

A Study on Correlation between Human Resource Practices and Employee Engagement among Selected Banks' Employees

Muhamad Hafizuddin Muhamed Yusof¹ & Nor Hazana Abdullah^{1,*}

¹Department of Management and Technology, Faculty of Technology Management and Business,
Universiti Tun Hussein Onn Malaysia, 86400 Batu Pahat, Johor, MALAYSIA

*Corresponding Author Designation

DOI: <https://doi.org/10.30880/rmtb.2022.03.01.002>

Received 31 March 2022; Accepted 30 April 2022; Available online 25 June 2022

Abstract: Human Resource practices plays as a vital role to the organization especially in banking sector as it is one of the influential economic contributors to the Malaysian's economy. However, this sector is facing dynamic challenges that could affect the engagement among the employees. As effective human resource management practices play critical roles in ensuring employees' engagement, this study is to investigate the relationship between HR practices and employee engagement. This study was using quantitative approach by distributing questionnaires to selected banks' employees in Kedah, Johor, Pahang. It was found that Selection & Recruitment is significantly correlated with employee engagement at $r=0.74$ ($p<0.001$), followed by Training & Development at $r=0.625$ ($p<0.001$) and Compensation at 0.581 ($p<0.001$). This finding implies the importance of human practices in ensuring employees' engagement.

Keywords: Mental Health, Employees' Creativity, Banks' Employees

1. Introduction

The growing interest in employee engagement is attributed to the fact that this construct has potential to predict employee outcomes, organizational success and financial performance. Organizations value employee engagement to be main ways to achieve organizational goals. Employee who has good engagement towards their works will provide good and quality services. Employee engagement is a distinct and unique construct that consists of cognitive, emotional, and behavioral components that are associated with individual role performance. Engaged people can get hold of the responsibility of organization which in turn contribute to the achievement of long-term goal.

Human resource (HR) practices could help the organizational to keep the engagement among employees. According to Madera *et al.* (2017) recruitment, evaluation, training and retirement, which are the elements of HRM, were managed simply but lately they have been unified and strategically systemized for achieving corporate goals. Effectiveness of HR practices could shape behaviors and attitudes of employees by developing psychological connection between individual and organizational goals.

Based on the economy's estimated growth rate for the next decade, the financial sector is expected to increase to six times GDP in 2020, up from 4.3 times GDP now. Meanwhile, by 2020, the financial services sector's contribution to nominal GDP is predicted to rise from 8.6 percent to between 10 and 12 percent. (Financial Sector Blueprint 2011 - 2020 - Bank Negara Malaysia, 2011). The banking sector controls most of the financial flows and accounts for more than 70% of the financial system's total assets (Sufian & Kamarudin, 2016). Moreover, statistic from (Malaysia: annual employment in the finance and insurance industry 2020 | Statista, 2020), showed an approximately about 376,000 people who had contributing in financial sector. Thus, banking sector also help in reducing unemployment in Malaysia. When the unemployment rate is high, as it is now, then actual GDP falls short of potential GDP. These figures highlight the importance of banking sector to Malaysia's economy.

As a key component of the financial system, banks allocate funds from savers to borrowers in an efficient manner. They also play an essential part for offering financial services at a reasonable of interest rate. This means that customer services are utmost priorities in banking. Thus, studying the banking employees' engagement is important to ensure quality banking services.

Employee engagement is important to banking sector. However, Malaysia's overall scores is only marginally higher (34%) than the global average (35%) in terms of employee engagement. According to Welch and Welch (2015), "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's why you need to take the measure of employee engagement at least once a year through anonymous surveys in which people feel completely safe to speak their minds". This indicates that employee engagement is still an issue need to be addressed especially in the context of service sectors as their services are directly reflected by their employees' engagement in providing the services.

Lack of employee engagement might be attributed to ineffective HR practices. According to Abu Bakar (2013), there are three factors that can affect employee engagement in financial sector which are leadership practices, level adoption of HR practices and societal context. Firstly, the role of leadership which is importance to organizations. High-performing leadership is essential for organizations to create and sustain competitive advantages. In addition of that, leadership is necessary to help individuals or teams to become more engage to the organization. Secondly, HR practices play a vital role in motivating employees by offering a good deal such as wages and compensation. Ineffective of HR practices might damage the employees' engagement towards the organization. Thirdly, the surrounding at the workplace is also significance because the individuals has put all physically, mentally and emotionally during work time. Bad treats such as bias decision might lead to bad engagement among employees.

