

The Impact of Employee Engagement on Job Performance and Organisational Commitment in the Egyptian Banking Sector

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Abstract During the past two decades, employee engagement became a very popular managerial construct. Organisations use different engagement building tools in order to stay competitive and improve performance. Though there is an increasing contribution in human resource consulting agencies on the concept of employee engagement, yet there is a shortage of academic studies on that construct, especially in emerging economies countries. This engagement gap grew more in importance amidst the waves of ongoing recession and resource scarcity battles prevailing in the Middle Eastern Region, in general, and in Egypt in particular. This is an exploratory study that aims to identify the key drivers of employee engagement within the Egyptian context. It also studies the impact of employee engagement on job performance and organisational commitment based on social exchange theory (SET). A survey questionnaire was developed and validated. Regression analysis was used to predict and explain the proposed relationships. The study was conducted on 245 bank employees from several private and public banks operating in Cairo-Egypt with a response rate of about 81.6 % (200 employees) Pearson correlation matrix and regression were used to predict and estimate the relationships. Regression results indicated that leadership and organisational justice were the most significant drivers of employee engagement.. The mediation effect was confirmed. Employee engagement had significant impact on job performance, but less impact on organisational commitment. This study adds to the very few academic studies that have empirically investigated a comprehensive model of employee engagement drivers and outcomes. To the best of the author's knowledge, such a study is the first of its kind undertaken in the Egyptian context.

Keywords: *employee engagement, leadership, organisational justice, job performance, organisational commitment*

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1. Introduction

Employee Engagement is conceptualized as the individual's investment of his complete self into a role [54]. Engagement is a positive attitude where an individual goes above and beyond the call of duty, so as to heighten the level of ownership, and to further the business interest of the organisation as a whole [75]. Moreover, it is also a discretionary effort or a form of in-role or extra role effort or behavior that fosters change [61], and practically affects the employee morale, productivity, commitment, loyalty to internal and external customers, employee absenteeism and turnover in the organisation [20,27]. Thus, employee engagement has been popularized by practitioners as well as the research/academic community and is regarded as the barometer that determines the association of the individual with the workplace [83]. There remains an academic knowledge gap in employee engagement literature, which continuously elicits the need for further empirical research in this area within diverse contexts and different demographic

segments. Egypt remains an emerging economy country where the term and practice of employee engagement is still under researched. Explicitly, this study attempts to fill this engagement gap. To do so, it explored five drivers and two outcomes of employee engagement amongst employees working in both public and private banks in Cairo – Egypt. The five drivers of employee engagement were namely: leadership, organisational justice, compensation, work policies and procedures, training & development. Job performance and organisational commitment were the two tested outcomes of employee engagement. Egypt's banking sector continues to play a pivotal role in the development of country's economy. According to year 2013 fiscal statistics of The Central Bank of Egypt there are 40 operating banks in Egypt, 8 public banks, 12 national banks and 20 foreign banks [87].

2. Objective of the Study

2.1. To identify key factors affecting employee engagement in the Egyptian banking sector.

2.2. To investigate the relationship (if any) between employee engagement, job performance and organisational commitment.

2.3. To suggest best practices needed to improve employee engagement and address the so-called 'engagement-gap' in the Egyptian working culture.

3. Literature Review

3.1. Employee Engagement – Defined

The verb 'to engage' has many meanings, varying from a straightforward emotional state of being 'in gear', that is being involved and committed, to another transactional state of working in return for a fair economic exchange at workplace [77].

There are differences among attitude, behaviour and outcomes, in terms of engagement. As employee might perform with pride and commitment (attitude); exhibit three positive behaviours, namely Say (employees speak positively about the organisation to others inside and out), Stay (employees display an intense desire to be a member of the organisation) and Strive (employees exert extra effort and engage in behaviours that contribute to business success) [49]. Outcomes may then lead to sustainable business success. Considerable studies have shown the existence of a statistical positive relationship between employee engagement and business productivity, profitability, employee retention, safety and customer satisfaction [21,26,49,68]. All these three dimensions—attitudes, behaviours and outcomes – need to be perceived as part and parcel of the ongoing engagement process [60].

