Effect of Employee Engagement on Performance of Microfinance Banks in Ilorin Metropolis

Suleiman Ismaila,[1] Issa Abdulraheem [2] and Zekeri Abu [3]

Abstract

Employee engagement has become an important challenging task for organisations in recent years. Almost all the industries have given proper space to employee engagement but the banking sector has focused on this aspect with greater emphasis as the turnover rate of employees is comparatively high in this sector. The study therefore examined the effect of employee engagement on performance of microfinance banks in Ilorin Metropolis. This study adopted a descriptive research design via the structured online survey instrument-questionnaire. Population of this study includes 232 staff of Microfinance Banks. The study adopted census study owing to the fact that the entire population cannot be reached and studied. The study was analysed using standard multiple regression analysis. The study found that most of the explanatory variables have positive effect on the performance of microfinance banks in Ilorin. The adjusted R^2 regression coefficient of profitability is 0.060. Based on the findings, the study concluded that employee engagement indeed has positive effect on organisational performance. Therefore, the study

1. Department of Business and Entrepreneursip, Kwara State University, Malete; suleimanamat2@gmail.com
2. Department of Business and Entrepreneursip, Kwara State University, Malete; abdulraheemissa@gmail.com
3. Department of Business and Entrepreneursip, Kwara State University, Malete; zekeriabu2007@yahoo.com

recommended that the profitability of an organisation is brought about if employees are judiciously supervised. The fundamentals of good leadership should therefore be inculcated into the management staff to ensure that the employees are engaged.

Keyword: Employee engagement, organisational performance, employee recognition, working condition, supervision.

Introduction

The survival of organisations in highly competitive business environment is dependent on maximising profits from its current capabilities while recognising and adjusting to the fact that organisation and business environment of today are dynamic. To enhance or maintain competitive advantage, profitability, efficiency and effectiveness, organisations must work hard to create a conducive work environment through employee engagement. Employee engagement have become a crucial concept with the utmost attention being given to management in today's organisation. In this current and challenging globalised economy, business leaders need a high-performing workforce for growth and survival.

Effective management of employee engagement, employee well- being and good organisational objectives are crucial to ensuring a sustainable and viable future for their organisation (Hill & Birkinshaw, 2012). A highly engaged workforce can increase innovation, productivity, and bottom-line performance and thus enable employees to be committed to an organisation. More so, empowered employees are said to be in the position to make quick decisions and respond to changes in the environment. Thus, the process of transferring power, authority with responsibility and accountability to the employees enables organisations to be more flexible and responsive to leading improvements in both individual and organisational performance. This paper explores the concept of employee empowerment and engagement and its relationship to organisational commitment.

Literature Review

Organisations around the globe are measuring engagement level of employees in order to improve productivity and profitability of organisations seeing that employee empowerment has the potential to significantly affect employee retention and loyalty. People occupy roles at work and these

roles depend on their tasks. The ability to attract, engage, develop and retain talent will become increasingly important for gaining competitive advantage. Organisations need employees who are flexible, innovative, willing to contribute and go beyond the expectation of the organisation. At the same time organisations have to give their employees the freedom to make their work exciting and favourable to business environment. Organisations, which are not able to treat their employees well will lose their talented hands. Therefore, it is essential for organisations to create a conducive environment that enhances employee engagement and wellbeing in order to tap into employees' knowledge and capital so as to become prosperous. Employees go to work ready to be engaged and organisations need to create favourable working conditions for engagement. As engaged employees connect, the multiplier effects of synergy lead to collective actions, which influences organisational performance. The emergence of economic reforms has created a new window of opportunities for employment in various sectors. Employees give the organisation a face and voice; they are the one who create the customer stories which make organisational image creditable. Ideally, Organisations should hire people who are enthusiastic to come to work every day and are highly passionate about their work. Increasing the market shares among the microfinance banks have remain a challenging issue in this part of the country as a result of the fact that organisation are not aware of the prospect of engaging their staff. Literatures have shown that organisations with genuinely engaged employees have higher retention, improved image, innovation, and quality.

