

The role of employee engagement in improving Human sigma: Applied study on Egyptian banking sector

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ملخص

يهدف هذا البحث إلى اكتشاف أهمية ارتباط الموظفين بمؤسساتهم ووظيفتهم في تطبيق السيجما البشريه في القطاع المصرفي المصري. وللقيام بذلك ، تم تشكيل نموذج بحثي بناءً على الدراسات السابقة ومراجعة الأدبيات ، وتم تطوير ٣ فرضيات رئيسية. بعد وضع الفرضيات ، تم تطوير استبيانين مختلفين استناداً إلى الدراسات السابقة ومراجعة الأدبيات ، وبعد تصميم الاستبيان قام الباحث بتوزيع الاستبيان على مختلف موظفين القطاع المصرفي و على المستويات الإدارية الثلاثة المختلفة (الخط الأعلى- الخط الأوسط- الخط الأول) (لمديري القطاع المصرفي العام ممثلاً بمديري البنك الأهلي المصري (NBE) ومديري المستويات الإدارية المختلفة للقطاع المصرفي ممثلاً بمديري البنك التجاري الدولي (CIB) ليتم تجميع البيانات من موظفين القطاع العام و القطاع الخاص. قام الباحث بتوزيع ٢٩١ استبيان وتلقى ردود صالحة حول ١٤٥ استبيان. بعد جمع الاستبيان من مديري القطاعين العام والخاص ومن البنوك العامة والخاصة ، تم اختبار فرضيات العملاء من جانب المديرين فيما يتعلق بالعائدات المالية وغير المالية ودعم الإدارة والنمو الوظيفي لتحديد مدى مشاركة الموظفين. ثم توصل الباحث إلى عدة توصيات لتطبيق مفهوم سيغما البشريه في القطاع المصرفي المصري لتحسين الكفاءة التنظيمية من خلال التدريب والتوجيه للموظفين ، وتحسين المؤسسة بأكملها برؤية واضحة تدعمها الإدارة العليا. ثم انتهى الباحث بعدد من التوصيات للابحاث المستقبليه.

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Abstract

This thesis aims to discover the role of employee engagement in human sigma implementation in the Egyptian banking sector. To do so a research model was formed based on the previous studies and the literature review and 3 main hypotheses formed. After making the hypotheses questionnaire was developed based on the previous studies and the literature review, after designing the questionnaire the researcher distribute the questionnaire to different sample units one was distributed to the different three managerial levels (Topline- Middle line- First line) to the managers of public banking sector represented by manager of ElAhly National Bank in Egypt (NBE) and to the managers in the different managerial levels of banking sector private sector represented by managers of Commercial international bank (CIB). The researcher has distributed 291 questionnaires and received valid responses about 145 surveys. After collecting the survey both from managers from private or public sector hypotheses has been tested from managers' side regarding the financial and non-financial returns, management support and career growth to determine the extent of employee engagement. Also testing hypotheses regarding the organizational efficiency in terms of Employee perspective of quality improvements, employee satisfaction and for customers' perspective of quality improvements and customer satisfaction. Then the researcher reached to certain recommendations to apply the human sigma concept in the Egyptian banking sector to improve the organizational

efficiency through Training and orientation for employees, improve the whole organization with a clear vision supported by the top management. The researcher then ended up this research with certain recommendations for human sigma implementations and recommendations for future researches.

1.1 Importance of the research:

The researcher has examined many sources of literature and utilized that knowledge base to develop a model in which multiple sources of literature were used to validate the model throughout the research. There is little current research on specific activities in which individuals can participate to increase their engagement levels. Furthermore, based upon current literature on the broader topic of engagement, the researcher wondered about the impact of identifying and focusing on specific activities relating to managing employees, motivating employees, accelerating employee engagement, and engaging customers' emotions. Identifying basic activities in each of those four categories may provide businesses with a road map to building engagement levels of employees and customers and, ultimately, for increasing the financial success of the business.

1.2 Research Aims:

- 1- To determine the main dimensions of management engagement of human sigma implementation in the Egyptian banking sector?
- 2- To determine the main dimensions of customer engagement of human sigma implementation in the Egyptian banking sector?

