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Editors' Note

It is with immense pleasure we complete the 6th Volume of '*Management Issues*' a research publication of Faculty of Management Studies of the Open University of Sri Lanka. '*Management Issues*' provides a really exciting opportunity to our own students and established scholars in the faculty to publish interdisciplinary nature of issues in managing organizations.

The journal will continue to publish high quality research in the diverse disciplines of management. The methodological quality of those publications has improved drastically over the last 6 years.

It is also important we have a good balance of articles in different disciplines of management within the journal. I am keen to encourage publication of high-quality evidence-based research on management issues.

I am fortunate to be supported by a highly effective team. While thanking the support extended by our advisors, reviewers and the editorial staff in finalizing this publication, we proudly present Volume 6 of the annual research publication of the Faculty of Management Studies, and sincerely hope that this tripartite support will continue in the future to make *Management Issues* one of the leading research publications in Sri Lanka.

Prof. H.D.D. Champika Liyanagamage

Editor-in Chief

FACTORS AFFECTING JOB SATISFACTION OF PRIVATE SCHOOL TEACHERS – AN EMPIRICAL STUDY ON PRIVATE SCHOOLS IN DEMATAGODA AND KOLONNAWA

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Abstract

Many studies of job satisfaction have been conducted in developed countries, but few in developing ones, including Sri Lanka, particularly in the field of education. Over the past years, it is evident that teachers working in private schools are enjoying inferior benefits and working conditions compared to government teachers, resulting in lower job satisfaction levels. As teachers play a crucial role in the learning process, the present study was designed to comprehend the factors affecting job satisfaction of private school teachers using four key aspects of job satisfaction advanced through literature. Using simple random sampling method, 196 respondents were selected from a population of 402 teachers in Dematagoda and Kolonnawa areas of Colombo District for the questionnaire survey. The results of descriptive analysis denoted a moderate level of job satisfaction of teachers while mean values of independent variables remained low. Correlation results indicated a significant and strong positive association between the independent variables and job satisfaction of private school teachers. Regression results revealed that the model is good fit and that independent variables together statistically significantly explain the variance in teachers' job satisfaction. However, results show that salary and co- worker relationship have positive impact on job satisfaction of teachers while school resources with working condition and advancement and promotions have no significant impact job satisfaction. This study will shed light on the current knowledge on factors significant to the satisfaction of private school teachers and provide a road map for private school administrators on what aspects to focus more when designing policies in relation to their teaching staff.

Key words: Job satisfaction, Salary, Co- workers, School resources and working conditions, Advancement and promotion opportunities.

Introduction

Job satisfaction refers to the attitude and feelings people have about their work. Positive and favorable attitude towards the job indicates job satisfaction. Negative and unfavorable attitude towards the job indicates job dissatisfaction. Mitra (2018) stated that satisfaction refers to inner containment or happiness for the person engaged in any job.

Today, education is considered very important, not only as an individual right but also as a key factor in social and national development. Therefore, it has become one of the most

vital areas of investment in any society since it boosts the productivity of a nation. One of the basic purposes of education is to produce trained human resource, which can overcome development impediments of a given country. To achieve this, there should be a satisfied work force in the sector. Overall education system of Sri Lanka is playing a major role in human life and culture of the country. The schools are contributing as the major component of education system because the government constitution provides for education as a fundamental human right of the Sri Lankan nation. As a developing country, teachers are the key source of knowledge and education in Sri Lanka (Mangaleswarasharma,2017).

Teachers' job satisfaction is influenced by both intrinsic and extrinsic factors. Intrinsic satisfaction originates from the job itself. Extrinsic factors are associated with external factors related to teachers' satisfaction. Colombo page news reported (2018) the children who receive the education from private schools accounts for a significant proportion of Sri Lankan nationals. So, a quality education which suits the needs of the country should be ensured and standardizing private schools is an essential step to achieve this. This emphasizes the importance of regulating the private schools. In such an initiative, significant attention should be given to teaching staff as they are the life blood of any school. Teachers would perform to maximum capacity, only if they are satisfied with their jobs. So, job satisfaction is an important phenomenon in every sector especially in the teaching profession.

According to the annual report of Central Bank of Sri Lanka (CBSL) (2019), totally there are 11,082 schools functioning in Sri Lanka. There are 10,168 government schools offering free education in Sri Lanka, as well as 118 recognized private and special schools, many of which are fee-based international schools. Totally 4,351,324 are school students and 257,845 teachers are there in Sri Lanka. 4,150,007 students and 243,240 teachers are coming under government sector. 136,515 students and 7523 teachers are listed under private and special school category as reported in CBSL report.

There has been a considerable increase in the number of private schools in Sri Lanka, due to the emergence of the upper-middle class during the colonial era. These private schools follow the local curriculum set up by the Ministry of Education in the local language mediums of Sinhala, Tamil or English. Many of the private schools have access to newer facilities than state run schools. Currently there are 49 Private schools in Western province and 30 in Colombo district. There are around 104,562 students and 5002 teachers in private schools of Western province. There are 68, 828 students and 3451 teachers in private schools to Colombo district according to school census report of Ministry of Education, Sri Lanka (2019).

Consequently, the demand for private education is rising. In recent years several "international" schools have sprung up that do not come under the purview of the Ministry of Education nor the Department of Examinations. There is an absence of a desirable state regulatory mechanism to monitor the academic offerings and standards of these schools. International schools in Sri Lanka are not restricted to the expatriate community, anyone with the ability and willingness to pay can join these schools. Starting in the late 1980s these schools have no regulation or control by the Ministry of Education as it comes under the Board of Investment (BOI) due to this the standard of education varies greatly between schools. The

schools are mainly for the children of the expatriate community, charge high tuition fees and can therefore provide good facilities and high standards.

Research problem and objectives

This level of job satisfaction has become a central focus to many of those involved with management of private schools in the field of education in Sri Lanka. Preliminary interviews were conducted with ten teachers working in private schools in Colombo District. The teachers stated that they often think to quit the job and shift to alternative jobs because they have been treated unfair by the school officials, high stress, compensation, and benefits are low in private schools, the position in work is not matching with their qualifications, cannot raise the voice against under any circumstance in the workplace, etc. They used to compare their jobs with government schools' teachers and perceives an inequity. This has led to feeling of dissatisfaction and intension to quit from the present organization they are employed in. These statements indicates that there is a problem in satisfaction level among private school teachers which has not been addressed so far.

Job satisfaction of teachers is not only important for teachers, but also has a significant impact on students and schools (Susmitha & Raghavaya, 2018). The Morning News (Online) reports that over the last decade, private schools are sprouting like mushrooms in Sri Lanka. But apart from a few leading international schools, the quality of education of some of the private schools is now in question along with the lack of proper infrastructure facilities, academic resources, and teachers. However, the biggest issue regarding private schools is the lack of a regulatory mechanism that ensures the standards of these schools are maintained. (The Morning News, 2019)

Teachers' job dissatisfaction in private schools can affect the provisions of quality education service negatively. This can lead to poor performance of students, and this could affect future education system of private schools if the problem is not solved immediately. Therefore, this study aims to investigate factors affecting teacher's job satisfaction of private schools, particularly in selected areas of Colombo district in order to find ways of improving teacher's job satisfaction to enhance the quality of private education system and to reduce the turnover rate.

More specifically, this study attempts to first identify the present level of job satisfaction among private school teachers in Colombo district. Second, to understand the possible factors that can affect job satisfaction level of private school teachers. Moreover, the study explores as to what extent each of the identified factors affect job satisfaction level of private school teachers and uncover the most influential factor which affect the job satisfaction level of private school teachers.

Literature Review

Next section of this paper is devoted to bringing together findings of different studies conducted on job satisfaction and factors affecting.

Job satisfaction

The word 'satisfaction', derived from the Latin words 'satis' (enough) and 'facere' (do or make) (Oliver, 2010). Hoppock (1935) defined job satisfaction as any combination of physical or psychological factors and/or environmental circumstances that may cause a person to be satisfied with his or her job. It is a feeling of happiness or pleasure because a person has achieved something or obtained what she/he wanted (Longman Modern English Dictionary). There have been many attempts to define the specific term 'job satisfaction' over the last few decades (Giese & Cote, 2000; Okaro, Eze, & Ohagwu, 2010). One of the most cited definitions is the definition proposed by Locke (1976); "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience".

Job satisfaction is considered as one of the most frequently studied constructs in social science research (Spector, 1997; Dormann & Zapf, 2001). It includes the attitudinal values and variables that affect the feelings a person holds regarding satisfaction towards his or her job, essentially, how much people like their jobs (Spector, 1997). The perceived importance of job satisfaction to the success of organizations has led to it becoming the most widely studied variable in organizational behavior research (Spector, 1997).

Employers are very keen on the job satisfaction of their employees because of the belief that satisfaction is linked to employee productivity (Gruneberg, 1976). Indeed, researchers including Etzioni (1975), Likert (1961), and McGregor (1960) have stated that satisfied workers are productive workers. Gruneberg (1960) claimed that job satisfaction is under the limelight because of "the belief that increasing job satisfaction will increase productivity and hence the profitability of organizations."

Job satisfaction is a complex and subjective concept to define and quantify. It has been studied since the early twentieth century and, through the years, the term and its implications have been defined and redefined (Cuicallahan, 2012). Studies on job satisfaction began in the early 1900's where research were initially being carried out by psychologists with industry workers. Known as one of the first researchers to study job satisfaction, Hoppock's Job Satisfaction (1935) was the first publication on job satisfaction and surveying methods. This work led the path for additional research conducted by such scholars as Maslow (1954), Herzberg (1959), Adams (1963), Vroom (1964), Sergiovanni (1967), Locke (1969), Lortie (1975), Hackman and Oldman (1976), Bullock (1984) and Spector (1997). These theorists argued that job satisfaction consists of specific job factors and the employees' perception of these factors.

Factors affecting job satisfaction

Job satisfaction is in view to one's feelings or state-of-mind regarding the nature of their work. It can be influenced by various factors (Susmitha & Raghavaya, 2018). Shabbir and Wei (2015) revealed that intrinsic job satisfaction factors affect feelings of self-fulfillment and enjoyment that employees gain from their jobs directly, while extrinsic job satisfaction

factors refer to factors outside the job itself and are usually administered by someone other than the individual concerned.

As one of the key factors cited within job satisfaction literature, Nutsuklo (2015) defines salary as, at the end of the day it is the salary that matters to the worker. If the salary is not satisfactory, it can lead to dissatisfaction. According to her, salary has significant impact on job satisfaction. Job satisfaction increases with the level of increase in salary. Similarly, greater levels of satisfaction with salary are related to greater levels of teacher satisfaction as well (Sentovich, 2004; Zaheer et al, 2015). Results of a study by Ekabu (2019) concluded that the pay and allowances together with other incentives given to teachers were inadequate and not comparable to what other professionals earn. Hence, this has created a major source of dissatisfaction and turnover intentions. Even though poor salary is cited one of the major causes of job dissatisfaction and reason for wanting to quit their job (Ofili, Usiholo & Oronsaye, 2009), Goodlad (as cited in Cui-Callahan (2012), proposed that money was not the primary reason teachers enter the teaching profession. However, it must be noted that Goodlad added that pay was the second ranked most common reason for teachers to leave the profession.

Relationships with co-workers including supervisors need to be mutual and cordial to promote productivity in any organization. Supervision refers to manner in which the leadership of an organization oversees the activities of the subordinates within an organization (Nutsuklo, 2015). Sentovich (2004) suggests that increased levels of cooperative environment and collegiality are associated with greater levels of teacher satisfaction when holding other variables constant. According to Drago and others (1992), for most employees work also fills the need for social interaction and so, friendly supportive employees also lead to increased job satisfaction (Zaheer et al, 2015).

According to De Troyer (2000) working condition means comfortable proper work and office spaces, temperature, lighting, ventilation, etc. Some previous studies have revealed that low job-satisfaction levels can be mainly imputed to the physical working conditions as cited in Zaheer et al., (2015). They said further, if the physical working condition is good then the employees will perform better. The relationship between School climate and job satisfaction of teachers also positive (Ul haq & Hasnai, 2014). International research literature shows that the extent to which teachers are satisfied with their jobs and working conditions is likely to have significant consequences for the retention of teachers within the profession, for their approach to teaching, for the creation of collegial relations within a school, and for student outcomes (Crossman & Harris, 2006; Chaplain, 1995).

Organizational behaviour literature suggests opportunities for advancement as an intrinsic factor that could affect how an individual perceives his or her job. According to Nutsuklo (2015) Advancement refers to opportunity for employees to get promoted to the next level of the job in an organization. When considering the context of teaching, as professional development activities and opportunities increase, the level of teacher satisfaction also tends to increase (Sentovich, 2004). A study by Nigama et al., (2018) on job satisfaction among school teachers in India suggested towards achieving job satisfaction are self-developmental

opportunities, short term courses, seminars, workshops, high appreciation and rewards for commendable work are some of the ways in which job satisfaction can be improved. Naidoo (2019) highlighted that the major areas of potential job dissatisfaction at the school are related to relationships with management, as well as the inability of respondents to take advantage of avenues for skills development within the schools. Hence, teachers should be provided with appropriate training and professional development opportunities (Mangaleswarasharma, 2017).

Methodology

This study was based on positivistic research philosophy, adopted a deductive approach and objective in nature. A survey strategy was used to match the underlying philosophical background and conducted as a cross-sectional study. After an extensive survey into the extant literature, below conceptual framework was derived upon which the hypotheses of the study were developed. Four of mostly quoted factors of job satisfaction, namely salary, co-worker relationship, school resources and working condition, advancement and promotion were identified as independent variables and job satisfaction as the dependent variable.

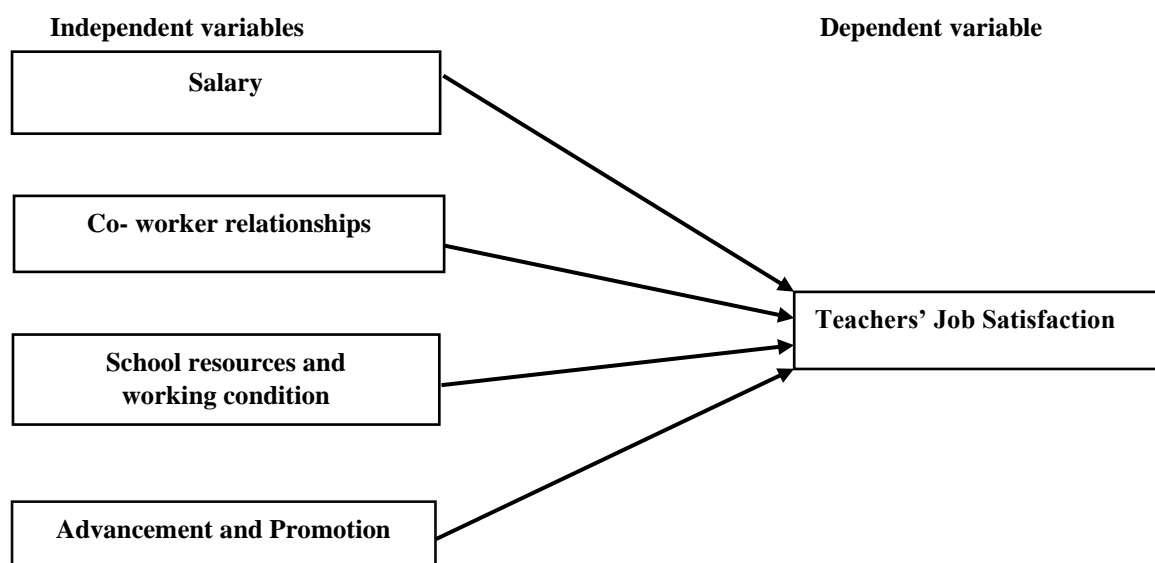


Figure 3.1: Conceptualization framework
Source: Author constructed

Maslow’s Hierarchy of Needs Theory, Herzberg’s Two factor theory and Organizational Support Theory (OST) underpin the conceptual framework of this study. The two needs theories discuss about the basic needs of individuals subject to different categorizations. According to the work of Maslow, needs can be categorized into five distinct categories which can be organized as a hierarchy of prepotency. Herzberg (1959) suggested two types of

intrinsic and extrinsic factors that act as satisfiers or dissatisfiers for an individual in workplace. When these two theories formulate the foundation of the independent variables of this study, OST supports the hypothesized relationships depicted in conceptual framework. OST proposes that the employees form a general perception on the level of support, degree of caring they receive by their organization, i.e., Perceived Organizational Support (Eisenberger, Huntington, Hutchison and Sowa, 1986). This provides a valuable avenue to understand the organization-employee relationship from an employee perspective and to comprehend how these perceptions have strong associations with behavioural and attitudinal variables such as job satisfaction and organizational commitment (Kurtessis, Eisenberger, Ford, Buffardi, Stewart and Adis, 2015).

