WORKERS’ ENGAGEMENT AND ITS EFFECT ON ORGANISATIONAL PERFORMANCE: THE CASE OF NMB
WORKERS’ ENGAGEMENT AND ITS EFFECT ON ORGANISATIONAL PERFORMANCE: THE CASE OF NMB PLC

By

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A Research Report Submitted to Mzumbe University, Dar es Salaam Campus College, in Fulfilment of the Requirements for the Award of the Degree of Master of Business Administration in Corporate Management (MBA – CM) of Mzumbe University.

2013
CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled *Workers’ Engagement and its Effect on Organisational Performance: The Case of NMB PLC*, in fulfilment of the requirements for award of the degree of Master of Business Administration of Mzumbe University.

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ACKNOWLEDGEMENTS

I sincerely acknowledge the valuable guidance I received from Dr. K.P.F. Mtey, my dissertation supervisor, in performing my research and for his advice throughout the writing of this dissertation. Kindly receive my gratitude.

I am also grateful for a unique support from my family, friends and employer throughout the pursuit of my Master’s degree. Their constant encouragement and understanding through this process has allowed me to work towards achieving my goal of becoming an MBA holder in Corporate Management.

I further extend my gratitude to all who contributed to my accomplishing of this research in one way or another, such as my fellow students and colleagues at work. Lastly, my thanks goes to all my MBA classmates at Mzumbe University and NMB staff who participated as respondents of this study for their cooperation.
### ABBREVIATIONS AND ACRONYMS

1. NMB National Microfinance Bank  
2. PLC Public Listed Company  
3. CEO Chief Executive Officer  
4. CRB Chief Retail Banking  
5. CWB Chief Wholesale Banking  
6. CIOO Chief Information and Operations Officer  
7. CRO Chief Risk Officer  
8. CHRO Chief Human Resources Officer  
9. CFO Chief Financial Officer  
10. CIA Chief Internal Auditor  
11. EOS Employee Opinion Survey  
12. HR Human Resources  
13. BOT Bank of Tanzania  
14. AG Aberdeen Group  
15. HRM Human Resources Management  
16. IT Information Technology  
17. SMART Specific, Measurable, Attainable, Realistic and Time-bound.
ABSTRACT

In today’s business environment, management creates and implements strategies that assure sustainability of improving shareholder’s return using affordable resources, with employees being the most valuable resource. However, most organisations are not performing well and are failing to gain competitive advantage or maintain it in the market.

The purpose of this research was to explore on how worker’s engagement contributes to organizational performance, the case study of NMB PLC. The study identified how managers can provoke worker’s engagement and how it could contribute towards achievement of organisational goals and overall performance through literatures. The study further examined background of the problem by establishing what the engagement levels are at NMB PLC, investigated how worker’s engagement have affected organizational performance; and management efforts in ensuring employees are engaged by studying strategic means employed, the degree of worker’s engagement achieved and how it has contributed to the banks’ performance in 2011/12 financial year(s).

The study was both qualitative and quantitative, with data collected through physical libraries, interviews, observation and questionnaires distributed to a probabilistic sample of 120 respondents. The researcher found out that the bank’s management appreciates the importance of engaged workers and has been working to improve its employees engagement levels.

The study results show that workers at NMB PLC are moderately engaged, and with current worker’s engagement levels, the bank’s financial performance rose by 35% from 2011 to 2012 with an increase in staff by 5%. The researcher concluded that the bank needs to improve its worker’s engagement levels because highly engaged workers would have been more productive and hence better organisational performance.
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CHAPTER ONE

AN OVERVIEW OF THE STUDY

1.1 Introduction
Significant changes in the global economy have made business environments become extensively competitive and forcing organisations to improve performance at an affordable cost while addressing new technology, business trends and market needs. Human capital is the most valuable resource in any organisation because it is the employees that perform all the operations that produce goods and services sold to the market. Therefore, when organisations need to produce more with existing or less resources, engaged employees are the key to achieving this (Barney, 2002). However, workers cannot be fully engaged unless they are satisfied and motivated.

Specialists in strategic planning, operations, finance, legal and organisational development are now concerned with managing organisational performance using Balanced Scorecard methodology that tracks and measures performance in various dimensions like,

- Financial performance, i.e., shareholder’s return
- Customer service
- Social responsibility i.e., corporate citizenship, community outreach
- Employee stewardship.

These concerns reflect a growing interest in finding ways to make work more meaningful and satisfying to workers. Therefore, this rests on the belief that organisational goals of high productivity and performance can be achieved under harmonious industrial relations when workers are engaged and their needs satisfied (Bateman & Snell, 2006)

1.2 Background Information
Coch and French (2003) are considered as pioneers in studying workers’ engagement and its effect on organisational performance. They developed productivity and efficiency rationale, assuming that there is a direct link between workers’
engagement and its effect on organisation’s performance. They observed that increase in job satisfaction and productivity of any organisation depends on workers’ engagement. Joseph Rowntree Foundation (2005) advocated that economic changes in recent decades have required workers to seek more efficient and flexible means of production, one of those means include involving workers in decision making, for example when an organisation is strategically planning for improving its performance workers must be consulted to get competent information. Involving employees in decision-making is a means of getting quality and reliable information towards performing basic managerial activities i.e. planning, organizing, directing and controlling. Such involvement in decision making is one of the ways to engage employees.

According to Stephen (2002), the spread of democratic value to virtually every society has brought the need to examine its implications to other spheres of life. With respect to economic sector, workers are faced with a dilemma of how to cope with authoritative management in workplaces while living in a democratic society which guarantee basic fundamental freedom. In addition, denial of worker’s active involvement in organisation performance is held as one of the major causes of problems which are manifested daily in work lives of modern workers.

Specifically, organisation’s reluctance to recognize human factor in production through greater involvement of workers in its performance would tend to create several human problems or engaging in negative behaviours like absenteeism, low productivity and low commitment. Therefore, the implication of these negative tendencies raised serious concern among scholars interested in healthy industrial relations, Gupta (2007).

1.3 Statement of the Problem
Gupta (2007) made it clear that although workers’ engagement in the performance of organisation is crucial, there are various things that needs to be sought out so as to face different challenges in different organisations and enable them perform tremendously well. Geocities (2005) explains that the best thing about workers engagement is that it makes workers to feel a real sense of worth in the organisation
and it gives more power to them within the organisation. That is why the importance and scope of workers’ engagement is crucial to the success of the organisation. In light of this, ineffective workers’ engagement is explained to underpin a number of factors, which will eventually affect performance of workers and the organisation as a whole.

Furthermore, Gupta.,(2007) put forward principle indicators of worker’s engagement in organisational performance as mutual understanding of workers, higher productivity of the organisation, industrial harmony, industrial democracy, less resistance to change by workers toward interests of the organisation and creativity and innovation of workers. Various organisations understand this but the process of involving workers in all matters related to their interests is improving slowly or is still difficult to implement. This is because some managers, view workers’ engagement not as an important factor towards improved organisational performance but as a threat fearing that they will lose control over subordinates to the extent that changes might be difficult to handle.

Employees as the primary resource, contributes much to organisation’s success despite state of technological advancement or automation the organisation is in, therefore management has to ensure employees are engaged to have a positive attitude towards their jobs where they become loyal, economically satisfied and socially satisfied with the employer, MacLeod and Clarke (2009)

While practitioners and academics have argued that competitive advantage can be gained by creating an engaged workforce, most organisations are not performing well and are failing to gain and/or maintain competitive advantage already gained in the market place. Therefore, this study seeks to examine how worker’s engagement can affect organisational performance at NMB PLC.

1.4 Research Questions
The following are research questions that guided the researcher in conducting the study.
1.4.1 General Research Question
What is the extent to which worker’s engagement affect organisational performance?

1.4.2 Specific Research Questions
i. What is worker’s perception on Worker’s Engagement?
ii. What are processes used by management in engaging workers to achieve better organisational performance?
iii. What factors influence the level of workers engagement in matters related to organisational performance?
iv. What are the benefits of workers engagement and its effect on organisation’s performance?

1.5 Research Objectives
The research was guided by the following main and specific objectives:

1.5.1 General Objective
The main objective of the research was to investigate the extent to which worker’s engagement is related to organisational performance and its effects.

1.5.2 Specific Objectives
i. To explore worker’s perception on Worker’s Engagement.
ii. To investigate how management involves workers in the whole process of engaging workers and its effect on organisation’s performance;
iii. To determine factors which influence the level of worker’s engagement and its effect on organisation’s performance;
iv. To examine the benefits of worker’s engagement and its effect on organisation’s performance.

1.6 Significance of the Study
The following are the significances of the study;

Findings of this research will put emphasis to NMB on the importance of engaging its workers and subsequent effects on its organisation’s performance. The bank can also identify its employee’s engagement levels that will aid in setting SMART goals, increase productivity, satisfy its customers and minimise turnover.
The study also shows the importance of changing management’s attitude towards employees, as leaders, in facilitating worker’s engagement.

The research also help workers to create good industrial relations i.e. they may see themselves as part of management and contributors to the success of the organisation and finally provide other researchers with areas for future research and literature that have been addressed to this topic.

1.6 Study Limitations
The study was conducted during working hours when workers were occupied with their duties and its findings are then limited to behaviours and opinions of workers at NMB PLC headquarters and three other Dar es Salaam branches surveyed; and may not reflect behaviours of workers in other operating units or other organisations.

1.7 Delimitations of the Study
The researcher requested management’s consent and permission to allow workers to give truthful answers and obtain office statistics. The questionnaires were designed in a simple and understandable format for workers to respond easily.

The study based on objectives and research questions to allow the researcher focus on a particular problem. This focus intersected relationship of variables used by the researcher to analyse data that were collected.

1.7 Chapter Summary
Most organisations are underperforming and unable to meet stakeholder’s needs due to failure in recognizing their workforce as the most valuable resource. Management needs to engage its workforce to ensure better performance and higher productivity.

The researcher's main objective was to study effects of worker’s engagement to organisational performance, a case study of NMB PLC. The study findings will be useful to management and staff in creating good industrial relations, increasing individual productivity, overall organisational performance; and provide literature and basis for future researchers addressing the same topic.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction
This chapter presents literature review drawn from different books, unpublished documents and various studies conducted within and outside the country about worker’s engagement and its effect on organisational performance. The term worker’s engagement is also known as employee’s engagement; therefore the researcher used both words interchangeably to mean the same thing.

The researcher reviewed literature on all aspects around the process of engaging an organisation workforce. Main aspects that were discussed includes definition of key terms, theoretical framework, review of related foreign studies, review of related local studies, conceptual framework and background information of the research setting.

2.2 Definitions of Key Terms
The researcher studied literatures to obtain definition of various key terms related to the concept of worker’s engagement.

2.2.1 Worker’s Engagement
According to (Maslach, Schaufeli & Leiter, 2001), the concept of worker’s engagement and its importance emerged in 1990s after 25 years long progressive researches on job burnout that established complexities and placed individual stresses in a larger organisational context of people’s relations to their work. Burnout is defined as a prolonged response to chronic emotional and interpersonal stressors on the job characterized by exhaustion, cynicism, and inefficacy. The extended studies on burnout made researchers to think of its opposite side which brings positive work related minds of employees, that is worker’s engagement, and how it will affect individual’s and overall organisational performance. Corporate focus was also seen to have moved from cost reduction to customer satisfaction, efficiency to effectiveness, control to empowerment, employee satisfaction to employee motivation, vertical chain of command to horizontal interdependent chains; and dependency from the company to personal responsibility. After a conclusion that
today’s organisations need motivated, proactive, responsible and involved employees who are willing to go extra mile while doing their jobs, the importance of worker’s engagement became obvious.

