

The Influence of Organisational Employee Engagement Strategies on Organisational Citizenship Behaviour within Retail Banking. A Case of Amatole District Municipality

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Abstract

This study aims to investigate the influence of employee engagement strategies on organisational citizenship behaviour within the retailing banking industry. A survey design was used to realise the research objectives. The sample population was 180 employees of the retail banking sector in Amatole District. A self-designed questionnaire on employee engagement was used as a measuring instrument together with Gallup's workplace audit questionnaire and Organisational Citizenship Behaviour Measure designed by Podsakoff and MacKenzie (1994). Stratified sampling was used to select respondents. Data was analysed with the SPSS version 19.0. The study identified the chain relationship between employee engagement strategies and organisational citizenship behaviours using the social exchange theory. Results showed that employee engagement leads to increased display of organisational citizenship behaviour by employees. In addition, employee engagement was found to be in itself a form of behavioural transformation, which had effects on the employee involved. Identified engagement strategies include working conditions, home life balance and wellness among others.

Keywords: Employee engagement, organisational citizenship behaviour, motivation, retail banking, South Africa

1. Introduction

The changing nature of work and the diversity of workforce are evoking fear to most employers. They fear for the loss of their talent employees to competitor organisations. Employers have implemented a number of strategies in the workplace in an effort to retain valuable employees through recognition as best workplaces by the same employees to be retained. Focus have moved from a scientific view of employees which argues that a worker is motivated primarily by economic gain to a human resource approach which states that in addition to monetary rewards employees are also motivated by certain social and psychological factors like full appreciation for work done, job security, recognition, working conditions and career advancement opportunities (Armstrong, 2006).

The human resources approach emphasises on an organisation's have long-term rewards through regarding employees as their biggest assets and investments that must be valued, managed and developed effectively. This can be best done through organisations implementing strategies meant to keep employees loyal and satisfied. One of the ways that organisations can do so is to ensure that employees are engaged through the use of different employee engagement strategies (Babb & Meyer, 2005).

1.1 Employee engagement

Employee engagement is a positive attitude held by the employee towards the organisation and its values (Robinson,

Perryman, and Hayday (2004). It involves motivating employees to work to their fullest potential in an inspiring way (Nitin, 2007). Thus, it is largely the organisation's responsibility to create an environment and culture conducive to employee engagement. Engaged employees pose as a competitive advantage because highly engaged employees will consistently deliver beyond expectations (Harter, Schmidt & Hayes, 2002). Organisations need to pay more attention in engaging their employees to reap the utmost benefits of high performance and productivity and citizenship behaviour through investing in innovative strategies in employee engagement and demonstrate commitment to them (Schroeder - Saulnier, 2009).

1.2 Employee engagement strategies

Robinson *et al.* (2004) and Woodruffe (2006) identified training and development, respecting employee's needs for work/life balance, maintaining open channels of communication, creating an environment of diversity and inclusion, and formalising reward and recognition programs and organisational friendliness as best strategies to keep employees engaged among others. The implementation and management of these employee engagement strategies result in positive outcomes such as high performance, low absenteeism and customer satisfaction

Results from various research have reported employee engagement to be statically related to positive organisational outcomes such as productivity, employee retention and satisfaction, as well as customer satisfaction (Endres & Mancheno-Smoak, 2008; Schaufeli & Bakker, 2004; Mathieu & Zajac, 1999). Additional research (e.g., Koys 2001) has shown that employee satisfaction results in employees performing more than they are expected to do by the organisation and by so-doing, employees display organisational citizenship behaviours (OCB).

1.3 Organisational citizenship behaviour

Organisational citizenship behaviour is defined as discretionary individual behaviour, not influenced by the formal reward system, which, overall, promotes the operative functioning of the organisation (Sablinski & Wright, 2008). It is when employees go beyond formal duties and responsibilities (Jansen van Vuuren, 2002). Typical organisational citizenship behaviours include, among others, assisting co-workers or superiors, willingness to compromise inconvenience at workplace and being actively involved in the organisational development for no reward (Turnipseed & Rassuli, 2005). It is therefore possible to conclude that organisational citizenship behaviours have a positive impact on the organisation.

