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

**EFFECTS OF EMPLOYEE ENGAGEMENT ON JOB
SATISFACTION-THE CASE OF ABAY BANK S.C.**

**BY
YESUNESH GETACHEW
ADVISOR: - MESFIN TESFAYE (PhD)**

**ATHESIS SUBMITTED TO ST. MARY'S UNIVERSITY COLLEGE,
SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION**

**FEBRUARY, 2022
ADDIS ABABA, ETHIOPIA**

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APPROVED BY BOARD OF EXAMINERS

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DECLARATION

I, YesuneshGetachew, hereby declare that the Research Project entitled, “Effects of Employee Engagement on Job Satisfaction-The Case of Abay Bank S.C”, is outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and suggestions of the research advisor MesfinTeskaye (PhD).

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Date

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Certification

This is to certify that Yesunesh Getachew has carried out her study work on the topic entitled: “Effects of employee engagement on Job satisfaction” in the case of Abay Bank S.C. Accordingly, I hereby assure that her work is appropriate and standard enough to be submitted for the award of Master of Degree in Business Administration.

Name of Advisor	Signature	Date
Mesfin Tesfaye (Phd)	_____	_____

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Acronyms and Abbreviations

SPSS: Statistical Package for Social Science

VIF: Variance inflation factor

ANOVA: Analysis of Variance

S.C: Share Company

HR: Human Resource

HRM: Human Resources Management

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Thank you!!

ABSTRACT

The main objective of this study was to investigate the effect of employee engagement on job satisfaction in Abay bank S.C. The study is quantitative in its approach and has been able to use descriptive and explanatory research design. To achieve its objective data have been collected by dispatching self-administered questionnaires to 159 employees of the respective branch offices of the Bank which comprises of the four indicators of employee engagement that are expected to measure their level of job satisfaction. After 129 responses were collected back the data were analyzed using SPSS software version 25. In addition, to analyze the collected data descriptive statistics (frequencies, means & standard deviations), and inferential statistics (correlation and regression) were used. The findings of the study indicated that inspirational leadership, internal communication and career development has a positive and significant effect on job satisfaction in Abay bank S.C. accordingly the researcher forwarded the following recommendations. Based on the result inspiring leadership shows a significant relation with job satisfaction in the study. Abay bank can make its employees Job satisfaction be attained by making a good career development system in which there are regular trainings, job advancement opportunities and opportunities where employees apply their talent and expertise. To ensure maximum satisfaction for all individuals members of the institution, carefully managing internal communication is essential. In addition the company should be conducting job satisfaction surveys continuously and taking corrective actions on areas that need improvement on issues identified as crucial and important is recommended.

Key Words: *Employee Engagement, Inspirational Leadership, Internal Communication, a Culture of Diversity, Job Satisfaction, Abay Bank S.C.*

CHAPTER ONE

1.INTRODUCTION

1.1 Introduction

In this chapter, background of the study and the organization, statement of the problem, research questions, research hypothesis, general and specific objectives, significance, scope and organization of the study are presented.

1.2 Background of the Study

Employee engagement is viewed as a key facet of productivity. It makes sense that the enthusiasm and interest which fully engaged employees bring to their work each day would be directly tied to both a more unified workplace culture and the additional efforts, good ideas and creativities that make organizations thrive (Richa&Srivastava, 2015). Organizations across the globe have tried to curb their hiring rates in order to cope-up with the uncertain economic downturns and stabilize their overall business volatility. This paved way for the high importance of engagement of employees at work places that in turn contribute to overall productivity of those organizations. Keeping this in mind it is essential to understand personal and organizational factors that influence employee engagement, namely internal communication, transformational leadership, career development, culture of diversityand job satisfaction as part of key interventions in human resource management. According to Samuel and Maureen (2014), factors such as pay scale, recreation packages, career development opportunity and performance feedback significantly influences employee engagement.

According to the Society for Human Resource Management (SHRM)/ Glob force (2013) survey, nearly half of HR professionals indicated that employee engagement is one of the top three challenges their organization face. Due to this fact human resource managements and higher executives applied different means to control and make employees to stay with their job.

Chanchai&Li (2019), show their argument that despite plenty of researches done on employee engagement, there is lack of the consistency in its definitions, measures, antecedents and

outcomes. In addition, due to cultural differences and nature of the business the same engagement antecedents do not necessarily work for all business in all countries.

According to Lawler (2009), the financial sector plays an important role in the development of the economy and growth in any country. Particularly, banks represent a significant and influential sector of business worldwide that plays a crucial role in the global economy. Most commercial banks have now realized the worth of resourcing and retaining competent employees. Looking at the Ethiopian context, Zerayehu et al (2013), explain that the financial sector is dominated by the banking industry, which can be characterized as highly profitable, concentrated and moderately competitive. In a nut shell, banks in the Ethiopian case are competing in terms of human capital, service quality and efficiency (including use of technological advances), branch network expansions, advertising and prices, put in the order of their significance.

Hence, this research measures the relationship between the selected contextual predictor variables to employee engagement which are inspirational leadership, Career development, internal communication And A culture of diversity and the effects of employee engagement on job satisfaction in one of the second generation and fast growing Private bank in Ethiopia which is Abay bank S.C.

1.3 Statement of the Problem

Several researches have been conducted in different time frames and numerous contexts and variables regarding employee engagement and job satisfaction. For instance, organizational justice is considered a fundamental requirement for an effective functioning of an organizations, job satisfaction (Jain, 2015), work motivation (Cropanzano, 2003) , organizational commitment (Ayobami, 2013), turnover intention (Ponnu, 2010), organizational identification (Aydogan, 2016).Saks (2006) suggested that both psychological conditions of personal engagement and disengagement by Kahn (1990) nor the (Maslach 2001) and (Schaufeli, 2004) engagement models spoke the psychological conditions or predecessors that were necessary for engagement. Rebecca (2018) asserts that the relationship between job satisfaction and employee engagement is well understood by most organization in the context of social exchange theory.

Employees these days are not willing to serve single employers until they retire for so many reasons. And in relation to this the application of employee engagement is crucial in these days. Because a ferocious competition all over the world and the continuing effect of globalization, being unwilling to accept employee engagement will cost organizations a big deal of lose in somany aspects; losing a potential customers, losing a good reputation of the organization, lagging behind the industriescompetitors, and if employees fails to be engaged the objective and goals of the organization doesn't concern them that which will cause a great loss. They do not have energy and interest in their work (Reilly, 2014). . The concept of employee engagement has appeared fairly recently in the literature. Because of this, there is lack of information about the relationship between known employee engagement factors with Job satisfaction. Marciano (2010) shows that employees in the present context are expected to be engaged in their assigned job, that is their role should contribute and affect the business in a greater sense. Moreover, Bailey et.al (2016) stated that employee engagement and employees are critical organizational requirements as organizations face globalization, competitors and innovative individuals and others, specially recovering from the global recession to gain competitive advantage over the others.

Bailey et.al (2016) declared that many companies realized that employees are organizations best assets that they can compete with internal and external organizations in their sectors. In today's business world, employee's requirements do go beyond the basic salary, which has shifted the focus of employers to understand the real essence of the employee engagement practices. Furthermore, with rapid globalization and increased needs, retaining the talent pool and to engage employees is a challenge for the HRM managers in the organization. According to Glob force survey (2013), nearly half of HR professionals indicated that employee engagement as one of the top three challenges their organization faces. This shows that the issue is sensitive and timely where every organization is worried about. Lockwood (2007) stated that the challenge today is not just retaining skilled people, but fully engaging them, capturing their minds and hearts at each stage of their work lives. Because of this and other reasons, many researchers have identified factors leading to employee engagement and developed models and theories to draw implications for managers.

Based on the survey done by CIPD (2006) on 2000 employees indicates that communication is the top listed factors that affects employee engagement. On another study, Sapna and Irfan (2016) come up with the impact of leadership style which they used age and education as a

moderating factor to test the relationship between leadership style and engagement; and they came up with age and education has significant moderating effect on engagement.

There are studies that have been made on effect of employee engagement on job performance in the Ethiopian banking industry and effect of job engagement on job satisfaction has been studied in the construction and airline sector. The positive engaged employees may depict the positive outcome like high job satisfaction. A disengaged employee may exhibit lower job satisfaction. This study has been attempted to find out the effect employee engagement has on job satisfaction in the case of Abay bank S.C

1.4 Research Questions

To address the issues under the statement of the problem, the following research questions are developed

- *To what extent internal communication affect job satisfaction?*
- *To what extent career development affect job satisfaction?*
- *To what extent transformational leadership affect job satisfaction?*
- *To what extent a culture of diversity affect job satisfaction?*

1.5 Objective of the Study

1.5.1 General Objective of the Study

The general objective of this study is to examine the major effect of employee engagement on job satisfaction in Abay bank S.C.

1.5.2 Specific Objectives of the Study

- To identify effects of inspirational leadership on employee engagement in Abay bank S.C.
- To identify the effect of career development on employee engagement in Abay bank S.C.
- To examine whether internal communication has real effect on employee engagement in Abay bank S.C.
- To identify if cultural diversity has significant effect on employee engagement in Abay Bank S.C.

1.6 Research Hypothesis

In this research, the researcher identified variables that best explain employee engagement based on previous literature and research findings which are internal communication, inspirational leadership, a culture of diversity and career development. Based on the above empirical result mentioned on statement of the problem, the researcher formulated the following hypothesis.

H1: Career development has significant and positive effect on job satisfaction.

H2: Inspirational leadership has significant and positive effect on job satisfaction.

H3: A culture of diversity has significant and positive effect on job satisfaction.

H4: Internal communication has significant and positive effect on job satisfaction.

1.7 Scope of the Study

In this study, the researcher relayed on Abay bank S.C employees. The researcher's primary sources of data were employees of the bank under branches in Addis Ababa area and head office of the bank only due to lack of finance, time and for better convenience. Primary data were collected from questionnaires that were distributed to targeted staffs under randomly selected branches in Addis Ababa region and Head office. Secondary data were collected from different official publications of the bank and other published and unpublished papers related with the study. The research was conducted from June 2021 to December 2021 as per St. Mary's university official schedule.

1.8 Significance of the Study

The purpose of this study under the title "Effects of Employee Engagement on Job Satisfaction - The Case of Abay Bank S.C" is to examine factors that affect employee's engagement and job satisfaction in Abay S.C. This research has tried to provide new insights in the effects of employee engagement on job satisfaction. The data that were collected in this research can be a potential source to management of Abay bank S.C with valuable information about factors that affect employee job satisfaction and related issues. The finding of the study is beneficial for Abay Bank S.C., for the banking industry and for other organizations interested in the topic. It

can also be a potential source to different academicians interested in the area and for those who want to pursue further study in the area.

1.9 Limitation of the study

In conducting this study, some constraints in administering the data collection process and also doing the analysis are faced by the researcher. Some of the hold backs include time constraint which makes the researcher hold back to do more best, all the distributed survey questionnaires are not returned; some the respondents did not give a genuine response. However the researcher has at most effort tried to overcome this challenge by explaining the purpose of the research to the respondents and also by assuring the confidentiality of the response.

1.10 Operational Definition of Variables

To explore the answer for the above research questions the researcher will base the following variables as operationally defined below.

Employee Engagement: Employee engagement is defined as an individual's purpose and focused energy, evident to others in the display of personal initiative, adaptability, effort and persistence directed towards organizational goals (Armstrong& Taylor, 2014).

