

## The Relationship Between Antecedents of Employee Engagement & Employee Engagement in Banking Sector

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Received 12 January 2017; accepted 8 March 2017  
Published online 26 April 2017

### Abstract

This study aims to find the precursors that influence employees engagement, as the organizational performance becomes progressively worse due to high turnover and related matters such as high absenteeism, low loyalty and productivity. This exploratory research was conducted among employees working in the banking sector to test the relationship between the antecedents comprising of employee communication, employee development, reward and recognition and extended employee care. Structured questionnaire was the best method to collect data. The researcher used statistical inference & Multiple Regression to test the relationship between variables. The result shows that there is a significant relationship between antecedents comprising of employee communication, employee development, reward and recognition and extended employee care. Among the antecedents, employee development forms the most significant contributor. The data was collected directly from employees working in various banking sector across Aqaba, Jordan. It provides first hand information on relationship between Antecedents and employee engagement.

**Key words:** Antecedent of employee engagement; Employee engagement; Employee development; Employee development

Basbous, O., & Malkawi, E. (2017). The Relationship Between Antecedents of Employee Engagement & Employee Engagement in Banking Sector. *International Business and Management*, 14(2), 70-74. Available from: <http://www.cscanada.net/index.php/ibm/article/view/9322>  
DOI: <http://dx.doi.org/10.3968/9322>

### INTRODUCTION

Employee engagement has been considered as a serious driver of business success in today's competitive market. Further, employee engagement can be a determining aspect in structural success. Not only does engagement have the prospective to considerably affect employee retention, output and allegiance, it is also a vital link to customer satisfaction, company reputation and overall stakeholder value. Recently there has been a huge concern to engage employee. A lot has to appeal that employee engagement expects employee outcomes, financial performance and organizational success (Bates, 2004; Baumruk, 2004; Harter et al., 2002; Richman, 2006). Further more employees who are engaged are more probably to stay with their current organization and commit to their organization (Ramsay & Finney, 2006). Evidently, employees who are not occupied will affect organizational performance through higher absenteeism, higher turnover and lower productivity recruitment and training cost. With the current worldwide economic falling, management is zipping into organizational efficiency and decreasing the operating cost in order to be sustainable in the marketplace. Another fact that the high level of employee engagement helps the organization to focus on attracting new talent in labor market Vance (2006).

### 1. BACKGROUND & LITERATURE REVIEW

The great changes in the global economy have had important suggestions for organizational commitment (Muthuveloo & Che Rose, 2005) and the relationship between employees and employers as well as employee engagement. Employees perceive that they are not able to work for single employers until they retire. For this reason, employees have felt less commitment to their employers with lower expectations of opposition Vance (2006). The study also showed the importance of personal characteristics and perceptions of the role, job

and organization and how these influence organizational commitment, which subsequently determine organizational outcomes (Muthuveloo & Rose, 2005). Moreover a consultant study estimate that only 14%-30% of the employees are engaged (Welbourne, 2007). Even though a flow of interest in developing engagement, people still until now disagree about what employee engagement is, how to get it and what it will look like when it achieved (Ibid.).

The importance of the study that it will provide insight information to organizations in developing strategies to enhance employee engagement at various levels of the organization. It will supply elements that may affect employee engagement.

The CLC (2004) and Blessing (2013) define employee engagement as emphasis on cognitive connection among employee to work and subsequently behavior that the employees express on job satisfaction and their effect on how difficult an employee is willing to work. Other researchers focus on the emotional attachments. Gubman (2004) and Bates (2004) defined employee engagement as an emotional attachment that the employee holds to their work, organization and manager. Baumruk (2004) defines engagement as the state that employees are emotionally committed. Shaffer (2004) and Towers (2005) define engagement as willingness that the employee holds to spend optional effort on their job. Walker (2000) found that the emphasis on employee commitment is to keep employee staying with their company.

According to Fleming et al. (2006), there were three groups of employees. The first group is the "Engaged Employee" who is ardent about his job, have a sense of personal responsibility and obligation to what they should do to their company. The second one is the "Non Engaged Employees" those kind of employee do not have energy during performing their job. The third one is "Actively Disengaged Employees" those employee are not happy with their job and always trying to let everyone know that.