The term employee engagement, coined by the Gallup Research group, remained attractive for three main reasons. First, as mentioned previously, employee engagement is interwoven significantly with crucial business outcomes. An organisation with 'high' employee engagement might therefore be expected to outperform those with 'low' employee engagement, all else being equal [32,90]. According to Gallup's study that was conducted on 142 countries in year 2014, results showed that 13% of Egypt's employees are "engaged" and psychologically committed to their jobs and likely to be making positive contributions to their organisations. Whilst, 55% of Egypt's employees are "not engaged" meaning they lack motivation and are less likely to invest discretionary effort in organizational goals or outcomes; and 32% are "actively disengaged" indicating they are unhappy and unproductive at work and liable to spread negativity to coworkers [39]. This means that roughly 87% of Egyptian employees in the workforce are not fully engaged or they are disengaged. This may account for Egyptian employees' productivity gap and the on-going national economic hardships [47,89].

Second, employee engagement mirrored the growing importance of human capital and psychological involvement of employees in business [86]. Businesses have no choice but to produce more output with less employee input. In trying to do so, corporates need to engage not only the physical body, but also the mental mind and the innate soul of every individual employee.

Third, the increasing scientific interest in positive psychological movement research that aims to discover

and promote the factors that allow individual, organisation, and societies to grow and provide the required fertile ground that encourages the growth of engagement research in academia [77].

The concept of engagement as a multi-dimensional construct was first introduced by Khan in 1990, the academic pioneer of the employee engagement movement. Personal engagement was defined as the harnessing of employees' selves to their work roles where they express themselves physically, cognitively and emotionally during role performances [53]. To explain said phenomenon, reference [53] associated three psychological conditions demonstrated in the work role performance, viz. meaningfulness (feeling that one is receiving a return on the investment of the self), safety (a sense of being able to show and employ the self in the work role performance without the fear of negative consequences), and availability (a sense of possessing the physical, emotional and psychological resources needed at work). Kahn's model was then tested and findings supported that the psychological conditions of meaningfulness, safety and availability are positively linked to engagement [65].

Burnout researchers defined engagement as the positive antithesis of burnout [62,63]. However, reference [78] took a different perspective to define work engagement as a state of mind characterized by vigour (energy and mental resilience), dedication (feeling proud about one's job and inspired by it) and absorption (feeling of contentment while performing work).

Further on, Saks' comprehensive model on antecedents and consequences of job engagement (work role), and organisation engagement (employees' role as members of an organisation) was tested and validated [76].

Another study presented a hierarchical model of engagement similar to Maslow's hierarchy model of need [71]. In the bottom level there are the basic need of pay and working hour's conditions. Once an employee becomes satisfied he then starts to look at the second, third, and fourth level for further advanced employment needs at work (career development, promotion, trustworthy leadership style ... and so on). These needs may be regarded as the drivers or enablers of employee engagement at workplace.

3.2. Employee Engagement Theoretical Basis

The social exchange theory (SET) is the most accepted and widely used theory in the recent research on employee engagement [76]. The essential principle of SET is that individuals make social decisions based on perceived costs and mutual benefits [17]. It proposes that employees will be motivated to engage in their jobs when jobs are based on a fair and balanced system of exchange [17]. This exchange relationship then evolves over time into trusting, loyalty and mutual commitments [34,54,62,75]. In summary, SET theoretical foundation justifies the reasons why employees decide to engage more or less on their work, either positively or negatively, contingent upon the economic and socio-emotional resources received from their organisation, or even decide to stay with their organisation [3].

3.3. Drivers of Employee Engagement

There are key drivers that lead to employee engagement which are common in most business organisations.

However, the components and the relative strength of each driver are likely to alter depending on the type of organisation, sector and demographic variations in the country or region. This study attempts to identify the main drivers of employee engagement within the Egyptian banking context.