Sandhya (2016) suggests that the concept of employee engagement has not gathered a lot of fame and is yet to be appropriately discovered. As result, many definitions have been put forward to help with understanding the concept of employee engagement. This implies that there is no one universally accepted definition on which the ground rules could be set. Irrespective of the myriad of definitions of employee engagement, organisations are trying their best to incorporate employee engagement according to the way they think it is fit or workable. Sandhya (2016) has also tried to explain the difference between various concepts which are similar constructs as employee engagement. These include commitment and organisation citizenship behaviour. These concepts share similarities with employee engagement, but employee engagement is broader than these

concepts; in fact these concepts come under the scope of employee engagement. Employee engagement is more interactive and a two-way exchange process of efforts between an employer and the employee. Many studies manifest that the feeling of being valued by management, a management's interest in employee's well- being or giving more opportunities for employee's growth are factors that can aid workers' productivity. According to Taris and Schaufeli (2015), the well-being of employees at work is dependent upon diverse factors, some of which are: job satisfaction, employee participation, engagement, work-life balance, work environment/conditions, employer-employee relationship status and a few more. These factors can either contribute to increase or decrease in the productivity of employees and as such an organisation, particularly the Human Resource (HR) Department, needs to be sensitive to employees' needs even when they keep them private. Furthermore, cases of depression which may not be work-related can cause serious problems for organisations. This necessitates why employers need to seek the views of affected employees and make critical decisions that will only benefit the employees and also the organisation.

Sandhya (2016) described engagement as a positive, fulfilling, workrelated state of mind, characterised by vigour, dedication, and absorption; but it is distinct and is expected to lead to a range of outcomes. Satisfaction among employees is desirable, but satisfied employees may not necessarily display vigour in their work. Employees committed to their organisations may not always have an in-depth commitment to their job. Satisfaction and loyalty are related to performance, but engagement appears overall to be a better predictor of employee performance. Employee engagement is a novel concept has no universally accepted definition, and thus, the definition varies (Rafferty, Maben, West and Robinson, 20I5; Ellis & Sorensen, 2017). Employee engagement is a relationship between the employee and the enterprise; an engaged employee is the one who is entirely engrossed in and ardent about their work and so takes affirmative steps to further an organisation's prestige and interests. Engagement of employees with the organisation is how employees feel about their senior executives, the trust that the employees have in the value policies, fairness and the confidence in organisational leadership. The concept of employee

engagement originates from two concepts organisation citizenship behaviour (OCB) and employee Commitment (Rafferty, 2015).

Saks (2006) states that there is an inadequate definition of employee engagement in the academic literature; however, in the past few years, there has been huge interest by academics in the concept of engagement and organisational performance, prompting Welch (2011) to suggest that there is enough research evidence to consider employee engagement as a lone concept, distinct from all other organisational behavioural concepts. Even with Welch's suggestions, most of the research on engagement relate to motivation, job involvement or organisational citizenship behaviour, as well as other management concepts.

A key scientific development in the employee engagement construct is the emergence of the constructive psychology school of thought which moved the centre of attention away from pessimistic consequences of work burnout, to more encouraging drivers like engagement (Welch, 2011). The turnaround incited the appearance of additional scholarly work on engagement within this period (Maslach *et. al*., 2001; Harter *et. al*., 2002; May *et. al*., 2004). A practical academic study (Certo, 2016) used Kahn's (1990) description of engagement as the basis and established a theoretical link between Gwa and Kahn's (1990) work on engagement. May *et. al*. (2004) used Kahn's (1990) qualitative model in their study and found psychological conditions of meaningfulness, safety and availability as positive predictors of engagement.

The different dimensions of the arguments posed by all groups involved in the employee engagement movement (made up of consultants, research institutes and academics) are similar as they all agreed that employee engagement deals with the psychological state of an employee that leads to various outcomes. However, in addition, few other studies focused on the roles the organisation may well play in promoting engagement. Beer and Walton (2014) emphasised the necessity to align individual performance with organisational objectives as well as success. This will create a feeling of importance in the employees as well as show that their contributions and welfare are worthwhile and meaningful. Dromey's study for the National Health Service (NHS) highlighted the need for employees to feel safe and secure, have an encouraging approach en route their organisational goals

and values. The study summarised an engaged employee as someone who is conscious of the business background and joins hands with coworkers to improve performance in doing the job and within the organisation. Employee engagement as an engine in the talent management drive draws its resilience from the effectiveness of various environmental factors from inside and outside an organisation. Strategic employee engagement initiatives support organisational branding and reputation among employees (Kaliannana & Samuel, 2014).