The social exchange theory offers a theoretical basis to explain why employees choose to become more or less engaged in their job. Social exchange theory confirms that responsibilities are produced through a series of interactions between parties who are in a state of joint interdependence. A basic shading of SET is that relationships grow over time into trusting, loyal and mutual commitment as long as the parties stand by proven "rules" of exchange. Consequently one way for individual to recompense their organization is through their level of engagement. That is, employees will decide to engage themselves in different level as an answer to the resources they obtain from their organization. Bringing oneself more completely into one's work parts and consecrating greater amounts of cognitive, emotional and physical resources is a very accurate way for individuals to respond to an organization's actions.

As a consequence, employee engagement consist of a psychological and emotional connection between employees and their organization which could be turned into negative or positive behavior at work.

According to Clampitt (2009), good employees communication will help them to understand their role and to increase their contribution to the organization success. The importance of employee communication in an organization has been confirmed when the CIPD survey reported that the most two significant drivers of employee engagement are having opportunity to feed forth and keeping well informed about what is happening in the organization. Employees should be kept well up-to-date about the modification that related to their work groups so that they aren't mixed or surprised when those changes are introduced.

Berntal et al. (1999) found that people like to be acknowledged for their exceptional proposition and contribution. Although that is a lot of organizations to establish a formal reward and recognition programs for employee ideas and contributions, many employees are still aspirant for more day-to-day informal recognition. Employees who sense they are listened to, supported and recognized for their contributions are expected to be more engaged.

ASTD research established that employee want and deserve opportunity to growth and advancement in their organization have a straight effect on engagement whereby 65% of the respondents answered that the "quality of training and learning opportunities" positively stimulate employee engagement to a high or very high extent-the sturdiest response of the survey. DDI's 2004 Selection Forecast study found that many employees quit their jobs for better growth and development opportunities, often presented by other organizations.

Employee care is very important to achieve high level of employee engagement, thus improve the employee performance. Kahn (1990) found that there were three psychological conditions associated with engagement or disengagement at work: safety, meaningfulness and availability. That means were more engaged at work in situations that offered them more psychological safety and psychological meaningfulness and when they were more psychologically available. Also May et al. (2004) found that safety, meaningfulness and availability were strongly related to employee engagement.

The literature reviewed showed that there is a relationship between the antecedents of employee engagement and employee engagement.

As what have been shown, most studies concentrated on the importance of employee antecedents in employee engagement, the following hypotheses have been driven:

**Hypothesis 1:**

H1: There is a significant relationship between employee communication and employee engagement.

**Hypothesis 2:**

H2: There is a significant relationship between reward and recognition and employee engagement.

**Hypothesis 3:**

H3: There is a significant relationship between employee development and employee engagement.

**Hypothesis 4:**

H4: There is a significant relationship between extended employee care and employee engagement.

**2. RESEARCH METHODOLOGY**

The purpose of this study is hypothesis testing, I.E. to test the relationship between the dependent and independent variables. The study will be focused on the individuals in the organization. The investigation will be done using regression. The sample will be based on probability, which is the sample size will present the population. The research is performed with minimum interference that is no controlled environment. The research is performed at one time. The data will be collected using a questionnaire. The measurement will do using liker scale, nominal scale for most of the measurements. The data analysis is performed using hypothesis testing. The unit of analysis is individual; the sample is employees working in manufacturing companies. The sample was picked randomly across different levels in different banks in Aqaba. The researcher personally approached the organization and explained to the employees about the study. The questionnaire used 5-point liker scale for most of the questions. Sample size greater than 30 and less than 500 is suitable for most researches and also generally the number of samples should be 10 times the number of variables studied (Sekaran & Bougie, 2010).

A total of 150 questionnaires were distributed and feedback from 100 respondents was obtained. The collected questionnaires were subjected to factor analysis and then followed by reliability analysis to test the validity and the reliability of the questions.

**3. FINDINGS AND ANALYSIS**

**3.1 Demographic Analysis**

As depicted in Tables 1-6, there were a total of 100 employees in various groups who provided their responses for this study.

**Table 1**  
**Age**

Demographic profile	Descriptive	Frequency	Percentage
Age	$x < 25$	11	11
	$25 \leq x \leq 35$	59	59
	$35 < x \leq 45$ years	24	24
	$45 < x \leq 55$ years	6	6
	$x > 55$ years	0	0

**3.1.1 Age**

100 respondents who took part in the study were classified into five groups. Respondents who were lesser than 25 years constituted 11% of the total sample, while respondents between the age of 25 to 35 years constituted 59%, whereas the respondents who were more than 35 years and less than or equal 45 years constituted 24%, while respondents who were more than 45 years and less or equal to 55 years constituted 6%, whereas none of the respondents were more than 55 years.