Internal Communication:Internal communication is the function responsible for effective communications among participants with an organization. the scope of the function varies by organization and practitioner, from producing and delivering messages and campaigns on behalf of management, to facilitating two-way dialogue and developing and communication skills of the organization's participants.

Culture of Diversity: culture of diversity or multiculturalism is a group of diverse individual from different culture of societies. Usually, cultural diversity takes into account language, religion, race, sexual orientation, gender, age and ethnicity.

Career Development:career development is defined as an organized, planned effort comprised of structured activities or processes that result in a mutual career plotting effort between employees and organization.

Inspirational Leadership: inspirational leadership is a leadership style in which leaders encourage, inspire and motivate employees to innovate and create change that will help grow and shape the future success of the company this is accomplished by setting an example at the executive level through a strong sense of corporate culture, employee ownership and independence in the workplace

Job Satisfaction: job satisfaction is the extent to which an employee feels self-motivated, content & satisfied with his/her job and happens when an employee feels he or she is having job stability, career growth and a comfortable work life balance.

Job Satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one's job or experience (Locke and Henne, 2001).

1.11 Organization of the Study

This study contains five chapters: chapter one is an introductory part containing discussions on background of the study, background of the company, statement of the problem, questions, hypothesis, objectives of the study, and significance of the study, scope of the study and organization or layout of the study. Chapter Two presents literature review, empirical literature review, and conceptual framework. Chapter three discusses about research methodology and chapter four presents' research findings and discussions and chapter five comprehends research conclusions, recommendations and areas for future study.

CHAPTER TWO

2. LITERATURE REVIEW

2.1 Introduction

The purpose of the literature review is to examine key concepts and related research relevant to employee engagement. This chapter presents the literature that was reviewed to provide a theoretical and conceptual ground for the study

2.2 Employee Engagement Theories

2.2.1 Personal Engagement Theory

Personal engagement theory affirms that employees engage at work physically, cognitively and emotionally only when they see meaning in their work, feel safe at work and have sufficient personal resources at work to carry out their duties. Psychological meaningfulness in the job is defined to skill variety, task autonomy, role status, role influence, dignified work relations; psychological safety is related with not facing any negative after come to self-image, status or career; and psychological availability is connected to a sense of having the necessary physical, emotional or psychological inputs at work. An interview was scheduled with 16 summer camp counselors and 16 architecture firm members to understand their work experiences and moments of engagement at work and based on this underpinning, this theory was established. Kahn (1990). A survey was done on 213 employees from insurance company to understand the issues that contributed to psychological meaningfulness, safety and availability at work. The study showed that Job enrichment like handling additional responsibilities and work role fit offered psychological meaning to employees, rewards and support from supervisor and co-workers made them to sense psychological safety and having enough personal resources kept them psychologically available for work. Howsoever, inhering to too many cultures of co-workers and too much participation in outside activities were found to disengage them from work.

2.2.2 Job Burnout Theory

Burnout is a psychological disorder caused by the job due to work overload or because of social conflicts or lack of relevant resources available at work resulting in energy turning to exhaustion, involvement to cynicism and efficacy to reduced professional efficacy. Maslach & Leiter (1997).

Burnout is a concept studied by psychologists mainly among human service workers and other occupations. Burnout is job-related and situation-specific. Situational factors like job demands, role clarity, role ambiguity, downsizing, merger, occupational characteristics, and individual factors like age, education, personality and work related attitudes causes burnout and the outcomes led to lower productivity, absenteeism, intention to leave the job, and actual turnover. Researchers wanted to alleviate burnout among employees and started visioning the positive psychology and this psychologist's transformation from studying negative to positive psychology took them to development of Job Engagement concept which is considered to be positive antithesis to Burnout. Maslach, Schaufeli & Leiter (2001).

2.2.3 Job Demands-Resources Theory

The Job demand-resources (JD-R) model puts forward the concept that job demands (such as physical demands, time pressure, shift work) associates with exhaustion and lacking job resources (such as performance feedback, job control, participation in decision making, social support) associates with disengagement. Demerouti et al (2001).

A model of burnout and engagement with different predictors and possible consequences was developed and their relationships were tested on a sample of 1698 employees from different occupations such as insurance, pension funds, occupational health & safety services, and home-care institution through survey method. The results indicated that both burnout and engagement were negatively related. Burnout was predicted by job demands (such as work overload, emotional demands or lack of job resources at i task level (performance feedback), ii. Interpersonal-level (support from colleagues), or iii. Organizational level (supervisory coaching)) and was found to mediate the relationship between job demands and health problems. Engagement was predicted mainly by available job resources and was

also found to mediate the relationship between job resources and low turnover intention. Schaufeli & Bakker (2004).

JD-R model is used to predict work engagement, work enjoyment, organizational commitment, job burnout, connectedness, sickness absenteeism, job performance. Bakker & Demerouti, (2014)

2.2.4 Work Engagement Theory

Work Engagement is defined as a positive, fulfilling, work-related state of mind that is characterized by vigor (high levels of energy and mental resilience), dedication (sense of significance, enthusiasm, inspiration, pride, and challenge), and absorption (fully concentrated and happily engrossed). The study considered burnout and engagement to be independent states which was contrary to Maslach and Leiter's perspectives. A study survey was carried on 314 Spanish undergraduate university students and 619 Spanish working employees to examine the relationship between burnout and engagement. The results confirmed that burnout and engagement constructs were moderately negatively related. Schaufeli et al. (2002)

2.2.5 Social Exchange Theory

Social Exchange Theory (SET) puts forward the reciprocal interdependence concept that when employees receive sufficient economic and socio-emotional resources from organization, they feel obliged to repay the organization by performing best at work. Cropanzano & Mitchell (2005).

SET has provided a theoretical foundation to employee's engagement concept. The theory explains that employee's tend to exhibit positive behaviors and engage themselves more when they receive necessary resources and benefits from the organization. Saks two types of Employee Engagement (Job Engagement and Organization Engagement): Based on SET and using Kahn (1990) model, Maslach et al. (2001) model, May et al. (2004) model, Schaufeli and Bakker (2004) model findings majorly, Saks identified model of antecedents (Job characteristics, Perceived organizational support (POS), Perceived supervisor support (PSS), rewards and recognition, procedural justice, distributive justice) and consequences (job satisfaction, organizational commitment, intention to quit, OCB) of two types of employee engagement (Job engagement and organizational engagement) and tested them on a sample of

102 employees from different jobs and organizations through survey method. The results indicated significant higher job engagement among respondents than organization engagement. POS predicted both job and organization engagement, job characteristics (enriched and challenging jobs) predicted job engagement, and procedural justice predicted organization engagement. Job and organization engagement were found significantly positively related to job satisfaction, organizational commitment, and OCB and they were negatively related to intention to quit. Rewards and recognition, distributive justice, PSS did not predict job or employee engagement. Saks (2006).

2.2.6 Gallup's Meta-Analysis Study

Employee engagement is individual's involvement, satisfaction and enthusiasm for work. Meta-analytic techniques pools studies together and explains the strength of their effect and generalize ability where the business-unit level responses gets averaged across many individuals and the reliability of single items gets higher. 198,514 employee responses from 7,939 independent business units were studied. The business-unit-level observed correlation between overall satisfaction and employee engagement and both showed generalizability across companies in their correlation with customer satisfaction-loyalty, profitability, productivity, employee turnover, and safety outcomes. The study suggests that business unit outcomes can be increased by increasing employee satisfaction. Harter, Schmidt & Hayes (2002).

2.2.7 Perrin's Biennial Study

Employee engagement is an emotional/rational duality of both "the will" and "the way" where employees need the will of mission, passion and pride as well they need the resources, support and tools as the way to accomplish their mission and passion. 86,400 employees from North America, US, Canada were surveyed to understand their engagement at work. The study found senior executives among other members and non-profit sectors among other industries to be highly engaged. The results indicated that responsibility, accountability, autonomy and high sense of mission and passion towards work associates them to more engagement at work. The overall findings revealed that employees look for a conducive working environment where learning, development, and advancement is achievable. Perrin (2003)

2.2.8 IES Attitude Survey Study

Employee engagement is defined as a positive attitude that the employee holds towards the organization and organization values depending on the level of support they receive from the organization. 10,024 employees from 14 organizations within NHS was surveyed. The findings revealed that engagement levels varied with personal and job characteristics and with experiences at work. Managers, minority ethnic respondents, employees who underwent personal development plan and employees who received formal performance appraisal within the past year had displayed higher engagement whereas employees who experienced harassment, employees with increased length of service, older employees, or any accidents or injury at work had negative impact on engagement. Valuing employees, training and development opportunities, appraisals, proper communication, pay and benefits, health and safety, family friendliness, job satisfaction were few of identified drivers of engagement. Robinson, Perryman & Hayday (2004).

2.2.9 Lockwood's Analysis Study

Employee engagement is a complex concept about employee's commitment to something or someone in the organization and about how hard they work and how long they stay as a result of that commitment. Cognitive engagement is one of the three types of engagement which associates employees with beliefs about the company, its leaders and the workplace culture. The emotional engagement associates on how employees feel about the company and their leaders and colleagues. The behavioral engagement associates the amount of effort employees put into their work such as brainpower, extra time and energy. The drivers of employee engagement identified were manager-employee relationship, workplace culture, organizational communication, company reputation, access to training and career opportunities, empowerment to make decisions and work-life balance. Lockwood (2007).

2.2.10 Aon Hewitt's Say, Stay, Strive Model Study

Employee engagement is the level of rational thought, emotions, behaviors, intentions invested by employees in the organization. They say, stay, strive model believes the employee to

be engaged only when employee speaks positive about the organization to co-workers, potential employees, and customers; sense strong belonging and desire to be part of the organization; and exert full effort in their job for the success of the organization. The engagement drivers of this model are company practices (communication, customer focus, diversity and inclusion, enabling infrastructure, talent and staffing), the basics (benefits, job security, safety, work environment, work/life balance), brand (reputation, brand/employee value proposition, corporate responsibility), leadership (senior leadership, business unit leadership), performance (career opportunities, learning and development, performance management, people management, rewards and recognition), the work (collaboration, empowerment/autonomy, work tasks) which leads to business outcomes such as talent (retention, absenteeism, wellness), operational (productivity, safety), customer (satisfaction, net promoter score, retention), and financial (revenue/sales growth, operational income/margin, total shareholder return).Hewitt (2015)

Two-point drop in recent employee engagement survey report: Employee engagement survey was done in 2015 and 2016 globally reaching 5 million employees from more than 1000 organizations across 60 plus industries. Hewitt Say, Stay, Strive model was used to measure engagement. The results found 24% were highly engaged and 39% moderately engaged. Overall 63% employees were found to be globally engaged in 2016 compared to 65% in 2015. The elements in the engagement index such as Say component dropped from 69% to 68%, Stay component from 60% to 59% and Strive component from 64% to 63%. India saw a 2 point decline and the study conveyed that addressing reward and recognition issues can improve engagement. Top engagement drivers identified globally were rewards and recognition, employee value proposition, senior leadership, career opportunities and enabling infrastructure. The study indicated that populist restrictions on the flow of labor between countries and major technology breakthroughs were the possible reasons for the decline in engagement.Hewitt, (2017).

2.3Transformational Leadership

Western study of leadership has a long and rich history in the social sciences, particularly in Industrial/Organizational Psychology. In the past century, scholars have taken a variety of approaches to researching leadership, including trait-based theories, analysis of leader behavior, situational contingencies, and relational theories (i.e., leader member exchange [LMX] theory).