3.3.1. Leadership was found to be a significant antecedent of engagement. This factor comprised indicators of effective leadership behaviour and perceived supervisor support (PSS). Effective leadership behaviour that supports engagement reflected self-awareness, communication of information, transparency, and respectful treatment of employees and organisation's standards of ethical behaviour [4]. Leadership according to engagement literature embraces also inspirational motivation, by which leaders provide meaning and challenge to assigned employees' work; also, intellectual stimulation, whereby leaders support employees' adaptively and creativity in a blame free context [14,15]. As a result, employees develop trust in their leaders and management, and accordingly reciprocate by attempting to fulfill their obligations to the organisation by becoming more engaged [16,76]. Trust in the leader, support from the leader, and creating a blame - free environment are components of psychological safety which enable employee engagement [53,65]. Further, adaptively and proactivity, as encouraged via intellectual stimulation, are elements of engagement [61]. Therefore, hypothesis one was developed as follows:-

H1: Leadership will be positively related to employee engagement

3.3.2- Organisational justice is a term coined by Wendell French in 1964 and is applied by organisational psychologists to refer to the just, fair and ethical manner in which organizations treat their employees [33,34,41]. It is also based on fairness perceptions [1,30]. If employees perceive an organisation is fair and just to them, they will reciprocate by putting more to work and by increasing their engagement, in accordance to the exchange ideology [76]. The feeling of safety presented by reference [53] is influenced by the predictability and consistency of the fairness in assigning rewards, resources or even inflicting punishment at work. Organizational justice is concerned with the ways in which employees determine if they have been treated fairly in their jobs and the ways in which those determinations influence other work-related variables [67]. It influences employees' attitude and behaviour and consequently their performance and the organisation's success [25]. Various contemporary theorists have argued that justice may range from a single holistic construct to a four-tiered one [29]. These multiple dimensions of organisational justice construct include: distributive justice that refers to the fairness of outcomes or final decisions in comparison to what others receive; procedural justice refers to perceived fairness of procedures; and interactional justice refers to the interpersonal treatment employee receives when procedure are implemented. [30]. Greenberg's four- factor model of justice proposed that interactional justice might actually be subdivided into two factors. The first factor is interpersonal justice that reflects the degree of which employees are treated by their supervisors whilst executing procedures or determining outcomes. The second factor, labeled informational justice, focuses on the

information provided to employees about why procedures are implemented in a certain way or why outcomes are distributed in a certain pattern [42].

This study used organisational justice as a multi-dimensional construct comprising Greenberg's four components of organisational justice (distributive justice, procedural justice and the two classes of interactional justice, i.e. interpersonal and informational justice) [42]. Therefore, hypothesis two was developed as follows:-

H2: Organisational justice will be positively related to employee engagement

3.3.3 -Compensation and benefits is another indispensable antecedent to employee engagement. It involves both financial rewards, and non- financial benefits such as recognition and other perks exemplified by: on-site day care, employee assistance programs, subsidized cafeterias, travel discounts, extra holidays and others. The level of an employees' engagement depends on employee's attractiveness of received compensation and benefits. [4] According to SET, employees after receipt of said rewards and recognition feel obliged to respond with higher levels of engagement [76]. Top performing employees prefer to be distinctively rewarded and recognized for the outstanding work they do, especially when pay is related to performance [69]. A study demonstrated that the level of rewards and recognition may be an important part of work experience and a strong predictor of engagement when performance related pay culture prevails at work [55]. On the other hand, lack of sufficient remuneration package can lead employees to a state of job burnout [62]. In support with the literature, the factor of rewards and recognition remains a significant predictor of engagement. Therefore, hypothesis three was developed as follows:-

H3: Compensation will be positively related to employee engagement.

3.3.4- Work policies and procedures encompass both HR policies and procedures and perceived organisational support (POS). HR policies and procedures include hiring practices, flextime, work-life balance policies, performance management and safety issues [4]. To create a culture of engagement at workplace, HR systems need to work hand in hand with other managerial practices when dealing with employees [58]. The hiring process involves dealing with employees starting from the selection process to the end of the contract, by maximizing the person-job fit which is important for further employee engagement [79]. Work Life Balance in its broadest sense is defined as a satisfactory level of involvement or 'fit' between the multiple roles in a person's life. Whilst flextime permits the employees to vary their start and finish times provided a certain number of hours are worked. [12]. There exists a positive correlation between flextime and work-life balance and employee engagement. [74]. Performance management that sets meaningful goals and builds employer-employee trust acts as a holistic measure that enhances employee engagement [66]. Also, encouraging employee health and safety programs can maximize employees' wellbeing physically and mentally, which accordingly reinforces employee engagement. Said programs include employee assistance programs for alcohol and drug addiction, wellness screenings, stress management training, counseling and safety training [40].