Drivers of Employee Engagement

Anitha (2014) established substantial differences in the views of authors and actual descriptions of engagement and what drives engagement. She argues that "there is no easy answer as far as engagement is concerned. In addition, it is unlikely to find one particular approach or certain drivers that induce engagement, since employee engagement and its drivers may possibly differ in every organisation, and job itself" (Robinson, 2007). Additionally, there is no definitive all-purpose list of engagement drivers. Ketter (2008) adding to the debate, suggests that there are over 26 different drivers of engagement, due to numerous studies that have been carried out on employee engagement,. O'Neal and Gebauer (2006) suggested that employee engagement drivers or definitions vary globally, depending on the country, culture and organisation. Hence, engagement is likely to be prejudiced by many interconnected factors.

Another set of engagement drivers was developed by Fairlie (2014). His findings were presented at the International Conference on People Management. The drivers developed in the study were on the basis of 12 major studies conducted by research firms, such as Gallup, Towers Perrin, Blessing White, The Corporate Leadership Council and others. Another study was carried out by Towers Watson in May 2012. Towers Watson is a principal global service company that assists organisations in improving performance through efficient people, risk and monetary management. The study identified four top drivers, which they argued characterise engagement. The first is leadership. According to Towers (2009), leadership is an effective tool in growing business. Hence, a capable and motivated leader will not only drive the business forward, but also find suitable ways of making employees work beyond their required role. Morgan (2004) supported the

argument by suggesting that certain characteristics possessed by managers can be critical for employees to be engaged, in particular, a high-quality communication structure. In addition, Dubrin (2012) states that bad leadership and management policies can have a negative impact on engagement behaviours. Next is stress, balance and working condition. Engaged employees know how to manage stress and have a flexible work arrangement, i.e. a healthy balance between work and personal life. They also believed that for employees to be engaged in their jobs, the organisation must make sure the employees understand the organisational business goals, steps they need to take to achieve those goals and how their jobs contribute to achieving those goals. In addition, there is the role that supervisors play. Towers (2009) argued that organisations must employ the supervisor's knowledge on how to manage employees, how to assign tasks suited for all employees' skills, and employ supervisors that will act in a dependable manner, be consistent with their words and, most importantly, treat employees with respect. Moreover, organisation's image matters in boosting engagement. Thus, organisations must strive to build a brand name that is highly regarded by the general public, and display honesty and integrity when dealing with employees and business activities with the general public. This act can, to a large extent, propel the employees to be engaged. In agreement with most of the already mentioned drivers, the Institute of Employment Studies in a survey carried out with the NHS, identified more drivers they believe propel employees to be fully engaged. Their findings suggest that the strongest driver of employee engagement is "involvement in decision making." The extent to which employees are able to voice their ideas, views and values, and have managers listen to such contributions, is a strong way for employees to be more engaged (Dubrin, 2012).

Profitability

A recent study by Fitzsimmons *et. al*. (2013) identified that profitability is a measure of firm performance. Fitzsimmons *et. al*. (2013) claim that firms cannot grow without sustained profits being available to reinvest into the firm. Conversely, Voulgaris *et. al*. (2013) built on the work of Gupta 1969, a classical scholar, and highlighted that profitability cannot measure performance efficiently as some firms may not grow and still be profitable.

Davidsson (2002) took a different stand. To him, firms pursue profitability before they subsequently pursue performance. By implication, profitability is a precondition for performance. This is in line with the findings of Fitzsimmons *et. al.* (2013). Markman and Gartner (2002) opine that performance is the precursor for attainment of sustainable competitive advantages as well as profitability. This opinion is consistent with the position of classical scholars Macmillan and Day (1987), who are of the view that rapid performance leads to higher profitability as cited by Delmar *et. al.* (2003). Some other classical scholars in the like of Hoy (1992) as cited by

Davidsson (2013) have identified little or no correlation between performance of a firm and firm profitability. In view of the above, there seems to be controversy as to the relationship between the two concepts. However, both performance and profitability are intertwined and are like Siamese twins, in that profit leads to performance and performance leads to higher profit.