Podsakoff, Ahearne and MacKenzie (1997) argued that organisational citizenship behaviours enhances organisational effectiveness by: (1) reducing friction and increasing efficiency (2) enhancing co-worker and managerial productivity (3) promoting better use of scarce resources and (4) improving coordination. Similarly, Borman (2004) argued that organisational citizenship behaviours strengthen the organisation's ability to attract and retain better employees, reduces variability of employee performance, and enables better adaptation to environmental changes.

Current organisational citizenship behaviour research has focused on the effects of organisational citizenship behaviours on individual and organisational performance (Coole, 2003) in developed contexts. A lot of research has been done on motivation and organisational citizenship behaviour (Barbuto, Fritz, & Marx, 2000), leaving room for further research as the concept in relation to other predictor variables. Similarly Studies (e.g., Townsend & Gebhardt, 2002, Robinson *et al.*, 2004) on employee engagement have identified a number of strategies for enhancing employee engagement and linking them to variables such as job satisfaction, performance, and productivity and employee retention. Although these studies were able to define and identify the key drivers and implications of employee engagement, they have been criticised for using small samples and only focusing their conclusions from developed contexts. Not much is known and has been done in a single study linking specific employee engagement strategies and specific organisational citizenship behaviours within a developing context in other sectors. The present study therefore seeks to determine whether there is a relationship between employee engagement strategies and organisational citizenship behaviours in the retail banking sector in a developing context.

2. Methodology

2.1 Research design

The present study followed a quantitative research design. Quantitative research collects data in the form of numbers and it uses statistical types of data analysis (Blanche, Durrheim & Painter, 2006).

2.2 Population

The study focused on the retail banking sector in the Amathole District Municipality, Eastern Cape, South Africa. Specifically, the study was conducted at Standard bank, First National Bank, Capitec bank, Nedbank and ABSA bank in East London, King William's Town, Alice, Fort Beaufort, Peddie, Dimbaza and Stutterheim.

2.3 Sample

A sample of 180 was used in the study, statistically calculated using Solvin's formular($n = N/1+ N (e)^2$ where n is the sample size, N is the population size and e is the desired level of precision).

2.4 Sampling procedure

To ensure representativeness of the sample by reducing sampling error and bias which might arise if samples were chosen completely at random, stratified sampling was used in the study. Departments were regarded as strata, for example, Accounting, Human Resources, Information Technology, Finance, Customer Care, Foreign exchange, *etc.* Each department represented a stratum.

2.5 Data collection method

A self-designed questionnaire on employee engagement was used as a measuring instrument together with Gallup's workplace audit questionnaire and Organisational Citizenship Behaviour Measure designed by Podsakoff and MacKenzie (1994). Thus the questionnaire was divided into four parts including biographical information such as age, gender *etc.*

The self-designed questionnaire was used to determine strategies that organisations were using to enhance employee engagement. The respondents were top managers of the retail banks. The questionnaire had 15 statements reflecting factors that enhance employee engagement were listed. Respondents were asked to state the extent to which they agree or disagree with the statement. A 5-point Likert scale ranging from (1) Strongly Disagree to (5) Strongly Agree was used to measure the statements.

Gallup's workplace audit questionnaire measures the extent to which employees are engaged in the organisation. The third section of the questionnaire determined the extent to which employees were displayed organisational citizenship behaviours. This was measured by means of the Organisational Citizenship Behaviour Measure designed by Podsakoff and MacKenzie (1994). It consisted of altruism (2 items), courtesy (4 items), civic virtue (3 items), conscientiousness (3 items) and. sportsmanship (2 items). The employees' ratings of their citizenship behaviours were obtained on a 5-point Likert scale ranging from (1) strongly disagree to (5) strongly agree.

2.6 Instruments

In this study the independent variable are employee engagement strategies. The dependent variable is organisational citizenship behaviour.

2.7 Administration of questionnaire

The research questionnaires were distributed to the target population by the researcher with a letter of consent and were collected in the same manner after approximately 3 weeks. Two sets of respondents completed questionnaires, namely the managers and employees. A total of 200 questionnaires were handed out registering a response rate of 78%.

2.8 Ethical considerations

Participation was done voluntarily.
Confidentiality was maintained.

2.9 Data analysis

Data analysis was done with the Statistical Package for the Social Sciences.