However, in the past thirty years, one conceptualization of leadership—transformational leadership theory—has emerged as the most dominant and widely studied (Barling, Christie, & Hopton, 2011; Bass & Riggio, 2006; Judge & Bono, 2000; Judge & Piccolo, 2004). One reason for the prevalence of research on transformational leadership is that it has been found to be highly effective in terms of overall employee performance, task performance, and affective/relational measures (e.g., LMX, follower satisfaction; DeRue et al., 2011).

2.3.1 Theoretical Foundation

The modern theoretical foundation of transformational leadership is generally considered to have been established by two influential books. In the first, simply titled “Leadership”, political scientist James McGregor Burns (1978) coined the term “transformational leader” and differentiated transformational leadership from other forms in the context of political leadership. Burns asserted that transformational leaders engage others in a two-way process, “in such a way that leaders and followers raise one another to higher levels of motivation and morality,” which ultimately “raises the level of human conduct and ethical aspiration of both leader and led, and thus has a transforming effect on both” (1978, p. 20). In the second book, Bass (1985) used Burns’ conceptualization and extended the focus of the construct to the organizational context. In addition, Bass elaborated on the behaviors that set transformational leaders apart from others. Although there have been a number of iterations of the theory, the most recent (and best supported) version includes four dimensions of transformational leadership, which are charisma/idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Judge & Piccolo, 2004; Barling et al., 2011).

Charisma /idealized influence:-This dimension refers to leader behaviors that provide a model for ethical behavior and inspire employees to act in the best interest of the organization, instead of what may be most efficient and convenient. When displaying charisma, transformational leaders act in ways that build respect and trust, instill pride, and increase optimism (Bass, 1985). Idealized influence is the degree to which a leader demonstrates admirable behaviors that cause followers to identify with him/her (Judge & Piccolo, 2004). A defining characteristic of idealized influence is acting with integrity (Barling et al., 2011). Common behaviors of this dimension have been noted in the literature to include displaying conviction, taking a stand, appealing to followers on an emotional level, speaking with a captivating tone of voice, making eye contact as

appropriate with the listener, having animated facial expressions, and communicating in a powerful, confident, and dynamic way (Judge & Piccolo, 2004; Barling et al., 2011).

2.3.1.1 Inspirational motivation

This dimension of transformational leadership refers to a leader's ability to develop and communicate a compelling vision for the future. By doing so and setting high but realistic standards to achieve the vision, transformational leaders instill in others the belief that they can achieve more than previously thought, go beyond expectations, and overcome current and future hurdles. Inspirational motivation can be transmitted through interpersonal interactions, e.g., telling stories and using symbols (Barling et al., 2011; Bass, 1985).

2.3.1.2 Intellectual stimulation

In contrast to prevailing notions of good leaders as those who can answer all questions posed by employees, this dimension describes leaders who obtain input from others when problems arise and challenge and encourage employees to think critically and be creative (i.e., to "think outside the box"). When supervisors employ this aspect of transformational leadership, they also encourage employees to question commonly held assumptions, reframe problems, take appropriate risks, and approach challenges in innovative ways (Barling et al., 2011). In addition, a defining behavior of intellectual stimulation is providing a steady flow of new and challenging ideas to employees, which in turn arouses their imagination and empowers them to feel more confident and self-efficacious in work-related matters (Judge & Piccolo, 2004).

2.3.1.3 Individualized consideration

The final dimension of transformational leadership refers to a leader's willingness and ability to pay close attention to an individual's specific development needs and to act as a mentor and/or coach by providing continuous feedback and linking individual passions and aspirations to the organizational mission (Bass, 1985). It includes displaying caring, compassion, and empathy to employees, which positively influences employee well-being by providing instrumental and emotional support. Supervisory support helps employees develop their potential and skills, as well as healthy working relationships with their supervisors and co-workers (Barling et al., 2011).

2.4 Communication

Communication has been defined as a process of information exchange through the individual through symbols such as signs, behavior, exercise, and so on. Communication in the workplace can occur in various forms of verbal and nonverbal communication. Verbal communication is defined as communication face by using the mouth (oral) in the delivery of information when talking to colleagues such as face-to-face, meetings, and conversations over the phone. Non-verbal communication is the message conveyed without the use of words such as motion and how to stand or sit, face and eye movements, voice signals and, use numerous body or distance.

A positive culture that brought in the organization in the establishment of effective communication can create a win-win when employees get feedback on their work performance as soon as possible. Chitrao (2014) explained that the positive and good communication can increase job satisfaction and reduce complaints to the employee worked. Communication is a tool used by any organization to identify appropriate function to obtain profit organization and progress of the organization is created.

Communication can lead to misunderstandings, lack of information, laziness, and more job rotation. Ineffectiveness of managers in communicating with its employees would cause an employee being unsatisfied. Thus, this situation may cause workers' job satisfaction to be affected. Similarly, if employees do not trust the manager, then the flow of information submitted does not occur and decreased job satisfaction. The leader can lead, build trust and understanding of continuous learning and inspire workers through effective communication (Barrett, 2006). Therefore, managers and employees must work together to understand the principles of effective communication and communication barriers in the workplace to achieve the desired goals of the organization. Managers require extensive knowledge of communication to be efficient and effective toward their workers. Moreover, effective communication is considered as the capability of motivating and knowing how to exchange information in a group or individual and knowing the right time to communicate. Relationship between Communication and Job Satisfaction Communication and job satisfaction has a significant relationship in an organization. Communication and job satisfaction has a significant relationship in which it gave satisfaction to the workers. Moreover, it can be used with good communication between workers and employers, and between employers and workers. The communication between supervisors and employees through force, credibility, and content would affect the morale of job satisfaction in an organization. Past research also found that workers concentrate fully on the work done in

the dissemination of information on important matters such as company policy, performance feedback, command tasks, and roles responsible (Pincus, 1986). He suggested that if communication is used effectively and well, works as above can be implemented successfully the impact of job satisfaction. Pincus (1986) used a sample of nurses, there is some support found that the differential sensitivity to the realization of job satisfaction compared to the dimensions of information communication, although both have to do with job satisfaction.

Job satisfaction is important because it provides a better working environment for employers in the United States (Nemiroff& Ford, 1976; Pettit et al., 1997). Thus, communications have a strong relationship with job satisfaction based on earlier researches (Ehlers, 2003, Pettit et al., 1997; Miles et al., 1996; Clampitt& Downs, 1993; Muchinsky, 1977; Falcione, 1974a & 1974b, Nicholson, 1980; Duke, 1981). This can be concluded that communication has a significant relationship and impact on job satisfaction.

2.5 Career

According to Grubić-Nešić (2005) career can be described as a set of job roles of individuals, or move up and progress in work roles. Career is individually perceived order of the attitudes and behaviors associated with the experience and activities related to the operation during a person's life and career are changes in values, attitudes, and motivation that occur as a person becomes older. Career can be defined wider as the development of individual in learning and work throughout their lives.

If we look at the career development in an international context, it is important to pay attention to the role of international tasks to staff development. The international engagements have been known as an important mechanism for the development of international expertise. The expected outputs of the engagement include:

- Development of management, since individuals acquire international expertise that helps in the advancement of his/her career, while multinationals gain available international executives with experiences, from which some of them will be extracted for the international engagements.
- Organizational development, since international assignments provide accumulated knowledge, skills and abilities for multinational companies. Global mindset is an important advantage because it expands the horizons of individuals. Furthermore, foreign

managers are agents of direct control and socialization that help to transfer the knowledge and skills (Dowling et al., 2008)

2.5.1 Career growth opportunities

Career Growth Opportunities refer to the extent to which employees have opportunities for career growth and promotion or have a clearly defined career path (Hughes & Rog, 2008, p. 749). In keeping with this definition, Mone and London (2009) also found that a director predictor of employee engagement is the extent to which employees are satisfied with their opportunities for career progression and promotion suggesting that employees will feel more engaged if managers provide challenging and meaningful work with opportunities for career advancement. Their research also found that when managers provide sufficient opportunities for training and support regarding career development efforts, they help foster employee development and drive employee engagement.

2.6 Cultural Diversity in the Workplace

Cultural diversity has become a major workplace consideration for corporations and organizations in many countries (Zhu, Wanberg, Harrison & Diehn, 2015). Diversity advocates claim that a multicultural work environment beneficial for both employees and employers. They argue that bringing together different worldviews is essential to compete in today's globalized economy. The interaction of contrasting perspectives within multicultural work teams often generates new ideas and spurs creativity (Smirnova & Yachin, 2015). This creativity leads directly to organizational innovation, a hallmark of long-term success—and one less commonly seen in more homogeneous employment settings (Palich & Gomez-Mejia, 1999).

Diverse workplaces also exhibit better problem solving capabilities than non-diverse settings (Amaram, 2007). This may result from the value of the work produced. While diverse work groups are not necessarily more productive, their output is often of a higher quality (Pitts & Jarry, 2009). This level of increased creativity happens because employees from different cultures have different ways of thinking and can thus solve the same problem from different angles. Cultural diversity supports the growth of new ideas,

strategies, and styles. Furthermore, Martin (2014) suggested that this efficiency cannot be attained when employees are homogenous.

2.7 Job satisfaction theories

Job satisfaction theories have been divided into two categories; these are content theories and process theories. Content theory suggests that job satisfaction come true when employees' need for growth and self-actualization are met by their job. Content theories are the Maslow's Need Hierarchy Theory, Aldefer- ERG, Herzberg's Two Factor Theory, and McClelland's Need Theory. These theories are important for understanding what motivates people at work (Luthans, 1995).The process theory explains job satisfaction by looking at how well the job meets one's expectations and values. Process theories are Vroom's Expectancy Theory, Locke's Goal- Setting Theory, Adams' Equity Theory and Job Characteristic Theory Unutmaz, S.(2014). Job satisfaction cannot be a substitute for motivation (Başar, 2011). But there seems to have relationship between these two concepts. Highly motivated people experience much satisfaction (Chughati&Perveen, 2013). Some theories on job satisfaction are based on the motivation theories, and, some of them can be perceived as job satisfaction theories.

2.8 Empirical literature review

A number of empirical investigations have been made so far on the employee engagement. Some of them are briefly presented as follows.

Den Hartog and Belschak (2007) concluded that the relationship of the workers to management, and in particular the support from upper level management of worker initiative, had a profound effect upon job satisfaction (p. 604). Den Hartog and Belschak further noted that the success of one's career was often a direct off-shoot of the results of such "personal initiative" (p. 605). One would naturally assume that there would be plenty of evidence to suggest that the instruction of the mores and expectations associated with diversity, through a curriculum of management courses, could ameliorate some of the issues associated with cultural diversity in the workplace. However, Bell and Kravitz (2008) realized the downfall of such instruction, in a practical sense, since there was evidence to suggest that this sort of instruction might not be effective due to a lack of standardization, a paltry array of effective teaching materials, and the fact that "diversity involves deeply held attitudes" (p. 302).

Relationships in the workplace in general, may hold part of the key to job satisfaction. Kanwar, Singh, and Kodwani (2009) contended that the manner in which employees viewed their job descriptions and coped with issues of the workplace impacted "relationship management" (p. 8). Kanwar, Singh, and Kodwani further noted, management relations aside, that the ways in which workers used contemporary work practices, understand life issues, and dealt with the concepts associated with employee "burnout" would make employee assistance programs successful and create a more fruitful workspace.