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1.3 Previous studies:

Quality connections are fundamental in the financial business, since they give administrations substantial quality. In this specific situation, representatives are key part for the viable conveyance of value administrations, since the administration can't be given without their cooperation (Baum, 2007; Montasser and Al Manhaway, 2013). Meanwhile, there is another example of client in the business who is increasingly mindful, greater quality cognizant, and more modern than previously (Pirnaret al., 2010). Henceforth, in such a significant industry, executing quality administration activities is urgent to keeping up consumer loyalty and devotion (Gupta and Zeithaml, 2006; Mercy and Taiye, 2015). Moreover, in the creating nations with UI populace, for example, Egypt, it has turned out to be progressively imperative to concentrate on quality administration activities in the financial area. This area is viewed as one of the main thrusts of the Egyptian economy. In any case, the financial area in Egypt is tested by the abrupt and fast changes happening in the encompassing interior and outer condition. Along these lines, the organizations in this area need to improve their intensity as to consumer loyalty, client faithfulness, worker fulfillment, representative dedication, and the quality administration initiatives.(Mercy and Taiye, 2015; Simon and Gomez, 2005) Consequently, various the travel industry and lodging firms are worried about the value-based conduct of their

clients (buy recurrence, strategically pitching, utilization level, pace of client protests, and so forth.) since it can influence their business volumes and incomes quickly and on the long haul (Devieet al., 2011; Yeeet al., 2008). Clearly, the focused condition these days underpins another way to deal with deal with the organization client relationship that controls non-value-based points of view (informal, blogging or referrals, and co-creation among others) (Fleming et al., 2005). This can ambiguously impact the results of the association, paying little mind to the way that these are not selected with brief effect. Therefore, numerous organizations inside the financial segment have given more consideration to the appropriation of value improvement procedures in the zone of purchaser conduct relationship advertising so as to hold their clients for longer runs. The central matter here is that these strategies fuse the usage of a wide extent of apparatuses, techniques, and strategies that try to oversee client desires (Bramulya, 2016; Kumar and Antony, 2008; Sutton, 2014a). One of these systems is Human Sigma; it is a by and large new approach rose especially for the administration business. This new approach delivers the issues identified with the human structures of business to accomplish improvement in connecting with the clients of the association on the feeling level (Sutton, 2014b; Sutton 2015).

1.4 Pilot Study:

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The researches has applied a pilot study to determine to what extent the level of awareness of the managers in the different managerial levels regarding the new techniques of improving organizational efficiency as well as Human sigma and its role in improving organizational efficiency in the banking sector, the researcher asked 12 managers (Four from topline managers- Four from middle line managers – Four from first line managers), the researcher asked five main questions as follow:

- 1- What is Human sigma?
- 2- Why you can use Human sigma?
- 3- How to use Human sigma in the banking sector?
- 4- With whom you can use Human sigma?
- 5- When to use Human sigma?

The researcher after asking previously stated questions found that managers regardless their managerial levels lacked the knowledge about human sigma and its implementation benefits in the Egyptian banking sector as well as they don't know that it's been one of the most recent ways to improve organizational efficiency.

1.5 Research Gap

In the light of the previous studies and the pilot study there are no previous studies dealt with the role of human sigma implementation in improving efficiency in the Egyptian banking sector. Moreover, the pilot study indicated that managers in the different managerial levels in the Egyptian banking sector haven't

any clue on the importance of human sigma implementation in improving organizational efficiency, as a consequence the current research seeks to reconcile the previous mentioned gaps through answering the following questions:

1. What are the main dimensions of human sigma from the different managerial levels perspectives in the Egyptian banking sector?
2. What are the main dimensions of improving efficiency from the different managerial levels perspectives in the Egyptian banking sector?

1.6 Research Hypotheses:

H1: There is no significant difference among the 3 managerial levels in Egyptian banking sector regarding the importance of Employee engagement in human sigma

i.e accordingly there are 3 sub hypotheses:

H1.1: There is no significant difference among the 3 managerial levels regarding the basic needs and returns for the employee engagement in the Egyptian banking sector

H1.2: There is no significant difference among the 3 managerial levels regarding the importance of management support of the employee engagement in the Egyptian banking sector

H1.3: There is no significant difference among the 3 managerial levels regarding the importance of career path in the Egyptian banking sector.