Brock (2011) also emphasized why worker’s engagement had to emerge, stating that quality and engineering processes movements were already there in the 1980s but yet were limited in their effectiveness, hence the importance of engaging workforce.

Schaufeli and Salanova (2007), further created a model showing differences between the two concepts, burnout and worker’s engagement as shown in figure 2.1 below;

Figure 2.1 Burnout Vs. Engagement relationships to worker’s jobs

From the model, the exact opposite of the third aspect for burnout characteristics, lack of professional efficacy, which ought to be professional efficacy is absent because it is not a major characteristic for an engaged employee and is therefore covered by a major factor, mental and emotional absorption into one’s work.

Therefore, worker’s engagement, also known as employee engagement is defined as an employee's involvement with, commitment to, and satisfaction with work (Schmidt et al, 1993). Engaged workers are characterized by vigor, dedication and
full concentration to their work. Successful employee engagement assists organisations in retaining their valuable workforce and eventually leading to improved overall performance.

Karsan and Kruse, (2011), puts it that employee engagement is the extent to which employees are motivated to contribute to organisational success and are willing to apply discretionary efforts to accomplish tasks important to achievement of organisational goals.

Understanding the relationship between current worker’s engagement levels and the resulting productivity provides top decision makers with valuable information in making sound business decisions. A successful engagement program has a direct positive impact on individuals and the entire team of workers. Worker’s engagement programs are normally driven or initiated by Senior Management, designed by Human Resources department and implemented consistently by all other managers within the entire organisation. Bhatti and Qureshi (2007) acknowledged Berg (1999) literature contending that human resource policies that encourage worker’s involvement aim at providing employees with opportunities to have an input in decisions, incentives to spend discretionary effort and the means to acquire appropriate skills. These combined effects are expected to increase efficiency and productivity.

From the above literatures the researcher learned that, to engaged employees work is more than an economic necessity. Engagement by itself is not performance but an emotional precondition that shapes and determines individual’s performance. Therefore employees who are not engaged or disengaged, are not aligned with business strategy are not productive to their organisations.

2.2.2 Organisational Performance
Beadles, Lowery, Petty, and Ezell (2000) propounds that organisational performance is a broad construct which captures what agencies do, produce and accomplish for various constituencies with which they interact. The authors further put forward the six dimensions of organisational performance:-
i. Output (sometimes referred to as productivity);
ii. Employee satisfaction;
iii. Client Satisfaction;
iv. Client impact;
v. Service Quality;
vi. Innovation and Profit.

According to Kanter (2008) organisational performance comprises the actual output or results of an organisation as measured against its intended output (or goals and objectives).

Furthermore, Cole (2002) explained that organisational performance refers to the ability of a group of people with a special purpose, for instance business purpose, to carry out the intended objectives so as to produce what has been expected and even more.

Organisational performance is the general duty of a business entity or role, together with any specific targets that have been set, Cole (2002).

Cook (2008), named three key aspects of employee engagement as thinking, feeling and doing. She further kept it clear that engagement is therefore what employees think rationally about their employers, what they feel about them, their emotional connection, as well as what they do and say as a result in relation to their co-employees and customers.

Richard et al., (2009) defined organisational performance as comprising of three specific areas of a firm’s outcome namely;

i. Financial performance i.e., profits, return on assets, return on investment
ii. Product market performance i.e., sales, market share.
iii. Shareholder’s return i.e., total shareholder return, economic value added

In a battle to draw the best possible contribution from employees Cascio et al., (2011), says that performance management has to be wisely and regularly
communicated within every department and to every employee so that employees know and recognize their contribution in the company’s progress and ultimately in customer experience. Only the executive team, the leaders are required to communicate the connection between each employee and the bottom line.

2.2.3 Workers’ Satisfaction
Gupta (2007) argues that employee satisfaction has always been an important issue for organisations. Few practices (in fact, few organisations) have made job satisfaction a top priority, perhaps because they have failed to understand the significant opportunity that lies in front of them. Satisfied employees tend to be more productive, creative and committed to their employers. Productivity is a performance measure encompassing both efficiency and effectiveness.

Participation in goal setting does not have strong effect on productivity alone, but has a strong effect on both job satisfaction and productivity, though its effect on satisfaction is somewhat stronger than on productivity (Bhatti & Qureshi, 2007). Organisations need a clear and logical framework on how attitudes connect to organisational success. One of attitudes, job satisfaction’s existence in workplace is driven by job security, benefits, compensation/pay, opportunities to use skills/abilities; and safety feeling in work environment (Society for Human Resources, 2009)

Employees are more satisfied when they enjoy the environment in which they work (Berry, 1997). He further states that employees can have high paying job and not be satisfied because the job is boring and lacks stimulation whereas a low paying job can be seen as satisfying if it is challenging or stimulating. However, job satisfaction is circumstantial and subjective for each employee.

2.2.4 Employee Commitment
Vance (2006), defines commitment as both a willingness to persist in a course of action and reluctance to change plans, often owing to a sense of obligation to stay with the course. He further contends that commitments require an investment of time, mental and emotional energy and most people commit with expectation of reciprocation, i.e., something of value in return. The practice in the corporate world
is, in exchange for workers’ commitment organisations are expected to provide forms of value for employees, such as secure jobs and fair compensation. Therefore, reciprocity affects the intensity of a commitment.

Employee commitment is described as consisting of two constructs, affective and continuance, (Allen & Meyer, 2000; Mowday, Porter & Steers, 2002). As an attitude, differences between commitment and job satisfaction are seen in several ways. Commitment is a more global response to an organisation and job satisfaction is more of a response to a specific job or various facets of the job. Wiener (2004), states that job satisfaction is an attitude toward work-related conditions, facets or aspects of the job.

Therefore, commitment suggests more of an attachment to the employing organisation as opposed to specific tasks, environmental factors, and the location where the duties are performed (Mowday, Porter & Steers, 2002). When discussed on these terms, commitment should be more consistent than job satisfaction over time. “Although the day-to-day events in the work place may affect an employee’s level of job satisfaction, such transitory events should not cause an employee to re-evaluate seriously, his or her attachment to the overall organisation”.

2.2.5 Employee Performance Management
Increasing concern with shareholder’s value in the corporate world has impacted pressure on organisations to predict and deliver sustained business improvements with emphasis on efficiency, best value and performance targets, Houldsworth and Jirasinghe (2006).

An organisation’s performance is a collection of individual’s performances. As Cook puts it, “Human capital is the source of competitive advantage for organisations over and above technology and finance”, therefore employee performances have to be measured and managed by establishing shared workforce understanding on what is to be achieved at an organisational level, aligning organisational objectives with the employee’s agreed measures, skills, competency requirements, development plans and results, (Cook, 2008; Ross 2010). Performance management eventually improves
individual performances, allows learning and development in order to achieve overall business strategy and creates high performing workers.

The goal setting theory (Locke, 1968) illustrates how people strive to achieve goals in order to satisfy their emotions and desires. The emotions and desires guide individual behaviour and therefore performance. According to the theory, more challenging goals result in higher levels of performance as long as they are accepted as valid by recipients.

Ross (2010) further adds that, people are different but performance management system assists employers to get the best possible performance from all employees. It is an essential component in building successful teams and great results, of which without benchmark expressed in what specific outcomes are to be achieved and in which style, employees will default to their own standards. Its effective implementation involves creating good relationship with individuals being managed, providing feedback, monitoring performance and holding quarterly performance reviews with the team and/or individuals.

To retain and even improve performance levels in an organisation, management has to ensure that performances are rewarded accordingly. In his book, “Managing Employee Performance and Reward”, Shields (2007), argues that a reward system basically aims at attracting the right people, retaining the best people and motivating employees to contribute to the best of their capabilities. Therefore organisations must have performance and reward management systems to support corporate and business objectives; and encourage employees to consistently demonstrate work behaviours and results that are necessary in supporting strategic objectives and desired corporate culture.

Between managers and their direct reports, an effectively implemented performance management system reduces conflicts, ensures efficiency and consistency in performance, provides self-assessment opportunities, clarifies accountabilities, defines career paths, promotes job satisfaction and hence improved employee’s performance. From improved individual performances the system benefit organisations by creating improved organisational performance, employee retention
and loyalty, improved productivity, overcoming barriers to communication and cost advantages. Therefore, a good performance management system improves overall organisational performance.

2.2.6 Productivity
Organisation’s core activities involve changing of resources into goods and services that goes to the market, a process called production. Heizer and Render (2011) defined productivity as the ratio of outputs i.e., goods and services; divided by inputs used i.e., labour and capital. The manager’s job is to enhance this ratio by improving efficiency.

Various scholars have defined productivity as the amount of output per units of input whereas inputs consist of labour, equipment, and capital. In manufacturing industry, productivity is measured by number of hours it takes to produce a good, while in service industry it is measured by revenue generated by an employee divided by his or her salary.

Cooke (2010), went further and came up with a concept of “real productivity” saying it has little to do with how hard staff works, how many hours they put in, or how much output they produce but is measured by business value generated by workers for the organisation, and can be quantified into primary and secondary business-value outcomes. He further argues that primary business-value outcomes directly relate to an organisation’s core function. Example in private sector it can be measured by increased revenue, increased profits/profit margins and reduced overheads.

Therefore, actual responsibility for productivity or performance improvement is in the hands of managers rather than individuals who do the work. Productivity measures efficiency of a person, machine, factory, system, etc., in converting inputs into useful outputs whereas an organisation’s productivity depicts the degree of effective and efficient use of its resources, i.e., time, people, knowledge, information, finance, equipment, space, energy and materials.
2.3 Background Information of the Research Setting
The study was administered at National Microfinance Bank (NMB) PLC Headquarters and three branches in Dar es Salaam named Bank House, Morogoro road and Mlimani City. At NMB success is built on the organisation’s six core values that binds, guides and drive workers. The values are team work, customer focus, compliance, integrity, eagerness and ownership.

Furthermore, employees are given opportunity to effectively utilize their core skills, talents and abilities by taking part in a wide range of activities and projects, which is why the researcher came to an understanding of using the bank as a case study.

NMB being one of the banks that made more profit during the recession period (2008-2010), has a vision of being the preferred financial services partner in Tanzania.

2.3.1 Organisation Structure
The bank is headed by Chief Executive Officer (CEO), and below him there are Chief Retail Banking (CRB), Chief Wholesale Banking (CWB), Chief Information and Operations Officer (CIOO), Chief Risk Officer (CRO), Chief Human Resources Officer (CHRO) and Chief Financial Officer (CFO). There is Chief Internal Auditor (CIA) who functionally reports to Board Audit Committee for assuring independence of audit activities but also reports to CEO administratively.

The chief(s) have Senior Managers as their direct reports, then Managers and subordinate employees undertaking various departmental obligations. All branches are under Operations department, they are divided into eight zones led by Zone Manager(s) who reports to Senior Manager Operations and finally to CIOO.

