

THE RELATIONSHIP BETWEEN ORGANIZATIONAL LEARNING AND EMPLOYEE ENGAGEMENT: THE PERSPECTIVE OF YOUNG EMPLOYEES FROM COMMERCIAL BANKS IN MALAYSIA

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Abstract

The purpose of the study is to investigate the relationship between organizational learning with employee engagement. Primary data were gathered through self-administered survey questionnaires. 100 respondents participated in the study and all of the respondents came from commercial bank in Malaysia. Method used to distribute the survey questionnaires was through “drop off and pick up” method due to the minimum interaction by the investigator with the respondents. Data were analyzed using SPSS and findings indicated that employees valued development opportunity provided by organisations for example development through training, mentoring and coaching. Respondents are employee between the age of 23 to 30 years old and these mode of learning appear to be the most effective to them.

1.0 Introduction

1.1 Definition of Employee Engagement

Organizational learning is defined as a learning system where organizations not only trying to influence their immediate members, but also transmitted knowledge to others by way of organization histories and norms and not simply transmitting the knowledge by forming the sum of each member's learning experience but has gone beyond that (Lawrence & Dyer, 1983). Organizational behaviour researchers have identified three (3) dimensions of organizational learning, i.e., training, mentoring and coaching. The dimensions used are in tandem with the dimensions used in the research conducted by Shaw and Fairhurst (2010).

The first dimension in organizational learning is training. Scholars have defined training as the ability to develop skills and knowledge by the organizations towards their employees in order to do present and future job well (Guest, 1997; Guest, Michie,

Conway & Sheehan, 2003). A study by Natarajan and Nagar (2011) found that the “younger” the age of the employees, who attended the induction program in any particular organization and the longer the duration of training provided by organizations to employees, could result in good organizational orientations and hence, it may lead towards higher commitment and job satisfaction of the employees. Organizations that provide training for the employees, in return could receive better performance such as high productivity and increase organizational commitment from the employees and this positive return yield reduction in turnover rate and absenteeism rate in organization (Huang, 2001; Acton & Golden, 2003; &Gberevbie, 2010). Therefore, training is conceptualize as one of the measurement tools to stimulate strong psychological attachment that enable to enhances the employee’s commitment which could result in higher engagement and loyalty towards the organization.

The second dimension is mentoring. It is defined as a process of sharing personal experiences, in order to assist one employee to assume new roles with higher responsibilities (Leong, 2008). Mentoring is viewed as one dimension that can serves as a platform for retention strategy (Wong, Gardiner, Lang & Coulon, 2008). The study by Wong et al., (2008) found that young employees are motivated for career progression and advancement if they are “mentored” by the seniors and hence the perception of being “mentored” lead to higher engagement towards

the organization. This finding corresponds with the study conducted by Wu, Wen and Lu (2009). The study by Wu, Wen & Lu (2009) have discovered that mentoring in many ways is able to enhance employees’ psychological commitment and future career development. In the perspective of the young employees, Bingham (2009) have conducted a study on mentoring and found that the young employees need mentors to guide and support their progress in the task assigned. In view of this, the young employees look forward to receive constant feedback from supervisors and demand for regular dialogue with the supervisors and managers.

The third dimension is coaching. Leong (2008) defined coaching as personalized learning. Coaching is a mean of assistance to discover and learn how to leverage on the coach knowledge, wisdom and experience to achieve a given goal through the use of questioning. Kahn (1990) stated that coaching is the important source of learning from supervisor to employees and may stimulate engagement because the positive relationship resulted from a good work interaction proves that psychological meaningfulness is important for employees and therefore influence the level of commitment towards organizations.

1.2 Definition of Employee Engagement

The concept of employee engagement was developed by Khan (1990) and defined as "harnessing of organization members' selves to their work and express themselves physically, cognitively and

emotionally during role performance (Kahn, 1990). Employee engagement is conceptualized as a very powerful retention strategy tool and it is also associated with performance in a variety of areas such as providing assistances to increase the level of customer satisfaction, to increase in organizations' profitability and productivity as well as helps to reduce the rate of employee turnover (Harter, Schmidt & Hayes, 2002). The employee engagement concept consists of three psychological conditions i.e., meaningfulness, safety and availability (Kahn, 1990) and the psychological conditions are highly correlated to vigour, dedication and absorption (Mark, 2010). Employee engagement creates positive relationship and it also provides challenging opportunities through change initiatives and authentic leadership (Thompson & Yvonne, 2009) while also involves employees' mental and emotional connection towards work (Gibbons, 2006).