2. Literature review

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Human sigma:

A Branch of six sigma that spotlights on improving the nature of representative client experience, especially inside deals and administration associations. Human sigma is the way toward improving and decreasing fluctuation in the commitment levels of representatives and clients. It was created as a reaction to the absence of adequacy of six sigma approach for expanding efficiency from individuals. Human sigma consolidates a demonstrated strategy for surveying the strength of the worker client experience with a restrained procedure for improving it. As can be gotten from the above definitions, Human sigma is identified with client commitment and representative commitment. Human Sigma centers around decreasing fluctuation and improving execution. Each collaboration a representative has with a client speaks to a chance to manufacture or decrease that client's passionate association with the organization. Work bunches whose representatives are decidedly drawn in have more significant levels of efficiency and gainfulness, better security and participation records, and more elevated levels of maintenance (Wagner and Harter, 2006). As anyone might expect, they are likewise progressively successful at connecting with the clients they serve. Organizations that make representative commitment and client commitment have a positive move in the general business achievement (Heskett et al., 1994,). Research uncovers that specialty units that score over the middle on both

worker and client commitment measurements are, by and large, 3.4 occasions increasingly viable monetarily (as far as all out deals and income, execution to target, and year over-year gain in deals and income) than units that position in the base half on the two measures. These units are likewise twice as viable monetarily as units that are superior workers on one, however not both, of these commitment measurements (Fleming & Asplund, 2007).

2.1 Employee Engagement:

Various meanings of commitment can be gotten from the training and research driven literary works. Extra definitions can be credited to society hypothesis: the regular natural sense that individuals, and especially pioneers inside associations, have about work inspiration. Basic to these definitions is the idea that worker commitment is an attractive condition, has a hierarchical reason, and implies inclusion, responsibility, enthusiasm, eagerness, centered exertion, and vitality, so it has both attitudinal and social parts. The antecedents of such attitudes and behaviors are located in conditions under which people can work, and the consequences can add value to organizational effectiveness (see Erickson, 2005). As a folk theory, engagement is used in a way that implies the opposite of disengagement. For instance, various well known perspectives on commitment recommend that connected with representatives contribute more as well as are increasingly faithful and hence more averse to willfully leave the association. Nonetheless, for present purposes, we center on just those parts of commitment that have

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positive valence (clearly from low to high). We accept this is vital to creating theoretical accuracy in that it keeps up an unmistakable deliberate spotlight on advantages that inure to the association. For instance, certain practices that may be viewed as versatile with respect to the individual (e.g., taking an "emotional well-being day" At least temporarily, we are not taking a position on whether engagement and disengagement are opposites (i.e., perhaps the opposite of engagement is "non engagement" rather than disengagement or perhaps even burnout; Gonzalez-Roma, Schaufeli, Bakker, & Lloret, 2006). Rather, we simply choose to arbitrarily exclude from consideration models of behavior that focus on withdrawal, maladaptive behavior, or other disengagement phenomena.

2.2 Employee Engagement and satisfaction

Engagement as a psychological state has variously fold one or more of several related ideas, each in turn representing some form of absorption, attachment, and/or enthusiasm. Operationally, the measures of engagement have for the most part been composed of a potpourri of items representing one or more of the 4 different categories: job satisfaction, organizational commitment, psychological empowerment, and job involvement. We sum up the relevance of each of these to the concept of engagement. Then we review some more recent thinking about the state of engagement, especially with regard to the effect of that state. Moreover, it

becomes clear as our review unfolds that thinking and research about engagement have risen to be both more precise and conceptually appropriate this clarity reflects an increasing emphasis on absorption, passion, and affect and a lessening emphasis on satisfaction and perhaps also job involvement and organizational commitment as fulfillment. To a few, commitment and fulfillment are connected directly if not viewed as totally isomorphic. In this manner, Harter et al. (2002) expressly alluded to their measure (The Gallup Work Place Audit) as "satisfaction engagement" and defined engagement as "the person's contribution and fulfillment with just as excitement for work" (p. 269, italics included). Maybe significantly more legitimately, a few professionals (e.g., Burke, 2005) measure commitment as immediate evaluations of fulfillment with the organization, chief, work gathering, employment, and workplace attributes. Others recognize a full of feeling, or enthusiastic, part of commitment and balanced or subjective components, connecting the passionate segment to work fulfillment. Along these lines, Towers-Perrin (2003) recommended that "the emotional factors tie to people's personal satisfaction and the sense of inspiration and affirmation they get from their work and being part of their organization" (p. 4, italics included). The reader may likewise take note of that in spite of the accentuation on influence in numerous meanings of fulfillment (e.g., Locke, 1976), contemporary occupation fulfillment measures are to a great extent thought about spellbinding (Brief and Weiss, 2002). Consider for instance, the