**3.1.2 Gender**

In respect to the gender, there were 43 males and 57 females who participated in the study. Generally it can be concluded there is no gender bias.

**3.1.3 Social Status**

In respect to the social status, there were 49 of the respondents single, while 51 were married who participated in the study. Generally the data was equally respondent by both married and single.

**3.1.4 Academic Qualification**

The respondents were classified into four groups. The majority of the respondents who participated in the study were with good education background. Respondents who were holding degree were constituted 66% of the total sample, followed by those who were holding Master/PHD 26%. While respondents who were holding diploma and secondary were constituted 7% and 1% respectively.

**3.1.5 Department**

The respondents were classified into 6 groups. The respondents who were working in Human Recourse department were constituted 4%, while others respondents who were working in IT department were constituted 15%, whereas those who were working operations department were constituted 31% and the respondents who were working in front office as a tellers and the other departments were constituted 5% and 4% and 41% respectively.

**3.1.6 Job Tenure**

Job Tenure refers to the number of years the person has been working in the bank. The researcher found that the respondents who were lesser than 2 years constituted 28% and those between 2 to 5 years constituted 15%, while others who has been working more than 5 years and less or equal to 7 years constituted 27%, whereas others respondents who has been working more than 7 years and less than or equal 10 years constituted 10%, finally those who were working more than 10 years constituted 20%.

**Table 2**  
**Gender**

Demographic profile	Descriptive	Frequency	Percentage
Gender	Male	43	43
	Female	57	57

**Table 3**  
**Social Status**

Demographic profile	Descriptive	Frequency	Percentage
Social status	Single	49	49
	Married	51	51

**Table 4**  
**Academic Qualification**

Demographic profile	Descriptive	Frequency	Percentage
Academic qualification	Diploma	1	1
	Bachelor degree	7	7
	Master degree	66	66
	PHD	26	26

**Table 5**  
**Department**

Demographic profile	Descriptive	Frequency	Percentage
Department	Human resource	4	4
	IT	15	15
	Operation specialist	31	31
	Teller	5	5
	Client associate	4	4
	Branch manager	41	41

**Table 6**  
**Job Tenure**

Demographic profile	Descriptive	Frequency	Percentage
Job tenure	$x < 2$ years	28	28
	$2 \leq x \leq 5$ years	15	15
	$5 < x \leq 7$ years	27	27
	$7 < x \leq 10$ years	10	10
	$x > 10$ years	20	20

Factor analysis is a statistical technique which is used to find the variables observed are related to an unobserved variables generally called as factors. Using this technique we generally summarize the variance into a smaller set, which contains the key information of the variables.

We perform reliability analysis for each dependent and independent variables similar to the way we performed factor analysis.

### 3.2 Multiple Regression Analysis

Multiple regression analysis MRA is not just one technique but a family of techniques that can be used to explore the relationship between one continuous dependent variable and number of independent variables or predictor. Multiple regression is based on correlation, but allows more sophisticated exploration of the interrelationship among a set of variables. Multiple regressions can be used to address a variety of research

questions. It can tell the researcher how well a set of variables is able to predict a particular outcome.

### 3.3 Analyzing Using Multiple Regression

The data was analyzed using multiple regression analysis. The researcher found all the antecedents of employee engagement were significance and its value was lesser than 0.05. Hence, the antecedents which are significant in multiple regression analysis are employee communication, reward and recognition, employee development and extended employee care. Moreover the researcher found that among all the independent variables employee development is the most contributors to employee engagement ( $\beta = 0.272$ ).

### 3.4 Interpretation of Analysis

From the result of multiple regression analysis, we can conclude that the antecedents have a positive influence on employee engagement, since the antecedents comprising

of employee communication, reward and recognition, employee development and extended employee care. We can conclude the following:

- Higher employee communication, higher employee engagement
- Higher reward and recognition, higher employee engagement
- Higher employee development, higher employee engagement
- Higher extended employee care, higher employee engagement

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## CONCLUSION

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The result of this research approves that employee engagement is very important to the organization, the results show that the antecedents of employee engagement influence employee engagement and has significant impact on the level of engagement among the employees. Moreover, the results indicate that employee development is the most contributor factor to employee engagement. Hence, it is very useful for the organization that seeks to increase the level of engagement among its employees to invest in employee development. It is very favorable for the organization to spend more on programs that develop the skills of the employees and carry out suitable workshops and training curriculum that enhance the skills and abilities of the employees.

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