3. Results

3.1 Hypothesis 1: Retail banks differ in the strategies they use to enhance employee engagement

The confirmatory factor analysis was used to select the important employee engagement strategies. A number of strategies were factored out to be essential for the enhancement of employee engagement.

Table 1.1: Results of confirmatory factor analysis

Employee engagement strategies	
Training and Development	4.65
Management support	4.07
Diversity and inclusion	4.19
Communication	3.91
Working conditions	3.94
Health and safety	3.86
Cooperation	4.01
Performance appraisal	3.64
Job satisfaction	3.50
Equal opportunity and fair treatment	3.43
Employee empowerment	3.82
Home life balance	4.45
Pay and benefits	2.91

Table 1.1 shows the 13 strategies that were factored out to be important in enhancing employee engagement.

Figure 1.2: Retail banking strategies

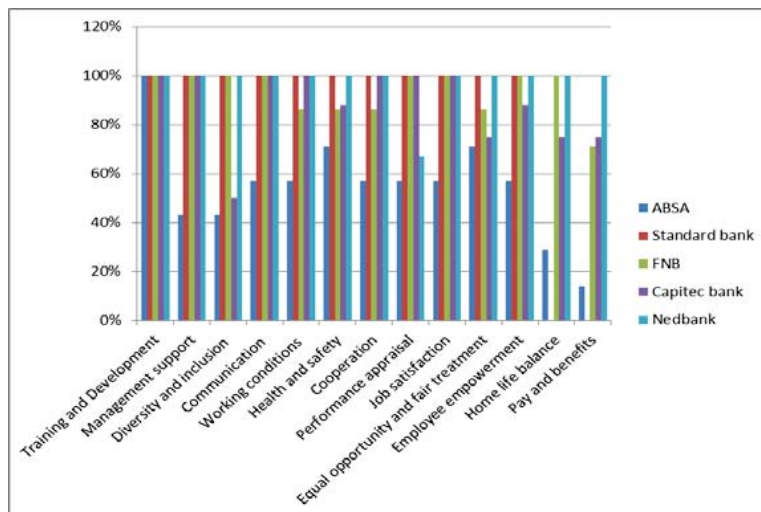


Figure 1.2: shows that different retail banks used different strategies to enhance employee engagement.

3.2 Hypothesis 2: There is a difference in the level or degree of employee engagement among employees in retail banks.

Descriptive statistics were used to determine the levels of employee engagement through measures of central tendency such as mean and standard deviation.

Table 1.3: Levels of employee engagement, N=129

Statement	Accepted	Rejected	Not sure
Knowledge of expectations of them work	125	1	3
Provision of materials and equipment at work	118	3	8
Opportunity to do their best every day	111	4	14
Recognition or praise for doing good work	78	38	13
Supervisor or work colleague care about me as a person	94	21	14
Encouragement of development	91	31	7
Opinions counted	110	12	7
The mission of organisation shows importance of job	110	11	8
Commitment of associates to doing quality work	97	22	10
Best friend at work.	74	38	17
Someone at work talked to me about my progress.	27	92	10
Opportunities of learning and growing at work	108	11	10

Table 1.3 shows that 125(97%) respondents knew what was expected of them at work, 118(91%) respondents had enough material equipment at work and 111(86%) respondents had an opportunity to do their best everyday while 92(71%) respondents showed that no one at work talked to them about their progress and 17(13%) respondents were not sure they had best friends at work.

Table 1.4: Level of employee engagement per retail bank

BANK	MEAN EMPLOYEE ENGAGEMENT
ABSA	73%
Standard Bank	81%
FNB	83%
Capitec Bank	85%
Nedbank	78%

The level of employee engagement per each bank was found by cross tabulating employee engagement and banks.

3.3 Hypothesis 3: Engaged employees display different organisational citizenship behaviours

Table 1.5: Number of employees who displayed specific organisational citizenship behaviour.

Organisational citizenship behavior	Number of employees that displayed
Altruism	113
Conscientiousness	108
Civic Virtue	96
Sportsmanship	118
Courtesy	113

3.4 Hypothesis 4: Specific employee engagement strategies are related to specific organisational citizenship behaviours.

Pearson Correlation method was used to analyse the relationship between employee engagement strategies and organisational citizenship behavior.

