

# An Empirical Study of HR Practices and Employee's Engagement in Banking Sector

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## Abstract

Companies around the world are grappling about how to improve employee engagement in an organization. For businesses to achieve long-term sustainability and well-being, employees must be engaged. Employees accept the job that could help them go through the ladder of their needs starting from the basic needs like security up to self-enhancement, for instance, self-ego or self-worth. Social exchange theory has been selected for this study, because this theory provide knowledge and understanding which is related to the study of employee engagement. This study used quantitative approach. The samples of this research were 132 employees of private banks in Sana'a, Yemen. Data retrieval used a questionnaire and the responses are accumulated through the structured questionnaires.

**Keywords:** employee engagement, reward & recognition, job security

## 1. Introduction

In recent years, employee engagement has become a hot research subject amongst companies, human resource researchers, and management practitioners. Work engagement, as a constructive element of psychology, is becoming more common in occupational health psychology as a result of the rise of positive psychology. Employee engagement mentions to an employee's level of loyalty and participation with their company and its values. An involved employee understands the market context and collaborates with co-workers to enhance job performance for the betterment of the company. It is the workers' optimistic attitude toward the company and its standards. Employee engagement is a highlighted emotional attachment in which employee feel toward their organization, reason which motivate them to put additional effort in provide quality output to the organizational customers (Nazar, Jahan, Amoozegar, Anjum, & Raju, 2020; Nazar, Ramzani, & , Temoor Anjum, 2018). Employee engagement is linked to employees' self-image and willingness to provide input on working environment and workplace relationships, especially those that involve employee-supervisor interaction(Anees, Raju, & Anjum, 2020).

The significance of human resources was emphasized during the reform of Yemen's banking sector, which included improvements in ownership, operational, financial, and management structures that resulted in more effective and productive bank operations, their participation in modern capital flows, the development of new banking products, and the availability of quality services to customers. The explanation for this is that the success of the banking sector's transformation processes necessitated dramatic changes in the labor force, which necessitated proper management, with adequate employee management playing a key role.

From the last few years up to now, there are several different forms of reasons that are believed to have influenced towards the employee's engagement. However, there are notmanystudieshavebeendoneonemployee'sengagementinserviceindustrylike banking industry in the context of Yemen. Consequently, further studies on different variablesthataffectingemployee'sengagementinbankingindustryisrequiredfromtime to time so that all the data is updated. Banking industry is one of the most stressed-out service sectors and this is the main reasons that might cause employees to be lack of engagement to their