitative Agricultural Education, *Research Journal of Agricultural Education*, 52(1),34-38
- Joppe, M. (2000). Retrieved from <http://www.htm.uoguelph.ca/pagefiles/MJResearch/ResearchProcess/home.html>
- Kumar, R. & Sia, S.K., (2012). Employee Engagement: Explicating the Contribution of Work Environment. *Journal of Management and Labour*,37(1).
- Kalil, H.L, (2012). *Human resource development and organization psychology*. India:Aitbs publisher.
- Kahn, W.A. (1990). Psychological conditions of personal engagement and disengagement at work, *Academy of Management Journal*, 33(4), 692-724.
- Katz, D., & Kahn, R. L. (1978). *The Social Psychology of Organizations*, (2<sup>nd</sup> Edition). New York: Wiley.
- Ketchand & Jerry,R. Strawser (2001). Multiple Dimensions of Organizational Commitment: Implications for Future Accounting Research, *Academy of Management Journal*, 20(4),222-223.
- Landy, F. J., & Conte, J. M. 3rd Ed., (2010,). *Work in the 21st Century: An Introduction to Industrial and Organizational Psychology*. Hoboken, NJ: Wiley Higher Education.
- Leedy, P. D., & Ormrod, J. E. (2013). *Practical research: Planning and design*. Boston: Pearson. Chicago.
- Leeds Metropolitan University (2008) *Employee Engagement*. Retrieves from [www.leedsmet.ac.uk/wellbeing/index\\_employee\\_engagement.htm](http://www.leedsmet.ac.uk/wellbeing/index_employee_engagement.htm)

- Lockwood, N.R. (2007). Leveraging Employee Engagement for Competitive Advantage: HRs Strategic Role. *HR Magazine*, 52(3), 1-11.
- Maertz, C.P., Jr., & Campion, M.A. (1998). 25 years of voluntary turnover research: A review and critique. *International Review of Industrial and Organizational Psychology*, 13, 49-81.
- Maslach, C., Schaufeli, W. B., & Leiter, M. P. (2001). Job burnout. *Annual Review of Psychology*, 52, 397-422.
- May, D.R. Gilson, R.L. & Harter, L.M. (2004). The psychological conditions of meaningfulness, safety and availability and the engagement. *Journal of Occupational and Organizational Psychology* 77, 11–37.
- Mishra, D., Kapse, S. & Bavad, D. (2013). Employee engagement at banks in Kutch. *International Journal of Application or Innovation in Engineering and Management*, 2(7), 1–10.
- Mokaya, S.O., & Kipyegon, M.J. (2014). Determinants of employee engagement in the banking industry in Kenya; case of cooperative bank, *Journal of Human Resource Management and Labor Studies*, 2(2), 187-200..
- Moody, D., Heymans, P., & Matulevicius, R. (2010). Visual syntax does matter: Improving the cognitive effectiveness of the visual notation. *Journal of Requirements Engineering*, 15, 141- 175.
- Mutunga, C.N. (2009) Factors that Contribute to the Level of Employee Engagement in the Telecommunication Industry in Kenya: A Case Study of Zain Kenya. University of Nairobi, Nairobi.
- MacLeod, D. Clarke N. (2009) *Engaging for Success: Enhancing performance through employee engagement*. London: BIS.
- Nokia Siemens Networks (2008). Retrieved from [www.nokiasiemensnetworks.com/global/AboutUs/Careers/Why+join+us/Employee+Engagement.htm?languagecode=en](http://www.nokiasiemensnetworks.com/global/AboutUs/Careers/Why+join+us/Employee+Engagement.htm?languagecode=en)
- Penna (2007). *Meaning at Work Research Report*. Retrieved from [www.e-penna.com/newsopinion/research.aspx](http://www.e-penna.com/newsopinion/research.aspx)
- Reilly, R. (2014, January 7). *Five ways to improve employee engagement now*. Retrieved from <http://www.gallup.com/businessjournal/166667/five-waysimprove-employee-engagement.aspx>

- Robinson, D., Perryman, S. & Hayday, S. (2004). The drivers of employee engagement. IES Report 408. Retrieved 15 December, 2013, from <http://www.employmentstudies.co.uk/main/index.php>
- Rhoades, L., Eisenberger, R., & Armeli, S. 2001. Affective commitment to the organization: The contribution of perceived organizational support. *Journal of Applied Psychology*, 86, 825-836.
- Ruud Wetzels & Eric-Jan Wagenmakers, (2012). *A default Bayesian hypothesis test for correlations and partial Correlations*. New York: John Wiley and Sons, Inc.
- Ryan, R.M. and Deci, E.L. (2000) Intrinsic and Extrinsic Motivations: Classic Definitions and New directions. *Journal of Contemporary Educational Psychology*, 25, 54–67.
- Saunders, M., Lewis, P. and Thornhill, A. (2007). *Research method for Business students*. England: Pearson Education Ltd.
- Saks, A. M. (2006). Antecedents and consequences of employee engagement. *Journal of Managerial Psychology*, 21(7), 600-619.
- Sekeran, U. (2001). *Research methods for business: A skills building approach*. New York: John Wiley and Sons, Inc.
- Siddhanta, A., & Ghosh, D.R. (2010). Employee engagement-engaging the 21st century workforce, *Asian Journal of Management Research*, 31(5), 214-140.
- SHRM, (2014). *Employee Engagement and Commitment. A guide to understanding , measuring and increasing engagement in your organization*. Virginia. Society for Human Resources Management.
- Shuck, B., & Wollard, K. (2010). Employee engagement and HRD: A seminal review of the foundations. *Human Resource Development Review*, 9(1), 89-110
- Shuck, B. (2011). Four emerging perspectives of employee engagement: An integrative literature review. *Human Resource Development Review*, 10, 304-328.
- Shuck, B., Wollard, K. (2010). Employee engagement & HRD: A seminal review of the foundations. *Human Resource Development Review*, 9(1), 89-110.
- Suff R (2008), 'Vodafone's entertaining employee-engagement strategy', *IRS Employment Review*, 896
- Teijlingen van, E., Rennie, A.M., Hundley, V., Graham, W. (2001), the importance of Conducting and reporting pilot studies: the example of the Scottish Births Survey, *Journal of Advanced*

