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ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES

**FACTORS AFFECTING EMPLOYEE ENGAGEMENT:
THE CASE OF DEVELOPMENT BANK OF ETHIOPIA**

BY

BIRHANU DEMISSE

JUNE, 2019

ADDISABABA, ETHIOPIA

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BIRHANU DEMISSE

ADVISOR: ADERAW GASHAYIE (PhD)

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JUNE, 2019

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APPROVED BY BOARD OF EXAMINERS

Dean, Graduate Studies

Signature & Date

Advisor

Signature & Date

External Examiner

Signature & Date

Internal Examiner

Signature & Date

DECLARATION

I, the under signed, declare that this thesis is my original work, and all sources of materials used for this thesis have been duly acknowledged. The paper has never been presented in this or any other university for the award of any academic degree, diploma or certificate.

Name: Birhanu Demisse

Signature_____

Date_____

Addis Ababa, Ethiopia

ENDORSEMENT

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

Advisor

St. Mary's university, Addis Ababa

Signature

June, 2019

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Acronyms/Abbreviations

CBE	-----	Commercial Bank of Ethiopia
DBE	-----	Development Bank of Ethiopia
EE	-----	Employee Engagement
HRD	-----	Human Resource Development
JC	-----	Job Characteristics
ILC	-----	Internal Locus of Control
POS	-----	Perceived Organizational Support
PSS	-----	Perceived Supervisor Support
RR	-----	Reward and Recognition
SPSS	-----	Statically Package for social sciences
SET	-----	Social Exchange Theory
WE	-----	Working Environment

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Abstract

Currently Employee Engagement (EE) is the key focus of any organization in gaining competitive advantage; hence, employee engagement is the best tool for achieving it. In fact, employee engagement is considered to be the most powerful factor to measure an organization's strength and orientation towards superior performance for goal achievement. Development Bank of Ethiopia is one of the state owned financial institute where employee engagement is an important issue that determines towards such a superior performance. In spite of its appreciating benefit of EE for enhanced performance, it didn't get any considerable attention from the side of management rather than conducting survey annually. Thus, the objective of the study is to study factors that affect EE for the case of Development Bank of Ethiopia. To achieve this objective, the study adopts a quantitative research approach, through the use of questionnaire provided predominantly descriptive data. A total of 244 questionnaires are distributed and 234 of them are returned. The researcher used a simple random sampling technique and selected respondents. Both primary and secondary source of data were also used. Statistical package for social science, version 24 was used in running the outcomes of the study. The result of the analysis revealed that, all variable used in the regression such as JC, RR, POS, PSS, WE, and ILC were found positively affect employee engagement in the case bank and needs to take these factors as a bench mark and make a critical improvement of employee engagement. JC is the most dominant factor that determines employee engagement in case bank. Since JC is the most strongly affect employee engagement, the case bank need to modify their job characters aligned with their organization objective. Moreover, PSS is the second top most significant factor for employee engagement. Thus, managers need to have training and development on how to communicate effectively with their employee to enhance engagement, Finally, continuous measurement of employee engagement level, assessing engagement practices throughout the organization and taking timely action on issues identified as crucial and important is recommended.

Keywords: *Factor, Employee, Engagement, Development Bank of Ethiopian.*

CHAPTER ONE: INTRODUCTION

This chapter begins with research background to give an idea about the area of the paper to the reader. This was followed by, background of the study, background of the organization, the statement of problem, the formulated research questions, objectives, significance of the study, scope of the study, limitation of the study, definition of key words and finally organization of the paper.

1.1. Background of the Study

Employee engagement is an emerging concept in business, management, organizational psychology and human resource development fields (Wollard & Shuck, 2011). Around the world there is currently great deal of interest in the concept of employee engagement. Employee engagement is the extent of employees' involvement to their works which depends on organizational practices to achieve organizational goal. Gruman and Saks (2011) have identified employee engagement as the key to achieve organizational success and competitiveness. In fact, engaged employees are significant for organizations since they were said to significantly contribute to the bottom line (Demerouti & Cropanzano, 2010)

Many writers have argued that employee engagement can lead to enhanced performance and key driver of individual's attitudes, behavior, and performance (Saks, 2011). Studies of employee engagement have consistently found that almost all workers are engaged when they begin a job, but the proportion of engaging employees decreases dramatically after that. As a result, suggested that managers play a key role in building employee engagement and thereby driving high employee performance (Marrelli, 2011).

Every organization wants to gain competitive advantage and for that employee engagement is the best tool for achieving it. In fact, employee engagement is considered to be the most powerful factor to measure a company's strength and orientation towards superior performance achievement. Employee engagement also involves creating the prospect for human resources to attach with their managers, colleagues and organization (Baumruk, 2004).

Employee engagement has emerged as a critical driver of the organization, and it practically affects the employee morale, productivity, reason for retaining and also individual satisfaction (Sanborn & Oehler, 2014). Similarly, Saks (2011) and Andrew & Sofian (2012) mentions that employee

engagement is a key driver of individual attitudes, behavior, and performance as well as organizational performance, productivity, retention financial performance, and even shareholder return. Gruman and Saks (2011) have identified employee engagement as the key to achieve organizational success and competitiveness. In order to create an environment for employee satisfaction and engagement, it is also vitally important to know which factors most affect employee engagement (Heartfield, 2012).

The review of the different literature indicates that there are more employees who are disengaged or not engaged than there are engaged employees. For Example, Gallup's (2013), State the Global Workplace accounts only 13% of employees worldwide are engaged at work, were as 63% are "not engaged," and 24% are "actively disengaged"

As it clearly discussed the importance of employee engagement for organization success, along with the higher level of disengagement among employees around the world. Thus, critical issue is identifying deterrents of EE. Therefore, the main focus of this paper was to determining factors that affect employee engagement; the researcher was introduce the deterrents that have been selected as factors in predicting employee engagement. Although there is little empirical research on the factors that predict employee engagement, from Kahn's (1990) and Maslach et al.'s (2001) model. The researcher has selected four of the determinates of employee engagements, namely, "job characteristics, reward and recognition, perceived organizational support and perceived supervisory support. The fifth factor, i.e. working environment, has been taken from the study of Brid (2015) focused on examining the key drivers of employee engagement in a declining outsourcing company. The final factor internal locus of control, was taken from the study conducted by Jacqueline (2014).

Development Bank of Ethiopia (DBE) is spending time and money on programs, processes, and factors that will enhance its service delivery for better customer satisfaction. However, NPL as a bank for the last three years increased and employee turnover highly observed, besides factor that affect employee engagement as per the knowledge of the researcher not yet studied. Thus assessing factor affecting of EE is critical in the case bank.

1.2. Statement of the Problem

In recent years, there has been a great deal of interest in employee engagement. Many have claimed that employee engagement predicts employee outcomes, organizational success, and financial performance (Bates, 2004). Thus, the literatures indicate that employee engagement is closely linked with organizational performance outcomes. When employees engage with their work, they are more creative and innovative and offer advances that allow companies to evolve positively over time with changes in market conditions (Baumruk, 2004).

On the other hand, companies with disengaged employees suffer from waste of effort and ineffective talent, earn less commitment from the employees, face increased absenteeism and have less customer orientation, less productivity, and reduced operating and net profit margins (Rampersad, 2006)

Most of the studies carried out on EE were limited in western countries. There are so many evidences that it is not well studied in Africa. Gibbons (2006), from the review of the abstract of more than 20 research works previously done on work engagement, surprisingly; neither of them was conducted in Africa. During the past two decades, though there is an increasing contribution in human resource consulting agencies on the concept of employee engagement, yet there is a shortage of academic studies on that construct, especially in emerging economies (Maha, 2015).

The survey data collected by Gallup (2014), of US companies showed that 31.5% of employee was engaged, 51.0% were not engaged and 17.5% were actively disengaged (Adkins, 2015). Nearly 70% of all employees are not committed to the organization and lack a level of enthusiasm for work. The implications of this can be staggering when we consider the possibilities of engaging even a small portion of disengaged population.

Regarding Ethiopian case, there was a research performed on the CBE by Derara (2014). In this research, Derara came up with the result that indicates Job Characteristics, Reward and Recognition, perceived organizational support and Organizational Justice are significant factors that determine EE. However, the earlier studies conducted in this are including Derara (2014), fail to include most important factors such as: working environment, perceived supervisor support and internal locus of control. In this regard, the researcher is interested to include these factors and analyzed same for the case under consideration.

Development Bank of Ethiopia (DBE) is spending time and money on programs, processes, and factors that will enhance its service delivery for better customer satisfaction. However, as stated in indifferent newspaper and bank documents for the past three years the non-performing loans (NPL) of the Bank is dramatically increased and employee turnover highly observed in the case bank. Thus, to come up to this critical problem, studying factor affecting employee engagement is critical, since employee engagement is a key driver of individual attitudes, behavior, and organizational performance and retention financial performance.

1.3. Research Questions

Based on the above statement of problems, the following questions are for further investigation of the topic:

- Do Job Characteristics have an effect on employee engagement?
- What is the effect of reward and recognition on employee engagement?
- How does perceived organizational support affect employee engagement?
- How does perceived supervisor support affect employee engagement?
- What is the effect of working environment on employee engagement?
- Does internal locus of control have an effect on employee engagement?

1.4. Objectives of the Study

1.4.1. General Objective

The main objective of the study is to examine factors affecting employee engagement in the case of Development Bank of Ethiopia.

1.4.2. Specific Objectives

The specific objectives of the study focused on individual factors that affect employee engagement stated as follows;

- To investigate the effect of job characteristics on employee engagement
- To measure the effect of rewards and recognition on employee engagement
- To examine the effect of perceived organizational support on employee engagement
- To investigate the consequence of perceived supervisor support on employee engagement

- To examine the effect of working environment on employee engagement
- To analyze the effect of internal locus of control on employee engagement

1.5. Research Hypothesis

To provide answers to the research questions the following hypotheses was tested in this research.

- **H1:** Job characteristics have significant effect on employee engagement.
- **H2:** Rewards and recognition has significant effect on employee engagement.
- **H3:** Perceived Organizational Support has significant effect on employee engagement.
- **H4:** Perceived Supervisor Support has significant effect on employee engagement.
- **H5:** Working Environment has significant effect on employee engagement.
- **H6:** Internal Locus of Control has significant effect on employee engagement.

1.6. Significance of the Study

This research is helpful for the following reasons:

The concept of employee engagement has gained considerable attention in the recent modern business environment. But the subject remains with great gap for empirical research especially in our country and specifically for Development Bank of Ethiopian.

Then, the finding of the study will have practical significance in will give the bank and stakeholders in developing engaged human capital. Thus this study will give opportunity to gain deep knowledge about the level of engagement of their employee and factors that affect Employee Engagement in the case bank.

Last, the study draws some conclusions and identifies the major factors affecting Employee Engagement in Development Bank of Ethiopia. Thus, it will give signal to the management of the bank in particular and policy makers in general to focus on the main factors affecting Employee Engagement. Furthermore, the study will contribute benefit for both academicians and other practitioners as a documented study in this area.

1.7. Scope of the Study

There are various authors and researchers that proposed different drivers of EE, which include a wide range of factors (Kahn, 1990; May et al., 2004; Saks, 2006) and it is difficult to best conceptualize factors affecting of EE. This study however, focused only on main six factors affecting of EE, which are job characteristics, reward and recognition, perceived organizational support, perceived supervisor support, working environment and internal locus of control. The study used only quantitative research design. The basis behind using quantitative approach due to the nature of the equations and the method employed to answer the research questions and also limited itself on employees of DBE head office and Districts.

Geographically and time scope, the study is delimited to Head Office and districts of the bank. The logic behind this is that though it is possible but it is difficult to cover all areas and branches throughout the country. Time allowed to conduct this research is not enough and resource constraint. As a result, the researcher conducted purposively selected research area and used simple random sampling method while selected responded.