Furthermore, research on the effect of HR practices on employees' engagement is still lacking especially in banking sector. The research is cannot be globalizing because the research only based on the employees on the researcher target area. It cannot be generalizability of the result into all employees in banking sector. This is why research on effect of HR practices on employees' engagement is still not enough. Thus, this study might be revealed how serious the organization in implementing human resource practices that influence employees' engagement and employees' engagements.

Therefore, to achieve the research objectives the level of employee engagement among employees in selected banks and the level of human resource practices in selected banks in Malaysia are measured.

Consequently, the relationship between human resource practices and employee engagement among banking employees is identified.

The Malaysian banking sector consist of 27 commercial banks (including 19 licensed foreign banks), 11 investment banks, 18 Islamic banks as well as non-bank financial institution (Banks in Malaysia | Overview of Banking Industry | Top 10 Malaysian Banks, 2017). This study is limited to banking sector which in state of Johor. The researcher chooses the employees in banking sector at Kedah, Johor, Pahang to be as target respondents. The researcher chooses Kedah, Johor, Pahang as target research because it has more than 20 branches in banking sector. The researcher has selected four banks in this research which are Maybank, CIMB Bank, RHB Bank, Public Bank.

This study is significance because it shows the relationship between HR practices and employee engagement. It deserves further study because many employees still do not understand the important of HR practices. HR department should manage the functions and practices effectively to improve the engagement among employees' and overall performance in an organization. The effectiveness of even highly skilled employees will be limited if they are not motivated to perform, however, and HRM practices can affect employee motivation by encouraging them to work both harder and smarter. This study can encourage other employees to know the important of adopting HR practices in an organization.

Furthermore, this study could introduce Human Resource practices e.g. (recruitment, training, promotion, reward, positioning, performance appraisal etc.) to maintain employees. HR practices could be one of the factors to strength the employees' engagement. Banking sector should have a very well-committed employees without having any problems that can make employees turnover.

Lastly, the opinion from employees' perspectives about HR practices towards employee engagement could be collected in this study. An organization could have a better surrounding when the relationship among employees are maintained. In addition of that, top-level management in an organization could take necessary action such as improving HR practices. Lastly, this study could be contributing in a future research to give knowledge about the important of HR practices on employees' engagements.

2. Literature Review

This section is to discuss about the issues related to the human resources practices and employee engagement in banking sector. The definitions of the human resource practices and employee engagement will be explained more detailed in this chapter. In addition of that, past studies that relate about relationship between HR practices and employee engagement will be review by researcher to be additional support in develop the hypothesis.

2.1 Employee Engagement

Employee engagement has become one of the most significant issue in organizational behavior field in recent years. However, the meaning of employee engagement still remains unclear because the engagement was widely used in many fields such as psychological, behavioral and emotion. According to, engaged employees expressed and engaged emotionally, cognitively and physically. Employee engagement as a positive attitude held by the employee towards the organization and its value. Furthermore, employee engagement also defined as "a distinct and unique construct that consists of cognitive, emotional, and behavioral components that are associated with individual role performance. There are many different definitions of employees' engagement, however, it is agreed that employees' engagement is defined as a positive, fulfilling, work- related satisfaction.

2.2 Kahn's Theory of Employee Engagement

Employee engagement developed when these three psychological conditions were fulfilled: availability, safety and meaningfulness.

(a) *Availability*

Feeling as if you have the physical, emotional, and psychological resources to invest self-awareness in role-playing.

(b) *Safety*

Feeling of being able to exhibit and serve ourselves without fear of consequences to self-image or career.

(c) *Meaningfulness*

Feeling able to give to others and to the work itself in their roles and also able to receive.

This theory explained that engagement is involving both physical state and emotion states. People vary in their personal engagements according to their perceptions of the benefits, or the meaningfulness, and the guarantees, or the safety, they perceive in situations. Employees would feel attached to their workplace if the work-related situations are trustworthy and secure in any term of behavioral consequences.

2.3 Human Resource Practices

In recent years, organization has shown interest in implementation of human resource (HR) practices since HR practices seen as their main factor to motivate and strengthen employee's engagement. HRM practices are also utilized by the organization to attract, motivate, reward and retain employees. According to Saleem, I. & Khurshid, A., (2014), employees feel more comfortable and secure when HR practices are in place. Components of HR practices such as selection, recruitment, training and compensation ensure fair treatment to all employees. According to Wright and Boswell (2002), and Boselie *et al.* (2005), HRM practices such as selection, training influence individual level behaviors such as performance. Five HR practices were (recruitment & selection, training & development, performance appraisal, compensation and employee involvement) found to influence employee engagement.