When considering positive work attitudes such as job satisfaction, extrinsic motivators like monetary rewards play a major role. It is one of the main ways to satisfy basic physiological needs, thus refrain employees from being dissatisfied. According to Nutsuklo (2015), monetary rewards can have a significant impact on how much contented an employee is about his or her job. Hence, it can be proposed that:

H₁: There is a significant positive impact of salary on private school teachers' job satisfaction.

As emphasized by OST, fulfillment of socio-emotional needs such as approval, support, self-esteem at workplace leads to self enhancement of an individual which in turn results in positive attitudes towards work. When sense of community is present within an organization, such social needs can be realized. Accordingly, as Naidoo (2019) stated, having friendly and helpful colleagues contributes towards job contentment among employees. This state of relationships between co-workers in an organization, including those between supervisors and subordinates, could be a significant pointer of job satisfaction or dissatisfaction (Veldman et al., 2013). Considering these facts supporting a link between coworker support and job performance, we propose that:

H₂: There is a significant positive impact of co-worker relationships on private school teachers' job satisfaction.

Shabbir and Wei (2015) suggest that for a teacher to attain full satisfaction in their school there must be adequate facilities, proper instructional materials, sound security measures, fair contract conditions, and a functional school community. This can be considered as one aspect of perceived organizational support to conduct their activities as teachers on one hand and as a part of motivational factors that keep teachers from dissatisfaction on the other. Accordingly, we argue that:

H₃: There is a significant positive impact of school resources and working conditions on private school teachers' job satisfaction

According to Herzberg's Two factor theory, opportunities for advancement is considered as one of the motivating factors which leads to job satisfaction. It is again ranked in the top in Needs Hierarchy as one of the ultimate intrinsic needs of an individual. Advancement opportunities are given when performance of employees and considered as valuable by the

organization, thus can be explained as a means of supporting positive contributions made. Hence, under the arguments in OST, we suggest that:

H4: There is a significant positive impact of advancement and promotion opportunities on private school teachers' job satisfaction.

Research design

The population of the present study is private school teachers in Colombo, specifically Dematagoda and Kolonnawa areas of Colombo district, Western province. Many private schools are in these areas compared to other areas in Colombo. Out of a study population of 402 teachers employed at the seven private schools operating in Dematagoda and Kolonnawa, sample of 196 was selected based on the Krejcie & Morgan (1970) table for sample size for a given population size. 200 questionnaires were distributed and received valid 143 responses with a response rate of 71.5%. Sample elements were selected based on simple random sampling technique. Questionnaires were administered online pertaining to the practical issues due to the pandemic.

Pre-validated questionnaire items were used in this study such as work of Zaheer et al. (2015) for salary and co-worker relationship), Toropova et al. (2019) for Advancement and promotion opportunities, job satisfaction) and both Zaheer et al. (2015) and Toropova et al. (2019) for school resources and working conditions). Due to certain modifications done to the terminology of the questionnaire items, the instrument was subjected to reliability test. Internal consistency reliability of the instrument was ensured with Cronbach Alpha values for each variable well above 0.70 (Saunders et al, 2016).

Table 3.1 Cronbach Alpha values of the variables

Variable	Cronbach's alpha	No. of items
Job satisfaction (JS)	.898	6
Salary (SAL)	.896	5
Co-worker relationship (CWR)	.867	6
School resources and working condition(SRWC)	.907	7
Advancement and promotion (ADPR)	.841	4

Source: Survey data 2021

Results and discussions

Sample Profile

From total 143 respondents, 74.8 % of respondents were female while 25.2 % constituted with male participants. The majority of the respondents (51.7%) were in the age group of 20 to 25 and around 48.3% of respondents were unmarried.

Regarding educational qualifications, findings were surprisingly diverse. Almost (37.1%) teachers have obtained diploma in their field, while the second largest group (surprisingly large at 25.9%) was made up of G.C.E A/L completed students. The third largest group is Degree holders, and it represents 20.3% from the total sample. A few (11.9%) had degrees with professional qualification and the smallest proportion of respondents (4.9%) had completed O/ L. Among the respondents, only 18.9% of proportion has a tenure more than 5 years in their respective schools. The sample consists of a more or less equal (between 23% - 28%) proportions of Language, Science, Mathematics and other subjects

Descriptive and Correlation Analysis

Table 4.1: Mean, Standard Deviation and Correlation statistics

	Mean	SD	SAL	CWR	SRWC	ADPR	JS
SAL	2.38	.952	1				
CWR	2.63	.835	.701**	1			
SRWC	2.50	.852	.651**	.831**	1		
ADPR	2.59	.902	.707**	.778**	.775**	1	
JS	3.58	.917	.622**	.675**	.590**	.622**	1

** . Correlation is significant at the 0.01 level (2-tailed).

Notes: *p<0.05, **p<0.01, N=143

Source- Survey data 2021

Focusing on teachers’ job satisfaction, mean value and standard deviation is 3.58 and 0.917 respectively. Job satisfaction shows the highest mean value among all the variables. This indicates that teachers were agreeing on the fact that, they experience moderate level of job satisfaction at work. The second most concerned factor was relationship with co-workers. It shows 2.63 and 0.835 mean value and Std. Deviation respectively. This indicates that teachers were not in agreement that they have good relationship with co- workers. As per table 4.1 advancement and promotion opportunities indicates a mean value and Std. Deviation of 2.59 and 0.902 respectively where mean value implies the teachers were less satisfied with advancement and promotion opportunities available at present. Teachers’ satisfaction level with school resources and working condition is having a mean value and Std. Deviation of 2.50 and 0.852 respectively. This shows that the teachers were not much agreeing that they have good school resources and working condition. Finally, the mean value and Std. Deviation for salary is 2.38 and 0.952 respectively. This indicates that teachers were not agreeing on the fact that they have good salary system at their workplace.

Correlation analysis was conducted in order to test the strength of the relationship between the dependent and independent variables. According to table 4.1, all independent variables share a strong positive and statistically significant relationship with job satisfaction. Correlation between salary and job satisfaction is 0.622 (p<0.05), school resources and working condition and job satisfaction share a correlation of 0.590 (p<0.05) and advancement with promotion opportunities and job satisfaction share correlation of 0.622 (p<0.05).

Correlation between co- worker relationship at schools and job satisfaction indicates the strongest significant relationship among other combinations (0.675, $p < 0.05$).

Regression Analysis

To understand the collective effect of all the independent variables on job satisfaction and to identify the variables which can predict the behaviour of job satisfaction of teachers, a regression analysis was carried out.

Table 4.2 Regression results statistics

	Job Satisfaction
F	35.457*
Adjusted R ² (Percent)	.493
Individual beta coefficients	
Salary	.240*
Co- worker relationship	.446*
School resources & Working condition	- .028
Advancement & Promotion	.153

Notes: * $p < 0.05$

Source: Survey Data (2021)

The significant F-ratio ($F_{4, 138} = 35.457$) reflects that the overall model is accepted as a good fit for the data. R square value reported as 0.507 which indicates that 50.7 percent of the total variation of teacher’s job satisfaction can be explained by the independent variables.

According to coefficient of the independent variables, salary and relationship with co-workers have a significant value less than 0.05, indicating that these independent variables add a significant contribution in predicting teachers’ job satisfaction. However, school resources with working condition and advancement with promotion opportunities were not proved significant. This denotes that latter two independent variables do not add a significant contribution in predicting teacher’s job satisfaction.

Based on the regression results following conclusions were reached for the developed hypothetical relationships.

Table 4.3 Summary of hypotheses testing

Hypothesis	Variable	Accepted/ Rejected	Criteria for validation
H ₁	Salary	Accepted	P value is $0.006 < 0.05$
H ₂	Co- worker relationship	Accepted	P value is $0.001 < 0.05$
H ₃	School resources & working condition	Rejected	P value is $0.167 > 0.05$
H ₄	Advancement & promotion	Rejected	P value is $0.820 > 0.05$

Source: Author constructed

This study aimed at identifying the factors affecting job satisfaction of private school teachers and explore the most influencing factor for teachers' job satisfaction. Results suggested that salary is one of the major factors which influences the level of job satisfaction of private school teachers in Dematagoda and Kolonnawa areas. This supports the previous findings of the factors affecting job satisfaction among teachers of some selected senior high schools in ACCRA by Nutsuklo (2015). Sentovich (2004) and Zaheer et al. (2015) found that job satisfaction increases with the level of increase in salary. Their study on job satisfaction among teachers who works in teaching hospitals in Nigeria found a low level of job satisfaction of the teachers due to poor salary in private schools (teaching hospitals). Studies conducted by Ul haq & Hasnai, (2014) and Mchia (2013) supports the argument with similar findings. As per Mangaleswarasharma (2017), a salary increment accompanied with respect and recognition leads to motivate school teachers and to increase their job satisfaction in a study on teacher motivation and job satisfaction in three districts in northern Sri Lanka.

The study of by Amaka (2013) stated that adequate salaries, regular, promotion and provision of staff development programme for teachers by the government will greatly enhance their level of job satisfaction. Corroborating for this fact, Demaki (2012) pointed out that money does not only meet material needs of workers but also gives them psychological satisfaction. Salaries for the teaching profession should be professionally competitive and market sensitive in an effort to attract and sustain quality teachers to remain in the field of education. (Cui-Callahan, 2012). Most of the past studies shows that the salary is the major contribution related to job satisfaction of employees. These studies give further support to the findings of the current study.

The results of this study lead to the conclusion that co-worker relationships is the most important factor in predicting teachers' job satisfaction. This finding is in line with several other studies as well. A study on factors affecting job satisfaction at a private school in Pietermaritzburg by Naidoo, (2019) found having friendly and helpful colleagues also contributes towards job contentment among employees. According to Veldman et al. (2013), relationships between co-workers in an organization, including those between supervisors and subordinates is a significant pointer of job satisfaction or dissatisfaction. All these past studies shows that the relationship with co- workers is also a major contribution related to job satisfaction of employees. This is an interesting finding, especially with the recent developments in the field of job satisfaction tapping the spiritual aspects of human beings. Sense of community at workplace has been identified as one of the major spiritual dimensions creating a happy and contented workplace by many scholars (Ashmos & Duchon, 2000). Hence, the findings of the present study also stress the fact that teachers are also eager to have such familial relationships at workplace where they spend a quality amount of time of the day.

This study also carries some contrasting findings too. Firstly, the analysis reports that there is no significant impact of school resources and working condition on job satisfaction. This finding is contrasting from the past studies related to job satisfaction. Some previous studies have revealed that low job-satisfaction levels can be mainly imputed to the physical working conditions as cited in (Zaheer et al., 2015). Ul haq & Hasnai (2014) found the relationship between School climate and job satisfaction of teachers is positive while findings

of the study by Toropova et al. (2020) asserts the same. Mchia (2013) suggested that the most dominated employer factor was poor and difficult working condition which is not attractive and a main factor for the teacher's turnover. Working conditions should be regularly addressed to accommodate the capacity building and skills development of staff (Naidoo, 2019). Naz (2017) reported working conditions have a positive effect on job satisfaction. Susmitha & Raghavaya (2018) found when teachers are not satisfied with their working conditions; they are more likely to change schools or to leave the profession together. All these previous studies were contrasting from the finding of this study. This controversial finding may be attributed to the difference in research context.

Sentovich (2004) and Naidoo (2019) stated that professional development activities and opportunities increase, the level of teacher satisfaction also tends to increase. All the related past studies found the advancement and promotion opportunities have positive impact on level of job satisfaction. But the finding of this study is different, claiming there is no significant impact. Opportunities for advancement is one such fact which falls under the motivational factors in Herzberg's Two factor theory also it is placed at the high levels of Hierarchy of needs theory. Previous research suggests that the significance of such intrinsic motivators may influenced by the context. According to Nirju (2014) as cited in Baroudi, Tamim & Hojeij (2022), factors influencing job satisfaction in developing countries are mostly related to extrinsic factors rather than intrinsic motivators. The insignificance of the only intrinsic factor available in the present study could be explained in line with their argument as the study has taken place in the context of a developing country and in an industry where availability of satisfactory basic working conditions has been subjected to criticisms.

Conclusion

Even though job satisfaction is a concept under the limelight of many scholars worldwide, there is a dearth in the presence of related studies in private education sector. Present study aims at contributing to fill this gap by identifying the prominent factors affecting the private school teachers' job satisfaction. Findings of the study partially in line with previous studies and partially controversial given the extant literature. Our intention of introducing a rather spiritual dimension to the study was achieved beyond expectations as teachers found the same factor as most influential in predating their job satisfaction among other material and psychological independent variables. Hence this study directs the school administration to look for more factors that can intrinsically satisfy the teachers rather than solely focusing on material and monetary motives. As there is a dearth of studies in this sector in Sri Lanka it is of high importance to research further considering the thousands of students of the nation who is pursuing their education in private schools. Whatever the effective initiative taken for the satisfaction of the teachers will reflect in the better performance of the students who will be shouldering the nation's development in future.

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MEDIATING ROLE OF M-BANKING SATISFACTION ON THE RELATIONSHIP BETWEEN SERVICE QUALITY AND CUSTOMER LOYALTY DURING THE COVID-19 PANDEMIC

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Abstract

Providing high-quality m-banking services is considered a basic strategy for attracting and retaining customers with mobile-banking platforms. The purpose of this study is to empirically explore m-banking service quality and capture the impact of m-banking (mobile banking) service quality on customer loyalty through customer satisfaction during the COVID-19 pandemic times in Sri Lanka. The m-banking service quality is studied within a spectrum of 5 different factors: reliability, privacy & security, efficiency of m-banking app, responsiveness and user-friendliness. The study uses questionnaires with 5-point Likert scale to collect data from 260 m-banking users. The collected data are analyzed by using multivariate linear regression method. The finding of the study indicated that reliability, privacy & security and user-friendliness of m-banking service significantly and positively influence on customer loyalty particularly during the COVID-19 pandemic time. However, the indirect effect of the reliability, privacy & security and user-friendliness with m-banking loyalty was partially mediated by m-banking customer satisfaction. In strategic planning of m-banking mechanisms and the associated decision making, the results of this study can be helpful. In case of similar epidemics and natural calamities, the users may depict similar responses as shown during the lockdown and social distancing during COVID-19 in Sri Lanka.

Introduction

During the COVID-19 pandemic time it has been noticed that in the digital era of banking the m-banking is setting new heights in the business world and such banking trends are seemed to influence consumer behavior. Banks can play an immediate role in slowing the spread of COVID-19 by helping customers make better use of existing digital and remote channels. COVID-19 is making the need for m-banking services more urgent, and this situation is much different than a normal condition. According to health recommendations, one of the most effective ways to contain the current Covid-19 epidemic is to avoid personal contact. In line with these recommendations, most Sri Lankan commercial banks have reduced the opening hours of their branches and they recommend that their customers use mobile banking services more now. During this period, Central Bank, Lanka Clear and all the financial institutions have taken several initiatives and awareness programs like “Rata Purama QR” and “Cash Wade” to promote their mobile banking applications. However, there is less

tendency of continuous usage of those m-banking applications and there is a smaller number of mobile banking users when consider in relation to the total customer base of the banks or other financial institutions.

In contrast to traditional banking activities, online banking provides more features and functionalities at a lower cost (R. Anand 2020). The utilization of mobile apps has been constantly increasing because of the supply of large sort of smartphones. Online banking and mobile apps of financial entities allow users to enjoy many advantages such as they can access their account from any location at any time and it also helps us to follow the social distancing order issued without going to banks directly. However, there is less tendency of continuous usage of those m-banking applications and there is a smaller number of mobile banking users when consider in relation to the total customer base of the banks or other financial institutions.

Hence, there are unexplored reasons behind the customer loyalty of the mobile banking. Such reasons might include financial institution specific factors or the customer specific factors. There are different mobile banking service quality characteristics under COVID-19 as compared to normal conditions. The quality of service is the most vital element for the progress in the mobile banking service industry (Ozkan et al, 2020). In essence, the service providing firms offer various dimensions of service which leads to the customer satisfaction and customer satisfaction influence to enhance customer loyalty ([Heskett et al., 1997](#); [Kashif et al., 2015](#); [Kaur & Soch, 2018](#)). For sustaining in the competitive environment, service quality acts as key success factor ([Palmer, 2001](#)). For this reason, different types of service dimensions are required to sustain the financial stability during the COVID-19 situations.