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estimation of commitment with the Gallup measure (Buckingham and Coffman, 1999; Harter et al., 2002) where the things used to characterize commitment are for the most part things graphic of the conditions under which individuals work. For instance, one thing incorporated into Brayfield and Rothe's (1951) measure of job satisfaction reads. "Most days I feel excited about my work." Enthusiasm is viewed as a marker of commitment by a few (e.g., Harter, Schmitt, and Keyes, 2003), and the importance of satisfaction is clear in that individuals put additional time in jobs they find agreeable (Rothbard and Edwards, 2003). Erickson (2005) portrayed the activity as the key predecessor of the condition of commitment, so for her, commitment or association in the assignment is basic to by and large mental state commitment. The key referent of commitment here is the activity, not the association. Furthermore, it pursues that the intelligent results of contribution would be concerning task/work results and not straightforwardly to hierarchical level results. Furthermore, drew in workers are probably going to have trusting and high quality relationships with their employer (Saks, 2006; Karatepe, 2011). These engaged employees in turn perform their tasks more effectively and go the extra mile in dealing with customer problems and attending to the needs of customers. Although a number of studies, including this study, agree that engagement affects performance, few studies beg to differ. For instance, Halbesleben and Wheeler (2008) conducted a

study on a sample of 587 employees in the United States from a variety of industries and found that work engagement has a small effect on performance. In addition, research by Gallup organization revealed a low to moderate correlation between employee engagement and a range of organizational outcomes such as customer satisfaction, profit, productivity, turnover, and safety (Harter et al., 2002). It can be viewed that employee engagement has several factors to make employees more engaged to their organizations:

1- Satisfying basic needs:

According to Penna research report (2007) assumed that meaning at work is the main way to make employees feel themselves valuable to their co-workers as well as their organizations as this benefit of both where employees experience a sense of community, the space to be themselves and the opportunity to make a contribution, they starts to find meaning. Employees want to work in institutions in which they find meaning at work. Penna (2007) have also come up with a new model they called "Hierarchy of engagement" which resembles Maslow's need hierarchy model. In the bottom line there are basic needs of pay and benefits.

2- Career Growth:

After satisfying the employees basic needs as the payments they got, they start to look after other factor to make them

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more satisfied, as their future in the organization they work for. Once an employee satisfied the basic needs, then the employee looks to development opportunities, the possibility for promotion Penna (2007).

3- Management support:

According to the hierarchy of engagement model of Penna (2007) after employees satisfied their basic need like payments and the salary they got, they start to seek opportunities for growth and developments, after satisfying those needs they began to seek the support from their managers and leaders in their work community.

3.1 Statistical Analysis

1. Basic needs and returns:

Table (3): Descriptive statistics for the construct of Basic needs and

NO	statements	MEA N	SD	CV
1	My work gives me feeling of personal accomplishment	3.69	1.115	30.22

returns

2	The Bank provides health insurance programs to its employees	4.08	0.846	20.74
Total		3.8862	0.73538	18.92

According to Descriptive statistics in table (3), it can be concluded that:

The Two most homogeneous variables are: The Bank provides health insurance programs to its employees; my work gives me feeling of personal accomplishment, with coefficient of variation (20.74%), (30.22%) respectively, as stated by Fleming and Asplund 2007, satisfying basic needs for employees will have an impact on increasing organizational efficiency.

While the value of total weighted mean for the construct of Basic needs and returns is (3.8862), with a coefficient of variation (18.92), therefore we have a positive attitude to the construct of Basic needs and returns as the weighted mean is greater than 3.4.

2. Management support:

Table (4): Descriptive statistics for the construct of Management support

NO.	statements	MEAN	SD	CV
3	I have the materials and equipment I need to do my work right.	3.52	1.014	28.81
4	The mission or purpose of my company makes me feel my job is important	3.54	0.986	27.85
5	Daily meetings help teams and individuals begin to work together in new, more disciplined and more	4.08	0.73	17.99

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	effective way			
6	The company seeks to develop my performance through various training programs	3.52	1.074	30.51
Total		3.4707	0.77421	22.31

According to Descriptive statistics in table (4), it can be concluded that:

The four most homogeneous variables are: Daily meetings help teams and individuals begin to work together in new, more disciplined and more effective way, the mission or purpose of my company makes me feel my job is important, I have the materials and equipment I need to do my work right, and The company seeks to develop my performance through various training programs, with coefficient of variation (17.99%), (27.85%), (28.81%), (30.51%) respectively. And this can be related to previous studies of (Lazalier, 2007) & (Bolster, 2007) that

NO.	statements	MEAN	SD	CV
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stated that through training programs employee engagement can be increased.

While the value of total weighted mean for the construct of management support is (3.4707), with a coefficient of variation (22.31%), therefore we have a positive attitude to the construct of management support.