2.3.2 Major Functions of NMB
The bank has four major functions, which are listed below:

i. Lending
ii. Foreign exchange
iii. Cash management for customers, i.e. deposits and withdrawals.
iv. Trade (guarantee for exporters and importers)
NMB’s Services to its Employees

Employees enjoy a number of services from the bank as follows:

   i. Motivation to own shares in the bank,
   ii. Staff loans.
   iii. Medical insurance cover

The bank has Share Serve Scheme and Staff Loans Scheme which are designed to motivate employees and give them access to shares and different staff loans

2.4 Theoretical Literature Review

The theoretical review of the study is based on Equity theory which attempts to explain relational satisfaction in terms of perceptions of fair/unfair distribution of rights. The theory was developed by John Stacey Adams in 1963. The theory aims on job motivation and importance of striking a balance, which is fairness and equality, between employee’s input and output. In his book, Equity Theory and Distributive Justice, Adams (2003), calls for fair balance to be struck between employee’s inputs (hard work, skill level, tolerance and enthusiasm) and employee’s output (salary, benefits, and intangibles such as recognition).

According to this theory, establishment of this fair balance serves to ensure strong and reproductive relationship of both employee and employer. This explains that in this study the researcher based on fairness of employee’s output and input which results in worker’s engagement and its effect on organisation’s performance.

2.4.1 Forms of Engaging Workers

Employees are unique and talented individuals entitled to respect and the pursuit of purpose in their lives and are not to be taken simply as human capital assets or resources. They perform meaningful work in organisations and community and like to feel good and enjoy the time they spend working in those organisations.

Highly potential and skilled, knowledgeable workers want to contribute based on their strengths, be given autonomy over how they do their work and be convinced rather than controlled. Therefore, good managers understand that they owe their
employees and are required to create a work environment that nurtures employee’s personal and professional development while attending their tasks towards achieving the goals of the organisation. Such understanding has made different organisations to employ different means in engaging its workers particularly in decision making.

A Corporate Leadership Council study on Engaging Highly Potential Employees published in 2013, revealed that many employees, especially the rising stars are becoming increasingly disengaged and are actively seeking new employment opportunities. The study then identified six methods managers can use to identify, engage or re-engage, and effectively manage all employees, both identified as potential and the remaining workforce as illustrated below,

i. **Stimulate.** Emerging leaders need stimulating work, recognition, and the chance to grow. Without these, they may quickly become disengaged.

ii. **Test.** Managers should explicitly test employees for ability, engagement and aspiration to make sure they are able to handle tougher roles as their careers progress.

iii. **Manage.** Highly potential employees needs to be managed at a corporate level, instead of having line managers oversee highly potential employees only which limits their access to opportunities and encourages hoarding of talent.

iv. **Challenge.** Highly potential employees need to be placed in positions where new capabilities can or must be acquired.

v. **Recognize.** Highly potential employees will be more engaged if they are recognized frequently, so managers need to offer them differentiated compensation and recognition from their colleagues.

vi. **Engage.** Managers need to incorporate highly potential employees into strategic planning, share future strategies with them and emphasize their role in achieving organisational goals.

Another scholar, Gupta (2007, p. 28.4) suggested the following methods for engagement,
i. Suggestion Schemes. Under this system, he suggests that employees are invited and encouraged to offer suggestions for improving the working of the enterprise. A suggestion box is installed; any employee can write his suggestions and put it into the box. Periodically all the suggestions are scrutinized by the suggestion committee. Good suggestions are accepted for implementation and suitable rewards are given to concerned workers. Suggestion schemes encourage employees’ interest in the functioning of the enterprise.

ii. Joint Management Councils. Under this system, joint management councils are constituted. These councils consist of equal number of representatives of employers and employees. The councils discuss various matters concerning working of industry. The decisions of these councils are advisory in nature though employers often implement the unanimous decisions of these councils. Working conditions, accident prevention, indiscipline, absenteeism, training and such other matters are generally the matters brought before joint management councils.

iii. Worker Directors. Under this method, one or two representative of workers are nominated or elected on the board of directors. This is a full-fledged and highest form of employees’ participation or engagement in management.

iv. Co-partnership. In this method, employees are made shareholders in the company in which they are employed. As partners, they take part in the management of the enterprise. They may elect their representatives to the board of directors. They also share the company’s profits in the form of dividend.


**Representative Participation**

The representative participation is used to engage workers using the following:

i. Joint Consultation- A formal mechanism which provides the means for management to consult employee representatives on matters of mutual interest.
ii. Partnership Schemes- These emphasize mutual gains and tackling issues in a spirit of cooperation rather than through traditional adversarial relationships.

iii. Collective representation- The role of Trade Unions or other forms of Staffs Association in Collective bargaining and representing the interests of individual employees and groups of employees. This includes the operation of Grievance procedures, (Gupta, 2007)

**Upward Problem Solving**

The upward problem solving method of engaging employees can be done through the following means;

i. Electronic media- The use of intranet.

ii. Two way communication- Meeting between managers and their staffs, or briefing groups.

iii. Attitude surveys- Seeking the opinions of staff through questionnaires.

iv. Suggestion scheme- The encouragement of employees to make suggestions, often accompanied by rewards for accepted ideas.

v. Project teams- Getting groups of employees together with line managers to develop new ideas, processes, services/products or to solve problems. (Gupta, 2007)

All above suggestions are essential ways used to present workers in decision making but, all of them in most cases are presented through trade unions, whereby trade unions represent worker’s views to the management.

Crim and Seijts (2006) in Ivey Business Journal suggested below means to assist in engaging an organisations’ workforce;

i. **Connecting:** Employers must show that they value employees through employee-focused initiatives such as profit sharing and implementing work–life balance. If employees’ relationship with managers is fractured no amount of pay will make employees perform at top levels. Employee engagement is a direct reflection of how employees feel about their relationship with the
employer. They always look at whether management practically values them as the organisation’s most valuable asset.

ii. **Career development:** Organisations should provide challenging and meaningful work with opportunities for career advancement since most people want to do new things in job e.g. job rotation, stretch goals, accountability for progress, job enrichment. Good leaders challenge employees and at the same time instil confidence needed to meet the challenges. Lack of this is demotivating and may lead to stress, frustration and disengagement.

iii. **Clarity:** Organisations must have a clear and communicated vision for workers to understand senior management’s direction and the goals for departments, units or team. Employees need to understand what the organisation’s goals are, why they are important, and how they can best be attained.

iv. **Conveying:** Management should be clear of their expectations from employees and provide feedback on their functioning. This can be done by establishing processes and procedures to help employees master important tasks, continuous improvement of workers’ skills and by creating small wins that help team, unit, or organisation perform at its best.

v. **Congratulating:** Employees should not only receive immediate feedback when their performance is poor or below expectations, recognition for good performance is essential as well.

vi. **Contributing:** Employees need to see how their efforts contribute to the organisation’s success and future. For example, employee understanding of the link between their work and strategic objectives and attitudes towards job and company improves job performance and loyalty and customer service respectively. Improved attitudes lead to improvements in job-relevant behaviour which in turn increases customer satisfaction and revenues.

vii. **Controlling:** Employees value controls in the workplace henceforth managers should create opportunities for employees to exercise the controls. Employees may be involved in decision-making particularly when they will be directly
affected by the decisions or in setting goals/milestones or giving ideas that will be valued by management.

viii. **Collaborating:** Managers should build teams by creating an environment that fosters trust and collaboration hence making individuals to collaborate on organisational, departmental, and group goals, while excluding individuals pursuing their self-interest. Studies have shown that, when employees work in teams and have the trust and cooperation of their team members, they outperform individuals and teams which lack good relationships.

ix. **Credibility:** Managers should maintain company’s reputation and demonstrate high ethical standards because employees have to be proud of their jobs, performance and their organisation. Workers of admired organisations are super excited and may commit their own money into shares, once they are shareholders they become actively engaged with the organisation for better performance.

x. **Confidence building:** Employees confidence in their employer is built by leaders who are examples of high ethical and performance standards. Lack of this challenges management in regaining public trust and employee engagement.

The researcher found more documented studies on means of engaging workforce and represented them as below;

Thomas (2009), who introduced the four intrinsic rewards namely, senses of meaningfulness, choice, competence and progress; as key rewards driving worker’s engagement that comes directly from engagement itself. Workers self-manage themselves and in the process they make judgments on meaningfulness of task purpose, degree of choice available in the activities, how competently he or she is performing the activities and amount of progress made towards the task purpose.

The author, together with Walter Tymon, developed a Work Engagement Profile model presented in figure 2.2 below.
The author elaborated the intrinsic rewards stating that a sense of meaningfulness is the opportunity an employee feels to pursue a worthy purpose; a sense of choice is the opportunity an employee feels to select activities that make sense to him or her and perform them in a way that seems appropriate; a sense of competence is the accomplishment an employee feels to skilfully perform the chosen activities; and a sense of progress is the accomplishment an employee feels in achieving the purpose.

He further concluded how the four intrinsic rewards are connected to engagement that, an increase in intrinsic rewards tends to energize more self-management, which leads again to increase in intrinsic rewards, until some new higher level of employee engagement is reached.

Therefore, worker’s engagement is a function of business and working environment set by an organisation’s management and employee’s emotional attachment to the organisation resulting from working conditions/climate. It can change from one level to the other, i.e. lower to higher engagement levels, by achieving goals in chosen and meaningful tasks that were performed competently. A negative change in work climate may negatively affect employee’s engagement.
According to Pathak (2010), organisational climate is a set of characteristics and factors that are perceived by employees about their organisation which serve as a major force in influencing their behaviour. These factors may include job description, organisational structure, performance and evaluation standards, leadership style, challenges and innovations, organisational values and culture, and so on.

Conclusively, managers are the key players in engaging an organisation’s workforce from initiating the program, implementing it and setting organisational culture and climate to ensure engagement programs are successful and consistent.

2.4.2 Drivers of Engagement
Employee engagement can be measured by conducting employee surveys, but this may not assist in identifying areas for improvements within organisations. There are other factors, termed as drivers, which are believed to increase overall engagement. Managing the drivers helps organisations to effectively manage engagement levels of its employees. Results from a study on the drivers and how they facilitate worker’s engagement by Robinson, Perryman and Hayday (2004), are presented below;

i. Communication. Employees want to be involved in what they are doing. The effect of poor internal communications in organisations may result in employee annexation, i.e., head office staff in one location being closest to the action, know what is going on, are heavily engaged; but its annexes who are far from action, knows little about what is happening are dis-engaged.

ii. Performance clarity and feedback. Feedback gives employees a sense of where they’re going and helps in identification of areas for performance improvements.

iii. Organisational culture. Inspiration and values are important driving engagement especially through inspirational leadership. Its absence is unlikely to engage employees.

iv. Rewards and recognition. Incentives to reward good work is tested way of boosting employee morale and enhancing engagement. The scheme is effective
when employers set realistic targets, select right rewards, communicate the scheme effectively and frequently, have lots of winners and rewards all achievers, encourages sustained effort, present awards publicly and evaluate the scheme regularly. It eventually tends to improve the overall productivity

v. **Relationships with managers and peers.** A fractured relationship between employees and managers or executives will not persuade employees to perform at top levels. Employee engagement reflects of how employees feel about their relationship with management.

vi. **Career development opportunities.** It aligns employees’ vision in his or her career success along with the company’s strategic business goals and objectives.

vii. **Knowledge of the organisation's goals and vision.** Employee’s attitude on his or her job’s importance to the company has the greatest impact on loyalty and customer service.

viii. **Employee clarity of job expectations.** Employer’s expectations need to be clear and basic working tools provided to prevent emergence of negative emotions like boredom and resentment which may end up making employees to become focused on surviving more than thinking about how he can help the organisation succeed.

