THE EFFECT OF ORGANISATIONAL REALIGNMENT OF CLIENT SERVICE TEAMS ON EMPLOYEE ENGAGEMENT AT NEDBANK LESOTHO

By

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DECLARATION

I declare that this field study hereby submitted for the Master in Business Administration at the University of the Free State Business School is my own independent work, and I have not previously submitted this work, either as a whole or in part, for a qualification at another university or at another faculty at this or another university.

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ABSTRACT

The objective of this study was to assess the impact organisational realignment of Client Service Teams at Nedbank Lesotho has had on employee engagement at the bank since implementation of Project Genesis. The research was conducted against the backdrop that whenever there is a change initiative introduced in work environments, that change, regardless of the nature of its implementation, is likely to affect employees either negatively or positively. Resultantly, this impact will translate into employee outputs and ultimately overall performance of the organisation.

A descriptive research design which followed a quantitative research methodology using a non-probability sampling technique was adopted. A total of 102 respondents participated. The questionnaires interrogated ten (10) employee engagement strategies assessing whether employees perceive these strategies to be attributable to their level of engagement to the bank or whether they serve as detractors to their engagement to the bank.

The study reveals that, out of the ten (10) employee engagement strategies tested, namely Health and Safety, Fairness of Remuneration, Job Security, Promotion and Advancement, Manager Competence, Policies and Procedures, Reward and Recognition, Strategic Alignment, Change Management, and Work-Life Balance, the bank performs poorly on three Strategies: Strategic Alignment, Job Security and Fairness of Remuneration. This necessitates management intervention per recommendations made in the closing chapter in order to safeguard interests of the bank. This will also ensure that negative effects of employee disengagement are ameliorated as left unchecked they lead to poor performance and high staff turnover.

Key words: employee engagement, employee disengagement, employee engagement strategy/strategies.

Indicators: 'Agree', 'Strongly Agree' are referred to as the positive end of the scale/continuum. 'Disagree' and 'Strongly Disagree' are referred to as the negative end of the scale/continuum

Definitions: 'Certificate' for the purpose of this research refers to any post high school qualification other than a Diploma or Degree awarded by a tertiary institution.

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CHAPTER 1

INTRODUCTION AND PROBLEM STATEMENT

1.1 Background and Introduction

Nedbank Lesotho was established in 1997 following the purchase of Standard Chartered Bank Lesotho by the Nedbank Group South Africa. While it is regulated by the Central Bank of Lesotho, it also reports to the Nedbank Group in South Africa. It falls, however, under the Rest of Africa (RoA) cluster alongside four other subsidiaries, namely Malawi, Namibia, Swaziland, and Zimbabwe; all accountable to the parent company, the Nedbank Group South Africa. The Nedbank Group, as the parent company, develops systems, policies, processes, and shared values through its mission, vision, and charter as a way to create one brand which is unique to Nedbank and similar throughout all its subsidiaries (Tools, 2008). Being on the same platform as a group is beneficial to business and also imperative for clients who travel through countries where Nedbank has a footprint, to have a similar and familiar experience in terms of services offered.

According to the Nedbank Corporate Group Report (2012) the RoA cluster has been experiencing the following performance challenges in recent years:

- Subsidiaries are reported to be subscale, losing market share, and employees perceive high degree of dysfunction;
- Subsidiaries lag behind South Africa in terms of processes and tools;
- A gap exists in client service expectations and staff product knowledge and application to provide the best solution to client requirements;
- There is a high likelihood of people/skills/talent being placed in unsuitable positions – thus, performance deficiencies occur - and current systems and processes are not necessarily focused on driving efficiencies and effectiveness to support Nedbank's Client Value Proposition (CVP).

With the above challenges, the RoA cluster embarked on Project Genesis, which is a new business model to fulfil the bank's vision of being the most admired bank in

Africa. Of the five focus areas contained in the Project Genesis document highlighted as primary focus areas are the following: Retail, Wholesale, Operations, Information Technology, and Support functions as well as People and Change Management (Nedbank Rest of Africa - People and Change Management Plan -Project Genesis, 2013). The Plan also states that people are at the centre of this change initiative. Having identified the main propellants of this change initiative as Nedbank employees in all these areas, business has the obligation to ensure that the workforce is properly prepared for this change. Lack of preparation has ramifications for businesses and in particular on the level of employee engagement in the organisation.

1.1.1 Project Genesis

As mentioned earlier, Project Genesis essentially encompasses remodelling of business processes to enhance efficiencies. It was designed to be executed in staggered multi-stages so as not to overburden the bank with sudden and drastic changes, which can have a negative impact on various facets of business. The initial phase was the disintegration of key departments in Sales, namely Wholesale Banking (formally known as Business Banking in charge of Business/Corporate Clients) and the Credit Department – whose core mandate is to grant loans to clients of the bank, be it individual, retail, or corporate, business (including Small, Medium and Micro Enterprises - SMMEs) and the Retail Banking department. This disintegration was followed by re-integration of functions which overlap across departments and branches in order to enhance efficiencies throughout the bank. Implementation has been scheduled since 2013, but the actual commencement Genesis only took effect in October 2014 (April 2014 Management Meeting Minutes).

1.1.2 Existing conditions prior to Genesis

All of the departments mentioned above functioned coherently on their own, to the extent that some members of teams in departments have, over the years, received formal recognition awards for their sterling individual and concerted team (departmental) efforts through the bank's Reward and Recognition Program. Due to

the ongoing recognition, which has reinforced desired behaviours and performance, in these departments motivated employees not only met their set objectives, but exceeded them, and further went above and beyond their call of duty on their own volition.

Inasmuch as the foregoing in desirable, the Nedbank Staff Survey (2014) results indicate that divisions exist across departments. It can therefore be posited that, in terms of how staff relate with the rest of the other departments, the silo mentality exists. Silo mentality is ranked amongst limiting factors, a fact which lends itself to demonstration of lack of inter-departmental cohesion (Nedbank Staff Survey, 2014). There are indications of misunderstandings regarding processes and procedures as well as role discord which normally results in disservice to clients. This impacts negatively on the bank's bottom line as clients leave the bank to join other banks and, resultantly, Nedbank gradually lost its market share (Central Bank of Lesotho Quarter 3 Report, 2013).

Staff feedback shows contributors to the challenges that exist between departments as elaborated in detail below.

- Although these departments' scorecards fed into one another, the main obstacle seemed to be the **physical location** of the departments (Credit, Wholesale, and Retail) where they were not only separated departmentally, but were also located in two separate buildings which could have been an impediment to swift interaction of key players to aid in the quick resolution of issues. For retail and business clients in country branches, the turnaround time for the Credit Department service was even longer, which frustrated bank officials as well as clients.

- Business Relationship Managers (Wholesale Department) were tasked with personally sourcing business by visiting clients, recommending and applying for loans on behalf of clients, and handing over to the Credit Department's loan applications for assessment and approval (Nedbank Lesotho Departmental Job Profiles, 2014).

- The Credit Department, on the other hand, not client facing, was mandated with receiving clients' applications, assessing the applications in terms of

whether they met lending requirements or not, and approving or declining based thereon (Credit Department Strategy, 2014).

A gap was thus identified where an employee who had the power to decline or approve a client's loan application had not literally assessed client status physically or interacted with the client, but only relied on documentation submitted by the Relationship Manager. The Relationship Manager, on the other hand, would have satisfied him-/herself that the client concerned meets the lending criteria. This disconnect between the deliverables of the two departments indicated to business that at the heart of the workflow between the Credit, Retail, and Wholesale departments existed a deep lack of a common understanding as to whose solution was deemed the formation of smaller client oriented teams (Client Service Teams - CSTs) as well as the abolition of other positions and creation of new ones to ensure that the strategic focus of business is fulfilled.

The formation of these teams started with physically moving the location of concerned departments to a new office space. In this new location, departments would be housed under one roof. Secondly, these smaller teams were each made up of one member from the former Credit Department and one member from the former Business Banking Department. Some Business Banking clients became part of Retail Banking at branch level while some SME staff joined Retail, and with these changes came new reporting lines, roles, and responsibilities. The team members are tasked with conducting client visits together, for example so that a member of the Credit Department has the opportunity to appraise a corporate client on the basis of having also assessed physical business structures, infrastructure, plant, and machinery etc., whereas previously assessments were only done on the basis of what was submitted on paper by Relationship Managers.

1.1.3 Post Implementation of Genesis

Under the Bank's mission statement, the Bank endeavours "…to be the employer of choice…" (Nedbank, 2013). An organisation which is the employer of choice is characterised by, amongst others, employees who have high levels of engagement

to the organisation. It thus follows that in embarking on the mission to focus on making Nedbank a great place to work, so that employees can deliver superior service, there should be yardsticks by which the employees can signal whether the organisation is on the right track or not.

Of major concern is how these newly formed teams are faring in the new roles, as well as how their engagement to the organisation is affected by this sudden change which was implemented in October 2014. It is therefore imperative that, at this early stage of this change, the levels of employee engagement is assessed so that mitigating strategies can be put in place in order for the teams to achieve the organisation's goals. If there is an indication that the level of employee engagement of employees has been impacted, especially negatively, the first phase of Project Genesis would have not been implemented in a manner which is consistent with positive objectives of the project itself. Greater ramifications will also be felt by the bank's clients through poor service offering as a result of possible employee disengagement.

1.2 Problem Statement

As evidenced by the haste with which the first phase of Project Genesis was implemented in October 2014, without consultation and thorough communication with affected employees, some employees experience confusion, role ambiguity, and trepidation about the uncertainty of the future. Left unchecked, this can lead to a demotivated workforce which lacks direction and confidence in its leadership.

1.2.1 Research questions

The aim of this research is to investigate the impact of organisational realignment of the Wholesale, Credit, and Retail Departments on employee engagement at Nedbank Lesotho. Closely tied to this problem are the following research questions which will also be investigated:

- Do affected staff members understand their new roles in the newly formed work teams?
- Do the staff members identify with their new roles/are the new roles fulfilling?
- Do the affected staff members view this new business model as beneficial to clients?
- How have their feelings towards the organisation been impacted since the formation of the CSTs changed?
- What can be done differently to improve the offering of the CST to reinforce employee engagement?

These research questions will unveil the challenges of employee engagement so as to be able to propose engagement strategies that can be implemented in order to curb the problem of uncertainty and disengagement which can have adverse effects on the organisation if not mitigated.

1.3 Research Objectives

1.3.1 Primary Research Objective

The primary research objective of this study is to analyse the effect of organisational realignment of client service teams on employee engagement at Nedbank Lesotho.

1.3.2 Secondary Objectives

The secondary objectives of this study are to:
- Determine variables which influence employee engagement;
- Assess the level of employee engagement post implementation of Genesis at Nedbank Lesotho; and
- Identify strategies to enhance employee engagement within the new work teams at Nedbank Lesotho.

1.4 Preliminary Literature Review

This section will provide definitions of employee engagement by different authors, the benefits of employee engagement for organisations, as well as a model for employee engagement which yields high performance to organisations if properly implemented. Indicators of employee disengagement will be discussed as it is beneficial for organisations to look out for them and weed them out. Employee engagement trends in the corporate world, internationally, regionally, as well as in the banking industry in South Africa will be investigated in order to be able to observe how the company of choice (Nedbank Lesotho) fares comparatively in subsequent chapters.

1.4.1 Definitions of employee engagement

Chiumento (2010) defines engagement as a positive two-way relationship between an employee and his/her organisation. This indicates that there are two players in this relationship - the organisation and the employee. Both players are aware of each other's roles and expectations of the other and they support each other to attain their respective mandates. It can be deduced that in a situation where employee engagement exits, both players can go an extra mile because there is a mutual benefit in investing in each other. In this relationship it is important to recognise that employee engagement is a choice an employee makes. This surfaces as the employee chooses the level of engagement he/she will give to the employer, while for the employer, the organisation has to work to engage the employee by providing necessary conditions which will yield engagement.

Before the said optimal conditions necessary for engagement are created, it is important that organisations acknowledge that employees engage differently. Theory points to the fact that there are numerous variables which influence employee engagement, which range from beliefs, purpose, personality, generation, preferred learning styles, and stage of life to goals and aspirations (Dromey, 2014). Meyler (2014) further supports the foregoing by stating that if organisations succeed in attaining the above the organisation will create conditions in which employees will

offer more of their capability and potential. With the offering of more of employees' capability and potential, the benefit to the organisation will be a demonstration of high levels of awareness of business context and coherence with colleagues, which will improve overall performance of the organisation (Davoren, 2009). Davoren (2009) also defines employee engagement as a positive attitude held by employees towards the organisation and its values. This definition points to how the right attitude (as one of the predictors of employee engagement) can contribute to the increased levels of employee engagement.

According to Meyler (2014), when assessing the level of engagement there are three factors to take into consideration, which are:

- Attitudes, which are characterised by employees' feelings of pride and loyalty towards the organisation;
- Behaviour, employees being advocates of their company to clients; and
- Outcomes, namely higher productivity, more innovation, fewer accident rates, a decrease in turnover, reduction of sick leave, etc.

It can be argued that the three are undeniably optimal conditions for employee engagement and continually reinforce each other to yield positive results which benefit the organisation.

The second aspect of employee engagement apart from existence of optimal conditions as set out in the first paragraph of this section is the aspect of choice by an employee whether to engage or disengage. This choice is not a simple spur of the moment decision, but runs deep as it is based on the perception of an employee of the optimal pre-existing environment conditions; yet it relates to engagement resulting on emotional connection with the organisation. In order to indicate that employee engagement runs deeper than a simple choice made as a result of a certain stimulus, Young (2005) gives the Royal Bank of Scotland Group's definition of employee engagement as the state of emotional and intellectual commitment to the group. He lists its components as satisfaction (how much employees like working there), commitment (how much employees want to be there), and performance (how much employees want to do and actually do in achieving results). Ultimately, as long as employees are engaged to the organisation the results are the same: job

satisfaction, commitment, job involvement, and feelings of empowerment, which all lead to high performance.

