

Demographic Differences and Perceived Engagement Among Islamic Banking Employees in Malaysia

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Abstract

A successful of employee engagement strategy will not only create good employee at workplace but also the community at a work place. Employees form an emotional connection with the company when they are effectively and positively engage with their organization. Their attitude effects both their colleagues and company's client and improves customer satisfaction. Studies have highlighted the importance of demographics factors such as gender in ensuring highly engage employee. This paper explores the individual differs across three parameters as gender, age and educational background. Significant variations are observed across employees of various age and qualifications. One- way analysis of variance (ANOVA) is used for descriptive analysis on demographic variables. Data was collected from 200 employees of 13 Islamic banks in Malaysia. The research has made significant contributions to the body of knowledge at academic levels by extending knowledge regarding the effects of demographic differences on employee attitude and behaviour. The key findings of this research suggest that the organisations and managers need to understand the differences of demographics factors on engagement. So that, the potential effectiveness the selection of strategies and the development of employees may be conducted more effectively.

Keywords: Demographics; Employee engagement.



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1. Introduction

Organization nowadays focuses to employees as a main contribution for profit. Many researchers suggest that engagement has significantly positive impact on performance, productivity and organizational advocacy and significantly negative impact on intention to quit and absenteeism from the work place. It can increase customer satisfaction, profitability & productivity, and reduce employee turnover (Markos and Sridevi, 2010); (Harter *et al.*, 2002) heightened job satisfaction, organizational commitment, organizational citizenship behavior, loyalty and reduced intentions to quit (Saks, 2006) and (Mani, 2011) and exhibit tendencies to go the extra mile and perform at superior levels (Bakker and Demerouti, 2004); (Shaufeli and Bakker, 2004). Additionally, organization that is successful in supporting and developing engaged employees can achieve significant organizational benefits such as higher retention rates, improved productivity, and increased profit (Shuck, 2011). The above literatures and findings tell us that failure of supporting and developing employee engagement may harmful for organizations throughout the world. It will not only effects organizational profit but also supporting the employee turnover and employee shifting.

In Malaysia it is a common phenomenon that employees shift from one organization to another within a period of five years (Mustapha *et al.*, 2010). Employees would tend to leave their companies to slightly better pay due to low emotional attachment with their organization. Thus, the biggest challenge for Malaysian organizations is to promote a sense of commitment and belonging among their employees. Engagement of employee comprises both of it.

2. Phenomenon of the Study

Organizations that do not focus on increasing their employees' engagement levels suffered decreases in organizational performance (Harter *et al.*, 2002); (Krueger and Killham, 2005); (Lockwood, 2007). This situation was often attributed to low employee satisfaction, which contributed to lower customer satisfaction and higher employee turnover. Moreover, according to a research conducted in 2011, on banking sector of UK, up to 72% employees are not happy with their current jobs and 66% employees want to change their jobs.

3. Past Evidence

Analyzing socio-demographic characteristics and identifying the group based differences in employees' perceptions is important for identifying the high risk groups (Yildirim and Uysaloglu, 2012). Previous studies in

justice literature (Ng *et al.*, 2012); (Avolio *et al.*, 2004) have demonstrated that demographic variables like gender, tenure and respondents' educational level are potential predictors of the study criterion. The differences enable policy makers to better design preventive actions in accordance with particular characteristics and needs of these groups. Socio-demographic variables included: gender, age, level of education and job position.

3.1. Gender

Among socio-demographic variables, gender appears to be the most widely studied variable. Kidder (2002) examines the relationship between gender and reports of organizational citizenship behaviors (Kidder, 2002). The results demonstrate significant differences in line with traditional gender roles. As so, male employee is supposed to experience enrichment from work to family while female employees is found to experience depletion from work to family. Therefore,

H1a: There is significant difference in employees' engagement when they are classified according to their gender.

3.2. Academic Qualification

Nowaday, most organizations use education as a prerequisite in hiring decisions and as an indicator of a person's skill levels or productivity. Furthermore, education also promotes self-confidence, self-motivation, carefulness, and the desire and ability to set personal goals for the future regarding to the academic qualification has indicated that employees with a college degree have lower engagement than do workers whose education level doesn't exceed a high school diploma. Therefore,

H1b: There is significant difference in employees engagement when they are classified according to their academic qualification.