Organizations that empower management of career are more likely to enlarge employee's satisfaction of job (Lee 2000). A number of analysts, who provided substitute opinions of satisfaction of job, have valued this idea. First of all, several authors explain satisfaction of job as a mind-set and provide different understanding. For example, Gregson (1987) describes job fulfillment as the positive psychological condition as a result of the individual evaluation of a person's job or encounter. Chay and Bruvold (2003) determine satisfaction of job as your successful reaction to specific aspects of the job. Noe (1996) describes it as a satisfying sensation that results from the understanding that a person's job fulfils or allows for the satisfaction of a person's important job principles (Appelbaum, et al. 2002).

Secondly, satisfaction of job is a way of mind-set towards performance related circumstances, aspects or aspects (Wiener 1982). Jepsen and Sheu (2003) noticed that such a mind-set, either by means of preference, or loathing a job, is worldwide and a critical facet of career growth. Clearly, advocates and experts seem to agree to the assumption that nearly everybody looks for fulfillments in his or her performance (Jepsen&Sheu 2003).

According to Jepsen and Sheu (2003), if a person becomes involved in perform that suits his work-related options, he is likely to encounter satisfaction of job. Finally, Herzberg's two factor concept posits that cleanliness aspects are necessary to keep employees from sensation disappointed, but only motivators can lead employees to feel pleased and inspired (Herzberg, Mausner& Sydenham 1959, Bartol& Martin 1998).

Motivators include accomplishment, liability; perform itself, identification, growth, and accomplishment (Bartol& Martin 1998). In this respect, Chen, Alter and Yeh (2004) interviewed the ability of development of career programs in giving answers to profession needs at different profession stages and the impact on satisfaction of job, expert growth and productivity among the R&D employees. One of the major conclusions of the research was that profession growth programs favorably impact satisfaction of job, expert growth and efficiency.

Gallup (2011,) also indicates that great workplaces are those in which work groups are provided with educational opportunities that address their development which may include formal classes or simply finding new experiences for them to take on. This research also defines “opportunities” as training classes and seminars for some and for others this might mean promotions and increased responsibilities whilst for others this might mean working on special projects and assignments.

Following Kahn (1990) research by Rich, Lepine, and Crawford (2010) provided a study that job engagement mediated the relationship between value congruence, perceived organizational support, core self-evaluation, and the two outcomes were, task performance and organizational citizenship behavior. Rich et al. study extended Kahn’s (1990) theory by considering the degree to which engagement serves as an important mechanism in which the antecedents of engagement impact job performance. Also found that intrinsic motivation, job involvement, and job satisfaction are not explain higher level of variance than engagement.

Azka, Tahir, and Syed (2011) investigated transformational leadership, employee engagement and performance. The focus area of the study was how transformational leadership and employee engagement play their roles in pledging enhanced performance of employees. Transformational leaders, according to the study finding, can support employees to describe themselves in association to their organization and work towards greater performance. On the other hand, employee engagement can push their sense of belongingness and ownership of employees. therefore, the self-identity of employees together with greater relationship with their organization, employees can have better opportunity to commit themselves for improved performance and as a result success of organizational goals.

Leary, Green, Denson, Schoenfeld, Henley, and Langford (2013) examine, from the subordinate’s perspective, the relationship of dysfunctional leadership dispositions to employee engagement, job satisfaction and burnout. Finding indicated that Leadership factors related with intimidation and avoiding others have a significant relationship with employee engagement, job satisfaction, and burnout.

Haq, Ali, Azeem, Hijazi, Qurashi, and Quyyum (2010) tapped the relationship of transformational leadership with employee creativity. Study was undertaken to find the mediating role of employee intention to engage him into creative work process on the

relationship of transformational leadership and employee creativity. Using sample of 189 respondents' data was taken through questionnaire from two organizations in Islamabad, Pakistan. Results find out that transformational leadership is positively related to employee creativity. Further, employee's engagement in creative work process fully mediated the relationship of transformational leadership and creativity.

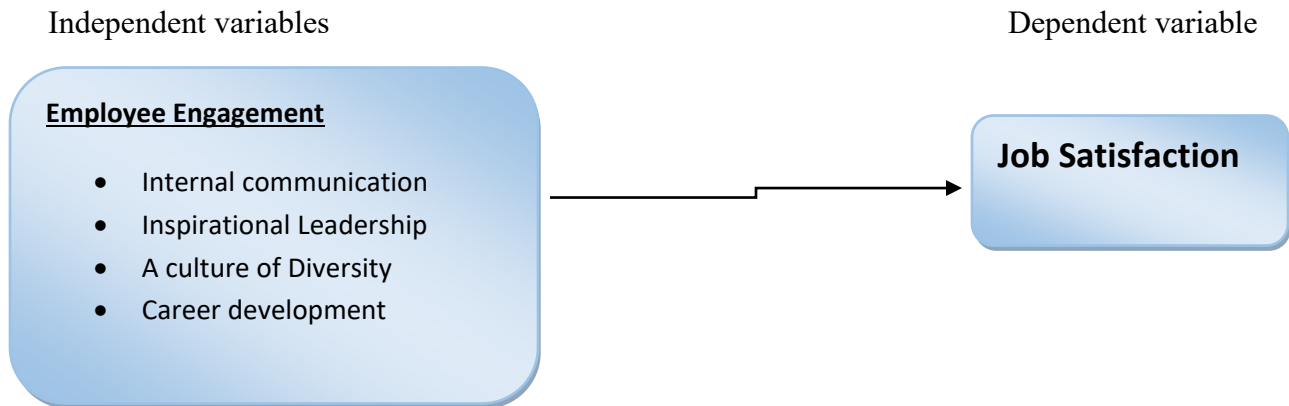
May et al., (2004) found that having clear role and place in the objective of the organization provides employees with sense of meaningfulness and belongingness. Besides, their research identified that support from their supervisor in a timely and constructive manner and rewarding relationship with subordinates can positively help to make employees feel secured about their jobs. This study also identified how the presence of higher employee's satisfaction and sense of ownership to their organization induce greater quality of association between the organization and employees. As a concluding remark, the study emphasized that both transformational leadership and employee engagement directly and significantly support the relationship between organization and employees which can be explained in better commitment, enhanced willingness to take responsibilities and retained talent in an organization.

Lynn and Terumi (2009) studied on how employee engagement is related with internal communication within a certain organization. The study was intended to determine whether or not internal communication has a significant effect on employee engagement. The result indicated that there is significant and direct relationship between factors of engagement and internal communication. Therefore it recommended that organizations can easily alter employee engagement through improving internal communication.

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 Employee engagement, generally in banking industry, and more particularly in CBE.

2.9 Conceptual Framework

This particular inquiry aims to configure the effect of employee engagement on job satisfaction. The four variables indicated below are regarded as indicators of the main independent variable employee engagement whereas job satisfaction is regarded as the main dependent variables as indicated in the diagram below.



Source: researcher's personal design based on Khan, (2013)

Figure2.1 Conceptual Framework Model

CHAPTER THREE

3.RESEARCH METHODOLOGY

3.1 Introduction

The preceding chapter presented the review of existing literatures, theories, and research findings that shows factors affecting employee engagement in an organization. These literatures are essential in identifying the explanatory variables need to be selected and tested. Then, this chapter discusses methods that the researcher used when collecting data, analyzing and presenting findings. This includes, research design, data collection methods and data analysis techniques. For the analysis, the researcher used SPSS version 25 software for the analysis.

3.2 Research Design

Research design is the framework of research methods and techniques chosen by a researcher. The design allows researchers to hone in on research methods that are suitable for the subject matter and set up their studies up for success. The underlying objective of this research study is to examine the effect of employee engagement on job satisfaction. To achieve this objective, the use of appropriate methodology that helps to approach the research scientifically is given a paramount emphasis. This study applies a combination of descriptive and explanatory research designs.

The research took a form of descriptive and explanatory research design. Descriptive research are designed to obtain data that describe the characteristics of the topic of interest in the research (Hair et al.,2011).Hence descriptive research design has been used to describe or portray the reality of the situations which enables to express level of employee satisfaction. Moreover an explanatory research design was used to achieve the objectives of the study. Because explanatory research helps to connect ideas, to understand cause and effect, meaning researchers want to explain and what is going on.

3.3 Research Approach

Quantitative approaches address the ‘what’ of the issue under concern using systemic standardized approaches such as a survey. Since it is understood that all types of data gathering techniques have their own limitations, this study will use quantitative method. Using this approach to gather and evaluate data will assist to increase the validity and reliability of the study (Arthur, 1999). Quantitative approaches have been used for the data that was collected from respondents through a questionnaire.

3.4 Data Type and Source

3.4.1 Data Type

Both primary and secondary data was used to develop the research. The primary data collected through questionnaire from the randomly selected sample employees of the bank.

3.4.2 Data source

Abay bank S.C employees work in different location across the country under it’s more than 342 branches, head office and districts. Due to lack of finance and since most of the employee with variety of department and work specifications found in the head office the study will collect data from employees in Addis Ababa region and head office only due to conveniences and limited representativeness of the whole employees. The target population and samples will be selected from these employees only.

3.4.1.1 Primary Data Sources

The method of data collection was carried out through questionnaire, which is a likert scale questioner.

3.5.1.2 Secondary Data Sources

The research also used secondary data. Secondary data is derived from primary writing of others. Accordingly various/different documents, books, articles, conference proceedings, masters and doctoral thesis having relevancy with the issue or point at hand was reviewed.

3.5. Sampling Technique

While collecting data from respondents a non-probability sampling which is convenience sampling technique has been used in selecting the respondents to whom the questionnaire was given as it was believed that anybody that have been available at work who is employee of Abay bank S.C could provide the required information.

3.6. Sampling Method

The target population of the study will be permanent employees of Abay bank S.C. under branches in Addis Ababa area and head office only due to convenience, accessibility and - representativeness of the total number of Abay banks S.C Employees. Abay bank currently has more than 342 branches all over Ethiopia and 2970 permanent employees. From 342 branches 142 branches are found in Addis Ababa area under two (South-West and North-East) districts and 1120 employees work in these branches. While in head office there are 367 employees who work at 21 departments. (Abay bank S.C HRM Department, 2021)

The total populations of this study are 1487 employees.

The sample size of this study is determined by using the formula developed by Taro Yamane (1967).

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

Where, n= corrected sample size, N = population size, and e = Margin of error (MoE),

e = 0.075 with 92.5% of accuracy level. , N =1487

$$n = 1487 / (1 + 1487 * 0.005625)$$

$$n = \underline{159}$$

Hence, the sample size of this survey equals 159 respondents that is determined using the above formula.

3.7. Data Collection Method and Instruments

In order to gather the required data to answer the research questions, primary data will be collected from sample respondents through questionnaire that will be adopted from previous

researches which are decision wise leadership intelligence; employee engagement survey The questionnaire is designed to consist four sections and it was developed in line with the research objectives and questions that are stated in chapter one. The questionnaire will be Self-administered as the main data collection method in the study; each respondent will be asked to respond to the same set of questions. The questionnaire is composed of questions in Likert-style rating with a five-point rating scale and each respondent will be asked how strongly he or she agreed or disagreed with a statement or series of statements. In this case, 1 will represents 'strongly disagree' and 5 represents 'strongly agree'.

3.8. Data Processing and Presentation

The researcher has used SPSS version 25 for the analysis of data collected. As the study focuses on the effect of independent variables (career development, communication, inspirational leadership and a culture of diversity) on dependent variable (Job- Satisfaction) different statistical analysis that could show the effect between the two have been used. Data is analyzed quantitatively by statistical techniques i.e. descriptive and inferential statistics. Descriptive analysis; mean, frequencies and standard deviation are used to describe the profile of respondents, employee engagement levels and level of job satisfaction. Pearson correlation test was used to determine the nature, direction and significance of the relationship between employee engagement parameters and job satisfaction. Regression analysis is used to explore the relationship between the independent and dependent variables while for testing mediation the (Saks, 2006) model used as a guiding framework. The five assumptions of simple linear relationships were carefully computed and proved to be met.