The employee engagement construct can be measured. It is measurable through the degree of employee's positive or negative emotional attachment to the job, colleagues and organizations (Gibbons, 2006). Argument by Gibbons (2006) which is supported by the Towers Perrin, a Human Resource consulting firm, that conducted a study in 2003 and found that employees' emotional factors are related to personal satisfaction and the sense of inspiration and affirmation received from work and being part of the organizations.

Another definition of employee engagement was found from previous studies McBain (2007). The study by McBain (2007) concluded that employee engagement is a concept that keeps in line of the employees' work behavior against the organizational goals and organizational reputation. The concept of employee engagement, according to McBain (2007) involves emotional and rational aspects and hence suggested that engaged employees may exert over and above discretionary effort towards meeting the demand of the job. Baumruk (2004) defined engagement as emotional and intellectual commitment to the organization while Kahn (1990, 1992) claimed that engagement means that employees are psychologically present when occupying and performing the organizational role.

Different definition and arguments on the construct of employee engagement were found from various scholars. Among them, Maslach and Leiter (1997) argued that engagement is characterized by employees' energy, involvement and efficacy while Schaufeli et al. (2002) conceptualized engagement in a different perspective. Schaufeli et al. (2002) posited engagement as a "positive", fulfilling work related state of mind resulted from employees' vigour, dedication and absorption.

1.3 Relationship between organizational learning and employee engagement.

This study examined the relationship between employee engagements with dimensions in organizational learning. Currently, training has becoming one of the most important investment tools for organizations as it enhances the knowledge, skill, attitude and behavior of employees through the distinct advantage as it creates valuable resource i.e., committed employees. Committed employees are seen as the most valuable asset as compared to any other asset in organization (Jex & Britt, 2008). One way of improving efficiency or work performance in organizations is through human capital development and this can only be made possible through the investments made on human capital, which yields higher return compare to the investment in physical and structural capital (Peck, 2005). Recently study by Purcell (2000) discovered that, employee training is at the heart of modern management practiced by all industries. Hence, this shows that development of human capital is able to be conducted by organizations and this is manageable and feasible through training program.

Providing opportunity for development through training for employees helps to build perception of “being cared for” among employees towards organizations (Huang, 2001). As such, to develop human capital through training can influenced the overall performance of the organization through efficient productivity from employees. Training also enhances employees’

loyalty towards organizations and increases their will to serve more in the organization (Huang, 2001). Loyal employees results in low turnover rate and reduce absence rate while at the same time increases the organizational commitment through strong psychological attachment, greater commitment and produce good outcome with low employees’ turnover (Bartlett, 2001). Employees who received effective training experience may perceived that the organization is doing justice to them through the “care” and willingness of the organizations over the investments made in training and this subsequently enhanced employees’ commitment towards the organization (Chiang & Jang, 2008).

Previous study conducted by Cunningham (1998) emphasized the importance of human interaction through processes such as coaching and mentoring. It involves the interaction between experts in organizations i.e., the mentor, with employees who are the protégé and the interaction is taken place in a learning organizations. Employees of the organizations that are going through the learning process build “mentor-mentee” relationship among senior employees and young employees to ensure important information on work process and procedures are well disseminated. The importance of having a mentor is also argued in the recent study by Macky, Gardner and Forsyth (2008), that learning orientation was found to be one of the important implications for organizational commitment and intentions to stay among employees in organizations. Hansford and Ehrich (2006) also found that employees who received mentoring

not only committed in performing the assigned task but also were found to be more efficient and effective in doing their jobs than those employees who do not receive mentoring.

In sum, it shows that efforts from organization in implementing learning and development program resulted in trust and positive increase of commitment level among employees. Employees also experienced job satisfaction and willing to work extra mile in sharing knowledge and expertise, and giving efficient productivity to the organization. Previous research mentioned above have identified that dimensions in organizational learning has influenced organization commitment, organization trust and intention to stay in organizations. The finding from previous study serves as a strong indicator to demonstrate the presence of relationship between organizational learning and employee engagement.

2.0 Methodology

The objective of the study was to investigate the relationship between organizational learning and employee engagement among the young bankers of commercial banks in Malaysia. Primary data were used, which was collected through survey questionnaire. There were 100 survey questionnaires distributed at various commercial banks in Klang Valley to the young bankers aged are between 23 to 30 years old and most of them are new to the organizations.