1.8. Organization of the Study

This research consists of five chapters with different sections and sub-sections. Chapter one presents the introduction for the main part of the study, statement of the problem, research question, and objective of the study, scope and significance of the study. Chapter two reviews the most significant theoretical and empirical studies. Chapter three presents methodology of the study. The fourth chapter presents the discussions and results from assessment of factor affecting EE. Finally, based on the analysis and interpretation, conclusions and recommendations were forwarded.

1.9. Limitation of the Study

This study had some limitations. To begin with it employed a non-probability sampling, because the research selected the district and head office only purposively. For this reason, it is not possible to generalize the finding of the research to all branches of the bank. Hence, the researcher is cautious in generalizing the finding; further study has been suggested.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

2.1.Introduction

This section reviews the literature written by different authors and researches conducted by different scholars in relation to the study and present a summary of EE literature such as definitions, assumptions, major concepts regarding EE and review of empirical works. Finally, conceptual framework of the study is included by summarizing literature results.

2.2. Theoretical Review

2.2.1. Employee Engagement

Employee engagement has been defined differently by different researchers as well as human resources practitioners and scholars. Each definition reflects the author's specific to the concept. According to Kahn (1990) people draw upon themselves to varying degrees while performing work tasks and they can commit themselves physically, cognitively, and emotionally in the various roles they perform. Or, they may choose to withdraw and disengage from their work roles and work tasks. Results of Kahn's study suggest that there are three psychological conditions that shape how people perform their roles -- meaningfulness, safety, and availability. Kahn's identification of the three psychological conditions now serves as a framework for the study of employee engagement.

Kahn (1990) describes the state of meaningfulness as one in which workers feel worthwhile, useful, and valuable, and that they are making a difference and are appreciated for the work they do. Safety is described as an environment in which people feel an ability to act as what would be normal for the individual without fear of negative consequences. Safety is found in situations in which workers trust that they do not suffer because of their engagement with their work and where they perceive the climate to be one of openness and supportiveness. Availability is defined by Kahn (1990) as the sense of having personal, physical, emotional, and psychological means with which to engage with their job tasks at any particular moment.

The definitions of employee engagement that the current author found are similar to those of Shaufeli et al. (2002), May et al. (2004) and Saks (2006). Employee Engagement is defined as the level of commitment, involvement and passion as a positive, fulfilling work related state of mind

that is characterized by vigor, dedication and absorption' (Shaufeli et al., 2002). Shaufeli et al., 2002, further state that engagement is not a momentary and specific state, but rather, it is “a more persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behavior”.

The researcher, based on the objective of this study, operationalized the definition of engagement which is more than simply job satisfaction. It can best be described as a harnessing of one's self to his or her roles at work. In engagement, people express themselves cognitively, physically, and emotionally while performing their work roles (Kahn, 1990).

Employee engagement has become a widely used and popular term in most of business organizations. However, most of what has been written about employee engagement can be found in practitioner journals where it has its basis in practice rather than theory and empirical research. In Robinson et al. (2004) view, even if there has been surprisingly little academic and empirical research on a topic, but EE has become so popular. As a result, employee engagement has the appearance of being what some might call, “old wine in a new bottle.”

Furthermore, Kahn (1990) defines personal engagements as the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances. Personal disengagement refers to “the uncoupling of selves from work roles; in disengagement, people withdraw and defend themselves physically, cognitively, or emotionally during role performances”. Thus, according to Kahn (1990, 1992), engagement means to be psychologically present when occupying and performing an organizational role.

According to Rothbard (2001) as cited in Saks (2006), ‘Engagement is a psychological presence, but goes further to state that it involves two critical components: attention and absorption’. Attention refers to “cognitive availability and the amount of time one spends thinking about a role” while absorption means “being engrossed in a role and refers to the intensity of one's focus on.

Analyzing both academic and practitioner understandings of employee engagement could add to the knowledge of how employee engagement is understood as well as whether or not employee engagement is a meaningful concept and warrants further academic research to strengthen its theoretical foundations and practical application in the organization.

2.2.2. Theory of Employee Engagement

The strong theoretical rationale for explaining employee engagement can be found in Social Exchange Theory (SET) to Saks (2006). The SET provides a theoretical basis of why employees determine to become more engaged or less engaged in their work. According to SET, responsibilities are created through various interactions of the parties who are interdependent with each other. SET is basic tenet holds that relationships gradually develop into trusting, loyal, and mutual pledges on the condition that the parties to the pledge follow rules of exchange. Therefore, one way for employees to repay their organization is through their level of engagement. In other words, the level of EE depends on the advantages they receive from the organization.

Showing dedication to one's work in large amounts of cognitive, emotional, and physical resources is a perceptive way for employees to show their appreciation to their organization's services. SET states that individuals having a strong exchange ideology are more inclined to feel obliged to return the organizational benefits that they receive. 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 of a psychological and emotional connection between employees and their organization which could be turned into negative or positive behavior at work and the organization plays the main role of engagement (Sake, 2006)

2.2.3. Employee Engagement versus Other Constructs

It would appear that there are sufficient grounds for arguing that engagement is related to, but distinct from, other constructs in organizational behavior (Saks 2006). For example, Robinson et al (2004) state that: "engagement contains many of the elements of both commitment and organizational Citizenship Behavior (OCB) but is by no means a perfect match with either. In addition, neither commitment nor OCB reflects sufficiently two aspects of engagement - its two-way nature, and the extent to which engaged employees are expected to have an element of business awareness."

Saks (2006) argues that organizational commitment also differs from engaging in that it refers to a person's attitude and attachment towards their organization. Whilst it could be argued that engagement is not merely an attitude; it is the degree to which an individual is attentive to their work and absorbed in the performance of their role. Besides, while OCB involves voluntary and informal behaviors that can help co-workers and the organization, the focus of engagement is one's formal role performance rather than purely extra-role and voluntary behavior.

Engagement is most closely associated with the constructs of job involvement and 'flow'. According to Kanungo, (1982) as cited in May et al., (2004), "Job involvement is defined as a cognitive or belief state of psychological identification". This differs from engaging in that it is concerned more with how the individual employs him/her self during the performance of his/her job. Furthermore, whilst the focus of job involvement is on cognitions, engagement, according to most definitions, also encompasses emotions and behaviors.

Burnout researchers define engagement as the opposite or positive antithesis of burnout (Maslach et al., 2001). According to Maslach et al. (2001), engagement is characterized by energy, involvement, and efficacy, the direct opposite of the three burnout dimensions of exhaustion, cynicism, and inefficacy. Research on burnout and engagement has found that the core dimensions of burnout (exhaustion and cynicism) and engagement (vigor and dedication) are opposites of each other (Gonzalez-Roma et al., 2006).

According to Schaufeli et al. (2004) engagement is defined as "a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption." They further state that engagement is not a momentary and specific state, but rather, it is "a more persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behavior. In the academic literature, engagement is said to be related to but distinct from other constructs in organizational behavior. For example, Robinson et al., (2004) state that: engagement contains many of the elements of both commitment and OCB, but is by no means a perfect match with either. Similarly, neither commitment nor OCB reflects sufficiently two aspects of engagement – its two-way nature, and the extent to which engaged employees are expected to have an element of business awareness.

2.2.4. Consequence of Employee Engagement

Saks (2006) has defined the consequences of employee engagement in the following manner: A. Job Satisfaction: Job satisfaction, a widely researched construct, is defined as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences. It has been found that while the relationship between job satisfaction and performance is weak at the individual level, but is stronger at the aggregate level. B. Organizational Commitment: This also differs from engaging in that it refers to a person's attitude and attachment towards their organization. Engagement is not an attitude; it is the degree to which an individual is attentive and absorbed in the performance of their roles. C. Intention to Quit: Intention to quit includes basically the reasons why employees are going to quit the job, and what factors made the employee to leave the organization. The engaged employees do not frequently quit the job. D. Organizational Citizenship Behavior (OCB) involves voluntary and informal behaviors that can help co-workers and the organization, the focus of engagement is one's formal role performance rather than extra-role and voluntary behavior.

2.2.5. Factors that Predict Employee Engagement

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) and Maslach et al., (2001) 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.

A. Job Characteristics

Jobs that are high on the core job characteristics provide individuals with the room and incentive to bring more of themselves into their work or to be more engaged (Kahn, 1992). This is based on Hackman & Oldham's (1980) as cited in Saks (2006), "job characteristics model and in particular, the five core job characteristics (i.e. Skill variety, task identity, task significance, autonomy, and feedback)".

According to Greg (2010) the five “core” job characteristics are described as follows:

- Skill variety is the degree to which the job requires a variety of different skills and talents.
- Task identity is the degree to which the job requires doing a whole and identifiable piece of work from beginning to end.
- Task significance 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.
- Autonomy is the degree to which the job provides substantial freedom, independence, and discretion to the individual in scheduling the work and in determining the procedures to be used in carrying it out.
- Job-based feedback is the degree to which carrying out the work activities required by the job provides the individual with direct and clear information about the effectiveness of his or her performance.

Based on Sake (2006) from the perspective of SET, one can argue that employees who are provided with enriched and challenging jobs feel obliged to respond to higher levels of engagement.

B. Rewards and Recognition

People vary in their engagement as a function of their perceptions of the benefits they receive from a role (Kahn 1990). According to Sake (2006), a sense of return on investments can come from external rewards and recognition in addition to meaningful work. Therefore, one might expect that employees' more likely to engage themselves at work to the extent that they perceive a greater amount of rewards and recognition for their role performances. Moreover, Maslach et al., (2001) have also suggested that while a lack of rewards and recognition can lead to burnout, appropriate recognition and reward is important for engagement. In terms of SET, when employees receive rewards and recognition from their organization, they feel more obliged to respond to higher levels of engagement.

C. Perceived Organizational Support

Psychological safety, according to Kahn (1992), involves a sense of being able to show and employ the self without negative consequences. An important aspect of safety stems from the amount of care and support employees perceive to be provided by their organization as well as by their direct supervisor. In fact, Kahn (1990) found that supportive and trusting interpersonal relationships as well as supportive management promoted psychological safety. Supportive environments allow members to experiment and to try new things and even fail without fear of the consequences (Kahn, 1990). Social support is also one of the conditions in the Maslach et al. (2001) model and a study by Schaufeli & Bakker (2004) found that a measure of job resources that includes support from colleagues predicted engagement. A lack of social support has also consistently been found to be related to burnout (Maslach et al., 2001). This is to mean, employees' who have higher POS might become more engaged to their job and organization as part of the reciprocity norm of SET in order to help the organization reach its objectives (Rhoades et al., 2001).

D. Perceived Supervisor Support

When employees believe that their supervisor is concerned about them and cares about their well-being, they are likely to respond by attempting to fulfill their obligations to the organization by becoming more engaged. In addition, because employees tend to view their supervisor's orientation toward them as indicative of the organization's support (Rhoades & Eisenberger, 2002), 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). According to Bates (2004), as cited in Saks (2006) "first-line supervisors are believed to be especially important for building engagement and to be the root of employee disengagement".

The single most important factor to drive employee engagement and retention is the immediate manager working relationship with his/her employees. Good management is critical to the success of retaining and engaging employees and vice versa. Best People Managers are competent in informing employees of what is required and expected from them, providing feedback on their performance, providing opportunities for their development, delegating appropriate levels of responsibility and setting priorities. They are approachable, fair, good listeners (Baumruk, 2004).

E. Working Environment

Studies conducted by Islam & Shazali (2011) show that physical working environment leads to better service to customers and achieve higher output. These studies also reveal that the working environment comprise good culture, working with a good team, good boss, physical surrounding, job security, sustainable compensation package, availability of food and drink in the workplace. High performance teams enrich engagement through factors, including talent, team climate, collective pride, leadership, purpose, team ethics, and team bonding (Bhogle & Bhogle, 2011). Towers Perrin study (2009) shows that most important driver of engagement is senior management's interest in employee wellbeing.

According to Kemsley (1991) as cited in Saks (2006),” The working environment has much to contribute towards the provision of better service to the customers and employees; and this is seen as an important aspect of the internal culture in creating the atmosphere in which the relationship can flourish”. As per Islam & Shazali (2011), a favorable working environment, such as working with a good team, having a good boss, and liking the physical surroundings in the workplace, is a contributory factor in motivating the workforce towards higher output. Indeed, job security, a sustainable compensation package, and the availability of food and drink in the workplace, are also considered to be principal indicators of a favorable working environment. The presence of all these factors in the workplace could gear up the morale of workers and contributes to increased manufacturing productivity.