(a) *Selecting & Recruitment*

Organizations utilize a variety of strategies to acquire, recruit, and retain the right people in order to improve their performance and production. (Alola & Alafeshat, 2021). Effective selection and recruitment techniques could attract highly qualified and competent employee with a good behavior. Studies have shown that individuals with certain types of personalities are inclined to have higher level of engagement. Thus, the use of personality test could be effective.

(b) *Training & Development*

Training is one way to improve employees' engagement. An organizational need to manage training programs more effectively to enhance engagement among employees. Besides that, talented employees' talents, knowledge, and skills have been shown to be a source of competitive advantage. Training play a pivotal role for a successful company to compete with their competitors. Training gives learners the knowledge and skills needed for the current job. Whereas development involves learning that goes beyond current work and has a more long-term focus (Ramadhany *et al.*, 2020). Employee engagement may occur when the employees has been trained about their work properly.

(c) *Compensation*

Compensation could be defined as rewards given by company to employees when the work is done. The employees would feel appreciated and attached to the company after give fully commitment to do the job. Compensation is one aspect that is significant for employees because the amount of compensation reflects the size of the value of their work among the employees themselves, family, and society. Effective and efficient compensation could directly enhance the employees' engagement towards organizational. Based on the description, compensation either directly or indirectly will impact on employees' engagement.

2.4 Models of Human Resource Management Practices

This sub section would focus on two models of human resource management practices.

(a) *Michigan / Matching Model*

According to this model, the cycle of HRM that consist four generic process or functions that are performed in the organization. These four generic processes include:

- Selection: Matching suitable job to employee
- Appraisal: Influence performance and management
- Rewards: Mishandled rewards system could influence organizational performance because rewards system is most influential in organization
- Development: Developing high-quality employee

(b) *Harvard Model*

Harvard model outline four HR policy are which are HR flows, reward system, employee influence, work system.

Human Resource flows: Concern in manages the flow of employee and organization. For examples the decision on recruitment, selection, promotion, termination of employee, career development, appraisal

Reward system: Regulate how employee rewarded for their work. The employee who had received the rewards would be more motivated at their work, and also work system payment should be also designed the benefits for employees.

Employee influence: Employee has willingness and would be part of the organization. This would strengthen the employees' engagement.

Work system: Working design should be alignment to all employees as well to make the employees feel comfortable doing the job. The design would make work organization runs efficiently.

2.5 Previous Studies

There are several studies that focus on human resource practices and employees' engagement. Firstly, the study by Rumman *et al.* (2020) has stated that the impact of human resource development practices on employee engagement in Jordanian family restaurants. Three HR components were chosen (training, empowerment, promotion) to see correlation with employee engagement. The researcher has distributed 213 questionnaires to employees of family restaurants in the capital city of Jordan. Findings show that training was the most significant HR practice influencing employee engagement.

Furthermore, the study by Alfes *et al.* (2013) discuss perceived human resource practices towards engagement and employees' behavior. 297 questionnaires have been completed and analyzed from 540

employees from one division of large UK service sector organization. This study stated that HRM practices signal an organization's willingness to invest in their employees, which in turn affects employees' perceptions of the individual-organization exchange relationship. THRM practices were found to play an important role in raising levels of employee engagement, which, in conjunction with perceived organizational support (POS), trust and leader-member exchange (LMX), can lead to higher levels of individual performance.

In addition of that, studies by Alola and Alafeshat (2021), found that that implementation of HR practices such as selection & recruitment, training & development and compensation would influences in employee engagement and human resource practices. The researcher has collected 277 questionnaires from six airline employee in Jordan. This study stated that HR practices help the employee in increasing their psychological state in order to stay at the organization. The assessment of skills, talents, and capabilities are the major factor in order to help to select and recruit a good and reliable employee in achieving organizational objectives. Two components of HR practices were chosen in this study (selecting & recruitment, training & development) to see the relation with employee engagement. Findings show that the impact of selecting and recruitment practices improves employee engagement.

As a conclusion, results from previous studies has been observed and discussed, the following hypothesis have been constructed:

H1: There is a significant positive relationship between human resource practices and employee engagement

H1a: There is a significant positive relationship between selection & recruitment and employee engagement

H1b: There is a significant positive relationship between training & development and employee engagement

H1c: There is a significant positive relationship between compensation and employee engagement

The aim of conceptual framework is to shows whether there is a significance relationship between HR practices and employees' engagement.