Most of the previous studies have examined the internet banking and other types of digital banking services including applications for smart phones and e-banking robots. Many studies have investigated mobile banking service quality and its impact on customer loyalty. However, there are less studies done on the mediating effect of customer satisfaction on the relationship between mobile-banking service quality and customer loyalty in Sri Lanka. Customer loyalty is one of the ways to build a competitive advantage. There is a little knowledge about most effective factors of m-banking service quality which leads to create ultimate customer loyalty in m-banking. Finding what factors impact consumer satisfaction with service and lead to loyalty is invariably important for business ([Esmaeili et al., 2021](#)). However, it is important to begin with evaluating the aspects that are specific to the market and service.

This study supported to the emerging concept of different m-banking service quality characteristics under the COVID-19 pandemic as compared to the normal condition. Currently, this pandemic has become the new normal situation. The horizon of this study area is quite large as studies on multiple contexts like retail industry, healthcare, tourism, education, online shopping etc. were found and there is less literature available in the banking context during pandemic times is discussed in the literature. This study analyzes the different m-banking service quality characteristics under COVID-19 as compared to the normal conditions. Therefore, this study mainly focuses on how the m-banking service quality factors influence on m-banking loyalty though customer satisfaction during this pandemic situation.

Objectives of the study

1. To identify the various factors of m-banking service quality.
2. To examine the relationship between the m-banking service quality factors and m-banking customer loyalty.
3. To examine the mediator impact of customer satisfaction on the relationship between m-banking service quality factors and m-banking customer loyalty.

Literature Review and Hypotheses Development

The main purpose of this study is to investigate the effects of mobile banking service quality among Sri Lankans during Covid-19 pandemic times on customer loyalty through customer satisfaction. Several previous researchers found the relations between mobile banking service quality and customer loyalty that indicates greater degree service quality leads to greater degree customer loyalty. There are five dimensions of m-banking service quality namely reliability, privacy and security, efficiency of m-application, responsiveness, and user friendliness of m-banking

Reliability is the most crucial part of mobile banking (Khatoun, Zhengliang and Hussain, 2020). Thus, “reliability” in true sense, is an essence of technology enabled banking channels (Nagar and Ghai, 2019). It is the ability to perform the promised service dependably and accurately (Arcand *et al.*, 2017). Banks should ensure that m-banking applications provide services within the promised time and that they contain required information to resolve customer problems and queries (Shankar, Datta and Jebarajakirthy, (2019). Customer perceives the mobile banking service to offer transaction that is free from error then they are likely to adopt such a service. With assured accuracy of transaction, more customers will tend to use the application (Kurniawan, 2017). Therefore, In order to enhance customer satisfaction and loyalty, mobile banking providers should start improving the dimensions of reliability, such as providing up-to-date and accurate information, and strengthening the security of banking transactions. Based on the above argument it is proposed that:

H1: Reliability in m-banking services positively influences m-banking customer loyalty.

Mobile banking providers have to operate sincerely and in the best interests of customers during the banking transaction processes (Puriwat and Tripopsakul, 2017). The components that influence brand loyalty are related to consumer safety; mechanisms of transmission of information, security of data in the transaction, financial guarantees in the transaction, payment security through the electronic system (Intyaswati, 2017). Reduction of risk related to day-to-day transactions performed through mobile device enables customers to build up trust in the banking services being offered (Saleem and Rashid, 2011). Banking also needs to include a guaranteed level of application security in the mobile banking application provided to gain the trust of users and be able to foster and increase their loyalty (Purwanto, Deviny and Mutahar, 2020).

Application security is an important factor for building trust, especially in mobile banking applications provided by banks because they relate to customers' personal and financial data (Purwanto, Deviny and Mutahar, 2020). Banks are therefore bound to establish safe and secure systems which will then enhance the uptake of different banking innovations created to enhance service provision (Kurniawan, 2017). Therefore, it is hypothesized that:

H2: Privacy and Security in m-banking services positively influences m-banking customer loyalty.

Efficiency of m-application is defined as various interactive features of the m-banking service helps to provide consumers with structure of transaction during and summary afterwards the structure of processing a transaction and more (Wolfenbarger and Gilly, 2003). Higher level of satisfaction can be achieved through an updated m-banking application (Kim et al., 2009) and enhanced interactive experience. Efficiency of m-banking applications also forms part of the customer perceptions and expectations of m-banking service quality. M-banking users expect quick and error-free banking services, accessible anytime from anywhere over m-banking platforms. Hence banks should ensure the availability of error-free banking services 24/7 via m-banking platforms(Shankar *et al.*, 2020). Banks need to implement banking applications that are efficient in carrying out transactions to the end, this is due to the fact that the quality of service a customer draws from the use of the mobile banking application have a great impact on their satisfaction levels(Kurniawan, 2017). The traits of interactive m-banking applications enhance trust, satisfaction, and loyalty toward the e-banking results (Lee et al., 2006). The user interface of customer's mobile banking application should be designed in a way that improves the usage of different banking application services (Kurniawan, 2017). Hence, this study hypothesizes that:

H3: Efficiency of M-Application in m-banking services positively influences m-banking customer loyalty.

Responsiveness can be explained as the rapidity of retort toward any delinquent reported by user during or after service experience. The users here can be referred as both individuals and organizations (Blut et al., 2015). Similar to the individual users, organizations are also much concerned, which sometimes also have a deeper impression on employees as well (Awan et al., 2017). The support provided by the banking professional are considered more secured and assured while any trouble is faced in India (Shankar and Jebarajakirthy, 2019) and similar case is expected in Sri Lanka as well.

Consumers face any problems relating to technical and functional issues while transacting, consumers expect quick and adequate service from m-banking service providers and their customer care teams. Consumers look for complaint tracking facilities as well as several options for contacting customer care team members; for example, via phone, online chat, email and SMS(Shankar *et al.*, 2020). Therefore, responsiveness dimension is hypothesized as follows,

H4: Responsiveness in m-banking services positively influences m-banking customer loyalty.

In banking sector, Joseph and Stone (2003) have highlighted that the availability of internet banking services delivery and user friendliness appears to be correlated with high customer satisfaction and retention. Similarly, Rod et al. (2009) found that when overall internet banking service quality is perceived to be high, customers are more likely to be satisfied with their online service and consequently will be more satisfied with their banks.

The consumers might be attracted and encouraged to adopt mobile banking services with more user-friendly interfaces. The icons and user interfaces were designed with the actual users' participations. Although ambiguous icons would raise various interaction problems, properly designed icons improve the performance of the end-users.(Merdenyan *et al.*, 2014).

Ease navigation means customer always link ease browse in mobile application (Asfour and Haddad, 2014a). M-banking applications should provide required information on banking services and offers, and should be well organized and easy to use(Shankar, Datta and Jebarajakirthy, 2019). Hence, banks should ensure that their m-banking application is attractive and easy to navigate (Shankar *et al.*, 2020). Therefore, it is hypothesized that:

H5: User Friendliness in m-banking services positively influences m-banking loyalty.

Mediating role of m-banking satisfaction

Customer loyalty was found to be directly and indirectly influenced by satisfaction(Lee and Wong, 2016). Therefore, banks should build their customer loyalty through providing satisfying m-banking services (Lee and Wong, 2016). Customer satisfaction has identified as an important influencer on customer loyalty(Leninkumar, 2017). Attitudinal loyalty is influenced by service quality, trust and creativity of the site, as well as by general satisfaction, which has a direct influence(Garcia *et al.*, 2020).

The users will not simply be loyal just by utilizing the mobile banking services. It is only when they are satisfied, then only they would be loyal to the mobile banking services (Masrek, Omar and Ahmad Uzir, 2012). Improving customer satisfaction has become a strategic imperative for managers and researchers given the benefits of developing customer loyalty for long-term financial success(Aksoy *et al.*, 2013). Those who are not willing to trust the bank in a competitive marketplace are unlikely to be loyal. Similarly, if the customer customers are satisfied with the services of the bank, they tend to be loyal to the bank (Leninkumar, 2017). Hence, the below empirical proposition was formulated and tested in this study.

H6: M-banking satisfaction positively mediates the relationship between m-banking service quality factors (Reliability, privacy & security, efficiency of m-application, responsiveness, user friendliness) and customer loyalty.

Methodology

This study attempts to explore an under-researched topic of banking practices of mobile banking in the prevailing COVID-19 pandemic in the country. This study uses a sample survey as described below and provides the primary data needed for the analysis. Gathered the data for the study through a consumer survey to understand not only the impact of factors of service quality on customer loyalty but also the mediation relationship of customer satisfaction on customer loyalty for m-banking in Sri Lanka during the pandemic times. The survey questionnaires have been sent to the responders mainly through LinkedIn network. Furthermore, the social media provides additional opportunities to conduct surveys far more efficiently. All respondents were Sri Lankans who had experienced using, and/or knowledge of m-banking. The survey questionnaire was designed in English and was randomly released to participants and 260 completed questionnaires were collected. The questionnaire consisted of eight sections and all the items were measured on a 5- point Likert scale.

Collected data was analyzed with help of IBM SPSS Statistics 23.0 software. Descriptive statistics were used for the presentation of demographic data. They were described in frequencies and percentages. In dealing with the relationship between the m-banking service quality factors and customer loyalty the regression analysis has been applied. The mediation effect of the customer satisfaction between the m-banking service quality and the m-banking customer loyalty was analyzed using the SPSS PROCESS version 3.0 written by Andrew F. Hayes method.

Reliability of the Measurements

Data were screened clean to and to ensure the reliability of measurements, The test was conducted on the new modified model consisting of the five mobile banking service quality factors shown in the following table.

Table 1: Reliability of the Measurements

	Number of Items	Chronbach's Alpha
Reliability	05	0.846
Privacy & Security	05	0.911
Efficiency of the m-banking app	06	0.886
Responsiveness	05	0.907
User-Friendliness	06	0.888
Customer Satisfaction	05	0.914
Customer Loyalty	06	0.908

In order to test the reliability of research scale, Cronbach’s Alpha coefficient was calculated. For this instrument Cronbach’s Alpha was above 0.8 and the research tool was reliable and will give credible results. What can be seen from Table 4.9 is that the α scores on all the 5 independent variables are higher than 0.7, which indicates that those constructs are highly reliable and that the items pertaining to each of these constructs can be used to measure the constructs to which they pertain.

Data Analyses and Findings

Demographics analysis

The surveyed m-banking users had a larger ratio of males (62.69%) as compared to females (37.31%). Most of the users (117) were young adults, with an age range 28–37 years, which makes 45% of the total followed by 79 respondents with age range 18– 27 years. The least (9) were in the age range 58 and above years. The monthly income ranged from a minimum of 30,000 or lesser to 91,000 or higher considering much variations in the remuneration system in Sri Lanka. The respondents with a salary of 91,000 or higher encompassed 42.69% of the total which shows that they are working on higher wage rate in the private sector. Least of them (13) fall under the income level ranging from 81,000 to 90,000. More than half of the respondents (60.77%) are working in private sector and least (10.38 %) were self-employed in the sample. There was also a representation of students (34) in the sample.

Descriptive Analyses

The detailed In Table 2, descriptive analysis of independent variables is shown. In this study, researcher has collected 260 (Two Hundred Sixty) responses from the m-banking users in Sri Lanka. In the survey, respondents were asked to mark their responses on the Likert scale. The survey process involves the design of individual questions, the list of responses options for each item and one of the responses should be selected. Participants in the survey, while responding to a question indicate their level of agreement or disagreement on a range of responses. If a respondent is strongly disagreeing with the given statement, he or she should mark 1 and if strongly agree mark 5.

Table 2: Descriptive Analyses

	N	Minimum	Maximum	Mean	Std. Deviation
Reliability (IV) - REL	260	2	5	4.22	.684
Privacy & Security (IV) -PS	260	1	5	4.16	.737
Efficiency of the m-banking app (IV) -EFF	260	2	5	4.01	.725
Responsiveness (IV) -RES	260	1	5	3.72	.837
User-Friendliness (IV) - USF	260	1	5	3.87	.767

As far as service quality factors are concerned, the highest mean of 4.22 is recorded for Reliability (REL) variable followed by Privacy & Security and Efficiency of m-banking App. That indicates respondents have high concern on above three factors when they are using m-banking services. The lowest mean of 3.72 is recorded for the Responsiveness (RES). This reflects that respondent has less concern on Responsiveness compared to other service dimensions.

Outcome of Multiple Regression Analysis

Multiple regression analysis was conducted to determine the significance of the independent variables to the dependent variables.

Table 3 - Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin - Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.731 ^a	.534	.525	.490	.534	58.295	5	254	.000	1.959

a. Predictors: (Constant), USF, PS, RES, REL, EFF

b. Dependent Variable: CL

Table 4- ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	70.017	5	14.003	58.295	.000 ^b
	Residual	61.015	254	.240		
	Total	131.032	259			

a. Dependent Variable: CL

b. Predictors: (Constant), USF, PS, RES, REL, EFF

The ANOVA table shows that F value is 58.295 and it is significant at 1% level of significance. This indicates that the combination of the predictors significantly predicts m-banking customer loyalty. On the other hand, the R² statistics of 53,4% suggests that the 53.4% of the variation in the Customer Loyalty(outcome) was explained by the level of m-banking service quality factors (predictors). The adjustment is also affected by the magnitude of the effect and the sample size(Leech, Barrett and Morgan, 2005). The Adjusted R Square indicates that we have a fairly good model, explaining about 53% of the variance in m-banking customer loyalty. The Durbin Watson statistic was 1.959 shows that, the assumption of autocorrelation has not been violated,

Table 5-**Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.827	.207		3.990	.000
	REL	.286	.067	.275	4.281	.000
	PS	.147	.056	.152	2.633	.009
	EFF	.095	.074	.097	1.284	.200
	RES	.023	.051	.027	.448	.655
	USF	.280	.071	.302	3.965	.000

The regression coefficients reveal that ‘reliability (REL), is the best predictor for customer loyalty with a beta weight of 0.286. This value is significant at 1% level of significance. It shows that customers with higher reliability enhanced customer loyalty to m-banking. The results also show that, Privacy & Security and User-Friendliness has significance positive influence on Customer Loyalty. However, other two predictors (Efficiency of m-banking app and Responsiveness) have no significance influence on Customer Loyalty. Therefore, according to regression results, out of five hypotheses, H1, H2 and H5 are accepted. It means that Reliability, Privacy & Security and User-Friendliness affect customer loyalty.

Analysis of Mediator effect

A bootstrapping method was performed using SPSS Process Macro version 3 through Andrew F Hayes’s model 4 to examine if Customer Satisfaction mediated the relationship between independent variables (M-Banking service quality factors) and m-banking Customer Loyalty. The indirect effect of customer satisfaction is tested only for impact of Reliability, Privacy & Security and User-Friendliness on customer loyalty because other two independent variables have no significance influence on dependent variable.

Table 6 - **Reliability**

Variable Effect	b	SE	t	p	95%	Confidence Level
REL→CL	0.2624	0.0548	4.7919	.0000	0.1546	0.3703
REL→CS	0.719	0.0499	14.4081	.0000	0.6207	0.8173
REL→CS→CL	0.5668	0.05	11.1442	.0000	0.4667	0.667
Effects	b	SE	t	p	95% Confidence Level	
Direct	0.2624	0.0548	4.7919	.0000	0.1546	0.3703
Indirect	0.4075	0.0631			0.2957	0.5433
Total	0.67	0.0496	13.5198	.0000	0.5724	0.7676

Table 1.0 - Bootstrap Estimates of Direct, Indirect, and Total Effects of Reliability on Customer Loyalty, * Based on 5000 bootstrap samples

Here we test the hypothesis that whether the customer satisfaction mediates the relationship between reliability and m- banking customer loyalty. The indirect effect is tested using non-parametric bootstrapping. If the null of 0 falls between the lower and upper bound of the 95% confidence interval, then the inference is that the population indirect effect is 0. If 0 falls outside the confidence interval, then the indirect effect is inferred to be non-zero. Here the indirect effect was .4075 and it is statistically significant at 95% confidence interval= (.2957, .5433). According to the data it can be concluded that there is a partial mediation effect of customer satisfaction on the relationship between Reliability and customer loyalty.