Theoretical Review

The theory adopted for this study is the Resource-Based View (RBV). The resource-based view (RBV) is concerned with the pool of resources and capabilities as the primary determinants of strategy and performance (Armstrong *et. al.*, 2016). Barney (1991 cited in Alonso & Kok, 2018) advocates that the role of resources in producing firm-wide results should be taken into consideration. Sustained competitive advantage comes from developing resources that are rare and difficult to imitate. Barney includes human capital in his definition of resources, but it must be unique and inimitable. It was further stated that managerial resources are not necessarily scarce unless there is a specific attribute that is not found in any other firm; as such, the resource-based view emphasises that the uniqueness of each company as critical factor for profitability and that exploiting these differences will maintain and sustain competitiveness.

Furthermore, the competency model has become a preferred model for identifying a set of skills, knowledge and values that will align human resources with the organisation's strategy (Hamel & Prahalad, 1994; Armstrong, *et. al.*, 2016). It has, therefore, become an essential factor for achieving an organisation's overall strategy geared towards fulfilling its set

objectives. It can be concluded that the RBV suggests that human resource systems can contribute to organisational performance.

Empirical Review

Kumar and Pansari (2015) reviewed relevant literature and press-articles on competitive advantage through employee engagement. The study built a framework around customer engagement and employee engagement while using a multidimensional method to define the concepts. Using a two-time period analysis, 120 companies were understudied from which strategies were developed to help the companies improve on their levels of customer and employee engagement. The findings revealed that employee empowerment had a moderating effect on both customer and employee engagement; also, the type of business either business-to-business or business-to-customer, and the nature of the industry were also critical factors that proved to have impacted employee engagement in particular. Furthermore, it was reported that both employee and customer engagement had positive influence on the performance of the companies. However, customer engagement proved to have a stronger effect. It is therefore conclusive to note that integrating both employee and customer engagement is more likely to produce better performance outcome than when they act individually.

Jamie and Alan (2014) are o the view that there is a dilemma in the concept and this is related to how to measure employee engagement and the theories that adequately backs-up the concept. The theory of engagement as developed by Kahn in 1990 and Job Demands-Resources (JD-R) model was employed in the study. It was concluded from findings that a consensus is yet to be reached regarding the definition of employee engagement; coupled with this is the concern of how employee engagement should be measured. Causal conclusions were difficult to make on any precursory judgements on the benefits and consequences of employee engagement and as such further findings were expected to be undertaken in order to develop a science of employee engagement theory.

Similarly, Oluwole (2016) focuses on the antecedents that influence employee engagement. The study was done among public senior secondary school teachers in Lagos State, Nigeria. The participants cut across all levels in terms of experience, grade level, and gender. Data were collected

through semi-structured interviews and analysed using Braun and Clarke's (2006) thematic analysis model. Findings revealed that passion for work, pay and remuneration, availability of materials for the job, and the relationship and support amongst employees are the key antecedents to engagement among the teachers interviewed.

Ellis and Orensen (2017) in their study on the effect of employee engagement with a sample of 320 respondents, opined that an organisation's performance is inclined with employee engagement, having discovered a positive correlation between both variables. According to the researchers, the more engaged employees are, the better the performance of the organisation which is measured by its profitability, productivity, employee retention, efficiency, safety, effectiveness and customer loyalty.

Human resource management is concerned with the effective and maximum utilisation of paid labour units an hour; therefore, employee engagement and well-being are some of themost important factors to efficiency and effectiveness within an organisation. This concept, which has received extensive coverage and attention has been regarded as a critical driver to competitive advantage and organisational performance. Its impact has come out of the observation that more than ever, employee contribution and behaviour within organisations are a result of their values and perceptions than just management prescriptions. Employee engagement has mostly been used to describe the alignment of an organisation's mission and objective with those of employees. Employee engagement impacts positively on employee behaviours, leading to organisational success, as measured against indicators such as productivity, profitability, safety, customer satisfaction and corporate reputation, employee commitment, essential staff retention among others particularly in changing labour markets.