3. Research Methodology

This section discusses about the method used by researcher to collect any relatable information and how to conduct the study. Research methodology is defined as a method or strategy for analyzing a research phenomenon that is systematic. Research methodology would ensure the method collect the data, and any supplementary data given would achieve the research objectives and scopes. The researcher used quantitative approach to be main method in this study. The other research issues such as research design, sampling technique, research instruments, data collection and data analysis also would be discussed in this chapter.

3.1 Research Design

Research design refers to the overall strategy that you choose to integrate the different components of the study in a coherent and logical way, thereby, ensuring you will effectively address the research problem; it constitutes the blueprint for the collection, measurement, and analysis of data. This is descriptive research using a quantitative approach. Descriptive research been used when researcher has not been able to control the variable because it includes to seek people preferences. A cross sectional survey will be used for data collection purpose.

3.2 Research Population and Sampling

Researcher should identify the population for this research. A population is a complete set of people with a specialized set of characteristics. The population of this study is the employee of banking sector which located at Kedah, Johor, Pahang. There are more than 20 branches of licensed financial institutions at Kedah, Johor, Pahang. The researcher has selected four banks in this research which are Maybank, CIMB Bank, RHB Bank, Public Bank. The researcher has target there are 200 employees among the selected banks.

3.3 Sampling Technique

Sampling design refers to the technique or the procedure the researcher would adopt in selecting items for the sample. The researcher would choose non-probability sampling method which is convenience sampling. In this pandemic session, the researcher used online survey that is why convenience sampling (also known as availability sampling) is the best option because the employee will volunteer or willingness to participate the survey.

3.4 Sampling Size

Sample size refers to the number of participants in this study. The sampling method used by researcher is not complex, so small sample size is sufficient to achieve the objectives of this study. A good size sample, e.g., 200-500, is needed for multiple regression, analysis of covariance, or loglinear analysis, which might be performed for more rigorous state impact evaluations. The researcher has estimated that there are 200 employees from banking sector Kedah, Johor, Pahang. Therefore, according to Krejcie Morgan table, 132 sample of respondents are needed in this study.

3.5 Data Collection

Data collection is a process of collecting the data from various sources that could help researcher in understanding regarding the topic research. There are different methods used to gather information, all of which fall into two categories, i.e. primary and secondary data. Researcher used both primary and secondary data to answer the hypothesis and research questions and achieve research objectives.

(a) *Primary Data*

Primary data is collected for addressing the problem at hand. Therefore, it is more reliable and actual because the data is the recent to the study. Primary data is the type of data that is could be acquire by researcher directly from main source such as survey, interviews or experiments. In this study, researcher used survey method to collect the data regarding this topic. Therefore, the primary data would be derived from the survey which was distributed to employee of banking sector Kedah, Johor, Pahang

(b) *Secondary Data*

Secondary data means data collected by someone else earlier. Secondary data is utilized to gain in order to respond to the research question and investigate the research factors. It can be obtained from websites, journal or articles, books. In this study, researcher used journal, articles and books to be secondary data to make more understanding in this topic.

(c) *Instruments of questionnaires*

The researcher has constructed the questionnaires using the question from the previous study. It is because the researcher wants the reliability and validity questions from the previous studies. The researcher has adopted and adapted the questions from Rumman *et al.* (2020). The questions are from the good sources will make the questions is reliable.

3.6 Data Analysis

Data analysis is the process of systematically to describe and illustrate the useful information and to be evaluate the data. Various analytic procedures “provide a way of drawing inductive inferences from data. Analysis of data taken part in order to identify the finding of the research and to establish whether the research achieved the research objective. Data collected from questionnaire would be analyze using descriptive analysis method and correlation analysis. In addition of that, the data collected will be analyzed precisely to each item and category by using Statistical Package for Social Science (SPSS) based on the frequency of scores, percentages and mean.

(a) Reliability Analysis

To ensure that the data that has been analyzed are stable, predictable and can produce accurate findings towards the variables, reliability analysis will be used. Any score obtained by a measuring instrument (the observed score) is composed of both the “true” score, which is unknown, and “error” in the measurement process. True score would be if the researcher received the measurement perfectly accurate.