3.5 Pearson correlation results

		Mean Employee Engagement Strategies	Mean Organisational Citizenship Behaviour
Mean Employee Engagement Strategies	Pearson Correlation	1	.049
	Sig. (2-tailed)	.	.000
	N	27	27
Mean Organisational Citizenship Behaviour	Pearson Correlation	.049	1
	Sig. (2-tailed)	.000	.
	N	27	129

*Correlation is significant at the 0.05 level (2-tailed).

Table 1.6 shows that the overall correlation between employee engagement strategies and organisational citizenship behavior was 0.049. The correlation was significant; therefore the hypothesis that stated that specific employee engagement strategies are related to specific organisational citizenship behaviours is therefore accepted.

Table 1.7: Correlation between employee engagement and altruism

		Mean Employee Engagement	Mean Altruism
Mean Employee Engagement	Pearson Correlation	1	.160
	Sig. (2-tailed)	.	.071
	N	129	128
Mean Altruism	Pearson Correlation	.160	1
	Sig. (2-tailed)	.071	.
	N	128	128

Table 1.7 shows that the correlation between employee engagement and altruism was 0.16. The correlation was significant.

Table 1.8: Correlation between employee engagement and conscientiousness

		Mean Employee Engagement	Mean Conscientiousness
Mean Employee Engagement	Pearson Correlation	1	.091
	Sig. (2-tailed)	.	.305
	N	129	129
Mean Conscientiousness	Pearson Correlation	.091	1
	Sig. (2-tailed)	.305	.
	N	129	129

As shown in Table 1.8, a significant correlation between employee engagement and conscientiousness (0.091) was found.

Table 1.9: Correlation between employee engagement and civic virtue

		Mean Employee Engagement	Mean Civic virtue
Mean Employee Engagement	Pearson Correlation	1	.066
	Sig. (2-tailed)	.	.460
	N	129	126
Mean Civic virtue	Pearson Correlation	.066	1
	Sig. (2-tailed)	.460	.
	N	126	126

Table 1.9 shows the correlation between employee engagement and civic virtue. The correlation of employee engagement and civic virtue was 0.066 which was significant.

Table 1.10: Correlation between employee engagement and sportsmanship

		Mean Employee Engagement	Mean Sportsmanship
Mean Employee Engagement	Pearson Correlation	1	.034
	Sig. (2-tailed)	.	.703
	N	129	128
Mean Sportsmanship	Pearson Correlation	.034	1
	Sig. (2-tailed)	.703	.
	N	128	128

With reference to Table 1.9, (Refer to List of Tables Graphs and Figures) a significant correlation (0.034) between employee engagement and sportsmanship was found.

Table 1.11: Correlation between employee engagement and courtesy

		Mean Employee Engagement	Mean Courtesy
Mean Employee Engagement	Pearson Correlation	1	.019
	Sig. (2-tailed)	.	.837
	N	129	126
Mean Courtesy	Pearson Correlation	.019	1
	Sig. (2-tailed)	.837	.
	N	126	126

Table 1.11 illustrates the correlation between employee engagement and the courtesy. The correlation between employee engagement and courtesy was 0.019 which was significant.

4. Discussion

Managers might have used different strategies because a human being has different needs and therefore to satisfy an employee, a number of strategies should be used and the strategies should range from physiological, social, economic and psychological (Robbins *et al.*, 2003). Different retail bank managers indicated that they were using different strategies in enhancing employee engagement, showing that engaged employees are of high importance for the competitive advantage of an organisation.

The results of the current study showed that the retail bank that had its employees highly engaged was Capitec Bank (85%) while ABSA bank had the least engaged employees (73%). The variation in the level of employee engagement within banks might have been caused by the differences in the level of implementation of employee engagement strategies by the banks. The difference in the level of implementation of employee engagement strategies may have caused the variations in employee engagement levels among retail banks. Employee engagement, like leadership, is situational. Different organisations, even in the same industry have different cultures, histories, and strengths and weaknesses (Nitin, 2007). The most important driver of employee engagement in one place is unlikely to have the same effect somewhere else (Nitin, 2007).