Methodology

This study adopted a descriptive research design via the structured online survey instrument-questionnaire. Descriptive studies have the purpose of finding new insights and looking at particular phenomena in a new light, in order to clarify the understanding of an issue. Appelbaum & Dess (2018) mentioned that descriptive studies should lead to a deeper understanding of the issues that are being investigated. The study also included reflexivity based on the researcher's background in the banking industry. A researcher's

background and position affects what they choose to investigate, the angle of investigation, the methods judged most adequate for this purpose, the findings considered most appropriate, and the framing and communication of conclusions (Malterud, 2001). Population of this study comprises of staff of the Microfinance banks in Ilorin metropolis. The total population of this study is 232 based on the records collated from the banks as at December 2019. The population of the study were sampled using online monkey survey as a result of the Covid 19 pandemic guideline by the Federal Government of Nigeria. The respondents were contacted through their smart phones. The various bank policies require that the staff are mandated to own and attend to issues on their phones. Hence, the study leveraged on the above to ensure that the staffers were contacted through their various human resources managers.

This study used virtual instrument for collecting data so as to achieve the intended goals. In this study the questionnaire was administered to the micro-finance bank staff, to ensure confidentiality and willingness to respond, and they were assured that their responses would be kept confidential. The questionnaire was sub-divided into two sections. Section A of the questionnaire consisted of demographic information about the respondents. Section B of the questionnaire sought the individual responses, suggestions and recommendations in relation to organisational performance. This study adopted online questionnaire using the Microsoft form and online Skype interview as a result of the global guide lines on coronal virus (COVID 19) pandemic. The questionnaire was designed in close ended (structured) form in order to restrain the respondents from derailing from expected results (Kothari, 2004). The structured questionnaire allowed for coding and quantitative analysis. In designing the questionnaire, Likert scaling technique was used from a 5 point (strongly agree) to 1 point (strongly disagree).

The study variables (dependent and independent) were adapted from the studies of previous authors Macey and Schneider, (2008); Holbeche and Springett, (2003) and Leiter and Bakker, (2010) suggest the various elements that were used for employee engagement. However, the performance index adapted the measures of Christian *et. al*. (2011); Fleming and Asplund, (2007); Rich *et. al*., (2010); Richman (2006) As a result, the study is modelled as follows:

$pr = \beta_0 i + \beta oi + \beta er + \beta ewc + \beta js + \varsigma$

where;

pr = Profitability

$\beta_0 i$ = Constant term

ς = error term

oi = Organizational Image

er = Employee Recognition

ewc = Employee Working Condition

js = Job Supervision

Data and Discussion of Findings

Analysis of Response Rate

Two hundred and thirty two (232) copies of the questionnaire were administered to staff members of selected microfinance banks. Out of these, one hundred and ninety nine (199) copies of the questionnaire were retrieved from the field, which represent a reasonable return compared to the sample size. Factors such as absence due to one form of leave or the other majorly, maternity leave, annual leave and casual leave were responsible for the non-retrieval of some copies of the questionnaire.

Table 1: Response Rate of the Study

Name	Population	Sample
Apeks Microfinance Bank Limited	27	24
Balogun Ajikobi Microfinance Bank Limited	21	19
Balogun Fulani Microfinance Bank Limited	18	14
Balogun Gambari Microfinance Bank Limited	14	12
Gaa Akanbi Microfinance Bank Limited	22	19
Ilorin Microfinance Bank Limited	18	14
Janmaa Microfinance Bank Limited	12	10
Magajin Gari Microfinance Bank Limited	13	11
Unilorin Microfinance Bank Limited	14	12
KCMB Microfinance Bank Ltd	21	18
Brightway Baaboko Microfinance Bank Limited	18	15
Ajikobi Microfinance Bank Limited	20	17
Bluecon Microfinance Bank Limited	14	14
Total	**232**	**199**

Source: *Authors' Compilation (2019)*

The Descriptive Statistics of the Study Variables

Table 2: Descriptive Statistics of the Perceptions based on Variable Questions

	N	*Min*	*Max*	*Mean*	*Std. Dev*
1. Org. Image	199	1.00	5.00	3.8603	.58533
2. Recognition	199	1.00	5.00	3.9688	.55526
3. Working condition	199	1.00	5.00	4.0020	.63564
4. Supervision	199	1.00	5.00	3.8553	.57204
5. Profitability	199	1.00	3.60	3.8653	.59114

Source: Field Survey, 2019.