The research firm (Aberdeen Group [AG], 2012) in their report "The Rule of Employee Engagement: Communicating, Collaborating and Aligning with the Business", mentioned a number of factors that, if carefully addressed will drive employee’s engagement programs to succeed;

i. The match for individual worker’s priorities, goals and desires with the needs of the organisation in order to deliver intended business results.

ii. Allocation of resources that fits with the company’s growth strategy.

iii. Ownership. Top management’s support and clear line of communication between managers with their employees to execute the strategy consistently for every direct report.
iv. A consistent, two-way communication and vivid employer’s willingness to accept honest feedback from individuals.

v. Opportunities for employee development. Employees are more likely to invest in a company that invests in them.

vi. An integration of rewards and recognition motivates workers to accomplishing goals, reach milestones and creates encouragement.

To create truly engaged employees, organisations need to build linking opportunities between an organisation’s wants, needs, and culture and issues that drive employee’s attention, passion, and care. This requires organisation’s leaders or managers to get to know their employees at a deep level. (Cascio et al., 2011; Heizer and Render 2011), Human resources strategy is to manage labour and design jobs so people are effectively and efficiently utilized with one of the focus being mutual commitment, meaning that both management and employees strive to meet common objectives.

Collaborative research between Dale Carnegie Training and MSW Research conducted in 2012 on ‘‘What Really Drives Employee Engagement and Why It Matters’’ for a sample of 1,500 workers in the United States of America emphasized on positive managerial relationships, trust and honest communication. The study further revealed that although there are many functional and emotional factors impacting employee’s engagement, there are only three key drivers named;

i. **Relationship with the immediate supervisor**, meaning attitude and actions of immediate supervisors can enhance employee engagement or can create an atmosphere where employees become disengaged.

ii. **Senior Leadership’s ability to lead the company and communicate its goals**, i.e., the ability of senior leadership to take their input, lead the company in the right direction and openly communicate the state of the organisation.

iii. **Organisational Pride** - vision of organisation and corporate social responsibility which also includes treating employees with respect, reflecting their personal values and caring about how they feel.
Managers need to understand corporate purpose, vision, values and strategy; communicate them to employees; know how to develop, motivate and understand varying employee’s needs and meaning. They must also know how to inform and consult, manage stress and conflict, coach and mentor their subordinates so to create engaged teams, Holbeche and Matthews (2012). In their book, ‘‘Unleashing Your Organisation's Potential through Employee Engagement’’ emphasized that the core employee engagement drivers are built around connection, support, voice and scope. They further created an engagement model and its action areas as in figure 2.3 and figure 2.4 below:

Figure 2.3  Engagement model

![Image of engagement model](image.png)

The engagement model elaborates elements or experiences within the four drivers that can make employees engaged while the action areas model illustrates what management has to do to create an engaged workforce. The models put emphasis on the fact that an engaged workforce is the result of work done by both parties, i.e. an organisation’s management and its workers.

From the above literature reviews, the researcher understood that creating an effectively engaged workforce requires efforts from both employees and employer (management). Also engagement will be at its fullest benefits if both employers and employee’s needs are met whereby employer’s needs are attached to achievement of organisational goals through individual performances and employee’s needs including both financial and non-financial motivators.

2.4.3 Benefits of Engaged Workers to Organisational Performance

According to Gupta (2007, p. 28.3), the following are benefits of employees’ engagement in organisations:

i. **Mutual understanding**: Generally, employer and employees doubt the integrity of each other due to ignorance of each other’s problems. Participation brings the two parties closer and makes them aware of each other’s problems. As a result, a better understanding and mutual trust can be created between employer and employees.

ii. **Higher productivity**: Cooperation between management and labor helps to increase production and profits. Through participation workers learn the problems of industry and better understand their role. Participation improves employee motivation and job satisfaction which in turn help to increase their efficiency. Higher productivity leads to lower costs per unit and greater profit which are beneficial to all.

iii. **Industrial harmony**: Employees’ participation in decision making helps to reduce industrial disputes and to improve employees’ loyalty. Continuous dialogue between management and employees improves peace in industry.

iv. **Industry democracy**: Participation of workers in management supports democracy in industry which is necessary for political democracy. Need for outside intervention between employer and employees is eliminated and workers are free from exploitation.

v. **Less resistance to change**: Employees often resist changes due to fear and ignorance. When workers participate in decision making, they come to understand that change is ultimately in their own interest. They become more able and ready to adopt themselves to technological and other changes made to improve the competitive position of the company.

vi. **Creativity and Innovation**: Participation encourages employees to think and take initiative. Their talent and ability can be capitalized; highly competent employees can be spotted and given prevention. Participation is helpful in training and developing future executives. Employees’ argue for self-expression is satisfied.
Several more scholars have also discussed the importance of employee’s engagement towards organisation’s performance.

Russel and Russel (2010), defined employee engagement as a state whereby an employee feels physically, intellectually and emotionally attached to or connected to his or her work in such a way that he or she brings enthusiasm, energy, focus and commitment to the tasks at hand. They explored how engaged workers will benefit their organisations through;

i. Having passion to create the best possible performance outcome.
ii. Doing whatever it takes to achieve desired performance outcomes.
iii. Full ownership and responsibility for getting their jobs done right.
iv. Exploration of root causes when performance is less than optimal.
v. Willingness to take on new projects that enhance their work or critical outcomes.
vi. Focus on learning when quality or productivity problems are uncovered.

The authors further concluded that engaged employees perform at higher levels, are mentally and emotionally invested in their work and in contributing to their employer’s success.

The Gallup’s meta-analysis study (2012), on “Why Engaged Companies have a Competitive Advantage”, identified key performance indicators as absenteeism, turnover, shrinkage, quality, customer, safety incidents, productivity and profitability. The research agreed with the separate studies analysed that engaged employees are more productive, more customer focused, less likely to leave the organisation and more profitable than their counterparts. These positive effects will be directly reflected in an organisation’s higher earnings per share.

Aubin and Carlsen (2008), in their book “Attract, Engage and Retain Top Talents”, argues that even organisations that attracts the right talents has a challenge of engaging the talents and retain them longer than their competitors. Practices like hiring, performance management, training and development, provision of career opportunities, employee involvement and listening to the workforce influences
culture at workplace and employee’s entire lifecycle. Organisations investing in leadership and above practices affect employee’s attitudes and behaviours positively. Research has shown that strong and positive employee attitudes lead to commitment in the organisations’ future. Therefore, engaged employees are an indicator of financial performance and companies that are successful in engaging its workers expects to significantly improve their financial performance.

Another study on employee engagement and organisational performance found that, when the organisation a person works for is financially successful and/or gets identified positively then employee engagement and other positive attitudes rise, and vice versa, (Macey, Scheneider, Barbera & Young 2009; Jack & Suzy Welch 2009). However, it is important to note that employee engagement comes first. No company, small or large, can win over the long run without energized employees who believe in the firm's mission and understand how to achieve it. That is why organisations need to measure employee engagement at least once a year through anonymous surveys in which people feel completely safe to speak their minds. Organisation must then work on survey results if they want to improve engagement levels for its workforce.

Certain practices affect employees’ level of engagement and job performance. Performance and engagement then interact to produce business results. Vance (2006) suggests that, engaged workforce generate valuable business results through employer practices such as job design, recruitment, selection, training, compensation, performance management and career development and a well-executed employee’s engagement plan can boost staff retention, performance and productivity, and directly improve company profits (AG, 2012)

Bhatti and Qureshi (2007) contends that, benefits are further vividly evident in high performing, effective organisations which have a culture that encourages employee engagement that results to employees being more willing to get involved in decision-making, goal setting or problem solving activities, and hence higher employee performance. The authors acknowledged (Madison & Wisconsin, 200) who pointed out that encouraging a more modern style of participatory management, raise
employee’s productivity and satisfaction, and even lower workers’ compensation rates.

Engagement behaviours operate at an individual, team and organisational levels. At work units, performance improves when highly engaged team members devote extra effort to innovation, cooperate with each other and effectively adapt to change. A combination of highly engaged employees across work units of an entire organisation leads to competitive advantage, i.e., improvements in customer satisfaction, profitability and shareholder’s value, Cascio et al., (2011). Aggregate levels of employee engagement are crucial for they affect work-unit performance as well as overall organisational performance.

A well renowned customer care coach, Brandi (2005), in her article “Nine Ways to Engage Staff and Please the Customer”, also emphasized there is evidence suggesting that the more engaged employees are in what they do, the better their performance and the higher the rewards will be for customers, employees, and the whole organisation. She further contended that the key to employee engagement is to have managers who are skilled at creating employee engagement, and who understand that to provide the best service for customers, employees must believe that what they are doing is important, feel appreciated, and do their daily work with passion and purpose.

Brandi (2005) further referred to an expert in workplace values John Izzo who suggests that, current generation's employees are more conscious of their own needs and of their place in the world. The expert in workplace values emphasized that “for business leaders in companies of all sizes, the writing is on the wall: You can make and save money by keeping employees engaged”

From the above literatures the researcher came to understand that, the level of employee engagement is directly reflected by quality of external service delivered to customers, just as Karsan and Kruse (2011), puts it that “Employee's feelings about work impacts the organisation they work for”. Good customer services will always retain existing customers and attract new ones. Therefore engaged employees
guarantee business sustainability, growth and continuity by making workers more productive and profitable.

2.4.4 Effects of Disengaged Workers in an Organisation
Managers cannot afford to take things for granted when bottom line organisational issues like productivity, quality, innovation, creativity and provision of good customer service are at risk. This has made various Worker’s Engagement gurus, consultants, researchers and professionals to elaborate negative effects organisations will face by having disengaged workforce in their payrolls to enable them invest in understanding levels of their employee’s engagement and improve the same positively.

Disengaged workers views their jobs as an exchange of time for a pay check. They arrive and leave on time, take their breaks, never volunteer for extra work or projects, and do little else in between beyond the minimal effort. They show little passion or creativity for their jobs and go through the motions Cataldo (2011). These workers may have been actively engaged at one time but somewhere along the way, they became disengaged because of a lack of career growth or promotion, a perception of salary inequity, job dislike, or distrust in their direct managers and senior management.

Russel and Russel (2010), divided worker’s engagement into three categories and defined them as, Engaged employees feel connected to their work and focus on driving change and innovation within their organisation; Not Engaged employees put in their time but not necessarily their energy whereas Actively Disengaged are unhappy workers who tend to undermine progresses made by their more engaged counterparts. They further argued that actively disengaged employees will negatively affect organisational performance by portraying the following behaviours;

i. Being reactive,

ii. Barely meeting minimum customer service standards.

iii. Walking away from difficult problems.

iv. Blaming others when things go wrong

v. Being reluctant to change.
vi. Waiting for others to act first and lacking creativity.

vii. Having little pride or interest in producing quality outcome.

viii. Complaining about their employer.

ix. Being reluctant to learn, take new tasks or responsibilities.