Perceived organisational support (POS) refers to the employees' beliefs that an organisation values their contributions and cares about their well-being [72], which was empirically proven to have a positive influence on job and organisation engagement [76]. The amount of support and care employees' perceive to receive from organisation influences their psychological safety, and enables them to employ their selves without fear of negative consequences [53]. POS makes employees feel obligated to care about their workplace welfare and to help their organisation reach its objectives [73]. This confirms the principles of SET theory of employee – employer pay back. Therefore, hypothesis four was developed as follows:-

H4: Work policies and procedures will be positively related to employee engagement

3.3.5 -Training and development is another influential antecedent of engagement. This driver is consistent with the scope of job resources as proposed in Job Demands - Resources (JD-R) model [9]. It bears dual importance to ambitious employees. Training, development and learning can be looked at as an intrinsic motivator that supports employees' growth and enhances individual development plans by fulfilling basic human needs such as needs for autonomy, relatedness, and competence [19,35]. It can also be perceived as an extrinsic motivator, because it provides employees with tools and resources, as knowledge, skills and competencies that are applied on the job and are imperative for employees' goal achievement and career growth opportunities. [8] For instance, job resources such as encouragement from team members, informative comments and supportive actions from the leader/supervisor may aid employees to reduce their physiological and psychological costs at work, which assist them accordingly to complete their job smoothly [7]. Furthermore, these job resources motivate them to dedicate more energy and time in their work [57]. Therefore, hypothesis five was developed as follows:-

H5: Training and development will be positively related to employee engagement

4. Consequences of Employee Engagement

4.1. Job Performance

The overarching purpose of this study is to provide insight into the role that engagement plays in relationships with both job performance and organisational commitment. Here we define job performance as the aggregated financial or non- financial added value by the employees in contribution to the fulfillment both directly and indirectly to the targeted organisational goals [18,23].

Studies have shown that employee engagement has a positive influence on organisational performance indicators such as: employee satisfaction, productivity, employee turnover, organisational commitment, and safety [36,46,48,76]. However, not all researchers totally agreed with the idea that employee engagement motivates business success. For example, reference [10] suggested that the link between employee engagement and organisational performance is insignificant. Alternatively they supposed that there is a reverse connection between organisational performance and employees' attitudes; thus, when the organisational performance indexes are high it

evokes positive attitudes among workers. Reference [76] showed that engagement is an individual-level construct that needs to impact the employee at first, and then follows by affecting the organisation at large. In similar vein, job performance and not organisational performance was tested as a direct consequence of employee engagement.

4.2. Organisational Commitment

The performance benefits accrued from increased employee commitment have been widely demonstrated in the academic literature. To list but a few, these include: increased job satisfaction [88]; increased job performance [64]; decreased employee turnover [11,27], decreased absenteeism [28]. Organisational commitment embraces a strong belief and acceptance of the goals and values of the organisation; a willingness to exert considerable efforts on behalf of the organisation; and a strong desire to continue working with the organisation [72,82].

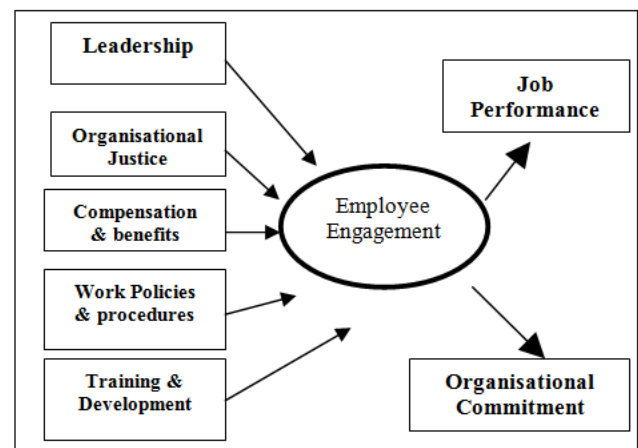
Commitment exists as a multidimensional construct that encompasses three types of organisational commitment. [2] First type is affective commitment which is employees' emotional attachment towards their organisation; second type is continuance commitment that is the recognition of costs associated with leaving the organisation; and the third type is normative commitment which is the moral obligation to remain with the organisation [2,75]. Employee commitment and engagement have developed as a vital constructs in the organisational research on account of their positive relation with employees' behaviours, which promote organisational retention as well as performance [24]. Nevertheless, affective commitment remains the most potential benefit for an organisation, as it directly influences how employees perform their jobs and reciprocate with engagement in supportive working environment [75]. Therefore, hypothesis six, seven and eight were developed as follows:-