The descriptive statistics of the respondents' perceptions is presented in Table 4.3. A theoretical mean of 3.7 was taken as a criterion to judge the items on all the variables. Therefore, any item in section of the instrument with a mean of above 3.7 score equal was regarded to be significant and reliable, while item with less than 3.7 was regarded as not significant and not reliable. Concerning organisational image, the information from 199 respondents; the range of organisational image is from 1 to 5 points, with a mean of 3.8603 and standard deviation of 0.58533. By implication, the respondents, on average, agreed with questions on organisational image. The variable on employee recognition, the responses from 199 respondents; the range of employee recognition is from 1 to 5 points, with a mean of 3.9688 and standard deviation of 0.55526. By implication, the respondents agreed with questions on employee recognition. Concerning employee working condition, the responses from 199 respondents; the range of question items on employee working condition is also from 1 to 5 points, with a mean of 4.0 and standard deviation of 0.63564. By implication, the respondents are, on average, agreed with questions on employee working condition. Regarding employee supervision, the range of question items on supervision is from 1 to 5 points, with a mean of 3.8553 and standard deviation of 0.57204. By implication, the respondents agreed with questions on supervision. Lastly, regarding profitability, the information from 199 respondents; the range of question items from 1 to 5 points, with a mean of 3.87 and standard deviation of .0.59. By implication, the respondents are, on average, agreed with questions on profitability.

HO: Employee engagement has no significant effect on profitability.

Multiple regression was used to explore the effect of employee engagement (proxied by organisational image, employee recognition, employee working condition and job supervision) on profitability. Table 3 presents the model summary which shows the effect of regression coefficient r is 0.246 which indicated that there exists a very strong relationship between employee engagement (dependent variable i.e. the variable being predicted) and profitability, organisational image, employee recognition, employee working condition and job supervision- which are predictors or independent variables. It is also clear from the table that the r^2 which is the coefficient of determination is 0.60, approximately 60%. This implies that almost two-third of percentage i.e. 60% change in profitability can be explained by the availability of organisational image, employee recognition, employee working condition and job supervision. While the remaining 40% is explained by other factors that are not captured in the model.

Table 3: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.246[a]	.060	.041	.57892

a. Predictors: (Constant), JOBSUPV., EMPLWORKING CONDITION, ORGIMAGE, EMPLOYREC

b. Dependent Variable: Profitability **Source:** Author's Computation, 2019.

Also, the result of regression as contained in Table 4 ANOVA, shows that the estimated F-test was 3.112, significant at 1 per cent [$p<.000$] which is less than p-value of 0.05 ($p<0.05$). This by implication means that the explanatory variable elements as a whole can jointly influence change in the dependent variable (Profitability). Furthermore, the table below further summarises the results of an analysis of variation in the dependent variable with large value of regression sum of squares (4.172) in comparison to the residual sum of squares with value of 65.019. This value indicates that the

model does not fail to explain a lot of the variation in the dependent variables. Hence, the model was well specified.

Table 4: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.172	4	1.043	3.112	.016[b]
	Residual	65.019	194	.335		
	Total	**69.191**	**198**			

a. Dependent Variable: Profitability

b. Predictors: (Constant), JOBSUPV., EMPLWORKING CONDITION, ORGIMAGE, EMPLOYREC

Source: *Authors' Computation, 2019.*

Specifically, the output of regression as contained in Table 4 showed that there was positive relationship between organisational image and profitability such that a unit increase in organisational image scores caused about 0.200 unit increase in perceived profitability scores which were statistically significant at 1 per cent with the aid of the p-value (0.000). This shows that for every increase in that predictor, customer satisfaction increases by 20%. It can thus be inferred that the better the organisational image, the higher the profitability of the microfinance bank.