Table 7 - *Privacy & Security*

Variable Effect	b	SE	T	p	95%	Confidence Level
PS→CL	0.1641	0.0479	3.4268	.0007	0.0698	0.2584
PS→CS	0.5912	0.0501	11.7925	.0000	0.4925	0.6899
PS→CS→CL	0.6323	0.0479	13.1901	.0000	0.5379	0.7267
Effects						
Direct	0.1641	0.0479	3.4268	.0007	0.0698	0.2584
Indirect	0.3738	0.0537			0.2742	0.4848
Total	0.5379	0.0499	10.7817	.0000	0.4397	0.6362

Table 2.0 - Bootstrap Estimates of Direct, Indirect, and Total Effects of Privacy and Security on Customer Loyalty. * Based on 5000 bootstrap samples.

The above results revealed that the indirect effect was 0.3738 and it is statistically significant at 95% confidence interval= (0.2742, 0.4848). This result support our hypotheses that the customer satisfaction mediates the relationship between Privacy & Security and m- banking customer loyalty. Furthermore, the direct effect of service quality on customer loyalty in presence of the mediator was also found significant. Hence, Customer satisfaction partially mediated the relationship between privacy & security and loyalty.

User-Friendliness

Variable Effect	b	SE	t	p	95%	Confidence Level
USF→CL	0.157	0.0601	2.6112	.0096	0.0386	0.2754
USF→CS	0.7512	0.0372	20.1729	.0000	0.6779	0.8246
USF→CS→CL	0.6017	0.0626	9.6087	.0000	0.4783	0.725
Effects						
Direct	0.157	0.0601	2.6112	.0096	0.0386	0.2754
Indirect	0.452	0.0582			0.3396	0.567
Total	0.609	0.0436	13.9735	.0000	0.5232	0.6948

Table 3.0 - Bootstrap Estimates of Direct, Indirect, and Total Effects of User-Friendliness on Customer Loyalty. * Based on 5000 bootstrap samples.

The indirect effect of customer satisfaction on the relationship between user- friendliness and customer loyalty was 0.452 and it is statistically significant at 95% confidence interval= (0.3396, 0.567). According to the data it can be concluded that there is a partial mediation effect of customer satisfaction between the relationship between User-Friendliness and customer loyalty.

Discussion on Findings

This study was conducted not only to improve the m-banking loyalty through utilizing and offering high-quality services to m-banking users during the COVID-19 pandemic times. The findings are consistent with earlier researchers (Shankar and Jebarajakirthy, 2019) with some exceptions probably because of this hard time of COVID-19. The insignificant relationship between Efficiency of m-banking app and Responsiveness was observed, mediation wasn't expected (UI Haq and Awan, 2020). The findings are novel as people usually do not pay attention toward efficiency of m-banking app because of their busy schedules; however, they are concerned about Reliability, Privacy & Security and User-Friendliness. The m-banking users need to be satisfied with the efficiency of m-banking app and with Responsiveness which are then become sources of loyalty during COVID-19. Therefore, the indirect effect of Reliability, Privacy & Security and User Friendliness on Customer Loyalty via Customer Satisfaction proved to be partially mediated. However the Efficiency of m-banking app and Responsiveness also partially mediates the relationship with Customer Loyalty. The rejected indirect effects Efficiency of m-banking app and Responsiveness on m-banking loyalty via m-banking satisfaction may be due to the reason that people do not find their problems fully resolved by the customer service and support department and the m-banking app development teams effectively and efficient manner during the pandemic times. The structured responses recorded or generated through ICT or artificial intelligence applications have a limited amount of information and may not solve the problem (UI Haq and Awan, 2020). Hence, this study helped to enhance the literature and supported M-banking service quality to be used in these epidemic studies also. M-banking facilities and services should be offered in a way which attract users with cost efficiency and convenience as the main focus.

Conclusions

The purpose of this study is to empirically explore m-banking service quality and capture the impact of m-banking (mobile banking) service quality on customer loyalty through customer satisfaction during the COVID-19 pandemic times in Sri Lanka. The m-banking service quality is studied within a spectrum of 5 different factors: reliability, privacy & security, efficiency of m-banking app, responsiveness, and user-friendliness. Customer loyalty is winning the confidence of the customer in favor of an organization such that the relationship becomes a win-win situation for both the organization as well as the customer. The results confirmed, three predictors (Reliability, Privacy & Security and User-Friendliness) influence positively on Customer Loyalty and the other two predictors (Efficiency of m-banking app and Responsiveness) not influencing positively on Customer Loyalty.

The indirect effect of the reliability, privacy & security and user-friendliness with m-banking loyalty was partially mediated by m-banking customer satisfaction. This shows that, m-banking service providers should understand customer's perception and factors which make them more satisfied and loyal toward m-banking services. And they can improve their services accordingly to have a continuous usage of m-banking (customer loyalty). A more satisfied customer means a more loyal customer, which eventually flows through to the bank's profit. Combined these are key to operating a successful service business.

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DETERMINANTS OF EMPLOYEE ENGAGEMENT: SPECIAL REFERENCE TO SOFTWARE ENGINEERS TELEWORKING IN JAFFNA

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Abstract

Employee engagements was one key concern of all the business organizations, especially during lockdown and resultant telework practice. This research investigates the determinants of employee engagement of software engineers who are teleworking. The crucial factors of employee engagement are determined through a preliminary literature survey and through conscious observation or evaluation of the study context. Internal communication, perceived supervisor support, and teamwork are the three key determinants identified for the study. An explanatory study was undertaken based on quantitative data, collected from 100 software engineers, through a pre-determined self-administered questionnaire. The descriptive statistics and correlation were measured using the SPSS software package. The results demonstrate that Internal communication, perceived supervisor support, and teamwork have a strong and statistically significant relationship with employee engagement. The scope and context limitations of this study opens up avenue for further studies.

Key Words: Employee engagement, Internal communication, Perceived supervisor support, and Teamwork.

Introduction

Dramatic changes caused by the COVID-19 pandemic, which has also resulted in unprecedented changes in world of work around the globe (Kirby, 2020). In that specific climate, firms struggle to promote employee engagement (Kumar, 2021). The businesses are compelled to prioritized employee engagement to ensure business continuity (Kumar, 2021). Thus, understanding on the determinants of employee engagement at teleworking setting became crucial (Kumar, 2021; Quantum Workplace, 2022). As a result of this event, the purpose of this study was to determine the appropriate drivers required to retain employee engagement in the new telework setting. More

specifically this study aims to examine the relationship between the identified primary employee engagement determinants and employee engagement among software engineers teleworking in Jaffna .

Sri Lanka is a booming market for worldwide IT services, in which software engineers are core employees. The IT sector is fostered and promoted, as the IT services has high potential to bring in revenue. Especially revenue in the form of foreign exchange (The Morning, 2022). Sri Lanka is well-positioned to become South Asia's IT/ITeS services

epicentre due to its favourable business environment and robust infrastructure (JLL & ICTA, 2021). Thus, the government together with SLASSCOM promotes the development of IT services and productivity of software engineers (SLASSCOM, 2022). Accordingly, the employee engagement of software engineers becomes crucial. Despite of its importance the lack of employee engagement amongst software engineers, who were involved in teleworking, is a new emergent issue to be addressed.

In numerous ways, investigation into the causes of employee engagement becomes significant. As it enlightens project managers and human resource professionals, the study on nourishing employee engagement would be of great value. Thus, decision-making regarding employee engagement programmes is facilitated. Therefore, increasing employee engagement could have a positive effect on the financial bottom line of IT firms. In addition, the HR manager or project team leader will be able to identify the elements that contribute to employee engagement and subsequently reinforce those factors. The insights will also be utilised by the IT industry and other industries to increase employee engagement. Specifically, this understanding could aid managerial decision-makers in embracing a paradigm shift in creating remote work practises. Potential project managers in the IT industry will comprehend the factors that contribute to employee engagement and afterwards design human resource initiatives. Future researchers will also utilise the findings to identify elements that can increase employee engagement, particularly in teleworking environments. This investigation seeks to address the following research question. What are the determinants of employee engagement of software engineers involved in teleworking in Jaffna?

Research Problem

Employee engagement is a major challenge for businesses, particularly in teleworking environments. In response to the pandemic, several companies transformed to remote working practice for the first time. Businesses and governments were taken off guard by the rapidity with which the pandemic demanded social and physical separation (Kirby, 2020). As all the companies around the globe, software companies in Jaffna are also following the working from home concept to ensure the safety of their employees (Al Jazeera, 2022; The Island, 2022). The critical question is what determines the employee engagement of those teleworking software engineers?

Existing literature indicates many factors that determines the employee engagement over time. There were three main categories of determinants of employee engagement identified in the normal work setting. They are individual level determinants, job-related determinants, and organisational level variables (Bakker et al., 2006; Farndale, 2015; Harter et al., 2002; Kahn, 1990; Langelan et al., 2006; May et al., 2004; Rich et al., 2010; Roof, 2015; Salanova et al., 2005; Schaufeli, 2008; Simbula et al., 2011; Xanthopoulou, 2009; Zhang & Can, 2005). These factors have been studied in the past in the context of normal job settings. There are, however, lack of studies on employee engagement in teleworking environments. The industrialist and academia consider that the new teleworking practise has an impact on employee engagement (Kumar, 2021; Quantum Workplace, 2022). However, the researchers has observed that the employee engagement in a teleworking setting has not been studied (Kumar, 2021).

Therefore, the researcher would like to ascertain, what are the key determinant of employee engagement of software engineers, special reference to the software engineers teleworking in Jaffna. Accordingly, the aim of this research study is, to investigate the relationship between the identified key employee engagement drivers and employee engagement of software engineers teleworking in Jaffna.

Literature Review

The popularity of the subject of employee engagement has increased among practitioners and academics (Kumar, 2021; Robertson-Smith & Markwick, 2009). The existing definitions indicated employee engagement as personal engagement, job involvement, emotional commitment, employee involvement, work engagement and executive engagement (Dharmasiri & Jayawardana, 2021). Gallup (as cited in Vance, 2006, p.3) defines employee engagement is the involvement with and enthusiasm for work. An American scholar, Kahn (1990) first define the engagement as the “the harnessing of organization members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances”. Kruse (2012) defines employee engagement as “the individual's emotional commitment to the organisation and its objectives”. Widespread belief is that when employees feel engaged with their job position and the organization's mission, they are not only likely to be happier, healthier, and more fulfilled, but also more likely to provide improved performance, contribution, and creativity (Young & Gifford, 2022). According to Saks (2006) defined employee engagement as distinct and unique construct that consists of cognitive, emotional, and behavioural components that are associated with individual role performance. Thus, the assessment of exiting literature shows that employee engagement is defined in many different perspectives.

Employee engagement is analyzed from the job-demand resources (JD-R) model in the existing literature. Job demand resource theory indicates that resources and demands that are related to work environment and personal attributes (Bakker & Demerouti, 2017). Thus, the antecedences can be job demands, job resources, personal demands, and personal resources (Bakker & Demerouti, 2017). Previous empirical studies have theorised the employee engagement based on the JD-R perspective (Mayuran & Kailasapathy, 2020). Accordingly, the existing study theorizes the (internal communication, perceived supervisor’s support, and teamwork) as antecedences (specifically relating to job environment) of the employee engagement of teleworking software engineers.

Internal communication is identified as a key determinant of employee engagement. The internal communication is defined as “all internal formal and informal communication occurring at all organisational levels” (Kalla, 2005, p.304). The existing empirical findings indicates that internal communication is an important ingredient of employee engagement. A study empirically validated the relationship between internal communication and employee engagement in Iran’s Petrochemical Industry (Davardoost & Javadi, 2019). Further, another study conducted based on HR managers in IT firms has indicated that employee engagements can be enhanced using internal communication (Lalić, Milić, & Stanković, 2020). Moreover, Chamindi and Welmilla (2015) discovered that there is a positive and statistically significant association between internal communication and employee engagement, particularly among

operational level personnel in the Sri Lankan textile industry. Therefore, the following relationship is inferred that there is a relationship between internal communication and employee engagement.

In addition to internal communication, the perceived supervisor's support is regarded as a significant factor in employee engagement. The definition of perceived supervisor's support is "the extent to which employees perceive that their supervisor values their efforts at work and cares about their well-being." (Eisenberger et al., 2002). Perceived supervisor support is theorized as job resource under Job Demand Resource theory (Saks, 2006; Schaufeli & Bakker, 2004). Numerous empirical investigations have demonstrated the favourable relationship between perceived supervisor support and engagement studies. A study on employee engagement of marketing employees in the banking industry of Tangerang revealed that the perceived supervisor support is a strong indicator of employee engagement (Kurniawan & Anindita, 2021). In addition, a study on Indian banking sector employees shows that the support at work fuels employee engagement (Ghosh et al., 2016). Further, a study on employees' engagement in employees of Telecommunication companies in Malaysian revealed that supervisor support is a significant determinant of employee engagement. (Mohamed & Ali, 2016). Moreover, in a study of 1039 Australian nurses, it is found that the supervisor support is positively related to employee engagement (Holland et al., 2016). In addition, previous studies have established supervisor support as a job resource, which could predict the employee engagement (Saks, 2006; Schaufeli & Bakker, 2004). Therefore, the following relationship is inferred that there is a relationship between perceived supervisor's support and employee engagement.

Teamwork is another significant determinant of employee engagement. Teamwork is simply the operation and cooperation of a team (Change et al., 2019). Consequently, demonstrates the capacity to collaborate toward a common vision, as well as the ability to direct individual achievements toward organisational objectives. Therefore, it is the fuel that allows ordinary people to achieve amazing results. Empirical findings indicates that teamwork is a crucial predictor of employee engagement. A study on employees' engagement in Maldives telecommunication network indicated that the teamwork and collaboration as a significant cause of employee engagement (Mansoor & Hassan, 2016). In addition, another study on employee engagement of employees in the Kenyan energy sector indicated that teamwork has the statistically significant relationship with employee engagement (Change et al., 2019). Therefore, the following relationship is inferred that there is a relationship between teamwork and employee engagement.

Prior research has demonstrated any other factors influencing employee engagement. In addition, these factors can be divided into three categories: individual factors, job factors, and organisational factors (Bakker et al., 2006; Farndale, 2015; Harter et al., 2002; Kahn, 1990; Langelan et al., 2006; May et al., 2004; Rich et al., 2010; Roof, 2015; Salanova et al., 2005; Schaufeli, 2008; Simbula et al., 2011; Sun & Bunchapattanasakda, 2019; Xanthopoulou, 2009; Zhang & Can, 2005). According to the existing literature, all of these many aspects determine employee engagement (Sun & Bunchapattanasakda, 2019). Prior research has examined these causes in a typical workplace setting. This study identifies teamwork, internal

communication, and perceived supervisor support as the most influential elements for employee engagement in a teleworking setting. Consequently, this study considers teamwork, internal communication, and perceived supervisor support as determinants of employee engagement.

There have been research that establish a causal link between job factors and employee engagement. Kahn (1990) identified task characteristics, role characteristics, and work interaction as job-related factors that impact employee engagement. Work environment is proposed as a job-related component that influences employee engagement (Harter et al., 2002). May et al. (2004) concluded that job enrichment is a work-related factor. As job related factors, job control, job involvement, job feedback, work rewards, and job security were identified (Salanova et al., 2005; Schaufeli, 2008). Consequently, job-related variables impact employee engagement.

Researchers have conducted investigations that revealed a causal link between organisational characteristics and employee engagement. First, a second study found that direct supervisor, senior management team, and coworkers serve as organisational factors (Harter et al., 2002). Secondly, Kahn (1990) discovered that group and inter-group dynamics, management style and procedure, and organisational norms are organisational factors that influence employee engagement. Thirdly, another study suggests that job role compatibility, rewarding coworkers, and a supportive manager are organisational factors (May et al., 2004). Fourth, support, feeling of justice, interpersonal consumption, and conflict have been experimentally confirmed as organisational level characteristics that influence employee engagement (Zhang & Can, 2005). Fifth, supervisor support was cited as a determinant at the organisational level (Salanova et al., 2005; Schaufeli, 2008). In addition, Farndale (2015) found that financial returns, team culture, and participation in decision-making are positively correlated with employee engagement. Therefore, factors at the organisational level drive employee engagement.

Individual factors and employee engagement have been shown to have a causal relationship in many prior investigations. First, May et al. (2004) indicated that self-consciousness is a factor related to the individual level. Second, a separate study discovered that neuroticism, extraversion, and mobility are individual traits that influence employee engagement (Langelaan et al., 2006). Thirdly, Kahn (1990) listed physical energies, emotional energies, insecurity, and outside life as characteristics that impact employee engagement at the individual level. Fourth, a further empirical investigation confirmed that self-efficacy, self-esteem, and optimism are individual-level variables that influence employee engagement (Simbula et al., 2011; Xanthopoulou, 2009). Fifth, other elements including resilience, control points, emotional stability, and spirituality (Bakker et al., 2006; Rich et al., 2010; Roof, 2015). Consequently, individual level influences determine employee engagement.