The high job loads put towards the young bankers has demanded the study to use “drop-off” and “pick-

up” method whereby the questionnaires were left and collected upon its’ completion. This approach was also adopted due to the confidentiality practiced by commercial banks, whereby visitors are not allowed to have direct and close contact with bankers other than official matters. Therefore, a coordinator was appointed at each bank to coordinate the overall process of distributing and collecting the completed questionnaires. The timeline for the subsequent visit to collect the questionnaires was 2 weeks after distribution, as agreed between the researcher and all the coordinators.

The survey questionnaires adopted and adapted measurement used by (Miller, Siegel, &Reinstein, 2011) to explore organizational learning among participants from public sector. Items on employee engagement were which was adopted and adapted from Saks (2006) test the model of antecedents and consequences of job and organization engagements based on social exchange theory. The items were measured using 7 points likert-scale.

Below are the items used in the questionnaire to measure the organizational learning.

- Employees of this organization help each other to learn.
- This organization gives time to learn (eg: study leave).
- This organization rewards employee for learning.
- This organization encourages employee to rotate to different work teams to broaden their knowledge and experience.

- This organization encourages individual responsibility for learning.
- This organization provides access to training.
- The organization has stated policies on the amount and types of training that the employees can expect to receive.
- Participating in training programs will help my personal development.
- Participating in training programs will help to update me on the new policies, procedures and products related to my work.
- Participating in training programs will result in more opportunities to pursue different career paths.
- Items to measure Organizational Learning - Mentoring dimension
- My mentor has advised me about promotional opportunities.
- My mentor helps me coordinate professional goals.
- I try to model my behaviour after my mentor.
- I admire my mentor's ability to motivate others.
- I exchange self-assurances with my mentor.
- I respect my mentor's knowledge on his/her area.
- My mentor has devoted special time and consideration to my career.
- My mentor has given or recommended assignments that made my work visible to managers in different parts of the organization.
- Items to measure Organizational Learning - Coaching dimension
- My seniors gives me special coaching
- This organization has experienced, skilled and motivated coaches.
- Coaching as a mode of learning is very receptive to me.
- Coaching as a mode of learning is very effective to me
- Coaching in workplace helps organization retains the employees.

Below are the items used to measure employee engagement.

- I am proud and happy to work for this organization.
 - I trust my colleagues and senior management.
 - This organization provides enough opportunities for me to be able to learn and grow.
 - This organization makes me feel important.
 - I understand and uphold the mission and the vision of the organization.
 - Sometimes I am so into my work that I lose track of time.
 - My mind often wanders and I think of other things when doing my work. *
 - I feel very little loyalty to this organization.*
 - I would accept almost any type of assignment in order to keep working for this organization.
 - I am proud to tell others that I am part of this organization.
 - I am expecting to put in a great deal of effort beyond that normally expected in order to help this organization
- (* *Reverse coded items*)

The data collected were analyzed using SPSS version 18.0 whereby descriptive analysis, frequency analysis, correlation coefficient and multiple regression analysis were performed.

3.0 Findings

While conducting data collection, more female young bankers participated in the survey questionnaire. We obtained 68 female respondents and 32 male respondents. Out of 100 respondents,

75 were Malay, 23 were Chinese and 1 Indian and 1 others.

On marital status, the descriptive analysis showed that 70 participants are single and the rest are already married. Descriptive analysis on the academic qualification of the respondents showed that 77 of the respondents possessed bachelor degree qualification, 2 respondents only had diploma, 13 respondents acquired master degree qualification and 2 respondents did not disclose the academic qualification.

In view that many of the respondents are young employee, the job position assigned by commercial banks to most of the respondents is officer and only 20 respondents have been promoted to senior officer. 6 officers are appointed as assistant managers and 9 respondents did not disclose the job position. Job position usually explains the salary that employees received. In this study, descriptive analysis showed that only 4 respondents are paid between RM1000 to RM2000 per month. 37 respondents received salary of RM2001 to RM3000 per month, 35 respondents received salary between RM3001 to RM4000. 19 respondents are hired with a salary between RM4001 to RM6000 and 5 respondents were fortunate enough to receive salary of more than RM6000 per month.

Table 1 – Descriptive analysis performed on items measuring employee engagement and organizational learning.