According to Deci & Ryan (1987) as cited in Saks (2006) suggested that “management which fosters a supportive working environment typically displays concern for employees' needs and feelings, provides positive feedback and encourage them to voice their concerns, develops new skills and solve work related problems”. According to Robinson (2006), employee engagement can be achieved through the creation of an organizational environment where positive emotions such as involvement and pride are encouraged, resulting in improved organizational performance, lower employee turnover and better health. A similar view was given by May et al., (2004) and Rich et al., (2010). Therefore, a meaningful workplace environment that aids employees for focused work and interpersonal harmony is considered to be related to employee engagement.

F. Internal Locus of Control

According to a study conducted by Srivastava (2009) said that “locus of control is a theory that states that individuals have either an internal locus of control or an external locus of control”. Furthermore, locus of control is the theory that individuals perceive the world from either an internal or external locus of control. Those with an internal locus of control feel that they have the power to change their circumstances as a result of their own behavior. Those with an external locus of control feel powerless and assume that what happens to them is a result of the decisions others (supervisors) make (Jacqueline 2014).

Myers (2014) suggested that individuals are more comfortable in job situations where the locus of control to which they are most familiar with in the actual work environment. Additionally, managers with internal locus of control are more supportive and involved than managers with external locus of control. On the other hand, individuals with external locus of control are generally prone to stress and depression and may exhibit dysfunctional behaviors. Moreover, employees with an internal locus of control generally enjoy more jobs satisfaction than those with external locus of control, as those with an internal locus of control have less role conflict, ambiguity, and overload, all of which contribute to stress. Further, employees with an internal locus of control are largely social and considerate as well as skilled at influencing others more than those with an external locus of control. (Qiang et al., 2010).

2.3. Empirical Reviews

In this section of the study relevant studies that had been previously performed in the area have been reviewed and their major findings and gaps observed was described briefly.

The study of Brid (2015) focused on examining the key drivers of employee engagement in a declining outsourcing company in Dublin, Ireland and contributed to the knowledge of employee engagement in declining companies. He said that it is important to monitor employee engagement at every stage of the company lifecycle. His research was conducted on five key drivers of engagement, namely, Leadership, Communication, Organizational Support, Learning and Development and Working Environment. Their influence on EE was strongly supported by the survey’s findings. Results revealed that only half of the respondents were engaged and there was considerable scope for improvement. From the results of the survey, he found out that, respondents

placed a strong emphasis on feeling safe in the work environment by having close working relationships with their line manager and colleagues without fear of negative consequences, during the decline period. The other important factor he found out in influencing engagement levels was opportunities for development, together with having both upward and downward communication between leadership and employees.

In Abubaker, (2002) study of examining the factors influencing employee engagement in the financial sector of Malaysia, which focused on three main concepts i.e. empowering leaders' behavior, high performance work practices (HPWP) and the possible role of one's faith EE. The study findings suggested that empowering leadership behavior – showing concern, participative decision making, leading by example, coaching and communicating have the largest effect on employee engagement. Employees experience a significant level of engagement when their leader shows concern. Empowering leadership behavior significantly impact employee engagement among employees in the financial sector in Malaysia. Hence, empowering leadership behavior plays a significant role in engaging employees at work.

On the other hand, Abubaker (2002) also identified that religiosity play a crucial role in engaging employees at work among the Malaysians' Muslims. Religiosity acts as self-control and when the going gets tough, faith helps believers to self-regulate. Therefore, when work is viewed as a moral obligation and self-enhancement, the development of employee engagement seems encouraging.

Since the majority of the sample included in the study were Malay Muslims, which may have negatively affected the finding and made it difficult to identify if there is any distinctive pattern of HR practices among different religious groups in Malaysia. The findings were also focused only on empowering leaders' behavior, high performance work practices and the possible role of religiosity, which did not incorporate other employee engagement factors, like perceived supervisory and organizational support and internal locus of control.

The work of Kumar (2011), in Odisha, India focuses on various factors which lead to employee engagement and what should company do to make the employees engaged. He suggested that proper attention on engagement strategies increase the organizational effectiveness in terms of higher productivity, profits, quality, customer satisfaction, employee retention and increased adaptability. Employee engagement develops positive attitude among the employees towards the organization.

Kumar (2011), also emphasized that organization should recognize employees, more than any other variable, as powerful contributors to its competitive position. Engaged employees can help their organization achieve its mission, execute its strategy and generate important business results. Therefore, employee engagement should be a continuous process of learning, improvement, measurement and action. Kumar (2011), also provides a noteworthy implication for practitioners that organizations with higher levels of employee engagement outperform their competitors in terms of profitability. Engaged employees give their company's crucial competitive advantages—including higher productivity, customer satisfaction and lower employee turnover.

There are a number of factors which influence employee engagement, according to Kumar (2011), these are included Recruitment, Job Designing, Career Development Opportunities, Leadership, Empowerment, Equal Opportunities and Fair Treatment, Training and Development, Performance Management, Compensation Health and Safety, Job Satisfaction, Communication, Family Friendliness

In this study satisfaction is considered as a factor that affect EE, unlike the study of Sake (2006); where Job Satisfaction is considered as a consequence of EE, by defining it as a pleasurable emotional state resulting from the appraisal of one's job. According to Gill et al., (2010), as cited in Kumar (2011), “Job Satisfaction is the positive feelings employees enjoy when they are recognized for having achieved goals in line with their own values”. In line with the study conducted by Sake (2006), this research used Job Satisfaction as a consequence of EE.

According to Maha (2015), even if there is an increasing contribution on the concept of employee engagement, there is a shortage of academic studies on that construct in emerging economies. Maha (2015), study was aimed at identifying the key drivers of employee engagement within the Egyptian banking sector based on social exchange theory (SET). The study finding indicated that leadership and organizational justice were the most significant drivers of employee engagement. In addition, compensations and benefits, policies and procedures and training and development were also determined as predictive variables of employee engagement.

Maha (2015) also argued that the concept employee engagement should not be regarded as another HR strategy. Organization and employees are both dependent on each other to fulfill their goals and objectives. Therefore, employee engagement should not be understood as a onetime exercise but needs to be part and parcel of the business DNA for the success story of any company. Engaged

employees can help their organization achieve its mission execute its strategy and generate important business results. Therefore, organizations today should actively look forward to fulfilling employee`s expectations and thus, create an impact on the performance of employee, which directly affects the organization`s performance. As a limitation it is found out that, since the study is based on a small number of employees working in the Egyptian banking sector, it is short coming is generalizing the results of the study for other sectors.

According to Sandeep et al., (2008) employee engagement has become a hot topic in recent years. Despite this, there remains a scarcity of critical academic literature on the subject, and relatively little is known about how employee engagement can be influenced by management.

The review of the different literature indicates that there are more employees who are disengaged or not engaged than there are engaged employees. Despite this, many organizations believe that engagement is a dominant source of competitive advantage. Results from research organizations and corporate results have demonstrated that there may be a strong link between engagement, employee performance and business outcomes. Recent research in the UK and other countries shows that there are more disengaged employees than there are engaged employees in today`s organizations.

Based on Gallup's new 142-country study (2013), the State of the Global Workplace accounts only 13% of employees worldwide are engaged at work. In other words, about one in eight workers -- roughly 180 million employees in the countries studied are psychologically committed to their jobs and likely to be making positive contributions to their organizations. The bulk of employees worldwide, 63% are "not engaged," meaning they lack motivation and are less likely to invest discretionary effort in organizational goals or outcomes. And 24% are "actively disengaged," indicating they are unhappy and unproductive at work and liable to spread negativity to coworkers. In rough numbers, this translates into 900 million not engaged and 340 million actively disengaged workers around the globe where the study carried out.

The low levels of engagement among global workers continue to hinder gains in economic productivity and life quality in much of the world. Engaged Workers are most common in U.S. and Canada (29%), actively disengaged in MENA (Middle East and North Africa) and sub-Saharan Africa i.e. on the average 34%. However, in the same report (Ibid) it is indicated that, low workplace engagement offers an opportunity to improve business outcomes.

Regardless of region or industry, businesses seeking to adapt to rapidly changing global economic conditions must learn how to maintain high-productivity workplaces and grow their customer bases in widely varying social, cultural, and economic environments.

Through focusing on Cooperative Bank of Kenya, Mokaya & Kipyegon (2014), studied the determinants of Employee Engagement in the Banking Industry and used an explanatory research approach method, by considering sample of 214 respondents from 496 employees.

Mokaya & Kipyegon (2014), used primary data questionnaire and analyzed the result using descriptive and inferential statistics. The study result shows that Employee engagement was significantly affected by performance management system, personal development and growth, workplace recreation, and compensation package. Their finding revealed that a single unit increase in workplace recreation increases employee engagement by 0.09, personal development and growth by 0.219, performance management system by 0.386.

Furthermore, remuneration package by one unit would increase employee engagement by and 0.389 units. Their justification regarding to remuneration package is associated with banks basic salary was reasonable as noted by majority of the respondents and they were being remunerated adequately for their efforts, and that the pay and benefits were commensurate with their skills and experience. Regarding to work place, psychological and social fulfillment can determine their employees are motivated to stay, carry out, and contribute to organization success. Furthermore, their finding shows that low engagement and job satisfaction can contribute to multiple organizational problems and have been associated with increased levels of turnover and absenteeism, adding potential costs to the organization in terms of low performance and decreased productivity.

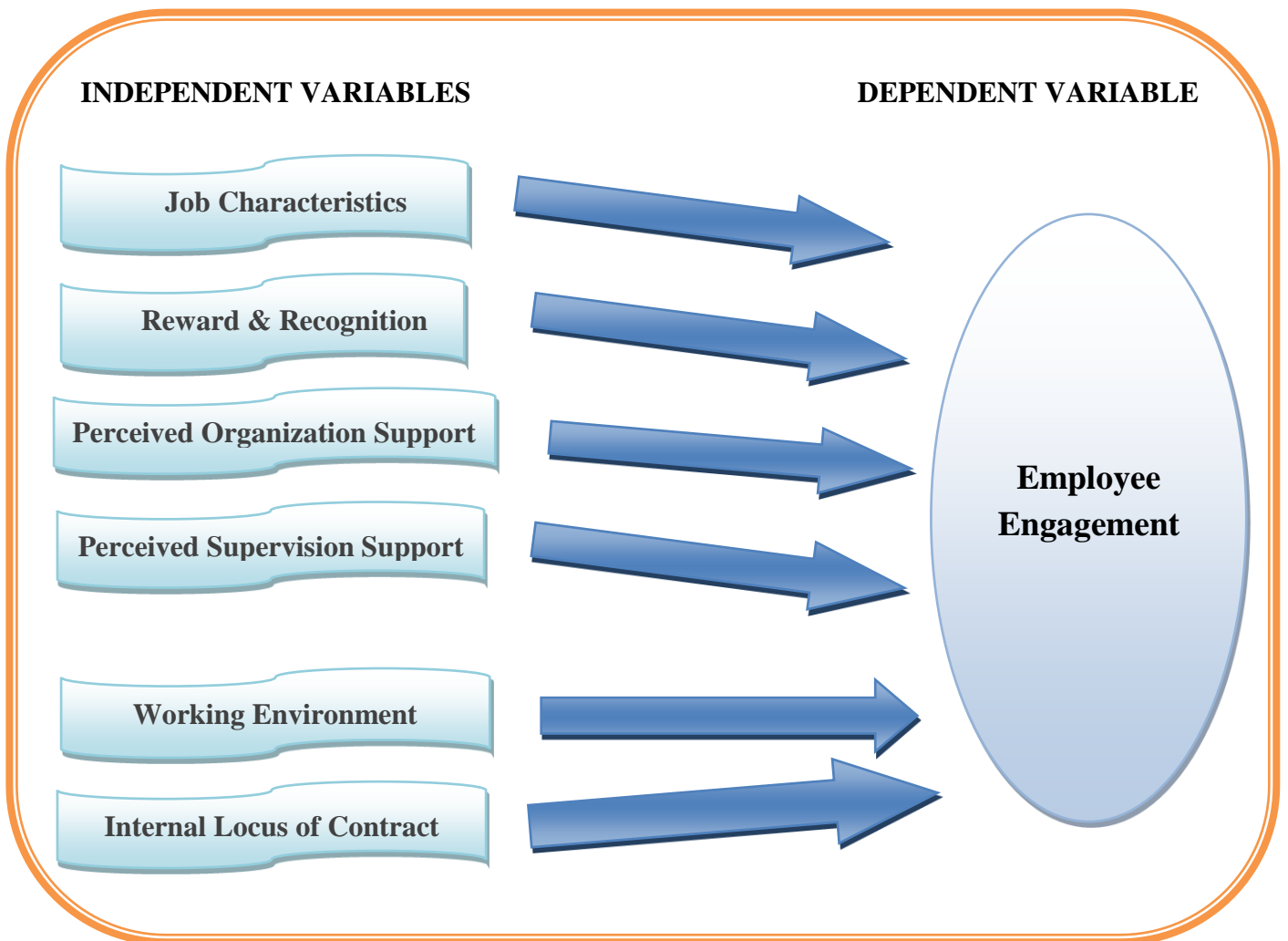
The study performed in CBE by Derara (2014) argued that the research was the first of its kind, specifically determinants of employee engagement in the field of human services in Ethiopia. The study helped in determining factors affecting EE, generally in banking industry, and more particularly in CBE. The results of the study indicated that there were no differences in engagement scores for males and females, for education level, or for years of service in the bank. On the other hand, Job characteristics, Rewards and Recognition, Organization Justice, Perceived Organizational Support have a significant effect on Employee Engagement at CBE. Moreover, POS has got the highest effect on predicting Employee engagement.