Commitment is one of the most employee attitudes that manifest both on negative and positive behaviours of employees, Aubin and Carlsen (2008). Commitment expressed daily is contagious; it does not extend to only other employees but also to customers of the organisation. Therefore companies with less committed employees are significantly outperformed by their competitors. Organisations with less committed workforce experiences the following adverse effects;

i. High turnover rate.

ii. Aggressive behaviour.

iii. Higher intentions to leave.

iv. Higher absenteeism.

v. Increased tardiness i.e., delays, slowness, reluctance, etc.

Disengaged employees are characterised by high intentions to leave their employers hence making turnover rates high. Employee’s turnovers are costly and their negative cost is expressed by the uncompensated performance differences between employees who leave and their replacements. Cascio et al., (2011) contends that replacements whose performance is worse than that of leavers are costly to organisations.

The Gallup Business Journal (2002) on its article, “The High Cost of Disengaged Employees” emphasized that actively disengaged people operate from the mind-set, believing that they're doing what needs to be done and everyone else is wrong. They sometimes clot in groups that support and reinforce their beliefs or close themselves off from any challenge. They are rarely part of the solution but thrive on being part of the problem.

Disengaged employees are a less valuable asset of any organisation, therefore it is almost impossible for an organisation with disengaged workers to implement its
business strategies effectively, be productive, meet goals and become more profitable.

2.4.5 Possible Challenges in Creating Worker’s Engagement
In the current competitive corporate world, engaged workers are the most valuable asset for any organisation’s success. This makes organisations to exert more efforts than before in engaging their workforce so as to realise the tested and proven benefits.

Despite the proven benefits, a number of challenges may be faced during the employee engagement program as illustrated by scholars below;

According to (AG, 2012) study on The Rule of Employee Engagement, employee engagement should be driven by senior leaders, designed by HR and then implemented consistently by managers. It may seem simple but designing, developing a strategy and implementing it successfully to attract and retain a quality workforce can be complex.

Holbeche and Mathews (2012), contends that despite employer’s intentions to engage its workers, analysing workers engagement levels to engaging them can be difficult than expected. Progress can be slowed down by resistance from supervisors, top management or employees and their representatives may be suspicious rather than enthusiastic.

The authors further states that, for organisations that have previously taken engagement surveys, employees may be less ready to take part if;

i. The topic appears to be overdone or not relevant to current situation i.e., time has passed.

ii. Employees feel that their engagement levels are satisfactory as a result engagement has become a less urgent topic

iii. There is lack of belief that action will be taken in response to the survey feedback.

iv. There is concern that survey issues are too difficult to tackle.
v. There is a sense that prior announcements about survey follow-up were overpromised and are under-delivered.

vi. There is existence of other pressing business issues e.g. the risk of restructuring that may overshadow everything else.

Pryce-Jones (2010), contends that employees may sometimes lack self-belief. Her study on “Happiness at Work”, found out that, while people may feel like they fit in at work, are motivated and committed, and ready to make an effort, engagement will not materialize in the absence of ‘confidence’ or a real sense of belief in oneself and one’s job. In this sense, managers can help by providing an environment that is challenging but encouraging and through this, employees develop necessary self-confidence and can perform to their fullest.

MacLeod and Clarke (2009) identified four broad inhibitors to effective engagement by an organisation’s leadership and management occurring across public and private sectors as follows;

i. Some leaders are not aware of employee engagement, others do not believe it is worth considering or do not fully understand the concept and the benefits it could have for their organisation.

ii. Some leaders who are interested in the topic may not know how to address the issue.

iii. Even when leaders place great emphasis on employee engagement, managers may not share the belief, or may fail to implement engagement strategies.

iv. There is great variability in views and commitment among leaders who are concerned with employee engagement. Often the potential of employee engagement is underestimated. For some, engagement is an annual staff survey whose results may be acted on; for others a survey is no more than one tool in an overall approach that places employee engagement at the core of the organisation’s strategy.
Employees tend to react to changes they are generally uncomfortable with, or are not perceived as directly beneficial to them or are uncertain about how the changes will affect them personally. They prefer the comfort of currently known procedures and systems to uncertainties brought with the changes (Pathak, 2010). These may result in different forms of resistance whether violent like strikes, or slow undermining of the change process. But for small changes which results in slight discomfort, employees may not mind it very much whereby worker’s engagement program is not a small change, especially when it comes to performance management and reward systems based on individual performances.

2.4.6 Addressing Challenges While Creating Worker’s Engagement
The lack of uniform motivators for all employees in varying business settings poses a great challenge, but managers must ensure their direct reports are satisfied, motivated and engaged to achieve intended organisational performance. To assist organisations scholars have come up with means to overcome possible challenges that might be faced in the process of engaging workers as quoted below;

According to Holbeche and Mathews (2012), management’s full support is needed and important in reminding everyone that employee engagement is not the same as employee satisfaction and everyone needs to remember bottom-line benefits it can deliver, which are in management’s interests to pursue.

Pathak (2010), in his book “Organisational Change”, suggested education and communication, participation and involvement, assistance and support, negotiation, manipulation, coercion and incentives as effective means of overcoming barriers to various changes introduced in organisations.

2.4.7 Measuring Employee Engagement
After induction of worker’s engagement in workplaces, organisations can measure their worker’s engagement levels from routine behaviours of their employees. Engaged employee’s attitudes and behaviours are different from employees who are not engaged.
Vance (2006), argues that employers can measure their employees’ engagement levels with company-wide attitude or opinion surveys by assessing the following behaviours,

i. Pride in employer
ii. Satisfaction with employer
iii. Job satisfaction
iv. Opportunity to perform well at challenging work
v. Recognition and positive feedback for one’s contributions
vi. Personal support from one’s supervisor
vii. Effort above and beyond the minimum
viii. Understanding the link between one’s job and the organisation’s mission
ix. Prospects for future growth with one’s employer
x. Intention to stay with one’s employer

Right Management (2009) also linked worker’s engagement levels to a number of factors as described below,

i. Employee performance/efficiency
ii. Productivity
iii. Safety
iv. Attendance and retention
v. Customer service and satisfaction
vi. Customer loyalty and retention
vii. Profitability.

Cataldo (2011), in his article “Focusing on Employee Engagement: How to Measure it and Improve it” mentioned the following as characteristics of engaged employees;

i. Believing in their organisation.
ii. Desire to work to make things better for the organisation.
iii. Understanding the business context and the “bigger picture”
iv. Being respectful and helpful to colleagues.
v. Willingness to go extra mile for getting the job done.
vi. Keeping up to date with developments in their field(s).

He further categorized employee engagement levels into engaged, disengaged and actively disengaged; and mentioned characteristics as per Gallup’s G12 Employee Engagement Survey that actively engaged employees manifests to assist organisations in realizing their employee’s engagement levels as below;

i. Consistently high levels of performance.
ii. Natural innovation and a drive for efficiency in every task at hand.
iii. Intentional building of supportive efficiency
iv. Clear understanding about the desired outcomes for their roles
v. Emotional commitment to what they do.
vi. High energy and enthusiasm

The author further emphasized that a key finding of the study was that engagement is a two way street. For employee engagement to succeed, organisations must work to engage employees and in turn, employees have a choice about the level of engagement they offer to their employers.

Organisations may experience positive side of the factors mentioned above by different scholars as a result of successful engagement programs, but their absence indicates lack of worker’s engagement in an organisation.

2.5 Empirical Review
This part seeks to find and explains details of studies done locally in Tanzania and abroad with regards to this study topic;
2.5.1 Tanzania Experience
A study by Angelo Marcel (2010), on “Workers’ Participation in Decision Making and Organisation Performance” a case of NIDA Textile Mills in Dar es Salaam, proved that workers’ participation in decision making actually improves team work, sense of belonging, accountability, creativity and innovativeness. All of these have direct impact on the performance of Organisation. Furthermore, the researcher came to understand that the level of workers’ participation at NIDA Textile Mills is very low that is why the performance of the mill is low.

The researcher recommended that, the management at NIDA must change the perception of neglecting workers in making decision in all matters which are having direct interest to workers.

Also in the study by Noah (2010) on “Workers Participation in the Management and Performance of an Organisation in African Companies”, the researcher analysed three different countries Nigeria, Ghana and Tanzania. The researcher came to find out that most of African organisations do not involve workers on matters related to worker’s interests. The outcome of not involving workers on serious matters related to personal interests makes African organisations to fail due to resistance and lack of commitment of workers in their work.

2.5.2 Overseas Experience
Feinstein (2003) in his study on “Relationships between Job Satisfaction and Organisational Commitment among Restaurant Employees” proved that several of component scores for Job satisfaction; store location had a significant effect on the level of satisfaction with policies; and the level of education significantly affected satisfaction with recognition. Further, satisfaction with policies, compensation, work conditions and advancement were found to have a significant relationship to organisational commitment (Bhatti & Qureshi, 2007)

Available literature indicates that some other researchers have also studied similar aspects of employees’ engagement in organisations and came up with recommendations as shown below;
A study by Malaysia Institute of Management (2005), on An Analysis of Participation in Decision Making among Engineers, done by Razali Mat Zin in Malaysia recommended on the following:

...Engineers who are highly committed, internally motivated, and have positive attitudes toward the organisation might be more inclined to report a higher degree of decisional participation than would engineers who are less committed, not internally motivated, and negative about the organisation...

...Managers need to be cautious about decisional deprivation among younger employees. If a manager at a relatively young age is decisionally deprived, he or she may never fully recover from this condition. That is, the negative attitudes and poor performance may become so ingrained that attempts by supervisors to correct these problems may be futile. Certainly, the age assumption needs to be longitudinally tested for each specific sample and setting before it can be accepted...

Huang, Thung-Chun (1997), studied on The Effect of Participative Management on Organisational Performance; a case of Taiwan. The author revealed that some participatory management such as quality control circles, enhanced organisational effectiveness and others such as employee stock-ownership plans had effects on organisational effectiveness.

In a study of Participatory Management and Industrial Relations Climate by Wei-Ping Wu and Yuan-Duen Lee in 2001; a case of Chinese, Japanese and US firms in Taiwan. The researchers found out that there is a relationship between level of participatory management and industrial relations climate, only the openness aspect of the industrial relations climate was found to be positively correlated with all three aspects of participatory management: operational matters, personnel matters and social matters.

Spector's (2006) meta-analysis of 88 studies investigated the relationships of perceived control to other job variables (such as job satisfaction, employee commitment, emotional distress and absenteeism) with autonomy and participation being treated as joint indicators of control.

A study of professional service firms in the United States of America conducted by The Hay Group in 2001, found out that offices with engaged employees were up to
43% more productive and evidenced significant gaps in operating incomes between companies with highly engaged employees and companies whose employees have low-engagement scores. Companies with highly engaged employees improved by 19.2% while those with low engaged employees declined by 32.7% in operating income during the study period. Example, a specific study at the New Century Financial Corporation, a U.S. specialty mortgage banking company, found that accounts executives who were actively disengaged produced 28% less revenue than their colleagues who were engaged, and those not engaged generated 23% less revenue than their engaged counterparts. Engaged employees also outperformed the not engaged and actively disengaged employees in other divisions.