(b) Descriptive Analysis

Descriptive analysis is an important first step for conducting statistical analyses. Descriptive data provide simple summaries about the sample and the measures. It could give statically describe, aggregate the data often include constructing tables of means and measures of central tendency. The data most likely be present in table form or graphical form (bar chart or pie chart). Statistical analysis method is used to analyze the data using SPSS software. The mean, median, and mode are the three measurements of central tendency. Information regarding the range and spread of values provided for variables is included in measures of variation. Three basic measurements of variation are range, variance, and standard deviation. Level of mean is given in Table 1.

Table 1: Agreeableness level according to mean interpretation

Mean	Level of Tendency
1.00 – 2.33	Low
2.34 – 3.66	Moderate
3.67 – 5.00	High

(c) Normality Test

Normality test is used to determine the set of data was normally distributed or non-normally distributed. The Kolmogorov-Smirnov Test and the Shapiro-Wilk Test are the two most frequent types of normality tests. If the sample size is greater than 50, the Kolmogorov-Smirnov test will be used, while if the sample size is less than 50, the Shapiro-Wilk test will be used.

(d) Correlation Analysis

Correlation analysis is used to access the relationship between the variables. Correlation analysis been used to see the relationship between dependent variable and independent variable. In this study, researcher will use the correlation analysis in order to measures the association between two variables which are HR practices (independent variable) and employees’ engagement (dependent variable). Spearman Rho’s method or Pearson method would be used by researcher to express the strength of the relationship between these two variables. If the results indicate shows normal, Pearson’s correlation coefficient will be used while if the results indicate shown non-normal, Spearman’s correlation coefficient will be used as in Table 2.

Table 2: The strengths of correlation coefficient

Correlation coefficient	Strengths
$\pm 0.00 - \pm 0.20$	No correlation
$\pm 0.21 - \pm 0.40$	Weak
$\pm 0.41 - \pm 0.60$	Moderate
$\pm 0.61 - \pm 0.80$	Strong
$\pm 0.81 - \pm 1.00$	Perfect

4. Results

In this section, the researcher had successfully collected 114 completed questionnaires from the respondents. The researcher had reviewed all the data collected that has been answered by the respondents from employee of banking sector at Kedah, Johor, Pahang. The data collected from the questionnaires from the banking employees were analyzed using Statistical Package for the Social Science (SPSS) to answer the objective of this research. Demographic analysis of respondents, reliability test, normality test, descriptive analysis and correlation analysis between human resource practice and employee engagement has been included in this chapter.

4.1 Return Rate

The target of respondents for this study was focused on employees from banking sector at Kedah, Johor, Pahang There are four banks was selected by researcher which are Maybank, RHB Bank, Public Bank and CIMB Bank. The total population target by researcher is 200 employees from all banks selected and there were 132 sample size according to Krejcie Morgan table. From the 132 sample questionnaires that has been distributed, 114 has been received back to researcher that makes the return rate for this research is 86%.

4.2 Reliability Analysis

Reliability is defined as the extent to which measurements can be replicated. It shows that reliability test is done for stabilized the results. The common method to measure reliability test is through Cronbach’s Alpha.

(a) Reliability for Pilot Study

A random of 10 set of questionnaires from the total respondents has been used to run the pilot study. The total set of data was analyzed using Statistical Package for Social Science (SPSS) and the outcome was shown as below.

Table 3: Reliability pilot test

Reliability Test	Number of items	Cronbach’s Alpha	Result
Human Resource Practice	15	0.992	Excellent
Employee Engagement	7	0.991	Excellent

Table 3 shows Cronbach's Alpha value for pilot test to both factor in this research. The value of Cronbach’s Alpha for human resource practices is 0.992 and for employee engagement is 0.991 which are excellent.

(b) Reliability for Actual Study

Actual study means the total data from questionnaire will be analyzed using SPSS. In this study, 114 respondents have successfully answered all the questions in the questionnaire. The outcome was shown as below.

Table 4: Reliability actual study

Reliability Test	Number of items	Cronbach's Alpha	Result
Human Resource Practice	15	0.974	Excellent
Employee Engagement	7	0.953	Excellent

The table 4 shows values of Cronbach's Alpha for actual study to both factor in this research. The value of Cronbach's Alpha for human resource practices is 0.974 and for employee engagement is 0.953 which are excellent.

4.3 Demographic Analysis

Table 5 demonstrated that questions designed in Section A related with demographic information of the respondents. The questions included were gender, race, age, working experience, department and bank. All the data collected were analyzed using SPSS and been summarized in Table 5.

