ORGANISATIONAL CLIMATE AND EMPLOYEE ENGAGEMENT IN DEPOSIT MONEY BANKS IN NIGERIA

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Article history:		Abstract:
Received:	24th December 2022	This work aimed at examining the relationship between organizational climate and employee engagement in banks in Nigeria. The cross-sectional survey was used in this study. A total of 384 employees from 21 selected deposit money banks formed the population of the study. A sample size of 196 employees was derived. The systematic sampling technique in selection of sample items. The Spearman's rank order correlation coefficient was used to test the relationship between organizational climate and employee engagement. The findings revealed a positive relationship between organizational climate employee engagement. Thus, the study concluded that enhancing organizational climate would positively improve the level of engagement of the employees. The study recommended among others that the management of banks in Nigeria should ensure a conducive organisational climate in the industry to contain the engagement of the employees in the industry.
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INTRODUCTION
The importance of employee engagement is indisputable for firms that must stay agile in a turbulent environment. Allen (2014) defined employee engagement as the emotional commitment which workers feel towards their firm and the action which they take to achieve the success of the firm; engaged staff shows care, enthusiasm, dedication and accountability. Employee engagement play a paramount role in ensuring the success of any establishment. Most establishment have a culture which reflect the firm's mission, values and goals. Most firms have over time developed some

activities to enhance engagement of employees which has been a critical key factor that drives the firms' success (Allen, 2014). Engaged employees shows care by using discretionary effort. They do their best at all time to get a job done because, they feel committed and accountable. They stand up for their firm because, they are proud to be part of it, and thus, motivates them to find solutions to problem and create various ideas to improve the firm.

Robinson, Perryman and Hayday (2004) maintained that engagement is a positive attitude which is held by the workers towards the firm and its values. An engaged staff is aware of business context, and work with his colleagues in a way to ensure improved performance within the job for the organizational benefit. It is important for all organizations to develop and nurture engagement so as to get the best from their employees.

Furthermore, Robertson-smith and Markwick (2009) asserted that engagement is consistently shown as something given by the worker which can benefit the firm through commitment and dedication, discretionary effort, advocacy and using skills and talents to the optimal level, and being supportive of the values and goals of the firm. They further maintained that a staff who is engaged, feel a sense of attachment towards their organization, involving themselves beyond their role to that of the organization in totality. Robertsm-smith and Markwick (2009) observed that engaged employee are most likely to stay with the firm, perform 20 percent better than other workers, and act as advocates of the business. They argued that engagement can enhance firms profit margin, enable firms' agility and increase efficiency. The benefit of employee engagement to firms is limitless and hence it is very important that organization develop strategies and activities to ensure the engagement of their employees who are the drivers of the organization's success.

However, it is assumed that organizational climate may be relevant as a predictor of employee engagement. Schneider, I. I. (20O8) defined organizational climate as the shared perception of and the meaning attached to the practices, policies and procedures, workers experience and the behaviours they observe getting rewarded and that are supported and expected. Schneider, Ehrhart and Macey (2013) noted that

organizational climate is an integrating and integral conceptual force in the larger world of organizational behaviour. Organizational climate is the set of characteristics that leads to variations in firm's work environment. According to

Balachandran and Thomas (2007), the dimensions of organizational climate are; welfare concern, Norms and standards, interpersonal relations, recognition and encouragement, job security, reward, and job autonomy.

Purpose of the Study

The purpose of this study is to examine the relationship between organizational climate and employee engagement in Nigerian banks.

Research Question

What is the relationship between organizational climate and employee engagement in deposit money banks in Nigeria?

Research hypotheses

Ho_1 there is no significant relationship between organizational clamant and employee engagement in banks in Nigeria

Employee Engagement

Employee engagement has gained ground for the past years because of its relevance to the entire organization. Robinson, Perryman and Hayday (2004) saw engagement as a right attitude which an employee has towards the organization and its values. When employee is engaged, he/she is aware of business context and also work with fellow employees in order to boost performance within the job for the benefit of the entire organization. According to Robertson Smith and Markwick (2009), company-based models view engagement as an outcome. They asserted that an engaged employee exert loyalty, show commitment, exert discretionary effort, maximize their talents in the organization, and are enthusiastic advocates of their organizations' values and goals.

According to them, engagement is a step above satisfaction and motivation. Kahn (1990) defined employee engagement as the act of harnessing of organization members selves to their work roles. In engagement, employees express themselves totally in terms of cognitive, emotion and physical when performing their roles. In the words of Kahn (1990), an engaged employee needs to be psychologically and physically present when performing or occupying a particular organisational role.

Frequently, employee engagement has been viewed as an emotional and intellectual commitment of staff towards their establishment (Shaw, 2005). Some view engagement as the amount of discretionary ability shown by employees in their work (Frank, Finnegan & Taylor. 2004). Truss et al (2006) sees employee engagement as a passion for work. Robinson, Perryman and Hayday (2004) maintained that engagement comprises of several elements of both commitment and organizational citizenship behavior, but it is no way an impeccable match with either performance, rather than purely extra-role and voluntary behavior (Saks, 2006) Maslach, Shaufelli, and Leiter, (2001).