Research Methodology

Conceptual Framework

Figure 1 shows the study framework of this research. Based on the above literature, three key employee engagement drivers were considered to develop the following conceptual framework for the study.

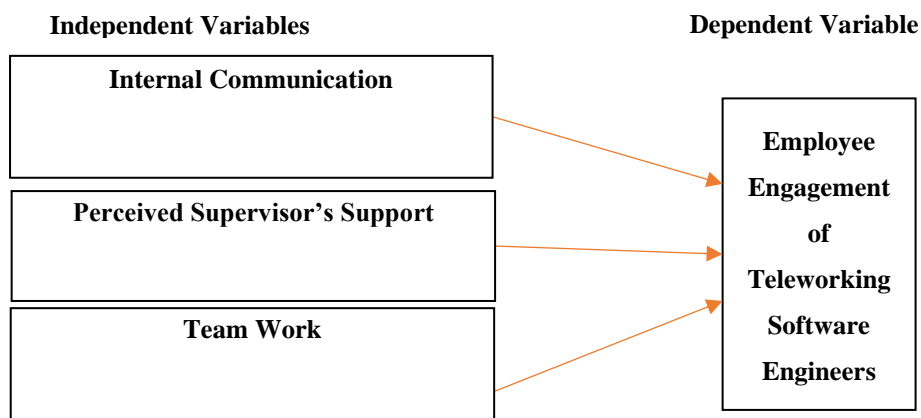


Figure 1: Conceptual Framework of the study.

Statements of Hypotheses

Based on the conceptual framework above, the following hypotheses have been formulated for this research study.

H1-There is a relationship between internal communication and employee engagement.

H2 -There is a relationship between perceived supervisor's support and employee engagement.

H3- There is a relationship between teamwork and employee engagement.

Sample and Data

This study attempted to investigate the basic causal relationship between identified employee engagement drivers and employee engagement of software engineer teleworking in Jaffna.

This study adopted positivist philosophy and deductive approach, to investigate the determinants of employee engagement. Quantitative design of study was therefore chosen. Moreover, hypotheses are derived from the deductions made. Upon that, the survey approach is determined, and a questionnaire is constructed. Figure 1 depicts the study's variables:

internal communication, perceived supervisor support, teamwork, and employee engagement. The study involved secondary data gathered from manuscripts of research studies and reports. In addition, the primary data for the study is collected through a questionnaire. A Likert's scale questionnaire was designed with aforementioned variables as well as demographic information. This cross-sectional survey, administrated through Google Form. Data is gathered from a convenient sample of 100 software engineer teleworking working in Jaffna during COVID-19 pandemic. Statistical Package for Social Sciences (SPSS Version 21) package was deployed to perform descriptive statistical analysis, and Pearson's Correlation analysis, on data acquired from self-administrative structured questionnaire.

Findings and discussion

Males made up 59% of the sample, while females made up 41%. Amongst them, 28 were software engineer, 22 were trainee software engineer, 17 were associate tech lead, 08 were tech lead, 08 were senior tech lead, 07 were associate consultant, 05 were associate software engineer, 04 were consultants, and 1 was other designation. Furthermore, 20% of the respondents were under the age of 20, majority of the respondents (44%) were between the ages of 21 and 30, 17% were between the ages of 31 and 40, 10% were between the ages of 41 and 50, 07% were between the ages of 51 and 60, and 02% were beyond age of 60 years. In addition, the majority of responders (39%) have 2-5 years of experience, 31% have less than 02 years of experience, 17% have 6-10 years of experience, 10% have 11-25 years of experience, and 03% have over 25 years of experience.

Descriptive Statistics of Variables

Table 1 summarizes the descriptive statistics for the variables (Employee engagement, Internal communication, Perceived supervisor support, and Teamwork). The researcher studied the distribution of responses and data points using descriptive statistics, taking into consideration the Mean value and Standard Deviation (SD) of each variable. As indicated in Table 1, the Mean value of all the variables are greater than 4. In addition, standard deviation value of all the variables (independent and dependent) are less than one ($SD \leq 1$), indicating that all responses are closely clustered around respective individual Mean value. The Perceived supervisor's support recorded highest Mean value of 4.12. Further, Teamwork and internal communication recorded the mean value nearly 4.07. This result shows that the respondents agree that perceived supervisor's support, teamwork and internal communication are favourable elements that persists in the working context of teleworking software engineers.

Table 1: Descriptive Statistics – Dependent and Independent Variables

Variable	Mean	Std. Deviation	N
Employee engagement	4.15	0.91	100
Internal communication	4.06	0.82	100
Perceived supervisor's support	4.12	0.80	100
Teamwork	4.08	0.83	100

The Pearson's correlation coefficient performed to determine the relationships between the identified three employee engagement variables and the employee engagement. Table 2 shows the statistical results of Person correlation.

Table 2: Results of Correlation Analysis

Independent Variable	Correlation Coefficient (<i>r</i>)	Sig. (1-tailed) p-value (P)	N
Internal communication	0.801	0.000	100
Perceived supervisor's support	0.846	0.000	100
Teamwork	0.906	0.000	100

The first hypothesis (H_1) claimed that there is a relationship between internal communication and employee engagement. At the 5% level of confidence, the results confirm the existence of a strong ($r=0.801$) and statistically significant relationship ($p<0.05$). Thus, the observed data supports the hypothetical relationship and reveals that internal communication does have a robust relationship with employee engagement. As a result, H_1 is accepted. This finding is supported by many previous research studies. A study conducted in Petrochemical Industry in Iran, another study conducted amongst HR managers in IT firms and a study conducted in Sri Lankan Apparel sector revealed the same significant relationship between internal communication and employee engagement (Chamindi & Welmilla, 2015; Davardoost & Javadi, 2019; Lalić, Milić, & Stanković, 2020).

The second hypothesis (H_2) claimed that there is a relationship between perceived supervisor's support and employee engagement. At the 5% level of confidence, the results confirm the existence of a strong ($r=0.846$) and statistically significant relationship ($p<0.05$). Thus, the observed data supports the hypothetical relationship and reveals that perceived supervisor's support does have a robust relationship with employee engagement. As a result, H_2 is accepted. Many previous empirical studies found the significant relationship between Perceived supervisor support and employee engagement. Around two studies conducted in the

banking industries of Tangerang and Indian indicated the same significant relationship between supervisor support and employee engagement (Ghosh et al., 2016; Kurniawan & Anindita, 2021). In addition, a study in Telecommunication companies in Malaysian and health sector in Australian targeting employee engagement of nurses (Holland et al., 2016; Mohamed & Ali, 2016).

The first hypothesis (H₃) claimed that there is a relationship between teamwork and employee engagement. At the 5% level of confidence, the results confirm the existence of a strong ($r=0.906$) and statistically significant relationship ($p<0.05$). Thus, the observed data supports the hypothetical relationship and reveals that teamwork does have a robust relationship with employee engagement. As a result, H₃ is accepted. This finding is consistent with the findings of empirical studies. They are, a study on employees' engagement in Maldives telecommunication (Mansoor & Hassan, 2016) and another study on employee engagement of employees in the Kenyan energy sector (Change et al., 2019). Those studies indicated that the teamwork is a crucial determinant of employee engagement.

Current study contributes to the empirical and management implications. First, the findings demonstrate empirically that internal communication, perceived supervisor support and teamwork are critical determinants of employee engagement of software engineers, particularly software engineers involved in teleworking practice. Second, as per the findings, it necessitates managerial implications for internal communication, perceived supervisor support and teamwork. For instance, supportive norms and practices can be enforced to foster an internal communication and teamwork. Moreover, supervisory support can be enhanced through an initiative backed by well-structured reward system. This could include supervisor relationship that can be nurtured by re-design of job profile. These elements can assist foster the internal communication, supervisor support, and teamwork, hence improve employee engagement. Despite these implications, this study is not without flaws.

Scope and sample limitations of the existing study can be considered in future research. First, there are numerous predictors of employee engagement and only three employee engagement drivers were addressed in the study. Second, the findings might have been influenced by the survey method's perceptual imperfections. Thirdly, the contextual differences, particularly the industry specific conditions and sample characteristics, could have influenced the findings. As a result, this opens up the possibility of studying the effect of several other drivers of employee engagement using alternative research methodologies and in alternative contexts.

Conclusion

Considering the dearth of employee engagement among software engineers who work remotely in Sri Lanka's IT sector, the purpose of this study was to identify and examine the essential antecedents of employee engagement. Internal communication, perceived supervisor support, and teamwork were the most significant predictors of employee engagement, according to a literature review. The findings of this study reveal that all three of the aforementioned employee engagement drivers have a strong association with software engineer employee engagement. Despite its limited scope and context, this study validates the

J-DR model's causality and supports past findings. Henceforth, it suggests that a focus on teamwork, internal communication, and supervisor support may boost employee engagement.

In an IT organisation with a project-based or team-based structure, operating and collaborating with team members becomes essential for the delivery of team results. In such businesses, the performance of the team is the most important performance indicator, which is tied to an employee's awards and promotions. Thus, a teamwork environment could increase employee engagement. In addition, internal communication serves as the glue that holds the team members together. Therefore, the significance of internal communication rises in determining employee engagement. Especially in a telework environment, where IT team members are physically separated from one another, internal communications become indispensable. In addition to these factors, supervisor support is essential in a teleworking environment for reasons such as employee adaptation to a fresh setting, new teleworking practises, and new channels of communication. In addition, the teleworking environment's lack of work-life boundaries, increased technostress, and presence of isolation from work relationships resulted in a significant need for psychological support from their superiors. Therefore, employee engagement in a telecommuting environment necessitates teamwork, communication, and supervisor support.

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MODERATING EFFECT OF AGE AND THE LEVEL OF EDUCATION ON CUSTOMER SATISFACTION OF INTERNET BANKING

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Abstract

This study attempts to analyze the relationship between internet banking service quality and customer satisfaction in Sri Lankan banking sector. Further, this study considered two demographic factors; age and level of education of the customer to identify any moderating effect on this relationship. The data was collected through a structured questionnaire distributed randomly among 370 internet banking customers in Sri Lanka. The E-S-QUAL dimensions; efficiency, system availability, privacy, fulfilment, responsiveness, compensation and contact have been tested against customer satisfaction on E-Banking services. Statistical analysis carried out in this study reveal that Internet banking service quality has a significant positive effect towards the level of customer satisfaction. Further, statistical analysis indicated that the level of education has a positive moderating effect on customer satisfaction with regard to e-banking services of Sri Lankan banks. However, our findings do not provide evidence to support age as a moderator on this relationship. Therefore, regular update with industry developments and improved internet banking service quality would be suggestive to attract and retain internet banking customers in the Sri Lankan banking sector.

Key words: Customer satisfaction, service quality, age, level of education

Introduction

Financial sector is the backbone of the economy in any country & the banking sector plays a major role in the economy. On the other hand, banking has become the role model of the service sector. Due to the high competition in the industry as well as homogeneity of the services offered, banks pay more attention on customer service and relationship maintenance to win the market. The customer services offered by organizations reflect how effectively and efficiently they can deliver products and services to meet the desired expectations of the customers. The customer service could be varied from one organization to another and the expected level of the service would be varied from one customer to another. In this context, financial sector organizations, especially the banks consider increasing customer satisfaction through service quality as a key competitive advantage.

The banking industry of the economy devoted to holding of financial assets on behalf of others, investing those financial assets to create more wealth. In Sri Lanka, the banking

industry contains Licensed Commercial Banks (LCB) and Licensed Specialized Banks (LSB). Both these types of banks are operated under the supervision of the Central bank of Sri Lanka. There are Twenty-six (26) licensed commercial banks exists in the country as of 31st December 2021 (Central Bank of Sri Lanka, 2021) out of which eleven (11) are local banks including nine (09) private Banks. All these banks are innovative and competitive. new developments in information technology and further progress in liberalization in financial markets have strongly affected the competitive environment in which banking sector operate today.

As most of the services/products available in all the banks are homogeneous, the best way to attract customers over competitors and retain them is, providing quality customer service. The ability of the banks to survive in the market place depend on the level of service quality (Ragavan and Magesh 2013). Further, as per Koska (1990) and Nelson et al., (1992), there is a positive relationship between the customer satisfaction and organizational profitability. Further, Buzzel and Gale (1987), Jakobson & Aaker (1987), Fornell (1992) found that higher customer satisfaction higher the market share and higher the profits. Customer satisfaction is a key driver to long term success of the business as per (Tsoukatos & Rand 2006). Hence, there is a significant effect of the customer satisfaction to the organizations.

According to Ladhari (2008) in differentiating the organizations service from its competitors, the most important tool is the service quality. The quality of the service offers competitive advantage to the organization, by enhancing customer satisfaction for the service provided and trough the enhanced loyalty to the organization. In services industries such as banking, particularly the 'internet' has been explored and exploited as a means of improving service provision. Therefore, now the Banks are not only competing in traditional banking services but also have expanded the scope of competition to an e-environment through internet banking services.

In Sri Lankan banking sector, offering internet banking is no longer regarded as a competitive advantage but has become a competitive necessity. Internet banking helps banks to reduce operating and fixed costs, counter rush at branches and deliver more efficient and enhanced financial services to their customers, while saving time and cost.

Research problem and Objectives.

At present, most of the banks offer internet-based banking facilities as it has become a timely requirement for banking customers. Further, banks make efforts on pushing the customers to internet based Digital banking platforms with the intention of enhancing customer satisfaction, reducing operational cost, easing of operations, facing the competition, and ultimately maximizing of profit. Some of the banking services are fully automated, whereas some services still available in both manually and internet based (Ex: savings account cash withdrawals can be done manually at the cash counter or through ATM). Which means customers are compelled to move with internet based digital platforms to carry out their

banking activities. Despite all these efforts and developments, the level of adoption to internet banking is below the expectations in Sri Lankan banking sector.

Especially in urban areas banks promote internet banking with a view of providing better and speedy service with the new technological advantages. But at the same time banks need to address several critical physical and psychological issues such as trust, security expectations of customers, reluctant to change, knowledge and preference for human interface, which are common to all the banks in the industry who offer internet banking services. This highlights the need for banks to maintain customer relationship and service quality.

Many research available in the literature on the effect of service quality on customer satisfaction, customer loyalty, market share and profits of the organization. The perceived quality of E-Banking services has a strong influence on customer satisfaction and on the usage of E-Banking (Ayo et al., 2016; Amin, 2016; George & Kumar, 2014). According to Kenova and Jonasson (2006) a number of factors influence how customers rate the quality of bank website services; for some customers, the response and efficiency of the service is of the greatest importance whilst others rate security and privacy as being key. Another commonly cited factor influencing customer views on bank website service quality is the website design and ease of use. However, a minimum attention has been given in the literature regarding how Customer satisfaction on online banking services changes with the age and level of education of the user in local banking context. Further, though many banks provide internet banking services they may differ in many aspects. Therefore, the effect of online banking services on the customer satisfaction could be varied from one bank to another.

Thus, the present study mainly attempts to analyze the relationship between internet banking service quality dimensions and customer satisfaction banking sector in Sri Lanka. The study further analyzes the differences of the identified relationships (if any) among different age groups and with the level of education of the online banking customers.

Literature Review and Hypothesis Development

Much empirical studies evidence the influence of service quality dimensions on customer satisfaction (Parasuraman et al., 1985; Johnston (1995); Spreng and Mackoy, 1996; Yi, 1999; Yang 2001). Further, there are many studies to identify the dimensions of internet-based service quality and their relationship with the customer satisfaction (Van Dyke et al., 1997; Yang and Jun, 2002; Joseph et al., 1999). And later, Parasuraman et al (2005) proposed Seven dimensions called E-S-QUAL. Based on this E-S-QUAL, many research studies carried out to identify the effect of these dimensions on online service quality, customer loyalty, Customer satisfaction, organizational survival etc.

Service quality

As per Kottler, et al. (1996) Service is an activity or benefit that one party can offer to another which is essentially intangible and does not result in the ownership of anything.

Services are a continuous process of on-going interactions between customers and service providers comprising a number of intangible activities provided as premium solutions to the problems of customers. The satisfaction level of customers on the service they received is dependent on their perception of service quality and the trust in service provider (Ismail et al., 2006; Aydin & Özer, 2005; and Parasuraman et al., 1988).