An online survey with responses from over 7,000 individuals across the world, the ‘‘2013 Global Employee Engagement Report’’, shares brief overview of engagement levels worldwide, engagement-retention connection, key drivers and ways that behaviours of managers and senior leaders influence engagement. The survey conducted by BlessingWhite concluded the following:

- There are stable or rising engagement levels in regions around the world.
- Employee’s engagement and intent to stay are directly correlated.
- As people grow more experienced in their work or more senior in the organisation, their engagement levels increases.
- Gender is not a significant factor of engagement in western economies but it in India, the Persian Gulf and South America.
- Clarity on organisation's priorities, getting feedback, having opportunities to use skills, and career development remain at the top of the list for a majority of employees.
- Globally, a greater percentage of the workforce trusts senior leaders and managers whereas trust in managers remains predictably higher than trust in executives.

The survey also explored specific responsibilities of workers in building engagement with a focus on individuals, managers and executives. It further concluded that every individual is accountable for his or her own engagement; managers must coach their
direct reports and manage their own engagement; and executives set the tone for high morale, motivation and shoulder responsibilities of individuals and managers. The survey clarified three workforce categories’ roles in creating engagement as below:

- Individuals need to know what they want and what organisation needs and take action to achieve both, through ownership, clarity and action.

- Managers must understand each individual’s talents, interests and needs; and then match them with organisation’s objectives while creating personal, trusting relationships. Managers must discuss engagement more often with direct reports through coaching, relationships and dialogue.

- Executives have to demonstrate consistency in words and actions, communicate, align business practices and behaviours throughout the organisation to drive results and engagement by creating trust, communication and culture.

The engagement consultants, Gostick and Chester (2012), gathered empirical evidence which emphasizes that happy workers are more productive. The authors came up with three E’s i.e., Engaged, Enabled and Energised as factors that affect employee’s productivity. They defined Engaged as when employees are attached to the company and willing to put out extra effort, Enabled as when the company environment supports employee’s productivity and performance; and Energised as when employees feel a sense of well-being and drive.

In their previous book, ‘The Carrot Principle: How the Best Managers Use Recognition to Engage Their People, Retain Talent, and Accelerate Performance” published in 2007, Gostick and Chester studied over 2,000 people over a period of ten years and concluded that the most successful managers provide their employees with effective and frequent recognition. “Dramatically greater business results were obtained when managers offered constructive praise and meaningful rewards in ways that motivated employees to excel”. They study further concluded that, when employee recognition is effective managers have low turnover rates, achieve enhanced business results and are seen strong in goal setting, communication, trust
and accountability. Therefore valuing and appreciating employee’s performance creates passion and enhances performance within the workforce.

Managers need employees who are satisfied with pay, benefits, work environment; and are engaged in order to achieve organisational intended results.

2.6 Conceptual Framework of the Study
Kahn (1990) conceptualized major components of employee engagement and proposed that engagement differs from basic job involvement, in that it focuses not on worker skills but on how one commits him/herself during the performance of the job.

In this study the link between worker’s engagement and its effect on organisational performance is made by an independent variable; workers engagement, and a dependent variable; organisational performance.

Figure 2.5: Conceptual Framework

When employees are engaged they are actively and positively attached to organisation’s performance while performing their tasks. As a result there is mutual understanding between employees and management, a climate that leads to higher productivity, industrial harmony, less resistance to organisational changes and industrial democracy. Management’s creativity and innovations can also be smoothly implemented by engaged workers and intended results achieved.
2.7 Chapter Summary
Based on Adam’s equity theory which calls for a fair balance between employee’s inputs and output, the researcher conducted literature review to establish how best workers can be engaged, challenges during the employee engagement program and how to overcome them, effects of engaged and disengaged workers to organisational performance. The researcher further gathered empirical evidence from previous studies done in Tanzania and abroad with the aim of finding how engaged workers affects organisational performance. The studies proved that engaged workers are committed, motivated and highly productive than disengaged ones.

Therefore, the development and improvement of performance in organisations depends on the degree of worker’s engagement, the higher the degree of engagement the better the organisation performs.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction
This chapter puts forward and describes research methods that were used in the study. It entails research type; research design; study area (research site); target population; sampling techniques; data collection methods; source of data; data processing and analysis. Research methodology is a systematic plan of attack that best meets the needs of the defined research problem.

Basic approaches that the researcher used in order to accomplish the study were quantitative (conclusive) and qualitative (exploratory). Quantitative research is based on the measurement of quantity or amount that can be expressed in terms of numerical notations while qualitative research is concerned with phenomena relating to or involving quality or kind, Kothari (2004).

The researcher used sample design i.e., a definite plan determined to obtain a sample from a given population before any data are actually collected (Kothari, 2004), to select a probability sample from the population and analysed results from questions asked. Analyses were used because they are helpful in processing data to get related figures and charts for the study. In this study, Statistical Package for Social Studies was applied in analysing data and information collected.

3.2 Research Design
A research design is a combination of the methodologies and procedures employed by the researcher to conduct a systematic and scientific research. The researcher employed a case study research design so as to be able to observe and describe the situation in a natural setting.

The research was both qualitative and quantitative.

3.3 Population
The study asked questions like “what”, “how” and “why”, so the researcher had to study a population of the study area in order to get answers to these questions. The targeted population of the study was the workers at NMB PLC headquarters and
three Dar es Salaam branches. The case study helped the researcher to test whether scientific theories and models work in real life situation, to control over events and focus on real life events.

3.4 Sample and Sampling Procedures
A sample is a total number of respondents selected as representatives of the total population in order to produce a miniature cross-section of the study (Kothari, 2004).

To ensure the sample was a true representative of the population and to make generalizations of the sample results towards the population valid, the researcher used Stratified Random Sampling procedure. The population was divided into subgroups of departmental staff and then respondents selected within those subgroups based on age, gender, position (managerial or non-managerial) and experience with the bank.

The sample population studied comprised of 120 respondents and was selected as presented in table 3.1 below;

Table 3.1: Sample Size Selection

<table>
<thead>
<tr>
<th>S/N</th>
<th>Department</th>
<th>Total Population</th>
<th>Sample Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Marketing and Operations</td>
<td>551</td>
<td>70</td>
</tr>
<tr>
<td>2.</td>
<td>Information Technology (IT)</td>
<td>57</td>
<td>21</td>
</tr>
<tr>
<td>3.</td>
<td>Human Resources Management (HRM)</td>
<td>62</td>
<td>29</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>670</td>
<td>120</td>
</tr>
</tbody>
</table>


3.5 Sampling Distribution Tables
The researcher used sampling distribution tables and frequency histograms in representing population distribution, its statistics and sample size based on the sampling procedure while analysing data for a selected sample.

The sampling distribution is a distribution of a sample statistic which models a distribution of scores e.g. the population distribution, in statistics while frequency histograms represent the frequency of occurrence by classes of data.
3.6 Sources of Data
Data collection began after a research problem had been defined and the research design selected. The researcher then used both primary and secondary data collection methods to collect data for this study.

3.6.1 Primary Data
Primary data are data that are freshly collected by the researcher for the first time and thus are original in character, (Kothari, 2004). The researcher collected these data through interviews, questionnaires and direct observations.

3.6.2 Secondary Data
These are data that have been previously produced by other scholars who studied the same subject and which have already passed through the statistical process, (Kothari, 2004). The researcher used internet, books, journals and NMB office statistics to obtain secondary data.

3.7 Data Collection Methods
Since the study required first-hand information from respondents and documents which are directly related to the study, the researcher used both primary and secondary data collection methods.

3.7.1 Primary Data Collection
The researcher administered interviews and distributed questionnaires to sampled respondents. These methods helped the researcher to obtain relevant information within a short time.

3.7.1.1 Questionnaire
Questionnaires were given to respondents to be filled in according to questions provided. Later on answers were analysed and processed so as to get relevant graphs, tables and charts for the study. The researcher used both closed and open ended questions, in close ended questions respondents were limited to answer questions as they were instructed e.g. to select the number or answer which seems relevant to his or her agreement.
3.7.1.2 Personal Interviews
Formal and structured questions are the ones which use questionnaires, informal and unstructured questions are mere conversation conducted by an interviewer to obtain useful information. The researcher used personal interview so as to ensure real and actual information was collected from respondents.

Interview is a structured data collection method in which the researcher seeks answers to a set of pre-conceived questions orally, however its output depends upon the ability of the interviewer to a large extent (Kothari, 2004)

3.7.1.3 Observation
This method implies collection of information by way of investigator’s own observation without interviewing the respondents. Observation is expensive and information obtained is normally limited to what is currently happening (Kothari, 2004), as such the researcher combined it with other data collection method to fit the study’s large sample.

The researcher directly observed the study area in a natural setting and recorded findings. Beforehand, the researcher had planned what to observe and selectively recorded the observations related to the study topic.

3.7.2 Secondary Data Collection
The researcher went through documents related to the study like reports, facts, books, journals and figures done by other scholars on the same study from the internet and physical libraries.

These documents helped the researcher to get previously studied and relevant information concerning the study.

3.8 Data Analysis Techniques
The data collected were both qualitative and quantitative in nature, so the researcher analysed and processed data to make it useful and understandable. Data collected were tabulated and then analysed using percentages and frequencies.
Data analysis is the process of systematically applying statistical and logical techniques to describe and illustrate, condense, summarize and evaluate collected data.

The researcher examined the relationship between dependent and independent variables, in this study, a relationship between organisational performance and worker’s engagement respectively.

3.9 Data Reliability

Data are reliable if they yield same results even in repeated studies or measurements. The researcher used interviews and observation as reliable data gathering instruments throughout the study. Results from these were combined with answers in questionnaires to arrive to a concrete and reliable conclusion.