H6: Employee engagement will mediate the relationship between drivers and outcomes.

H7: Employee engagement will be positively related to job performance.

H8: Employee engagement will be positively related to organizational commitment

5. Conceptual Model of This Study



6. Methodology

Testing the hypotheses proposed in the previous model involved developing and administering a questionnaire to a convenience sample of bank employees in Egypt, assessing the reliability of the scales employed, and conducting a regression analysis to examine the impact of organizational factors on employees' engagement, and its effect on job performance and employees commitment. The statistical analysis was conducted using SPSS version (21).

6.1. Sample

A total of 245 bank employees were included from several private and public banks operating in Cairo-Egypt, out of which 223 agreed to participate in the study. After removing 23 incomplete questionnaires we had a usable sample of 200 questionnaires yielding a reasonably high response rate of about 81.6 percent. Participants were asked to fill the questionnaires during their regular working hours in the bank. Before distributing the questionnaire, all participants were assured that their participation was voluntary and anonymity was guaranteed.

The age of participants ranged between 21 to 45 years with mean 34.25 years and standard deviation 8.75 years. Compared with male employees, female employees were the majority in the sample 58.5%. 69% of the sample received a bachelor degree, 25% received a master degree,

and only 6% received a professional banking degree. The highest percent of employees 37.5% worked in non-managerial position, 26% worked in lower management jobs, 25.5% worked in middle management posts, and only 11% worked in senior managerial posts. Their work experience ranged between 6 and 17 years with mean and standard deviation of 12.5, and 3.75 respectively. These characteristics indicate a reasonable mix of demographic groups represented in the data.

6.2. Measures

Eight-part questionnaire was used to assess the study variables; *leadership* was measured using 15 items; *training and development* was measured using 7 items; *Compensation and benefits* were measured using 4 items; *policies and procedures* was measured using 8 items; *Job performance* was measured using 3 items. All previous measures were adopted from reference [4]. *Employee engagement* was measured using 9 items adopted from [84]; *Organizational commitment* was measured using 6 items adopted from [76]; and *organizational justice (Procedural, distributive, interpersonal and informational)* was measured using 17 items adopted from [56].

Demographic variables including gender, age, education, current position, previous experience were also assessed. All items were measured on a five-point Likert scale. Answers ranged from 1 (strongly disagree) to 5 (strongly agree). The descriptive statistics and reliability coefficients of these scales are shown in Table 1.

Table 1. Descriptive statistics and reliability coefficients of variables used in this study

Variable	Mean	Standard Deviation	Cronbach's Alpha
Leadership	52.61	2.75	.825
Training & Development	26.21	3.42	.836
Compensation & Benefits	13.15	2.83	.838
Policies & Procedures	30.38	3.94	.851
Organizational justice	53.54	3.72	.919
Employee engagement	36.63	3.93	.934
Job performance	11.86	4.63	.811
Organizational commitment	22.19	2.26	.756

The reliability measures, in terms of Cronbach's alpha, reached a recommended level of 0.70 as an indicator for adequate internal consistency [45]

To investigate the relationships between organisational factors, employee engagement, job performance and organizational commitment, Pearson correlation coefficients were calculated as shown in Table 2.