Lastly, according to Armstrong (2009) employee engagement is based on the Human Capital Management (HCM) approach which suggests that engagement is concerned with value-adding people management practices. He further elaborates that HCM focuses on analysing and reporting data to inform strategic direction and investment to inform decisions to be taken at corporate level, especially if those decisions impact on organisations' most important assets – its employees (Armstrong, 2009). HCM, like other definitions of engagement, emphasises that efficient management of people functions will give organisations a competitive advantage which can be used to leverage on. This can be achieved by strategically investing in staff through employee engagement.

There are detractors to employee engagement which can have a negative effect on business as a whole. These detractors may manifest in low performance, turnover, confusion, role ambiguity, and silo mentality, all of which are indicators of staff disengagement (Cascio, 2008). Organisations which extract discretionary effort by manipulating employees' commitment and emotions to achieve engagement which is intended to yield high performance will instead yield undesirable results as employees are likely to see through such attempts which normally lead to disillusionment.

Deloitte Human Capital Trends (2014) conducted global research on employee engagement during *The Conference Board CEO Challenge 2014* which revealed that Human Capital was seen as a top challenge by most organisations in 2014. The results show that employee engagement is ranked as a top five strategy to address this challenge. The second challenge taken from the same research was identified as Operational Excellence, which had as its top strategy the raising of employee engagement and productivity.

Looking at the United Kingdom (UK) as an example and as a member of the G7 industrialised nations, having highlighted the importance of employee engagement and the benefits thereof in the preceding sections, Kenexa (2009) cited in Rayton and Dodge (2013) conducted a survey which indicated that only around a third of the UK work force say they are engaged. This leaves the UK in the ninth position for engagement level amongst the world's twelfth largest economies ranked by gross domestic product (GDP). The same survey indicates that the UK has a productivity deficit where output is estimated to be 15% below the average for the rest of the G7 industrialised nations in 2011 (Rayton and Dodge, 2013).

Looking at the African context, Page (2014) approached 266 respondents (companies in African states) in the *Best Company to Work for* study conducted for Deloitte. Page (2014) highlights three main areas of current Human Capital trends, namely Lead and Develop, Attract and Engage, and Transform and Reinvent.

Under Attract and Engage, Page (2014) lists the following objectives:
- Talent acquisition revisited – to ensure that there are new approaches to new challenges;
- Beyond retention - building passion and purpose; and
- The overwhelmed employee, where individuals are overcome by the work environment.

The study specifically shows that Retention and Engagement ranked number two under the top five trends for South Africa, ranked in order of importance and urgency, with an 82% level of urgency and importance, while there was a 70% indication of readiness to embark on Retention and Engagement strategies (Deloitte Human Capital Trends, 2014).

In other African states where the survey was conducted, the same report shows that Retention and Engagement is still ranked second in the top five trends. Similarly, in South Africa, Retention and Engagement is ranked number two, although the other African states combined have a 72% urgency and importance factor and their readiness to implement is ranked at 45% (Deloitte Human Capital Trends, 2014:6).

1.4.1 Employee Engagement in the Banking Industry

The figure below (Banhwa, Chipunza, and Chamisa, 2014) represents retail banking strategies of five South African banks measuring the effectiveness of 13 engagement strategies as demonstrated on the x-axis employed by the banks. Of all of the thirteen strategies, Nedbank has scored 100% except for one, namely Performance Appraisal, which scored 65%.
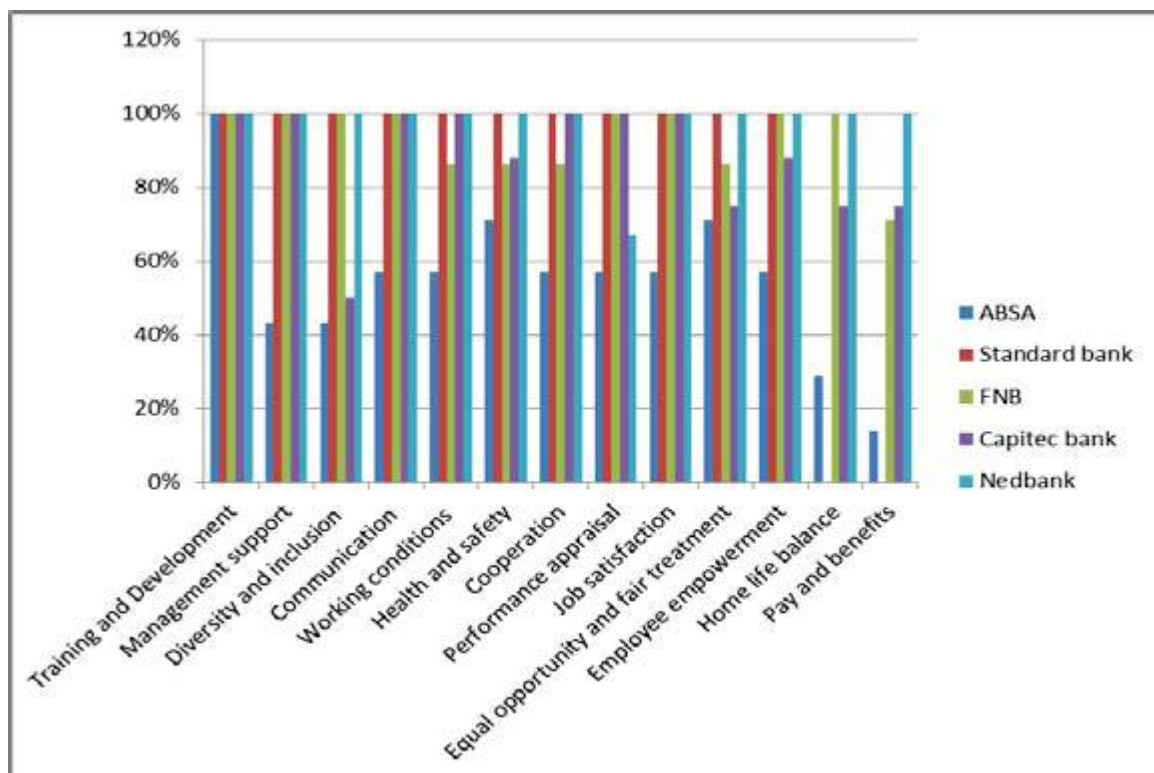
Figure 1.1: Retail banking strategies for enhancement of employee engagement- (Banhwa *et al.,* 2014)

The above figure, which is representative of staff engagement in Nedbank in South Africa, is used to compare with employee engagement at Nedbank Lesotho post implementation of phase one of project Genesis.

1.4.2 Framework for facilitation of engagement

There are numerous models with which the initiative of employee engagement can be driven. While approaches differ, the ultimate goal for organisations is to ensure

that employee engagement exists and is maintained in order to sustain a healthy and high performing organisation, which is a competitive advantage. It therefore follows that any framework put in place as a means to enhance employee engagement should contain the following three aspects, namely to be measurable, to be correlated with performance, and to vary from poor to great (Dromey, 2014).

The figure below is the Ipsos MORI Engagement Model (Meyler, 2014) focusing on three dimensions which impact on employees' experience of the workplace with regard to relationship with one's job, relationship with the company, and relationship with management, all of which, when intact, will lead to employee engagement. The three dimensions are explicated below.

Figure 1.2: Ipsos MORI Employee Engagement Model

Relationship to my company
Feeling part of the organisation
Individual perspectives
Desire to stay

employee experience

loyalty

involvement

Engagement

alignment

Relationship to my job
Satisfaction
Fulfillment
Best of you

Relationship to management
Confidence
Understand strategy
Support change
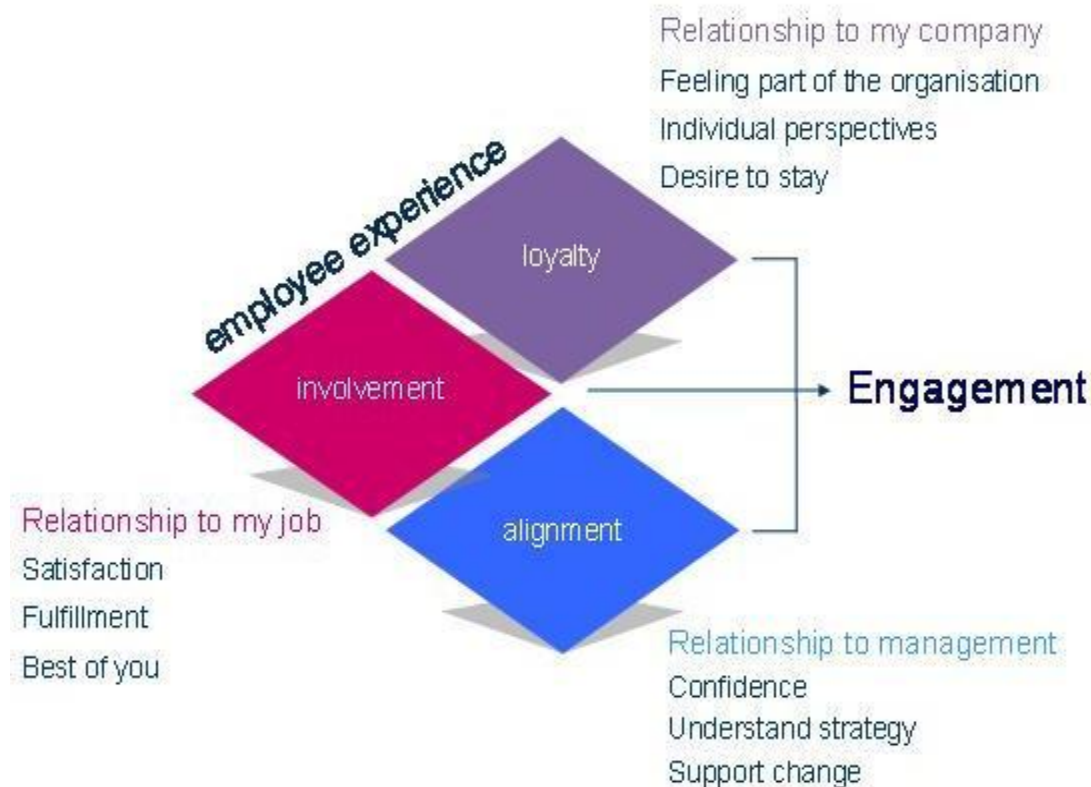
(Meyler, 2014)

I.   Relationship with the company

This aspect indicates the level of employee engagement with the organisation in its entirety. It includes components such as trust, fairness, values, and how respect will harness engagement of staff to the organisation. This aspect plays a major role in how employees feel about their day to day life at work and influences their loyalty to the organisation (Meyler, 2014).

II.   Relationship with one's manager

This represents a direct measure of how employees feel about their managers and direct supervisors. It speaks to perceptions about senior management which suggests that it is important that leadership is viewed in a positive light by employees. If employees have confidence in their leadership and understand the company strategy as communicated by their manager, they will feel compelled to support any change initiative which results in strategic alignment (Meyler, 2014).

III.   Relationship with one's job

This dimension indicates whether employees understand how the work they do contributes to the organisation's success. It speaks to whether employees are fulfilled by their jobs and are doing more than their fair share by giving discretionary effort which points to involvement with the company (Meyler, 2014).

With these three dimensions realised, the employee's experience of his/her job will result in employee engagement. Employees are key to the success of any strategic initiative an organisation may endeavour to undertake. Employee engagement impacts on employees' performance. It is therefore important for organisations to invest in employees and at all times ensure that sufficient and appropriate focus is given to employee engagement strategies if business strategies are to be successfully implemented, guarding again employee disengagement or even indifference.

Whenever change is about to be implemented, communication through engagement in dialogue with employees should be invested in. Furthermore, management should

lead the change initiative and where possible delegate tasks to employees to reinforce the fact that employees are valued. Participation and thorough understanding by all parties in a change program will curb the possibility of negative impact on employee engagement. Davoren (2009) advises that involving people who are likely to be affected by change should be considered as ownership of the process will ensure that change is understood by all concerned and they play a role in bringing about that change.

1.5 Research Methodology

This study will employ a constructionist (quantitative) research methodology, wherein non-probability sampling will be employed.

1.5.1 Research Design

The selection of a non-probability sampling quantitative research methodology is premised on the fact that this particular research seeks to uncover what the impact of formation of CSTs has been on employee engagement at Nedbank Lesotho.

1.5.2 Data Collection

The sample of the study is 147 Nedbank staff members who are staff members within Sales: Retail, Wholesale, and Credit. This sample is derived from the total Nedbank population which at the time of the study sat at 247 (Nedbank March Manplan, 2015). As mentioned earlier, the changes were implemented in October 2014, and individuals employed after the formation of the teams as well as temporary staff did not form part of the sample pool as they did not have prior knowledge of how the departments operated before they were amalgamated. Having selected the sample population following a non-probability sampling approach, convenience sampling then ensued on the basis of those who were available on the day the questionnaires were sent out, after the researcher was satisfied with the demarcation on the population.

1.5.3 Data Analysis

A Likert scale was used in order to classify respondents in accordance with their responses to establish how strongly they agreed or disagreed with certain statements which point to levels of engagement existing within the organisation given the current environment. This study is centered on perceptions of staff regarding the changed/adapted work environment, therefore the scale of choice (Likert) is deemed appropriate because it has been proved to be reliable and valid as perceptions are a subjective matter which appeal to individuals by either eliciting positive or negative reactions to any phenomenon.