Items to measure Employee Engagement	N	Min	Mas	Mean	SD
EE 1 - I am proud and happy to work for this organization.	100	1	7	4.56	1.139
EE 2 - I trust my colleagues and senior management.	100	1	7	4.41	1.232
EE3 - This organization provides enough opportunities for me to be able to learn and grow.	100	1	7	4.44	1.250
EE4 - This organization makes me feel important.	100	1	7	4.07	1.402
EE5 - I understand and uphold the mission and the vision of the organization.	100	1	7	4.35	1.266
EE6 - Sometimes I am so into my work that I lose track of time.	100	1	7	5.02	1.303
EE7 - My mind often wanders and I think of other things when doing my work. *	100	1	7	4.80	1.407
EE8 - I feel very little loyalty to this organization.*	100	1	7	4.30	1.528
EE9 - I would accept almost any type of assignment in order to keep working for this organization.	100	1	7	3.99	1.480
EE10 - I am proud to tell others that I am part of this organization.	100	1	7	4.67	1.272
EE11 - I am expecting to put in a great deal of effort beyond that normally expected in order to help this organization	100	1	7	4.92	1.186

Table 2 Pearson Correlation analysis performed on items measuring employee engagement and organizational learning

Pearson Correlation between employee engagement and items measuring organizational learning	EEMean
Employee Engagement	1
Items to measure Organizational Learning - Training dimension	
OLT2 - This organization gives time to learn (eg: study leave).	.233
OLT5 - This organization encourages individual responsibility for learning.	.373
OLT6 - This organization provides access to training.	.230
Items to measure Organizational Learning - Mentoring dimension	
OLM3 - I try to model my behaviour after my mentor.	.496
OLM4 - I admire my mentor's ability to motivate others.	.333
OLM5 - I exchange self-assurances with my mentor.	.311
OLM7 - My mentor has devoted special time and consideration to my career.	.311
OLM8 - My mentor has given or recommended assignments that made my work visible to managers in different parts of the organization.	.399
N = 100	

Factor analysis was conducted on all items measuring employee engagement and organizational learning construct. Out of 11 items used to measure employee engagement, 4 items were dropped due to low rotated component matrix loading. In the end only 7 items were retained for subsequent analysis. From the 3 dimensions used in organizational learning, only 2 dimensions were retained for further analysis in view that coaching was dropped due to low rotated component matrix loading. For training dimension, out of 10 items, only 5 were retained for further analysis and only 3 out of 8 items in mentoring dimensions were retained for further analysis.

Reliability test was conducted to measure internal consistency of the items measuring both employee engagement and organizational image. All 7 items used to measure employee engagement were used in performing the reliability test and the value was found at 0.696, which indicated that there was a good internal consistency reliability of scale with the sample (Pallant, 2011). In measuring the internal consistency of items in organizational learning, using the two dimensions, i.e. training and mentoring, the reliability test value were found at 0.930 for training dimension and 0.761 for mentoring dimension, which illustrated a respectable value of internal consistency among the items used to measure organizational learning.

In this study, both variables used were continuous variables, therefore,

Pearson Correlation is believed to be the most appropriate type of analysis in describing the strength and direction of the linear relationship for both variables. Table 2 illustrates the result of Pearson correlation analysis performed on items measuring organizational learning against items measuring employee engagement. All items measuring organizational learning were found positively correlated to employee engagement. The finding discovered that item “I try to model my behaviour after my mentor” indicated the strongest relationship with employee engagement, i.e., 0.496 which showed that it explained 49.6% of strong relationship between organizational learning and employee engagement.

4.0 Discussion and Conclusion

The way employee do things and system operates in commercial banks in Malaysia are mostly through the legacy system. Departments in commercial banks, for example cheque processing department, teller at the banks counter practices tacit knowledge being disseminated from senior employees to the junior employees. Tacit knowledge are neither recorded nor documented. Therefore, the learning opportunity through mentoring and coaching appear to be the most effective to the junior employees in commercial banks. Assigning a mentor to a new employee in commercial bank in Malaysia is one way to disseminate tacit knowledge, indirectly creating successor for the task in the organization. The new generation these days expect to learn more from

the mentor and look forward to have constant feedback from the senior employee to evaluate their performance. This behaviour of the new employees is explained by the findings from Pearson Correlation which indicated that young employees wanted to model the senior employee.

Findings also demonstrated that junior employees valued the knowledge possessed by their mentors. Here, the finding suggest that the closer the junior employee is to the mentor, the more tacit knowledge he or she will get and therefore builds better understanding and develop effective learning towards the junior employees. Hence, the study proves that coaching and mentoring appear to become one of the effective ways for junior employees to learn and develop in commercial banks.

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