6.3. Data Analysis and Results

Table 2. Correlation matrix for variables in this study

Variable	1	2	3	4	5	6	7
1. Leadership	1						
2. Training & Development	.163*	1					
3. Compensation & Benefits	.417**	.321**	1				
4. Policies & Procedures	.268**	.145*	.239**	1			
5. Organizational justice	.377**	.255**	.301**	.575**	1		
6. Employee engagement	.790**	.172*	.350**	.348**	.436**	1	
7. Job performance	.319**	.577**	.386**	.724**	.768**	.386**	1
8. Organizational commitment	.172*	.229**	.234**	.405**	.397**	.209**	.757**

* Correlation coefficient is significant at $p < 0.05$; ** Correlation coefficient is significant at $p < 0.01$.

It can be shown from the previous results that all different organisational variables are significantly correlated with employees' engagement, which in turn significantly correlates with both of job performance and organisational commitment. In order to examine the

predictability of job engagement using organisational variables and the predictability of organisational outcomes (performance and commitment) using job engagement, a series of simple regression analysis was conducted. Table 3 demonstrates the results of the regression analysis.

Table 3. Simple regression analyses to predict employee engagement and organizational outcomes

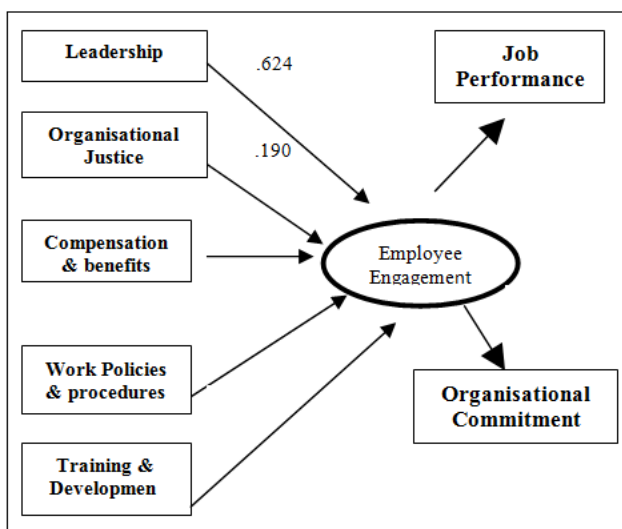
Predictor	Outcome Variable	R-square	F	Regression coefficient	t
Leadership	employee engagement	.624	329.15**	2.648	18.14**
Training & Development	employee engagement	.029	4.26*	0.987	2.21*
Compensation & Benefits	employee engagement	.122	27.61**	1.569	5.25**
Policies & Procedures	employee engagement	.121	27.31**	1.731	5.22**
Organizational justice	employee engagement	.190	46.54**	2.027	6.82**
Employee engagement	Job performance	.149	34.64**	0.249	5.88**
Job engagement	Organizational commitment	.044	9.031	0.056	3.01**

* Regression coefficient is significant at $p < 0.05$,

** Regression coefficient is significant at $p < 0.01$.

It can be concluded from the previous results that **leadership** has the highest predictive power of employee engagement; it can explain 62.4% of the total variance of employee engagement. **Organizational justice** was the second important predictor of employee engagement. It can explain 19% of its total variance. **Compensations and benefits** and **policies and procedures** appear to have similar predictive power of 12.2% and 12.1% respectively. Finally, **training and development** was the least predictive variable of employee engagement. In addition, employee engagement appears to be a better predictor for **job performance**, where it can explain 14.9% of its total variance, compared with **organizational commitment** in which it can explain only 4.4% of its total variance.

The reliability measures, in terms of Cronbach's alpha, reached a recommended level of 0.70 as an indicator for adequate internal consistency [45].



7. Discussion

This study emphasized the importance of employee engagement and identified the key drivers that have significant effect on it. It also suggested that employee engagement mediates the relationship between antecedent variables and dependent outcomes within the Egyptian banking sector. According to reference [13] two

conditions need be met to establish mediation. First the independent variable(s) (drivers of engagement) must be related to the mediator (employee engagement). Second the mediator (employee engagement) must be related to the dependent variable(s) (the outcomes of engagement.. Conditions one and two have been met in this study as described above. Therefore the linkage amongst engagement, performance, and commitment is consistent with engagement antecedent and consequences models, theory and research.