However, Derara (2014) did not include some of the factors that might have significant effect in determining employee engagement at Commercial Bank of Ethiopia. These factors may include perceived supervisor support, working environment and internal locus of control. Considering these as the area be considered, this researcher attempt to study their effect on EE for the case under study.

2.4. Conceptual Framework of the Study

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.

Figure 2.1: Conceptual Framework of the Study



Source: Adopted from Sake, 2006

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.1.Introduction

The methodology refers to the procedural framework within which the research is conducted. This chapter presented how the current study was designed and provides a clear description of the specific steps that was taken to address the research problem and test each of the six hypotheses.

3.2.Research Design and Approach

In order to answer the research questions and achieve the stated objectives, the study used a combination of descriptive and casual research designs. As it is clearly indicated in chapter one the research questions are all about examining the factor affecting EE in case bank. Therefore, in order to analyze the existing situation under consideration, descriptive research design was employed. On the other hand, the researcher also used a Causal research was designed to collect raw data and create data structures and information that allow the decision maker or researcher to model cause-and effect relationships between two or more decision variables (Hair et al., 1993).

The study was employed quantitative research approach. Quantitative method of research approach is study involving analysis of data and information that are descriptive in nature and qualified (Sekaran, 2001). The quantitative data was collected and analyzed in order to elaborate the quantitative results obtained in the analysis. Structures and information that will allow the decision maker or researcher to model cause-and effect relationships between two or more decision variables (Hair et al, 1998)

The researcher also used a cross sectional survey because the data was collected at one point in a time to compare the factor affecting EE variable of the case bank. Cross sectional design is studies in which various segment of population are sampled at a single point in a time. (Zikmend, 2003).

3.3.Population, Sample Size and Sampling Techniques

According to Kitchenham (2002), population represents the group or the individuals to whom the survey applies. In other words, populations contain those group or individuals who are in a position to answer the questions and to whom results of the survey apply.

Development bank of Ethiopia currently has 112 branches in Ethiopia including districts and head office. All branches of the bank are not on the same level in all aspects of the bank operation. On the bases of loan limitation, type of bank services and number of employees from higher level to lower level; the bank is classified as head office (corporate level), Districts and under each districts there are different branches of the bank which are graded as A, B and C branches. Thus, in the current study the populations include employees of ten (10) district offices and head office. This is done from the fact that district and corporate levels workers have relevant information related to the research input. Therefore, the total populations of the bank in the study area were 623 employees.

The total populations of in the study area (head office and districts of the bank) are 623 employees. It is very expensive in terms of money and time to collect data from all these employees, so that the researcher has to determine sample which is representative for the total population. Israel, D. (2009) provides a simplified formula to calculate sample sizes of finite population, which is used to determine the sample size for this particular study. A 95% confidence level is assumed for this formula to determine the sample size, at $e=0.05$ and the sample size is determined by the following formula.

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

where 'n' is the required sample size,

N is the population size and

e is the level of percision

Applying the above formula, $n = \frac{623}{1+623(0.05)^2} = 243.59 = 244$ rounding to nearest integer. Therefore the sample size for this research 244 employees of Development Bank of Ethiopia.

3.4. Types of Data and Instruments of Data Collection

The study used primary and secondary data source, primary data were collected through questioner to get information for the specific purposes of study and find out the current level of employee engagement and the secondary data was mandatory to check the existing information about the subject matter information. Thus, primary data collected from sampled employees of the bank working at head office and the districts located in different parts the country. Here, the relevance of the primary source in the study is to find out the factor affecting EE of the bank. Secondary data was obtained from the written documents of the bank to get the necessary input for the study.

The main tool for data collection was the questionnaire. A questionnaire is a formalized set of questions for obtaining information from respondents that translate the researcher's information needs into a set of specific questions that respondents are willing and able to answer. A five point Likert Scale questionnaire was used to measure the variables of the study. The researcher was prepared 41 closed-ended questionnaires, were prepared by considering the selected independent variable of employee engagement.

3.5. Procedures of Data Collection

The data used in this study was collected through questionnaires from the selected employee of the bank. The researcher has distributed the questionnaire by mailing to the districts of bank by delegating one responsible person for each districts and to randomly selected respondents by the arrangement of simple random sampling technique and collection of questionnaires from the sampled population was made by the researcher as per the schedule. The researcher didn't face much difficulty in distributing the questionnaire because he has closed relation with most of the staff of the bank as he has been working in case bank. On top of that the any secondary data was easily accessible to him whereas it is very difficult to the external researchers in connection with confidentiality issues.

3.6. Methods of Data Analysis

After collecting data from primary sources it was appropriately checked. In addition to that in-house editing was made by the researcher to detect errors committed by respondents during completing the questionnaires. Then the edited data was coded and manually entered in to the computer.

In the study quantitative method of data analysis techniques were employed. Analysis of data in this research was done by using statistical tools like frequency, mean, standard deviation, correlation and multiple regressions. A descriptive analysis was also used for demographic factors such as gender, age, marital status, educational level, and for how long has been the employees served in the case bank.

In the study six hypotheses were analyzed using methods of statistical inference. Pearson Correlation analysis was conducted to test the existence of significant relationship between the selected EE variables. Then, the multiple regression analyses were also conducted to determine by how much percent the independent variable i.e. Selected EE variable explain the dependent variable which is EE. Tables were employed to present the data and statistical package for social science (SPSS) version 24 were used to support the analysis.

3.7. Model Specification

Based on the developed conceptual of the expressed study, figure no 2.1 mathematically the relationship between selected independent variable and dependent variable is expressed in the multiple regression equation as:

$$Y=X_0+X_1 (JC)+X_2(RR)+X_3(POS)+X_4(PSS)+X_5(WE)+X_6(ILC)$$

Where: Y= Employee engagement

JC= Job Characteristics

RR= Reward & Recognition

POS= Perceived Organizational Support

PSS= Perceived Supervisor Support

WE= Working Environment

ILC= Internal Locus of Contract

X₀= the constant parameter

X₁= Coefficient of Job Characteristics.

X₂= Coefficient of Reward & Recognition

X₃= Coefficient of Perceived Organizational Support

X₄= Coefficient of Perceived Supervisor Support

X₅= Coefficient of Working Environment

X₆= Coefficient of Internal Locus of Contract

3.8. Validity and Reliability

In order to ensure the quality of the research design, content and construct validity of the study was checked. The content validity was verified by the advisor of this research, who looked into the appropriateness of questions and the scales of measurement. The questionnaire involved the six dimensions to measure employee engagement based on the selected independent variable. The questionnaire consisted of 41 items in which five points rating scale was used.

Cronbach's alpha is one of the most commonly accepted measures of reliability. It indicates that the extent to which the items in a questionnaire are related to each other Fubara and Mguni, (2005). The normal range of Cronbach's coefficient alpha value ranges between 0-1 and the higher values reflects a higher degree of internal consistency. Different authors accept different values of this test in order to achieve internal reliability, George and Mallery (2003) provide the following rules of thumb while interpreting reliability coefficients: $\geq .9$ -Excellent, $\geq .8$ - Good, $\geq .7$ acceptable, $\geq .6$ Questionable, $\geq .5$ -Poor and $.5 \leq -$ Unacceptable.

Table 3.1 Cronbach's Alpha for Each Field of the Questioner

No	Field	Number of Items	Cronbach's Alpha
1	Job Characteristics	6	0.889
2	Reward and Recognition	4	0.768
3	Perceived Organizational Support	5	0.842
4	Perceived Supervisor Support	4	0.736
5	Working Environment	6	0.831
6	Internal locus of Control	9	0.789
7	Employee Engagement	7	0.736

Source: Source: Own Survey (May, 2019) n=234

In the study, the Cronbach's alpha coefficient was calculated for the questionnaire. Table 3.1 above shows the value of Cronbach's Alpha for the entire questionnaire equals 0.949 (95%) which indicates very good reliability. Therefore, it can be said that the above questionnaire is adequately reliable.

In the study the Cronbach's alpha coefficient was calculated for each field of the questionnaire. Table 3.1 above shows the values of Cronbach's Alpha for each field of the questionnaire and the entire questionnaire. For the fields, the values Cronbach's Alpha ranged between 0.736 and 0.889. This range is considered good. Hence, the result ensures the reliability of each field of the questionnaire. Cronbach's Alpha for the entire questionnaire equals 0.949 which indicates excellent reliability.

3.9.Ethical Issues

The researchers have used proper citation, follow systematic collection and analysis of data techniques, maintain data confidentiality, obtained the consent of the case organizations and staffs and based on their consent to meet the ethical obligation of research.

CHAPTER FOUR: DATA PERESENTATION, ANALYSIS AND INTERPRETATION

4.1.Introduction

This chapter deals with presentations, discussions and analysis of the primary data collected through questionnaires. The main objective of the chapter is examining the significance of the explanatory variables on the employee engagement of the Development Bank of Ethiopia through the appropriate test of the models and descriptive statistics. The first part is focused on demographic Variables, whereas the second part presents presented descriptive statistics stand for the conversion of raw data into useful information, which can be interpreted to explain a group of dimensions. They represent one of the most important early stages of statistical data analysis. This form of statistical analysis can include a number of outputs, including frequencies, percentages, means and standard deviation (Pallant, 2007). Inferential statistics is a part of statistics that is concerned with the analysis, interpretation and drawing conclusion about the source of the data (Dejene, 2011).

4.2.Response Rate on Questionnaire

For this study a questionnaire with 41 close-ended items were used to collect information from employees of the bank regarding the independent variables (job characteristics, reward & recognition, perceived organizational support, perceived supervisor support, working environment and internal locus of control) and the dependent variable i.e. Employee Engagement. As shown in the Table 4.1 below, a total of 244 questionnaires were distributed to employees of the case bank, ten districts and head office level. Of the total dispatched questionnaires, 234 (96%) were filled up and returned.