The correlation between employee engagement and organisational citizenship behaviours such as altruism, conscientiousness, civic virtue, sportsmanship and courtesy was found to be significant and shows that engaged employees displayed different organisational citizenship behaviours. The highest number of employees displayed sportsmanship, shows employees were willing to tolerate the inevitable inconveniences and impositions at the workplace without complaining and they kept a positive attitude (Podsakoff *et al.*, 1997). Civic virtue was displayed by the lowest number of employees which indicates that employees were not responsible and was less concerned about the life of the organisation (Todd, 2003).

Literature argues that organisational citizenship behaviour is enacted differently in different organisational cultural contexts, and this means good citizenship may vary by organisations (Meyer & Allen, 1999). The type of organisational

citizenship behaviours performed by an employee differ from those that other employees displayed showing that the personality of an individual may be of influence to the choice of organisational citizenship behaviours (Meyer & Allen, 1999).

It can be assumed that an increase in the usage of strategies leads into rise in level of employee engagement and organisational citizenship behaviour. The social exchange theory states that employees exhibit organisational citizenship behaviours as a response to the treatment they receive from their employers in order to maintain equilibrium between them and the organisation (Zafirovski, 2005). Employees who are treated unfairly withhold organisational citizenship behaviours (Organ, 1997).

Employees personally engage themselves to work when they feel they are getting a good return of investment of their given self (Robinson *et al.*, 2004). Employees display organisational citizenship behaviours in return to employee engagement strategies. Employees use organisational citizenship behaviours to maintain an equal ratio as they are exposed to employee engagement strategies (Schroeder- Saulnier, 2009). Fundamentally, an employee who has made a choice to display organisational citizenship behaviours can be considered as an engaged employee (Todd, 2003).

5. Conclusions

The following conclusions were drawn from the findings of the study based on the previously mentioned hypothesis and objectives;

The study has identified training and development, management support, diversity and inclusion, communication, working conditions, health and safety, cooperation, performance appraisal, job satisfaction, equal opportunity and fair treatment, employee empowerment, home life balance and pay and benefits as the strategies that enhance employee engagement among the organisation under stress.

The researcher established that the relationship between employee engagement strategies and organisational citizenship behaviour concurs with the Social Exchange theory, to a large extent. The Social exchange theory explains behavioural and social changes as a process of negotiated exchanges between parties. The researcher also concluded that training and development as an employee engagement strategy is the most used strategy in the retail banking industry. Organisations can develop in-house training departments, special training houses, external training programs identified by the employees in conjunction with their supervisors. Internal rotational programs and overseas assignments can be offered to employees as key career development opportunities. Career plans and professional development opportunities can be used. Once employees feel that the organisation is investing in them in training and development, they are far more likely to uphold the organisation's best interests and keep an eye to furthering its goals and enhancing its welfare.

The researcher concluded that employees cannot display organisational citizenship behaviour if they are not exposed to employee engagement strategies. In addition, there is a chain relationship between employee engagement strategies and organisational citizenship behaviours. Different employee engagement strategies if well implemented lead to high employee engagement and engaged employees display different organisational citizenship behaviours.

6. Recommendations

In tandem with the relationship found between employee engagement strategies and organisational citizenship behaviour, the following initiatives were recommended:

- Organisations should look for more employee engagement strategies to win the hearts of all employees and even attracting talent employees.
- Organisations should consult employees on what they expect to be provided with so that employees are well satisfied thereby displaying organisational citizenship behaviour.
- Participation of employees in the decision making process and in problem solving can help in stimulating the displaying of organisational citizenship behaviours by employees.

7. Notes

7.1 Limitations of the study

- The study only centered at one area in one of the poorest provinces of South Africa. Results could be biased

or incorrectly skewed as environment and area also influence engagement of employees and consequently organisational citizenship behaviour. Results could be compared with those of other towns to see if the employee engagement strategies have the same influence on organisational citizenship behaviour.

- The study used questionnaires as data collection instruments only which was a limitation on clarity.
- The Questionnaire was viewed negatively by respondents. They felt threatened by the number of questions and hence most of them may have not been giving honest but expected answers.

7.2 Directions for future research

The researcher recommends that further research should be conducted to investigate the impact of organisational citizenship behaviours on overall organisational performance in the retail banking sector. More so, it is the researcher's heartfelt desire that further studies could be carried out on the influence of employee engagement strategies on organisational citizenship behaviours in other business sectors in the whole of South Africa.

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