Regression analysis predicted that the leadership has the highest predictive power (62.4 %) of employee engagement amongst the researched sample of Egyptian bankers. The national culture of Egypt, like that of many developing countries, has been characterized by high collectivism. As in references [51], [6] emphasized in a collectivistic culture there is high conformity, interdependence and more responsibility-taking for others, paternalism is also viewed positively. This is because employees perceive that life is built around a community or a group, and the way in which the leader relates to the group is very important. Employees want to be encouraged and recognized by their leaders. Leaders who stay in touch with the work group, listen and show concern for employees' well-being are deemed to be mostly successful in leading by example and being influential at inspiring others to achieve organizational goals. This finding is in collaboration with the findings of previous work in paternalistic cultures in the Middle-East. [5,70] and in Asia [6,31,91]. Empirical leadership research has provided evidence that a positive link exists between effective leader behaviours and followers' attitudes and behaviours in association with engagement [85]. On one hand It supported the existence of a positive relationship between effective leadership vision and employees' adaptively and proactivity in performing their jobs [43] ; also it emphasized the positive nexus between leadership and organisational commitment [37].

The issue of supervisor relations has been considered by Saks [76] in his seminal antecedent-consequences model as Perceived supervisor support, which was found to be significant predictor of employee engagement. However, Saks model [76] considered only distributive and procedural justice and not interactional justice. In this study the interactional justice - which includes

interpersonal and information justice - along with the other two dimensions of justice were tested and found to be strong predictors to employee engagement.

This explains why the factors of leadership and organisational justice followed one another as the most important drivers of employee engagement. For effective managers' approach is all about treating employees with fairness and respect and looking after their well-being [80,81].

Organisational justice ranked the second important predictor of employee engagement (19%). This variable can be explained from the perspective of the social exchange theory (SET) It argues that relationships at work evolve over time into trusting, loyal and mutual commitment as long as all parties involved abide by reciprocity or repayment rules. [77]. In the same vein, Saks [76] argued that one way for employees to repay their organisation is through engagement.

Another explanation may be contributed to the political turmoil and economic recession that Egypt has been witnessing since the eruption of the financial global crisis at 2008, followed by the political unrest that took place after January 2011 revolution. Thus, the safety condition associated with engagement/disengagement at work [53] became threatened and jeopardized in all Egyptian businesses, including banks and financial institutions. Said psychological safety condition involves predictability and consistency of the distribution of rewards, resources, information at work and others, as well as the procedures used to allocate them. To overcome the threats of economic and political unrest, Egyptian banks had to be more competitive, effective and innovative to be able to survive and improve the financial performance of the Egyptian economy [59]. Consequently, organisational justice became an imperative necessity to optimize scarcity in resources and insure sustainability and stability in the Egyptian economy. Reference [44] pointed out that employees who perceive procedural justice show greater absorption at work, employees who perceive distributive performance practices exhibit greater dedication and vigour, and employees who perceive information justice are more physically, cognitively and behaviourally engaged in their work. Also they are more likely to show greater overall commitment to their job, feel excited and take pride in their work, search for new ways of doing things and try to go an "extra mile" in order to their work well [80].

Compensations and benefits and work policies and procedures ranked the third and four predictors of employee engagement. They appeared to have similar predictive power of 12.2% and 12.1% respectively. Training and development scored the least predicative factor influencing employee engagement (2.9 %).

These findings are in line with the subsistent problems of work policies and the inefficient implementation of HR practices in the developing countries; and the Egyptian working environment is a living proof of said failure. Some of these problems are as follows: employment measures that do not catch the attention of properly skilled people (selection and recruitment are based on social connection and favoritism), low levels of salary, pay unrelated to performance criteria, limited number of incentives assigned to top performers, deficiency of useful performance values, lack of ability to fire employees

(especially in public banks), promotion guidelines that are based more on seniority rather than on actual employees' performance, adoption of cost-leadership strategies to minimize expenditures and maximize profits, no investment in employee training and development, unsupportive management and lack of balanced work-life policies (flexitime, well-being programs, health and medical care for employees and their families, day care for female employees..... and others) [6,22,92].