3.8.1 Correlation Analysis

The purpose of this analysis is to explore the strength as well as the direction of the relationship among the independent variables (career development, inspirational leadership, a culture of diversity and internal communication) and the dependent variable (job satisfaction). The researcher used Pearson correlation analysis to explore such relationship.

3.8.2 Regression Analysis

A regression analysis is used to explore the relationship between the independent and dependent variables. The five assumptions of simple linear relationships were carefully computed and proved to be met.

3.9. Reliability and Validity

3.9.1 Reliability

It refers to the consistency of a measure of a concept. This quality criteria deals with the question whether the results of a study are repeatable (Bryman and Bell, 2011). Cornbach's alpha is used in this study to assess the internal consistencies and reliability of the instrument. For a research to be valid the Cornbach's alpha result is expected to be at least 0.7. Therefore while the questionnaire is distributed for 10% of the total population which are 16 first respondents in advance after 13 questioners were given back the Cornbach's alpha result has been checked and found to be above 0.7 implies that its reliability has been verified.

Table 3.1 Reliability test for four engagement drivers

Variables	Cornbach's Alpha	No of Items
Career Development	0.743	6
A Culture of Diversity	0.848	6
Inspirational Leadership	0.758	4
Internal Communication	0.809	10
Job Satisfaction	0.795	7

Source: Survey data (2021)

3.9.2 Instrument Validity

According to Joppe (2000), Validity refers to the degree to which results obtained from the analysis of the data actually represents the phenomena under study. It is a matter of degree and not a specific value. The questionnaire used to collect the data for this survey is adopted from previously used by scholars that are also validated. Besides, proper detection and approval of the research advisor was helpful to ensure validity of the instruments. Finally, the improved version of the questionnaires was printed, duplicated and dispatched accordingly. .

3.10 Ethical Issues

According to Creswell (2014), ethical concerns in research deal with voluntary participation, no harm to respondents, anonymity and confidentiality, identifying purpose and sponsor, and analysis and reporting. To help eliminate or control any ethical concerns the researcher made sure that participation was completely voluntary. However, this can sometimes lead to low response rate which can in turn introduce response bias (Creswell, 2014).

A study is anonymous when a respondent cannot be identified on the basis of a response (Creswell, 2014). Participant identification was kept confidential and was only used in determining who had not responded for follow-up purposes.

All prospective respondents knew the purpose of the study and the university that the thesis was being submitted to. A cover letter was also used to explain that the results of the study would be used in a dissertation as partial fulfillment for Masters of Business Administration (MBA) at St. Mary's University College of graduate studies. Because advancements in academic fields come through honesty and openness, the researcher assumed the responsibility to report problems and weaknesses experienced as well as the positive results of the study. Accordingly, the researcher accurately reported both the methods and the results of the study to professional colleagues in the educational community. Furthermore, it was clearly explained to the managers of the bank under study that the results of the study will be shared with them in order to facilitate knowledge sharing and assist the management's efforts to enhance their system

CHAPTER FOUR

4. DATA ANALYSIS, INTERPRETATION, AND DISCUSSION

4.1 Introduction

The purpose of this paper is to investigate the engagement level of employees in Abay bank S.C. and its effect on job Satisfaction. To achieve this purpose, relevant literature was reviewed and methodology was set in chapter two and three respectively. This chapter outlines the result of data analysis obtained from data collected from respondents. The information gathered is analyzed, and the results are presented in the following sections.

4.2 Response Rate of Respondents

A total of 159 questionnaires were distributed, out of which 129 (81%) were returned on time and hence used in the analysis process.

4.3 Demographic Profile of Respondents

This section summarizes the demographic characteristics of the sample, which includes age group, gender, education status, and job position of respondents. The purpose of the demographic analysis in this research is to describe the characteristics of the sample such as the proportion of males and females in the sample, range of age, education status, and job position, so that the analysis could be more meaningful for readers.

Table 4.2 Gender Profile of Respondents

Variable	<u>Gender</u>	<u>Frequency</u>	<u>Percent</u>
	<u>Male</u>	<u>91</u>	<u>70.50%</u>
	<u>Female</u>	<u>38</u>	<u>29.50%</u>
	<u>Total</u>	<u>129</u>	<u>100%</u>

Source: Own Survey data (2021)

Based on the above table among the total number of responses obtained, the majority 70.5% of them were collected from male while the remaining questionnaires were being field and returned

back by females which accounts for 29.5% of the total figure. This shows that there is significant difference between male and female employees of the bank.

Table 4.3 Age Profile of Respondents

Variable	Age Group	Frequency	Percent
	20-25 and Below	59	45.70%
	26-30	38	29.50%
	31-40	25	19.40%
	41-50	7	5.40%
	Total	29	<u>100%</u>

Source: Own Survey data (2021)

As it is clearly depicted out on the above table, out of the 129 responses obtained, 59 questionnaires has been given and responded back by those whose age categories lies between 20-25 and Below which has 45.7% followed by 38 questionnaires being responded by those who are 26 -30 years which consists 29.5% of the total responses. Moreover among the participants 25 questionnaires has been forwarded and collected from those whose age lie between 31- 40 which covers 19.4% of the total participants. In contrast to other sections of the respondents the fewest number of participants which are 7 in number are those whose age falls between 41- 50 and it only takes a share of 5.4% of the sample. From the results presented above we can conclude that majority of the employees of the bank are young this can have a positive influence on their commitment or engagement to their job.

Table 4.4 Education Profile of Respondents

Variable	Education Status	Frequency	Percent
	Diploma	8	6.20%
	First Degree	73	56.60%
	Second Degree and Above	48	37.20%
	Total	129	<u>100%</u>

Source: Own Survey data (2021)

Likewise among the general responses obtained the majority of the participants of the study which are 56.6% and 73 in number are those who have first degree. Besides among the respondents 48 of them (37.2%) are Second Degree holders and above while a small number of questionnaires which is 8 (6.2%) of them are diploma holders.

Table 4.5 Job Profile of Respondents

Variable	Job Position	Frequency	Percent
	Manager	28	21.70%
	Senior	24	18.60%
	Junior	77	59.70%
	Total	129	<u>100%</u>

Source: Own Survey data (2021)

From the above table we can see the job position of the respondents. The majority of the respondents which consists 59.7% of all respondents are in a junior position while 21.7 % are in managerial position and the rest 18.6 % are seniors.

4.4 Descriptive Analysis of factors that affect employee engagement

To measure the level of employees engagement and job satisfaction the researcher has prepared a likert scale questions based on the four factors affecting employee engagement and job satisfaction. The questionnaire contains 33 items based on which the perception of employees of the bank across each attribute is measured by disregarding the expectation parameter. To do so a five point likert scale questionnaire has been used to measure their level of agreement or disagreement on each questions ranging from “Strongly Disagree” to “Strongly Agree”. To determine the minimum and the maximum length of the likert scale the researcher has used a range designed by(Hom,1977). The translation of level ranking is analyzed based on the following criteria

- 1 to 1.80 represents mean lowest satisfaction level (Lowest)
- 1.81 to 2.60 represents mean low satisfaction level (Low)
- 2.61 to 3.40 represents mean average satisfaction level (Average)
- 3.41 to 4.20 represents agree mean good satisfaction level (High)

- 4.21 to 5 represents strongly agree mean very good satisfaction level (Highest)

Hence the mean score for Career development, internal communication, a culture of diversity and inspirational leadership is computed by the SPSS and presented and interpreted below.

Table 4.6 Mean score of Career development

Career Development	Mean	Std. Deviation
I am satisfied with opportunities for my professional growth	2.3023	0.94045
I am pleased with the career advancement opportunities available to me	2.6667	1.37689
My organization is dedicated to my professional development	2.2558	1.33627
I am satisfied with the job-related training my organization offers	2.2481	1.31120
I am satisfied that I have the opportunities to apply my talents and expertise	2.2636	1.36083
I am satisfied with the investment my organization makes in training and education	2.2016	1.06345
Grand Mean	<u>2.3230</u>	

Source: Own Survey data (2021)

The mean score for career development implies that among all factors affecting employee engagement measuring dimensions it is the least satisfied variable with (2.32) grand mean score this shows that most of the employees are not happy about the career development provided by the bank. The better mean score from career development parameters is obtained on the parameter which measures whether the bank has the career advancement opportunities available to employees or not where it has a (2.66) mean score which is average. Most of the respondents disagreed (showed lowest satisfaction) on almost all measuring variables. This could further be explained that the employee have disagreed on the factors that they are not satisfied with opportunities for their professional growth (2.30), the investment the bank makes in training and education (2.20), the opportunities to apply their talents and expertise (2.26) and job-related training the organization offers (2.25).

Hence the combined effect shows that among all parameter this dimension demands a serious focus so that the bank should do anything possible for the improvement of it because most employees have showed their disagreements with the grand mean score of 2.32.

Table 4.7 Mean score of Internal Communication

Communication	Mean	Std. Deviation
Communication between leaders and employees is good in my organization	2.2248	1.34768
My supervisor can be communicated when required	2.9845	1.49992
My supervisor and I have a good working relationship	2.8450	1.34309
My coworker and I have a good working relationship	2.2093	1.30907
Senior management and employees trust each other	4.3333	1.01036
I can talk freely about difficulties I am having at work	4.3178	0.98413
I can freely share my ideas, feelings, and hopes	4.1008	1.08141
The management reacts fast to employee needs constructively	2.8450	1.34309
I can get work related information freely	3.2093	0.89856
The management listens to the difficulties of workers	3.0543	1.28276
Grand Mean	<u>3.2124</u>	

Source: Own Survey data (2021)

The table above shows the mean scores of internal communication parameters. To measure the effect of the variable ten parameters were prepared from which 8 of them have scored average and above average mean score while the rest parameters show below average (2.61) or low mean score. Trust between senior management and employees (4.33), I can talk freely about difficulties I am having at work has the highest satisfaction (4.32), I can freely share my ideas, feelings, and hopes high satisfaction (4.10), shows high mean score which show that most of the employees have shown their agreement and strong agreement in these parameters. And average mean was scored for I can get work related information freely (3.20), the management listens to the difficulties of workers (3.05), my supervisor can be communicated when required (2.98), the management reacts fast to employee needs constructively (2.84) and my supervisor and I have a

good working relationship (2.84). My coworker and I have a good working relationship (2.21) and Communication between leaders and employees is good in my organization ((2.22) are the least mean scores from internal communication variable by having below average mean score of 2.61.

In general the overall grand mean score for internal communication is found to be 3.21. This indicates that internal communication among employees of Abay bank S.C is found to be satisfying.

Table 4.8 Mean score of Inspirational Leadership

Inspirational leadership	Mean	Std. Deviation
My supervisor acts as a good role model	4.0698	0.93697
My supervisor delegates effectively	3.8295	1.22554
My supervisor gives encouragement to come up with new ideas for improvement	3.6744	1.22578
My supervisor makes sure the majority rules	2.3023	0.94045
My supervisors turns a decision to us	2.6667	1.37689
My supervisor motivates me	2.2558	1.33627
My supervisors welcome and responds constructively to my ideas	2.2481	1.31120
Grand Mean	<u>3.0066</u>	

Source: Own Survey data (2021)

As it has been clearly tabulated above employees has a better agreement with regard to the factor that they feel that their supervisor acts as a good role model (4.07), their supervisor delegates effectively (3.83) ,their supervisor gives encouragement to come up with new ideas for improvement (3.67) and turns a decision to them (2.66). And on the other side the other hand the rest three parameters show relatively below average or a disagreement on the effect of inspirational leadership on job engagement. The have showed their disagreement that their supervisors make a majority rule (2.30), their supervisor motivates them (2.26) and their supervisor welcomes and responds constructively to their ideas(2.25).