University of York (2008), *Employee Engagement*, Retrieved from  
[www.york.ac.uk/admin/hr/abouthr/strategy/employee\\_engagement.htm](http://www.york.ac.uk/admin/hr/abouthr/strategy/employee_engagement.htm)

Yasmin, J. (2011). Employee Engagement: A Study of HPSED Employees, *International Journal of Research in IT & Management*, 1 (6), 74-8

# **Appendexs**

**ANNEX – 1-**  
**RESEARCH QUESTIONNAIRE**

**ST.MARY’S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES, MASTER OF BUSINESS**  
**ADMINISTRATION**  
**QUESTIONNAIRE TO BE FILLED BY EMPLOYEES**

**Dear respondent,**

The objective of this questionnaire is to gather information about the Determinants of Employee engagement at Bank of Abyssinia. Based on your response, the researcher will conduct a study for academic purpose.

The expected respondents of this questionnaire will be non-Managerial Staff of those randomly selected branches from each district in Addis Ababa area zone. The respondents will be expected to give accurate data to make proper analysis. The data will be kept confidentially and it will be used for study purpose. I would like to thank in advance for your honest cooperation.

Thank you in advance, for your cooperation!

Woinshet161@gmail.com

**Instructions**

**Please note that:**

1. No need of writing your name.
2. Your cooperation to complete and return the questionnaire is highly appreciated.

**PART I – PERSONAL INFORMATION OF THE RESPONDENT**

**Instruction - Please indicate your answer by putting (X) mark on the appropriate box.**

**1. Gender**

Male       Female

**2. Age**

Under 24     25-34        35-44      45 and above

**3. Educational level**

Diploma       BA Degree     Masters       PHD  other

**4. How many years of work experience do you have in BOA?**

0-5 Year       6-10 Year     11-15 Year       16-20Year

**PART II: Questions related to Determinants of employee engagement for non managerial  
employee of BoA**

**Instruction - Please indicate your answer by putting (X) mark on the appropriate Box.**

No	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
<b>Job characteristics</b>						
1	There is adequate autonomy to do my job					
2	My job involve doing a whole and identifiable piece of work					
3	My job require using variety skills and talents to do different things					
4	The actual work itself provide clues whether I performed well					
5	My job is significant and important to me and others					
<b>Organization justice</b>						
1	Those procedures have upheld ethical and moral standards					
2	Bank has fair evaluation and promotion system					
3	Bank manager fair in communicating with employee					
4	Employees are allowed to challenge decisions made by their supervisors					
5	Pay and benefits are given fairly according to my effort, my experience, responsibility and qualification					
<b>Perceived organizational support</b>						
1	My organization involve me in decision making that will affect me					
2	The Bank provides tools that help me grow and navigated my carrier					
3	The Bank has a culture that allows me to develop my professional skills					
4	In this organization poor performance are supported by training and coaching to enhance their performance					
5	This organization cares about employees					
<b>Perceived supervisor support</b>						
1	My supervisor cares about my well-being he/sheconsiders my goals& values					
2	My supervisor encourage to apply new abilities and skills on my daily work					
3	when I have a question or need help My supervisor is available					
4	My supervisor helps me learn from my mistakes and turns them into productive development opportunity					
<b>Rewards</b>						
1	Good performance is rewarded fairly					
2	I received equal payment to others doing similar work in other banks					
3	The bones plan of the Bank encourages to perform better					
4	With my profession, there are Opportunities for more advancement					
<b>Recognition</b>						
1	In the last six month, I get Praise from my supervisor					
2	I received adequate recognitions to the bank for my contributions					
3	I feel that my job receives enough attention from my company					
4	My supervisor makes me feel that I matter to our team / department					

**ANNEX – 2-**

**DECLARATION**

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Asst. Professor Shoa Jemal. All sources of material used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institutions for the purpose of earning any degree.

**Woinshet Alebachew**

Name

**St. Mary's University, Addis Ababa**

\_\_\_\_\_  
Signature

**Month, Year**



**ANNEX – 3-**

**ENDORSEMENT**

This thesis has been submitted to St. Mary’s University, School of Graduate studies for examination with my approval as a university advisor.

Shoa Jemal

\_\_\_\_\_

Advisor

Signature

**St. Mary’s University, Addis Ababa**

**Month, Year**