A large sample was also selected because it makes results more dependable and reliable (Kothari, 2004).
CHAPTER FOUR

DATA ANALYSIS AND PRESENTATIONS

4.1 Background Characteristics of Respondents

This part provides background characteristics gathered from questionnaires distributed to a sample of 120 respondents i.e. gender, age, years employed at NMB or experience, department and position (managerial or non-managerial). Feedbacks from the questionnaires are represented in a table 4.1, figure 4.1, figure 4.2 and figure 4.3 below;

Table 4.1: Background characteristics of respondents

<table>
<thead>
<tr>
<th>Department/Characteristics</th>
<th>Variable</th>
<th>Marketing &amp; Operations</th>
<th>IT</th>
<th>HRM</th>
<th>Total</th>
<th>%age per Characteristic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>31</td>
<td>11</td>
<td>12</td>
<td>54</td>
<td>45%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>39</td>
<td>10</td>
<td>17</td>
<td>66</td>
<td>55%</td>
</tr>
<tr>
<td>Respondent’s Ages</td>
<td>25yrs – 30yrs</td>
<td>11</td>
<td>3</td>
<td>7</td>
<td>21</td>
<td>18%</td>
</tr>
<tr>
<td></td>
<td>31yrs – 40yrs</td>
<td>32</td>
<td>8</td>
<td>12</td>
<td>52</td>
<td>43%</td>
</tr>
<tr>
<td></td>
<td>41yrs – 50yrs</td>
<td>18</td>
<td>7</td>
<td>4</td>
<td>29</td>
<td>24%</td>
</tr>
<tr>
<td></td>
<td>51yrs and above</td>
<td>9</td>
<td>3</td>
<td>6</td>
<td>18</td>
<td>15%</td>
</tr>
<tr>
<td>Years of Service at NMB</td>
<td>1 – 2 years</td>
<td>17</td>
<td>5</td>
<td>4</td>
<td>26</td>
<td>22%</td>
</tr>
<tr>
<td></td>
<td>2 – 5 years</td>
<td>26</td>
<td>7</td>
<td>11</td>
<td>44</td>
<td>37%</td>
</tr>
<tr>
<td></td>
<td>5 – 10 years</td>
<td>16</td>
<td>6</td>
<td>9</td>
<td>31</td>
<td>26%</td>
</tr>
<tr>
<td></td>
<td>Above 10 years</td>
<td>11</td>
<td>3</td>
<td>5</td>
<td>19</td>
<td>16%</td>
</tr>
<tr>
<td>Position</td>
<td>Managerial Staff</td>
<td>11</td>
<td>5</td>
<td>4</td>
<td>20</td>
<td>17%</td>
</tr>
<tr>
<td></td>
<td>Non managerial</td>
<td>59</td>
<td>16</td>
<td>25</td>
<td>100</td>
<td>83%</td>
</tr>
<tr>
<td></td>
<td>Staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>70</td>
<td>21</td>
<td>29</td>
<td>120</td>
<td></td>
</tr>
</tbody>
</table>

Source: Study findings, 2013

Figure 4.1: Respondent’s distribution per age

Source: Study findings, 2013
The questionnaires were distributed to 54 male employees and 66 female employees being 45% and 55% of the surveyed sample respectively. Among the four age groups defined by the researcher, majority of the respondents (43%), were between 31-40yrs, followed by 24% between 41-50yrs, 18% between 25-30yrs and 15% had 51yrs or above.

Figure 4.2: Number of years as NMB employee

![Number of years as NMB employee](source)

Fifty eight per cent (58%) of respondents have been working with NMB for up to 5 years. This shows that employee’s separation rate is high in those who have worked for the bank for more than five years. The percentage of employees in service decreased by 56% from 1-5yrs to 5–10yrs and by 39% from 5–10yrs to above 10yrs.

Figure 4.3: Respondent’s positions in selected departments

![Respondent’s positions in selected departments](source)
Seventeen per cent (17%) of the respondents were in managerial positions and 83% were in non-managerial positions.

The researcher designed different questions for managerial and non-managerial sampled employees so as to gain an understanding of what management is doing or has done to engage its workers, how the same is perceived by majority of workers and later determined the levels of worker’s engagement and its effect in the bank’s overall performance based on the sample results.

4.2 Employees’ Understanding on Worker’s Engagement
To ensure reliability of responses, 100 non-managerial respondents were asked on what they understand by worker’s engagement and 17% confused engagement with satisfaction and commitment by emphasizing on being happy, being motivated and or committed to their assigned tasks.

The remaining sample population clearly understands what is meant by worker’s engagement. Their responses were close to the definition chosen by the researcher as the benchmark to determine employee’s understanding, i.e., “an emotional drive inside employees, initiated by management that makes employees to willingly work towards achievement of organisational objectives” (Holbeche & Mathews, 2012).

Table 4.2 and Figure 4.4 below shows workers understanding on the concept based on results gathered by the researcher.

Table 4.2   Workers understanding of engagement

<table>
<thead>
<tr>
<th>No. of Respondents</th>
<th>Understanding</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>Not clear</td>
<td>17%</td>
</tr>
<tr>
<td>83</td>
<td>Clear</td>
<td>83%</td>
</tr>
<tr>
<td>100</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Study findings, 2013
Since the three are interrelated and engaged workers are basically satisfied and committed the researcher used the results of the 83% per cent that understands what worker’s engagement is to draw conclusion that majority of workers at NMB understands what is worker’s engagement.

4.3 Workers Engagement Levels and Productivity
The find out how and to what extent workers at NMB are engaged, 20 managerial staff, i.e. 17% of the sample, were asked to comment on productivity levels of employees against management expectations and worker’s degree of engagement as portrayed in their daily behaviours and attitude.

Respondents answers were that, majority of workers at NMB are not as productive as management would wish them to be. Based on a close relationship between worker’s engagement and the resulting performance or productivity, the responses revealed that majority of workers are not actively engaged which is a major factor leading to low productivity commented by their managers.

The results of workers engagement levels for the whole sample were recorded and presented in table 4.3 and figure 4.5;
Table 4.3:  Degree of worker’s engagement

<table>
<thead>
<tr>
<th>Degree of Engagement</th>
<th>No. of Respondents</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>4</td>
<td>20%</td>
</tr>
<tr>
<td>Moderate</td>
<td>10</td>
<td>50%</td>
</tr>
<tr>
<td>Low</td>
<td>6</td>
<td>30%</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Source: Study findings, 2013*

Figure 4.5:  Degree of worker’s engagement

The study results show that half of workers are moderately engaged and majority of the remaining half have low engagement levels. The managers were responding with reference to work behaviours of their direct reports within respective departments.

Their responses were further analysed into engagement levels per department and represented in table 4.4 and figure 4.6 below;

Table 4.4:  Worker’s engagement levels per department

<table>
<thead>
<tr>
<th>Department / Level</th>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing &amp; Operations</td>
<td>4</td>
<td>5</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>IT</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>HRM</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
<td>9</td>
<td>6</td>
<td>20</td>
</tr>
</tbody>
</table>

*Source: Study findings, 2013*
The study findings show that Marketing and Operations department leads by far on low engagement and its percentage trend is declining from low to high worker’s engagement levels whereas HRM leads on high engagement levels with no behaviours of low engagement portrayed by its staff. IT department has the most moderately engaged employees.

Further review of financial data showed that in year(s) 2011 and 2012 the bank’s profit after tax were Tshs 72 billion and Tshs 97 billion with 2,650 and 2,783 staff respectively. This reflects a 35% increase in profit with a 5% increase in number of staff (without considering hiring and separations that took place during the period).

4.4 Factors Affecting Worker’s Engagement
The researcher asked respondents in all positions on what NMB can do to make them more engaged. Because engagement is more of individual’s internal emotions, the questions were left open to allow the researcher obtain respondent’s real opinions/preferences before generalizing them to provide results that will assist employers particularly NMB, in developing right programs and allocating resources effectively to improve and/or create engaged workforce.

The results were recorded and presented in table 4.5 and figure 4.7 in the following page:
Table 4.5: Factors proposed by employees in making them engaged

<table>
<thead>
<tr>
<th>Employee’s Responses</th>
<th>No. of respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary increase</td>
<td>47</td>
<td>39%</td>
</tr>
<tr>
<td>Working tools</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Job description</td>
<td>5</td>
<td>4%</td>
</tr>
<tr>
<td>Performance recognition</td>
<td>27</td>
<td>23%</td>
</tr>
<tr>
<td>Work climate</td>
<td>7</td>
<td>6%</td>
</tr>
<tr>
<td>Career development</td>
<td>33</td>
<td>28%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Source: Study findings, 2013*

The results show a combination of both financial and non-financial factors whereas salary increase (pay raise) seems to be a major concern as it is mentioned by 39% followed by career development (28%) and performance recognition (23%).

This was also reflected in number of years existing staff has been working with NMB whereby 58% are in between 1 year to five years, meaning lack of proper performance recognition programs and adequately designed career development opportunities within the bank makes experienced employees to separate from the bank services.

The results also showed that the bank’s work climate, job descriptions and working tools were generally accepted by majority of the workers.

55
4.5 Processes Used by Management to Engage Employees

To determine processes in place and/or management’s efforts in creating an engaged workforce, respondents were asked questions as stipulated below;

First, 17% of the sample in managerial positions was asked on measures taken by management to improve employee engagement.

The results were analysed and presented as in table 4.6 and figure 4.8 below;

Table 4.6 Management actions employed in engaging employees

<table>
<thead>
<tr>
<th>Management Action</th>
<th>No of Respondents</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thirteenth check bonus</td>
<td>7</td>
<td>32%</td>
</tr>
<tr>
<td>Promotions</td>
<td>3</td>
<td>14%</td>
</tr>
<tr>
<td>Inflationary Salary increase</td>
<td>1</td>
<td>5%</td>
</tr>
<tr>
<td>Training</td>
<td>2</td>
<td>9%</td>
</tr>
<tr>
<td>Internal Recruitments to Various Positions</td>
<td>3</td>
<td>14%</td>
</tr>
<tr>
<td>Employee Opinion Survey</td>
<td>6</td>
<td>27%</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Study findings, 2013

Second, all respondents were asked an open ended question to determine if worker’s views are involved in management decisions, and if yes, what sort of decisions.
The study results revealed the following:

- Worker’s opinions specific to improvements in customer service processes are incorporated in management decisions. Oral interview revealed that collective opinions are gathered during daily meetings conducted before starting branch operations, referred to as morning sessions, documented and forwarded to respective higher authority for action.

- Thirteenth Check bonus which equals one month’s salary paid to each employee at the end of a year was vetted by 32% of managerial respondents followed by an anonymous Employee Opinion Survey (EOS) conducted by NMB HRM department in October 2012 for all staff (27%) whereas Promotions and Internal Recruitments attained 14% each followed by training and yearly salary increments based on inflation rate. The 13th check was perceived as a motivation on profit sharing.

- The EOS aimed at giving workers an opportunity to share their views, tell how management is doing, what is done well and what needs to be improved. The results were consolidated department wise and communicated in February 2013 but were yet to be implemented. Employees gave honest opinions because the survey was done by an external agent and are eagerly waiting for implementation of the survey’s results. The researcher interviewed HRM officers for an overview of the survey results which also revealed that workers are generally engaged.

4.6 Worker’s Willingness to Remain with NMB
The researcher asked all 100 non managerial respondents if NMB is an employer of their choice and the results were recorded and analysed in table 4.7 and figure 4.9 below;

<table>
<thead>
<tr>
<th>No. of Respondents</th>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>53</td>
<td>YES</td>
<td>53%</td>
</tr>
<tr>
<td>47</td>
<td>NO</td>
<td>47%</td>
</tr>
</tbody>
</table>

Source: Study findings, 2013
To find out whether existing workers wish to remain with or leave NMB in the near future, the researcher asked all 100 non-managerial respondents the question and the results were recorded, analysed and presented in table 4.8 and figure 4.10 below;

Table 4.8: Worker’s willingness to remain with NMB per department

<table>
<thead>
<tr>
<th>Departmental responses</th>
<th>Sample willing to remain</th>
<th>Sample willing to leave</th>
<th>Total sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing &amp; Operation</td>
<td>24</td>
<td>35</td>
<td>59</td>
</tr>
<tr>
<td>IT</td>
<td>9</td>
<td>7</td>
<td>16</td>
</tr>
<tr>
<td>HRM</td>
<td>20</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>53</strong></td>
<td><strong>47</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td><strong>Percentage (%)</strong></td>
<td><strong>53%</strong></td>
<td><strong>47%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Figure 4.10: Worker’s willingness to remain with NMB per department

Source: Study findings, 2013
The study results show that 53% of non-managerial respondents consider NMB as an employer of their choice and are willing to continue working with the bank while the rest wishes to leave and join other employers.

Furthermore, the researcher also analysed worker’s responses on their willingness to remain with NMB based on age groups and number of years they have been working with the bank to gain an understanding on which group poses high turnover risk to the bank that possibly results from low engagement levels.