1.5.4 Resources

The respondents (Nedbank Staff) are stationed at the Nedbank Lesotho Head Office in Maseru and in five districts around the country where Nedbank branches are located. The researcher distributed questionnaires and they were returned to the researcher by collection at agreed locations and on agreed dates.

1.5.5 Ethical Considerations

Ethics refer to a code or expected societal norms of behaviour while conducting research (Sekaran and Bougie, 2013). In conducting this research, the researcher is bound by these expected societal norms to:

- Ensure confidentiality of respondents by protecting the identity of participants;
- Guard against subjectivity and bias - the researcher will exercise caution when conducting interviews and analysing data in order to report accurate findings, not own opinions or interpretations;
- Encourage voluntary participation and by all means avoid using coercive measures to get participation; and
- Obtain consent from respondents having furnished them with all the necessary information pertinent to the research.

1.6 Demarcation of the Study

This study was limited to 147 Nedbank Lesotho staff members who are individuals who had been affected by the formation of the new business model.

The anticipated time of research was three months, during which time questionnaire development, piloting, refining of the questionnaire, and final administration of questionnaires took place. Furthermore, respondents were given seven days to respond to questionnaires and return them to the researcher.

The study is in the field of Human Resources Management with a specific focus on Employee Engagement, which sets out techniques which the Bank may implement in order to enhance employee engagement. Participation of staff further ensured that information which is representative of employees in the lower echelons of the corporation is taken into consideration. Employee involvement also indicated the seriousness with which management views staff opinions and demonstrate the organisation's willingness to accommodate the needs of staff and to make them feel valued.

1.7 Conclusion

The research will determine how the new business model has impacted on the level of employee engagement at Nedbank Lesotho. It will also determine variables which affect employee engagement and, lastly, whether that impact that the new business model has had on employees has been negative or positive.

From the above, it can be deduced that it is important to ascertain whether employee engagement is safeguarded as any form of instability in organisations has the potential to lead to feelings of discontentment and despondence, which can possibly lead to disengagement which in turn may lead to an exodus of staff. To mitigate these undesirable feelings, appropriate action plans have to be developed with clear and focused strategies to enhance employee engagement.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

As indicated in the preceding chapter, modern day businesses are continuously striving to refine and maintain their competitive edge through, amongst the many tools available to them, employee engagement. In line with the research objectives set out in Chapter 1, a literature review on employee engagement is provided in this chapter.

The point of departure is the stating of various definitions and theories of employee engagement which are deemed relevant to this particular study as presented by different authors. Furthermore, the benefits of employee engagement to organisations as well as models for employee engagement which yield high performance to organisations if properly implemented is also presented for implementation and discussion in subsequent chapters. Inasmuch as this study is about employee engagement, it is important to note that, on the opposite end of the continuum of employee engagement, there is an aspect of employee disengagement. The existence of employee disengagement has to be recognised throughout the life cycle of the employment, as some employees, as literature will reveal later on in this chapter, may vacillate between both phenomena of engagement and disengagement.

It is beneficial for organisations be observant of indicators of employee disengagement as it (disengagement) can be detrimental to the existence of organisations (Mishra, Kapse, and Bavad, 2013).

Furthermore, in this chapter, employee engagement trends in the corporate world, internationally, regionally, as well as in the banking industry in South Africa will be discussed in order to observe how Nedbank Lesotho is faring comparatively in subsequent chapters.

2.2 Defining Employee Engagement

Kahn (in Sakovska, 2012) provides one of the most widely used and referenced definitions of engagement as

> [t]he binding or attaching of employees' selves to their work roles. In engagement, employees express themselves physically, cognitively and emotionally during role performance…

This essentially refers to employees' physical and psychological presence at work. From Kahn's academic writings on employee engagement, a single definition of employee engagement has proven to be illusive. Kahn (in Sakovska, 2012) was amongst the first academics to write on this phenomenon, which has elements of cognitive, behavioural, and emotional aspects. The behavioural components of employee engagement indicate skills employees display and their willingness to act in a certain way in order to fulfil certain roles while the positive attitude employees demonstrate represents the emotional components which point to how they feel about the organisation (Sakovska, 2012).

Chiumento (2010) defines engagement as a positive two-way relationship between an employee and his/her organisation. This indicates that there are two players in this relationship - the organisation and the employee. Both these players are aware of each other's roles and expectations of the other supporting each other to attain their respective objectives. It can be deduced that in a situation where employee engagement exists, both players can go the extra mile because there is a mutual benefit in investing in each other. In this relationship, it is important to acknowledge that employee engagement is a choice an employee makes. This surfaces as the employee chooses the level of engagement he/she will give to the employer, while for the employer, the organisation has to work to engage the employee by providing necessary conditions which will yield engagement. Before the said optimal conditions necessary for engagement are created, it is important that organisations appreciate that employees engage differently, thus, there is no blanket employee engagement strategy which will apply similarly to all staff.

Theory points to the fact that numerous variables which influence employee engagement exist. These range from beliefs, purpose, personality, generation,

preferred learning styles, and stage of life to goals and aspirations, etc. (Dromey, 2014). Meyler (2014) further supports the foregoing by stating that, if organisations get the mix of above variables right, the organisation will create conditions in which employees will offer more of their capability and potential. Davoren (2009) also indicates that with the offering of more of employees' capability and potential, the benefit to the organisation will be a demonstration of a high level of awareness of business context and coherence with colleagues which will improve overall performance of the organisation. Davoren (2009) defines employee engagement as a positive attitude held by employees towards the organisation and its values. This definition points to how the right attitude (as one of the predictors of employee engagement) can contribute to the increased levels of employee engagement.

According to Meyler (2014) in assessing the level of engagement there are three factors to look out for which are, firstly, attitudes, which are characterised by employees' feelings of pride and loyalty towards the organisation; secondly, behaviour - employees being advocates of their company to clients; and lastly, outcomes, i.e. higher productivity, more innovation, fewer accident rates, a decrease in turnover, reduction of sick leave, etc. It can be argued that these are undeniably optimal conditions for employee engagement and continually reinforce each other to yield positive results which benefit the organisation.

The second aspect of employee engagement, apart from the existence of optimal conditions as set out in the preceding paragraph, is the aspect of choice by an employee whether to engage or disengage. This choice is not a simple spur of the moment decision, but runs deep as it is based on the perception of an employee of the optimal pre-existing environmental conditions. It relates to engagement resulting from emotional connection with the organisation. To elaborate on the theory that employee engagement is deeper than a simple choice, Young (2005) states the Royal Bank of Scotland Group's definition of employee engagement as the state of emotional and intellectual commitment to the group. He lists the components of employee engagement as **satisfaction** (how much employees like working there), **commitment** (how much employees want to be there) and **performance** (how much employees want to and actually do in achieving results). Ultimately, as long as employees are engaged to the organisation the results are job satisfaction,

commitment, job involvement and feelings of empowerment which all lead to high performance.

In the business world, engaged employees as defined by Hewitt Associates (2010) as demonstrating three general behaviours which they illustrate as the three S's: Say, Stay, and Strive. These elements, when present, represent the existence of employee engagement. Hewitt Associates (2010) elaborate by stating that engaged employees act as advocates of companies they work for; they **say** positive things about the organisation that employs them at every opportunity they get. Engaged employees feel a strong connection between themselves and the organisation and even if opportunities arise to work elsewhere, they do not easily leave the organisation due to the strong identification with the company, which means that they **stay**. Lastly, according to Hewitt Associates (2010), engaged employees want to see the companies they work for succeed and as such, feel the need to exert extra effort and time as their contribution to the organisation which depicts a how they **strive** to continuously see their organisation succeed (Hewitt Associates, 2010).

Armstrong (2009) proposes that employee engagement is based on the Human Capital Management (HCM) approach, which suggests that engagement is concerned with value-adding people management practices. He further shows that HCM focuses on analysing and reporting data to inform strategic direction and investment to inform decisions to be taken at corporate level, especially if those decisions impact on organisations' most important assets – the employees (Armstrong, 2009). Like other definitions of engagement, HCM emphasises that efficient management of people functions will give organisations a competitive advantage which can be used to leverage on. This can be achieved by strategically investing in employees through employee engagement.

Kreitner and Kinicki (2010) reveal that whether it is viewed from the academic or business world, employee engagement consists of three concepts which emerge in all definitions given above: commitment to the organisation, job satisfaction, and the discretionary effort employees are willing to put in to their jobs in order to successfully contribute to the performance of the organisation.

It is believed that there is an overlap between employee engagement and job involvement as well as between employee engagement and job satisfaction which cannot be ignored, as they influence each other. To this end, Macey, Schneider, Barbera and Young (2009) propose an exhaustive synthesis of all components of employee engagement in order to better understand what it is. It is against this proposal of Macey et al (2009) that five theoretical frameworks for engagement are discussed below to interrogate some components of employee engagement.

2.3 Framework for facilitation of engagement

There are numerous models with which the initiative of employee engagement can be driven. While approaches can differ, the ultimate goal for organisations is to ensure that employee engagement exists and is maintained in order to sustain a healthy and high performing organisation (Davoren, 2009). It therefore follows that any framework put in place as a means to enhance employee engagement encompasses the following three aspects, namely being measurable, being correlated with performance, and varying from poor to great (Dromey, 2014). The theoretical models discussed in this section will all, therefore, seek to address these three aspects or dimensions in order to measure whether employees understand how their engagement as seen in the work that they do contributes to the organisation's success.

2.3.1 Employee Engagement Theoretical Frameworks

2.3.1.1 Needs Satisfying Approach

This approach is one of the first academic theories widely used in employee engagement and subsequent literature makes extensive reference to it. According to Kahn (1990), employees can be engaged on a physical, emotional, and cognitive level. This model's basic assumption is that employees become engaged when the following three psychological conditions are met.

- **Meaningfulness**: the feeling of receiving return on investment of oneself in the role performance. Employees experience meaningfulness when they feel valuable, useful, and not taken for granted. If employees experience job meaningfulness, they are likely to dedicate their efforts to specific tasks instead of withholding their efforts. It is further explicated that meaningfulness is influenced by the nature of the job which includes both task and role characteristics.

- **Psychological safety**: the state wherein an employee is able to fully express and employ him-/herself without fear of negative consequences to self-image, career, or status. Kahn (1990) further elaborates on the likelihood of existence of engagement when employees operate in a clear, predictable, and consistent environment. Psychological safety is influenced by the social work environment relating to the relationships one has with colleagues, group dynamics, and social norms.

- **Availability:** a sense of possessing the emotional, physical, and mental resources to engage the self at work. This demonstrates how an employee is to perform the task at hand by physically doing, for example, with energy instead of being sluggish.

A later study by May, Gilson, and Harter (2004) show that all three of Kahn's psychological conditions are positively related to work engagement, because meaningfulness is influenced by constructs such as role fit and job enrichment, employees' feelings of safety are influenced by rewards and supportive supervisor relations, while availability of resources influences psychological availability of the employee (May *et al.,* 2004).

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2.3.1.2 Saks Multidimensional Approach

Saks (2006) defines employee engagement in a similar manner as Kahn (1990) which is a distinctive and unique construct made up of cognitive, emotional, and behavioural components that influence individual role performance. This approach is built on the belief that engagement is developed through a Social Exchange Theory (SET). This theory is premised on the notion that relationships at work evolve over time into trusting, loyal relationships built on mutual commitment as long as all

stakeholders involved abide by reciprocity. This can be viewed from the perspective that as long as the employer, for example, pays a decent salary or provides growth opportunities to the employee, the employee feels compelled to honour his/her end of the contract which, is to perform for the employer. In so doing there is repayment to the employer in kind.

Saks (2006), however, takes the definition further by introducing two distinguishing aspects, which are 'job engagement' and 'organisational engagement'. Organisational engagement is defined as an employee's performance as a member of the organisation, while job engagement is the employee's individual role on the job (Saks, 2006). This definition elaborates the fact that employees will feel obliged to bring themselves more deeply into their role performance as repayment for the resources they receive from their organisation (Hallberg & Schaufeli, 2006).

The extent to which employees are psychologically present during a particular job or role performance in the workplace reflects on the level of engagement. Although Saks's Multidimensional Approach is built on Kahn's Needs Satisfying Approach, it proves that, even though it is accepted that measures of engagement are related, they differ in that employees show a higher measure of employee engagement (M= 3.06) to organisational engagement (M=2.88) (Saks: 2006). This shows that, for most employees, engagement to the organisation comes after engagement of the individual to his/her role.

From Saks's research it is suggested that engagement can be experienced emotionally and expressed behaviourally by the employee. Saks (2006) also supports the view that engagement is the absorption of resources the employees have at their disposal into the work they perform; thus, without the three elements (physical availability, emotional, or psychological) employees are likely to disengage.

2.3.1.3 The Affective Shift Model

Sonnentag, Dormann, and Demerouti (2010) suggest through the affective shift model that engagement to one's job wanes as the employee moves through the day, shifting from one task to another. They also argue that exposure to different forces

which require the employee to exert a certain amount of energy on a particular task may contribute to the diminishing level of engagement. This model is based on the assumption that both the negative and positive work incidents affect the engagement of the employee. At the heart of this model is the premise that a shift from the negative to the positive will invariably yield positive results, thus resulting in employee engagement. A negative factor signals to the employee that things are not well, and in the event that the 'negative affect' prevails the employee will endeavour to move out of the status quo into a positive affective status, thereby propelling employee engagement (Sonnentag *et al.,* 2010).