In general, when examining the overall inspirational leadership parameter in Abay bank S.C. it shows that the respondents regard the inspirational leadership practice exists in the bank, as a result shows the grandmean of the variable inspirational leadership was found to be 3.00.

Table 4.9 Mean score of a Culture of Diversity

A culture of diversity	Mean	Std. Deviation
My organization is dedicated to diversity and inclusiveness	2.9302	1.07664
cultural differences exist within the organization	3.101	1.0886
My organization have inclusive workplace policies	3.3643	1.03031
cultural diversity affect my satisfaction in job	3.3566	1.03681
I am satisfied with the culture of my workplace	1.0155	0.17609
There is good teamwork spirit in my work unit to do our job	4.0620	1.07349
Grand Mean	<u>2.9716</u>	

Source: Own Survey data (2021)

The result shows that most of the employees believe that there is a good teamwork spirit in their work unit to do their job with a mean score of (4.06), the organization has inclusive workplace policies (3.36), a cultural diversity affects their satisfaction in job (3.35), that a cultural difference exists within the organization (3.10) and that their organization is dedicated to diversity and inclusiveness (2.93). The employees have also put their level of disagreement on the other parameter which is that they are not satisfied with the culture of their workplace with a mean score of 1.01.

The overall finding shows regarding a culture of diversity the company has scored a grand mean of 2.97. From this we can conclude that there is a good culture of diversity in Abay bank S.C.

4.5 Descriptive analysis of Job Satisfaction

The table below presents the mean score of job satisfaction. As it can clearly be seen, the variable was measured with four parameters. This contains questions that measure employee job satisfaction. The result for the first two parameters shows that most of the employees are not happy at work and the bank doesn't motivate them to contribute more than required to complete their work with a mean score of 2.26 and 2.20 respectively, which is below the average mean score

of 2.61 while the other two parameters showed above average mean score. I'm satisfied with my job scored the highest satisfaction of the parameters 4.06 and I wouldn't hesitate to recommend Abay bank S.C for a friend seeking for employment followed by a mean score of 3.81.

The grand mean 3.08 show that the employees are moderately satisfied with their job with their agreement.

Table 4.10 Mean score of Job Satisfaction

Job satisfaction	Mean	Std. Deviation
I'm happy at work	2.2636	1.36083
Abay bank motivates me to contribute more than normally required to complete my work	2.2016	1.06345
I wouldn't hesitate to recommend Abay bank for a friend seeking for employment	3.8140	1.21686
I'm satisfied with my job	4.0620	0.93334
Grand Mean	<u>3.0853</u>	

Source: Own Survey data (2021)

Table 4.11 Rating Summary of Variables

	Mean	Median	Std. Deviation
CAREER DEVELOPMENT	2.32	2.00	0.91
A CULTURE OF DIVERSITY	2.97	3.17	0.54
INSPIRATIONAL LEADERSHIP	3.01	3.00	0.67
INTERNAL COMMUNICATION	3.21	3.20	0.48
JOB SATISFACTION	3.08	3.00	0.58

Source: Own Survey data (2021)

From the above table we can summarize that internal communication is the dominant employee engagement indicator from the four indicators with the highest mean score 3.21 this shows that there is average agreement about existence of internal communication among employees, their subordinates and leaders of the bank. The second employee engagement indicator is inspirational

leadership the mean score 3.01 shows there is a moderate mean which means that most of the employee feel that their supervisor are their role models and they delegate duties effectively. The mean score for a culture of diversity and career development is 2.97 and 2.32 respectively this show that there is average disagreement for this indicators. And the last variable which is job satisfaction shows that most of the respondents are satisfied and happy with their job to some extent with aggregate mean score of 3.08.

4.6 Correlation Analysis

Correlation is primarily concerned with finding out whether a relationship exists and with determining its magnitude and direction (Samithamby, 2019). When two variables vary together they are said to be correlated. Accordingly, correlation studies are attempts to find the extent to which two or more variables are related.

4.6.1 Pearson Correlation Analysis

The Pearson Product moment correlation coefficient (commonly called Pearson Correlation Coefficient) measures the strength and direction of relationship between variables. According to Field (2005), a coefficient(r) of +1 indicates a perfect positive relationship while -1 indicates a negative relationship. Breaking down the strength of the relationship, values of $r=\pm 0.1$ to $\pm .29$ represent a weak relationship while $r=\pm 0.3$ to $\pm .49$ represent a medium relationship while $r=\pm 0.5$ to ± 1.0 indicate a strong relationship

Table 4.12 Correlation results

Correlations						
		CAREER DEVELOPMENT	A CULTURE OF DIVERSITY	INSPIRATIONAL LEADERSHIP	INTERNAL COMMUNICATION	JOB SATISFACTION
CAREER_DEVELOPMENT	Pearson Correlation	1	-0.041	.726**	.682**	.570**
	Sig. (2-tailed)		0.648	0	0	0
	N	129	129	129	129	129
A_CULTURE_OF_DIVERSITY	Pearson Correlation	-0.041	1	0.098	-0.095	0.131
	Sig. (2-tailed)	0.648		0.271	0.282	0.139
	N	129	129	129	129	129
INSPIRATIONAL_LEADERSHIP	Pearson Correlation	.726**	0.098	1	.553**	.835**
	Sig. (2-tailed)	0	0.271		0	0
	N	129	129	129	129	129
INTERNAL_COMMUNICATION	Pearson Correlation	.682**	-0.095	.553**	1	.388**
	Sig. (2-tailed)	0	0.282	0		0
	N	129	129	129	129	129
JOB_SATISFACTION	Pearson Correlation	.570**	0.131	.835**	.388**	1
	Sig. (2-tailed)	0	0.139	0	0	
	N	129	129	129	129	129
**. Correlation is significant at the 0.01 level (2-tailed).						

Source: Own Survey data (2021)

The result of the study revealed that career development is positively and significantly correlated with job satisfaction with r-value of 0.570 at the 1 percent significance level.

Unlike what is expected, the survey result showed that a culture of diversity present r-value of **.131** at the 1 percent significance level. Therefore, there is non-significant or weak but positive correlation between a culture of diversity and job satisfaction.

From the same table the result for inspirational leadership shows there is a highly significant relation and positive correlation with job satisfaction with 0.835 r-value.

Internal communication among employees was found to have a medium and positive correlation with r-value of **0.388** at the 1 percent significance level.

4.7 Regression

Regression is a statistical tool that enables to know how strongly the dependent variable is linked with a series of other independent variable(s). It just tells us how independent variable is numerically related to the dependent variable. It would enable us to see the effect that the change in independent variable(s) would bring on the dependent variable. For this particular thesis it enables us to know the effect of identified employee engagement indicators on the dependent variable which is job satisfaction by holding other independent variables constant. Therefore by using regression analysis we can be able to predict the value of the dependent variable based on the known value of the independent variable as it describes how an independent variable is numerically related to the dependent variable. This means the influence that unit change of the independent variable on the dependent variable could be expressed. This could be expressed by beta (B) and the explanatory power in the variation of the dependent variable by the independent ones is known by referring the coefficient of determination (R Square). The coefficient of determination (R Square) as it becomes larger implies that the more the variation in the response variable (job Satisfaction) is explained by either of the independent variables (Internal communication, career development, a culture of diversity and inspirational leadership).

4.7.1 Autocorrelation Test

According to Durbin-Watson test for independence (Durbin & Watson, 1951) the required statistics should be 1.5 to 2.5 to be considered non-autocorrelation. Accordingly looking at the model summary below (1.935), the assumption of autocorrelation is not violated.

Table 4.13 computed Durbin-Watson test statistic result

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.858 ^b	0.736	0.728	0.30618	1.935
a. Predictors: (Constant), CAREER_DEVELOPMENT, A_CULTURE_OF_DIVERSITY, INTERNAL_COMMUNICATION, INSPIRATIONAL_LEADERSHIP					
b. Dependent Variable: JOB_SATISFACTION					

Source: Own Survey data (2021)

4.7.2 Linearity Test

Linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variables. To determine whether the relationship between the dependent variables and the independent variables is linear; scatter plots of the regression residuals for each model through SPSS software had been used. The scatter plot of residuals (see figure below) showed in that the points lie in a reasonably straight line from bottom left to topright. This is, therefore, showed that the assumption of linearity was not violated

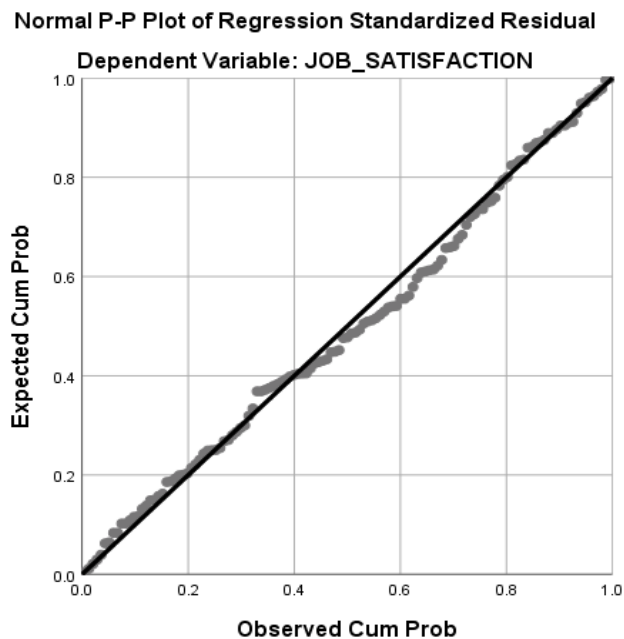
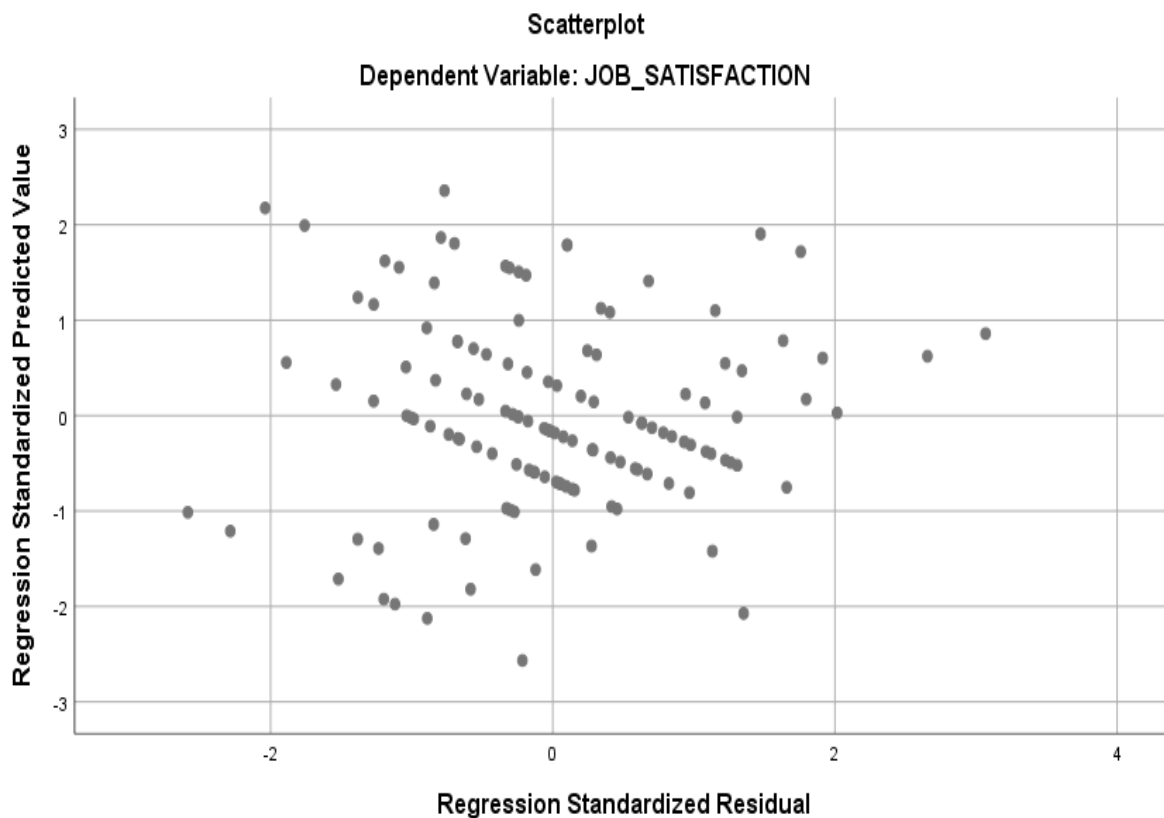