Also, there was a strong effect of employee recognition and profitability such that a unit rise in employee recognition scores induced about 0.308 unit increase in profitability scores which were statistically significant at 1 per cent going by the p-value (0.000). Every increase in this predictor increases customer satisfaction by 30.8%. It, therefore, implies that all things being equal, the higher the employee recognition, the better the variation in the profitability of the organisation.

More importantly, the working condition also has effect on profitability such that a unit reduction in employee working condition scores induced about 0.104 unit rise in profitability scores which was statistically significant at 1 per cent going by the p-value (0.000). It, therefore, implies that all things being equal, the less the working condition, the higher the variation in

the profitability. Furthermore, a mild effect exists of supervision on market shares such that a unit rise in supervision scores induced about 0.233 unit decrease in profitability scores which was statistically not significant at 1 per cent going by the p-value (0.003).

Table 5: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.339	0.231		10.148	.000
	Org Image	0.200	0.085	.197	.206	.000
	Recognition	0.308	0.099	-.035	0.377	.000
	Working condition	0.104	0.066	.015	0.211	.003
	Supervision	0.233	0.110	-.225	2.109	.000

a. Dependent Variable: Profitability

Source: *Authors' Computation, 2019.*

Decision Rule: As depicted on the table 5, it is therefore, established that taking into account organisational image, employee recognition, employee working condition and job supervision, constant at zero, profitability will be 0.060. The findings presented further show that taking other independent variables at zero, a unit increase in modification of the variables would lead to significant increase in the profitability. As a result of this, the Null Hypothesis (H_{01}) is rejected on the basis that the p-value is 0.000 which is far less than 0.05. Hence the alternative hypothesis is accepted, that employee engagement has significant effect on profitability

The hypothesis examined employee engagement and profitability among the microfinance banks in Ilorin. The findings revealed a significant effect between the two variables. This is supported by the studies of Vogelgesang, Leroy and Avolio (2013) examined in a 3-month longitudinal study on how a leader's integrity relates to a personal followership work engagement; it also viewed upon how such relationship, in turn, connects to profitability. Giving different time periods, the findings indicated that followers who rated their leaders as exhibiting more transparent communication at Time 1 were

also assessed to be more engaged in their work role at Time 2 (3 weeks later). This study, therefore, acknowledges that employee engagement has a moderating effect on business profitability.

Conclusion and Recommendation

Reviews of existing literature predict that psychological meaningfulness is an important factor in gauging employee engagement. A number of studies on employee engagement drivers have taken place. Though, comparative studies related to work life balance, demographic variables and their association with employee engagement drivers are found limited in banking sector. Employees often get distracted from their work due to increase in responsibilities at home and a desire to excel in their careers. The study of employee engagement and organisational performance has opened up recommendations that can further enhance profitability. Based on the findings of the study, the study recommends that the profitability of an organisation is brought about if employee are judiciously supervised. The fundamentals of good leadership should therefore be inculcated into the management staff to ensure that the employees feel engaged.

References

Alonso, A. D., & Kok, S. 2018. A resource-based view and dynamic capabilities approach in the context of a region's international attractiveness: The recent case of Western Australia. *Journal of Local Economy*, 33(3), 307–328.

Anitha, J. 2014. Determinants of employee engagement and their impact on employee performance. *International Journal of Productivity and Performance Management*, 63(3), 308-323.

Anitha, J. 2014. Determinants of employee engagement and their impact on employee performance. *International Journal of Productivity and Performance Management*, 63, 308–323. doi:10.1108/ijppm-01-2013-0008.

Armstrong, D., Shakespeare-Finch, J., & Shochet, I. 2016. Organisational belongingness mediates the relationship between sources of stress and post trauma outcomes in firefighters. *Psychological Trauma: Theory, Research, Practice, and Policy, 8*, 145-165.

Barney S.H. 1991. Theory of organisations. *Journal of Management Studies,* 49 , 1194-1220.

Beer, M., & Walton, R. E. 2014. Reward systems and the role of compensation. *Academy of Management and Review,* 29(3), 404-422.

Certo, S. C. (2016). *Supervision concepts and skill-building.* New York, NY: McGraw Hill.