The affective shift model works in a two dimensional and opposite direction of both the negative and positive affective components. Work engagement will result when the 'negative affect' is down-regulated as a result of the employee striving to move out of an undesirable situation, thereby up-regulating the 'positive affect'. Although there has been one study of the affective shift model, Bledlow, Schmitt, Frese and Kühnel (2010) demonstrate the dynamic nature of the simultaneous shift of the negative and positive aspects by providing results when negative events occur and employees strive to move to positive situations and highlights the resultant work engagement upon attainment of desired state.

2.3.1.4 Satisfaction-Engagement Approach

The Gallup Organisation (in Harter, Schmidt, and Hayes, 2002) defines employee engagement as an individual's involvement and satisfaction with as well as enthusiasm for work. From this definition it is apparent that there is an overlap between employee engagement and other constructs such as job satisfaction and job involvement. Harter *et al.*'s 2002 study indicates that the Satisfaction-Engagement Approach, which supports Kahn's (1990) Needs Satisfying Approach, defines employee engagement as an individual's enthusiasm, satisfaction, and involvement with their work.

Harter *et al.* (2002) also indicate that engagement occurs when employees are emotionally and cognitively engaged when there is role clarity. The study further supports the fact that engagement will result if employees are provided with tools

with which to carry out their tasks, feelings of meaningfulness of their jobs, having loyal and trusting relationships with those they work with, as well as the perception of themselves as significant and valued in the organisation.

Harter *et al.* (2002) provides evidence that there is a positive relationship between employee engagement and several business outcomes such as customer satisfaction – loyalty (r=0.33), profitability (r-0.17), employee turnover (r= -0.30) and productivity (r=0.25). This study was developed on the usage of 12 items assessing employees' perceptions of their organisation as a place to work for.

2.3.1.5 Job Demands-Resources Model

The Job Demands-Resources (JD-R) model uses a conglomeration of employee engagement models and theories as an explanatory framework to conceptualise engagement and burnout as contrasting constructs which are integrated in an overlapping model (Bakker and Demerouti, 2008). The JD-R model purports that engagement results from the motivating nature of resources at one's disposal whereby two types of resources are differentiated: job resources and personal resources (Bakker and Demerouti, 2008). Job resources are defined as aspects of the job that are inherent in the achievement of work goals, that stimulate personal growth and reduce demands, while personal resources mean aspects of the self which refer to the ability to control and impact one's work environment positively, for example resilience, self-efficacy, and emotional stability. This shows that JD-R model assumes that work engagement produces positive outcomes such as job performance.

The JD-R model fosters engagement in terms of vigour, dedication, and absorption which can be seen to mean that resources energise employees, encourage their persistence, and make them focus on their efforts. This analogy assumes that the aforementioned influences job performance. A combination of work engagement and job performance results in positive outcomes called the *motivational process (*Bakker and Demerouti, 2007).

The JD-R model depicts another process at the opposite end of the spectrum which is yielded by job demands on the employee. It is suggested that some aspects of the job may place excessive demands on the employee such as extensive physical or mental effort, e.g. time pressure, work overload, etc. When such demands are exerted on an employee to achieve organisational goals, compensatory effort may strain the employee physically and psychologically. This may lead to fatigue, burnout and working overtime, leading to a process called the *health impairment process* (Bakker & Demerouti, 2007).

This model shows that there are some job demands which may be strenuous but at the same time support personal growth and development, such as high work responsibility and high work load. Because these promote mastery and future gains, they are unlikely to lead to health impairment. The job demands that are likely to yield health impairment are those that stunt personal growth and goal attainment such as red tape and role conflict as these are likely to lead to frustration (Crawford, LePine, and Rich, 2010). The JD-R model thus proposes that the relationship between demands and engagement varies with the nature of the demands in that negative demands serve as hindrances and possibly lead to disengagement while positive demands contribute to employee engagement.

2.4 Benefits of Engagement in the Workplace

2.4.1 Business Success

In order for businesses to succeed, they have to employ performing employees. Lockwood (2007) states that a high level of engagement helps employees to take initiative and pursue learning goals. This helps employees to go the extra mile, gain new knowledge, and respond to opportunities. With these qualities, engaged employees are able to support the company to attain its goals through applying themselves by putting discretionary effort into what they do. On the individual level, engagement influences the quality of employee's outputs, whereas on the organisational level it leads to growth and productivity.

Schaufeli (2013) suggests that indicators of business performance such as customer satisfaction, profitability, turnover, and safety are positively related to high engagement levels. Schaufeli (2013) also demonstrates that companies with high levels of engagement saw an overall 3,74% increase in operating margin and 2.06% net profit increase within a one year period, while companies with low engagement yielded 2% and 1,38% drop in similar categories.

Indicators of business unit performance such as customer satisfaction, profitability, loyalty, safety, and turnover are positively related to engagement (Schaufeli, 2013). It is further argued that the top 25% most engaged business units had 2-4% higher customer satisfaction in comparison to the bottom 25%. Furthermore, business units with higher levels of work engagement had a 94% success rate in their own organisation and 145% success rate across organisations (Gallup Study in Schaufeli, 2013).

Although there is sufficient agreement amongst theorists who propose that employee engagement results in organisational success, Balain and Sparrow (2009) share a different view. They propose that the link between employee engagement and organisational engagement is not so strong in that there is a reverse connection between organisational performance and employees' attitudes. This essentially means that when the organisation is performing well, it inspires and motivates employees to have a positive attitude which will result in engagement.

2.4.2 Attitudes of Employees

Benefits to the organisation of employee engagement are shown in two categories when the employee performs in the organisation, namely at the individual level and as a member of a team where contributory individual effort comes into play to form part of a bigger entity. Engagement at an individual level relates to aspects of work such as job performance while engagement at a team level relates to team performance (Schaufeli, 2013).

Sulea, Virga, Maricutoiu, Schaufeli, Zaborila, and Sava (2012) state that engaged employees exhibit more organisational citizenship behaviours than their less

engaged counterparts which shows that there is a link between engagement and positive organisational attitudes and behaviours. Sulea *et al.* (2012) also show that the more engaged the staff, the better service quality, which demonstrates that work engagement leads to positive outcomes for organisations at both the individual and organisational levels.

Employee retention is another benefit of engagement where engaged employees demonstrate traits of loyalty to the organisation and thus so not leave easily (Schaufeli, 2013). This form of allegiance to the organisation assists the company with cutting recruitment costs which are costly to the company. Retention also inspires confidence in customers as seeing familiar faces communicates a message of stability of the organisation.

2.5 Employee Disengagement

Employee disengagement refers to elements which detract from employee engagement which can have a negative effect on business as a whole. These detractors may manifest as low performance, high turnover, confusion, role ambiguity, and silo mentality, all of which are indicators of staff disengagement (Cascio, 2008). Organisations which extract discretionary effort by manipulating employees' commitments and emotions to achieve engagement, which is intended to yield high performance, will instead yield undesirable results as employees are likely to see through such attempts which normally lead to disillusionment.

While other well-known theorists Maslach, Schaufeli, and Leiter (2007) define engagement as a state characterised by energy, involvement, and efficacy, its opposite, disengagement, is characterised by ineffectiveness, ill health, and/or burnout. Mishra *et al.* (2013) further state that total disengagement leads to adisconnect which makes employees withdraw and be defensive. A model which points to job demands as a cause for disengagement, the Job Demands-Resources Model, has been discussed in section 2.3.1.5 above.

Looking at the United Kingdom (UK) as an example and as a member of the G7 industrialised nations, Kenexa (2009) cited in Rayton and Dodge (2013) conducted a

survey which indicated that only around a third of the UK work force say they are engaged. This leaves the UK in the ninth position for engagement level amongst the world's twelfth largest economies ranked by GDP. The same survey indicated that the UK has a productivity deficit where output is estimated to be 15% below the average for the rest of the G7 industrialised nations in 2011 (Rayton and Dodge, 2013: 34).

2.6 The Impact of Change on Employee Engagement

The AON Hewitt study (Vona, 2010) shows four different categories of employee engagement, namely highly engaged, moderately engaged, passive employees, and actively disengaged. Highly engaged employees are said to be those employees who feel a strong personal alignment in the mission, vision and objectives of the organisation. Their emotional connection to the organisation influences pursuit of opportunities for organisational growth (Vona, 2010). Moderately engaged employees have positive attitudes towards work and may engage in productive behaviours, but are not fully invested in terms of commitment. Passive employees simply come to work and go through the motions without any particular interest in their work. This category does not create positive environment for innovation and progress. Lastly, actively disengaged employees feel disconnected from their jobs and tend to be unsatisfied at work; this has the potential to be detrimental to the organisation if their poor attitudes and emotions spread through the organisation. Their poor disposition may manifest in their own poor performance and that of others (Vona, 2010).

Organisational change, whether influenced by regulatory, strategic, business, or demographic trends impact on any category of employee engagement. The AON Hewitt study (Vona, 2010) conducted during the economic crisis in the United States of America indicates that when comparing both ends of the spectrum (highly engaged vs. actively disengaged), the proportion of highly engaged employees remains relatively unchanged. The same study further elaborates that most engaged employees remain resilient during times of change if the change is brought about by strategy or restructuring. It is, however, indicated in the AON Hewitt study (Vona,

2010) that the number of actively disengaged employees increase significantly taking from other categories, especially the passive during such change.

The above mentioned study further probes restructuring or mergers and acquisitions which can be linked to the particular change Nedbank Lesotho underwent. The results show that, after implementation of the change initiative, employees who are engaged by the change initiative become disengaged by the reality of the change itself as demonstrated by a 10% drop in the threshold set out for the study after a merger or acquisition (Van Yperen and Hagedoorn, 2006). Van Yperen and Hagedoorn (2006) further demonstrate that highly engaged employees tend to drop below 5% within a few months of the change and only recover after two to three years. The bottom line regarding any change, whether employees identify with it or not in terms of their engagement to the organisation, whether they see a clear future, is that organisational objectives are most at risk at the inception of the change. This thus suggests that employee engagement is both an opportunity and a risk to be managed during times of transition as it may take a while for highly engaged employees to recover once destabilised as they are the category of employees whose percentage is directly correlated to higher performance and value chain (Van Yperen and Hagedoorn, 2006)

In order for employee engagement to be sustained through change, the top five drivers of engagement have been identified as follows (Kotter, 2008): firstly, employees should be involved in decision making; secondly, employees must understand their career path; thirdly, co-workers must make personal sacrifices to help the organisation; fourthly, the company must provide encouragement for development; and lastly, the company must provide a two-way dialogue. In order for engagement to prevail during times of change connection with leaders is of utmost importance (Kotter, 2008). There should be a healthy and on-going dialogue as well as connection with co-workers wherein colleagues are seen to be pulling together and providing support during stressful and uncertain times (Kotter, 2008). During the time of a strategic change, organisational leaders should drive engagement by keeping an open, two-way dialogue which will help the employees to feel that although the organisation is going through modification of its strategy, their inputs are still valued. This is reported to further be accomplished by capacitating

employees through required training in order for them to have resources (skills) to do their 'new' jobs.

It is argued that organisational change results in change to the way jobs are performed and changes team structures as well as reporting lines. This kind of change may leave the individual feeling that the new role does not meet his/her expectations and/or does not fulfil career aspirations and work life balance (USP Business Development, 2015). In the same report, it is also indicated that this kind of change may have an impact on the organisation as a whole especially on productivity where quality may decline and impact on moral of staff.

2.7 Employee Engagement in the Banking Industry

In a study conducted by Satta and Ali (2014) on levels of job satisfaction (which is believed to be a construct closely related to engagement) among employees of banking industries in Bahawalpur, Pakistan, the following constructs are identified: promotions, leadership behaviour, and work environment. All three constructs are related to employee engagement. Satta and Ali (2014) also found that both promotions and leadership behaviour show the strongest link to employee engagement while job stress and work environment a lesser influence on employee engagement.

Mishra *et al.* (2013) also conducted a study on employee engagement at banks in India, specifically in the town of Kutch, and found that organisational culture and communication can shape employee engagement in a bank. In the same study, it is suggested that people seek more meaning in their day-to-day work than they do in their personal lives. This means that banks should seek to make work meaningful by giving employees meaningful incentives, because there is evidence that meaningfulness impacts on both the individual and the bottom-line. In a study of employee engagement practices and its effect on employees in private and public sector banks in another Indian town, Lucknow, Bhatla (in Mishra *et al.*, 2013) finds that organisations has to give employees the freedom to make their own work exciting and provide an environment of an engaged work life.

Mokaya and Kipyegon (2014) measure the following constructs in their study of a Cooperative Bank in Kenya and investigate how these constructs behave as antecedents to employee engagement: performance management, personal development and growth, workplace recreation, and remuneration package. The results show that employee engagement was fairly high on the basis of these four engagement strategies, with remuneration being the most significant contributor to engagement and workplace recreation having the least influence. The study also reveals that low engagement and low job satisfaction are causes of high turnover and increased absenteeism which lead to decreased productivity and low performance, both of which impact negatively on the bank.

The table below (Banhwa, Chipunza, and Chamisa, 2014) represents retail banking strategies of five (5) South African banks measuring the effectiveness of thirteen engagement strategies. Out of the thirteen strategies listed, training and development rank highest while pay and benefits is least significant.

Table 2.1: Results of confirmatory factor analysis

	EMPLOYEE ENGAGEMENT STRATEGIES	SCORE
1	Training and Development	4.65
2	Home life balance	4.45
3	Diversity and inclusion	4.19
4	Management support	4.07
5	Cooperation	4.01
6	Working conditions	3.94
7	Communication	3.91
8	Health and safety	3.86
9	Employee empowerment	3.82
10	Performance appraisal	3.64
11	Job satisfaction	3.50
12	Equal opportunity and fair treatment	3.43
13	Pay and benefits	2.91

Banhwa *et al.* (2014)

From the above thirteen factors, listed in order of importance, it is imperative to note that the strategy rated most important to enhance employee engagement is training and development (Woodruffe, 2006). This rating of training and development as highest out of the thirteen listed strategies speaks to the fact that when employees indicate that when are capacitated to perform and know exactly what is expected of

them, they are likely to show characteristics of engagement. Endres and Mancheno-Smoak (2008) as well as Schaufeli and Bakker (2004) argue that implementation of the above strategies will result in outcomes akin to high performance, customer satisfaction, as well as low absenteeism.