Figure 4.2 Normal P-P plot of regression standardized residual

Source: survey data (2021)

4.7.3 Test of Homoscedasticity

Homoscedasticity test was conducted to see a situation in which the error term is the same across all values of the independent variables. One of the assumptions of ordinary least squares estimation; homoscedasticity tests if the errors in linear regression model have a common variance or equally distributed. If residuals have constant variance, it is said homoscedastic. In a linear regression the data is homoscedastic if it looks somewhat like short-gun blast of randomly distributed data. Accordingly the assumption of Homoscedasticity is not violated as seen in below figure.



Source: Own Survey data (2021)

Figure 4.3 P-P plot of regression for standardized equal distribution of residual

4.7.4 Multicollinearity

According to Myers (1990) Multi-collinearity refers to very high inter-correlation among predictor variables. A perfect linear relationship among the independent variables implies difficulty of computing unique estimates for a regression model. As the degree of multi-

collinearity increases, the estimates from the regression model become unstable and hence it would be difficult to discrete the separate effect of predictor variables. In addition, the standard errors for the coefficients would be highly inflated. As a rule of thumb, multi-collinearity is a potential problem when VIF is greater than 4; and, a serious problem when it is greater than 10. According to Myers (1990) a variable having VIF greater than ten indicates high multi-collinearity which requires further investigation. In this study, all of the independent variables were found to have a tolerance of more than 0.1 and a VIF value of less than 10, which indicates that the assumption of Multi-co linearity is not violated Myers (1990)

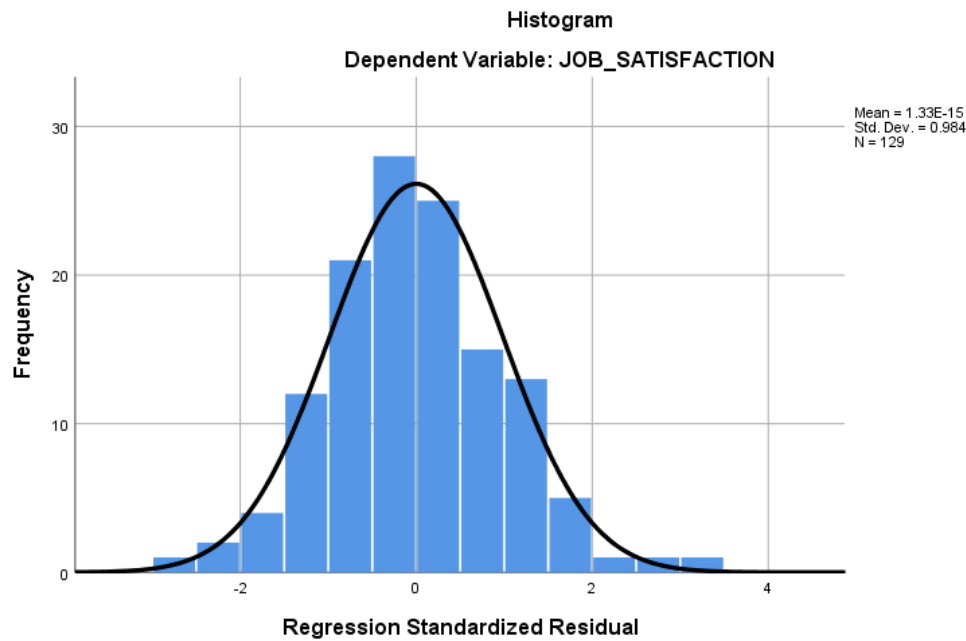
Table 4.14 Collinearity Result

	Collinearity Statistics	
	Tolerance	VIF
CAREER_DEVELOPMENT	0.357	2.805
A_CULTURE_OF_DIVERSITY	0.951	1.051
INSPIRATIONAL_LEADERSHIP	0.449	2.229
INTERNAL_COMMUNICATION	0.520	1.922

Source: Own Survey data (2021)

4.7.5 Normality Test

Below figures shows the frequency distribution of the standardized residuals compared to a normal distribution. As you can see, although there are some residuals (e.g., those occurring around 0) that are relatively far away from the curve, many of the residuals are fairly close. Moreover, the histograms are bell shaped which lead to infer that the residual (disturbance or errors) are normally distributed for all models. Thus, no violations of the assumption normally distributed error term.



Source: Own Survey data (2021)
Figure 4.4 Normality Graph

4.8 Multiple Regression Analysis

Multiple regression analyses were conducted to measure the impacts between the independent variables and the dependent variable.

Table 4.15 Model Summary Result of Job Satisfaction

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.858 ^a	0.736	0.728	0.30618
a. Predictors: (Constant), CAREER_DEVELOPMENT, A_CULTURE_OF_DIVERSITY, INTERNAL_COMMUNICATION, INSPIRATIONAL_LEADERSHIP				

Source: Own Survey data (2021)

As stated above the R Square shows that more than 73.6 % of the total variance in the dependent variable has been explained by the model which indicates that the model provides relatively adequate information about the subject matter.

4.8.1 ANOVA Test

Table 4.16 ANOVA Test Result

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	33.825	4	8.456	102.429	.000 ^b
	Residual	10.237	124	0.083		
	Total	44.062	128			
a. Dependent Variable: JOB_SATISFACTION						
b. Predictors: (Constant), CAREER_DEVELOPMENT, A_CULTURE_OF_DIVERSITY, INTERNAL_COMMUNICATION, INSPIRATIONAL_LEADERSHIP						

Source: Own Survey data (2021)

The result above shows the overall good fitness of the model used in this particular study. As the P value of the ANOVA table is less than the significance level of 0.05 which is 0.000 it could be said that each of the independent variables used on this study career development, a culture of diversity, internal communication and inspirational leadership do have a significant influence on the dependent variable job satisfaction.

4.9 Regression of coefficients

Table 4.17 coefficient Result of employee engagement on Job Satisfaction

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.288	0.241		5.342	0.000
	INSPIRATIONAL_LEADERSHIP	0.865	0.062	0.993	13.869	0.000
	INTERNAL_COMMUNICATION	0.775	0.058	0.172	13.288	0.000
	CAREER_DEVELOPMENT	0.484	0.088	0.192	3.044	0.008
	A-CULTURE_OF_DIVERISTY	-0.005	0.044	0.006	-0.120	0.905
a. Dependent Variable: JOB_SATISFACTION						

Source: Own Survey data (2021)

Table above shows that the beta value for the predictor variable (Inspirational Leadership) is 0.865 for job satisfaction with the p-value of 0.000 the direct path from inspirational leadership to job satisfaction is positive and statistically significant at $p < 0.01$. Therefore, the beta coefficient (Beta=0.865) implies a unit increase with inspirational leadership results a 86.5 % increase in job satisfaction.

Table above shows that the beta value for the predictor variable (Internal Communication) is (0.775) for job satisfaction with the p-value of 0.000 the direct path from internal communication to job satisfaction is positive and statistically significant at $p < 0.01$. Therefore, the beta coefficient Beta=(0.775) implies a unit increase with internal communication results a 77.5 % increase in job satisfaction.

The above shows that the beta value for the predictor variable (Career Development) is (0.484) for job satisfaction with the p-value of 0.008 the direct path from career development to job satisfaction is positive and statistically significant at $p < 0.01$. Therefore, the beta coefficient Beta=(0.484) implies a unit increase with career development results a 48.4 % increase in job satisfaction.

The above results showed consistency with previously revealed studies, for example; as study done by Lynn and Terumi (2009) found that there is significant relation between internal communication and job satisfaction, May et al., (2004) revealed that both transformational leadership and employee engagement directly and significantly support the relationship between organization. And the study made by Lee (2000) found that Organizations that empower management of career are more likely to enlarge employee's satisfaction of job (Lee 2000). Relationships in the workplace in general, hold part of the key to job satisfaction by Kanwar, Singh, and Kodwani (2009) though in this study a culture of diversity has a negative insignificant relationship with job satisfaction.

$$Y = a + \beta_1(X_1) + \beta_2(X_2) + \beta_3(X_3) + \beta_4(X_4) + \epsilon$$

$$Y = 1.288 + 0.484X_1 + 0.775X_2 - 0.005X_3 + 0.865X_4$$

Where

- X1 = Career Development
- X2 = Internal communication
- X3 = A Culture of Diversity
- X4 = Inspirational Leadership

4.10 Hypothesis Testing

4.10.1 The Results of Hypotheses Testing

According to Gujarati (2004), if the p-value of the group of independent variable is less than 5 percent ($p < 0.05$), they would reliably predict the dependent variable, whereas if the p value is more than 5 percent ($p > 0.05$), it can be concluded that the groups of independent variables do not reliably predict the dependent variable. The main purpose of regression is prediction, unlike correlations (Tuli, 2010). In any regression model, the +ve or -ve sign of beta (β) shows the effect (increase or decrease) of the independent variables coefficients over the dependent variable. Each of the variables used in this research are treated to see their effectiveness with regard to employees job satisfaction, which is of a dependent variable. Based on the result, the hypothesis assumed is checked if it is accepted or rejected.

Table 4.18 Hypothesis summary

Item	Hypothesis	Result
H1	Career development has significant and positive effect on job satisfaction.	Accepted
H2	Inspirational leadership has significant and positive effect on job satisfaction.	Accepted
H3	Internal communication has significant and positive effect on job satisfaction	Accepted
H4	A culture of diversity has insignificant and negative effect on job satisfaction	Rejected

Source: Own Survey data (2021)

CHAPTER FIVE

5. SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter provides a summary of the findings of the study and the implications of these findings. It also provides conclusion followed by recommendations for improving employee's engagement and job satisfaction at Abay Bank S.C.

The main essence of this research has been examining the effect of employee engagement on job satisfaction by measuring the level of employee job satisfaction across the employee engagement dimension parameters. Accordingly this chapter summarizes the general findings of the study, the conclusions made and based on which the necessary recommendations have been forwarded.