4. Research Methodology

4.1. Research Design

The present research is based upon descriptive research design and has used primary data. It intends to examine the significant differences in respondent demographics on employee engagement.

4.2. Population and Sampling

This study is based on primary data which has been collected from employees of 16 Islamic Banking Institution in Malaysia. According to [Financial Stability and Payment Systems Report \(2011\)](#), total of 9,505 employees represent in Islamic banking sector with different amount of employees for each institution. [Krejcie and Morgan \(1970\)](#) indicated the sample size for the population is 368.

4.3. Scope of the Study

The study was undertaken in Malaysia. The subject was Islamic banking employees throughout the country. Screening for sample was done by contacting headquarters of 16 Islamic banking in Malaysia which started in January 2015 to May 2015. Thus, the result might only be generalized to the Islamic banking employees in these states of Malaysia. The finding might be different if the scope is increased to other country.

4.4. Data Collection Procedure

Islamic banking institutions were contacted by e-mail and phone call to gain access for their cooperation in answering the questionnaire that will be post to them later. The survey took ten months to complete due to the initial low response rate from all locations. A total of 215 questionnaires received and only 200 were usable.

5. Findings

5.1. Demographic Profile

The result indicated that the respondents are represented almost equally in both gender categories namely male and female. 55.5% respondents are male and the rest of 44.5% are female. The highest level of education attained by respondents ranged from Sijil Pelajaran Malaysia (SPM) to Postgraduate. Most of the respondents (36%) completed their education with a Bachelor Degree, 31% with Diploma, 30.5 % with Sijil Pelajaran Malaysia (SPM). A 1.5% represented the holder of professional qualification and 2% of them are Sijil Tinggi Pelajaran Malaysia (STPM), almost half of respondents (52.0%) are executive, 38% clerk and 5.5% are manager.

5.2. ANOVA

Result from ANOVA indicated as below;

Table-1. ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Gender	Between Groups	45.562	102	.447	11.303	.000
	Within Groups	3.833	97	.040		
	Total	49.395	199			
Academic qualification	Between Groups	139.580	102	1.368	8.296	.000
	Within Groups	16.000	97	.165		
	Total	155.580	199			

The table shows that there are significant differences in respondent's perceived engagement when they are classified according to their gender and academic qualification. Therefore, the result supported all the hypotheses Ha and Hb.

6. Discussion

6.1. Gender

Research indicated that different demographic groups of employees have different needs and priorities. Many organisations tend to adopt a blanket approach to recruitment, induction, staff development and employee engagement. Organizations make mistakes when they treat everyone the same for the reason that it is easier to assume that employees are similar, rather than different. Some examples we can trace is that, women express higher organisational commitment and a lower intention to leave than men. Women also value the quality of their working relationships more than men. This includes with their line manager and their peers.

6.2. Academic

In short, employees with a college degree have lower engagement than do workers whose education level doesn't exceed a high school diploma. Organizations should empower college graduates in particular to take ownership of their personal engagement. The data also show that people with a high school diploma likewise have slightly higher employee engagement than those with a college degree. And employees with a postgraduate degree have engagement levels on par with those who have technical or vocational training. Researchers did find that employees with higher levels of education were slightly less likely to be actively disengaged than those with a high school diploma, technical/vocational training, or some college. This finding suggests that a college degree may allow workers to avoid becoming trapped in a bad job by providing more employment options and allowing them to be more selective in the work they choose.

7. Conclusion

By identifying these differences and the extent to which these are allowed for in learning and development interventions, organizations will be able to pinpoint where improvements are needed. The differences may well occur in different parts of the organisation or they may vary by job role or hierarchical level. Furthermore, regardless of the organization's size the understanding of the demographic differences within employee population can promote diversity, cut staff turnover and achieve higher employee motivation, satisfaction and commitment. Higher level of understanding of these characteristics and motivation can increase the level of organizational citizenship among employees. Therefore organizations are called to emphasize on these factors to be emphasized in order to promote engagement among their employees.

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