The below figure (Banhwa *et al.*, 2014) represents retail banking strategies measuring the effectiveness of thirteen engagement strategies listed in table 2.1 above demonstrated on the x-axis employed by the different banks. On all of the thirteen strategies, Nedbank has scored 100% except for one, Performance Appraisal, which scored 65%.
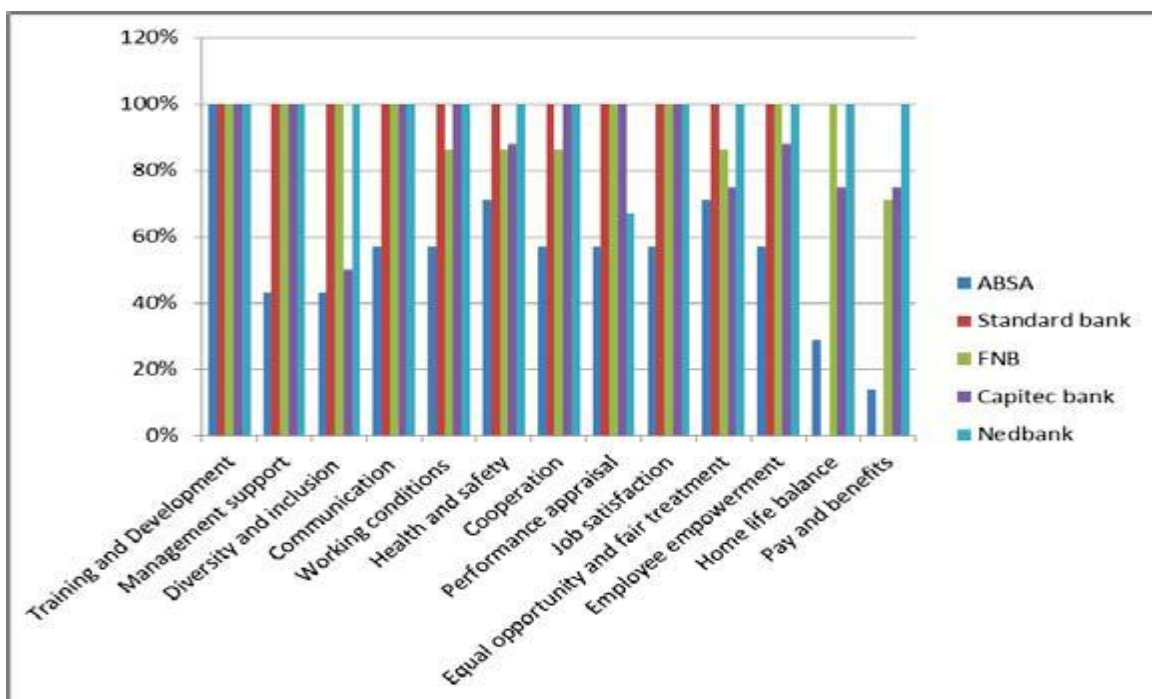

Figure 2.1: Retail banking strategies for enhancement of employee engagement - Banhwa *et al.* (2014)

In assessing the five retail banks in South Africa, the following conclusions are drawn by Banhwa *et al.* (2014):

- All of the thirteen strategies contribute, albeit to a different degree, to employee engagement;

- The relationship between employee engagement and organisational citizen behaviour support the Social Exchange Theory;
- In retail banking, the most popular employee engagement strategy employed by banks is training and development- external, in-house, on the job etc.; and
- Once employees feel capacitated through visible investment in them, they are likely to find meaning in their roles which will be clearer and easier. With this ease, they are likely to be committed to the organisation and have interests in its well-being.

2.8 Conclusion

Employees are key to the success of any strategic initiative an organisation may undertake. Employee engagement impacts on employees' performances. It is, therefore, important for organisations to invest in employees and at all times ensure that sufficient and appropriate focus is given to employee engagement strategies if business strategies are to be successfully implemented, guarding against employee disengagement or even indifference.

Whenever change is about to be implemented, communication through engagement in dialogue with employees should be invested in. Furthermore, management should lead the change initiative and where possible, delegate tasks to employees to reinforce the fact that employees are valued. Participation and thorough understanding by all parties in a change program will curb the possibility of negative impact on employee engagement. It is advised that involving people who are likely to be affected by change should be considered as ownership of the process will ensure that change is understood by all concerned playing a role in bringing about that change.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the research methodology employed by the researcher to understand the effect of organisational realignment of client service teams on employee engagement at Nedbank Lesotho. The chapter also illustrates the research design and methodology to address the objectives of the research set out in Chapter 1. The chapter further delves into the following aspects of research methodology, namely the target population, sampling method, data collection techniques, as well as the researcher's ethical considerations.

3.2 Research Design

The purpose of a research design is to provide a detailed guide of how the researcher will collect, measure, and analyse data for a particular research. According to Sekaran and Bougie (2013) there are three study purposes embedded in the structure of a research design which are exploratory, descriptive, and causal.

The researcher opted to make use of the descriptive research design which is constructionist (quantitative) research methodology, wherein non-probability sampling approach was adopted. The selection of a non-probability sampling quantitative research methodology is premised on the fact that this particular research sought to understand perspectives of Nedbank staff on the effect of business realignment on employee engagement. It further endeavoured to understand how the experiences of staff and their attitudes towards the new business model affect the outcomes of successful implementation of the new business model at the bank.

This descriptive approach enabled the researcher to describe populations and events as they transpired through the link that exists between variables (Zikmund,

Babin, Carr and Griffin, 2010); in this case, the variables in question are the different engagement strategies and employee engagement.

3.3 Sampling Strategy

3.3.1 Population

The respondents (Nedbank staff) are stationed at the Nedbank Lesotho Head Office, in nine branches in five districts around the country where Nedbank has a footprint. The population for this research was 147 Nedbank Lesotho staff members in the Credit, Retail, and Wholesale Departments as they are the ones who had been affected by the Project Genesis intervention.

3.3.2 Sample

The sample is comprised of 147 Nedbank Lesotho staff members who had been in the employ of the bank prior to October 2014, as this month marked the first intervention which was characterised by fragmenting of said departments and the proliferation of the CST teams. The sample was selected following a non-probability sampling approach which does not attach the probability of being chosen as sample subjects but only gathers data on the participation of respondents available when questionnaires are being administered (Sekaran and Bougie, 2013). Subsequently, convenience sampling was also employed on the basis of those who were available when questionnaires were sent out, after the researcher had been satisfied with the demarcation on the population. Other writers who advocate the use of convenience sampling, such as De Vos, Strydom, Fouche and Delport (2011) argue that it is economical and enables the researcher to obtain responses promptly.

3.4 Data Collection

As has been indicated, a quantitative approach was used for this study. Questionnaires were delivered at every branch by the researcher requested

respondents to return the questionnaires within a specified time frame. The use of a quantitative strategy in this case allowed the researcher to collect primary data which involved statistical measurement and analysis.

The questionnaire had two sections. The first section contained employees' biographical data with the exclusion of name and employee numbers to maintain anonymity of respondents. The second section contained questions pertinent to the objectives of the study, all of which were aligned ten (10) selected employee engagement strategies to be assessed namely: Health and Safety, Fairness of Remuneration, Job Security, Promotion and Advancement, Manager Competence, Policies and Procedures, Reward and Recognition, Strategic Alignment, Change Management, and Work-Life Balance. There were 50 questions on a Likert Scale in order to test consistency of responses. All of the fifty questions fell under one of the ten strategies above.

The design of the questionnaires made use of a Likert scale which assisted with the classification of opinions from strongly agree to strongly disagree on a 5 point Likert scale. This aided the researcher to classify respondents in accordance with their responses to establish how strongly they agree or disagree with certain engagement strategies and aspects of the environment which have an impact on how engaged they were to the organisation. Because this study was about perceptions of staff on employee engagement, the scale of choice (Likert) was deemed appropriate because it has been proved to be reliable and valid as perceptions are a subjective matter which appeals to individuals by either eliciting positive or negative reactions to any phenomenon.

3.6 Ethical Considerations

Ethics refer to a code or expected societal norms of behaviour while conducting research (Sekaran and Bougie, 2013). In conducting this research, the researcher was guided and bound by these expected societal norms to:

- Ensure confidentiality of respondents by protecting the identity of participants;

- Guard against subjectivity and bias - the researcher exercised caution when analysing data in order to report accurate findings, not own opinions or interpretations;
- Encourage voluntary participation avoiding the use of coercive measures to get participation; and
- Obtain consent from respondents having furnished them with all the necessary information pertinent to the research e.g. the purpose of the study.

3.7 Demarcation of the study

This study was limited to 147 Nedbank Lesotho staff members who are currently individuals who have been affected by business realignment through Project Genesis. The focus was on the impact the intervention had on their engagement to the organisation through the use of measurement of their perceptions on employee engagement strategies set out in Chapter 1.

The anticipated time of research was three months, during which time questionnaire development, piloting, refining of questionnaire, and final administration of questionnaires took place.

The study is in the field of Human Resources Management with a specific focus on Organisational Development. Participation of staff further ensured that information gathered was representative of staff members actually affected by Project Genesis and that their views were taken into consideration.

3.8 Conclusion

This chapter detailed the research methodology the researcher followed to address research objectives set out in Chapter 1. Support for the selected methodology was provided as well as the tool used to collect the data. Following the collection of the data, the subsequent chapter will deal with the analysis, interpretation as well as discussion of the data obtained.

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

Based on the quantitative research design and methodology described in Chapter 3, this chapter presents the results of the study. The chapter will present results in two facets, the first one being a presentation of demographic data and a discussion of its value to the study, and the second being the analysis of results of the questionnaire which was administered scrutinising the ten Employee Engagements Strategies as outlined in the preceding chapter, namely Health and Safety at Work, Fairness of Remuneration, Job security, Promotion and Advancement, Manager Competence, Policies and Procedures, Reward and Recognition, Strategic Alignment, Change Management, and Work- Life Balance.

This chapter will be concluded by providing a summary of the key findings which will be used in Chapter 5 for making recommendations as well as further improvement of the study.

4.2 Data presentation and analysis

Although 147 questionnaires (see Annexure A for a copy of said questionnaire) were distributed to the target group, the researcher received 102 (n=102) back, which translates to 69.39%. The table below represents an analysis of demographic data gathered from the questionnaires received. Table 4.1 – 4.3 breaks down demographic data as well as to provide some background information given by respondents.

Table 4.1 Demographic representation: Gender

Gender	M	F
Frequency (f)	42	59
Percentage (%)	43	58
Promotion by Gender (%)	39.4	44

The table above shows the gender distribution of the respondents as well as the opportunities of promotion each gender group has experienced since taking up employment with the bank. Although it is shown that males make up 43% of the respondents, 39.4% have experienced at least one promotion. 58% of the respondents are female, and 44% of females experienced promotion since they took up employment with the bank.

The table below shows the age distribution of employees at Nedbank which shows that the average age is 37 and the Maximum age is 58.

Table 4.2 Age of Respondents

	Mean	Median	Min	Max
Age	37	26	25	58

With the statutory age of retirement being 60 in Lesotho (Labour Code Order of 1992), it follows that the maximum age of employees is 58 which is close to retirement while the average age is 37. The table below shows the number of highest qualifications employees possess as well as the percentage of employees who have had promotions holding those qualifications.

Table 4.3 Highest Qualification by Promotions

	Certificate	Diploma	University Degree	Post Graduate degree
Highest Qualification	13.73%	37.25%	44.12%	4.9%
Promotion by Qualification	13.73%	27.45%	14.71%	1.96%

It is depicted in the table above that 44.12 % of respondents have an undergraduate degree followed by those who hold a diploma at 37.25% and Certificate with 13.73%. Holders of postgraduate degrees constitute 4.9% of the respondents. Although university degree holders are the majority, when it comes to promotion opportunities there is no significant disparity between university degree holders and Certificate holders' advancement opportunities as they scored 14.71% and 13.73 % respectively (as shown in table 4.3 above under Certificate and University Degree on the Promotion by Qualification aspect). This represents a 0.98% difference in the opportunities of promotions between holders of university degrees and holders of Certificates. Diploma holders make up the cohort of employees who have had more opportunities of advancement as shown by 27.45% score. The percentages thus demonstrate that the level of education does not play a significant role in securing an employee's advancement opportunity within the bank.