Table 5: Demographic analysis

Demographic	Item	Frequency	Percentages (%)
Gender	Male	52	45.6
	Female	62	54.4
Race	Malay	76	66.7
	Chinese	31	27.2
	Indian	7	6.1
Age	21-30 years old	49	43
	31-40 years old	49	43
	41-50 years old	15	13.2
	51-60 years old	1	0.9
Working Experience	Below 5 years	59	51.8
	6-10 years	40	35.1
	11-15 years	6	5.3
	16-20 years	2	1.8
Department	20 years and above	7	6.1
	Administration	56	49.1
	Operation	58	50.9
Bank	Maybank	41	36
	CIMB Bank	36	31.6
	RHB Bank	13	11.4
	Public Bank	24	21

4.4 Descriptive Analysis

Descriptive analysis involves in examining individual variable characteristic. Data analysis was made based on the questionnaires that have been distributed to the banking employees. Thus, the data analysis is made to know the mean and the level of tendency for both variable which are human resource practices and employee engagement.

Table 6: Mean and Levels of Tendency

	Mean	Level of Tendency
Selection & Recruitment	2.89	Moderate
Training & Development	2.91	Moderate
Compensation	2.91	Moderate
Employee Engagement	2.95	Moderate

Based on Table 6, the components of the independent variable which are selection & recruitment, training & development and compensation have a moderate level of tendency. In terms of mean score, training & development and compensation has the same mean score (2.91), followed by selection & recruitment has a bit low from the others (2.89). As a result, human resource practices have a mean of 2.90 which indicates a moderate level of tendency. Employees’ engagement as a dependent variable has a mean of 2.95, indicating a moderate level of tendency. As a result, both variables have a moderate level of tendency.

4.5 Normality Test

In this research, there are two common types of test to measure normality which are Kolmogorov-Smirnov and Shapiro- Wilk. The data is normal if the p value above 0.05, whereas if the p value below 0.05, it means the data not normal. This research used Normal QQ plot as in Figure 1 and Figure 2 to evaluate which independent variable (human resource practices) is vital for predicting the results of dependent variable (employee engagement).