Table 4.1: Number of Distributed, Number of Collected and Response Rate

Sr.no	Districts	Number of Distributed Questionnaire	Number of Retrieved	Response Rate in (%)
1	Head office	60	60	100%
2	Bahirdar	20	18	90%
3	Jimma	20	20	100%
4	Hawassa	15	14	93%
5	Addis Abba	24	24	100%
6	Mekelle	20	19	95%
7	Dessie	15	13	87%
8	Gonder	15	14	93%
9	Diredawa	20	18	90%
10	Adama	20	20	100%
11	Nekemete	15	14	93%
	Total	244	234	96%

Source: Source: Own Survey (May, 2019) n=234

4.3. Demographic Characteristics of the Respondent

Table 4.2: Frequency and %age of Respondents' Demographic Characteristics

No	Demographic Factor	Classification	Frequency	(%)
			(n = 234)	
1	Sex	Male	206	88
		Female	28	12
2	Age	Between 18– 25 Years	28	12
		Between 26-36 Years	113	48
		Between 37-46 Years	48	21
		Between 47-57 Years	45	19
		58 and above Years	-	-
3	Marital Status	Married	61	26
		Single	173	74
4	Education Level	Degree	176	75
		Masters & above	58	25
5	Experience Level	5 Years and Less	167	71.4
		From 6-10 Years	64	27.4
		From 11-15 Years	2	0.9
		Above 16-Years More	1	0.4

Source: *Own Survey (May, 2019) n=234*

Table 4.2 above shows the demographic characteristics of the respondents. As we can see from the table 4.2, 206 (88%) of the respondents were male and the remaining 28 (12%) of them were females. This shows that females are less in number in the study area.

Regarding the age of the respondents, most of the age groups 113 (48%) were found between 26-36 years of the total respondents while 28 (12%), 48 (21%) and 45 (19%), of the respondents found under the age range of 18–25 years, 37-46 years and 47- 57 and above, respectively. From this we can observe that the majority respondents are in the age category of 26- 36. Referring the data, the majority of the respondents are young and they can transform the organization to the future.

In relation to marital status, from the total respondents 173 (74%) are single. Whereas 61 (26%) of them are married. As far as the educational qualification of employees is concerned, the above Table 4.2 shows that from the total respondent's majority, 176 (75%) of the respondents were BA degree holders and 58 (25%) of the respondents are master's holder.

The last demographic variable was work experience. Again table 4.2 indicates that the majority, 167 (71.4%) of the respondents have been working in the bank for the last 5 or less years. Similarly, 64 (27%) and 2 (0.9) of them are working in the bank for the year between 6 – 10 and 11-15 years, respectively. In the same situation, based on the sample 1 (0.4 %) individual indicated that, he has been working in the bank more than 16 years. This indicates the sample employees of the bank are new for the organization.

4.4.Descriptive Statistics Analysis

4.4.1. Perception Level of Employees of the Bank on Employee Engagement

In this section of the analysis, the employee's response was used to assess their perception level on employee engagement at the head office and districts of DBE. According to Al-Sayaad, Rabea, and Samrah (2006) the calculated mean score of an item were classified in ranges to fit the five-scaled Likert's measure of responses (strongly disagree, disagree, neutral, agree, and strongly agree) as shown in the Table 4.3 below. Hence, in this study the perceptions of employees on each item for all variables were labeled according to its calculated mean score result and the classification presented in following table. Thus, the mean indicates to what extent the sample group averagely agrees or disagrees with the different statements. The lower the mean, the more the respondents disagree with the statements. The higher the mean, the more the respondents agree with the statement. On the other hand, standard deviation shows the variability of an observed response from a single sample Marczyk, Dematteo and Festinger (2005).

Table 4.3: Mean Score Range for Five-Scale Likert's Response

Mean	Response
From 1.00 to less than 1.80	Strongly Disagree
From 1.81 to less than 2.60	Disagree
From 2.61 to less than 3.40	Neutral
From 3.41 to less than 4.20	Agree
From 4.21 to less than 5.00	Strongly Agree

Source: Source: Al-Sayaad et al. (2006)

4.5. Discussion of the Findings

4.5.1. Job characteristics

Jobs that are high on the core job characteristics provide individuals with the room and incentive to bring more of themselves into their work or to be more engaged (Kahn, 1992). This is based on Hackman & Oldham's (1980) as cited in Sake (2006), "job characteristics model and in particular, the five core job characteristics (i.e. Skill variety, task identity, task significance, autonomy, and feedback)".

Table 4.4: Mean and Standard Deviation Results of Job Characteristics

Questionaries' Items	N	Mean	Std. Deviation	Over all Response
There is much autonomy in my job	234	2.3162	1.02877	Disagree
At work I have the opportunity to do what I do best every day	234	2.5043	.89466	Disagree
My job is comprehensive that helps me to learn new things.	234	2.3632	.76994	Disagree
The job requires me to do many different things at work, using a variety of my skills and talents.	234	2.2265	.87648	Disagree
Managers or co-workers let me know how well I am doing on my job.	234	2.0427	.98393	Disagree
Doing the job itself provide me with information about my work performance	234	1.9060	.93095	Disagree
Aggregate result	234	2.226	0.91412	

Source: Own Survey (May, 2019)

n=234

As shown in Table 4.4 above, job Characteristic was assessed by six measurement items. According to the mean score of the items that describes job Characteristic, the highest mean score was attained by the item included to determine “At work I have the opportunity to do what I do best every day” with (mean = 2.5043 & standard deviation = .89466) and relatively moderate (M=2.226, SD=0.91412). This indicates that the majority of respondent that they are disagree with the items presented to assess job characteristics of the bank. Thus the bank should asses the existing job characteristics based on the model and need continues improvement on the routine activity within the bank to enhance the level of engagement.

In a similar manner, the result of the research work of Derara (2014), strengthen this finding by suggesting, employees who are assigned to better Job characteristics are more likely to reciprocate with greater levels of engagement to their organization. This is to mean, while each jobs are designed if most or all of the five core job characteristics (i.e. Skill variety, task identity, task significance, autonomy, and feedback) are included in the content of the Job that will motivate employees to get engaged into their given responsibilities and contribute to the achievement of organizational goals.

4.5.2. Reward and Recognition

People vary in their engagement as a function of their perceptions of the benefits they receive from a role (Kahn 1990). According to Sake (2006), a sense of return on investments can come from external rewards and recognition in addition to meaningful work. 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 rewards and recognition for their role performances.

Table 4.5: Mean & Standard Deviation Results of Reward and Recognition

Questionaries’ Items	N	Mean	Std. Deviation	Over all Response
A pay raise, Job security, and other financial compensation packages are available for me	234	2.1496	0.74628	Disagree
I get praise from my supervisor and coworkers.	234	2.6325	0.95476	Neutral
There is some form of public recognition (e.g. employee of the month/year)	234	2.3761	0.77212	Disagree
There is a reward or token of appreciation from my supervisor	234	2.1239	0.73364	Disagree
Aggregate result	234	2.3205	0.8017	

Source: Own Survey (May, 2019) n=234

As shown in Table 4.5 above, reward and recognition was assessed by four measurement items. According to the mean score of the items that describes reward and recognition, the highest mean score was attained by the item “I get praise from my supervisor and coworkers” (mean = 2.6325 & standard deviation = 0.95476) and moderate (M= 2.3205, SD= .8017) was scored. This indicates that the majority of respondent that they are disagree with the items presented to assess reward and recognition. This indicates that even though, reward and recognition is among the most important dimensions of employee engagement, the banks reward and recognition practice is unsatisfied employee of the bank.

Maslach et al., (2001) have also suggested that while a lack of rewards and recognition can lead to burnout, appropriate recognition and reward is important for engagement. In terms of SET, when employees receive rewards and recognition from their organization, they feel more obliged to respond to higher levels of engagement.

4.5.3. Perceived Organizational Support

Psychological safety, according to Kahn (1992), involves a sense of being able to show and employ the self without negative consequences. An important aspect of safety stems from the amount of care and support employees perceive to be provided by their organization as well as by their direct supervisor. In fact, Kahn (1990) found that supportive and trusting interpersonal relationships as well as supportive management promoted psychological safety. Supportive environments allow members to experiment and to try new things and even fail without fear of the consequences (Kahn, 1990).

Table 4.6: Mean & Standard Deviation Results of Perceived Organizational Support

Questionnaires' Items	N	Mean	Std. Deviation	Over all Response
My organization cares about my opinions.	234	2.141	0.86997	Disagree
Help is available from my organization when I have a problem	234	2.453	1.67022	Disagree
My organization really cares about my well- being.	234	2.1325	0.82059	Disagree
My organization shows great concern for me.	234	2.6581	1.12454	Neutral
My organization cares about my opinions.	234	1.8889	0.69056	Disagree
Aggregate result	234	2.2547	1.03518	

Source: Own Survey (May, 2019) n=234

As it is shown in the Table 4.6 above, in this section of the questionnaire the mean result indicates employee’s perception on Perceived Organizational Support. From the perception of employees, the highest agreement level was related to the item stated as “My organization shows great concern for me.” with (mean = 2.6581 & standard deviation = 1.12454), moderate (M= 2.2547, SD=1.03518) was scored. This indicates that the majority of respondent that they are disagree with the items presented to assess organization support. This implies that employees do not perceived support from their organization as they expected to perform their duty. Thus, the bank should reassess the level of support provided for its employees.

4.5.4. Perceived Supervisory Support

The single most important factor to drive employee engagement and retention is the immediate manager working relationship with his/her employees. Good management is critical to the success of retaining and engaging employees and vice versa. Best People Managers are competent in informing employees of what is required and expected from them, providing feedback on their performance, providing opportunities for their development, delegating appropriate levels of responsibility and setting priorities. They are approachable, fair, good listeners (Baumruk, 2004).

Table 4.7: Mean & Standard Deviation Results of Perceived Supervisor Support

Questionnaires’ Items	N	Mean	Std. Deviation	Over all Response
My supervisor cares about my opinions.	234	1.7222	0.84646	Strongly Disagree
My work supervisor really cares about my well-being.	234	1.9316	0.86641	Disagree
My supervisor strongly considers my goals and values.	234	1.8974	0.7627	Disagree
My supervisor shows very little concern for me	234	1.9103	0.90092	Disagree
Aggregate result	234	1.8654	0.84412	

Source: Own Survey (May, 2019) n=234

As it can be seen in the Table 4.7 above, for Perceived Supervisor Support the highest mean value from employee's perception was attached to the item to address "My work supervisor really cares about my well-being" (mean=1.9316 and standard deviation =0.86641). An item with the least mean value was related to the question referring to the "My supervisor cares about my opinions" (mean=1.7222 and standard deviation=0.84646) and moderate (M= 1.8654, SD=0.84412) was scored. This indicated that they are disagree to support they received from their immediate supervisor. Thus it needs a great improvement, because it also helps to create conducive working environment which in effect will improve the overall results of the organization.

Similar employees (Rhoades & Eisenberger, 2002) supported finding, Employee believe that their supervisor is concerned about them and cares about their well-being, they are likely to respond by attempting to fulfill their obligations to the organization by becoming more engaged. In addition, because employees tend to view their supervisor's orientation toward them as indicative of the organization's support. PSS is also likely to be an important predictor of employee engagement. In addition, a lack of support from supervisors has been found to be an especially important factor linked to burnout (Maslach et al., 2001).

4.5.5. Working Environment

According to Kemsley (1991) as cited in Saks (2006)," The working environment has much to contribute towards the provision of better service to the customers and employees; and this is seen as an important aspect of the internal culture in creating the atmosphere in which the relationship can flourish". As per Islam &Shazali (2011), a favorable working environment, such as working with a good team, having a good boss, and liking the physical surroundings in the workplace, is a contributory factor in motivating the workforce towards higher output.