Andre, Lindos and Fares (2013) reported that engagement of an employee is in the level of commitment of an employee towards the organization and its values. They posited that an engaged employee in the work place perform the work with team members in order to boost the performance and the wholistic goals of the organization. Kahn (1990) is of the opinion that engaged people within the establishment, carry out their duties physically, cognitively and emotionally. Shuok and Wollard (2010) gave their own view about employee engagement by postulating that employee engagement involves the cognitive, emotional and behavioral energy an employee directs towards achieving a positive outcome in organization.

Saks (2006) argued that when employees of an organization are wholistically engaged, they are more likely to be productive compared to other staff who are not engaged or whio has low level of engagement. Furthermore, Harter, Schmidt, Asplund, Willham and Agrawa (2010) asserted that engaged employee are more likely to remain with their current employer and stay for life, or a very long period of time. Furthermore, when employees of the organisations are engaged, they interact more positively with customers of the organisation (Chalofsky, 2010). Crawford (2010), reported that there is a strong relationship between employee engagement and their performance in the organisation. He further asserted that engagement is more predicted and influence performance more than intrinsic motivation, job involvement and employee satisfaction. Engagement is related to workers who are very innovative, highly passionate, talented, effective performers, and curious regarding their future work, but the non-engaged employee concentrates on tasks rather than goals and outcomes.

Drivers of Employee Engagement

Relying on the fact that employee engagement is a step higher than commitment, it is therefore necessary to know what actually drives this engagement in an employee. According to Robinson, Perryman and Hayday (2004) the drivers of engagement are involvement in decision making. When the employees are involved in decision making, it creates intimacy with the organisation. When employees feel that their contribution is been accepted by the organisation, this will encourage them to be more engaged in order to come up with strategies to enhance the organisations' values. Career advancement opportunity also drives their commitment and engagement in the workplace. Robinson, Perryman and Hayday (2004) noted that the rate at which the employer or organisation shows concerns regarding employees' health and well being, influences their engagement with the organisation. Furthermore, employee perceptions of job importance, employee clarity of job performance, career advancement and improvement opportunity, regular feedback and dialogue with superiors, quality of working relationships with peers, superiors and subordinates, undrestanding values of the organisation and effective internal employee communication help drive engagement to the maximum. According to Cook's (2008), there are four basic components which drives engagement. These are well being. This component means how workers feel in and about their organisation, and how the employers or organisation handles/treats them. The two sides to well being are the external components such as the corporate responsibility and employer branding (Cheallaign 2015). Secondly, Cook (2008) noted that information is the second component that

drives engagement. He opined that workers are likely to have high rate of engagement if they have knowledge of what they are doing, what the company is doing and what is expected from them. With this, he meant that when employees are constantly updated on what the organisational goals are, they engage themselves in order to achieve the goals. Thirdly, fairness help drive and boost engagement. When employees perceive an equitable level of fairness in dealings with coworkers, they show that sense of full engagement.

Organizational Climate

Organisational climate over the years, mostly in 1960s and 1970s has dominated most research. There is a backward more in the investigation of organisational climate in the 1980s. However, from 1990s till date, there was a great transition which made the interest in organisational climate to have eclipsed the high attention on organisational culture (Schneider, Ehrhart and Macey, 2013)

Organisational climate and organisational culture are construct which are the gears that has been used for conceptualising the manner employee experience and describe their work settings (Schneider, Ehrhart & Macey, 2013). However, there exist a difference between the two constructs. Organisational climate is the shared perceptions of staff experience and the behaviours which they observe getting rewarded and that are expected and supported (Ostroff, Kinicki & Tamkins, 2003). Organisational climate is about the perception of the climate and about absolute measures. It is normally related with job performance, satisfaction and morale of the employees. According to Hay Group (2009) cited in Noordin, Omar, Sehan and Idrus (2010), organisational climate research is the closest thing a firm can get to evaluate how well a firm uses its employees. They argued that research in organisational climate will held leaders to understand the connection between their actions and the climate they create for their employees. Noordin, Omar, Sehan and idrus (2010) argued that organisational climate affects business performance by influencing workers motivation. A positive organisational climate can be a catalyst that will encourage engagement of staff in the workplace. Armstrong (2003) maintain that organisational climate refers to those aspects of the environment that are consciously perceived by the members of the firm. Organisational climate also refers to how members of a firm perceive their work place as they carry out their daily business. Organisational climated bas on its structural dimension, is closely linked with those inherent objective characteristics understood as physical environmental, structure characteristics and the working roles. It involves the interpersonal dimension of work including manner of interaction the members of a group in a given context and the dynamics through which individuals are integrated into the organisational culture (Bitsani, 2013). Organisational climate differs from organisational culture researchers like Cameron and Freeman (1991), Mallak Lyth, Olsoa Ulshafer and Sardone (2003) and Scott, Mannion, Davies and Marshall (2003) proposed an essential difference between organisational culture and orgamsational climate. Culture is viewed as something that resides within an organisation, while climate refers to something that an organisation meets in terms of an attribute or a quality. Organisational climate serves as a measure of one's perceptions or feelings about an organisation. It encompasses management styles, participation of staff in making decision, reduction of frustration, personnel policies, provision of good working conditions, and a creation of suitable career ladder for workers (Nicholson and Miljus, 1992).