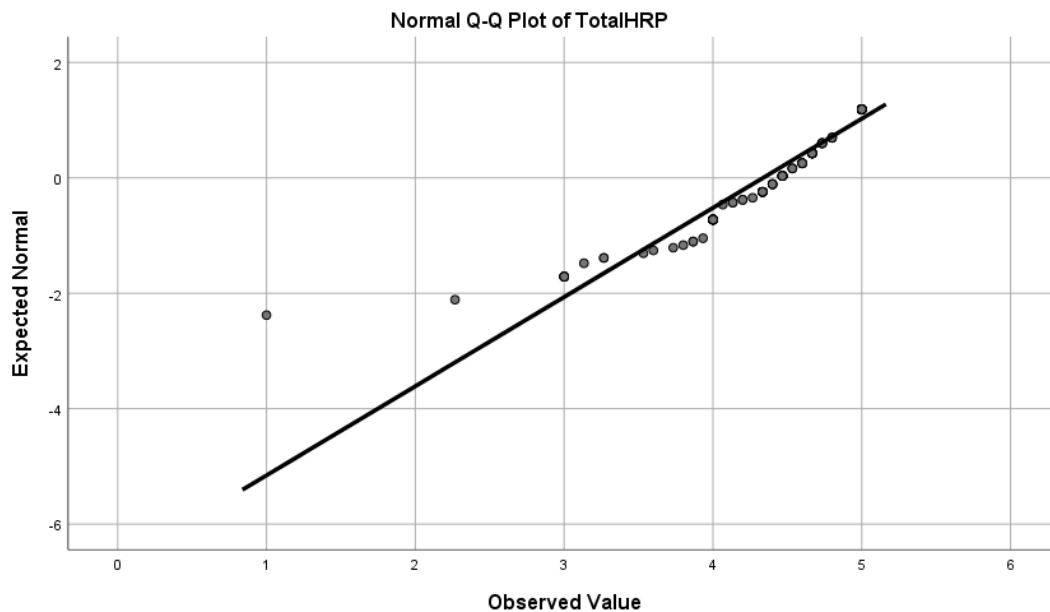


Figure 1: Normal QQ Plot of human resource practices

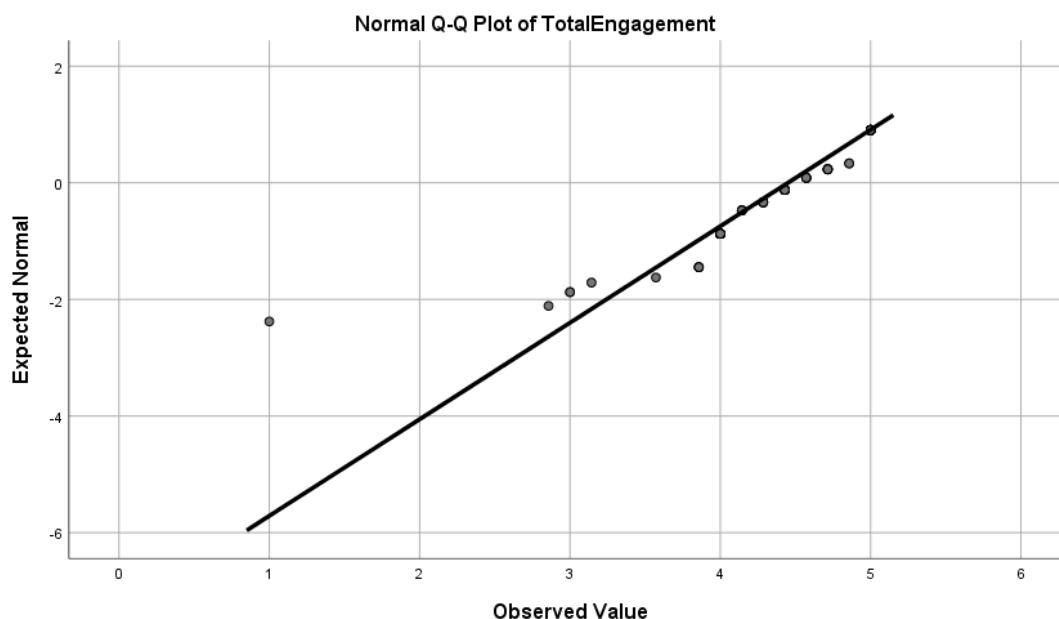


Figure 2: Normal QQ plot of employee engagement

Table 7: Test Normality

	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Total HRP	.153	114	.000	.837	114	.0001
Total Engagement	.181	114	.000	.786	114	.0001

Based on the Table 7, it shows that the significant level of the human resource practices and employee engagement by Kolmogorov-Smirnov and Shapiro-Wilk are 0.001. It means the p value is below 0.05, so the data obtained is not normal. The statistical testing through Kolmogorov-Smirnov and Shapiro-Wilk has detected some variables are not normal. Thus, the researcher have to used nonparametric analysis which is Spearman Rho correlation analysis for this study.

4.6 Correlation

From the normality test result, this research has using Spearman’s Correlation to determine the correlation between the independent variable (human resource practices) and dependent variable (employee engagement). Table has shown that the correlation between two variables.

Table 8: Correlation analysis between human resource practices and employee engagement

		Selection & Recruitment	Training & Development	Compensation
Employee Engagement	Correlation Coefficient	.704**	.625**	.581**
	Sig. (2-tailed)	.0001	.0001	.0001

According to the Table 8 which is the results of Spearman’s Rho correlation coefficient, between human resource practices elements which are selection & recruitment, training & development and compensation and also with employee engagement. There is a strong relationship between selection & recruitment with employee engagement where the $r = 0.704$ and the p-value is 0.000. The p-value show

the value less than 0.05, H2 is accepted. There is a strong relation between training & development with employee engagement where the $r = 0.625$ and the p-value is 0.000. The p-value show the value less than 0.05, H3 is accepted. There is a moderated relationship between compensation with employee engagement where the $r = 0.581$ and the p-value is 0.000. The p-value show the value less than 0.05, H4 is accepted. When significant value below 0.05, it means there is relationship between two variables.

5. Discussion, Recommendation, Conclusion

The first research objective is to determine the level of employee engagement in selected banks. Based on the results obtained, the level of employee engagement is moderate because the mean value for employee engagement is 2.95. The questionnaires have been answered by the respondents in four selected banks of Malaysia. The result is from the perspective of the employees. Even though, there only moderate level but the research objective was acceptable. Thus, the first research objectives on this study has been achieved. The second research objective is to determine the level of human resource practices among banking sector. Based on the results obtained, the level of human resources practices is moderate because mean value for selection & recruitment is 2.89, mean value for training & development is 2.91 and mean value for compensation is 2.91. The average mean for human resource practices is 2.90. The questionnaires have been answered by the respondents in four selected banks of Malaysia. The result is from the perspective of the employees. Even though, there only moderate level but the research objective was acceptable. Thus, the second objectives on this study have been achieved.