Christian, M.S., Garza, A.S. and Slaughter, J.E. 2011. Work engagement: a quantitative review and test of its relations with and contextual performance. *Personnel Psychology*, Vol. 64 No. 1. 89-136.

Dubrin, A. J. 2012. *Essentials of Management.* Mason, OH: Cengage SouthWestern.

Ellis, F. & Orensen, J. 2017. *Supporting workplace learning for high-performance work*. International Labour Organisation.

Fairlie, P. 2014. Meaningful work, employee engagement, and other key employee outcomes: implications for human resource development. *Advances in Developing Human Resources*, 13(4), 508-525.

Fitzsimmons, S. R., Miska, C., & Stahl, G. K. 2011. Multicultural employees: Global business' untapped resource. *Organisational Dynamics*. 40(3), 199-206.

Fleming, J.H. and Asplund, J. .007, *Human sigma*. New York: Gallup Press.

Gupta, V., Agarwal, U.A. and Khatri, N. 2016. The relationships between perceived organiational support, affective commitment, psychological contract breach, organisational citizenship behaviour and work engagement, *Journal of Advanced Nursing*, 72(11), 2806-2817.

Hamel, M. & Prahalad, K.M. 2015. Empirical analysis or organisational justice towards employee's customer-oriented behaviour: A case study of medical institutions in Pakistan. *African Journal of Business Management,* 5, 12861292.

Harter, J. K., Schmidt, F. L., & Hayes, T. L. 2002. Business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes: a meta-analysis. *Journal of Applied Psychology*, 87(2), 268.

Hill S. A. Birkinshaw J. 2012. Ambidexterity and survival in corporate venture units. *Journal of Management*. 40(7) 1899-1931.

Holbeche, L. & Springett, N. 2003. *In search of meaning in the workplace*. Horsham, Roffey Park Institute.

Horsham, Roffey Park J, A. 2014. Determinants of employee engagement and their impact on employee performance. *International Journal of Productivity and Performance Management*. 308-323.

Jamie, G.A & Alan, S.N. 2014. What do we really know about employee engagement? *Human Resource Development* Quarterly, 25(2), 155-182.

Kahn, W. A. 1990. Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal*, 33(4), 692-724.

Kumar, H. & Pansari, M. (2016). Competitive advantage through engagement. *Journal of Marketing Research,* 53(4), 497-514.

Leiter, M.P. and Bakker, A.B. 2010. Work engagement: introduction. In Bakker, A.B. and Leiter, M.P. (Eds), *Work engagement: A handbook of essential theory and research*, Psychology Press, Hove. 1-9.

Macey, W.H. & Schneider, B. 2008. The meaning of employee engagement. *Industrial and Organizational Psychology*, Vol. 1 No. 1, pp. 3-30.

Macey, W.H., Schneider, B., Barbera, K.M. and Young, S.A. 2009. *Employee engagement: tools for analysis, practice, and competitive advantage*. WileyBlackwell, Malden, WA.

Rafferty, J. E. 2015. Work engagement: A quantitative review and test of its relations with the task and contextual performance. *Journal of Personnel Psychology*, 64(1), 89-136.

Rafferty, S. Maben, R.T., West, P. & Robinson, H. 2015. Work engagement: Reflections on the state of play. *European Journal of Work and Organisational Psychology*, 20(1), 74-88.

Richman, A. 2006. Everyone wants an engaged workforce how can you create it?, *Workspan*, Vol. 49, 36-9.

Saks, A.M. & Rotman, J.L. 2006. Antecedents and consequences of employee engagement. *Journal of Managerial Psychology*, 21 (7), 600-619.

Sandhya, S. 2016. Individual factors and work outcomes of employee engagement. *Procedia-Social and Behavioural Sciences*, 40, 498-508.

Schaufeli, W.B., Bakker, A.B. & Salanova, M. 2006). The measurement of work engagement with a short questionnaire: a cross-national study. *Educational and Psychological Measurement*, (664). 701-716

Vogelgesang, G. R., Leroy, H., & Avolio, B. J. 2013. The mediating effects of leader integrity with transparency in communication and work engagement/ performance. *The Leadership Quarterly*. 24(3):405-413.