As explained by Kasper, et al. (1999) service quality is the extent to which the service, the service process and the organization meet the expectations of the customer. Further, service quality is considered as a very important tool to differentiate itself from competitors (Ladhari, 2008). Service quality has received a great attention from practitioners and academicians (Negi, 2009). Service quality strongly associated with satisfaction of customers, financial performance, retention of customers, loyalty of customers and successful marketing strategy (Cronin, et al, 2000; Wong, et al.,2008). According to Athanassopoulos, et al. (2001) the quality is high when performance exceeds expectations, and the quality is low when performance does not meet the expectations of the customers. Meuter, et al. (2000) stated high level of service quality will result in higher the customer satisfaction and could maintain constant competitive advantage. Service quality is the overall assessment about the service provided by the institution and this assessment is made by the customer (Eshghi, et al. 2008). Service is considered as “Quality” when it constantly meets the expectations of the customer as (Asubonteng, et al., 1996). The founder of SERVEQUAL model Parasuraman, et al. (1985) define service quality as the measure of service delivered against the expected service performance. Czepiel (1990) defines the service quality as how it meets or exceeds the expectations of the customers. As per Munusamy, et al. (2010) service quality is the difference between the expectation of the service and the perception of the service received. Therefore, service quality is the key to gain the customer satisfaction and the competitive advantage in the service industry.

E- Service quality

Delivering a higher service quality better than competitors gives an opportunity for the banks to achieve competitive differentiation and advantage (Ranganathan & Ganapathy, 2002). Akinci, AtilganInan and Aksoy (2010) argue that the survival of an online related firm depends on the understanding the perception and assessment of electronic service quality (e service quality) by consumers, and this is particularly true for e-banking. Santos (2003) defines e-service quality as ‘the consumers’ overall evaluation and judgment of the excellence and quality of e- service offering in the virtual market place’, and this definition describe the e- service quality in general as well as service quality in e- banking in particular.

E-service quality model of Parasuraman et al. (2005) is rooted from mean-end framework, and they develop E-S-QUAL (e-service quality) with four dimensions: efficiency, system availability, fulfillment and privacy, and E-Rec S-QUAL (quality of recovery service provided by firm’s web sites) with three dimensions: responsiveness, compensation and contact for measuring the service quality delivered by Web sites on which customers shop electronically. Importantly, Parasuraman et al. (2005) e-service quality model was used by Akinci et al. (2010), and ensured that it is applicable for e-banking context. Further, the

preceding seven dimensions of e-service quality (Parasuraman et al., 2005) are also used by many recent e-banking related studies to measure the construct of service quality in e-banking. (e.g., Yang & Tsai, 2007; Akinci et al., 2010; Marimon, Yaya & Fa, 2012; Ariff et al., 2013; Dhurup, Surujlal & Redda, 2014; Cetinsoz, 2015). These seven dimensions are;

- **Efficiency** -The ease and speed of accessing and using the site.
- **Fulfilment** - The extent to which the site's promises about order delivery and item availability are fulfilled.
- **System availability** - The correct technical functioning of the site.
- **Privacy** -The degree to which the site is safe and protects customer information.
- **Responsiveness**-Effective handling of problems and helping customers.
- **Compensation** - The degree to which the site compensates customers for problems
- **Contact**- The availability of assistance through telephone or online representatives.

Customers Satisfaction

Satisfaction is a feeling that surfaces from an evaluation process, i.e. when the consumer of a good or service compares what is received against what is expected from the utilization of that good or service (Kotler et al., 2009). Satisfaction is a multi-dimensional construct and specifies customer attitude towards a product or service (Sayani, 2015). Customer satisfaction is vital in the banking sector due to the special nature of financial services wherein intensive contact with customers who have different needs and requirements. As a result, the success of an organization is determined in part by the customer satisfaction (Suresh, 2016). Zameer, et al (2015) argued that banks are trying to gain customer satisfaction and hence, the competitive advantage, by adopting e-services (As cited by Samer, 2017).

It is largely revealed that customer satisfaction is shown as a result of repeat purchasing, tireless effort in obtaining the product in question. Pairot (2008), defined customer satisfaction as the company's ability to fulfil the business, emotional and psychological needs of its customers. He also acknowledges that customer satisfaction levels vary as they have different attitudes and experiences as perceived from the company. (As cited by Kemunto, 2015)

Customer satisfaction in e-banking

Online banking service has become one of the many service platforms used by organizations to push products, increase profitability and reduce costs in a competitive environment, Parasuraman (2005). Anderson and Srinivasan (2003) define e satisfaction of the customers as 'the contentment of the customer with respect to his or her prior purchasing experience with a given electronic commerce firm'. Customer satisfaction is considered to be the core of success and online technology can be used to improve service quality for customer satisfaction (Jamal and Naser, 2002). This rapid technological development has led the online channel the best for provision of banking products and services to their customers as this establishes, extends and retains the relationship (Robinson, 2000). It is a strategic advantage for banks to maintain long standing relationships with the customers for success.

Consistent customer-oriented behavior is a requirement for improving the implementation of quality as most banks are now largely customer oriented as opposed to product oriented (Jamal and Naser, 2002). Hence, this has made banks constantly appraise their service standards and ensure that they are meeting customer needs and expectations consistently. When online banking is concerned, customer is either satisfied or dissatisfied could be influenced by the demographic factors as well.

Demographic factors pertaining to this study

Age : age is considered as a significant variable among various IS adoption studies in studying the attitudes towards computers (Kay, 1992) and the Internet (Mukherjee and Nath, 2003). Krut et al. (1998) found that age, gender and race were positively associated with technology usage. Teo (2001) supported age as a crucial factor in Internet adoption.

Level of Education: Several researchers have highlighted the importance of level of education not only in the formation of positive attitude toward the technology usage but also as a factor that is significant in the actual usage of Information Technology. Kay (1992) has reported that in general, people with higher educational qualifications have a favorable predisposition in regard to computer use. Al-Jabri et al. (1997) and Seyal et al. (2002) have found the relationship of educational qualifications cause positive attitudes towards the use of the computer. Mendoza and Toledo (1997) in their study of demographics and behavior of the Chilean Internet population found a significant relationship between higher education and Internet usage.

Formation of Hypotheses

The research process is a quantitative study. Based on the theoretical and empirical foundation built above, following hypotheses are developed for this study:

- H1:** A significant positive relationship exists between Internet banking service quality dimensions and customer satisfaction
- H1:** A significant positive relationship exists between Internet banking overall service quality and customer satisfaction
- H2:** The relationship between service quality of internet banking and customer satisfaction is moderated by the level of education of the customer
- H3:** The relationship between service quality of internet banking and customer satisfaction is moderated by the Age factor of the customer

Methodology

The present research study is mainly focused on understanding the relationship with the quality of internet banking services and customer satisfaction of Sri Lankan Banking Sector and to analyze if any moderating effects exist on this relationship with Age & level of

education of the customer. Accordingly, the dependent variable of the study is “*Customer Satisfaction*” and the independent variable is the “*E-banking Service Quality*”. The Components considered for E banking service quality are Efficiency, System Availability, Fulfillment, Privacy, Responsiveness, Compensation & Contact.

The population of the research study is Online banking Customers in Colombo District, which approximately ten thousand users. As per the Krejcie & Morgan table the sample size was decided to be three hundred and seventy with an intention of minimum twenty five customers from one bank. Convenience sampling method was used to select the respondents to conduct the survey. Primary data was collected using a structured questionnaire, based on seven dimensions of E-S-QUAL by Parasuraman et .al (2005). These dimensions used to evaluate the quality of online banking services and few other standard questions are included to evaluate the customer satisfaction on the online banking services.

Further the demographic factors such as age and education level of the respondent was measured to understand variances (If any) with satisfaction in the questionnaire. The data analysis was carried out with frequency analysis, correlation analysis, regression analysis, and ANOVA analysis, using SPSS version 23.0.

Results and Discussion

Sample Profile

Sample included 320 e- banking facility users in Colombo District and there were 172 respondents, which is 53.74% of the sample. There were 40 females and 132 male respondents, which 23.3 % and 76.7 % as a percentage respectively.

According to analysis of demographic factors, the highest frequency and the percentage of the respondents were belonging to the age group of 36-45 years. Which is 45.3 % as a percentage. The next highest percentage and frequency belongs to age group of 26-35 years which is 23.3% as a percentage. The users belong to age groups of 46-55 years, 18-25 years and over 56 years have responded at percentages of 17.4 %, 9.3 % and 4.7% respectively.

level of education of the respondents, except the categories ‘Ordinary Level or below’ qualification and ‘Master’s degree level or above’ qualification, all the other categories which Advanced level, Diploma level and Bachelor’s degree level qualification consists of approximately equal percentages which 25.0 %,25.6% and 25.0 % respectively. Master’s degree level or above qualification consists of 21.5 % respondents and O/L or below respondents 2.9 %.

The data related to independent variables (E-S-QUAL dimensions) which efficiency, system availability, fulfilment, privacy, responsiveness, compensation and contact, 90.6% are satisfied and accepted the “efficiency” of the e- banking services of their banks, 81.3 % are agree with the “system availability”, 90.0 % are agree with “fulfilment”, 91.8 % are agree with “privacy”; 70.0% are agree with the “responsiveness”, and 78.4% are agree with the “contact” aspect of e-banking services. There were only 52.0% respondents favorable to

“Compensation” which is almost a neutral state. Dependent variable “Customer satisfaction” concerned overall, 91.2% of the respondents are satisfied with the e-banking services of their respective Bank.

Cronbach's Alpha was measured to test the reliability of the questionnaire and the result shows that the Cronbach Alpha value for reliability was 0.878 and Cronbach's Alpha Based on Standardized Items was 0.884 for all the variables indicating high reliability of the questionnaire.

Descriptive Statistics

In order to understanding the current level of customer satisfaction on internet banking services of the banking sector descriptive analysis was done and summery of the analysis is shown in Table- 1.

Table-1 Descriptive Statistics Summary of all the variables

Variable	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Efficiency	370	1.20	5.00	3.9193	.68241	.466
System availability	370	2.00	5.00	3.9064	.72605	.527
Fulfilment	370	2.75	5.00	4.0999	.64306	.414
Privacy	370	2.33	5.00	4.3392	.64623	.418
Responsiveness	370	1.00	5.00	3.5490	.85670	.734
Compensation	370	1.00	5.00	3.3743	.93948	.883
Contact	370	1.33	5.00	3.7076	.83877	.704
Satisfaction	370	1.25	5.00	4.1067	.70027	.490
Valid N (listwise)	370					

According to the statistics of Table 1, efficiency and system availability have the mean values very closer to 4. The mean values of Privacy and fulfilment recorded as 4.33 and 4.09 respectively. All the other independent variables are above 3.3. These mean values reveal that e-service quality dimensions of Sri Lankan banking sector are above the average level as per the perceptions of the customers. Further, computed mean values of the dependent variable (satisfaction) was 4.10. revealing that higher level of overall satisfaction among the online banking customers.

Hypotheses Testing

Correlation analysis has been used to test Hypothesis 1 of the study. Table 2 presents the results of the correlation analysis to analyze the relationship between service quality dimensions and “customer satisfaction”. According to the analysis correlation coefficient of each independent variable with the dependent variable indicates as EFF (0.749), SYS (0.513),

FUL (0.686), PRI (0.568), RES (0.636), COM (0.517) and CON (0.603) at a significant level of 0.01 two tailed. Hence Hypothesis 1 is accepted, concluding that positive relationships exist between each of the e-service quality dimensions and customer satisfaction in online banking.

Table- 2 Correlations between independent variables and dependent variable.

		CUS
Efficiency (EFF)	Pearson Correlation	.749**
	Sig. (2-tailed)	.000
	N	370
System Availability (SYS)	Pearson Correlation	.513**
	Sig. (2-tailed)	.000
	N	370
Fulfilment (FUL)	Pearson Correlation	.686**
	Sig. (2-tailed)	.000
	N	370
Privacy (PRI)	Pearson Correlation	.568**
	Sig. (2-tailed)	.000
	N	370
Responsiveness (RES)	Pearson Correlation	.636**
	Sig. (2-tailed)	.000
	N	370
Compensation (COM)	Pearson Correlation	.517**
	Sig. (2-tailed)	.000
	N	370
Contact (CON)	Pearson Correlation	.603**
	Sig. (2-tailed)	.000
	N	370
Satisfaction (CUS)	Pearson Correlation	1
	Sig. (2-tailed)	
	N	370

A regression analysis was performed to identify the strength of the relationship between e-banking service quality and customer satisfaction. Table 3 show the results of the regression analysis.

Table-3 Regression results- Service Quality and Satisfaction.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.458	.220		2.083	.039	.024	.893
	Service quality	.950	.057	.790	16.763	.000	.838	1.061

a. Dependent Variable: Satisfaction

According to the results of the regression analysis, the impact of internet banking service quality on customer satisfaction has been 0.790 at a 95.0% level of confidence. Hence,

Hypothesis 2 is accepted concluding that internet banking service quality has a positive impact on customer satisfaction. This finding is consistent with the findings of Cronin and Taylor (1992), Ojo (2010) etc. Further, this result confirm the finding of Anderson, Fornell, and Lehmann (1994) who conclude that improved service quality results in a satisfied customer base.

Hypothesis 3 expects that relationship between service quality of internet banking and customer satisfaction is moderated by the level of education of the customer. Table 4 below shows the results of the linear regression analysis to test this moderation effect.

Table- 4 Moderating effect of level of education for customer satisfaction

Model: 1 Y: Cus. Satisfaction X: Service quality W: Level of education .Sample Size: 370

OUTCOME VARIABLE: Customer Satisfaction

Model Summary	R	R-sq	MSE	F	df1	df2	p
	.7984	.6374	.1810	97.8738	3.0000	167.0000	.0000
Model	coeff	se	t	p	LLCI	ULCI	
Constant	1.9072	.6328	3.0140	.0030	.6579	3.1565	
Serv Quality	.5860	.1632	3.5897	.0004	.2637	.9082	
Education	-.4415	.1816	-2.4308	.0161	-.8001	-.0829	
Int_1	.1113	.0472	2.3562	.0196	.0180	.2045	

Product terms key: Int_1 : (Service Quality) x (Level of Education)

According to the statistics of table 4 the probability of interaction of service quality and level of education significance value (P) =0.0196 which is below 0.05 of significance level. As the decision rule when a coefficient of the probability of interaction is below 0.05 the hypothesis can be accepted. Therefore, H3 is accepted at a 95.0% of confidence level.

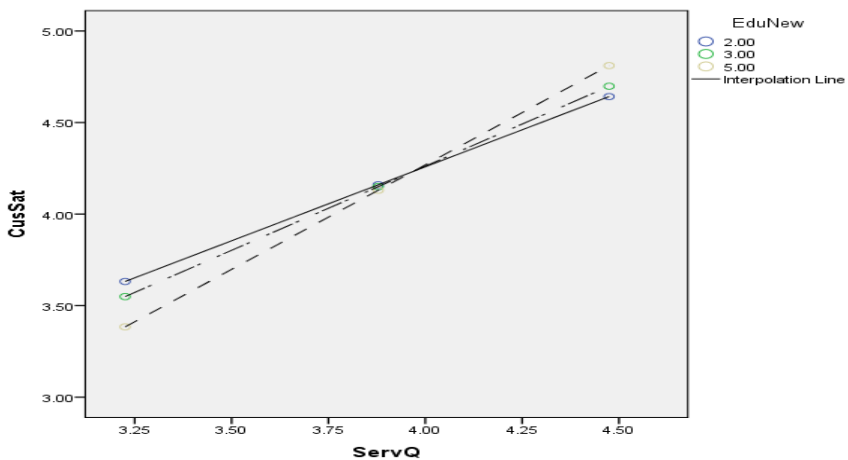


Figure-1 behavior of customer satisfaction with moderator Age of the user.

Hypothesis 4 predicts that the relationship between service quality of internet banking and customer satisfaction is moderated by the Age of the customer. Table 5 below shows the results of the linear regression analysis to test this moderation effect.

Table-5 Moderating effect of Age of the user for customer satisfaction

Model: 1 Y: Cus. Satisfaction X: Serv. Quality W: Age of customer. Sample Size: 171

OUTCOME VARIABLE: Customer Satisfaction

Model Summary	R	R-sq	MSE	F	df1	df2	p
	.7905	.6249	.1873	92.7239	3.0000	167.0000	.0000
Model	coeff	se	t	p	LLCI	ULCI	
Constant	.1878	.6577	.2855	.7756	-1.1106	1.4862	
Serv Quality	1.0163	.1653	6.1495	.0000	.6900	1.3425	
Age	.0945	.2164	.4367	.6629	-.3328	.5218	
Int_1	-.0234	.0547	-.4281	.6691	-.1313	.0845	

Product terms key: Int_1 : (Service Quality) x (Age of customer)

According to table 5 the probability of interaction of service quality and age, significance value (P) =0.6691 which is above 0.05 of significance level. As per the decision rule when a coefficient of the probability of interaction is above 0.05 the level of acceptance goes below 95.0% of confidence level. Hence hypothesis cannot be accepted. Therefore, H4 is rejected.