4.2.1 Presentation of Results per Employee Engagement Strategy under study

4.2.1.1 Health and Safety

Table 4.4 Health and Safety

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
TOTAL	6	69	76	322	37
MEAN	1	14	15	64	7
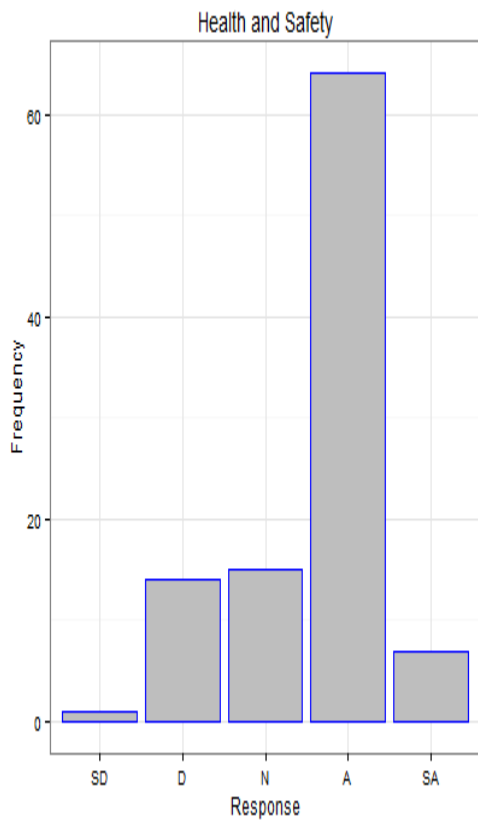
Figure 4.1 Health and Safety   Figure 4.2 Health and Safety by Gender
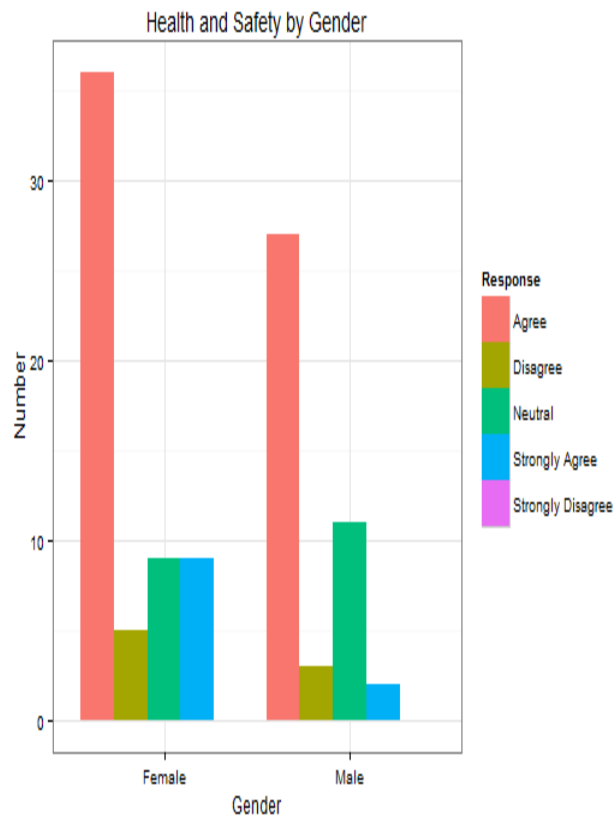
While table 4.4 above provides a graphic view of the scores, Figure 4.1 clearly indicates that those who 'agree' that Health and Safety is an employee engagement strategy which the bank has mustered have a mean of 64, which indicates that the majority of staff members cite that their health and safety is taken care of at the bank. In addition to this is the smaller group which 'strongly agrees' and together the respondents who lean on the positive side of the scale make up 70%. It further emerged that due to the fact the a bank is a high risk area, likely to be target by robbers, safety and security ranks high in employees areas of concern, hence the fact that 70% demonstrate comfort with the bank's initiatives to ensure their safety is commendable.

In terms of gender, female respondents even show a higher level of satisfaction in comparison to their male counterparts as ranked 40% and 30% respectively.

4.2.1.2 Fairness of Remuneration
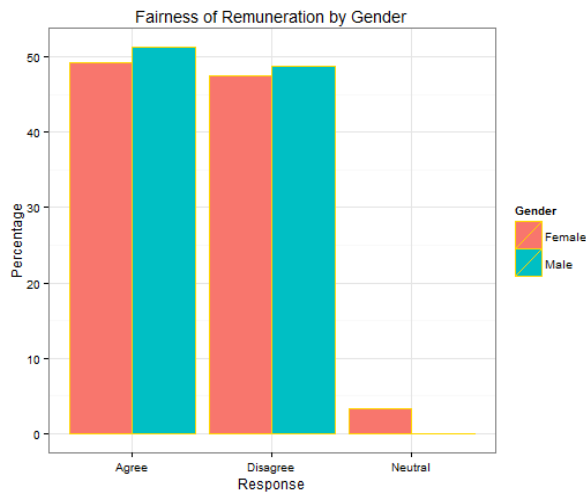
Figure 4.3   Fairness of remuneration by gender

Figure 4.3 above shows that the overall percentage of respondents who 'agree' and 'disagree' that remuneration is fair is very close; gender concentration of respondents, it ranges between 47th and 51st percentile which is fairly average. This is supported by the negligible significant difference in responses by gender wherein 49% of female respondents agree that remuneration is fair while 48% disagree with the very same statement. Likewise, male respondents demonstrated a similar pattern in so far as remuneration sentiments exist as their female colleagues, their results stand as follows: 51% agree that remuneration is fair while 49% disagree. The results are neither expressly leaning towards the 'Agree' or 'Disagree' side. Resultantly, this portrays a picture of this particular employee engagement strategy as not very definitive in terms of determining whether employees are engaged or disengaged because approximately half the population agrees while the other half disagrees. Although as a strategy for it to be contributing to employee engagement, literature points to leaning of results to the positive en of the continuum.

Furthermore, the percentage of those who are neutral is 3%, which is a percentage far too low to base a conclusive decision on. In terms of gender, male employees are ahead of females in both the categories of 'Agree' and 'Disagree'. This could be indicative of the fact that males are generally poorly paid in comparison to their female counter parts or that they have far too many financial obligations which are not sufficiently met by their salaries.

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The last aspect of this strategy which is assessed is whether the level of education plays any role in determining if an employee is fairly remunerated of not. According to Figure 4.4 below, a large majority of employees who site fair remuneration have the highest qualification as a university degree. This shows that the higher the level of education, the higher the salary one receives irrespective of gender. It can therefore be deduced that the employee engagement strategy of Remuneration goes hand in hand with level of education at the bank.
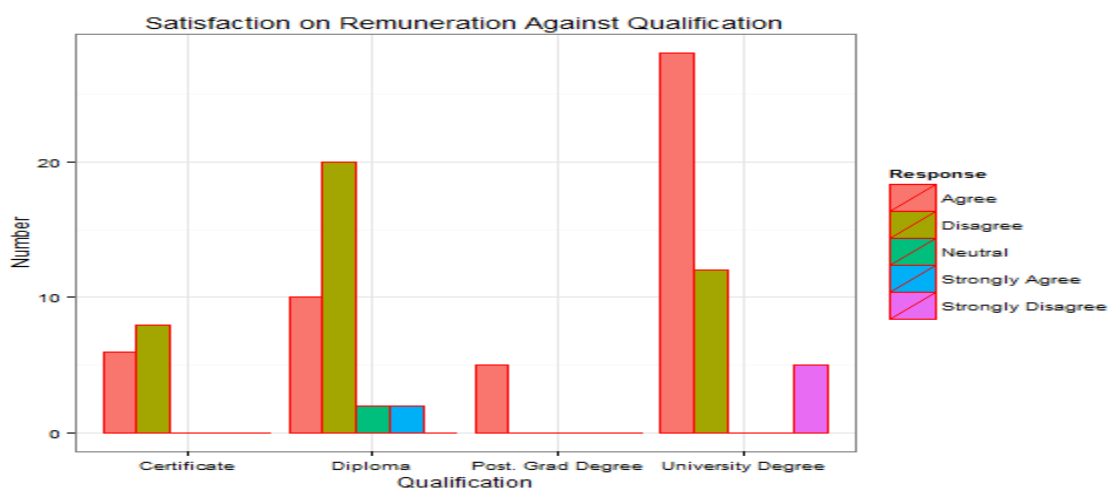

Figure 4.4 Satisfaction of remuneration against qualifications
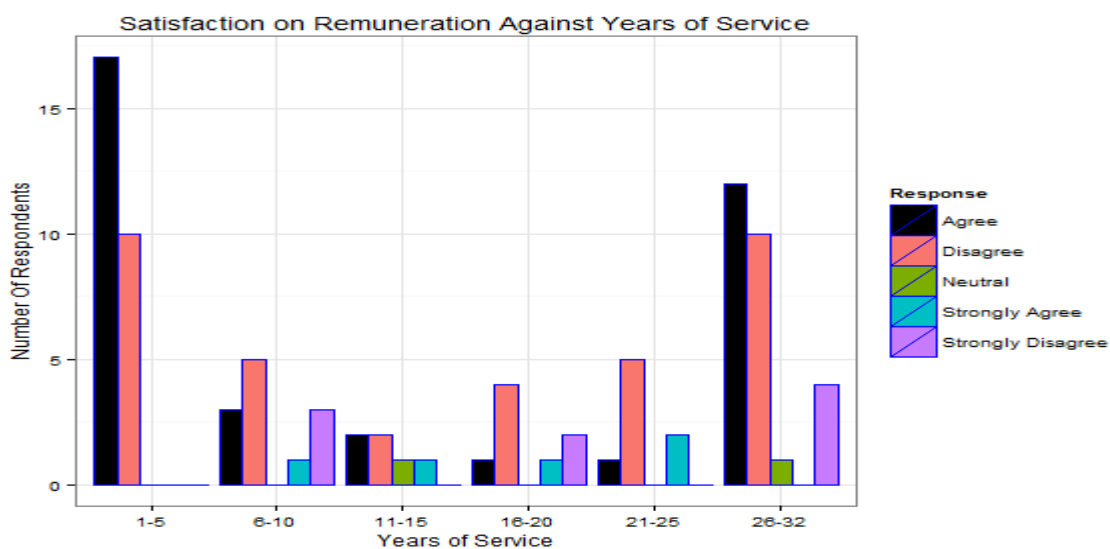

Figure 4.5 Satisfaction on remuneration against years of service

Yet another peculiar pattern emerges where employees who cite satisfaction with their remuneration fall into two groups, one made up of those who have service of between 1-5 years and those with over 26 years' service with the bank. While the former group's satisfaction mainly arises out of the fact that a high concentration of them are fairly young (according to the demographic data the majority of the respondents who have 1-5 years with the bank are within the age group of 25-30), and have recently been employed it can be argued that due to their age, and on the assumption that most young people from school do not have many responsibilities and commitments, they find their remuneration satisfactory.

The second group which feels that their remuneration is fair is the groups of employees with 26-32 years of service. This may be a reflection of satisfaction with their salary which is where it is as a result of salary increases over the through the bank's recognition of experience and the annual inflationary salary increments which have over the years escalated their salaries.

Within the same age group of 26-30 is a subgroup which is unhappy with its remuneration is in the group of 26-32 years with the highest bar of 'Strongly Disagree', and a high number of employees who 'Disagree'. It is depicted that out of the 26-32 sub-group who are leaning on the negative side of the scale, respondents are holders of certificates and diplomas, which demonstrates that the bank has a commitment to also reward education alongside experience.

These two groups, those with 1-5 and 26-32 years' service respectively, also show a very peculiar pattern of strong opposite perceptions leaning on the side of 'Disagree'.

4.2.1.3. Job Security
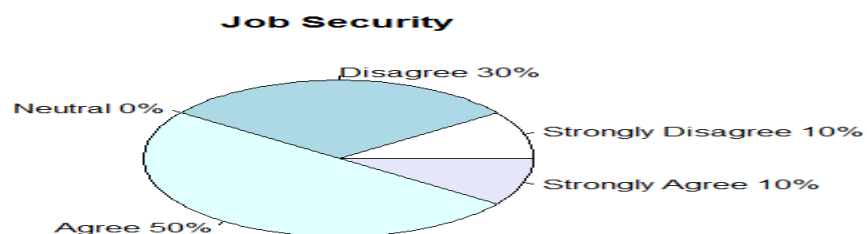
Figure 4.6 Job Security

Of the 102 respondents, a total of 60% (50% and 10% respectively) either 'agree' or 'strongly agree' with the existence of Job Security at the bank. While this is a positive reflection, the remaining 40% (30% and 10% respectively) 'disagrees' and 'strongly disagrees'. Although the percentage of the ones who fall under the positive side outweighs the side under the negative side of the scale, it is not a position which the organisation should sit comfortably with, because ten percentage points below 60 would put half the population at 'Agree' and the other half at 'Disagree' on the aspect of Job Security. If anything were to happen around issues of Job Security which could potentially threaten the perception of its existence at the bank, the bank would be at the risk of experiencing high staff turnover. Volatility if Job Security can lead to employee disengagement.

4.2.1.4 Promotion and Advancement

Table 4.5 Promotion and Advancement

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
TOTAL	0	0	0	213	297
MEAN	0	0	0	43	59

All responses under the availability of Promotion and Advancement opportunities strategy of employee engagement are leaning on the positive side of the continuum. This indicates that, although not all respondents have experienced promotions, there is a landslide positive perception about the existence of the opportunity of being promoted or advancing in the bank. This may be attributable to the fact that they have seen their colleagues who have been promoted as revealed by the demographic data which shows that not all respondents have had a promotion yet all have indicated that promotion and advancement exists within the bank. If this were the only strategy with which employee engagement was to be measured at the bank, it would augur very well for employee engagement as it is purely indicative of high engagement to the organisation because of the positive perceptions staff harbour of their own personal and professional growth.

Table 4.6 Promotion by Qualification

Response	Certificate	Diploma	Postgraduate Degree	University Degree	Total
No	0	10	3	30	43
Yes	14	28	2	15	59

In further support of the existing promotion opportunities the above table shows that out of the 102 respondents, under every level of education, there has been a promotion awarded, which communicates to the employees that regardless of level of education, an opportunity for a promotion exists. This explains the peculiar yet positive pattern seen under this particular employee engagement strategy wherein all respondents either 'Agree' or 'Strongly Agree' that there are growth opportunities at the bank.