Fredrick Herzberg showed that pay and work conditions are important factors in attracting people to organisations, but subsequently act as more of a 'hygiene factor.' In other words if said motivating drivers are handled badly or perceived as unfair, they will become demotivating factors [38]. This perhaps is in practice at the working environment of Egyptian banking sector.

Another reason that could possibly explain these findings, is the given majority of the respondents who are aged less than 40 years and are highly educated (had bachelor degree or higher) the need for them to seek other job opportunities is high. Given the high demand for their talents in the Arab oil countries, their tendency to resign is likely. This kind of perception might be attributed to their lack of engagement and commitment, and explains the low percentage of organisational commitment in this model only (4.4%) of the total variance.

The results of this study agrees with the results of [52] that signifies the importance of work policies and HR practices (compensation and training) in formulating negative employees' perception that might be reciprocated in the form of low commitment. Also, as noted by [50] efficient work policies and effective HR practices have powerful impact on employees' engagement and commitment that would eventually be exhibited in positive job performance that is then reflected in high organizational performance capable of implementing competitive strategies.

8. Recommendations and Directions of Future Research

Any organisation needs to recognize employees as its human capital. Employees remain the most powerful contributors to any business and the drivers to its competitive position. Therefore, engagement awareness levels across the Egyptian economy need to higher so as to meet the current and future challenges of global competition and be able to bridge the actual gap in employees' productivity rates. Workable engagement measures can combat the scarcity of resources and overcome the constrained measures of supply.

There remains a pressing need for studies from emerging economies countries to unearth employee engagement levels. The Central Bank of Egypt needs to review the performing plans for the financial sector by taking into consideration the factors that may influence employee behaviour. Then these plans are to be articulated and communicated to insure consistency in performance along all banks in Egypt.

More future research is required to focus on genuine HRM practices and not focus only on personal individual needs' satisfaction. The following HR policies are recommendable: implementation of performance-related

pay systems, effective and fair means of positioning and selecting employees, designing employee feedback system in respect to leaders' behaviour, and finally improving alignment between HR strategies and the corporate banking strategy. Younger employees leaving their banks in search for better work opportunities are inevitable. However, by improving work policies and HR practices, employees' retention and commitment may improve substantially.

Employees are the key assets to any organisation and if they are not given the right space and time to make a perfect blend of work and fun at workplace, then the sense of dis-engagement sets in the employees [60].

The concept employee engagement should not be regarded as another HR strategy. Organisation and employees are both dependent on each other to fulfil their goals and objectives. Therefore, employee engagement should not be understood as a one-time exercise but it should be integrated in the culture of the work place and embedded in its policies and procedures. Employee engagement needs to be part and parcel of the business DNA in any success story. It needs to be culturally fit and linked to the core tenants of business like as, values and managerial philosophy.

Conducting similar studies on other influential sectors in Egypt, or even longitudinal studies are recommended for future research. Moreover, comparative studies between non-western countries or western countries may enrich the understanding and application of employee engagement as a business tool leading to success.

9. Conclusion

Employee engagement is a positive attitude held by the employees towards the organisation and its working culture. This study emphasized the importance of engaged manager or leader in inspiring and engaging the work force, in contrast to human resource management practices alone. Although there is a great deal of published academic work on what drives engagement. Nevertheless, a **practical limitation of this study** like any similar sectoral studies is the fact that there is no "one size fits all" model of engagement, different employees, diverse organisations will vary in their needs and their approach [75]. This study is based on a small number of employees working in the banking sector, which limits the generalizability of the results ; time constraints is considered another limitation which the researcher faced; in addition to the difficulty to access banks and to collect required data.

Egypt as an emerging economy state is undergoing transformational changes following the chaotic aftermath of January 2011, and is still striving to improve its national economic performance figures to realize socio-political stability. Thus, the **theoretical implication** of this study is to confirm the fact that engagement can be a triple win; for the individuals at work, the organisations or service sector(s), and for the country as a whole. A 21st century developing economy as in Egypt should thus recognize employees, more than any other variable, as powerful contributors to its competitive position. Engaged employees can help their organisation achieve its mission,

execute its strategy and generate important business results.

Therefore, organisations today should actively look forward to fulfil employee`s expectations and thus, create an impact on the performance of employee, which directly affects the organization`s performance.

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