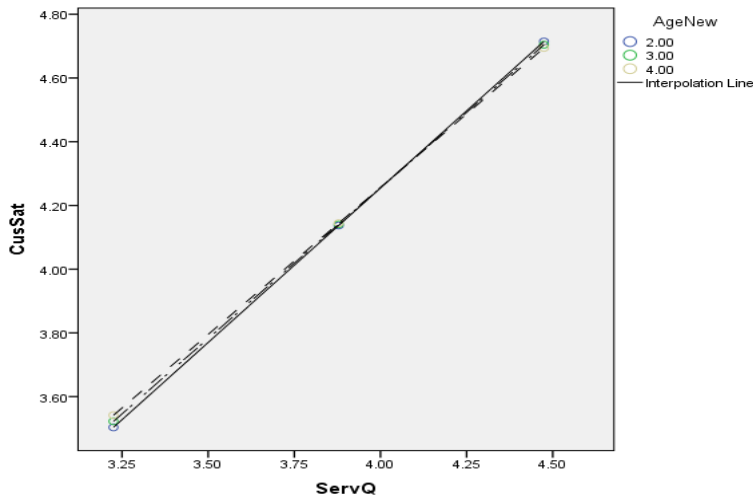


Figure-2 behavior of customer satisfaction with moderator Age of the user.

Discussion and Conclusion

This study was conducted to evaluate customer's perception of the service quality of the internet banking services of the banking sector and to test if any difference exists among the customers with different age groups and level of education. And the study found a strong positive effect of internet banking service quality on customer satisfaction. Further, findings of the present study confirmed that the customer satisfaction on internet banking service quality is moderated by the level of education of the customer. However, according to the results of the analysis, the relationship between internet banking service quality and customer satisfaction is not moderate by the age of the customer.

However, the real issue addressed in the present study is the low usage of internet banking in Sri Lanka. And our main focus was to test role of service quality of the internet banking provided by the individual banks towards attracting and retaining the customers. According to the findings of the study the satisfaction among the customers who use internet banking is above the average. This suggests that the bank is able to retain these existing internet banking customers. However, this satisfaction level as per the findings of this study is not at the maximum. Hence, these particular findings further reveal that, attraction and retaining of internet banking users can be more enhanced through improved service quality. These finding could particularly be true in the context of Sri Lanka. Sri Lanka is a third world developing country and it's true that there are many people who do not have at least basic knowledge on computer usage. Considering the overall computer literacy statistics of Sri Lanka, it's notable that distribution of technological developments to the rural areas of the country is very slow. Therefore, it is obvious that computer systems-based services would not be accepted by the customers straight away; but it would do gradually. For example, some people are still reluctant shifting to digital Smart Phones from the conventional mobile phones. Hence, this could be the main reason that most of the customers are reluctant to enroll with internet banking facilities

This social reality further confirmed with the outcome of this research study as well. Though it was found that there is a significant positive relationship exists between Internet banking Service quality and customer satisfaction there is a positive moderating effect of level of education of the customer to the level of satisfaction over the internet banking service. Hence the level of education or level of computer knowledge matters for customer satisfaction on e- banking services and the Age is no longer a barrier for online banking services.

Hence, it is crucial for the bankers to learn that E-S- QUAL dimensions specially efficiency, system availability, responsiveness, privacy and contractability should be up to an expectable level of the banking customers. Because customers use services like e- banking commonly for speedy service (efficiency), accuracy and safety (Privacy) and ability to do the transactions at any time (24x7) without reaching the bank (system availability). Further they expect the quick assistance of the bank for their issues when needed (responsiveness) as well as help desk support or to contact of an officer for an assistance. Therefore, this attribute of the e- banking services would influence customer satisfaction.

Further, it was found a positive moderating effect on the relationship between the level of education of customer satisfaction. This indicates that the customers with low level of education seems reluctant to use internet banking or their satisfaction is comparatively low with existing service. This should be drawn to the attention of individual bank and provide a personalize service to this particular customer segment and employ more trained staff to assist with these customers.

As per the results of the preliminary analysis of this study, most of the customers (52.3%) are using more than one bank for internet banking service. These customers have the ability of comparing the services provided by different banks. Therefore, regular update for the industry developments to improve the systems quality, handling of customer inquiries at the branch level and help desk inquiries efficiently to assist the customers in need and assigning more experienced and responsible staff to handle frontline customer complains can be suggestive to increase confidence among internet banking customers

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THE MEDIATING ROLE OF GRIEVANCES HANDLING ON THE RELATIONSHIP BETWEEN GRIEVANCES INCLUSIVE CULTURE AND EMPLOYEE RETENTION IN THE TEA PLANTATION SECTOR IN SRI LANKA

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Abstract

Globally the phenomenon of Employee Retention has been studied empirically. Similarly, the need to conduct a study on employee retention on the plantations sector in the Sri Lankan context has emerged. Thus, this study was carried out at the Great Western Estate, where employee retention had become one of the major issues. Through the literature review conducted, it was identified that the Grievances Handling may have a bearing on Employee Retention in the tea estates. Thus, the main objective of this study was to find out the role of Grievances Handling on Grievances Inclusive Culture and Employee Retention.

This study used the deductive approach and quantitative method. The population of this study was the employees at Great Western Estate. The survey data was analyzed using SPSS to analyze the mediation effect and the findings concluded that the Grievances Handling has showed partial mediation towards the relationship between Grievance Inclusive Culture and Employee Retention. Thus, it can be recommended that the Grievance Inclusive Culture can be influenced with Grievances Handling to improve Employee Retention. This would enable the estates to function in a more effective manner in the Sri Lankan plantation context.

Key Words: Employee Retention, Grievance Inclusive Culture, Grievances Handling, Plantations Sector

Introduction

The concept of Employee Retention is known as a commercial exertion to retain its present employees by satisfying a supportive working environment as per Nazia and Begum (2013). The critical issue most organizations face today is the inability to keep employees within an organization for a longer period. This is because as studies also show, that making existing employee stay costs less than hiring new employees (Singh, 2019). One of the major purposes of retaining employees is to evade turnover cost. Turnover is a great problem and that is the reason that a lot of effort is put for the retention of employees where voluntarily resignation from jobs has become a potential retention issue.

If the employees sense any disappointment, they will change over to the enhanced chance. Mohanasundaram and Saranya (2013) declare that there cannot be a single organization which could have 100% satisfied employees without any grievances. Issues of grievance are normally associated with dissatisfaction among employees which relate to working procedure, working facilities (Bean, 1994). Grievance is very difficult to define because it is an intangible, unseen and unobserved to say that any real or imaginary feeling of dissatisfaction and injustice which an employee has about his employment relationship (Opatha, 2012). However, if employees are dissatisfied with their jobs, problems arise ahead thus it is identified in literature that the primary value of having grievance procedure is that it can assist in minimizing discontent and dissatisfaction that may have adverse effects upon employee commitment and productivity (Lawrence & Dwayne, 2007). Thus, the grievance handling has its unique significance for good labour relations, worker motivation and worker productivity (Opatha & Ismail, 2001).

Contemporary research on the inclusion of the needs of the employees who represent poverty line in developing countries by facilitation of poor employees' grievances is still in its early stages as per Fujimoto, and Jasim Uddin (2020). Work environments are being challenged and enriched by the diversity of their workforces, especially for the workers who represent minorities in the modern society. Researchers are also increasingly focusing on the concept on inclusion to enhance work environments in terms of offering support employees with their diverse needs and wants as per Shore, Cleveland, and Sanchez (2018). In terms of the plantation sector in the Sri Lankan context, it is apparent in the high poverty rates and the prevalence of malnutrition among the estate population since the welfare as well as the grievances stemming from that cause of the plantation sector, as a minority sector, being neglected since colonial times as per Thibbotuwawa, Jayawardena and Arunatilake (2019). According to Mor Barak (2000) the concept of having an inclusivity refers to a working environment for the employees which is not only accepting and using the diversity of its own work force, but also is active in the community, participates in state and federal programs to include working poor people, and collaborates across cultural and national boundaries. A study done by Chandrabose (2015) indicates that the estate employees are the community in the country who receive a very low income which is also evident by the frequent hikes conducted by tea pluckers and it was further stated that the fixed daily wage and the allowances are the major income components of the plantation workers which are at the minimum levels with increasing number of grievances among the employees in terms of the estate work culture. Given this phenomenon, in developing countries like Sri Lanka, with poor minority workers in the estate sector, there is a dire need to explore the phenomenon of the impact of Grievance Inclusive Culture on Employee Retention with particular focus on the role of Grievance Handling in the tea plantation sector.

Research Problem

The plantation sector is considered as highly labour-intensive and it requires a regular supply of labour throughout the year (Chandrabose, 2015) which places a very high importance on Employee Retention concept inevitably. In the Great Western Estate at

Talawakelle plantation, unfortunately over the years employee headcount has dropped down, creating a problem in retention of estate workers. According to the records of the estate their annual production is 615,000kg. Talawakelle Region is specialized in Black tea with orthodox methods of farming. Nevertheless, this selective hand plucking requires a great deal of toil. Plucking of tea leaves is an important bodily process and is a specialized job done by the female workforce. According to the annual reports Talawakelle plantation, in the year 2014 there were 841 workers worked in the tea garden, unfortunately in the year 2020 it has dropped to 579 initiating the need to find the root cause of the forecasted deterioration on level of Employee Retention at the Great Western Estate.

A study done by Chandrabose (2015) indicates that the Estate workers are the community in the country who receive low income and it can be emphasized that the grievances of Sri Lankan estate workers is reflected through the protests due to higher workloads and wage cuts. According to the Living Wages Report (2021) as cited in Institute of Policy Studies Sri Lanka (2022) the Pay and wages for tea estate workers are depended on the plantation workers wage collective agreement between employers' federation of Ceylon, the Ceylon worker's congress, the Lanka Jathika Estate Workers Union, and Joint Plantations Trade Union Centre in Colombo. When referring to the below Table 1, it indicates the changing payments of estate workers from 2013 to 2021 which also depicts the increase in the basic wage which has led towards the grievances in terms of the pay and wages as it appears to remain at a very low scale.

Table: 1 Collectively bargained wage for tea plantation workers from 2013 to 2021

	2013-2016	2016-2018	2019-2021
Basic wage	450	500	700
Price Share Supplement	30	30	50
Attendance incentive	140	60	0
Productivity Incentive	0	140	0
Over Kilo rate (Per kg)	20	25	40
Total	640	755	790

Source: Living Wages Report (2021) as cited in Institute of Policy Studies Sri Lanka (2022)

There were studies done on the impact of Human Resource Management practices on Employee Retention in the Sri Lankan tea plantation sector but not in terms of the concept of Grievances Handling (Wickremasinghe, 2008). Thus, there is a dearth of academic research done in the Sri Lankan context regarding the phenomenon of Employee Retention in terms of exploring the effects of Grievances Handling concept. Therefore, this study was carried out at the Great Western Estate which belongs to the high grown tea estate of Talawakelle Region, which is the largest within the Dimbula region.

This research was carried out to get a clear insight on the Employee Retention at the Great Western Estate which will give a clear contribution to the knowledge base especially in terms of the estate sector related salient human resource management issues. As this research

was done selecting a population covering estate workers, this study would give a clear beginning to understand the nature of the Sri Lankan tea plantation context in terms of the Grievances Handling, Grievances Inclusive Culture and Employee Retention. Thus, this study tries to find out whether there is a role of Grievances Handling towards the relationship between Grievances Inclusive Culture and Employee Retention of estate workers of the Great Western Estate at Talawakelle plantation.

Research Objective

The main objective of this study is to find out the role of Grievance Handling on the relationship between Grievances Inclusive Culture and Employee Retention of estate workers of the Great Western Estate at Talawakelle plantation, which will enable the plantations sector to make good policies and practices in the long term as managerial implications.

Literature Review

Employee Retention

Employee retention is known as the ability to keep employees within an organization for a longer period. Retention of talented workers is of most importance for every organization because keeping the greatest individuals nearby to the organization's core capabilities is salient for competitive advantages. The major purpose of retaining employees is to evade turnover cost. Turnover is a great problem and that is the reason that a lot of effort is put for the retention of employees. Drucker (2012) explained that employees voluntarily quit their job is a potential retention issue. According to Allen et al. (2010) the critical issue organizations facing today is to retain their workers. Research have also identified that retention is driven by few key components, which could be accomplished consistently: organizational culture, communication, strategy, pay and benefits, flexible work schedule and career development systems (Logan, 2000). Retention of employees is treasured for both employees and organization. If the employees sense any disappointment, they will change over to the enhanced chance. Studies also show that making existing employee stay costs less than hiring new employees (Sinha & Sinha, 2012). Therefore, it is important task of every employer is to retain their respected and brilliant employees otherwise they might leave with no good employee to the respective task. Nazia and Begum (2013), defines employee retention as a commercial exertion to retain its present staff by satisfying a supportive working environment. Further, Mohanasundaram and Saranya (2013) declare that there cannot be a single organization which could have 100% satisfied employees without any grievances. Success or otherwise of an organization in retaining its employee's is measured in terms of Employee Retention Rate or through assessment of the Employee Turnover Rate. Bean (1994) deals with the dissatisfaction of employees and their issues of grievance which are connected to working technique and working amenities. When an employee decides to leave an organization, it can be ascribed such as a failure to be given a promotion or pay upsurge (Bratton et al., 2001). As per Abeysekera (2007) in a study evaluated that the HR practices such as job analysis, work life balance and career opportunities, supervisor support and compensation and their impact on employees as intentions to leave, which resulted that compensation and job analysis have positive impact on employee turnover. Holtom et al. (2008) discussed in this study that the

factors that makes the employee for staying and leaving were different. Employee retention is a widely researched phenomenon and retention of employees is valuable equally for employees as well as for organization and if employees feel dissatisfied, they might move to the better employment opportunity.

Grievance Inclusive Culture

Opatha (2012) claims grievance as a word that involves worker discontent or dissatisfaction, which having the following: Grievances may be real based on actual injustice or imagined based on assumption injustice, which has not occurred from the perception of Management, it may be expressed distinctly or not, it may be formal (written) or informal (verbal), it may arise out of something relating to employment / organization/work/job, it may be individual or group. Further he divides grievances under five headings, such as causes relating to job, causes relating to working condition, causes relating to personnel management decisions such as policies, procedures and practices, causes relating to alleged violations and causes relating to inappropriate personal behaviour. It is further supported by the International Labour Organization (ILO) as cited in Van Daele, (2008). where it classifies a grievance as a complaint of one or more workers with respect to wages and allowances, conditions of work and interpretations of service stipulations, covering such areas as overtime, leave, transfer, promotion, seniority, job assignment and termination of service.

Grievances in terms of Pay and Wages

Researchers show that retention is the one of the most significant variables determining is monetary compensation. Within an economic exchange relationship, employees expect to receive financial outcomes, while in a social exchange relationship they also desire nonfinancial outcomes such as material benefits, support, and recognition (Shore at al., 2006). Employee welfare includes anything that is done for the comfort and improvement of employees and is provided over and above the wages. As per Choudhry and Lister (1997) welfare helps to keep the confidence and inspiration of the employees high to retain the employees for longer duration. Welfare does not only have a monetary value but some other form of norms. But still and importance is given for the monetary value of pay and wages. According to the reports of Ministry of Plantation Industries (2017) it is stated that the labor welfare involves all those actions of employer which are focused towards providing the employees with convinced facilities and services in addition to wages or salaries.

Grievances in terms of Working Conditions

Rizwan and Mukhtar (2014) explain that the work environment is known as a place where the employee performs his /her daily routine works or activity. Working environment has both positive and negative impact employee retention. Where the satisfied workplace culture creates a positive impact whereas the unpleasant workplace culture creates a negative impact. If the environment is comfortable then workers will be able to perform well. The performance of an employee is directly proportional to the workplace environmental practices which represents its organizational culture. Ramlall (2003) emphasis that the organization need to provide a suitable working culture for their workers in order encourage commitment in the work that they perform.