4.2.1.5 Manager Competence

According to the respondents 76.5% of employees believe in the competence of their managers. This is shown by the skewedness of the distribution graph towards the positive side of the scale. The remainder of the respondents who cited 'Strongly Disagree', 'Disagree', and 'Neutral' to competence of their manager make up 23.5% of the population under study.

Table 4.7 Manager Competence

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
TOTAL	38	32	49	294	97
MEAN	8	6	10	59	19

As demonstrated earlier in Chapter 2, managers' competency influences employee engagement and, as such, where employees do not believe their managers are competent in their jobs, employees are left uninspired and that may lead to laissez faire or employee disengagement. It is therefore important to note that at the bank,

most employees view their managers as competent which is indicative of the fact that this strategy reinforces employee engagement.

4.2.1.6 Policies and Procedures

Under the Policies and Procedures strategy of employee engagement, 84% of the respondents either 'Agree' or 'Strongly Agree' that Policies and Procedures are adequate, accessible and are applied consistently in an equitable manner across the bank irrespective of rank. This again is represented by the skewedness towards the positive side of the scale.

Table 4.8 Policies and Procedures

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
TOTAL	8	29	44	311	118
MEAN	2	6	9	62	24

The table above indicates that only 7.8% of the respondents 'Disagree. with the adequacy of policies and procedures. In looking at the holistic results on Policies and Procedures strategy, the percentage of the respondents leaning towards the 'Disagree' side of the scale is negligible and thus can be considered to have little impact on employee engagement as a strategy.

4.2.1.7 Reward and Recognition

The graph below represents perceptions of respondents towards the Reward and Recognition process within the bank. 82% the of respondents are leaning towards the positive side of the scale (52 % and 30% respectively) which means that employees feel that they are fairly recognised and rewarded accordingly when they are seen doing well. Tipped to the negative side of the scale is only 9%, while 2% 'Strongly Disagree'. This skewedness, which favours the Reward and Recognition Process as it is, also shows that the current use of the Reward and Recognition

Process at the bank strengthens employee engagement at the bank. This is because employees thrive on being recognised for doing well and exceeding the targets. This recognition reinforces the same desirable behaviour of wanting to do more of the same behaviour which will yield positive results for the organisation.
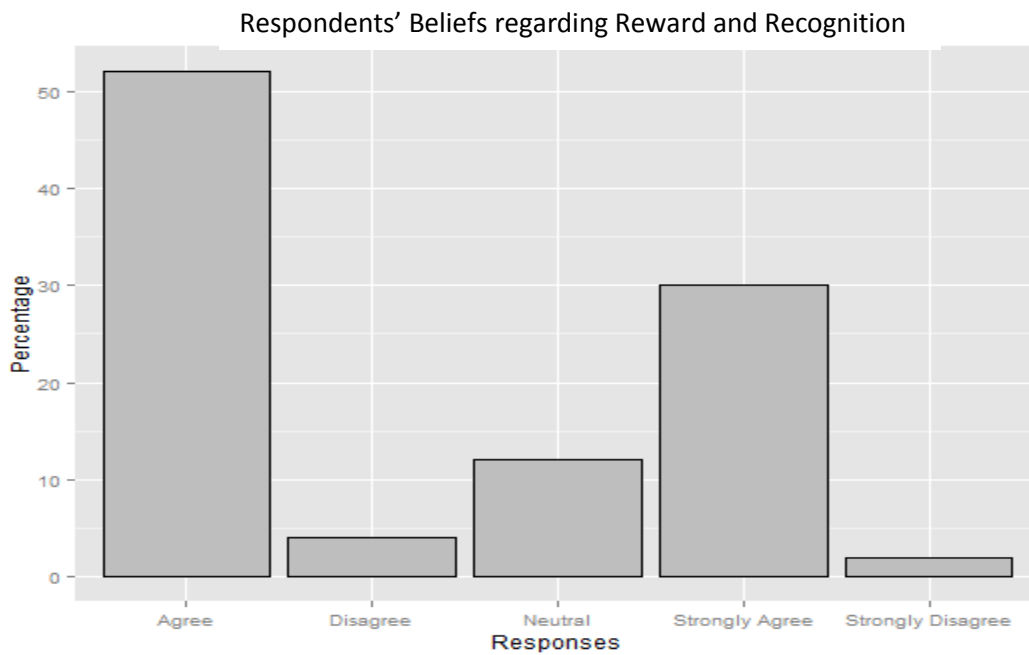
Figure 4.7 Reward and Recognition

4.2.1.8 Strategic Alignment

The graph below represents respondents' perceptions on the alignment of their roles to the strategic objectives of the organisation.
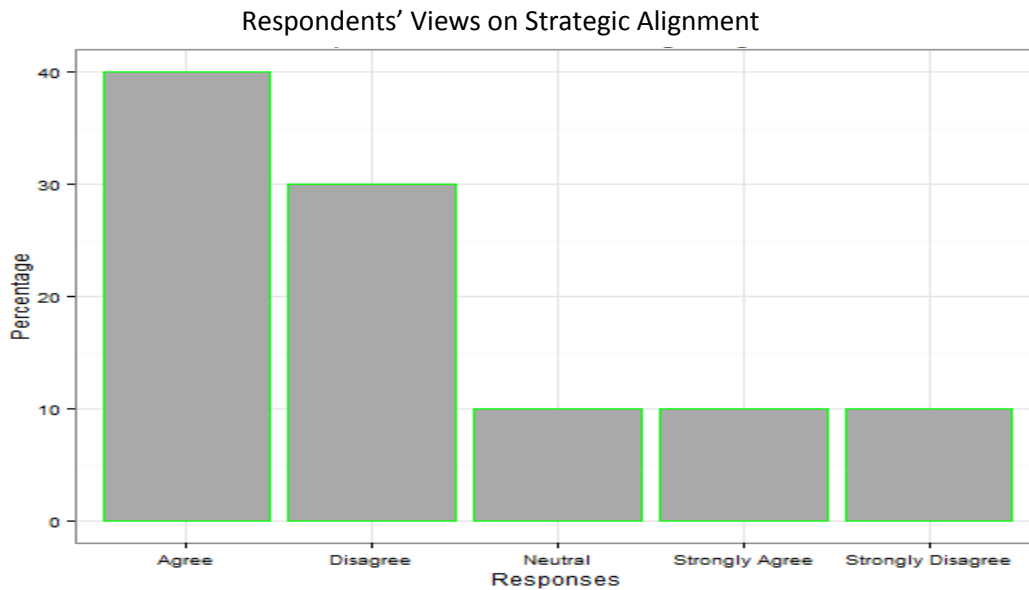
Figure 4.8 Respondents' Views on Strategic Alignment

Strategic alignment is an employee engagement strategy which supports the goals of the organisation. 40% of the respondents agree that they know, understand, and are aware of the strategic goals of the bank as well as where their roles fit to support the strategy of the business. They are followed by 10% of respondents who 'Strongly Agree' that they are conversant with the strategy of the bank. The remaining 50% which is made up of 30% 'Disagree', 10% 'Neutral', and 10% 'Strongly Disagree', shows that half the respondents do not know exactly where the bank is going and exactly what their role is in relation to supporting the strategy of the bank. This begs the question of whether employees understand the purpose of existence of the bank if half of the employees who are supposed to be supporting the strategy through their various roles do not know whether their actions are aligned to the strategy of the bank or not.

4.2.1.9 Change Management

Table 4.9 Change Management

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
TOTAL	0	1	0	324	185
MEAN	0	0	0	65	37

The table above shows that the Change Management strategies and implementation thereof were understood and welcomed by employees as depicted by the data with a mean of 65 'Agree' and 37 'Strongly Agree' responses. This demonstrates that respondents report that they were well prepared for the change initiative, conversant with the dynamics it brought about, and were as a result supportive of it. Zero scores under 'Strongly Disagree', 'Disagree', and 'Neutral' shows that a total of 102 respondents all confirm that they agree with how change management strategies were employed by the bank. Due to the fact that such changes were handled well this enhances engagement, as employees know what changes to anticipate and how to handle them to eliminate feelings of uncertainty. As one employee engagement strategy reinforces and supports the other one, the elimination of feelings of uncertainty influences job security, which was as earlier on shown as a volatile strategy which needs to be redressed.

4.2.1.10 Work Life Balance

Table 4.10 Work Life Balance

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
TOTAL	36	109	74	198	93
MEAN	7	22	15	40	19

The table above shows respondents' feelings about Work Life Balance. The results show that although 57% chose either 'Agree' or 'Strongly Agree', which indicates that 57% of respondents feel that their work does not impact on their personal lives resulting in a healthy balance between work and personal lives. There is, however, a contingent of 28% which 'Disagrees' while 14% are 'Neutral'. As an employee engagement strategy, Work Life Balance is a critical aspect of an employee's life at work and contributes to a longer tenure with an employer. Employees who are over - worked or whose jobs take up a significant amount of their time end up suffering from burn-out or depression, conditions which ultimately lead to their disengagement from the organisation as earlier literature has revealed.

4.3 Conclusion

This chapter presented the findings of the study which aimed to assess employee engagement at Nedbank following a business realignment process. Ten employee engagement strategies were tested by use of questionnaires. This revealed findings which indicate that the majority of the respondents are leaning towards being engaged in the organisation. There are however areas of concern where it is indicated that, under some employee engagement strategies such as Job Security, Strategic Alignment and Fairness of Remuneration, the bank is not performing well in terms of enhancing employee engagement. While there may have been a multitude of strategies of employee engagement to benchmark the bank against, for the purpose of this study, only ten were assessed as indicated and 70% are indicated as driving employee engagement with only three strategies lagging behind. Out of these three of major importance is strategic alignment to the organisation, where an indication of misalignment exists.

While issues of diversity were not under study *per se*, it is observed that more advancement opportunities (promotions) have been granted to female employees. Again, the percentage of holders of university degrees is the highest in comparison to other qualifications, to which end the legitimate expectation of understanding of organisational realignment is attributable due to the entrenched level of education hence generated mostly positive results emerging out of this study.

Overall, three out of ten strategies derail the results which otherwise demonstrate that there is employee engagement at the bank post the transition. These strategies are Fairness of Remunerations, Job Security and Strategic Alignment. Notwithstanding these three, the overall findings bode advantageously for the bank. This is indicative of the fact that the organisational realignment has not had an adverse impact on how employees perceive the bank. This is due to the fact that 7 out of 10 strategies are seen to be appeasing to the employee over and above the drastic change which they had experienced through the transition to the new model of realignment of business units.

With these results, it follows that the bank should endeavour to ameliorate the three strategies lagging behind in order to harmonize employee engagement through all of

the ten tested strategies. This act which will assist the bank with attaining it strategic objective of being the most admired bank in Africa not only through project Genesis but also through its people.

In the next chapter, recommendations to enhance employee engagement in the bank will be made in order to enhance employee engagement.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The main objective of this study was to assess the impact of organisational realignment on employee engagement in Nedbank Lesotho's departments. In pursuit of this objective, a comprehensive literature review to understand what employee engagement is, its benefits and its challenges, as well as the main reason why employers should endeavour to keep employees engaged was provided. Thereafter, a survey was carried out to study perceptions of employees on a selection of 10 employee engagement strategies to assess whether employees remained engaged or not after the organisational realignment.

This chapter presents conclusions as guided by objectives and findings from the survey conducted. Taking from the findings, recommendations will be made as well as to indicate what the researcher found to be limitations of this particular study. Lastly, the significance of the study within the Human Resources field is discussed and recommendations for further research on the topic will be made.

5.2 Findings

As indicated in the introduction, ten employee engagement strategies were used to assess employee engagement at the bank following implementation of Project Genesis. Most of the findings point to a healthy working environment which should translate into highly engaged employees as most respondents gave responses which are leaning towards the positive side of the Likert scale. There are, however, three employee engagement strategies which stand out because of the concentration of responses which is almost equal on both the sides of the continuum thereby confounding the results. Below are findings in terms of each strategic objective:

- Employees indicated that their Health and Safety is taken care of at the bank and is thus not an area of concern;

- Most employees who participated have been given a promotion(s) and those who have not had that opportunity also indicated that they believed that there exist growth opportunities within the Bank which are fairly awarded as they have witnessed their colleagues being promoted;

- Managers are believed to be competent in their jobs, meaning that they know what they are doing; as a result, they are not undermined by their direct reports. This furthermore indicates that direct reports find their managers inspirational and worthy of looking up to;

- The bank's Policies and Procedures are accessible to all staff, fair and clear. Furthermore, these policies are applied consistently across the bank irrespective of rank which speaks to transparency;

- Good performance is rewarded and recognised at the bank.This culture fosters the ethos of wanting to exel in one's job because human beings thrive on recognition of good performance they put into their work, and lastly;

- Change Management is an area which the bank has also handled well. Change is depicted according to the results as well planned and communicated with employees, especially those who are likely to be affected by it helping them (employees) ease into the new processes and structures.

Below are findings indicating four employee engagement strategies which need significant attention and redressing as the concentration of the responses which are negative and positive on both sides of the scale is almost equal.

- Insofar as Work-life Balance is concerned, 57% is not a definitive result which the bank can sit comfortably with because it is too close to the border of being either positive or negative. This means that significant efforts should be put into this strategy. As is indicated in Chapter 2 being overworked is likely to cause burn-out, which has far worse consequences for both the employee and the organisation;

- There is a 50% split between those who believe remuneration is fair and those who do not believe that they are fairly remunerated. Those who agree that they are fairly remunerated are the groups are made up of employees who have joined the bank between 1-5 years and those over 26 years of service with the bank. The other groups' dissatisfaction need to be addressed. In this two cohorts, there are subgroups who demonstrate contradicting perceptions;

- Most employees who participated in the study feel that they have Job Security (60% of respondents).