The results are as presented in table 4.9 and table 4.10; and figure 4.11 and figure 4.12 below;

Table 4.9: Worker’s willingness to remain with NMB per age groups

<table>
<thead>
<tr>
<th>Employee’s Age</th>
<th>Staff Willing to Remain</th>
<th>(%) Willing to Remain</th>
<th>Staff Willing to Leave</th>
<th>(%) Willing to Leave</th>
<th>Total Sample per Characteristic</th>
</tr>
</thead>
<tbody>
<tr>
<td>25yrs – 30yrs</td>
<td>12</td>
<td>57%</td>
<td>9</td>
<td>43%</td>
<td>21</td>
</tr>
<tr>
<td>31yrs – 40yrs</td>
<td>15</td>
<td>35%</td>
<td>28</td>
<td>65%</td>
<td>43</td>
</tr>
<tr>
<td>41yrs – 50yrs</td>
<td>14</td>
<td>61%</td>
<td>9</td>
<td>39%</td>
<td>23</td>
</tr>
<tr>
<td>51yrs and above</td>
<td>12</td>
<td>92%</td>
<td>1</td>
<td>8%</td>
<td>13</td>
</tr>
<tr>
<td>Total</td>
<td>53</td>
<td></td>
<td>47</td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Percentage</td>
<td>53%</td>
<td></td>
<td>47%</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Study findings, 2013

Figure 4.11: Worker’s willingness to remain with NMB per age groups

Source: Study findings, 2013
Table 4.10: Worker’s willingness to remain with NMB based on years of service

<table>
<thead>
<tr>
<th>Employee’s Years as NMB</th>
<th>Staff Willing to Remain</th>
<th>% Willing to Remain</th>
<th>Staff Willing to Leave</th>
<th>% Willing to Leave</th>
<th>Total Sample per Characteristic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 2 years</td>
<td>14</td>
<td>67%</td>
<td>7</td>
<td>33%</td>
<td>21</td>
</tr>
<tr>
<td>2 – 5 years</td>
<td>21</td>
<td>57%</td>
<td>16</td>
<td>43%</td>
<td>37</td>
</tr>
<tr>
<td>5 – 10 years</td>
<td>8</td>
<td>31%</td>
<td>18</td>
<td>69%</td>
<td>26</td>
</tr>
<tr>
<td>Above 10 years</td>
<td>10</td>
<td>63%</td>
<td>6</td>
<td>38%</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>53</td>
<td></td>
<td>47</td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Percentage</td>
<td>53%</td>
<td></td>
<td>47%</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Study findings, 2013

Figure 4.12: Worker’s willingness to remain with NMB based on years of service

Source: Study findings, 2013

The study results revealed that:

i. Employees of age group between 31 – 40 years pose a high turnover risk followed by 25 – 30 age group (43%), then 41 – 50 years age group (39%) and lastly while those above 51 years are more engaged whereby 92% of its population is willing to remain with the bank and only 8% wishes to leave.

ii. Furthermore, the in service group of 5 – 10 years are the most willing to separate with the bank as responded by 69%, then followed by 2 – 5 years (43%), then above 10 years (38%) and those under 1 – 2 years with the bank are the least willing to separate by 33%.
The researcher then asked each respondent for one reason that makes them willing to leave NMB. The question was responded by 47% of 100 non-managerial staff who declared willingness to leave the bank’s services in the near future.

The results were represented in table 4.11 and figure 4.13 below;

Table 4.11: Factors making workers willing to leave the bank

<table>
<thead>
<tr>
<th>Responded reason</th>
<th>No. of respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low salary</td>
<td>24</td>
<td>51%</td>
</tr>
<tr>
<td>Work climate</td>
<td>2</td>
<td>4%</td>
</tr>
<tr>
<td>Career development</td>
<td>21</td>
<td>45%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>47</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Source: Study findings, 2013*

Figure 4.13: Factors making workers willing to leave the bank

*Source: Study findings, 2013*

Results show that the sample’s willingness to leave the bank was caused by the urge for higher pay (51%), career development opportunities (45%) and good work climate (4%). The researcher understands that organisation structures tend to narrow as they go up and a big bank with more than 2,500 employees like NMB cannot guarantee career development opportunities for all.

The researcher further interviewed HRM officials on the bank’s strategic plans to retain its workforce and overcome the above situation and found out the following;
i. The bank introduced Performance Appraisal System in 2009 which has been rolled back a number of times and is not yet fully implemented. In 2012 only Senior Managers were appraised and rewarded bonuses whereas other employees were appraised but received the usual 13\textsuperscript{th} check bonus. The system and subsequent rewards for the whole workforce will be applied in 2013.

ii. The bank has been conducting Industry Salary Surveys to improve its salary structure applicable to employees below Senior Manager’s level, staffs are motivated by owning shares to give them a sense of ownership and the Board of Director’s pre-approved yearly salary raise based on monetary inflation announced by BOT.

4.7 Management Views on Effects of Engaged Workers
To find out whether management understands importance of engaging its workers and the resulting effect to organisational performance, the researcher asked 20 managerial staff how the bank will benefit from having engaged workers.

The researcher recorded study results and presented them in table 4.12 and figure 4.14 below;

Table 4.12 Effect of engaged workers on organisational performance

<table>
<thead>
<tr>
<th>Responded Effect</th>
<th>Respondents</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in productivity</td>
<td>7</td>
<td>35%</td>
</tr>
<tr>
<td>Reduction in fraudulent acts</td>
<td>3</td>
<td>15%</td>
</tr>
<tr>
<td>Increased profit</td>
<td>6</td>
<td>30%</td>
</tr>
<tr>
<td>Achievement of organisational goals</td>
<td>4</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Study findings, 2013
The results show that the management of NMB is aware of engaged worker’s positive effect to the bank’s overall performance whereby 35% of the sample responded that there will be increased productivity, 30% said profit will increase, 20% said organisational goals will be achieved and 15% said there will be huge reduction in fraudulent acts.
CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

This chapter summarizes the findings, puts forward conclusions of results gathered during the study, recommendations for the bank to measure and improve its workforce engagement levels periodically and areas not covered in this study that may call for further studies.

5.1 Summary of Findings

Below is a summary of findings from data collected and analysed by the researcher;

i. Fifty eight per cent (58%) of respondents have been NMB employees for up to 5 years, which shows employee’s separation is high as workers acquire more experience.

ii. Workers are moderately engaged which results to not being highly productive, but 83% of non-managerial respondents understand that engaged workers willingly work towards organisational goals, 39% stated that salaries, (28%) career development and (23%) performance recognition affects their engagement levels.

iii. Workers under Marketing and Operations department leads by far on low engagement and its percentage trend is declining from low to high engagement levels whereas HRM leads on high engagement levels.

iv. The bank has good work climate, job descriptions and working tools. Worker’s views are incorporated in decisions and management is aware of effects of engaged worker to the bank’s performance whereby 35% responded that there will be increased productivity, 30% said profit will increase, 20% said organisational goals will be achieved and 15% said there will be minimal fraudulent acts.

v. The bank has introduced Performance Appraisal System to determine individual employee’s performance, conducted Employee Opinion Survey to
get worker’s concerns and industry salary surveys to see how its salary structure fits in the market.

vi. Majority of workers (53%) responded that NMB is an employer of their choice and are willing to continue working with the bank.

5.2 Conclusion
A study on effect of worker’s engagement to organisational performance at NMB PLC headquarters and three Dar es Salaam branches revealed that workers are moderately engaged, their engagement levels being a function of the bank’s salary structure, performance recognition and narrow chances for career development. Other factors like work climate, working tools and job descriptions were favourable and workers were concerned with improvements in both financial and non-financial drivers.

With current worker’s engagement levels, the bank’s financial performance i.e., net profit rose by 35% from 2011 to 2012 with an increase in staff by 5%. Highly engaged workers would have benefited the bank more.

However, the bank’s management on understanding the effect of engaged worker’s to organisational performance, has conducted Employee Opinion Survey to identify employee’s engagement and concerns; industry Salary Survey to see how best employees can be paid relevant to market prices and introduced Performance Appraisal System although results have not yet been implemented.

5.3 Recommendations
Based on study findings, the researcher recommends the following:

i. Management should communicate the concept of worker’s engagement to all employees to ensure workers work to achieve individual objectives and organisational objectives parallel by illustrating how individual tasks are aligned with bank goals and make workers feel as part of organisation’s successes.

ii. The bank should introduce modern HR processes to recognize individual employee’s performance and award workers accordingly, review salary
structure against the market based on survey results and allow career
development for higher positions where internal staff fits specific job
requirements. This will increase employee’s morale and reduce the cost of
hiring and training incurred when experienced staff leaves the bank.

iii. How management plans to resolve staff concerns revealed in the Employee
Opinion Survey and timeframe should be communicated to respective
departments instead of working on the results quietly. This will show workers
that their views are taken care of and increase their morale.

iv. The bank should continue to conduct employee engagement surveys at least
annually in anonymous manner as it was done in 2012.

5.4 Areas for Further Studies
This study had its own limitations; therefore the researcher left other areas for further
studies to be conducted by other researchers as mentioned below;

i. Worker’s engagement levels for NMB staff with a sample taken from all
operating units.

ii. Percentage improvement on organisational performance at NMB after
implementation of EOS results.

iii. Time taken to implement results of EOS conducted in October 2012.
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QUESTIONNAIRE

Questions for Non-Managerial staff

Respondent’s position : ……………………………………………………………..

Age

25 to 30 years ☐ 31 to 40 years ☐
41 to 50 years ☐ Above 50 years ☐

Years at NMB

1 to 2 years ☐ 2 to 5 years ☐
5 to 10 years ☐ Above 10 years ☐

1. What do you understand by worker’s engagement?
........................................................................................................................
........................................................................................................................
..............................................................................................

2. Mention one factor that your employer should do/improve to make you an engaged employee?
........................................................................................................................
........................................................................................................................
..............................................................................................

3. Is NMB an employer of your choice?

YES ☐

NO ☐
4. If YES (to no. 3) above; mention one factor or management behaviour that makes NMB an employer of your choice?

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

5. Are worker’s views involved in management’s decisions?

   YES □
   NO □

6. Are you planning to leave NMB in the near future?

   YES □
   NO □

7. If YES (to no. 6), give one reason that makes you want to leave the organization?

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

............................
QUESTIONNAIRE

Questions for Managerial Staff

Respondent’s position: ..........................................................

Age

25 to 30 years □ 31 to 40 years □

41 to 50 years □ Above 50 years □

Years at NMB

1 to 2 years □ 2 to 5 years □

5 to 10 years □ Above 10 years □

1. Are the workers at NMB as productive as expected by management?

............................................................................................................................
............................................................................................................................
................................................................

2. What is the degree of worker’s engagement at NMB?

High □
Moderate □
Low □

3. What measures have been taken by management lately to ensure that workers are engaged?

............................................................................................................................
............................................................................................................................
................................................................

76
4. How do you think engaged workers can benefit NMB’s performance?

……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………

5. What factor do you think will increase the level of workers engagement and improve NMB’s performance?

……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………

6. Does management involve workers in decision making?

YES □
NO □

7. If YES to (6) above, what sort of decisions involve workers and how?

……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………

………………