The case study of Van der Wal, De Graaf, and Lasthuizen (2008) points out the sustainability of the tea sector where he emphasizes the cause of the grievances in such a way that the use of pesticides by workers is another significant occupational health and safety issue. Workers in many locations are reported to apply pesticides without the use of masks, gloves, or other safety equipment, despite the use of banned and harmful pesticides. Headaches, nausea, and respiratory problems amongst workers have been linked to pesticide use. Tea plucking is hard work and workers often must protect themselves from work related injuries or diseases at their own expense such as stings by bees and wasps. Even Opatha (2012) states that Employee should be healthy mentally & physically to obtain the proposed target or achieve the goal. The unhealthy employee always gives a less productivity. Organizational cultures which promote unsafe or inconsiderate working conditions that put employees at risk in any way could also create dissatisfaction and grievances as well.

Research on inclusive workplaces which facilitates poor employees grievances is still in its early stages, particularly concerning the inclusion of the poor in the developing countries as per Fujimoto, and Jasim Uddin (2020). In this case it is the minority estate workers who are being perceived to be penalized with a workplace culture which includes a large number of increasing concerns as grievances.

Grievances in terms of Supervisory Style

A recognition from superiors, group members, colleagues is developing the loyalty of the organization (Bratton et al., 2001). Employees are bonded to work when their work is recognized and appreciated by the employer. Price (2001) observes that the employees are not leaving the organization but the supervisor, which given an impact that supervisory style or leadership plays a crucial role in employee retention. A lack of guidance from their supervisors may also affect employees' performances. Some employees may have issues with their peers at work which could range from differences in opinions, to workplace bullying or a feeling of being ostracized. All these factors can contribute to low morale which can cause the aggrieved to feel helpless and depressed. According to Taylor (2004), organizations cannot afford to go away the responsibility for keeping talented employees within the organization. Concern and responsibility for retaining talent need to move bent the front lines and into the hands of the supervisor. Moreover, he pointed out the link between supervisors and their subordinates. Here they argued supervisors who treated for the subordinates in friendlier manner, would be able to obtain more favorable treating with them Leaders/supervisors are in the position to structure a climate of retention, a culture that speaks to employees during a way that inspires them to retain in the same organization, where it could avoid turnover. Moreover, Tepper and Taylor (2003) noted when the supervisor perception on subordinates was fair and they received positive feedback from the subordinates including the help on complex assignments, more extra role on behaviors presented by supervisor, showing respect, and support on skill building and so on. Therefore, supervisor plays a significant role in retention on staff.

Grievance Handling

An effective way of handling grievances is important for any organization. It is also imperative that they should have established & known the grievance methods of processing

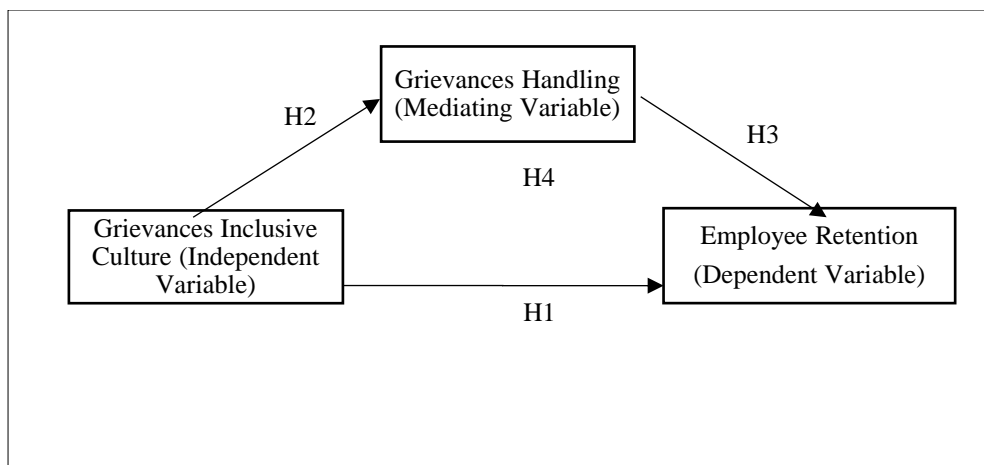
grievance. It's important to own an honest grievance handling procedure as this creates an environment of trust and take care of employees. Steps in an exceedingly grievance procedure may vary from company to company, however it will be not fair to say only one step or best step to be followed. The organization supported their organizational/ higher cognitive process structure or size of the firm or plant decides the steps in its grievance procedure.

Grievance handling has its unique significance for good labour relations, worker motivation and worker productivity (Opatha & Ismail, 2001) Styles in handling employee's conflicts may give an impact in industrial relation culture (Holt & Devore, 2005). Rahim (1983) established five styles of grievance handling, namely integrating, obliging, compromising, dominating, and avoiding. A grievance procedure provides a hierarchical structure for presenting and settling workplace disputes. The procedure typically defines the type of grievance it covers, the stages through which the parties proceed in attempting to resolve matters, individuals responsible at each stage, the documentation required, and the time limits by which the grievance must be presented and dealt with at each stage. Every organization follows different steps which are little bit like each to resolve the grievance among their employees. A clearly defined grievance policy should exist in every organization.

Methodology

This study uses the quantitative techniques where the quantitative method was used (Sekaran, 2003). It is cross sectional study, and the population of this study was the employees at a tea estate, representing the workers of Great Western Estate of Talawakelle Plantation totaling to 550 workers. The unit of analysis was at the individual level. According to Sekaran (2003) for a population of 10,000 or more, the researcher may consider a sample size between 200 and 1000. A simple random sample of two hundred and twenty-six workers was drawn from the population using the Krejci and Morgan (1970) sampling table as reference for the sample size. The primary data was collected using a structured pre-validated and pretested (printed) self-administrative questionnaire. The analysis on demographic variables was done to get a picture of the population in this study and therefore the part A of the questionnaire consisted of the demographical background of the respondents which inquired about the respondents' Gender, Age, Educational level, and Number of Years of Service in the Estate. The part B questions were focused on the operationalization of the variables in the conceptual model through the inclusion of corresponding questions for each of the variable and their respective dimensions derived through the literature review. For an instance, the Independent Variable, "Grievances Inclusive Culture" was operationalized with three Dimensions namely, "Pay & Wages," "Working Conditions" and "Supervisory Style". The adopted measurement scales were developed based on a 5-point Likert Scale format ranging from (1) "Strongly Disagree" to (5) "Strongly Agree". The response rate was 100%. The survey data was analyzed using SPSS (Statistical Products and Service Solutions) software version 26 to analyze the direct hypotheses testing and mediation effect. In the light of the literature review, the developed conceptual framework is depicted on the below Figure:1.

Figure:1 Conceptual framework of the study



Source: Author

Based on the above conceptual framework following hypotheses were developed.

- H1:** *Grievances Inclusive Culture significantly impact on employee Retention in the tea plantation sector in Sri Lanka.*
- H2:** *Grievances Inclusive Culture significantly impact on Grievances Handling in the tea plantation sector in Sri Lanka.*
- H3:** *Grievances Handling significantly impact on Employee Retention in the tea plantation sector in Sri Lanka.*
- H4:** *Grievances Handling mediates the relationship between Grievances Inclusive Culture and Employee Retention in the tea plantation sector in Sri Lanka*

Data Analysis Results and Discussion

Sample Descriptive Analysis

Out of the 226 respondents of the sample population there were 162 female employees and 64 male employees representing 71.7% respondents as female and 28.3% respondents representing the Gender as male. It was apparent that the overall percentage of the female employees were more than the male workers in the context examined.

The demographic variable, Age, 15% of the respondents were below 30 years, 31% respondents were between 31 to 40 years while, 33% of the respondents represented the age category between 41 to 50 years. Only 21% of the respondents were above 50 years. Therefore, it was revealed that the mid age group from 31-50 represents many of the employees in the considered estate.

The Educational Level was also analyzed, and the results were revealed as 33% of the respondents had only educated up until grade 5 and 57% of the respondents had educated them

up until the G.C.E. Ordinary Level examination. Only 33% of the respondents had an education level up to the G.C.E. Advanced Level examination.

According to the findings on the Number of Years of Service in the Estate, the analysis depicted that 21% of the respondents have less than 01-year experience, and 41% of the respondents had between 1 to 5 years of experience in the estate. 17% of the respondents had work experience for between 6 to 10 years, whereas an 8% of the respondents had 11 to 20 years. Only 13% of the respondents had experience for beyond 20 years.

Validity and Reliability

The questions used for the operationalization was adopted from pre-tested and pre-validated measurement scales, using the literature survey, to ensure the validity of the adopted questions to the study variables.

In terms of the reliability, the Cronbach’s Alpha is used to test the degree of the inter-item consistency of an instrument (Sekaran, 2003). According to (Sekaran, 2003), alpha values above 0.7 are considered acceptable, and values above 0.8 are preferable or good. The results from the below Table:2 shows that many of the measurement scales had the expected degree of the inter-item consistency in terms of the Cronbach’s Alpha coefficient values for the adopted variables and the respective dimensions which were generated using the reliability analysis of the SPSS software.

Table: 2 Reliability Analysis

Dimension / Variable Name	No of Items	Cronbach’s Alpha
Pay & Wages	5	0.783
Working Conditions	4	0.713
Supervisory Style	5	0.824
Grievances Inclusive Culture	14	0.612
Employee Retention	5	0.887
Grievances Handling	5	0.940

Source: Survey data

Data Analysis

The multicollinearity was examined by calculating Variance Inflation Factor (VIF) and Tolerance Statistics of all the variables. In line with the specified standard levels all VIF values should be below 5 or all Tolerance values should be higher than 0.1 to be considered that that

there is no multicollinearity issue. As depicted in the below Table: 3 Collinearity Statistics these statistical values reflect that there is no multicollinearity issue present within the data analyzed.

Table: 3 Collinearity Statistics

Dimension Name	Collinearity Statistics	
	Tolerance	VIF
Grievances Inclusive Culture	0.998	1.002
Employee Retention	0.936	1.069
Grievances Handling	0.937	1.067

Source: Survey data

Hypothesis Testing

Multiple linear regression analysis was done to investigate the impact between the Independent Variable, Grievances Inclusive Culture, and the Dependent Variable namely, Employee Retention. The selected variables in the model should be statistically significant under the 5% significant level. Researcher has tested hypotheses according to Multiple Linear Regression Analysis to identify the impact of predictor variables on response variable. The following Table: 4 Hypothesis Testing Results depicts the acceptability of the developed hypotheses in terms of the p values of the considered variables. All hypotheses having significance p values, which concludes that all four main hypotheses developed in this study are statistically significant and accepted.

Table: 4 Hypothesis Testing Results

Predictor and Response Variables / Mediation Effect	Hypotheses	Level of Significance (P Value)	Status
Grievances Inclusive Culture and Employee Retention	H1	0.000	Accepted
Grievances Inclusive Culture and Grievances Handling	H2	0.000	Accepted
Grievances Handling Employee Retention	H3	0.000	Accepted
Mediation impact of Grievances Handling	H4	0.010	Accepted

Source: Survey data

Mediation Analysis

A Mediator Variable is a variable than explains the relationship between a Dependent Variable and Independent Variable. Mediators make interventions through its impact in

explaining the changes or alterations in the direct impact of the relationship between a Dependent Variable and Independent Variable (Baron & Kenny, 1986). In this method for mediation, there are two paths to the dependent variable. The Independent Variable (Grievances Inclusive Culture) must predict the Dependent Variable (Employee Retention), and the Independent Variable must predict the Mediator Variable (Grievances Handling). Thus, the Mediation was tested through three regressions as Independent Variable predicting the Dependent Variable, Independent Variable predicting the Mediator Variable and Independent Variable and Mediator Variable predicting the Dependent Variable as follows as per Baron and Kenny (1986) which is depicted as follows in the below mentioned equation.

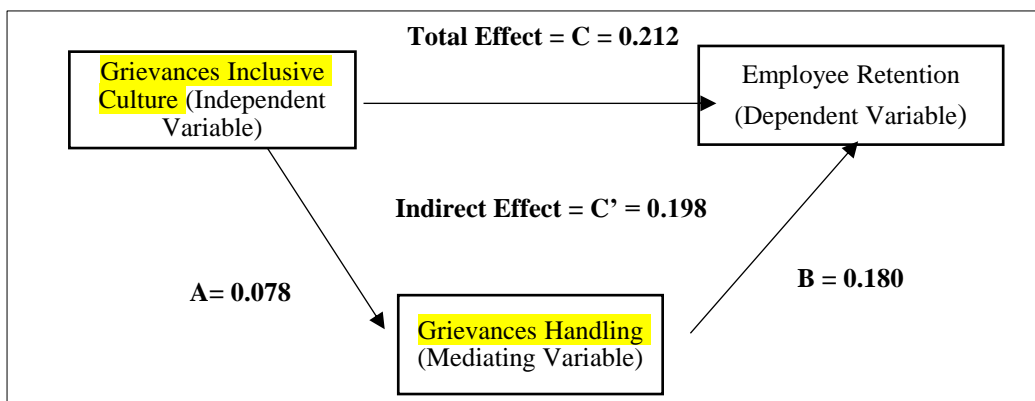
$$\text{Total Effect} = \text{Direct effect} + \text{Indirect effect} [C = C' + AB]$$

Results of the Correlations between Independent Variable, Mediator Variable and Dependent Variable

As depicted in the below Figure: 2, Total Mediating Effect, the coefficient of the total effect (C) has reduced due to the Direct Effect (c') coefficient after controlling for Mediating Variable (C=0.212, A=0.078, B=0.180, C'=0.198). The reduction of the causal effect of Independent Variable on Dependent Variable represents the amount of mediation through the Indirect Effect. As the relationship value coefficient from Independent Variable to the Dependent Variable is reduced, in this phenomenon A Partial Mediation is evident in the light of the data analysis findings. As depicted in the analysis the regression results also meet the conditions of Baron & Kenny’s mediation approach.

Therefore, the overall model shows a Partial Mediation and Grievances Handling Partially Mediates the relationship between Grievances Inclusive Culture and Employee Retention.

Figure:2 Total Mediating Effect



Source: Survey Data

Conclusion and Recommendation

The findings indicate that Employee Retention, Grievances Inclusive Culture (Pay & wages, Working Condition and Supervisory Style) and Grievances Handling exhibit acceptable psychometric properties in terms of both reliability and validity. Further in the light of the findings from the conducted data analysis, it can be confirmed that the hypothesized relationships in the research model revealed to be valid in the tested empirical context. Grievances Handling was expected to mediate the relationship among Grievances Inclusive Culture and Employee Retention, but the data analysis revealed that the mediator Variable, Grievances Handling Partially Mediated the relationship between Grievances Inclusive Culture and Employee Retention.

Hypothesis testing for the entire sample (n=226) between the “Grievances Inclusive Culture” and “Employee Retention” variables together with the “Grievances Handling” reveal a linear, and significant relationship (2-tailed) at 0.01 level. The hypothesis developed in terms of mediation (H4 a) is accepted and the null hypothesis is rejected (H4 0). The overall model shows a Partial Mediation where Grievances Handling Partially Mediates the relationship between Grievances Inclusive Culture and Employee Retention with the results obtained in the regression analysis using Baron and Kenny’s approach. Thus, the results explain the relationship between Employee Retention and Grievances Inclusive Culture where the Mediator variable, Grievances Handling make a partial intervention through its impact in explaining the changes or alterations in the direct impact of the relationship between Grievances Inclusive Culture and Employee Retention representing the workers of Great Western Estate of Talawakelle Plantation in this empirical study context.

Overall, the research on finding the role of Grievances Handling on Grievances Inclusive Culture and Employee Retention related to the workers of the Great Western Estate, should carefully take into deep consideration and the insights gained through the findings need to be considered as managerial implications which can be effectively utilized in and manage the issues on Employee Retention. It can be recommended that higher the inclusiveness of handling the employee grievances, higher the retention of workers at the Great Western Estate.

Further Research

As this research was done using a data sample covering all estate workers of Great Western estate, this study gives a clear beginning to understand the nature of the Sri Lankan context in terms of the Grievances Inclusive Culture, Grievances Handling and Employee Retention of Estate workers. There was a dearth of academic research done in the Sri Lankan context regarding the mediating effect of the Grievances Handling on the relationship between Grievances Inclusive Culture and Employee Retention of Estate workers of Great Western at Talawakelle plantation. Therefore, this research gives a clear insight for further researches and gives a clear contribution to the knowledge base on this subject of study to conduct further research on the estate sector related managerial issues. Also, this study can further be researched in a larger context, considering the different geographical locations, or maybe taking the entire country with more qualitative approach with conducting interviews in depth to explore more on the phenomenon considered by adopting a mixed method in data collection and interpretation. Future studies may also concentrate on various industries and compare the

results, which would help to further validate with the findings of this study through a general sample of participants in a different empirical context.

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