5.2 Summary of Findings

The study is conducted in Abay Bank S.C head office and Addis Ababa area branches. The sample size of the study was 159 but only 81% of it was part of the study.

The study is conducted to identify the effect of employee engagement on job satisfaction in Abay Bank S.C. To conduct this research, existing literatures and researches have been reviewed by the researcher and identified that those are factors that can affect employee engagement and their job satisfaction in Abay Bank S.C.

The researcher has taken Job Satisfaction as a dependent variable that is measured by employee engagement which is independent variable and the independent variable has four explanatory variables in this study (Internal Communication, Inspirational Leadership, A culture of Diversity and Career Development)

To meet the purpose of this study, the researcher has collected primary data from self-administered questionnaires which contains a total of 33 items has been distributed and collected from employee of Abay Bank S.C. who works at head office and from branches in Addis Ababa area and their response has been analyzed by using SPSS software versions 25. Both

descriptive(percent, frequency, mean and standard deviation) and inferential statistics (correlation and regression) has been used while analyzing and interpreting the data.

With regard to the background information collected from respondents 70.5% were collected from male and the rest 29.5% were responded by female; there is a significant difference between proportion of male and female employees in the bank. In addition the majority of the questionnaires 45.7% and 29.5% were being filled by those whose age falls between 20-25, below and 26-30respectively. This indicates that most of the employees of Abay bank SC were young and arguably, are at their productive ages. Among the participants 56.6% of them have first degree, 37.2% them have second degree and above. This shows almost all employees responding to the questionnaire are educated and are expected to know and express what is going on in their working areas.

From the grand mean results it can be summarized that internal communication is a major employee engagement indicator compared to the four indicators. The mean score 3.21 is the highest of all the four parameters. This also shows there is average agreement about existence of internal communication among employees, their subordinates and top management of the bank. The mean score for inspirational leadership which is 3.01 shows that most of the employees feel their supervisor are their role models and they delegate duties effectively. The mean value of culture of diversity and career development revealed that there is disagreement to a certain degree among employees about these two indicators. From the aggregate mean score of job satisfaction tells us most of the respondents are satisfied with their job.

The correlation result indicates that the four independent variables, namely, internal communication, a culture of diversity, career development and inspirational leadership have a positive relationship with the dependent variable (Job satisfaction) with different degree from strong to weak correlation at 0.01 p-value 2-tailed, by scoring a Pearson Correlation Coefficient value of 0.388**, 0.131, 0.570**, and 0.835**, respectively.

From regression analysis of four independent variables, beta, the coefficients for each of the independent variables is presented as Internal communication, Inspirational Leadership, a Culture of Diversity and Career Development. The coefficient for internal communication, inspirational leadership and Career development is positive and the coefficient for a culture of diversity is negative.Regarding the degree all except a culture of diversity better explains their

role at 5% of significance level. As also resulted in the coefficient analysis, a culture of diversity variable of the model cannot positively and significantly explain the dependent variable because the significance level went beyond half (0.905). All other variables have statistically significant role in explaining the dependent variable which is job Satisfaction.

In general, the findings of the research confirmed the existence of significant effect of employee engagement on job satisfaction in Abay bank S.C. This research proved that variables such as career development, inspirational leadership and internal communication influence the level of employee job satisfaction within the bank. The dependent variable (job satisfaction) is better explained by the above three factors as can be seen from the regression analysis result. However, contrary from theories and previous study results the test for a culture of diversity on job satisfaction comes out as insignificant.

5.3 Conclusion

The objective of this study is to examine the effect of employee engagement factors on job satisfaction.

The findings of the study has produced a result that the employee engagement dimensions have a positive relation with job satisfaction .From the Pearson's correlation result it is evidenced that there is a positive and significant relationship between employee engagement predictors (internal communication, inspirational leadership, career development and) and job satisfaction, while the relation between a culture of diversity and job satisfaction was found weak and insignificant.

Inspirational leadership is the dominant employee engagement parameter that establishes the positive and significant effect on job satisfaction and is the one which has the highest B value (0.865) among the employee engagement measuring parameters and hence has the highest influence. This implies that being a role model to subordinates, encouraging them and delegating duties effectively would have a significant influence in bringing satisfaction to employees. This led us to accept the hypothesis that states inspirational leadership has significant and positive effect on job satisfaction.

The second variable which has a significant and positive effect on job satisfaction was found to be internal communication with a B value of(0.775) and (0.000) significance we have accepted the hypothesis internal communication has significant and positive effect on job satisfaction.

The last variable with a positive and significant effect on job satisfaction is career development the B value and significance level for career development was found to be (0.484) and (0.008) respectively. So we have accepted the first hypothesis which stated that career development has significant and positive effect on job satisfaction.

The multiple regression results showed that, the three employee engagement factors (career development, inspirational leadership and internal communication) have positive and significant effect on job satisfaction; though their degree differs. The conclusion drawn from this is that an increase in the aforementioned employee engagement factors increases the level of employee's job satisfaction.

5.4 Recommendations

One way to positively contribute to a sustainable organizational success is devoting to enhance employee engagement and job satisfaction. Several scholars including those indicated in the study agree in the above statement. Initial energy and interest to give what it takes by respective employees of a company are positively influenced if entities focus on measures that increase employee job satisfaction.

Based on the findings and conclusion of the study, the researcher forwards the following recommendations.

- ✓ Top managers of the bank should give a priority to make fully engaged employees in their jobs and create conducive working environment that facilitates the satisfaction of Abay bank SC employees. Having satisfied and fully engaged employees' means having loyal and committed Abay bank SC (Addis Ababa area) employees who are willing to do anything for the organization they work for.
- ✓ Employee engagement starts at the top. Based on the result inspiring leadership shows a significant relation with job satisfaction in the study. Managers at each hierarchy of the

bank must be collaborative, empowering, regularly interacting with their workforce, sharing ideas with them, and soliciting their contributions before making a significant decision. This makes employees feel like they are involved in the company's growth and keeps them engaged and satisfied.

- ✓ In many ways, career development can be better than employee benefits. Abay bank can make its employees Job satisfaction be attained by making a good career development system in which there are standard trainings, job advancement opportunities and opportunities where employees apply their talent and expertise.
- ✓ Communication plays a significant role in how engaged your employees are, especially if you have a large distributed workforce. The ability to connect in real-time, receive regular updates from the company, and quickly resolve issues (no matter how trivial) is critical to enabling an engagement-friendly workplace. To ensure maximum satisfaction for all individuals members of the institution, carefully managing internal communication is essential. This means that the bank should ensure that there is a good work relationship with each other, ensure that employees at managerial level listen to difficulties of their subordinates and act responsibly and constructively, carefully overseeing that every necessary work related information flow effectively at each hierarchy and proactively prevent bias and guarantee equal opportunity for all.
- ✓ In addition the company should be conducting job satisfaction surveys continuously and taking corrective actions on areas that need improvement on issues identified as crucial and important is recommended.

5.5 Limitation and Implication for future research

Even though there is a contribution from this study, it has its own limitation and Implication.

- Financial and time Constraints limit the study only to achieve the academic purpose.
- Where the result of the study showed insignificant influence of a culture of diversity on job satisfaction, further study is required on this issue to identify factors causing such relationship.
- Future researches should concentrate on a bigger sample size of Abay bank S.C. or other financial institution. In addition, more decision making variables should also be considered in the research.

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Annex



ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES RESEARCH QUESTIONNAIRE

.....
Dear valued Respondents:-The aim of this questionnaire is to gather data in order to assess the effect of employee engagement on job satisfaction in the case of Abay Bank S.C For academic purpose. Therefore I kindly request you to fill this questionnaire genuinely and freely assuring you that the data will be used only for the intended academic purpose (for partial fulfillment of MBA).

Please follow the instructions and answer all questions. Your answers will be treated confidential. You don't need to reveal your identity.

For any inquiries you can contact the researcher with this number +251913781261 or with Email address yesunesh76@gmail.com.

Thank you!!!

Questionnaire

PART I - PROFILE OF RESPONDENTS

1. Branch:
2. Gender: Male Female
3. Age group
 - A) 20-25 and below B) 26 to 30 C) 31 to 40 D) 41 to 50 E) 51 and above
4. Educational status: Diploma First Degree Second Degree and Above
5. Job position: Managerial Senior Junior

Part II Employee job satisfaction indicators

Please give your level agreement or disagreement in five levels Likert scale as shown below

<i>Items</i>	<i>Strongly disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly agree</i>
Career Development					
I am satisfied with opportunities for my professional growth					
I am pleased with the career advancement opportunities available to me					
My organization is dedicated to my professional development					
I am satisfied with the job-related training my organization offers					
I am satisfied that I have the opportunities to apply my talents and expertise					
I am satisfied with the investment my organization makes in training and education					
Communication					
Communication between leaders and employees is good in my organization					

My supervisor can be communicated when required					
My supervisor and I have a good working relationship					
My coworker and I have a good working relationship					
Senior management and employees trust each other					
I can talk freely about difficulties I am having at work					
I can freely share my ideas, feelings, and hopes					
The management reacts fast to employee needs constructively					
I can get work related information freely					
The management listens to the difficulties of workers					
A culture of diversity					
My organization is dedicated to diversity and inclusiveness					
cultural differences exist within the organization					
My organization have inclusive workplace policies					
cultural diversity affect my satisfaction in job					
I am satisfied with the culture of my workplace					
There is good teamwork spirit in my work unit to do our job					
Inspirational Leadership					
My supervisor acts as a good role model					
My supervisor delegates effectively					
My supervisor gives encouragement to come up with new ideas for improvement					
My supervisor makes sure the majority rules					
My supervisors turns a decision to us					

My supervisor motivates me					
My supervisors welcome and responds constructively to my ideas					
JobSatisfaction					
I'm happy at work					
Abay bank motivates me to contribute more than normally required to complete my work					
I wouldn't hesitate to recommend Abay bank for a friend seeking for employment					
I'm satisfied with my job					

SPSS outputs

Response	Frequency	Percentage
Responded	129	81%
Not responded	30	19%
Total	159	100%

		Gender	Age Group	Education Status	Job Position	Communication	Career Development	Transformational	A culture of Diversity	Job Satisfaction
N		129	129	129	129	129	129	129	129	129
		0	0	0	0	0	0	0	0	0

Correlations						
		CAREER_DEVELOPMENT	A_CULTURE_OF_DIVERSITY	INSPIRATIONAL_LEADERSHIP	INTERNAL_COMMUNICATION	JOB_SATISFACTION
CAREER_DEVELOPMENT	Pearson Correlation	1	-0.041	.726**	.682**	.570**
	Sig. (2-tailed)		0.648	0	0	0
	N	129	129	129	129	129
A_CULTURE_OF_DIVERSITY	Pearson Correlation	-0.041	1	0.098	-0.095	0.131
	Sig. (2-tailed)	0.648		0.271	0.282	0.139
	N	129	129	129	129	129
INSPIRATIONAL_LEADERSHIP	Pearson Correlation	.726**	0.098	1	.553**	.835**
	Sig. (2-tailed)	0	0.271		0	0
	N	129	129	129	129	129
INTERNAL_COMMUNICATION	Pearson Correlation	.682**	-0.095	.553**	1	.388**
	Sig. (2-tailed)	0	0.282	0		0
	N	129	129	129	129	129
JOB_SATISFACTION	Pearson Correlation	.570**	0.131	.835**	.388**	1
	Sig. (2-tailed)	0	0.139	0	0	
	N	129	129	129	129	129
**. Correlation is significant at the 0.01 level (2-tailed).						