Table 4.8: Mean & Standard Deviation Results of Working Environment

Questionaries' Items	N	Mean	Std. Deviation	Over all Response
My working environment supports a balance between work and personal life.	234	1.9957	0.67765	Disagree
I am able to satisfy both my job and family/personal responsibilities	234	2.7393	1.09838	Neutral
The pace of work in this organization enables me to do a good job	234	2.5897	1.20196	Disagree
My team work effectively together to meet our objective	234	2.1368	0.85323	Disagree
The amount of work I am asked to do is reasonable	234	2.2778	0.73229	Disagree
Aggregate result	234	2.3479	0.91270	

Source: Own Survey (May, 2019) n=234

As the statistical results on Table 4.8 above depicts, the highest mean of items in this section was attached to the item that the “pace of work in this organization enables me to do a good job” (mean=2.5897 and standard deviation =1.20196). On the other hand, the least mean was attached to an item “My working environment supports a balance between work and personal life”. (mean=1.9957 and has a standard deviation =0.67765) besides the moderate (M=2.3479, SD=0.91270) On the other hand, almost all items employees’ perception level revealed that they disagree with the working environment. From this ground it is possible to put the working environment as a bank it is low conditioned. on the other hand, the mean is not attached with the question” I am able to satisfy both my job and family/personal responsibilities”. as the result shown (mean =2.7393 and standard deviation=1.09838). this means the employee do not have any assurance either to satisfy themselves and or their family.

Engagement can lead to a host of positive organizational outcomes such as increased profitability, higher levels of productivity and task performance, customer satisfaction, and reduced employee turnover (Harter et al., 2002; Rich et al 2010). Given these benefits, managers should strive to develop an environment that fosters engagement and designated that safe working environments are important for employee engagement. Because, safe and Supportive working environment allows employees to experiment and to try new things and even fail without fear of the consequences (Kahn, 1990).

4.5.6. Internal Locus of Control

Myers (2014) suggested that individuals are more comfortable in job situations where the locus of control to which they are most familiar with in the actual work environment. Additionally, managers with internal locus of control are more supportive and involved than managers with external locus of control. On the other hand, individuals with external locus of control are generally prone to stress and depression and may exhibit dysfunctional behaviors.

Table 4.9: Mean & Standard Deviation Results of Internal Locus of Control

Questionaries' Items	N	Mean	Std. Deviation	Over all Response
When faced with a problem I try to forget it	234	2.5085	1.04097	Disagree
I like jobs where I can make decisions and be responsible for my own work	234	2.4615	1.13877	Disagree
I change my opinion when someone I admire disagrees with me.	234	3.0684	0.99118	Agree
If I want something I work hard to get it	234	1.8162	0.93822	Disagree
I prefer to learn the facts about something from someone rather than having to dig them out myself.	234	1.953	0.88498	Disagree
I have a hard time saying “no” when someone tries to tell me something	234	2.7564	0.80533	Neutral
I consider the different sides of an issue before making any decisions	234	2.9915	1.00638	Neutral
I stick to my opinions when someone disagrees with me.	234	2.5427	1.04834	Disagree
I get discouraged when doing a tasks that takes a long time to achieve results	234	2.594	1.00734	Disagree
I enjoy trying to do difficult tasks more than I enjoy doing easy tasks.	234	2.5598	0.84321	Disagree
Aggregate result	234	2.5252	0.97047	

Source: Own Survey (May, 2019) n=234

As shown in Table 4.9 above, internal locus of control assessed by ten measurement items. According to the mean score of the items that describes independent variable, the highest mean score was attained by the item “I change my opinion when someone I admire disagrees with me”. (mean = 3.0684 & standard deviation= 0.99118) and the least mean was scored by an item “If I want something I work hard to get it” (mean = 1.8162, standard deviation =0.93822) and the moderate mean and standard deviation was calculated 2.5252 and 0.97047 respectively. This indicated that employees disagree items presented. Since ILC affect employee engagement the bank should work on it.

Myers (2014) confirmed with similar finding, that individuals are more comfortable in job situations where the locus of control to which they are most familiar with in the actual work environment. Employees with an internal locus of control generally enjoy more jobs satisfactions have less role conflict, ambiguity, and overload, all of which contribute to stress. Further, employees with an internal locus of control are largely social and considerate as well as skilled at influencing others more than those with an external locus of control. (Qiang et al., 2010)

4.5.7. Employee Engagement

According to Kahn (1990) people draw upon themselves to varying degrees while performing work tasks and they can commit themselves physically, cognitively, and emotionally in the various roles they perform. Or, they may choose to withdraw and disengage from their work roles and work tasks. Results of Kahn’s study suggest that there are three psychological conditions that shape how people perform their roles: - meaningfulness, safety, and availability.

Kahn’s identification of the three psychological conditions now serves as a framework for the study of employee engagement.

Table 4.10: Mean & Standard Deviation Results of Employee Engagement

Questionnaires’ Items	N	Mean	Std. Deviation	Over all Response
I really “throw” myself into my job.	234	2.1368	0.94398	Disagree
Time passes quickly when I perform my job	234	2.1624	0.90736	Disagree
I stay until the job is done	234	1.9829	0.8933	Disagree
I get excited when I perform well on my job	234	2.2735	0.71913	Disagree
Being a member of this organization is very captivating	234	2.1026	0.67937	Disagree
One of the most exciting things for me is getting involved with things happening in this organization	234	1.859	0.79252	Disagree
Being a member of this organization make me come “alive”	234	2.4615	0.98083	Disagree
Aggregate result	234	2.13981	0.84521	

Source: Own Survey (May, 2019) n=234

As the statistical results on Table 4.9 above depicts, the mean results indicate employee's level of employee's engagement. The employees' highest agreement level was attached to the item stated as "Being a member of this organization make me come alive" with (mean = 2.4615 & standard deviation = 0.98083). The lowest agreement was revealed for the item "One of the most exciting things for me is getting involved with things happening in this organization" (mean = 1.859, standard deviation = 0.79252) and moderate mean of the item (M= 2.13981 and SD= 0.84521). This indicated that the level of agreement in all of the items for employee engagement falls under "Disagree". As per the finding of the perception level of the engagement is observed at low level and need great attention by the management of the organization.

4.6. Results and Discussion of Inferential Statistics

4.6.1. Correlation Analysis

In this study, to process the correlation analysis, data from the scale typed questionnaires were entered in to the SPSS software version 24.

Pearson correlation coefficient is used to specify the strength and the direction of the relationship between the independent variable (job characteristic, reward and recognition, perceived organizational support, perceived supervisor support, working environment and internal locus of control) and the dependent variable i.e. employee engagement. Pearson correlation coefficients reveal magnitude and direction of relationships (either positive or negative) and the intensity of the relationship (-1.0 to +1.0). Correlations are perhaps the most basic and most useful measure of association between two or more variables (Marczyk, Dematteo & Festinger, 2005).

According to Marczyk, Dematteo and Festinger, (2005) correlations of .01 to .30 are considered small, correlations of .30 to .70 are considered moderate, correlations of .70 to .90 are considered large, and correlations of .90 to 1.00 are considered very large.

The results of the correlation between these variables are shown in Table 4.11 below. As it is indicated in the Table 4.11 below, generally there is a positive, strong and statistically significant correlation between independent and dependent variable at 1% level of significance ($P < 0.000$).

Table 4.11: Correlations between independent variables and dependent variable

No	Items	Employee Engagement		
		Degree of the correlation	Level of significance	Significance
1	Job Characteristics	.891**	.000	Significant
2	Reward Recognition	.707**	.000	Significant
3	Perceived Organizational Support	.682**	.000	Significant
4	Perceived Supervisor Support	.856**	.000	Significant
5	Working Environment	.816**	.000	Significant
6	Internal Locus of Control	.767**	.000	Significant

Source: Own Survey (May, 2019) $n=234$

To be specific for each variables, from presented correlation matrix table again we can observe that there is a positive, strong and statistically significant correlation between dependent and independent variables, as the correlation coefficient between each independent variables (Job Characteristic, Reward and Recognition, Perceived Organizational Support, Perceived Supervisor Support, Working environment and Internal locus of Control) and dependent variables described as 0.891, 0.707, 0.682, 0.856, 0.816 and 0.767 respectively and in all cases at 1% significance level ($p < 0.000$).

4.6.2. Discussion of the Correlation Results

The findings of this research supported the earlier works on this subject matter. The hypothesis was to check for a significant relationship between all the independent variable and dependent variable. The correlation results presented in Table 4.11 above indicates that all of the independent variable (job characteristic, reward and recognition, perceived organizational support, perceived supervisor support, working environment and internal locus of control) are correlated with dependent variable (EE) at 1 % level of significance.

The finding further indicates that the job characteristic variable has highest correlation with EE, followed by perceived supervisor support and working environment. Comparatively the least relationship was found between perceived organizational support and employee engagement.

The correlation coefficient between job characteristic and employee engagement is placed first from all correlation results from other independent variable with ($r=.891$; $p<0.000$) categorized under large correlated. This shows that employees who are assigned in a position where the job is more comprehensive that require a variety of skills are more likely have greater engagement to their job than those who are assigned in a routine and simple task.

The correlation coefficient between perceived supervisor support and employee engagement is placed second from all correlation results of all independent variable with ($r=0.856$; $p<0.000$) and categorized under large correlated. This means if the bank improves the overall situation of its Perceived Supervisor Support, the bank employee engagement will be improved. From this it is possible to say that the extent of perceived supervisor support can determine the Employee Engagement of the bank next to Job Characteristic.

Also the correlation coefficient between working environment and employee engagement is placed third from all correlation results of all independent variable with ($r=0.816$; $p<0.000$) and categorized under large correlated. This means if the bank improves the overall situation of its working environment, the bank employee engagement will be improved. From this it is possible to say that the level of working environment can determine the employee engagement.

Regarding internal locus of control, the correlation coefficient between internal locus of control and employee engagement is placed fourth from all correlation results of all independent variable with ($r=0.767$; $p<0.000$) and categorized under large correlated. This means if the bank improves the internal locus of control personality, the bank employee engagement will be improved. From this it is possible to say that the degree of internal locus of control can determine the employee engagement status.

the correlation coefficient between reward & recognition and employee engagement is placed fifth from all correlation results of all independent variable with ($r=0.707$; $p<0.000$) and categorized under large correlated. this means if the bank improves its reward & recognition method, the bank employee engagement will be improved. From this it is possible to say that the magnitude of reward & recognition can determine the employee engagement.

Finally perceived organizational support involves a sense of being able to show and employ the self without negative consequences. An important aspect of safety stems from the amount of care and support employees perceive to be provided by their organization as well as by their direct supervisor in order to improve the organizational efficiency and effectiveness. The relatively least correlation result ($r=0.682, p<0.000$) and categorized under large correlated and it was realized between employee engagement. The result shows that there is a positive, large and significant relationship between perceived organizational support and employee engagement. This is to mean that if the bank adopted a mechanism perceived organizational support, it is definite that its employee engagement also changes in the same direction. The following table 4.12 shows the hypotheses summary of the independent variables (job characteristic, reward and recognition, perceived organizational support, perceived supervisor support, working environment and internal locus of control) has a correlation with dependent variable i.e. employee engagement.

Table 4.12. Summary of Hypothesis Testing of Correlation

Hypothesis	Tool	Outcome
H1 : Job characteristic	Correlation	Correlated
H 2 : Reward and Recognition	Correlation	Correlated
H3 : Perceived Organizational Support	Correlation	Correlated
H4 : Perceived Supervisor Support	Correlation	Correlated
H5 : Working environment	Correlation	Correlated
H6 : Internal Locus of Control	Correlation	Correlated

Source: Own Survey (May, 2019) $n=234$

4.7. Regression Analysis and Hypothesis Testing Results

The regression analysis was conducted to know by how much the independent variable explains the dependent variable. In this study, regression was employed to examine the effect of the independent variable such as job characteristic, reward and recognition, perceived organizational support, perceived supervisor support, working environment and internal locus of control on dependent variable.

To have good results, the independent variables should not be highly correlated with each other. In multiple regression analysis, collinearity refers to the correlation among the independent variables (Pallant, 2007).

Therefore, to make sure that there is low collinearity, the values of Tolerance and VIF (Variance Inflation Factor) should be checked. According to Pallant (2007), tolerance indicates to what extent the independent variables do not explain much of the variability of a specified independent variable and the value should not be small (more than 0.10) to indicate the absence of collinearity. In addition to that, VIF, the inverse of tolerance value, should have a value of less than 10 to avoid any concerns of collinearity (Pallant, 2007).