3. Career Path:

Table (5): Descriptive statistics for the construct of career growth

7	My job makes good use of my skills and abilities	3.55	1.067	30.06
8	This last year, I have had opportunities at work to learn and grow	3.28	1.110	33.84
Total		3.4172	0.94283	27.59

According to Descriptive statistics in table (5), it can be concluded that:

The Two most homogeneous variables are: My job makes good use of my skills and abilities, this last year, I have had opportunities at work to learn and grow, with coefficient of variation (30.06%), (33.84%) respectively, by this result we can agree with a previous study for (Shuck, B., 2011) that states opportunities to learn and grow helps in increasing employee engagement.

While the value of total weighted mean for the construct of Career Path is (3.4172), with a coefficient of variation (27.59%), therefore we have a positive attitude to the construct of Career growth.

4. Testing research hypotheses

Hypotheses were developed as follows:

H1: There is no significant difference among the 3 managerial levels in Egyptian banking sector regarding the importance of Employee engagement in human sigma
i.e Accordingly there are 3 sub hypotheses:

H1.1: There is no significant differences among the 3 managerial levels regarding the basic needs and returns for the employee engagement in the Egyptian banking sector.

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- There are significant differences among the managerial levels with F test statistics is 3.583 at a significant level less than 0.05, thus we reject the null hypothesis which says There is no significant differences among the 3 managerial levels regarding the basic needs and returns for the employee engagement in the Egyptian banking sector, this means that there is a significant difference among the 3 managerial levels regarding the basic needs and returns for the employee engagement in the Egyptian banking sector, so we can agree of the study of (Fleming and Asplund, 2007) that stated every employee in order to get engaged must satisfy his basic needs and returns either they are financial or non-financial needs, and the researcher contribution is that it differs from one managerial level to another, as he found that top management more sensitive to satisfying financial and non-financial returns, then the middle line managers then at last the first line managers are the less sensitive to the financial and non-financial returns.

H1.2: There are no significant differences among the 3 managerial levels regarding the importance of management support of the employee engagement in the Egyptian banking sector

- There are significant differences among the managerial levels with F test statistics is 1.22 at a significant level more than 0.05, thus accept the null hypothesis which says There is no

significant differences among the 3 managerial levels regarding the management support for the employee engagement in the Egyptian banking sector, through this the researcher can agree with a study made by Mone and London (2010) that stated employee engagement can be increased by performance and managerial support, here in this study the researcher can contribute that management support can help in increasing employee engagement and there are no differences between the different managerial levels regarding the effect of management support.

H1.3: There are no significant differences among the 3 managerial levels regarding the importance of career growth in the Egyptian banking sector

- There are significant differences among the managerial levels with F test statistics is 0.61 at a significant level more than 0.05, thus accept the null hypothesis which says There is no significant differences among the 3 managerial levels regarding the importance of career path in the Egyptian banking sector, All of the 3 managerial levels consider the importance of career growth as a main factor in providing them the feeling of engagement.

5. Conclusions and recommendations

5.1 Conclusions

Improving employee engagement starts with addressing some of the most basic human needs but it differs from the different

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managerial levels either top management or middle management or first line management this can happen through creating a workplace environment to satisfy basic psychological needs and aspirations. Organizations can improve employee engagement if their employees are dealt as human beings and workers. The emotional requirements are rooted in social and biological adaptations that have accumulated over thousands of years of human history, and it helps employees to know where they belong, how they are valued, and how can provide benefits to the organization. Employees engage with their work environment in much the same way, their evaluation is heavily dependent on how their work makes them feel. Though they can provide a list of the objective benefits their job provide – pay, health insurance, paid vacation, and a convenient location are examples – each person filters these benefits through his or her unique emotional expectations for himself or herself, which affects engagement. The researcher finds that creating the kind of workplace that meets employee needs is a big challenge for organizations, but it can be done. The business units that develop this environment can achieve higher performance, while those that don't lag financially and leave no lasting positive impressions on customers.

5.2 Recommendations:

Applying human sigma is affected by the level of employee engagement in each organization, as a result of human sigma the level of employee engagement may differs from different managerial levels regarding the factors previously examined in their effect on employee engagement like basic needs and returns, management support and motivation and career growth. The researcher has applies this research on the Egyptian banking sector and have the following recommendations for future research

- 1- The implications of human sigma practices in the private financial sector only
- 2- The implications of human sigma practices in the public sector only
- 3- Case study on a single bank to measure the effect of employee engagement human sigma

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