- Another critical employee engagement strategy, Strategic Alignment, yielded disconcerting findings. The number of respondents who 'Agree' is very close to those who 'Disagree'. This strategy needs to be paid close attention to as ignoring it could lead to a directionless workforce. Strategy is key in every organisation and without it; employees will be working without guidance and direction.

5.3 Recommendations

As mentioned in section 5.1 above, the primary objective of the study was to assess the impact of organisational realignment of Nedbank Lesotho on staff engagement at the bank. The findings indicate that a relatively acceptable percentage of staff demonstrated overall engagement to the organisation. This is despite the revelation there were some which have to be redeemed and be enhanced, as it emerged when the strategies were individually investigated. This enhancement will help with

ensuring that when employee engagement is assessed using any strategy of employee engagement, the results are not only consistent but also positive and indicative of high levels of employee engagement.

Below are recommendations per employee engagement strategy which will assist with enhancing employee engagement:

- **Improvement of communication channels**: e-mails, memos, focus groups, and one-on-one interviews should be aggressively used in order to solicit ideas from staff which will result in a workforce which feels valued by the organisation. Employees should be involved in decision making, either directly or through employee representative bodies.

- **Career pathing and employee development:** Employers should understand employee's career paths, and co-workers must make personal sacrifices to help the organisation to work towards their own development so that when change initiatives are implemented, employees are not misplaced in new roles thus frustrating their career paths. Development must be encouraged and development opportunities should be created. During the time of a strategic change, organisational leaders should drive engagement by keeping an open, two-way dialogue which will help the employees to feel that although the organisation is going through transition of its strategy, their inputs are still valued;

- **Address remuneration issues:** participation in national salary surveys for salary benchmarking purposes, fairly remunerating staff in line with their relative worth to the organisation, educating staff on how salaries are determined in instances where salaries are deemed commensurate with jobs;

- **Job security:** is believed to exist although the degree of confidence is not sufficiently high, because 60% of the respondents confirmed there is job security, leaving 40% who disagree. Issues of job security surround the high turnover and the rate of dismissals all led to staff feeling somewhat insecure, but not entirely. Business should have a drive to instil the culture of adherence to processes and procedures protect oneself from incidents which may lead to dismissals;

- **Work-life balance:** is a challenging dynamic. Unfortunately, in most cases, employees tend to spend a great deal of time at work or working late because the bank is a performance driven entity and employees feel they need to push hard to achieve their goals. There are benefits such as leave which the bank should really afford its workers. Employees should be allowed to rest instead of recalling them when on leave, as is the practice with some managers. There is an Employee Assistance Programme which employees do not necessarily make use of, although the services are available. The bank should encourage use of this programme so as to reach out to employees before they reach burn out stage. There should be a healthy and ongoing dialogue as well in connection with co-workers wherein colleagues are seen to be pulling together and providing support during stressful and uncertain times; and

- The bank must provide a two way dialogue which is of importance during change as in order for engagement to prevail there should be connection with leaders.

Capacitating employees through required training in order for them to have resources (skills) to do their 'new' jobs should be of paramount importance.

5.4 Significance of study

This study has revealed which employee engagement strategies have thus far worked well in the bank to enhance employee engagement. It also showed some strategies which the bank should pay significant attention to thus enhance all employee engagement strategies in totality. A by-product of this study has indicated that the strategies themselves reinforce each other in the sense that where there is a strong perception of advancement opportunities, there will be a reduced level of job insecurity as the employees is likely to stay with the organisation solely on the perception of job security.

It is imperative that with this study the Bank endeavours to understand its employees and the factors which impact their engagement and also redress factors which negate the objective of having a highly motivated workforce. This means that the bank will have to revisit its employee engagement strategies, especially those which tap into Employee Value Proposition as a promise for a better working relationship.

5.5 Limitations of the study

Sampling and data collection: the sample was limited to employees of Nedbank Lesotho and the percentage of those who participated (102) was 69.38% of the target population. While this percentage was above 50%, it may not have been sufficiently representative of the total population. Ideally, more employees should have participated in order for the findings to be considered conclusive. Considering how most respondents opted for safe and positive responses 'Agree' and 'Strongly Agree', it may be seen as employees being loyal to their employer while a few had the courage to clearly state where they 'Disagree' and 'Strongly Disagree'.

Questionnaire Design: the questionnaire which was administered had 50 Likert scale questions to confirm consistency of responses as a way to test reliability and validity. With hindsight, this method was not the most appropriate as it lacked open ended questions. In some instances it could have been beneficial to the study to encourage respondents to elaborate and provide reasons why they responded in a

particular manner by way of leaving open ended commentary spaces at the end of the questionnaires.

Researcher: Although names were not requested and confidentiality was guaranteed, due to the fact that this study was conducted when the researcher was still an employee of the bank and working as the Human Resources Manager, this factor could have led to respondents' eagerness to elucidate a positive picture so as not come across as demanding or troublesome.

5.7 Further Research

This study was undertaken within the context of Southern Africa and in one of the developing economies: Lesotho. As indicated in Chapter 1, Nedbank Lesotho is a subsidiary of the Nedbank Group. Two dimensions are at play: first of all, in Lesotho, Nedbank is one of the four banks which is currently ranked number 3, after Standard Lesotho Bank and First National Bank Lesotho. It is recommended that levels of employee engagement using the very same ten strategies which were applied in this study be used to assess employee engagement in all four banks. This will bring in a different dimension of levels of employee engagement due to the fact that three of the four banks are also regulated by their respective parent companies in South Africa.

This latter factor speaks to adherence to regulations, processes, systems and procedures adopted from outside the country while at the same time, due to regulatory standards as imposed by the Central Bank of Lesotho, there is forced compliance.

5.8 Conclusion

It can be concluded that the results demonstrate that, post the implementation of the first phase of Project Genesis, overall, employees remained relatively engaged to the bank. The results also show that there were a few strategies which were not very effective or which did not reinforce a strong existence of employee engagement.

With those strategies which have been identified as weaker strategies impacting negatively on enhance employee engagement, it is prudent that a close eye is kept on them and in the interim; efforts be made to enhance those employee engagement strategies lagging behind though recommendations made. This is necessitated by the fact that should be bank not come up with remedial actions timeously, there is the possibility of the risk of further reclining into the 'Disagree' side of the scale, thereby affecting employee engagement negatively.

Although literature suggests that whether employees identify with change or not, in terms of employees' engagement to the bank, whether they see a clear future or not, organisational objectives are most at risk at the inception of the change. This thus suggests that employee engagement is both an opportunity and a risk to be managed during times of transition. It may take some time for highly engaged employees to recover once destabilised as they are the category of employees whose percentage is directly correlated to higher performance and thus value chain.

Due to the fact that organisational realignment results in change to the way jobs are performed and changes team structures as well as reporting lines, this kind of change may leave employees feeling that the new role does not meet his/her expectations, does not fulfil career aspirations and work life balance. With these in mind, it is important to balance all employee engagement strategies because if one or more affect the employees negatively, there is a possibility that that may affect performance of the employee and quality may decline and impact on morale of staff.

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ANNEXURE A

Request Letter to Conduct Study at Nedbank

P. O Box 2530
Pitso Ground t02
Maseru
2 February 2015

The Managing Director
Nedbank Lesotho Limited
Maseru

Dear Sir,

REQUEST TO CONDUCT RESEARCH AT NEDBANK LESOTHO IN PARTIAL FULFILLMENT OF REQUIREMENTS OF MBA DEGREE AT THE UNIVERSITY OF THE FREE STATE

The above captioned subject refers.

I am a registered student at the University of the Free State in the Republic of South Africa pursuing a Masters Degree in Business Administration. It is a requirement of the university that students conduct a field study as part of the program in order to complete the Masters degree.

It is against the background given above that I humbly seek your approval to undertake my research on the following research topic "The Impact of Organizational re-alignment of Wholesale, Credit and Retail departments on Employee Engagement at Nedbank Lesotho".

The sample population for this research will be Wholesale, Retail and Credit departments and participation will be voluntary.

The final chapter of the dissertation will make recommendations of feasible Employee Engagement Strategies to the management of Nedbank Lesotho as well as to provide a framework for adoption of same strategies taking from academic as well as corporate bodies.

Thanking you in advance for your approval.

Regards,

Moliehi Makhetha - cc610814

Received.
for Nedbank (Lesotho) Limited
HEAD OFFICE
HEAD OF HUMAN RESOURCES

Sample Questionnaire

RESEARCH QUESTIONNAIRE

Hello,

*My name is Moliehi Makhetha, a registered student at the University of the Free State reading towards a Master's Degree in Business Administration. I am currently conducting research on Employee Engagement at Nedbank Lesotho. You are requested to be kind enough to take 15-20 minutes of your time to complete this questionnaire which is **voluntary and confidential** and whose results will be used to make recommendations to your management.*

SECTION A: Personal background details

Please tick (√) and fill in the blanks where appropriate

1. What is your gender? ☐ Male ☐ Female

2. What is your age? ....

3. What is your highest qualification? ....

4. How long have you been employed by the bank? ... .

5. What is your current position? (Optional). ....

6. In which department are you currently working? ....

7. How long have you been holding your current position? ....

8. What was your starting position? ....

9. Have you received any promotions since working here? ....

10. If yes to question 9, how many promotions have you received? ....

SECTION B:

This section assesses the employee's perception of how engaged they are with their jobs and with the bank as a whole. It uses the following indicators:

Strongly Agree (SA): means I am very engaged due to this aspect

Agree (A): means I am engaged due to this aspect

Neutral (N): means I am indifferent about this aspect of the bank;

Disagree (D): means I do not relate to this aspect and thus disengaged

Strongly Disagree (SD): means I totally do not relate to this aspect.

In the bank, I...

	SA	A	N	D	SD
1. Feel safe with working conditions	☐	☐	☐	☐	☐
2. Am fairly remunerated for my job	☐	☐	☐	☐	☐
3. Have job security	☐	☐	☐	☐	☐
4. Have the opportunity to advance professionally	☐	☐	☐	☐	☐
5. Believe my supervisor is competent	☐	☐	☐	☐	☐
6. Feel policies and procedures are adequate	☐	☐	☐	☐	☐
7. Am congratulated when I am seen doing well	☐	☐	☐	☐	☐
8. Understand where the entity is going	☐	☐	☐	☐	☐
9. Work in a rapidly changing environment	☐	☐	☐	☐	☐
10. Am actively involved in social activities	☐	☐	☐	☐	☐
11. Feel safe with the physical layout of offices	☐	☐	☐	☐	☐
12. Am paid a competitive salary in the industry	☐	☐	☐	☐	☐
13. Have a job which promises a secure future	☐	☐	☐	☐	☐
14. Have the chance of getting head	☐	☐	☐	☐	☐
15. Believe my supervisor ensures that staff get adequate training	☐	☐	☐	☐	☐
16. Feel policies and procedures are applied consistently to all employees	☐	☐	☐	☐	☐
17. Get full credit for my good performance	☐	☐	☐	☐	☐
18. Am informed of all important decisions the bank intends to take	☐	☐	☐	☐	☐
19. Have experienced implementation of a change initiative	☐	☐	☐	☐	☐
20. Look forward to going home after work	☐	☐	☐	☐	☐
21. Feel safe with the external surroundings	☐	☐	☐	☐	☐
22. Am happy with my remuneration	☐	☐	☐	☐	☐
23. Have a job which promises steady employment	☐	☐	☐	☐	☐
24. Believe a fair promotions process is followed	☐	☐	☐	☐	☐
25. Believe my supervisor has foresight	☐	☐	☐	☐	☐
26. Believe all staff members have access to policies	☐	☐	☐	☐	☐
27. Believe there is a fair recognition process in place	☐	☐	☐	☐	☐
28. Participate in important decision making processes	☐	☐	☐	☐	☐
29. Have been prepared for change	☐	☐	☐	☐	☐
30. Sleep peacefully when I am home	☐	☐	☐	☐	☐
31. Am provided with first aid training and risk precautions	☐	☐	☐	☐	☐
32. Get a salary commensurate with my job	☐	☐	☐	☐	☐
33. Believe in the fair processes employed in managing Employee Relations	☐	☐	☐	☐	☐
34. Have been promoted at least once	☐	☐	☐	☐	☐

35. Believe my supervisor can delegate tasks   ☐ ☐ ☐ ☐ ☐
36. Believe all policies are communicated to all staff   ☐ ☐ ☐ ☐ ☐
37. Get continuous feedback on my performance   ☐ ☐ ☐ ☐ ☐
38. Am invited to voice my opinions about strategic decisions made   ☐ ☐ ☐ ☐ ☐
39. Have enjoyed a work related change experience   ☐ ☐ ☐ ☐ ☐
40. Enjoy spending time with my family   ☐ ☐ ☐ ☐ ☐
41. Am happy with the physical working conditions   ☐ ☐ ☐ ☐ ☐
42. Believe my job and salary are based on a fair grading and   ☐ ☐ ☐ ☐ ☐
      Job Evaluation system
43. Know that my job is secure   ☐ ☐ ☐ ☐ ☐
44. My promotion came with a raise   ☐ ☐ ☐ ☐ ☐
45. Have a supervisor who provides guidance and support   ☐ ☐ ☐ ☐ ☐
46. Feel all staff are treated fairly   ☐ ☐ ☐ ☐ ☐
47. Am systematically performance managed   ☐ ☐ ☐ ☐ ☐
48. Have had my views and opinions incorporated into the running   ☐ ☐ ☐ ☐ ☐
      of the bank
49. Have seen the benefits of change to business   ☐ ☐ ☐ ☐ ☐
50. Do not frequently work overtime   ☐ ☐ ☐ ☐ ☐

The End

THANK YOU FOR YOR PARTICIPATION!!!