Hence, the values in the Table 4.13 below indicate low collinearity because all Tolerance values are above 0.1 and all VIF values are less than 10. Therefore, these tests reflect that the variables used in the study are free from multicollinearity.

Table 4.13: Multicollinearity Test Table

No	Model	Unstandardized Coefficients	Collinearity Statistics	
		B	Tolerance	VIF
	(Constant)	0.132		
1	Job characteristic	0.332	0.273	3.657
2	Reward and Recognition	0.064	0.485	2.063
3	Perceived Organization Support	0.088	0.422	2.367
4	Perceived Supervisor Support	0.338	0.327	3.057
5	Working Environment	0.108	0.272	3.678
6	Internal Locus of Control	0.114	0.4	2.502

Source: Own Survey (May, 2019) n=234

Table 4.14: Multiple Regression Analysis Result

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.948	.899	.897	.192	.899	338.117	6	227	.000

a. Predictors: (Constant), ILC, POS, RR, PSS, JC, WE

Source: Own Survey (May 2019) n=234

The results of regression analysis presented in Table 4.14, indicate positive and significant relationship between the dependent and independent Variable. This means the predictive variables (independent variables) such as job characteristic, reward & recognition, perceived organizational support, perceived supervisor support, working environment and internal locus of control jointly determine the dependent variable i.e. employee engagement. The adjusted R-Square ($R^2 = .897$) shows the explanatory power of all variables involved in the study. Hence job characteristic, Reward & Recognition, perceived organizational Support, Perceived Supervisor Support, Working Environment and Internal locus of Control jointly determine (explain) 89.7% of the variance in employee engagement. Whereas 10.3% of the employee engagement was explained by the variables which were not included in the study.

Table 4.15: Beta Weights of Predictor Variables in the Test

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error				Lower Bound	Upper Bound
(Constant)	132	.065		2.020	.045	.260	.003
Job characteristic	.338	.032	.414	10.291	.000	.269	.396
Reward and Recognition	.064	.028	.068	2.257	.000	.008	.120
Perceived Organization Support	.088	.029	.099	3.069	.002	.032	.145
Perceived Supervisor Support	.332	.045	.279	7.586	.000	.250	.425
Working Environment	.108	.036	.120	2.969	.003	.036	.180
Internal Locus of Control	.114	.038	.101	3.029	.003	.040	.189

Source: Own Survey (May 2019) $n=234$

The values of the unstandardized Beta Coefficients (β) indicate the effects of each independent variable on dependent variable. Furthermore, the values of the unstandardized Beta Coefficients in the Beta column of the above Table 4.15 indicate which independent variable makes the strongest contribution to explain the dependent variable (EE), when the variance explained by all other independent variables in the model is controlled. The t value and the sig (p) value indicate whether the independent variable is significantly contributing to the prediction of the dependent variable.

The study's hypothesis testing was made based on β , t , and P values. Hence using those coefficient results, the proposed hypotheses for this study were tested as follows.

Hypothesis 1: Job characteristic has positive and significant influence on Employee Engagement.

The results of multiple regressions, as presented in Table 4.15 above, revealed that Job characteristic had a positive and significant effect on Employee Engagement of the bank with ($\beta = 0.332$, $t = 10.291$ & $p < 0.000$). The result is significant at 1 % level of significance. Thus, the proposed hypothesis was accepted. This statistic infers that if the bank increased its focus to Job characteristic by (one) 1%, then its Employee Engagement would increase by 33.8%.

Hypothesis 2: Reward and Recognition has positive and significant influence on Employee Engagement.

The results of multiple regressions, as presented in Table 4.15 above, revealed that Reward and Recognition had a positive and significant effect on Employee Engagement with values ($\beta = 0.064$, $t = 2.257$, $p < 0.000$). The result is significant at 1 % level of significance. Thus, the proposed hypothesis was accepted. Here also the beta coefficient implies that if the bank changes its Reward and Recognition by (one) 1 %, by keeping the other variables constant its Employee Engagement would increase by 6.4%. Therefore, reward and recognition had a positive and significant effect on Employee Engagement.

Hypothesis 3: Perceived Organization Support has positive and significant influence on Employee Engagement.

The results of multiple regressions, as presented in Table 4.15 above, revealed that Perceived Organization Support had a positive and significant effect on Employee Engagement with values ($\beta = 0.088$, $t = 3.069$, $p = 0.000$). Hence the result is significant at 1 % level of significance. The results clearly indicated that the proposed hypothesis was accepted. This implies that assuming other variables constant, a (one) 1 % change in the Perceived Organization Support of the bank results in 8.8% increase in the Employee Engagement of the bank. Therefore, Perceived Organization Support had a positive and significant effect on Employee Engagement.

Hypothesis 4: Perceived Supervisor Support has positive and significant influence on Employee Engagement.

The results of multiple regressions, as presented in Table 4.15 above, revealed that Perceived Supervisor Support had a positive and significant effect on Employee Engagement with values ($\beta = 0.338, t = 7.586, p < 0.000$). The result is significant at 1 % level of significance. Thus, proposed hypothesis was accepted. In this case the beta coefficient describes that keeping the other variables constant, in this model a one (1) % change in the overall Perceived Supervisor Support, the consequence would be an increase in Employee Engagement by 33.2 %.

Hypothesis 5: Working Environment has positive and significant influence on Employee Engagement.

The results of multiple regressions, as presented in Table 4.15 above, revealed that Working Environment had a positive and significant effect on Employee Engagement with values ($\beta = 0.108, t = 2.969, p < 0.000$). The result is significant at 1 % level of significance. Thus, proposed hypothesis was accepted. In this case the beta coefficient describes that keeping the other variables constant, in this model a one % change in the overall Working Environment, the consequence would be an increase in Employee Engagement by 10.8 %.

Hypothesis 6: Internal Locus of Control has positive and significant influence on Employee Engagement.

The results of multiple regressions, as presented in Table 4.15 above, revealed that Internal Locus of Control had a positive and significant effect on Employee Engagement with values ($\beta = 0.114, t = 3.029, p = 0.000$). Hence the result is significant at 1 % level of significance. The results clearly indicated that the proposed hypothesis was accepted. This implies that assuming other variables constant, a one % change in the Internal Locus of Control of the bank results in 11.4% increase in the Employee Engagement of the bank. Therefore, Internal Locus of Control had a positive and significant effect on Employee Engagement.

Generally, the results of multiple regression analysis supported the six hypotheses constructed to test a positive and significant influence that each independent variable have on dependent variable.

Table 4.16. Summary of Hypothesis Testing

Hypothesis	Tool	Outcome
H₁ : Job characteristic has positive and significant influence on Employee Engagement	Multiple Regression	Accepted
H₂ Reward and Recognition has positive and significant influence on Employee Engagement.	Multiple Regression	Accepted
H₃ : Perceived Organization Support has positive and significant influence on Employee Engagement	Multiple Regression	Accepted
H₄ : Perceived Supervisor Support has positive and significant influence on Employee Engagement	Multiple Regression	Accepted
H₅ : Working Environment has positive and significant influence on Employee Engagement	Multiple Regression	Accepted
H₆ : Internal Locus of Control has positive and significant influence on Employee Engagement	Multiple Regression	Accepted

Source: Own Survey (May 2019)

n=234

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter deals with the summary of major findings of the study and conclusions drawn from the analysis made. Furthermore, based on the findings of the study possible recommendations are made.

5.1. Summary of Major Findings

The main purpose of this study is to investigate that factor affecting Employee Engagement in Development Bank of Ethiopia. To examine factor affecting Employee Engagement, the specific objectives were : examining the perceptions of employees towards Employee Engagement in the case bank; assessing the firm's employee engagement; analyzing the relationship between independent variables (job characteristic, reward and recognition, perceived organizational support, perceived supervisor support, working environment and internal locus of control) and dependent variable (employee engagement) and to identifying the relative influence of each independent variables on employee engagement of the case bank.

Before going to the main analysis of the study, a reliability test was administered to check whether the questionnaire is reliable or not. In this regard as Table 3.1 illustrates all the quaternaries were reliable and acceptable with Cronbach's Alpha result 0.949.

Related to the demographic characteristics Table 4.2 specify that majority of the employees 206(88%) were male. Regarding their age level and marital status majority of them were young (between 26-36) and single. Regarding educational level again Table4.2 illustrated that majority of the employees were BA degree holder. Moreover, Table 4.2 indicates that majority 167(71.4%) of the employees have less than five years of work experience in the bank.

Regarding employee's perception towards each factors affecting employee engagement, Table 4.4, Table4.5, Table4.6, Table4.7, Table4.8 and Table4.9 illustrate that generally in the bank Employee Engagement was very pitiable.

In addition, the result of correlation analysis was made. In this regard Table 4.11 shows that all the independent variables (job characteristic, reward and recognition, perceived organizational support, perceived supervisor support, working environment and internal locus of control) are positively and significantly correlated with the dependent variable (employee engagement) at 1 %

level of significance ($P < 0.000$). The highest correlation is attached to job characteristic ($r = 0.891$), followed by perceived supervisor support ($r = 0.856$), working environment ($r = 0.816$), Internal locus of Control ($r = 0.767$), reward and recognition ($r = 0.707$) and perceived organizational support ($r = 0.682$).

Finally, a multiple regression analysis was conducted to test the hypothesis. In this regard Table 4.12 and Table 4.13 depict the results of multiple regressions. The result shows that the model tested is significant ($p < 0.000$) with the adjusted R square 0.897. This value indicates that 89.7 % of variance in Employee Engagement is attributed to the six independent variables entered into the regression. The remaining 10.3 % of the variance in employee engagement may attribute to other factors. Regarding the hypothesis as Table 4.13 illustrate since all the beta coefficients were found significant all the hypothesis in the study are accepted. Moreover, the finding revealed that, perceived supervisor support is found being the most dominant variable in determining the variation in employee engagement of the bank.

5.2. Conclusions

This research aimed to investigate factor affecting Employee Engagement in Development Bank of Ethiopia. Thus, on the base of the finding the following conclusions were made.

This study supports the presence of job characteristics, rewards and recognition, perceived organization support and perceived supervisor support, working environment and internal locus of control 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.

According to data analyzed, there is low level of employee engagement in Ethiopian Development bank of Ethiopia. Employee engagement is more affected by the “job characteristics” among the six determinants on employee engagement. There is positive and significant relationship between employee engagement and determinant of employee engagement. Therefore, we can conclude that the selected determinates have a positive direct impact on employee engagement. The employee engagement can also have an effect on organizational performance.

Finally, from the results of this study we can concluded that in the case bank Employee Engagement was influences by independent variables (Job Characteristic, Reward and Recognition, Perceived Organizational Support, Perceived Supervisor Support, Working environment and Internal locus of Control).

5.3.Recommendation and Future Research Implications

From the conclusion made based on the major findings of the research the following recommendations are suggested. These are:

- Since job characters is the most strongly affect employee engagement and play an important role in enhancing the level of employee engagement, the case bank need to modify their job characters aligned with their own particular organization objective and bank should focus on design in five core job characteristics model (i.e. skill variety, task identity, task significance, autonomy, and feedback).
- The independent variables; Job characteristics, reward and recognition, organizational support, supervisory support, working environment and internal locus of control were factors affecting employee engagement of the bank. Hence, the bank needs to take these factors as a bench mark and make a critical improvement of employee engagement exercising continuous Process of learning, improvement and action.
- As perceived supervisory support is the second top most significant factor for employee engagement in the case under study, managers need to have training on how to communicate effectively, in order to increase employee engagement.
- The management of the bank is strongly advised to give appropriate recognition and reward to its employees. In terms of SET, when employees receive same from their organization, they will feel obliged to respond to higher levels of engagement.
- The Bank should create safe working environments that facilitate openness and supportiveness. Thus, the bank should focus on employees' perception for the support they get from their organization.
- Finally, continuous measurement of employee engagement level, assessing engagement practices throughout the organization and taking timely action on issues identified as crucial and important is recommended.