The third research objective is to identify the relationship between human resource practices and employee engagement is accepted. Based on the findings, the three elements in human resource practices are selection & recruitment, training & development and compensation shows that there is a positive significant relationship with employee engagement. This can be proving as the findings indicates from the human resource practices elements which are (selection & recruitment, training & development, compensation) are less than 0.05. From the three relationship, selection & recruitment

Even though this study was successfully completed, there are some limitation on this study during the completion of this study. The most difficulty that researcher finds on this study is the number of the staff has been reduced during this pandemic Covid-19. This makes the researcher hard to find the respondents among the banking employees. When the bank has fewer staff, the time required to obtained the feedback was taken a bit later because they will focus on their job first.

Next limitation of this study is lack of transparency in the questionnaire responses. The researcher believes that some of the respondents just take for granted about this survey and show their unprofessional towards this survey. They researcher assume that there is some question that should be confidential on this survey. As a result, respondents are not totally be honest on this survey.

As a conclusion, based on the analysis that has been done in this study, the researcher has found out that all of three objectives of this study has been achieved. First objective is to determine the level of employee engagement among employees in selected banks have been achieved. The findings have shown that the level of employees' engagement was moderate (2.95). Next for the second objective, to determine the level of human resource practices in selected banks in Malaysia have been achieved. The findings have shown that the level of human practices was moderate with total average 2.90. This study was a proof that there is positive relationship between the elements of human resource practices (selection & recruitment, training & development and compensation) and employees' engagement among banking sector. In addition to that, third objective which is to identify the relationship between human resource practices and employees' engagement among banking employee have been achieved. The implemented of human resource practices are important to the organization to enhance the engagement among the employee. Therefore, the organizations, should really emphasize the human

resource practices to increase the employees' engagement. Thus, with the data analysis that has been made as well as the discussions, the objectives of the research have been successfully achieved.

Acknowledgement

The authors would also like to thank the Faculty of Technology Management and Business, Universiti Tun Hussein Onn Malaysia for its support.

References

- Abu Bakar, R. (2013). Understanding Factors Influencing Employee Engagement: A Study of the Financial Sector in Malaysia School of Management Business Portfolio RMIT University.
- Alfes, K., Shantz, A. D., Truss, C., & Soane, E. C. (2013). The link between perceived human resource management practices, engagement and employee behaviour: a moderated mediation model. *The international journal of human resource management*, 24(2), 330-351.
- Alola, U. V., & Alafeshat, R. (2021). The impact of human resource practices on employee engagement in the airline industry. *Journal of Public Affairs*, 21(1), e2135.
- Boselie, P., Dietz, G., & Boon, C. (2005). Commonalities and contradictions in HRM and performance research. *Human resource management journal*, 15(3), 67-94.
- Madera, J., Dawson, M., & Belarmino, A. (2017). Strategic human resources management research in hospitality and tourism: A review of current literature and suggestions for the future Foodservice Management View project Diversity in the Workplace View project. *Article in International Journal of Contemporary Hospitality Management*, 29(1), 48-67.
- Ramadhany, S. R., Idrus Taba, M., & Umar, F. (2020). The Effect of Training and Job Satisfaction on Employee Engagement and Performance of Millennial Generation Employees of PT Midi Utama Indonesia Tbk in Makassar. In *International Journal of Innovative Science and Research Technology*, 5(6).
- Rumman, A. A., Al-Abadi, L., & Alshawabkeh, R. (2020). The impact of human resource development practices on employee engagement and performance in Jordanian family restaurants. *Problems and Perspectives in Management*, 18(1), 130.
- Saleem, D. I., & Khurshid, A. (2014). Do human resource practices affect employee performance? 669-688.
- Sufian, F., & Kamarudin, F. (2016). Determinants of efficiency in the Malaysian banking sector: Does bank origins matter? *Intellectual Economics*, 10(1), 38-54.
- Welch, S., & Welch, S. (2015). *The real-life MBA*. HarperCollins.
- Wright, P. M., & Boswell, W. R. (2002). Desegregating HRM: A Review and Synthesis of Micro and Macro Human Resource Management Research. *Journal of Management*, 28(3).