According to Katz and Kahn (2004), and Likert (1997) the atmosphere which is created in the organisation has substantial consequences on the perception of employees of the work context, which in turn influences the extent of satisfaction and productivity. Schneider, (2008) defined organisational climate as an experientially based description of the environment of work and employees' perception of the formal and informal policies, procedures and practices within the organisation (Xaba 1996).

RESEARCH METHODOLOGY

Research Design
The cross sectional survey, a type of the quasi-experimental design was used in this study. This was in view of the fact that the variables were not under the control of the researcher, and the research intend to generate new act without intentional manipulation of variables.

Population of the study
The accessible population for the study was 389 employees of 21 selected banks in Port Harcourt.

Sampling Procedure
The systematic sampling technique was employed in this study. This technique was used to avoid bias in the selection of sample items

Sample Size Determination
Yamen's (1968) formula was used to determine the sample size used in the study.

Data Collection Method
The primary and secondary data were used in the research work. The primary data was obtained using a structured questionnaire which took the form of an open ended and multiple choice format.

Table 1
Table 1 Reliability Text of instrument

Reliability test	Variable	Reliability
Organisational climate	Fair Reward	.825
	Autonomy	.735

	Recognition and encouragement	.764	
Employee engagement	Affective engagement	.701	
	Cognitive engagement	.888	
Organizational Culture		.759	

Source: SPSS output version 21

Method of Data Analysis
The spearman's rank order correlation coefficient statistical analysis was used in analyzing the stated hypothesis through the use of SPSS

RESULT AND DISCUSSION
The findings and the interpretations of the analysis on the quantitative data are presented. Results are presented using contingency tables, and described using statistical means. The Table shows the result for the field process of questionnaire distributed and retrieved.

Questionnaire Distribution and Retrieval Rate

Questionnaire	Frequency	Percentage
Number of Administered	196	100%
Number of Retrieved	140	71.4%
Number Used	140	71.4%

Source: Survey data 2023

Demographic Analysis
Data on the demography of respondents were analyzed on five characteristics: gender, marital status, educational qualification, length of service and age in the organization.

Gender Distribution of Respondents

Gender		Frequency	Percent	Valid percent	Cumulative percent
Valid	Male	66	47.1	47.1	47.1
	Female	74	52.9	52.9	100.0
	Total	140	100.0	100.0	

Source: Survey Data, 2023

Test of hypothesis

			Organizational climate	Employee engagement
		Correlation	1.000	.570
		Coefficient		
	Organizational climate			
		Sig. (2-tailed)		002
Spearman's		N	140	140
Rho		Correlation	.570	1.000
	Employee	Coefficient		
	Engagement	Sig. (2-tailed)	.002	.
		N	140	140

The result of the data analysis shows significant level $p < 0.05$ (0.002 < 0.05). The rho = 0.570, showing positive correlation between the variables. The findings reveal a positive relationship between the variables. Hence the null hypothesis was hereby rejected and the alternate hypothesis accepted.

DISCUSSION OF FINDINGS
The descriptive statistics utilized the mean scores and standard deviation coefficient to assess the nature of distribution. Organisational climate variable was measured on a 5-item instrument with all indicators on a 4- point likert scale. Its mean score of x>3.0 (3.09 >3.00) indicated that most of the resopondents accepted the influence of organisational climate on their engagement. Also on employee engagement, the analysis showed a mean score of x>3.0 (3.21 >3.00) indicating also that most of the respondents accepted to the items on employee engagement.

Based on the data retrieved and analyzed using the spearman rand order correlation coefficient in the analysis of the bivariate, it is clear that a significant relationship exists between organizational climate and employee engagement. The findings are further discussed as follows:

The result of the analysis revealed that organizational climate has a significant relationship with employee engagement in banks in Nigeria.

SUMMARY

This work was aimed at investigating the relationship between organisational climate and employee engagement in Nigerian Banks. The research involved an indept review of literature relating to the study variables. The cross sectional survey was used in this study. The data where drawn from employees in 21 selected banks. The research hypotheses were analysed using the spearman's rank order correlation coefficient to examine the relationship between organisational climate employee engagement. The bivariate analyses revealed that there is a positive significant relationship between organisational climate and employee engagement.

CONCLUSION

Based on the research findings, it is very clear that there is a significant relationship between organisational climate and employee engagement in deposit money banks in Nigeria in terms of fair reward, job autonomy and recognition. The positive relationship implies that organisational climate positively predict employee engagement.

RECOMMENDATION

Based on the research findings and conclusion, the following recommendations are proffered.
1. The management of banks should introduce a performance reward tie system that will enhance engagement of employees in the organization
2. The management of banks in Nigeria should ensure that their employees are given substantial freedom in scheduling work in order to contain their engagement.
3. The managemendt of banks in Nigeria should ensure that their employees are rewarded based on the dominant wage to ensure their consistent engagement.

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