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Appendix I: Research Questionnaire

St. Mary University

Department of Business School

Post Graduate Program in Masters of Business Administration

Dear Respondents: - My name is Birhanu Demisse. I am studying Masters of Business Administration in St. Mary University. Now I'm doing a master's thesis research entitled "Factors Affecting Employee Engagement in the case of Development Bank of Ethiopia". Dear respondent, I would like to express my deep appreciation for your generous time, honest and prompt responses.

Objective: -This questionnaire is designed to collect data about the " Factors Affecting Employee Engagement in Development Bank of Ethiopia". The information that you will provide me is quite useful to achieve the objective of the study. I kindly request you to spend about half an hour of your time to complete this questioner to the best of your abilities.

General Instructions

- No need of writing your name.
- In all cases where answer options are available please tick (√) in the appropriate box.

Confidentiality: -The information you will provide will kept strictly confidential.

If you have any queries regarding the questionnaire, you contact me.

Name: Birhanu Demisse

Phone Number: +251 912832253

Email: Birezedezze@gmail.com

Addis Ababa

After completing the questioner, you should return it to the person who gives it to you.

I would like to thanks in advance for your cooperation in completing the questionnaire!!

PART I: Demographic Profile of the Respondent

❖ Answer the Question by putting the (√) symbol in the box.

1. **Sex:** Male Female

2. **Age:** Between 18-25years Between 26– 36 Years

Between 37– 46Years Between 47– 57Years

58 and above years

3. **Marital status:**

Married Single Divorced

4. **Education level:**

Certificate Diploma Degree Masters &above

5. **Experience:**

5 years or less From 6 – 10years

From 11 – 15 Years 16 & above Years More

PART II: Please State Your Level of Opinion for Each Given Statement Using the Following Scales:

1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

No.	Factors that Affect Employee Engagement Items	Agreement scale				
		1	2	3	4	5
Job Characteristics						
1.	There is much autonomy in my job					
2.	My job permit me to decide on my way how to go about doing the work.					
3.	My job is comprehensive that helps me to learn new things.					
4.	The job requires me to do many different things at work, using a variety of my skills and talents.					
5.	Managers or co-workers let me know how well I am doing on my job.					
6.	Doing the job itself provide me with information about my work performance					
Rewards and Recognitions						
7.	A pay increment, Job security, and promotion are available for me.					
8.	I get praise from my supervisor and coworkers.					
9.	There is some form of public recognition (e.g. employee of the month/year)					
10.	There is a reward or token of appreciation from my supervisor					

Items		1	2	3	4	5
Perceived Organizational Support						
11.	My organization support me in achieving my objective					
12.	Help is available from my organization when I have a problem					
13.	My organization really cares about my well- being.					
14.	My organization shows great concern for me.					
15.	My organization cares about my opinions.					
Perceived Supervisor Support						
16.	My supervisor cares about my opinions.					
17.	My work supervisor really cares about my well-being.					
18.	My supervisor strongly considers my goals and values.					
19.	My supervisor shows very little concern for me					
Working Environment						
20.	I am provided with adequate facilities and resources to do my job effectively					
21.	The physical surrounding where I am working is comfortable and convenient to perform my job					
22.	The office layout of the organization help me to do my duties in better way					
23	I get the opportunity to work with my colleagues and to communicate on aspects of our job					
24	My working environment supports a balance between work and personal life.					
25	There is a team sprit to work effectively together to meet the objective					
Internal Locus of control						
26	When faced with a problem I try to forget it					
27	I like jobs when I can make decisions and being responsible for my own work					
28	If I need something I work hard to get it					
29	I prefer to learn the facts about something from someone rather than having to dig them out myself.					
30	I have a hard time saying “no” when someone tries to tell me something					
31	I consider the different sides of an issue before making any decisions					
32	I have a consistence to my opinions when someone disagrees with me.					
33	I get discouraged when doing a tasks that takes a long time to achieve results					
34	I enjoyed trying to do difficult tasks more than easy tasks.					
Employee Engagement						
35	I really “throw” myself into my job.					
36	Time passes quickly when I perform my job					
37	I stay until the job is done					
38	I get excited when I perform well on my job					
39	Being an employee of this organization is very captivating					
40	One of the most exciting things for me is getting involved with things happening in this organization					
41	Being an employee of this organization make me come “alive”					

Appendix II: SPSS Output

Mean Standard Deviation and level of agreement results of Job Characteristic

	N	Mean	Std. Deviation
There is much autonomy in my job	234	2.3162	1.02877
At work, I have the opportunity to do what I do best every day	234	2.5043	.89466
My job is comprehensive that helps me to learn new things.	234	2.3632	.76994
The job requires me to do many different things at work, using a variety of my skills and talents.	234	2.2265	.87648
Managers or co-workers let me know how well I am doing on my job.	234	2.0427	.98393
Doing the job itself provide me with information about my work performance	234	1.9060	.93095
Valid N (listwise)	234		

Mean Standard Deviation and level of agreement results of Reward and Recognition

	N	Mean	Std. Deviation
A pay raise, Job security, and other financial compensation packages are available for me	234	2.1496	.74628
I get praise from my supervisor and coworkers.	234	2.6325	.95476
There is some form of public recognition (e.g. employee of the month/year)	234	2.3761	.77212
There is a reward or token of appreciation from my supervisor	234	2.1239	.73364
Valid N (listwise)	234		

Mean Standard Deviation and level of agreement results of Perceived Organizational Support

	N	Mean	Std. Deviation
My organization cares about my opinions.	234	2.1410	.86997
Help is available from my organization when I have a problem	234	2.4530	1.67022
My organization really cares about my well- being.	234	2.1325	.82059
My organization shows great concern for me.	234	2.6581	1.12454
My organization cares about my opinions.	234	1.8889	.69056
Valid N (list wise)	234		

Mean Standard Deviation and level of agreement results of Perceived Supervisor Support

	N	Mean	Std. Deviation
My supervisor cares about my opinions.	234	1.7222	.84646
My work supervisor really cares about my well-being.	234	1.9316	.86641
My supervisor strongly considers my goals and values.	234	1.8974	.76270
My supervisor shows very little concern for me	234	1.9103	.90092
Valid N (list wise)	234		

Mean Standard Deviation and level of agreement results of Work Environment

	N	Mean	Std. Deviation
My working environment supports a balance between work and personal life.	234	1.9957	.67765
I am able to satisfy both my job and family/personal responsibilities	234	2.7393	1.09838
The pace of work in this organization enables me to do a good job	234	2.5897	1.20196
My team work effectively together to meet our objective	234	2.1368	.85323
The amount of work I am asked to do is reasonable	234	2.2778	.73229
Valid N (list wise)	234		

Mean Standard Deviation and level of agreement results of Internal Locus of Control

	N	Mean	Std. Deviation
When faced with a problem I try to forget it	234	2.5085	1.04097
I like jobs where I can make decisions and be responsible for my own work	234	2.4615	1.13877
I change my opinion when someone I admire disagrees with me.	234	3.0684	.99118
If I want something I work hard to get it	234	1.8162	.93822
I prefer to learn the facts about something from someone rather than having to dig them out myself.	234	1.9530	.88498
I have a hard time saying “no” when someone tries to tell me something	234	2.7564	.80533
I consider the different sides of an issue before making any decisions	234	2.9915	1.00638
I stick to my opinions when someone disagrees with me.	234	2.5427	1.04834
I get discouraged when doing a tasks that takes a long time to achieve results	234	2.5940	1.00734
I enjoy trying to do difficult tasks more than I enjoy doing easy tasks.	234	2.5598	.84321
Valid N (list wise)	234		

Mean Standard Deviation and level of agreement results of Employee Engagement

	N	Mean	Std. Deviation
I really “throw” myself into my job.	234	2.1368	.94398
Time passes quickly when I perform my job	234	2.1624	.90736
I stay until the job is done	234	1.9829	.89330
I get excited when I perform well on my job	234	2.2735	.71913
Being a member of this organization is very captivating	234	2.1026	.67937
One of the most exciting things for me is getting involved with things happening in this organization	234	1.8590	.79252
Being a member of this organization make me come “alive”	234	2.4615	.98083
Valid N (list wise)	234		

Correlations

		JC	RR	POS	PSS	WE	ILC
JC	Pearson Correlation	1	.673**	.552**	.763**	.759**	.709**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	234	234	234	234	234	234
RR	Pearson Correlation	.673**	1	.484**	.645**	.577**	.617**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	234	234	234	234	234	234
POS	Pearson Correlation	.552**	.484**	1	.617**	.733**	.602**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	234	234	234	234	234	234
PSS	Pearson Correlation	.763**	.645**	.617**	1	.724**	.680**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	234	234	234	234	234	234
WE	Pearson Correlation	.759**	.577**	.733**	.724**	1	.671**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	234	234	234	234	234	234
ILC	Pearson Correlation	.709**	.617**	.602**	.680**	.671**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	234	234	234	234	234	234
EE	Pearson Correlation	.891**	.707**	.682**	.856**	.816**	.767**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	234	234	234	234	234	234

Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	ILC, POS, RR, PSS, JC, WE ^b	.	Enter

Model Summary

Model	R	R Square		Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
		R Square	Adjusted R Square			F Change	df1	df2	
1	.948 ^a	.899	.897	.192	.899	338.117	6	227	.000

a. Predictors: (Constant), ILC, POS, RR, PSS, JC, WE

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	74.976	6	12.496	338.117	.000 ^b
	Residual	8.389	227	.037		
	Total	83.365	233			

a. Dependent Variable: EE

b. Predictors: (Constant), ILC, POS, RR, PSS, JC, WE

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error				Beta	Lower Bound	Upper Bound	Tolerance
1	(Constant)	.132	.065		2.020	.045	.260	.003		
	JC	.338	.032	.414	10.291	.000	.269	.396	.273	3.657
	RR	.064	.028	.068	2.257	.025	.008	.120	.485	2.063
	POS	.088	.029	.099	3.069	.002	.032	.145	.422	2.367
	PSS	.332	.045	.279	7.586	.000	.250	.425	.327	3.057
	WE	.108	.036	.120	2.969	.003	.036	.180	.272	3.678
	ILC	.114	.038	.101	3.029	.003	.040	.189	.400	2.502

a. Dependent Variable: EE

Model	Dimension	Eigenvalue	Condition Index	(Constant)	Variance Proportions					
					JC	RR	POS	PSS	WE	ILC
1	1	6.827	1.000	.00	.00	.00	.00	.00	.00	.00
	2	.055	11.135	.41	.14	.00	.00	.01	.02	.01
	3	.045	12.255	.01	.06	.17	.43	.00	.03	.00
	4	.027	15.957	.11	.13	.75	.16	.02	.03	.01
	5	.018	19.526	.02	.10	.02	.00	.94	.12	.01
	6	.015	21.209	.08	.12	.05	.17	.03	.57	.39
	7	.013	23.359	.37	.46	.00	.24	.01	.22	.57

a. Dependent Variable: EE

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	234	100.0
	Excluded ^a	0	.0
	Total	234	100.0

a. List wise deletion based on all variables in the procedure

Reliability Statistics

Cronbach's Alpha	N of Items
.949	41

Reliability

Work Characteristics

Case Processing Summary

		N	%
Cases	Valid	234	100.0
	Excluded ^a	0	.0
	Total	234	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.889	6

Reward and Recognition

Case Processing Summary

		N	%
Cases	Valid	234	100.0
	Excluded ^a	0	.0
	Total	234	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.768	4

Perceived Organizational Support

Case Processing Summary

		N	%
Cases	Valid	234	100.0
	Excluded ^a	0	.0
	Total	234	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.842	5

Perceived Supervisor Support

Case Processing Summary

		N	%
Cases	Valid	234	100.0
	Excluded ^a	0	.0
	Total	234	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.736	4

Working Environment

Case Processing Summary

		N	%
Cases	Valid	234	100.0
	Excluded ^a	0	.0
	Total	234	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.831	6

Internal Locus of Control

Case Processing Summary

		N	%
Cases	Valid	234	100.0
	Excluded ^a	0	.0
	Total	234	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.789	9

Employee Engagement

Case Processing Summary

		N	%
Cases	Valid	234	100.0
	Excluded ^a	0	.0
	Total	234	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.736	7